

SUSTAINABLE DEVELOPMENT REPORT 2023

GrupoMéxico

Index

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01 Introducción

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03 Valor Compartido

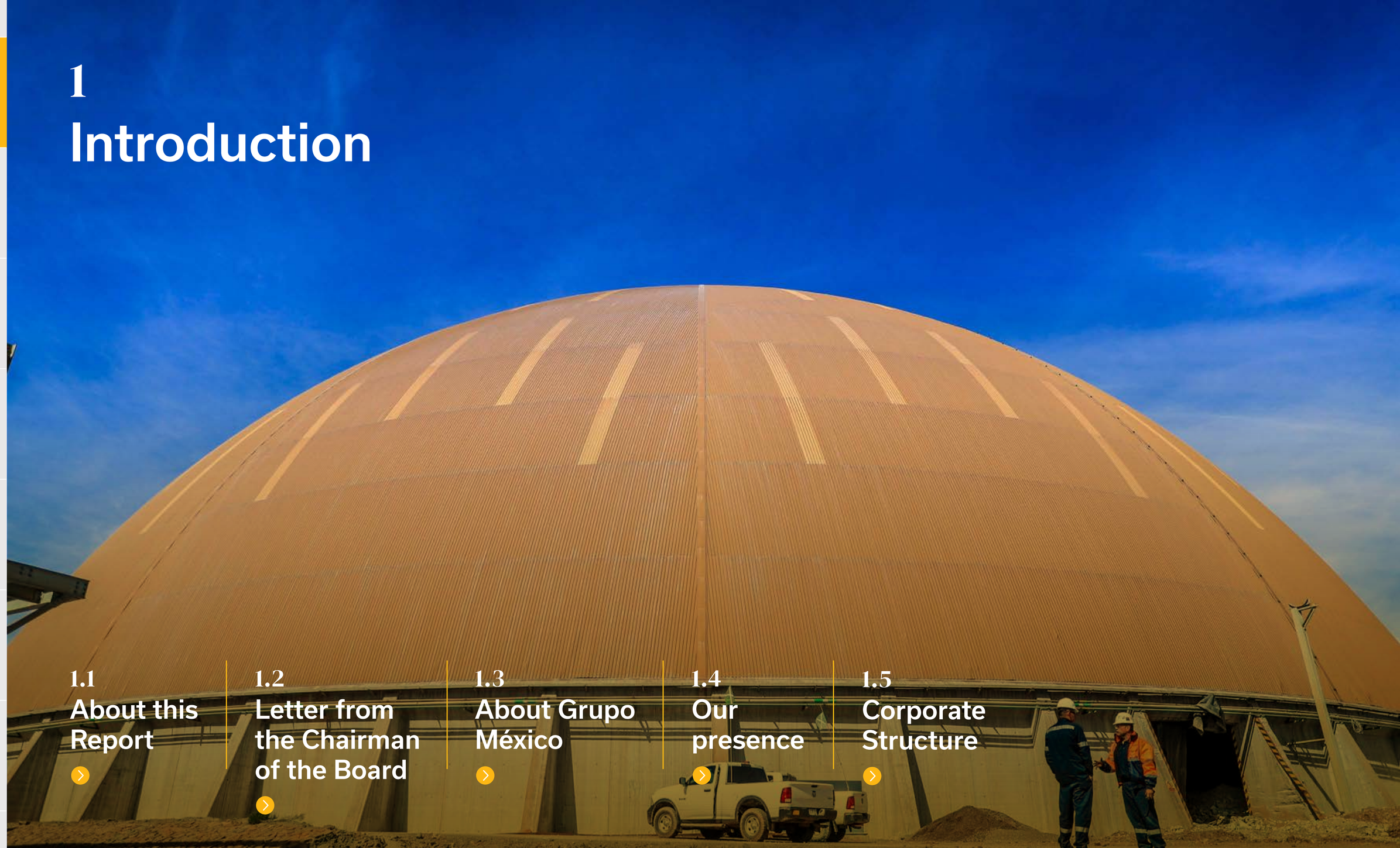
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1 Introduction



1.1 About this Report

1.2 Letter from the Chairman of the Board

1.3 About Grupo México

1.4 Our presence

1.5 Corporate Structure

1.1 About this Report

GRI 2-3, 2-4, 2-5

We present our sixteenth Sustainable Development Report, reaffirming our commitment to transparency. This report has been prepared according to the Global Reporting Initiative (GRI) Standards "Core" option, as well as the "Mining and Metals" sector supplement.

In accordance with Grupo México's definition of materiality, for each material topic we have included the general management approach for Grupo México, as well as the particulars for each of our three divisions: Mining, Transportation and Infrastructure. The structuring of the material topics is also based on IFRS S1 (International Financial Reporting Standards) "General Requirements for Disclosure of Sustainability-related Financial Information", where applicable. Additionally, this report is also aligned with the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). This report applies the principles for preparing reports in terms of defining the content and quality in reference to: Stakeholder Inclusion, Sustainability Context, Materiality, Completeness, Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness, as defined by the GRI.

The report includes the social, environmental and economic performance for the period January to December 2023 for our three divisions in the three countries where we operate: Mexico, Peru and the United States. We had also added brief notes on some of the relevant events that have occurred in 2024.

Throughout the report, mechanisms for measurement and calculation formulas are indicated, and, where applicable, restated data from the previous Sustainable Development Report.

This report has undergone independent review, according to the scope defined in the independent assurance report, prepared according to the "International Standard on Assurance Engagements, other than Audits or Reviews of Historical Financial Information" ISAE 3000 issued by the International Auditing and Assurance Standards Board (IAASB).

Grupo México is included in the following sustainability indexes:

S&P/BMV Total Mexico ESG Index

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

FTSE4Good

For more information about this report, please contact
desarrollo.sustentable@mm.gmexico.com

1.3 About Grupo México

GRI 2-1, 2-6

Introduction to Grupo México

With operations in Mexico, the United States and Peru, we have extensive experience in the mining sector, where we are a world leader in copper production. In the Transportation Division, we deliver railroad freight transportation services throughout Mexico and in the states of Texas and Florida in the United States. In our Infrastructure Division, we provide specialized engineering, construction, power generation, exploration, onshore and offshore drilling, and oil rig leasing and operation services. We also operate fuel terminals and highway concessions in Mexico.

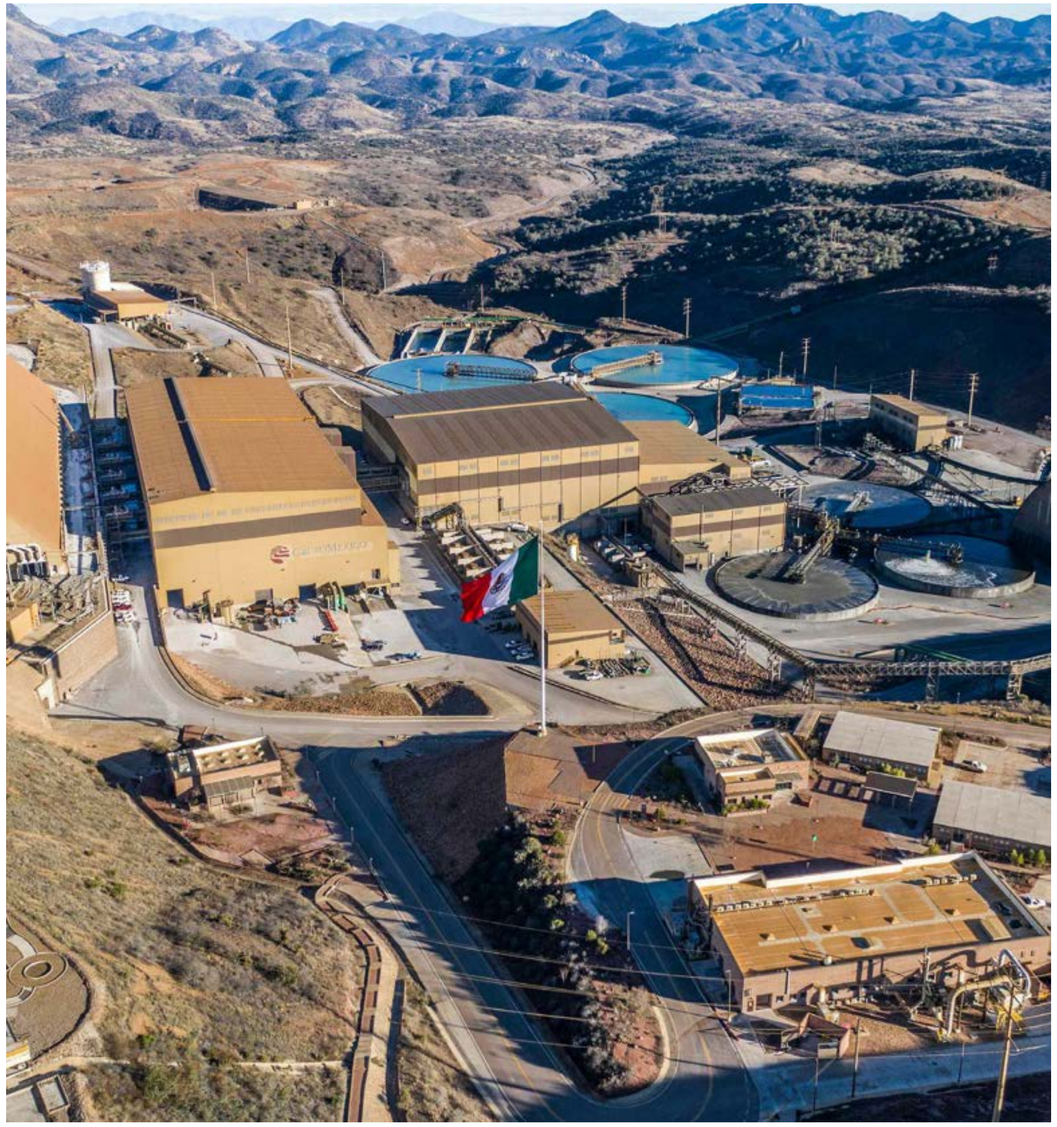
We strive to maintain a financial balance that makes us a sustainable and reliable company for our partners, generating shared value for our stakeholders.

Grupo México (GMEXICO) has been trading on the Mexican Stock Exchange since 1966, and our Transportation Division (GMXT) since 2017. Our Mining Division subsidiary, Southern Copper Corporation (SCCO) trades on the New York Stock Exchange and the Lima Stock Exchange.

All the information on the corporate structure and the subsidiaries that make up our company is available in the Annual Report on our website gmexico.com.

Grupo México is the fourth largest company in Mexico in terms of market capitalization.

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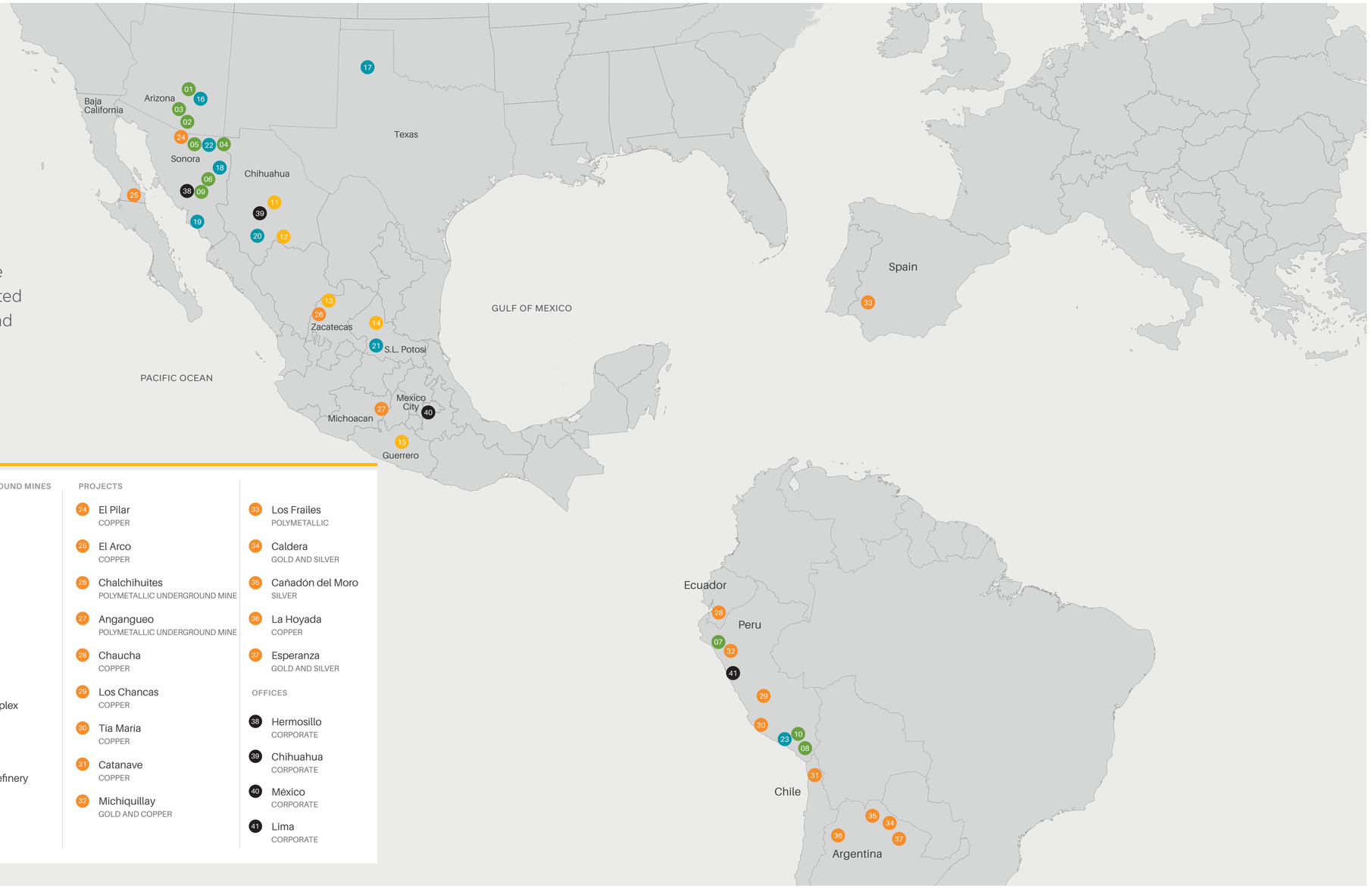


Buenavista del Cobre mine, Cananea, Sonora, Mexico.

1.4 Our presence

GRI 2-2

The assets of the three divisions are distributed in Mexico, Peru, the United States, Argentina, Chile, Ecuador and Spain, as follows:



Mining

OPEN PIT MINES

- 01 Ray
- 02 Mission
- 03 Silver Bell — MINE AND PLANT
- 04 Lime Plant
- 05 Buenavista de Cobre
- 06 La Caridad
- 07 Tantahuatay — GOLD MINE
- 08 Cuajone — COPPER MINE
- 09 Pilares — COPPER
- 10 Toquepala — COPPER MINE

POLYMETALLIC UNDERGROUND MINES

- 11 Santa Eulalia
- 12 Santa Bárbara
- 13 San Martín
- 14 Charcas
- 15 Taxco

PLANTS

- 16 Hayden
- 17 Amarillo
- 18 Metallurgical Complex
- 19 Guaymas Terminal
- 20 Central Workshop
- 21 Electrolytic Zinc Refinery
- 22 Buenavista Zinc
- 23 Ilo

PROJECTS

- 24 El Pilar — COPPER
- 25 El Arco — COPPER
- 26 Chalchihuites — POLYMETALLIC UNDERGROUND MINE
- 27 Angangueo — POLYMETALLIC UNDERGROUND MINE
- 28 Chaucha — COPPER
- 29 Los Chancas — COPPER
- 30 Tía María — COPPER
- 31 Catanave — COPPER
- 32 Michiquillay — GOLD AND COPPER
- 33 Los Frailes — POLYMETALLIC
- 34 Caldera — GOLD AND SILVER
- 35 Cañadón del Moro — SILVER
- 36 La Hoyada — COPPER
- 37 Esperanza — GOLD AND SILVER

OFFICES

- 38 Hermosillo — CORPORATE
- 39 Chihuahua — CORPORATE
- 40 México — CORPORATE
- 41 Lima — CORPORATE

GMXT Network

- GMXT
- Rights of way
- Connections



Infrastructure



- Energy
- Highways
- Oil and gas
- Engineering
- Fuel storage terminal
- Construction
- Real estate

1.5 Corporate structure

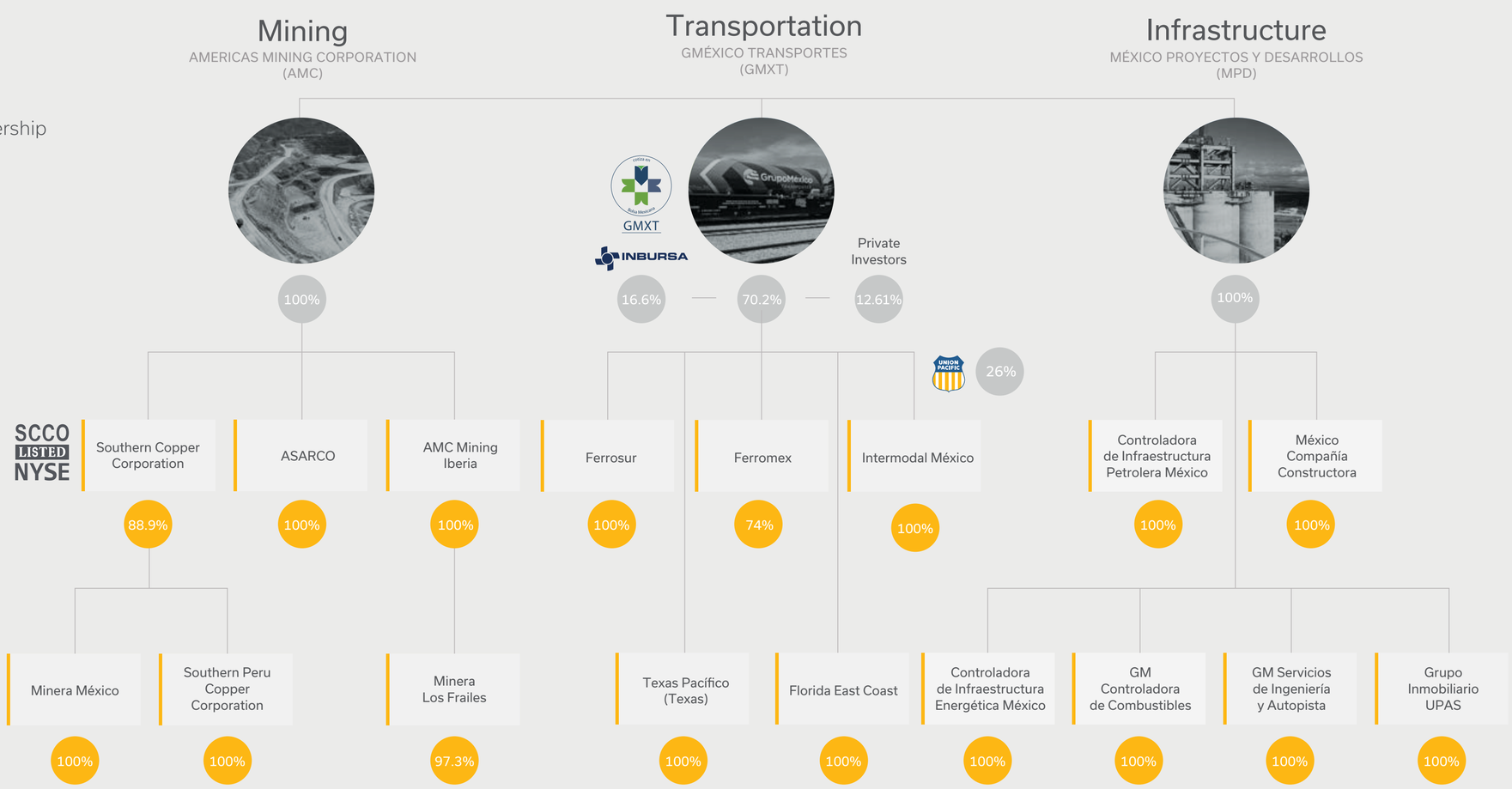
GRI 2-2

The percentage of Company ownership in each subsidiary is noted.

GrupoMéxico

G MEXICOB

Grupo México has been trading since 1966.





Mining Division

17,264
Number of employees 2023

Operations:
- 15 underground and open pit mines
- 52 smelters, refineries and other plants
- 1 exploration project
- Mexico, Peru, USA

US$10.861 BN
Net Sales



Transportation Division

11,029
Number of employees 2023

Operations:
- 6,846 mile (11,017 km) rail network
- Fleet of 880 locomotives and 36,207 railcars
- 8 port terminals
- 5 crossings on the Mexico-USA border

US$3.113 BN
Net Sales



Infrastructure Division

2,900
Number of employees 2023

Operations:
- 2 modular rigs
- 4 jack-up rigs
- La Caridad combined cycle power plants (500 MW)
- El Retiro wind farm (74 MW)
- High-specification highways (construction, operation and maintenance)
- 1 transfer terminal
- 27 Power Center malls

US$393 M
Net Sales

The divisions of Grupo México conduct transactions with affiliate entities; intercompany billing is eliminated from the consolidated financial statements for Grupo México, therefore there is a difference between the consolidated figures and those reported separately for each division.

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2 Our Approach

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2.3 Risk Management

2.4 Cross-Division Goals & Targets

2.5 Stakeholder Engagement

2.6 Investments in Sustainable Development

2.7 Contributions to the SDGs

2.8 ESG Assessments and Recognitions

2.1 Sustainable Development Strategy

GRI 2-25

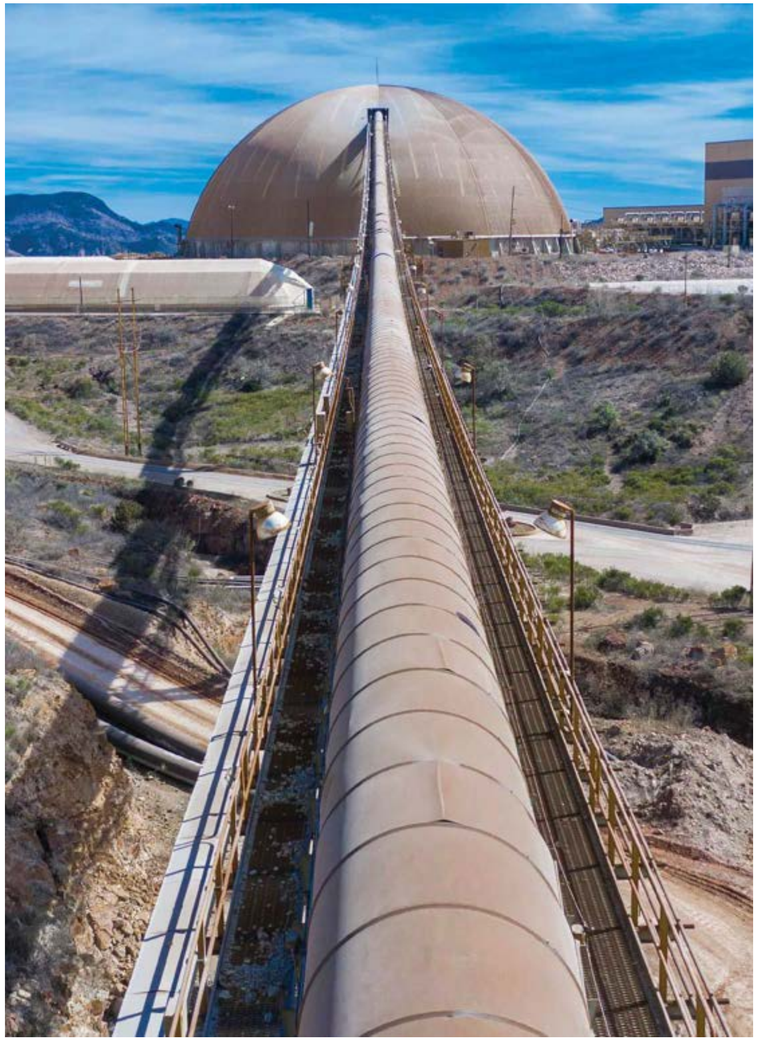
Acting in a responsible and transparent manner in social, economic and environmental aspects is essential to achieving sustainable development. At Grupo México, we're committed to the United Nations Sustainable Development Goals (SDGs), the Paris Agreement and the principles of the Global Compact. Through these and other actions, we affirm that caring for the environment, the fight against climate change and respect for human rights are at the center of our sustainability strategy.

Our mission, which defines our base purpose and reason for being, is to meet the needs of the markets in which we participate through large scale projects, without compromising the wellbeing of future generations. We're committed to improving the quality of life of individuals, the communities where we operate, and society in general. Our processes and operations use cutting edge technology and solutions to preserve and care for the environment. Honesty and respect are the basis for our social responsibility as generate maximum value for our shareholders. All this feeds our vision of being a global leader in efficiency and profitability, while caring for human development to guarantee the sustainability of our operations.

We are guided by our Code of Ethics and Business Conduct and sustainability policies that include the principles of global and sector initiatives.

Our codes and policies guide our actions in environmental, social and governance (ESG) aspects, and apply to all employees, suppliers and contractors, in the three divisions of Grupo México:

- Sustainable Development Policy
- Occupational Health and Safety Policy
- Environmental Policy
- Climate Change Policy
- Community Development Policy
- Human Rights Policy
- Policy on Respect for the Rights of Indigenous Peoples and Communities
- Policy on Diversity, Inclusion and Non-Discrimination and Zero Tolerance for Workplace or Sexual Harassment
- Code of Ethics and Business Conduct
- Anti-Corruption Policy
- Anti-Money Laundering and Anti-Terrorist Financing Policy
- Personal Data Protection Policy
- Code of Conduct for Business Partners



Conveyor belt, Buenavista del Cobre, Cananea, Sonora, Mexico.

Additionally, our Mining Division (including Southern Copper Corporation) has:

- Tailings System Policy
- Biodiversity Management Protocol
- Sustainable Water Management Protocol
- Closure of Operations Protocol
- Code of Conduct for Suppliers, Contractors and Relevant Commercial or Business Partners

Our culture of sustainable development commits us to:

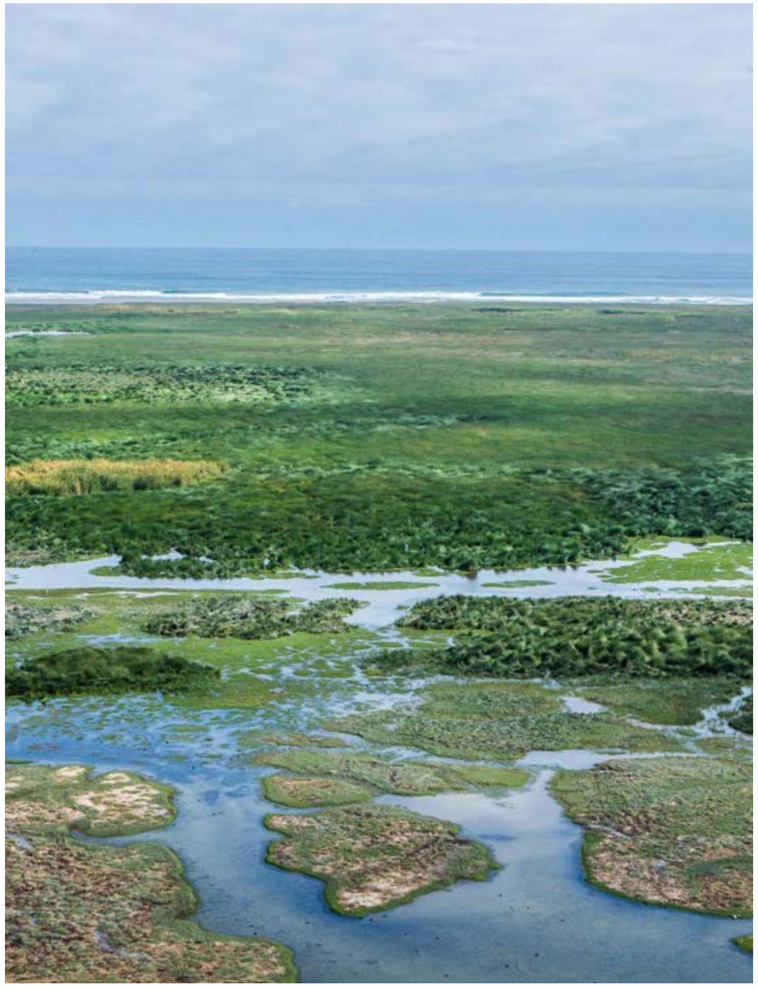
- Guarantee a safe operation, prioritizing risk management
- Provide a safe and healthy workplace environment
- Promote a culture of ethics, diversity and inclusion
- Build a culture of collaboration and respect in the communities near our operations
- Foster ongoing improvement in our environmental performance
- Operate with transparency; prevent and sanction corrupt actions



La Caridad concentrator plant, Nacozari De Garcia, Sonora, Mexico.

Our sustainability management is driven by development with purpose, which is built on three pillars: Grow, Promote and Protect.

GROW Create and share value	**We invest to generate opportunities and prosperity, making us an engine for positive change for the economies in which we operate.** • We ensure the continuity of the organization, adapting to the needs of our surroundings and the demands of responsible growth, following ESG (Environmental, Social and Governance) criteria. • We strive to engage communities in growth by promoting employment and local supply. • We develop different initiatives that support the United Nations Sustainable Development Goals (SDGs). See Shared Value – Contributions to the Sustainable Development Goals (SDGs) for more information and for our organizational changes and benefits for society and the environment, and also our direct and indirect contributions to the SDGs.
PROMOTE Foster wellbeing and safety	**We strive to be good neighbors, improving the quality of life of our people and that of the communities where we operate, supporting a more sustainable society.** • We create safe working environments for our employees, and we operate to the highest standards of occupational health and safety. • We put the dignity of the individual at the center of everything we do, and build workplace environments where respect, diversity, inclusivity and non-discrimination are the norm. • We work to contribute to the common good of our neighbor communities, promoting active listening, collaboration and dialogue. • We respect and promote the human rights of our employees and the communities in which we operate. • We are allies of communities and local governments in emergency situations. • We promote and support a more sustainable society, together with our business partners.
PROTECT Care for, preserve and renew the environment	**We believe that leaving a positive environmental footprint is the foundation of sustainable development.** • We provide products and services that accelerate the transition to inclusive, low-carbon economies. • We operate responsibly and with a preventive approach. • We have adopted national and international environmental goals. • We have ongoing improvement processes to minimize our risks and ensure efficiency and the responsible use of raw materials, energy and water. • We contribute to the protection and conservation of the biodiversity in the environments where we operate.



Flora at the Ite wetlands, Peru.



Zinc electrolyte refinery employees, San Luis Potosi, Mexico.

Our sustainability management is built on the following principles:

Transparency

We hold as a priority, transparency in our sustainability performance and management. This Sustainable Development Report is our principal and most complete exercise in transparency, as it is aligned with the GRI standards (Global Reporting Initiative), the guidelines of the SASB (Sustainability Accounting Standards Board), and the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosure).

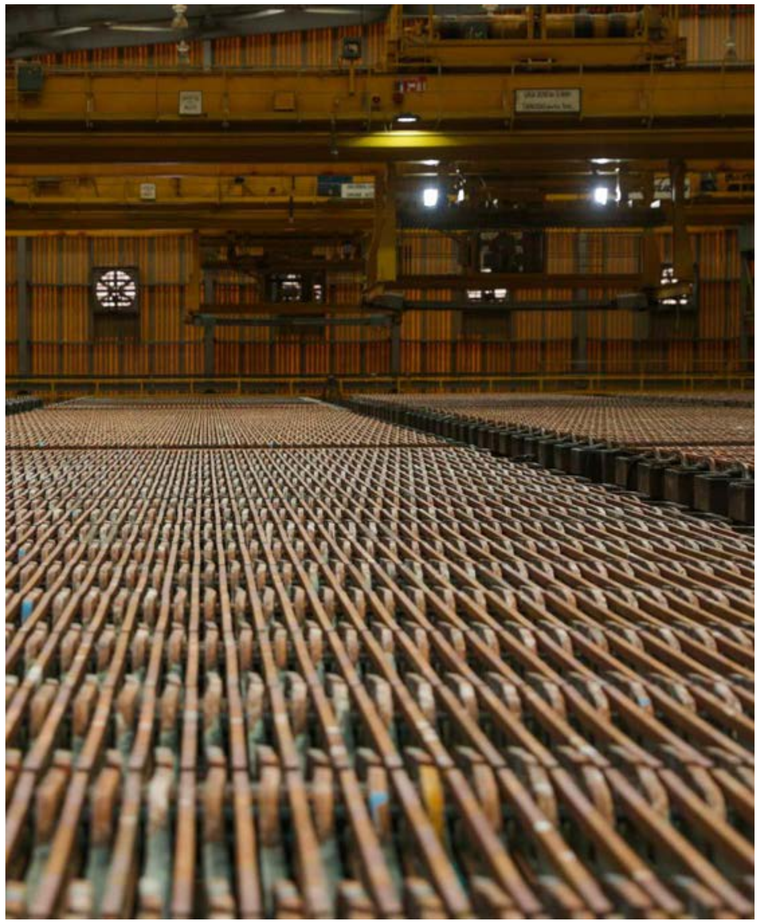
We support the Extractive Industries Transparency Initiative (EITI). For more information, see Shared Value – Economic Contributions.

Our commitment to transparency and accountability includes an annual review of our performance in sustainability and achieving our goals and targets. For more information about our 2023 progress on our goals and targets, see Corporate Sustainable Development Goals.

Prevention

We focus on preventing unwanted events and, when such events do occur, we take action to curtail their impact. In this regard, we have developed a robust management system for sustainability-related risks and implemented a critical operational risk log (for more information, see Risk Management). This mechanism supports us to prevent and address risks more efficiently and systematically, ensuring that obstacles and controls are measurable and auditable, and that there is a clear assignment of tasks for action, supervision and verification.

In workplace health and safety, we have undertaken various initiatives to ensure more detailed controls. The principal actions in this area include audits and cross audits, traffic management plans, installation of anti-collision systems and behavior-based safety systems (for more information, see Workplace Health & Safety).



La Caridad mine, Nacozari de Garcia, Sonora, Mexico.

Adopting best practices

Guided by highly respected organizations, we are continually striving to adopt best practices in sustainability, like developing our environmental management (ISO 14001) and workplace health and safety (ISO 45001) systems. We are also guided by responsible practices in the mining and metals industry, recommended by the International Council on Mining and Metals (ICMM). Additionally, we align with risk management guides (for more information, see Risk Management), best practices in biodiversity, and we have begun to formally adopt good practices in water management (for more information, see Water and Effluents). We are also working to align with the Global Industry Standard on Tailings Management (for more information, see Waste).

Americas Mining Corporation (AMC), our principal subsidiary, joined the United Nations Global Compact. With this commitment, the Mining Division affirms our interest in aligning policies, strategies and operations to the Ten Universal Principles of the Global Compact, covering human rights, labor rights, the environment and anti-corruption.

Adopting these best practices produces benefits such as increased occupational health and safety, improved environmental performance, greater efficiency and increased productivity, while also reducing our costs and giving us a competitive advantage in the industry, among other benefits.

Independent review

An independent third party verifies our sustainability reports under GRI reporting standards (for more information, see Independent Assurance Report, adding additional transparency, assurance and reliability to our management and performance. This exercise also helps us to identify areas for improvement in environmental, social and governance aspects.

All our mine operations are ISO 14001 (environmental management) and ISO 45001 (workplace health and safety) certified. Additionally, we have received The Copper Mark / The Zinc Mark / The Molybdenum Mark responsible production certification for three of our mine operations and we have started the certification process for all our mines in Peru and for Buenavista del Cobre in Sonora, Mexico. (For more information, see Certifications).

2.2

Material Topics for the Three Divisions of Grupo México

GRI 3-1, 3-2

Identifying, analyzing and prioritizing the material topics of the three divisions is a fundamental exercise that guides our sustainable development strategy. We revised our materiality analysis in 2023, aligned with the definition of the Global Reporting Initiative (GRI), which focuses on those topics that reflect the most significant economic, environmental and social impacts[1] on the company's operations.

We also consider the Sustainability Accounting Standards Board (SASB) definition of material sustainability topics as environmental, social, economic and institutional risks with potential economic effects on an organization. The materiality analysis process was revised in 2023 to reflect in the materiality matrices for our three divisions the most recent changes in the global context and in the markets where we operate. The 2023 revision followed a similar process as in 2021, where we invited inhouse and outside stakeholders to complete a survey and evaluate the importance of 18 material topics.

Our 2023 materiality analysis included the following aspects:

1. **Initial mapping[2]:** We compared the previous process and added a review of material and emerging topics with an analysis of current regulations, international frameworks and peer benchmarking.
2. **Engagement with stakeholders:** We defined our inhouse and outside stakeholders and, with other company departments, created a database to then distribute surveys and hold focus groups in our neighbor communities.
3. **Results:** We prepared the materiality matrix from the results gathered.
4. **Validation of the materiality matrix by:** 1) Department heads, and 2) Sustainable Development Committee and/or Executive Leadership.
5. **Independent review:** An independent consultant reviewed our materiality analysis. For more information, see Independent Assurance Report.

[1] The definition we apply is that provided by GRI 3 as "those topics that would represent the most significant impacts of the organization on the economy, the environment and people, including impacts on human rights".

[2] The current materiality analysis gives greater consideration to the opinions of our inhouse and outside stakeholders, and includes a detailed analysis of markets and trends in the sectors where we operate, represented by:
- S&P Global materiality maps, the Corporate Sustainability Assessment (CSA) and the Global Reporting Initiative (GRI) disclosure standards.
- Assessments by rating agencies and other initiatives, such as Sustainalytics, MSCI, ISS ESG (Institutional Shareholder Services) and RMI (Responsible Mining Index).
- International benchmarks that present and analyze relevant ESG topics, such as those of the SASB (Sustainability Accounting Standards Board) and The Copper Mark, among others.
- Comparative analysis of peer materiality matrices.
- Principles and positions of the ICMM (International Council on Mining and Metals), the UN Global Compact, and others.
- Benchmarks or initiatives on specific material topics, such as the CDP (climate change, water security, forestry), CHRB (Corporate Human Rights Benchmark), TCFD (Task Force on Climate-Related Financial Disclosures), and the EITI (Extractive Industries Transparency Initiative), among others.

The following Mining Division and Infrastructure Division stakeholders were invited to complete a survey to expand our scope:

INHOUSE	OUTSIDE
Members of the Board	Customers
Management and leadership (corporate and operational)*	Communities
Company personnel (corporate and operational) *	External organizations (industrial associations, nonprofits, experts and government institutions)*
	Investors*
	Suppliers

* New stakeholders included in the 2023 revision process.

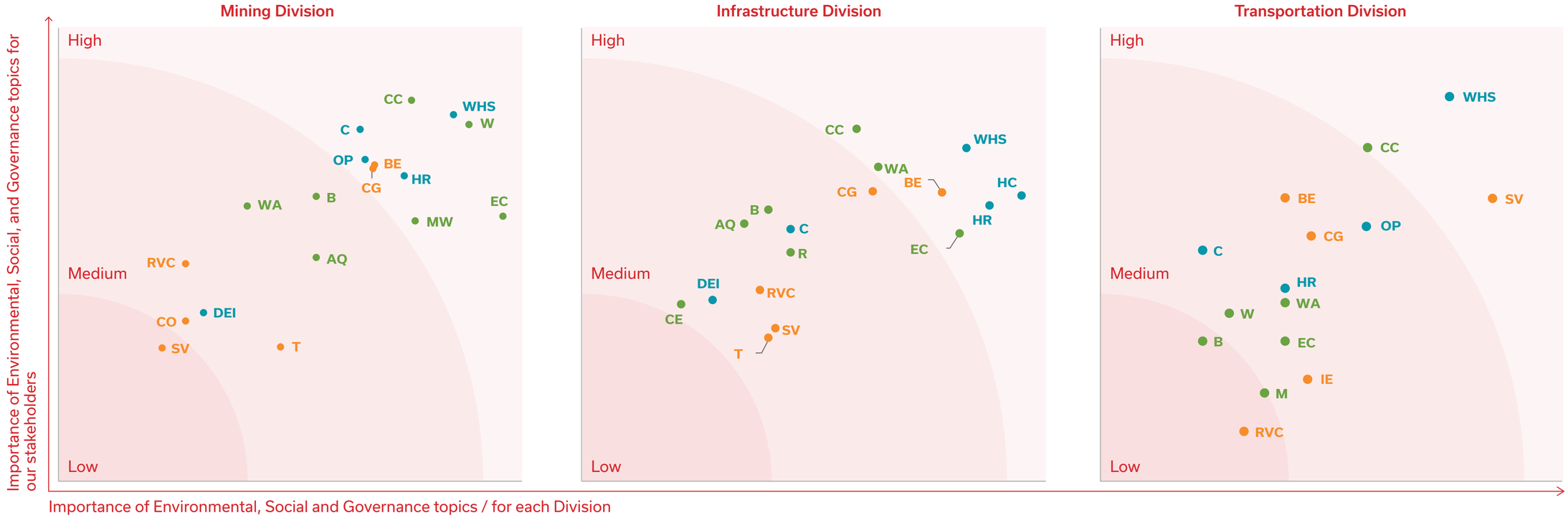
In the Transportation Division we carried out an internal study to identify material issues for the operation, in which elements such as: the materiality matrix of the SASB disclosure standards, the sector matrices published by specialized consultancies with international recognition, and the materiality analysis done by the Mining and Infrastructure divisions. Additionally, when cross-referencing data, we consider the relevant issues of our interest groups through the analysis of external media and news.

Materiality matrices for the three divisions of Grupo México

The materiality matrices for our three divisions, Mining, Transportation and Infrastructure, include common material topics and others that are specific to each sector in which we operate. The 2023 exercise identified the priority material topics for each Grupo México division and for our stakeholders. The most relevant topics in the materiality matrices for the three divisions are divided into the areas of environmental, social and governance as follows:

Environmental	Social	Governance
Water	Communities	Responsible Value Chain
Biodiversity	Human Capital	Taxes
Air Quality	Human Rights	Closure of Operations
Climate Change	Diversity and Inclusion	Business Ethics
Environmental Compliance	Our People	Corporate Governance
Materials	Workplace Health & Safety	Indirect Economic Impacts
Waste		Shared Value
Mine Waste		
Circular Economy		

Materiality matrices for the three divisions of Grupo México



Environmental	Social	Governance
W Water[3]	C Communities[7]	RVC Responsible Value Chain[10]
B Biodiversity	HC Human Capital[8]	T Taxes*
AQ Air Quality	HR Human Rights	IE Indirect Economic Impacts
CC Climate Change[4]	DEI Diversity and Inclusion*	BE Business Ethics[11]
EC Environmental Compliance	OP Our People[9]	CG Corporate Governance
M Materials	WHS Workplace Health & Safety	CO Closure of Operations
WA Waste		SV Shared Value*[12]
MW Mine Waste[5]		
CE Circular Economy[6]		

*New material topics identified during the 2023 revision.

[3] Includes subtopics: (i) Water, (ii) Effluents.
[4] Includes subtopics: (i) Emissions, (ii) Energy/Renewable energies.
[5] Material topic applicable only for the Mining Division.
[6] Material topic applicable only for the Infrastructure Division.
[7] Includes subtopics: (i) Local communities, (ii) Rights of indigenous peoples, (iii) Physical safety, (iv) Local employment.
[8] Material topic applicable only for the Infrastructure Division.
[9] Includes subtopics: (i) Labor practices, (ii) Development of human capital, (iii) Recruitment and retention.
[10] Includes subtopics: (i) Supply chain management, (ii) Responsible production.
[11] Includes subtopics: (i) Regulatory compliance, (ii) Anti-corruption and anti-bribery, (iii) Anti-trust, and (iv) Political influence.

Priority material topics for Grupo México in 2023

The 2023 analysis found a significant increase in the relevance of certain material topics, mainly as a reflection of the growing interest expressed by both the industry and our stakeholders. For the Mining Division, the material topics that experienced the greatest change and increase in importance include Environmental Compliance, Local Communities and Water. Meanwhile, the Infrastructure Division observed a significant change in Business Ethics and Corporate Governance. Lastly, there were notable changes in the Transportation Division concerning the Shared Value, Human Rights, and Business Ethics topics.

The results identified the following topics as cross-cutting priority topics across our three divisions:

Topic	Potential impacts	SDG*	# Targets	Additional information / section
Workplace Health & Safety	The wellbeing of our workforce is one of our top priorities and we acknowledge that our worksites and offices may potentially expose our people to health and safety risks.		19	5.1 Workplace Health & Safety
Climate Change	Climate change is a cross-cutting issue that influences various aspects of our corporate strategy, from our operations to our value chain and into our communities. We're aware that climate change may be the cause of extreme weather events, affect the availability of natural resources, and require adapting and mitigating climate-related risks.		17	6.1 Climate Change
Local Communities	Fostering responsible co-existence with our local communities is fundamental to our operations. This approach not only drives economic and human development in the region, it also means creating infrastructure and jobs, and implementing emblematic programs in benefit of these communities.		8	5.5 Local Communities
Environmental Compliance	Without procedures and systems that comply with the environmental regulations in the places where we operate, we would be at risk of causing serious environmental damage. Non-compliance with environmental laws, regulations and permits would mean losing our permits and rights to operate, and also significant fines.		1	6. The Environment

*See our SDG corporate goals in the section Contributions to the Sustainable Development Goals.

We have adopted a corporate management approach to mitigate the risks and potential impacts associated with these material topics, unifying our vision, commitments and goals through corporate policies applicable across all Grupo México divisions and subsidiaries, resulting in specific procedures for our different activities.

The results of our materiality analysis inform our environmental, social and governance (ESG) risk management systems and help us to design strategies to close gaps in priority aspects. This analysis also provides elements to set our corporate goals and targets aimed at mitigating risks and promoting the ongoing improvement of our performance. The section Corporate Sustainable Development Goals reports the progress and the gaps for our principal economic, environmental and social material topics.

Each chapter of this report presents the material topic from the overall perspective of Grupo México, outlining the particulars for each division. The material topics for each division are discussed in proportion to their level of materiality (high, medium, low).



Combined cycle power plant, Nacozari de Garcia, Sonora, Mexico.

2.3 Risk Management

GRI 3-3

At Grupo México, we acknowledge that risks are an inherent part of our business. We promote and maintain a comprehensive culture of corporate and operational risk awareness and are disciplined in all our activities, tasks, processes and business model, able to handle any event that could compromise achieving our strategic goals and company vision.

Our corporate risk management is built on a preventive and structured approach to manage the uncertainty associated with potential threats, creating value and protecting the organization. We strive to prevent the occurrence and consequences of unwanted events through processes and actions to identify, assess, prevent, mitigate and effectively monitor risks.

Because of our diversification in various industries, including mining, infrastructure and transportation, and with operations in Mexico, the United States and Peru, Grupo México is exposed to a wide range of physical, financial, operational, geographic, socioeconomic and political risks that could affect people, communities and the environment.

In environmental, social and governance (ESG) aspects, effective, and particularly timely, risk management is essential to guaranteeing the long-term sustainability of Grupo México and to reducing the negative impacts that our operations may have on the environment, society and the economy.

Our risk management of each ESG material topic is addressed in the corresponding sections of this report, including internal and external risks, with special attention to respecting human rights and the environment.[1]

[1] For more information, consult the list of Grupo México's principal risks in our report to the Mexican Stock Exchange or the list of specific risks for our subsidiary Southern Copper Corporation in our 10-K report.

2.3.1 Governance

GRI 2-24

Our risk management is based on a preventive, structured and sequential approach to managing the uncertainty associated with potential threats. We endeavor to prevent the occurrence and consequences of unwanted events through processes and actions to identify, assess, prevent, mitigate and effectively monitor risks. The Grupo México operational structure clearly defines the different roles and responsibilities, aligning these with our identified risks and formalized through procedures, which are regularly reviewed.

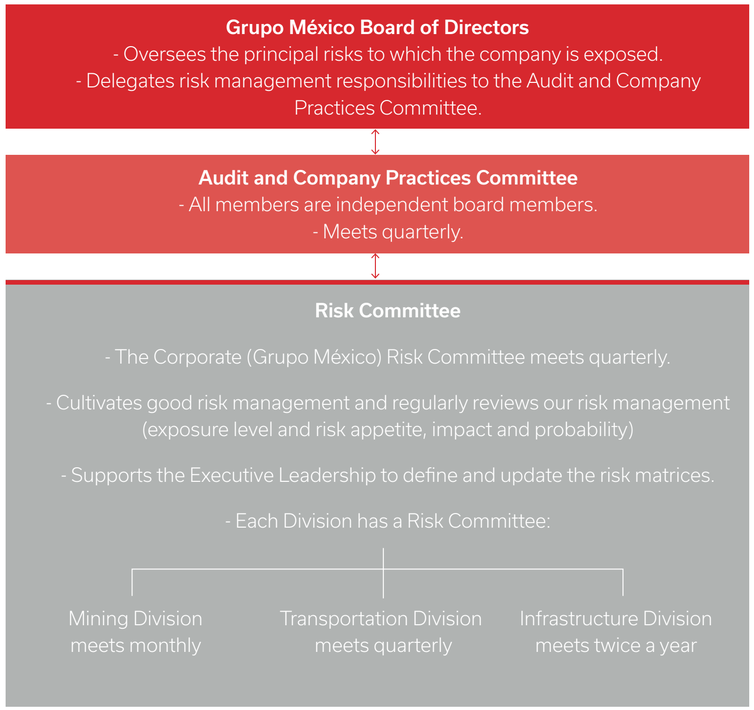
As outlined in the Grupo México Corporate Governance Manual, the Board of Directors is the highest governing body and is charged with the oversight of the principal risks to which Grupo México is exposed, as identified from information presented by the Committees and the Executive President, independent audits, and our accounting systems, controls and internal audits, conducted by the Audit and Company Practices Committee. In terms of risk management, this committee (where all members are independent board members) assists the Board of Directors by monitoring the audit internal control system and the Compliance Committee, through periodic reviews and our due diligence process in the implementation of and compliance with the ethical guidelines laid out in the Code of Ethics. For more information about the other responsibilities of the Audit and Company Practices Committee, see our Corporate Governance Manual (section 3.2.3.2).

The risk-based audit plan is presented annually to the independent board members serving on the Audit Committee, including an analysis of the principal risks for each Grupo México division, along with a report of the completed work of the risk committees of each division and the conclusions reached.

Our Risk Committee meets quarterly and its members are from the Grupo México Executive Leadership. This committee is charged with the oversight of the company's risk management. Its tasks include reporting to the Executive Leadership and the Audit and Company Practices Committee on the committee's activities, and regular assessments and analyses of our risk management, including, among others:

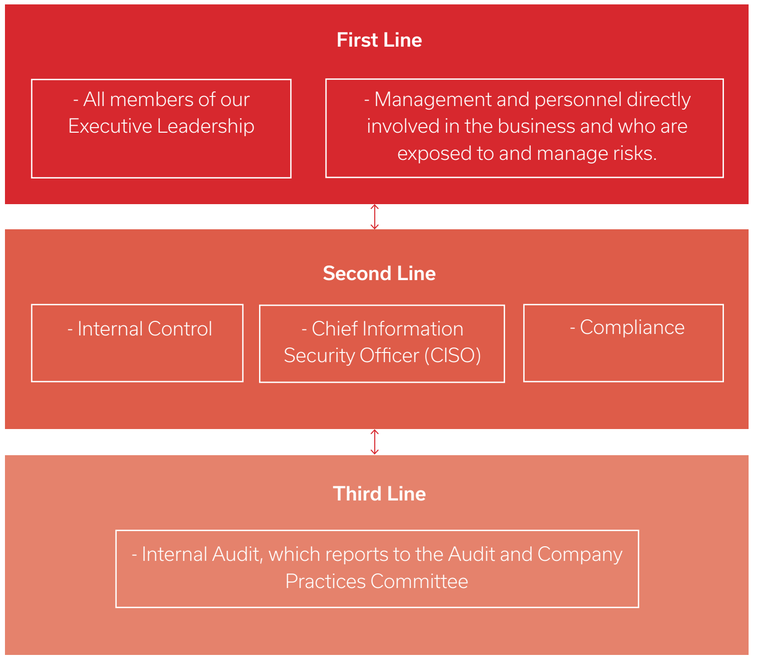
- Principal risk indicators.
- Level of risk exposure relative to the established limits (risk appetite).
- Effectiveness and efficiency of the risk control and response mechanisms.
- Risk assessment in terms of impact and probability.
- Compliance with the Risk Management and Control Policy.

Risk management governance structure



Each of our divisions has a Risk Committee, reporting directly to the Executive Leadership and the Audit Committee. These committees analyze and assess our risk management, evaluate and prioritize risks, and support our Executive Leadership to define and update the policies and procedures that govern our Comprehensive Risk Management System.

Three-line model



We follow a three-line model for effective risk management and the control required to comprehensively mitigate the company's risks, while enriching the way we communicate our risk management and monitoring. This model provides the basis for effective corporate governance through the accountability of the different governance bodies, the actions of our Executive Leadership, and the assurance provided by Internal Audit. For more information about each line, see our Corporate Governance Manual (section 10).

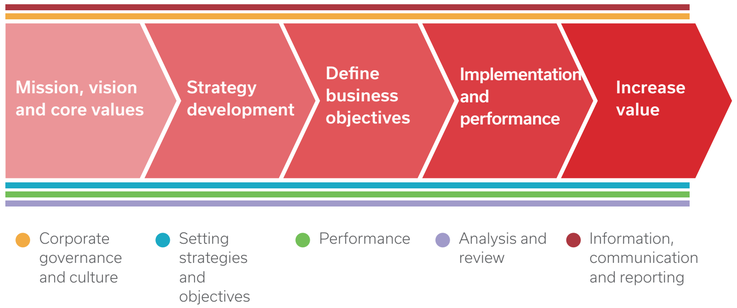
2.3.3

Risk Strategy and Management

GRI 2-24

The Grupo México risk management framework, applied across all company divisions and subsidiaries, considers the Mexican Securities Market Law and the guidance of the COSO[2] Enterprise Risk Management – Integrating with Strategy and Performance benchmark, broadly accepted risk management framework. The Enterprise Risk Management framework references culture, capabilities and practices, integrated with strategy-setting and performance, to create and preserve value through risk management.

Enterprise Risk Management Framework – COSO ERM 2017



We use our Risk Management and Control System (RMCS) to:

- Incorporate comprehensive risk management into all our processes.
- Define the methodology and criteria to identify, analyze, assess and treat risk.
- Define the necessary actions to effectively control and manage the identified risks.
- Set the methodology and criteria to monitor and review the RMCS.
- Implement and foster a culture of risk awareness throughout the company.

The Materiality Matrices we build for each Grupo México division help us to prioritize and classify risks according to the importance of their environmental and social impacts, and also their influence on the assessments and decisions of stakeholders.

In the case of our subsidiary Southern Copper Corporation (SCC), we are required to conduct an audit and review each year on the controls associated with our SEC financial reporting process, although we monitor our processes constantly throughout the year with internal and independent audits. We have been meeting this Sarbanes-Oxley obligation since 2015.

SCC offers risk management training programs designed for Local Process Owners (LPOs), who are tasked with promoting our company culture and methodology in this area. These courses have been specially designed to equip participants with the skills and knowledge they need to foster a company culture of risk control and the implementation of effective strategies. We focus on practical aspects, such as detecting risks in our processes, designing customized controls and implementation. Although these courses are intended for a specific audience within the company, they are open to other inhouse stakeholders to encourage adopting solid risk management practices throughout the organization.

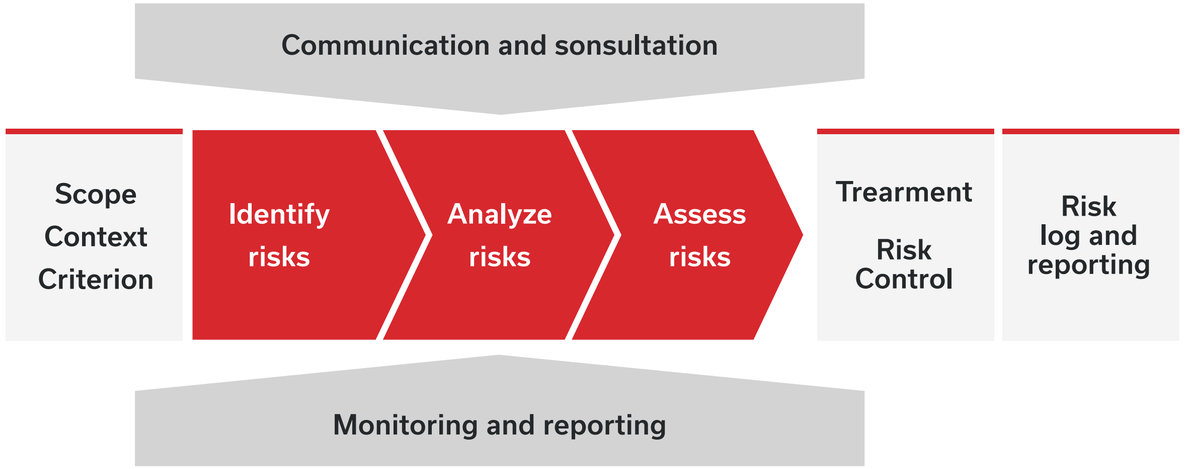
[2] The Committee of Sponsoring Organizations of the Treadway Commission (COSO) provides an internal control framework to identify and assess the risks that could affect the achievement of our business goals. Risks are prioritized by severity according to probability and appetite.

ESG Risk Management

In terms of ESG, we complement the COSO framework with the COSO ESG guide and the ISO 31000 international standard on risk management.

Our sustainability risk management aims to optimize the organization's capacity to identify, analyze and assess the environmental, social and governance risks and opportunities.

These tools also help us to select and implement controls, and maintain their effectiveness, avoiding the occurrence of the risks, and preventing or mitigating their consequences.



Effective risk management of environmental, social and governance aspects is fundamental to our business strategy and affirms our commitment to our employees, neighbor communities and the environment, while generating and preserving value in the company.

Applying best practices in identifying threats and assessing physical environmental and safety risks, we have implemented a systematized risk management process for significant unwanted events to ensure the corresponding critical controls have been implemented effectively. Our strategy in the Mining Division is built on 6 pillars:



To support the successful execution of our strategy at our mining operations in Mexico, Peru and the United States, our employee performance reviews include adherence to the Internal Control and Compliance framework set by the company, including our Code of Ethics, and the policies and procedures that include aspects of risk management.

We also use different tools to support our employees to proactively identify and report potential risks throughout the organization. For example, we systematically promote the use of safe shift cards, our Hazard Identification, Risk Assessment and Control Measures (in Spanish, IPERC), and the near miss system for risks to worker safety.

The environmental management and workplace health and safety systems at our Mining and Infrastructure divisions provide important support for the ongoing improvement of our performance and to reduce the gaps in our risk management. In fact, the physical risks are identified, assessed and managed initially through our environmental management and workplace health and safety systems, most of which are ISO 14001 and 45001 certified.

- ISO 14001 - Environmental management systems
- ISO 45001 - Workplace health and safety management systems



Pilares mine pit, Nacozari de Garcia, Sonora, Mexico.

Critical Risk Registry

The Grupo México Sustainable Development Policy commits us to guarantee a safe operation with an approach of risk prevention and management, and also to provide a safe workplace for our employees and contractors.

Our Critical Risk Registry identifies critical risks based on criteria of probability and consequences, places them on a heat map to prioritize those that could potentially have a major impact on our operations. The Log focuses on 20 groups of health and safety and environmental risks. Also, we developed a company procedure and digital tool (S Platform) to manage the detailed monitoring of the controls more effectively, establish the roles and responsibilities, times, reminders and notifications, scaling up the chain of command, and define corrective actions and their follow-up. Our S Platform measures, verifies and audits controls, identifying those that are not being implemented correctly or the thresholds that are being exceeded.

Our risk management seeks to:

- Prevent avoidable material risks
- Contain the effects within our operations
- Reduce material risks wherever possible
- Not increase the risks during emergency response

This tool helps us to build an objective assessment of the most relevant risks and to prevent these risks or mitigate the consequences of an unwanted event through the use of controls, in adherence of the best practices recommended by the ICMM.

We:

- Implement procedures, with assigned responsibilities, to ensure all actions are taken to safeguard personal safety and the environment.
- Implement an ongoing review process for our material risks, and their management, and reporting to all levels.
- Train key personnel in the identification, assessment, management and response to the material risks identified.
- Link with our emergency response plans.
- Encourage early and timely risk management at all decision-making levels.

The risks are classified into 20 types or groups.

Critical Risk Registry				
Group of environmental risks				
AA1	Release of chemical substances	✓	✓	✓
AA2	Release of acid drainage	✓	✓	✓
AA3	Contamination from fugitive dusts	✓	✓	✓
AA4	Handling mine waste	✓	✓	✓

Critical Risk Registry				
Group of workplace health and safety risks				
SST1	Improper operation of vehicles	✓	✓	
SST2	Pyrometallurgical explosions			✓
SST3	Rockfall	✓		
SST4	Fall from height	✓	✓	✓
SST5	Electrocution	✓	✓	✓
SST6	Injuries from moving parts/machinery	✓	✓	✓
SST7	Explosion of pressurized containers	✓	✓	✓
SST8	Injuries from pulls and winches	✓		
SST9	Increase of toxic gases and/or temperature	✓		
SST10	Flooding inside the mine	✓		
SST11	Sudden spread of fire	✓	✓	✓
SST12	Sliding slopes		✓	
SST13	Explosives	✓	✓	
SST14	Collapse inside the mine	✓		
SST15	Mass contagion	✓	✓	✓
SST16	Occupational disease	✓	✓	✓

In terms of human rights, our due diligence process forms part of our risk assessment processes to identify, prevent, mitigate and, as necessary, remediate potentially adverse impacts on the human rights of both our company personnel and our neighbor communities.

We apply a series of tools with a preventive approach that guarantees respect for the human rights of our company personnel (workplace climate surveys and the Reporting Line), the communities near our operations (participative diagnostics, social management plans and the Community Care Service), our suppliers and contractors (due diligence process during contracting and ongoing monitoring), and ensures adherence to the Voluntary Principles on Security and Human Rights (apply the policies and processes of the Security Department). For more information, see the section voluntary Principles on Business and Human Rights in the Human Rights chapter.

Underground mine

Open pit mine

Plant

Identification and description of risks and opportunities related to the environment and personal safety

Our activities expose us to a wide variety of material unwanted events from fires at our underground mines, the release of chemical substances that could affect ecosystems or human health, to accidents caused by a failure at a mine waste facility. Not all these risks can be associated with unforeseeable events, as in the case of occupational diseases.

This report includes disclosures of the risks associated with sustainability, aligned with the Sustainability Accounting Standards Board (SASB) reporting standards, which consider those ESG material topics with a potential to impact the company finances, our operational continuity, and the value of our assets. In this regard, we consider the aspects established in the SASB standards for mining, transportation, energy and construction, addressing the material topics and indicators according to our preventive approach to risks and their impact on the finances and sustainability of the company over time. For more information, see Annexes - SASB Indicators).

Additionally, the principal risks and their management are discussed for the different material topics in the corresponding sections of this report.

We make efforts to take advantage of opportunities to increase the expectations associated with our prevention and mitigation controls for our identified risks, with emphasis on prevention, focusing on the critical controls and ensuring the participation of the highest levels of the organization.

In this way, we are constantly reviewing the performance and effectiveness of our critical controls and verifying their different elements to ensure the critical controls are working as planned, assigning the responsibilities for their implementation, and defining additional reporting and monitoring mechanisms through our Critical Risk Registry procedure.

2.3.4

Goals and Targets

GRI 2-24

Our 2025 targets are:

a. Enhance our sensitivity analyses and stress test son climate change and the quality and quantity of water.

b. Develop an analysis of emerging risks that includes the potential impacts and mitigation actions.

c. Consolidate our culture of risk awareness within the company.

d. Implement a Critical Risk Registry at our Infrastructure Division assets with the most exposure.

e. Develop and systematically maintain a risk management training program management for the members of the Grupo México and SCC Boards.

2.4 Cross-Division Goals & Targets

TCFD MYO-C

Legend for the progress report: ✓ The goal has been met. | ↗ In progress | → The goal has not been met.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
1	**Occupational Health & Safety**							
1.1	Zero major or fatal accidents.	# major or fatal accidents incurred by employees and/or contractors	MIN DIV: 2020 TRA DIV: 2022 INF DIV: 2022	Annual	MIN DIV: 0 TRA DIV: 3 INF DIV: 0	MIN DIV: → TRA DIV: → INF DIV: ✓	MIN DIV: 0% TRA DIV: 0% INF DIV: 100%	MIN DIV: Regrettably, there were 3 fatal accidents involving company personnel and one involving a contractor in 2023. TRA DIV: The OHS team will continue to promote our culture of safety through campaigns and programs. INF DIV: No fatalities in 2023.
2	**Diversity and Inclusion**							
2.1	Increase the number of women in the total workforce 1-2% each year from 2022 to 2025.	7.5% of our total workforce are women	2022	2025	7.5%	↗	+1.2%	Grupo México achieved the annual target, reporting a 1.2% increase in women employees, from 7.5% of the total workforce in 2022 to 8.7% in 2023.
3	**Climate Change**		TRA DIV: 3					
3.1	Reduce BAU operational GHG emissions (Scope 1 and 2) by 15% at the Grupo México level.	tCO_2e	2018	2027	8,317,000 (BAU)	↗	-8.8%	Grupo México reduced emissions by 11%, compared with 2018, and 8.8% compared with the baseline, result of our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
3.2	Reduce operational GHG emissions (Scope 1 and 2) by 35% at the Grupo México level.	tCO_2e	2018	2035	9,521,266 (BAU)	↗	-7.7%	Grupo México reduced emissions by 11%, compared with 2018, and 7.7% compared with the baseline, result of our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
3.3	Net zero Scope 1 and 2 GHG emissions at the Grupo México level.	tCO_2e	2018	2050	In progress	↗	In progress	In progress
3.4	At least 25% electricity from renewable sources, total Grupo México consumption.	%	2022	2027	+19.8%	✓	+32.6%	32% of the electricity Grupo México consumed came from renewable sources, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates.
3.5	At least 50% electricity from renewable sources, total Grupo México consumption.	%	2022	2035	+19.8%	↗	+32.6%	32.6% of the electricity Grupo México consumed came from renewable sources, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates.
3.6	Implement a climate risk adaptation plan at all sites.	Plans implemented / total vulnerable sites	2023	2025	In progress	↗	In progress	In progress

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
	Community Development							
4.1	Allocate 2.5% of Grupo México net earnings to projects that contribute to the Sustainable Development Goals.	% investment	2021	2030	3%	✓	100%	Since 2019, we have allocated around US $547.3 million to the financing of social and philanthropic projects, which support the SDGs in the communities surrounding our operations. For 2023, we allocated US $167.5 million, which represents 5.8% of our net profits.

Mining Division

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
1	**Occupational Health & Safety**							
1.1	Zero major or fatal accidents.	# major or fatal accidents involving employees / contractors	2020	Annual	0	→	0%	Regrettably, there were 3 fatal accidents involving company personnel and one involving a contractor in 2023. Company personnel: 1 at the La Caridad mine (Mexico), 1 at Toquepala (Peru) and 1 at Ilo (Peru). Contractor: 1 at the Charcas underground mine (Mexico) For more information, see Workplace Health and Safety.
1.2	Strengthen the safety competencies of personnel doing high-risk work.	Competencies evaluated / Competencies required for high-risk work	2023	2025	58%	↗	58%	The 58% progress corresponds to completed competencies, according to the profile for persons doing high-risk work. We designed a dashboard to monitor each site and a module will be added to mass upload courses not currently reported in the SISSEI.
1.3	Maintain ISO 45001 certifications for all our operations.	Improvement actions implement and points fulfilled / improvement actions identified	2023	2030	69%	✓	100%	All our operations in Mexico, Peru and the United States are ISO 45001 certified.
1.4	Reduce lost-time work-related injuries (company personnel and contractors).	# work-related injuries	2023	2030	197	↗	197	# incidents – employees: 137 (SCC: 133, ASARCO: 4), contractors: 60 (SCC: 60, ASARCO: 0) Designing sanction and recognition procedures (AMC) Safe conduct program (started in Sonora and Peru, and will continue to expand)
1.5	Reduce work-related health issues experienced by company personnel exposed at AMC operations.	# employees with health issues this year - # employees with health issues in the baseline year / # employees with health issues in the baseline year	2022	2030	18	↗	-33 %	There were 6 fewer work-related health issues in 2023 than in 2022. In 2023, the health-related issues were: 3 pneumoconiosis and 9 hypoacusis, while in 2022, 9 pneumoconiosis and 9 hypoacusis. The 33% reduction was due to the implementation of different programs, studies and controls to reduce the exposure of company personnel to potential health risks.
1.6	Involve employees in health prevention programs at our Mining Division operations in Mexico.	Healthy personnel / total personnel registered in our Bienestar program	2022	Annual	35%	↗	40%	With health organizations, we ran campaigns at all our operations in Mexico (1,894 employees) with employees and their families to promote healthy lifestyles. SPCC is structuring an operational platform. Minera México reported a 5% increase. The target is 80% company personnel in good health.
1.7	Update all AMC Emergency Response Plans.	Emergency response plans reviewed and/or updated	2023	2024	90%	↗	90%	We revised the emergency response plans at various Minera México operations. In 2024, we plan to involve the ASARCO and SPCC subsidiaries, and in Minera México, the La Caridad emergency plan will be updated to include risks of explosives and liquified gas.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
1	**Occupational Health & Safety**							
1.8	Review compliance of contractor companies performing high risk activities with safety management systems and programs.	# aspects fulfilled / total aspects required	2023	2026	68%	↗	68%	70 companies performing high risk work were added to the safety program and management system at Minera México operations, receiving ongoing monitoring. We plan to expand in 2024 to include ASARCO and SPCC contractors.
1.9	AMC safety and hygiene personnel certified in Comprehensive Safety and Risk Prevention.	Total certified safety personnel / Total safety personnel	2023	2030	66%	↗	66%	28 Industrial Hygiene certificates, 10 ISO 45001 certifications, 7 in comprehensive health and safety.
2	**Diversity and Inclusion**							
2.1	Increase the number of women in the total workforce 2% each year from 2022 to 2025.	% women in the workforce	2022	2025	7.6%	↗	1.3%	The number of women in the workforce increased 1.3% from 7.6% in 2022 to 8.8% in 2023.
3	**Community Development**							
3.1	Increase the local workforce by 10%.	% local personnel	2021	2030	8,112	↗	-200%	There were 7,317 local employees in 2023, representing a 10% decrease compared with 2021. In Mexico and Peru, 529 people received training in mining-related trades, 31% of whom are working at the company or with contractors.
3.2	Increase the local supply by 20%.	% local suppliers	2021	2030	357	↗	512%	794 local suppliers in Mexico and Peru in 2023, a 122% increase over 2021. In Mexico, 64 companies received training on procurement and administrative processes, sales, productivity and legal matters, 37% of which are company suppliers. (This target will be reconsidered in 2024 to measure the % of local suppliers trained).
3.3	Formalize and implement at least six mechanisms for community participation, engagement and communication at all our sites: • Community Care Service • Participative diagnostics • Transparent communication during the different operational stages • Collaborative environmental community committees • Perception studies • Multisector regional development plans	# mechanisms implemented / total target mechanisms	2023	2030	0%	↗	15%	Each of the 6 tools will undergo a formalization process to ensure unified implementation at all operations. The Community Care Service procedure was formalized in 2023; this mechanism is operating at 13 sites in Mexico, 6 in Peru and 1 in the United States. The planning, objectives and scope of the mechanisms are being designed for implementation by site and country.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
3	**Community Development**							
3.4	Allocate 30% of our total SDG investments to improving the water quality and quantity in our neighbor communities.	Total investment allocated to shared value water projects / Total SDG investment	2022	2030	5%	↗	12%	• 70% completion on the works projects to upgrade the clean water system in Cananea to guarantee water supply 24 hrs a day for the entire community of nearly 40,000 inhabitants. • Capture system and pipeline for the clean water system in the Huanuara and Quilihuani districts, Tacna region, Peru. • Clean water pipe upgrade in the Torata Alta sector, Torata district.
3.5	Position our 11 company schools in the top quintile nationally for mathematics and Spanish.	# schools positioned in the top quintile	2023	2030	tbd	↗	-	• The international standardized tool Map Growth was selected in 2023 to assess and compare schools. • Teacher training and investment in infrastructure to apply the tool. • The baseline for the tool will be generated in June 2024 with 1,530 students participating in the pilot project in Mexico.
4	**Climate Change**							
4.1	Reduce operational GHG emissions (Scope 1 and 2) 10% at the AMC level.	tCO_2e	2018	2027	4,907,427 (BAU)	✓	-13.4%	AMC reduced emissions 13.7% compared with 2018, and 13.4% compared with the baseline, result of our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
4.2	Reduce operational GHG emissions (Scope 1 and 2) 40% at the AMC level	tCO_2e	2018	2035	5,761,266 (BAU)	↗	-11.5%	AMC reduced emissions 13.7% compared with 2018, and 11.5% compared with the baseline, result of our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
4.3	Net zero Scope 1 and 2 GHG emissions at the AMC level.	tCO_2e	2018	2050	En progreso	↗	In progress	In progress
4.4	At least 25% electricity from renewable sources, AMC consumption.	%	2022	2027	+19.8%	✓	+32.6%	32.6% of the electricity AMC consumed came from renewable sources, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates.
4.5	At least 50% electricity from renewable sources, AMC consumption.	%	2022	2035	+19.8%	↗	+32.6%	32.6% of the electricity AMC consumed came from renewable sources, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates.
4.6	Reduce GHG emission intensity 20% (AMC).	%	2022	2027	3.7 (tCO2e/tCu)	↗	-1.3%	AMC reduced its emission intensity 1.3% compared with the baseline, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
4.7	Reduce GHG emission intensity 50% (AMC).	%	2022	2035	3.7 (tCO2e/tCu)	↗	-1.3%	AMC reduced its emission intensity 1.3% compared with the baseline, due to our operations in Peru operating on 100% renewable energy with the acquisition of clean energy certificates, and atypical operating conditions.
4.8	Implement a climate risk adaptation plan at our vulnerable sites (AMC).	Plans implemented / total vulnerable sites	2023	2025	En progreso	↗	In progress	In progress

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
5	**Biodiversity**							
5.1	Restore an area greater than that affected by our Mining Division operations each year.	Area restored / Area affected	2020	Annual	1	✓	100%	We met our commitment for the fourth year in a row, achieving Net Zero Deforestation in the Mining Division, restoring an area greater than that impacted (9,390 acres / 4,067 acres = 2.3) (3,800 ha/1,646 ha=2.3). 2023: 2.2 2022: 7.7 2021: 1.2 2020: 0.6
5.2	Identify the biodiversity status of the areas around our Minera México operations located in high biodiversity value zones.	# operations with biodiversity status assessments / # operations located in areas with high biodiversity value	2022	2025	0/5	✓	100%	5 Minera México operations are located in areas with high biodiversity value: Buenavista del Cobre, METCO, La Caridad, Lime Plant and Charcas, all of which have a biodiversity management plan, environmental impact assessment, and are included in our ecological integrity assessment project, which we have started and expect to receive results in 2024.
5.3	Biodiversity management plans at all our Mining Division operations.	# operations with biodiversity management plans / total operations in biodiversity-relevant areas	2021	2023	0/9	↗	78%	9 Mining Division operations are located in areas with high biodiversity value: Buenavista del Cobre, METCO, La Caridad, Lime Plant, Charcas, Hayden, Silver Bell, Ray and Mission. We are expecting to complete the plans for Hayden, Silver Bell, Ray and Mission in 2024.
5.4	Reverse the net biodiversity loss and achieve a net positive impact for the Mining Division.	# operations with improved ecological integrity / # operations located in areas with high biodiversity value	2022	2030	0/9	↗	10%	We started ecological integrity studies for our operations located in areas with high biodiversity value: Buenavista del Cobre, La Caridad, METCO, Lime Plant and Charcas. We are expecting the results of these studies in 2024. Permanent monitoring will provide a reference for improvements in ecological integrity or biodiversity loss.
6	**Water and Effluents**							
6.1	Detailed water balances for each site, updated annually.	# balances / # sites	2022	2030	12/16	↗	75%	In progress for Charcas, Zinc Plant, Santa Barbara and San Martin.
6.2	Contribute to recharging water tables in the river basins and watersheds where our operations are located, through works and reforestation (at least 740 million gallons (2.8 million m3)).	m^3 water infiltrated through works and reforestation	2022	2028	2.8 million m^3	↗	68%	Progress: 1.9 million m^3. We began to step up our reforestation efforts in 2022 to advance compliance with our forestation offsetting obligations. Works projects and reforestation contributing to recharging the water tables are in place primarily at Buenavista del Cobre, La Caridad and METCO.
6.3	Active participation in the governance of the river basins and watersheds where we operate.	River basin committees where we participate	2022	2028	3/16	↗	19%	Alto Noroeste (Buenavista del Cobre), Tacna region (Toquepala) and Moquegua region (Cuajone) river basin committees. The target is being pushed to 2028 because of the time it takes to join existing river basin committees / councils.
6.4	Detailed monitoring of the conditions at priority watersheds where we operate.	Watersheds monitored / total watersheds	2022	2028	2/14	↗	20%	Bacoachi, San Pedro, Bacoachi (Buenavista del Cobre), Tacna region (Toquepala), Moquegua region (Cuajone) watersheds are being monitored. (5/14) Mexicana de Cobre and METCO en Nacozari, Mexico use surface water.
6.5	Reduce freshwater consumption per production unit by 5%, compared with 2022.	m^3 / ton crushed ore	2022	2030	0.53	↗	2%	Comparing from 2022 (0.53) to 2023 (0.52), there was a reduction in first-use water consumption

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
6	**Water and Effluents**							
6.6	83% reuse of process water.	(Reuse water / water consumed) x 100	2022	2030	74%	↗	92%	Comparing from 2022 (74%) to 2023 (76%) an increase in AMC's recirculated water consumption was obtained.
6.7	10% treated wastewater used in our operations, total freshwater consumption.	(Wastewater / water consumed) x 100	2022	2030	1%	↗	10%	The Zinc Refinery in San Luis Potosi, Mexico, and Buenavista del Cobre in Sonora, Mexico, use wastewater.
7	**Mine Waste (tailings)**							
7.1	Full compliance with our Tailings Systems Policy.	# tailings systems in full compliance with the policy / # total tailings systems	2022	2025	19%	↗	39%	14 active tailings facilities considered (AMC). Principal gaps: A work plan was prepared for La Caridad (Mexico) to close the identified gaps with the global standard. The work plans for the Buenavista del Cobre facilities in Mexico and for Quebrada Honda in Peru are being prepared and are expected to be implemented this year.
7.2	Updated closure plans at all our active tailings dams.	# active tailings dams with updated closure plans / # active tailings dams	2022	2025	60%	↗	30%	The closure plan for Buenavista del Cobre and its tailings facilities are being prepared and a first draft is expected to be completed in 2024.
7.3	Closure of all inactive tailings dams, heaps and piles, in accordance with best practices.	# inactive mine waste facilities closed / # inactive mine waste facilities	2022	2030	50%	↗	0%	16 of our 32 inactive tailings facilities are remediated.
8	**Supply Chain**							
8.2	Due diligence process for critical suppliers, including ESG criteria.	% critical suppliers with a due diligence process	2023	2024		↗	0%	The due diligence process for suppliers is in its last development phase and will be applied through the Dow Jones Risk & Compliance tool in 2024. The sample for this analysis will be 3,385 critical suppliers, 1,127 of which will undergo an additional review process conducted by Compliance.
8.3	Include carbon footprint criteria in the decision criteria for major inputs and equipment.	Whether or not carbon footprint criteria are included	2023	2024	-	-	-	The development and incorporation of carbon footprint criteria for the acquisition of major inputs and equipment is considered in the incorporation of ESG criteria into the due diligence process for suppliers. The result of this process will define the scope and specifications.

Infrastructure Division

Legend for the progress report: ✓ The goal has been met. | ↗ In progress | → The goal has not been met.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
1	**Occupational Health & Safety**							
1.1	Zero fatalities of company personnel or contractors.	# fatalities / company personnel and contractors	2019	2025	0	✓	100%	No fatalities reported involving company personnel or contractors at any administrative or industrial operation in the Infrastructure Division.
1.2	Reduce our lost time injury frequency rate by 40%.	# accidents / man hours worked	2019	2025	0.47	↗	0%	Although the trend over the last 3 years has been a reduction in the LTIFR, there was an increase in accidents in 2023, mostly associated with the Construction line of business.
1.3	Increase preventive health programs by 30%.	# total programs, annually	2022	2025	10%	↗	30%	Monthly health prevention programs have been generated.
1.4	Monitor the health of vulnerable personnel.	Personnel at risk / total workforce	2022	2025	10%	↗	30%	The medical diagnosis has been generated for the company's personnel and health monitoring of vulnerable personnel is carried out.
1.5	ISO 45001 certification for our 5 active lines of business.	International certification by line of business	2020	2025	20%	↗	60%	Three of our five lines of business are certified, representing 60% progress; and management systems will be built in 2024 to obtain the remaining ISO certifications in 2025.
1.6	Align 100% of the organization to the *Centinela de la Seguridad* program, focused on changing behaviors.	% operations	2022	2025	700	↗	52%	We worked with our Construction line of business personnel in 2023, adding to the work started in 2022 with the Oil and Highways lines of business; work continues.
2	**Human Capital, Diversity and Inclusion**							
2.1	Increase the number of women in the total workforce to 25%.	% women in our workforce	2022	2030	364	↗	20%	1% progress in 2023, reporting a total increase of 3.6%, which translates into more than 229 women joining the organization.
2.2	Great Place to Work certification for our five lines of business.	# lines of business / international certification	2022	2025	2	✓	100%	In 2023 and after several years of intense work, the international certification of best places to work in the 5 lines of business, plus corporate, was achieved. With this, we validate the improvement actions for collaborators.
2.3	Increase training hours by 20%.	# training hours	2022	2025	47, 830	↗	65%	The training percentage was increased by 13% for all company personnel.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
3	**Community Development**							CCS and participative diagnostics procedures formalized
3.1	Formalize and implement at least six mechanisms for community participation, engagement and communication at all our sites: • Community Care Service • Participative diagnostics • Transparent communication during the different operational stages • Collaborative environmental community committees • Perception studies • Multisector regional development plans	# mechanisms implemented / total target mechanisms	2022	2030	0%	↗	25%	• CCS and participative diagnostics procedures formalized • Training started at all sites on the procedure for handling grievances, concerns and requests. • We are currently updating the participative diagnostics for 4 sites.
3.2	Allocate 30% of our total SDG investments to improving the water quality and quantity in our neighbor communities.	Total investment allocated to shared value water projects / Total SDG investment	2022	2030	1%	↗	5%	Five rainwater capture systems installed in Campeche
4	**Supply Chains**							
4.1	ISO 20400 certification for our procurement processes.	International certification	2022	2030	0%	↗	10%	An evaluation diagnosis has been carried out to define the actions to be executed.
4.2	Evaluate ESG indicators for 40% of our critical suppliers.	# critical suppliers	2022	2025	10%	↗	20%	Critical suppliers to the Oil business line have been evaluated.
5	**Business Ethics**							
5.1	Disseminate the Code of Ethics to 100% of the organization.	# employees	2022	2025	300	↗	35%	More than 700 employees received in-person training in 2023 and 300 online.
5.2	ISO 37301 certification for our compliance system.	Infrastructure Division level	2022	2025	0%	↗	20%	An ISO 37301 management system is being prepared for the Infrastructure Division.
5.3	Human rights training for at least 90% of company personnel.	# employees	2022	2025	650	↗	34%	590 people were trained during 2023.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
5	**Ética de negocios**							
5.4	Anti-corruption training for at least 90% of company personnel.	# employees	2022	2025	300	↗	35%	More than 700 employees received in-person training in 2023 and 300 online.
5.5	Close grievances reported in less than 35 days.	# days investigation	2022	2025	45 days	↗		Derived from the increase in cases for 2023, the closing period was longer than 35 days, however, the strategy for the year 2024 has been redefined to achieve the objectives.
6	**Biodiversity**							
6.1	Increase to 30% the individuals reforested voluntarily and maintain 80% survival rate.	# individuals reforested	2022	2025	1,162	↗	88%	Progress was made with the reforestation of 1,020 individuals.
7	**Water and Effluents**							
7.1	Reuse 20% of the discharge water in other productive processes.	m^3 discharge water	2022	2025	0%	↗	10%	Treatment technologies and possible recycling sites were evaluated.
7.2	Map our operations in high water stress zones and generate mitigation actions.	# operations in water stress zones	2022	2025	0%	↗	20%	The water status of each basin in which the company operates has been identified. Action plans are being evaluated.
8	**Spills and Waste**							
8.1	Reuse 80% of hazardous waste in other productive chains.	# tons repurposed / # total tons	2022	2025	0.68	↗	95%	95% was repurposed to other productive chains through recycling and/or energy from incineration.
8.2	Reuse 50% of waste requiring special handling in other productive chains.	# tons repurposed / # total tons	2020	2025	30%	↗	40%	XXX waste requiring special handling was repurposed to other productive chains in 2023; we continue to develop improvement options.
8.3	Zero spills affecting ecosystems, in accordance with Mexican legislation.	# spills 1m^3 (264 gallons) or more	2020		0	✓	100%	No chemical substance spills at any Infrastructure Division site.
8.4	Revise our critical prevention processes and environmental spill response protocols	# operations updated / # total critical operations	2020	2025	6 plataformas	↗	20%	We started to implement the Critical Risk Management tool, which will define quantitative controls to prevent and address critical risks.

Legend for the progress report: ✓ The goal has been met. | ↗ In progress | → The goal has not been met.

#	Goal / Target	Metric	Base year	Target year	Baseline	Status	% progress	Observations
1	**Seguridad y salud ocupacional**							
1.1	Reduce our lost time injury frequence rate by 15%.	Lost time injury frequency rate	2022	2025	2.29	↗	2.14	6.6% reduction in 2023. We will continue to operate programs and campaigns that focus on reducing incapacitating occupational incidents.
1.2	Reduce our reportable workplace incidents by 20%.	# reportable workplace incidents	2022	2025	54	✓	42	22.2% reduction in 2023 with efforts to maintain this rate through 2025, confirming the effectiveness of the actions taken to then commit to a new reduction target.
1.3	Reduce incidents at level crossings by 15%.	# incidents at level crossings	2022	2025	422	↗	440	There was an increase in the number of incidents at level crossings in 2023, due to external factors; we hope to achieve this target through awareness campaigns and better signaling.
1.4	Zero fatal incidents.	# fatal incidents involving company personnel	2022	Annual	3	→	4	The OHS team will continue to promote our culture of safety through campaigns and programs.
2	**Diversity and Inclusion**							
2.1	Increase the number of women employees by 20%.	# women in the organization	2022	2030	538	↗	586	8.9% increase in women employees in 2023 in Mexico and the United States; women are mostly joining the company in non-union positions.
3	**Climate Change**							
3.1	Reduce Scope 1 and Scope 2 emissions by 10%.	$MtCO_2e$	2022	2030	1.42	↗	1.53	Achieving the target is progress; the strategy is to increase the use of energy from renewable sources and improve energy efficiency. 8.05% increase in emissions from 2022 to 2023, due to the increased volume of freight transported in 2023. Work is underway to rethink this goal to standardize it with the rest of the climate change goals established at the Grupo Mexico level.

2.5 Stakeholder Engagement

GRI 2-28, 2-29

Grupo México has active operations in Mexico, Peru and the United States, and given the nature of our businesses and industries, transparent and efficient communication is essential with our shareholders, investors, employees, unions, communities, customers, suppliers, commercial partners, sector and industry chambers, governments, and the media, paving the way for accountability and co-responsibility.

Our business strategy is based on social, environmental and economic sustainability, taking into account the needs, circumstances and concerns of our stakeholders.

All company divisions map our stakeholders according to our industries to gain an accurate understanding of the stakeholders with which we interact and foster positive relationships delivering benefits for both our stakeholders and the company. The materiality studies we prepare periodically inform setting our priorities in sustainability management and our assessment of the risks that could have a material impact on our company. All our materiality studies have involved direct and indirect engagement with Grupo México's external stakeholders, and are based on conversations focusing on management, enabling us to contextualize the risk analysis and complement our materiality analyses with feedback from experts in different topics and sectors.

We communicate with and listen to our stakeholders through different communication channels, such as our Annual Report, Sustainable Development Report, Shareholders Meeting (quarterly investor calls), Community Committees, forums, interviews, social media, community development centers, Community Care Service (CCS), press releases and newsletters. We are always receptive to receiving and discussing concerns and issues related to the company, and our communications channels are always open.

Our Community Care Service (CCS) is the communication channel by which we receive and address grievances and concerns from our neighbor communities. For more information, see Local Communities – Responsible Co-existence.

Regarding our relations with political organizations and causes:

- Grupo México does not contribute to political parties or to political organizations in any of the countries where we operate.
- Our contributions to industrial and commercial chambers are limited to membership fees.
- Our communications and engagement actions focus solely on promoting our business objectives, social development, caring for the environment, and the interests of the industrial sectors in which we participate.
- We support the OECD (Organization for Economic Cooperation and Development) recommendations of principles for transparency and integrity, for the governments in the countries where we operate to promote and guarantee accountability, transparency, and fair and competitive access to the market.
- We integrate the general principles of the OECD directives for multinational companies into our relationships with stakeholders. In particular, under general principle number 15, Grupo México refrains from undue participation in local political activities.

We use different communications channels and tools to engage with our stakeholders. As part of our commitment to transparency, we publicly share information about our activities and operations via our Annual Report, the Sustainable Development Report, press releases and newsletters. We also share relevant messages and information for our stakeholders and the general public via our social media. We actively promote and participate in opportunities for dialogue, like the Shareholders Meeting and investor calls, and also specialized forums and media.

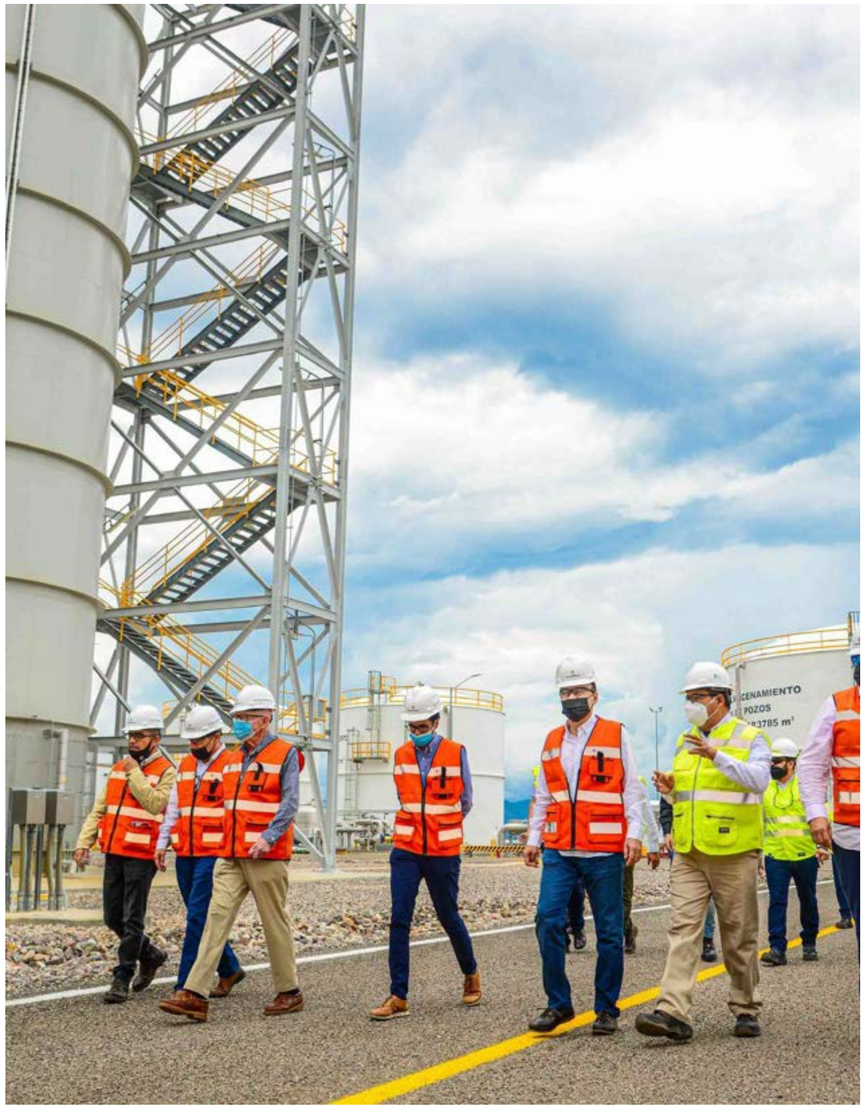
Community Committees have been set up in all the communities where our Mining Division operates, and our Community Care Service (CCS) is available to receive grievances, concerns and suggestions from members of the communities where we operate (for more information, see Local Communities). Company employees are encouraged to use the Reporting Line to report incidents (for more information, see Business Ethics & Integrity). Grupo México listens and welcomes discussion about concerns related to the company, and our channels of communication are always open.

We operate according to our Mission, Vision and Values statements, which consolidate and reaffirm how we engage with stakeholders, from the perspective of creating value in the short, medium and long term. We endeavor to ensure our actions are based on integrity and respect, contributing to the development of every member of our team and also the development of the communities where we work. The satisfaction of our customers, protecting the interests of our shareholders, and strengthening our suppliers and contractors are also of vital importance.

While we strictly adhere to all laws and regulations, we strive to go further with company guidelines that turn risks into opportunities for improvement, based on prevention.

All Grupo México divisions define stakeholders as organizations, institutions and individuals that have an interest in the economic, environmental and social performance of the company. We also include any entity or individual that may be impacted by our activities. Grupo México has an Investor Relations department, which classifies our stakeholders through selection mechanisms.

Additionally, our Institutional Relations and Media department has a team of specialists to identify the priority stakeholders and the best way to communicate with them. In parallel, the Community Development departments of the Mining and Infrastructure divisions prepare specific protocols for engaging with stakeholders in the communities where we operate, including the Community Care Service (CCS). Communication with inhouse stakeholders, such as employees and trade unions, is determined by the Human Resources departments in each division.



Visit from the authorities at the Combined Cycle Power Plant, Nacozari de Garcia, Sonora México.

Following are the stakeholders with which the company has active and constant communication:

STAKEHOLDERS / COMMUNICATION CHANNELS OR MECHANISMS	Customers	Company Personnel	Unions	Investors	Suppliers	Contractors	Communities	Opinion Leaders Civil Society Media	Financial Institutions Government Agencies Academic Institutions Rating Agencies
Website	●	●	●	●	●	●	●	●	●
E-Ferromex, E-Ferrosur	●								
Intranet		●							
Sustainable Development Report	●	●	●	●	●	●	●	●	●
Annual financial report				●				●	●
Quarterly financial reports				●				●	●
News bulletins							●	●	●
In-house magazines and newsletters		●	●						
Publication of relevant events				●					●
Press releases								●	
Shareholders meetings				●					
In-person meetings			●						●
CBA reviews			●						
Diagnostic studies							●		
Interviews							●		
Surveys	●						●		
Workplace climate survey		●							
Telephone consultations	●			●	●	●		●	●
Ethics Reporting Line	●	●		●	●	●			
Guided tours							●	●	●
Site visits							●		
Community committees							●		
Awareness days							●		
Community development centers							●		
Community care service							●		

● Ongoing
● Yearly
● Once or twice a year
● Quarterly
● Bimonthly
● As needed

The associations we are members of and the initiatives we align with are listed following:

Mining Division:

- International Copper Association (ICA)
- International Molybdenum Association (IMOA)
- Arizona Mining Association (AMA)
- North American Metals Council (NAMC)
- Society for Mining Metallurgy and Exploration (SME)
- Metropolitan Tucson Chamber of Commerce (MTCC)
- *Cámara Minera de México (CAMIMEX)*
- *Sociedad Minera de México (SMM)*
- *Asociación de Mineros de Sonora (AMSAC)*
- *Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (CESPEDES)*
- *Sociedad Nacional de Minería, Petróleo y Energía del Perú (SNMPE)*
- *Cámara de Comercio de Lima (CCL)*
- *Asociación de Exportadores (ADEX)*
- *Confederación Intersectorial de Empresas Privadas (CONFIEP)*
- *Sociedad de Comercio Exterior del Perú (COMEX |SINIA)*
- Extractive Industries Transparency Initiative (EITI)
- *Instituto de Ingenieros de Minas del Perú (IIMP)*

Transportation Division:

- *Asociación Mexicana de Ferrocarriles (AMF)*
- Association of American Railroads (ARR)
- *Asociación de Proveedores de Productos Agropecuarios (APPAMEX)*
- *Asociación Mexicana del Transporte Intermodal (AMTI)*
- Rail Transportation and Engineering Center (RailTEC)
- *Asociación Nacional de la Industria Química (ANIQ)*
- *Asociación Nacional del Plástico (ANIPAC)*
- SmartWay Transport Partner (FEC)
- Customs Trade Partnership Against Terrorism (CTPAT)

Infrastructure Division:

- *Consejo Coordinador Empresarial (CCE)*
- *Cámara Mexicana de la Industria de la Construcción (CMIC)*
- *Confederación Patronal de la República Mexicana (COPARMEX)*
- *Asociación Mexicana de Empresas de Servicios Petroleros (AMESPAC)*
- *Asociación Mexicana de Empresas de Hidrocarburos (AMEXHI)*
- *Asociación Mexicana de Energía Eólica (AMDEE)*
- *Asociación Mexicana de Energía Eléctrica (AME)*
- *Asociación Mexicana de Ingeniería de vías Terrestres (AMIVTAC)*

These stakeholders include associations in which Grupo México, our divisions and/or subsidiaries regularly participate, ensuring we remain at the forefront of market trends in our lines of business and with stakeholder expectations at the local, regional, national or international level. These participations are also opportunities to promote the company and our operations under a framework of sustainable development.

Grupo México spending on association memberships for the last three years is summarized following:

US$ 000			
	2021	2022	2023
Mining Division	**3,465**	**3,526**	**3,599**
SCC	3,460	3,476	3,549
MM (Mexico)	1,916	1,929	1,875
SPCC (Peru)	1,543	1,547	1,674
ASARCO (USA)	6	50	50
Transportation Division	**618**	**658**	**865**
Mexico	435	488	652
USA	183	171	213
Infrastructure Division	**109**	**91**	**125**
Grupo México	**4,192**	**4,275**	**4,588**

These amounts reflect contributions by company operations in the corresponding country, and include organizations in foreign countries, such as the International Copper Association. The associations representing our highest contributions in 2023 are:

- International Copper Association - US$2,813,680
- *Asociación Mexicana de Ferrocarriles - US$407,770*
- International Molybdenum Association - US$338,402

For more information, see Annexes - Our Approach - Contributions.

2.6 Investments in Sustainable Development

Grupo México makes positive contributions to society in different ways, beyond paying taxes and our economic value distributed. Our investments in sustainable development have a significant impact on worker health and safety management, caring for the environment, and the development of the communities near our operations.

Also, our Grupo México Foundation supports causes that contribute to improving quality of life, fostering human capital and supporting overall development.

Our principal investments associated with occupational health and safety management, environmental performance and social development are described following:

Strengthening health and safety

- Industrial safety
- Training and personal protective equipment
- Health promotion and protection
- Detection and treatment of diseases

Drive the economic, social and human development of our neighbor communities

- Community programs
- Company-sponsored schools
- Services in Grupo México neighborhoods
- Investments in infrastructure for communities

Ongoing improvement in our environmental performance

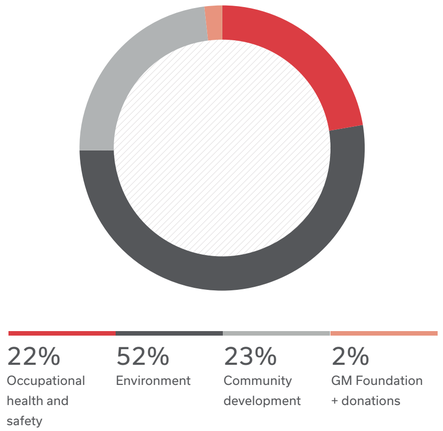
- Reduce water consumption with increased water treatment and reuse
- Waste management
- Prevention and mitigation of spills
- GHG emissions reduction
- Biodiversity conservation
- Reforestation

Donations and philanthropic programs

- Support, donations and disaster relief
- Dr. Vagón and Escuchar Sin Fronteras health programs
- Environmental programs
- Development of institutions and associations

a) Investments and spending in sustainable development 2023 Grupo México

US$ million			
	2023	2022	2021
Type of spending and investment	**662**	**544**	**460**
Occupational health and safety	148	120	87
Environment	347	268	294
Community development	155	144	68
GM Foundation and donations	12	12	11





Ite wetlands, Peru.

We have made important investments in workplace health and safety over the last three years to strengthen our training processes, and also to provide personal protective equipment and to improve our safety management ystems to receive ISO 45001 certification for all our mine operations. Approximately 50% of our investments are made in engineering works specifically to provide safe workplaces, including road maintenance, ventilation and other activities.

Nearly half our investments in sustainable development are allocated to environmental aspects. Our Mining Division continued to invest in maintenance at our mine waste facilities in Mexico in 2023, including backup tanks for the tailings dam and rainwater deviation works to reduce the risks associated with extraordinary weather events, and to strengthen our dust, gas, particle and GHG emission reduction processes.

In community development, we have increased our investments and spending in the last three years, thanks to the gradual restart of our activities and returning to in-person interactions with the communities. With this, we have been able to continue our existing projects and to develop new projects, leading Grupo México to nearly double our investments allocated to community development, compared with 2021.

b) Investments and spending in sustainable development 2023
By division

Spending and investments in sustainable development 2023					
Division	Occupational health and safety	Environment	Community development	GM Foundation + donations	Total
Total Mining Division	**133.9**	**320.4**	**96.5**	**3.8**	**554.6**
SCC	127	290.8	96.2	3.7	517.7
Mexico (MM)	111.1	281.2	20	3.2	415.5
Peru (SPCC)	15.9	9.6	76.2	0.5	102.2
ASARCO (USA)	6.9	29.6	0.3	0.1	36.9
Total Transportation Division	**10.8**	**24**	**57.4**	**1.8**	**94**
Total Infrastructure Division	**3.4**	**2.2**	**1.2**	**0.03**	**6.83**
Grupo México Foundation				**6.8**	**6.8**
Total Grupo México	**148.1**	**346.6**	**155.1**	**12.4**	**662.2**

The Transportation Division investments in sustainability principally focus on infrastructure projects and urban mobility, including the construction of bypasses and upgrading stations and level crossings. These projects will reduce the risk of traffic accidents, strengthen our commercial and corporate commitment to maintaining the integrity of the freight transported, and increase the operational value of the railway system in Mexico.

Our investments and operational expenses are detailed in the Annexes.



Ferromex train at a level crossing, Mexico.



Youth baseball tournament, Sonora, Mexico.

2.7 Contributions to the SDGs

Since our last Sustainable Development Report, we have started to communicate our contributions to the SDGs, following the recommendations of the "Practical Guide: Integrating the SDG into Corporate Reporting" prepared by the Global Compact and the Global Reporting Initiative.

We have used the "Mapping Mining to the Sustainable Development Goals: An Atlas", prepared by the United Nations, the World Economic Forum and the Columbia University Center for Sustainable Investment, among other institutions, to offer a general overview of our progress and the changes we have made in sustainable development. For our 2018-2022 Corporate Sustainable Development Goals and results, see the 2022 Grupo México Sustainable Development Report.

Our 2023 progress on our contributions to the SDGs considers:

a. Redefining the material topics for the company by updating our materiality analysis.
b. Identifying priority goals.
c. Developing monitoring mechanisms to report progress and results.

Setting Priorities

The corresponding section of this report outlines the considerations and results of our 2023 materiality analysis and process, which led us to identify and prioritize the topics with the greatest economic, environmental and social impact on our operations.

The results for the corporate level indicate 4 priority topics:

- Workplace health and safety
- Climate change
- Local communities
- Environmental compliance

SDG Mapping to our value chain

After identifying our principal material topics, we prioritized our contribution to the SDG based on the positive impact we generate (↑) and the decrease in risks (↓) and adverse impacts on the components of our value chain as a result of our activities, considering the risk factors that could significantly impact our operations, financial situation and/or our products and services:

Color legend for the impact report: ↑ Positive impact we generate | ↓ Reduction of risks

Workplace health and safety		Raw materials	Logistics and warehousing	Workforce	Company operations	Relationship with the environment and communities
The economic sectors in which our Mining, Infrastructure and Transportation divisions operate are subject to numerous risks, considering workplace health and safety conditions, including high-risk work, handling, storage and disposal of substances and materials, and the use of work equipment and machinery, which could cause injuries or deaths, operating delays and monetary losses. Our focus on health and safety includes prevention, wellbeing and annual training programs for our workforce, regulatory compliance, risk management and performance-based safety programs, extending our safety culture to contractors, and also safety incentives that meet all regulatory requirements and improve employee performance.	Promote a culture of prevention with focus on critical risks			↓	↓	
	Zero serious or fatal workplace accidents, injuries or diseases		↓	↓	↓	
	Certification and employee training on comprehensive safety and risk prevention			↓	↓	

Climate change		Raw materials	Logistics and warehousing	Workforce	Company operations	Relationship with the environment and communities
The potential physical impacts of climate change on our operations are highly uncertain and depend on the geographic location of each site. These impacts may include changes in precipitation patterns, water shortages, changes in temperatures, sea levels, storm patterns and storm intensities. These effects may have an adverse impact on the cost, production and financial performance of our operations. In addition, adverse weather conditions could affect our relationships and agreements with our major customers and suppliers by materially affecting the normal flow of our transactions, particularly those that are sea related. For example, severe weather events could damage transportation infrastructure and cause interruptions or delays in the supply of key inputs and raw materials, or products sold. Under our climate change strategy, we monitor fluctuations in weather patterns in the areas where we operate and in line with government efforts, we are working to measure our carbon footprint and reduce the greenhouse gas emissions our operations produce.	Strengthen our medium and long term GHG emissions reduction strategy				↑	↑
	Increase the use of renewable energy at our operations				↑	↑

Local communities		Raw materials	Logistics and warehousing	Workforce	Company operations	Relationship with the environment and communities
Regulatory frameworks requiring economic commitments to finance social programs and improve infrastructure in the communities near our operations have increased in recent years. In response, our community engagement model considers significant investments to upgrade community infrastructures and implement initiatives in support of the economic development of the regions where we operate.	Boost human development through responsible co-existence					↑
	Boost economic development in the regions where we operate		↑			↑

Environmental compliance		Raw materials	Logistics and warehousing	Workforce	Company operations	Relationship with the environment and communities
Our operations require significant quantities of fuel, electricity, water and other resources. Our energy supply may be affected or restricted by new laws or regulations, new taxes or tariffs, interruptions in production by suppliers and changes in global prices or conditions, among others. In terms of water, shortages in the supplies on which we hold rights or lack of backup water sources could force us to reduce or halt mining production, and could prevent us from pursuing opportunities for expansion, increasing and/or accelerating operating costs. Our efforts focus on meeting compliance with environmental protection laws, regulations and programs, according to the technical standards of each industry considering, among others, concession rights, transportation, production, water usage and discharge, energy usage and generation, surface rights and environmental restoration.	Improve water efficiency	↑			↑	↑
	Reduce environmental risks	↓			↓	↓
	Minimize the ecological footprint in terms of biodiversity and waste management	↓			↓	↓

We then strengthened our reporting strategy for our contributions to the SDGs to incorporate methodologies like the MSCI SDG Alignment, which was structured with the OECD guidance and the Global Compact SDG Ambition reference sheets, to structure our subsequent reports according to the principles of transparency, measure, scalability and flexibility.

Since our last report, we have conducted an analysis of our SDG operational alignment, considering our progress over the last 5 years in setting institutional policies, goals, targets, practices and programs, which together with the updated materiality analysis, have led us to identify the priority SDGs for the Grupo México sustainability strategy:

Priority topic	SDG	SDG goals	Major advancements (2018-2023)	Goals and targets to achieve
Workplace health and safety		**3.4** Reduce by one third premature mortality from noncommunicable diseases through prevention and treatment, and promoting mental health and wellbeing.	• Publication of our Workplace Health and Safety policy • ISO 45001 certification for our Mining Division operations • Non-occupation health risk factor detection and prevention programs	• Strengthen our preventive health programs at company operations
		**8.8** Protect labor rights and promote safe and secure working environments for all workers.	• Publication of our Human Rights and our Diversity, Inclusion and Non-Discrimination policies • Creation of a Diversity and Inclusion task force at the Grupo México level • Lost time injury frequency rate reduced across our three divisions • Performance-based Safety System in our Mining Division	• Maintain the goal of zero serious accidents or fatalities at the Grupo México level • Update our Emergency Response Plans
Climate change		**7.2** Increase substantially the share of renewable energy in the global energy mix. **7.3** Double the global rate of improvement in energy efficiency.	• Investments in renewable energy generation projects, like the Fenicias wind farm	• Increase to 50% our consumption of renewable electrical energy by 2035
		**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries. **13.2** Integrate climate change measures into national policies, strategies and planning.	• Publication of our Climate Change policy • Strengthening our organizational structure to include climate management • Updated our climate-related risks and opportunities analysis, aligned to TCFD recommendations	• Net zero Scope 1 and 2 GHG emissions by 2050 • Reduce operational GHG emissions • Implement climate risk adaptive plans at our operations
Local communities		**8.5** Achieve full and productive employment and decent work for all women and men (...)	• Publication of our Community Outreach and Respect for the Rights of Indigenous Peoples and Communities policies • Strategies to incorporate local suppliers into our supply chains • Skills training and certification programs in our communities • Community Care Service to receive and respond to grievances from outside stakeholders near our operations	• Boost and strengthen the local workforce and suppliers at our operations
		**11.1** Ensure access for all to adequate, safe and affordable housing and basic services (...) **11.2** Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety (...)	• Development of school, environmental, cultural, water and urban transport infrastructure in communities	• Promote sustainable infrastructure for the development of our communities

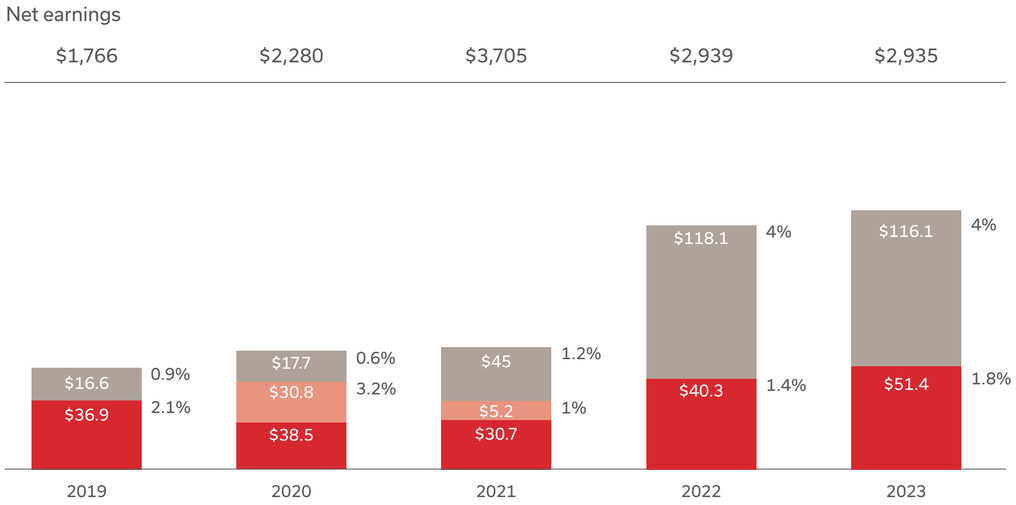
Priority topic	SDG	SDG goals	Major advancements (2018-2023)	Goals and targets to achieve
Environmental compliance		**6.3** Improve water quality (…) halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. **6.4** Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity (…) **6.5** Implement integrated water resources management (…)	• Publication of our Sustainable Water Management protocol • Strengthened organizational structure to manage water resources	• Contribute to recharging the aquifers in the watersheds where our operations are located, through works and reforestation • Achieve our freshwater reduction and reuse of process water targets • Prioritize investments that would increase water availability in our communities
		**12.4** Achieve the environmentally sound management (…) all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. **12.5** Substantially reduce waste generation through prevention, reduction, recycling and reuse. **12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	• Publication of our Environmental policy, Tailings Systems policy and Closure of Operations protocol • ISO 14001 certification for our Mining Division operations • Standardized operating, maintenance and monitoring manuals for our mine waste facilities	• Compliance with and ongoing improvement of our Tailing Systems policy • Prepare closure plans for all active tailings dams • Closure of inactive tailings dams waste rock piles and slag heaps, following the best standards available
		**15.1** Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements. **15.3** Combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world. **15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and protect and prevent the extinction of threatened species.	• Publication of our Biodiversity Management protocol • Strengthened organizational structure in terms of biodiversity management • Biodiversity management plans aligned to the ICMM Good Practice Guide	• Revert net biodiversity loss and achieve a net positive impact for the Mining Division

For more information on the progress towards our corporate goals and targets, see the corresponding section of this report.

With this overview, we will define a monitoring and reporting framework in 2024 for our priority corporate SDG goals and targets (both across the organization and for each division).

SDG Contributions (2019-2023)

To report our contributions and progress on the target to "Invest at least 2.5% of net earnings in projects that contribute to the United Nations Sustainable Development Goals (SDG)", since 2019, we have identified investments and spending that represent direct benefits for the communities, classifying these into the following categories:



% Corresponding to consolidated net profit

SDG Contributions

Philanthropy

Considers the budgets for:

- Community development programs
- Schools
- Development of local suppliers
- Supports and donations

COVID-19

Investments

- Infrastructure in communities and SCC neighborhoods and schools
- Equipment and works in communities

Since 2019, we have allocated approximately US$547.3 million to fund social and philanthropic projects that support the SDGs in the communities near our operations. In 2023, we allocated US$167.5 million, representing 5.8% of our net earnings.

To further understand the relationship between our investments and the SDG, we have identified the benefits generated by our different programs and projects, detailed following for each category:

Philanthropy

Benefits identified	Investments	US$ millones	
Promote health and sports, including supports and donations	Dr. Vagón (health train)	2.0	5.1
	Escuchar Sin Fronteras (Hearing Without Borders)	0.7	
	Supports and donations (health)	0.2	
	Supports and donations (sports)	0.03	
	Supports and donation (safety)	1.4	
	Social programs (health and safety)	0.4	
	Social programs (sports)	0.4	
Access to quality basic education and technical and professional skill development with youth and adults	Social programs (education)	0.8	9.0
	Operating costs for Grupo México-sponsored schools	7.9	
	Supports and donations (education)	0.3	
Access to clean water by engaging local communities in improving water management and treatment	Supports and donations (water)	0.1	0.5
	Supports and donations (water infrastructure)	0.4	
Access to employment and opportunities, including developing productive activities and entrepreneurship	Social programs (economic development)	1.7	2.0
	Development of local suppliers	0.3	
Strengthen social inclusion in the communities	Social programs (culture and inclusion)	1.7	7.4
	Community programs	5.7	
	Supports and donations (culture)	0.1	
Access to housing and basic services, including the development sustainable infrastructure in urban areas	Operating costs for SCC neighborhoods	19.4	20.5
	Supports and donations (infrastructure, works, equipment and services in communities)	1.1	
Strengthen the sustainable management and efficient use of natural resources	Supports and donations (environmental protection)	1.4	1.4
Combing efforts for the conservation and sustainable management of forests and terrestrial ecosystems	Social programs (environmental)	3.8	3.9
	Supports and donations (environmental)	0.1	
Promote volunteerism, inclusion, human rights and citizen engagement	Social programs (volunteering and citizen engagement)	0.7	1.2
	Supports and donations (volunteering and citizen engagement)	0.5	
Build and support multiple alliances to boost social development	Grupo México Foundation programs	0.3	0.3
	Total 2023	US$51.4 million	



Dr. Vagón in Hermosillo, Sonora, Mexico.

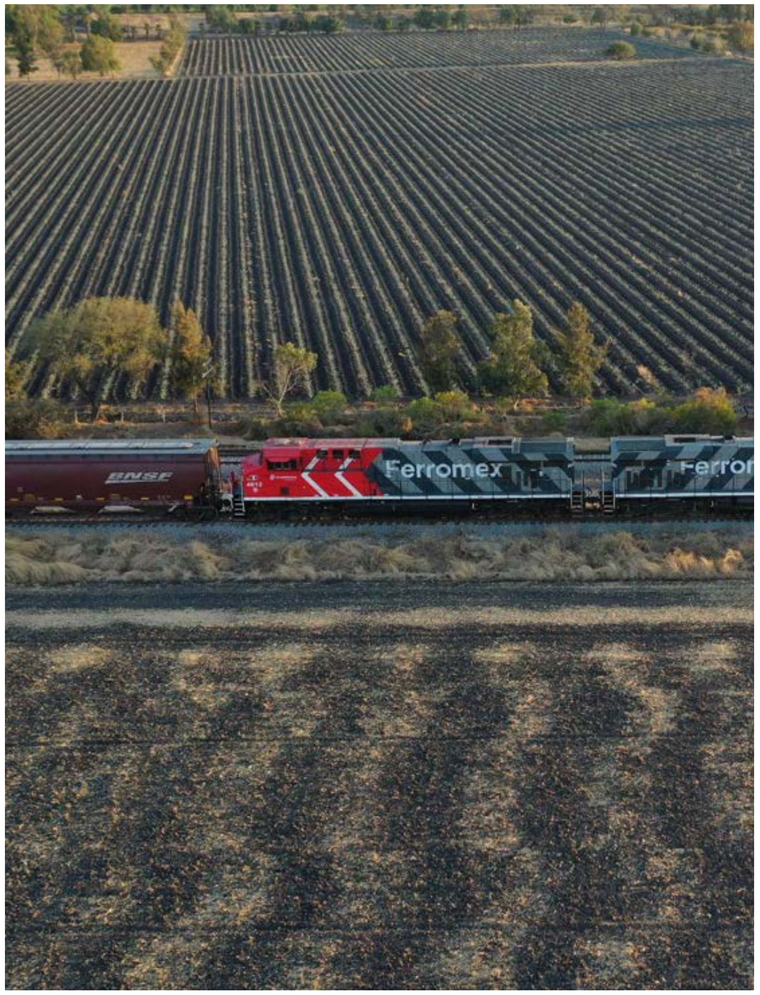
Investments

Benefits identified	Investments	US$ millones	
Infrastructure to reduce risks and accidents involving the train and general health and road safety	Railroad crossing signaling program	9.1	13.8
	Health infrastructure	1.3	
	Safety infrastructure	3.4	
Construction and upgrades for schools to provide safe learning environments	School infrastructure	41.4	41.4
Support for the withdrawal, treatment and distribution of clean water in the local communities	Water infrastructure	9.9	9.9
Development of regional infrastructure in support of the economic development and wellbeing of communities	Regional infrastructure	4.7	4.7
Development of sustainable infrastructure in urban areas, including cultural and natural heritage protections	Urban and cultural infrastructure	45.7	45.7
Infrastructure for the preservation and sustainable management of terrestrial ecosystems	Environmental infrastructure	0.7	0.7
	Total 2023	US$116.1 million	

Our ongoing improvement with each report has helped us to identify the items and investments for the calculation of our contributions. An example is that since 2021, we have been providing greater detail on the contributions of our programs and investments in infrastructure at the organizational level, considering the reclassification of various items based on the objectives and results of each program or project.

It is important to note that we have identified additional SDGs to those indicated as priorities for the organization for the 2.5% of net earnings target, because of the different programs and initiatives of our Community Development departments and the Grupo México Foundation.

Starting in 2024, this target will be reformulated to consider only investments that contribute to our priority SDG and material topics.



Freight train, La Barca, Jalisco, Mexico.

2.8 ESG Assessments and Recognitions

GRI 2-28, 2-29

S&P Global	Each year, we participate in the Corporate Sustainability Assessment (CSA), a tool developed by S&P Global to measure company performance in corporate sustainability. The assessment focuses on various key aspects, like environmental, social and corporate governance management, transparency and reporting, and also impact on society and the environment. We participate as Grupo México, GMéxico Transportes and Southern Copper Corporation.
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA	Focusing our business model on responsible management and transparency in social, economic and environmental aspects has led to our **progressive improvement in this performance assessment**. Grupo México has been included in the **Dow Jones Sustainability Index MILA Pacific Alliance** since 2017 and Southern Copper Corporation since 2019.[1] These are the only two companies in the Mining and Metals sector in the region to be included in the index in 2023. Our ongoing improvement is due to the progress we have made in areas like cybersecurity, water management, closure of operations, and occupational health and safety, among others.
	Both Grupo México and Southern Copper Corporation ranked in the top **10% of mining sector companies** in 2023, Grupo México taking 9th and SCC 18th out of 200. We also received some of the highest scores for the sector in topic areas that include emissions, energy, labor practices, safety, human rights and water. These results reflect not only our commitment to sustainability, but also earned us a place in the Sustainability Yearbook 2024[2] for the third year in a row. The Yearbook lists the top 15% of companies in the Mining and Metals industry. Also, our subsidiary Grupo México Transportes (GMXT) **improved its score by 14%** over 2022. We will continue working on our performance management in 2024 to ensure our ongoing our ongoing improvement to maintain and add to these types of recognitions.

Both Grupo México and our subsidiary Grupo México Transportes were listed for second time in the **S&P/BMV Total Mexico** ESG sustainability index in 2023, and the principal subsidiary of our Mining Division, Southern Copper Corporation, was listed for the second time in the **S&P/BMV General Peru ESG index**. Grupo México has also been included in two FTSE Russell sustainability indexes since 2019: FTSE4Good Emerging Latin America15 and FTSE4Good BIVA[2].

[1] MILA - Latin American Integrated Market: Includes companies from Pacific Alliance member countries with the best performance in the CSA Assessment.
[2] The S&P Global Sustainability Yearbook 2023 lists the top 15% of companies in their industry scoring within 30 points of the company with the best performance in their industry.

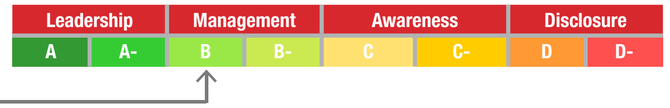
Being included in these sustainability indexes is recognition of our management and our focus on aligning our operations to ethical, responsible and sustainable business practices in environmental, social and governance aspects. It also reflects our institutional commitment to transparent operations and to reporting quality information for our stakeholders to objectively assess our commitment and performance in sustainability.

We received **The Copper Mark, The Zinc Mark and The Molybdenum Mark**[3] responsible production seals in 2023 for our La Caridad Mine, our Sonora Processing Plant and the San Luis Potosi Zinc Refinery. These certifications are awarded for responsible production, focusing on various areas, including: i) human rights, ii) community relations, iii) working conditions, iv) the environment, and v) legal compliance. We also started the certification process for our Buenavista del Cobre mine in Sonora and for our three mines in Peru (Cuajone, Toquepala and Ilo). Our goal is for the copper produced at all our Mining Division operations to meet **The Copper Mark** criteria

Grupo México has been submitting the CDP questionnaire on climate change each year since 2016. Although the questionnaire is submitted for Grupo México, it includes all our divisions and subsidiaries as climate change is a topic that we address from a comprehensive perspective, considering positive and complementary synergies between our divisions. **We received a "B" rating on the climate change and water security assessments this year**, the same rating we received in 2022. These results demonstrate our ordered management of the risks associated with climate change and water security, according to the CDP.

CDP Environmental Assessment Results[4] **.** Thanks to our efforts, Grupo México received the **third best rating** on the climate change and water security assessment scale, placing us above the average for both the mining sector and the region in both assessments.

CDP questionnaire rating scale



[3] The Copper Mark, The Molybdenum Mark and The Zinc Mark are independent certifications of responsible production practices for these metals, assessing areas like business management, human rights, community, working conditions, the environment and governance at the production site level (e.g. mine or plant). These certifications provide assurance of our institutional commitment at each operation to customers, investors, communities and other stakeholders, confirming that our production meets the highest international standards of sustainability.

[4] The CDP is a nonprofit that operates a global disclosure system for investors, companies, cities, states and regions to manage environmental impacts, being a global benchmark for environmental reporting standards.

CHRB Corporate Human Rights Benchmark	Grupo México participated in the World Benchmark Alliance Corporate Human Rights Benchmark annual assessment, for which we provide detailed explanations of our due diligence process for human rights and descriptions of our programs to protect the human rights of our employees, communities and stakeholders. We improved **5 positions in the extractive companies category in 2023, ranking 14th** (out of 55), compared with our 19th position in 2020.
MORNINGSTAR | SUSTAINALYTICS	Both Grupo México and our subsidiary Southern Copper Corporation have actively participated in the Sustainalytics annual Mining and Metals assessment for the ESG Risk Ratings Report since 2020. In 2023, **we improved our Grupo México rating by 13%, compared with 2021**, while **Southern Copper Corporation improved 16%** in this same comparison.
CAMIMEX	**In occupational safety,** our La Caridad Processing Plant (METCO) precious metals plant received the Casco de Plata award for the third year in a row. The Mexican Mining Chamber awards this recognition each year to the operations with the best performance in Workplace Health & Safety. **We also received the ELSSA Program Award** for all our mining operations in Mexico. The Mexican government awards this recognition to companies that promote safe and healthy workplace environments. Additionally, **our Ilo operation in Peru placed first in the Smelter and Refinery category** at the 26th National Mine Safety Competition, organized by the Mine Safety Institute of Peru.
Conservation Certification WHC Certified	**In biodiversity**, we received Wildlife Habitat Council (WHC) certification for the efforts of our Buenavista del Cobre Wildlife Conservation Center (in Spanish, the UMA) in contributing to preventing the extinction of the Mexican gray wolf. Thanks to our actions, this species, once extinct in the wild, now has populations in its natural habitat in Mexico. We will continue working with the community and the authorities for the common good of the regions where we operate.
Great Place To Work.	**In the labor aspect**, our Processing Plant in Sonora, our smelter and refinery for ore mined in the region, received **Great Place to Work** certification to rank our plant the best place to work in the Northwest Region and the fourth best place to work in Mexico, among companies with more than 500 employees. Our Processing Plant also ranked among the Top 10 Best Places for Women to Work in 2023. With this recognition, we take our place as the employer of choice for the best professionals in the country, affirming our organizational culture of safety, trust and certainty for all company personnel.
EMPRESAS EXCEPCIONALES	**In the social aspect,** the company was invited to participate in 7 national and international forums to present our Community Development Model as a good practice. Of note is our participation in the 12th UN Global Forum on Business and Human Rights in Geneva, Switzerland. We also received recognitions that include: i) in Mexico, **Exceptional Company recognition** from the Business Coordinating Council, the Quality Institute and the Communications Council, for our social practices in benefit of the common good through our Community Development Model, and ii) in Peru, **Companies that Transform Peru 2023** recognition from the Peruvian Institute of Business Administration, Radio Programas del Perú and the Frieda Association, for our contributions to irrigation infrastructure with the Culajahuira dam and our steppe farming project in Candarave, Tacna.

Certifications

Mining Division ISO 14001 and 45001 certifications

Our environmental management and health and safety systems are another key way that Grupo México demonstrates our commitment to responsible production.

In 2023, all our active mining operations are **ISO 45001** (workplace health and safety) and **ISO 14001** (environmental management) certified, achieving the goal we set in 2018.



La Caridad mine, Nacozari de Garcia, Sonora, Mexico.

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3 Shared Value

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3.1 Economic Contributions



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Shared Value

Looking to the future

At Grupo México, we generate value in the places where we operate and we're committed to contributing to the Sustainable Development Goals, serving as an agent of change to build a more sustainable society.

Meeting our tax obligations provides governments with resources to allocate for community wellbeing. Also, our operations create direct and indirect jobs, and our investments and business activities drive economic growth in the regions where we operate.

We favor local economic development by purchasing locally, providing jobs and education, among others, and we promote sustainable practices in our value chain. We invest in the environment, safety and community development, and align with the Sustainable Development Goals to achieve our sustainability targets. We generate shared value through:

The diversified nature of our company divisions means, on the one hand, that we can provide the products and services that society is demanding, and on the other, we deliver products and services that foster a more sustainable society.

The principal product of our **Mining Division** is copper and the energy transition, which is expected to bring major benefits to mitigate climate change and improve public health, will generate a high demand for copper. As copper plays an essential role in electrification and the production of clean energies, both business and society expect copper to come from sources of responsible production. This has been the impetus for our commitment to certify all our copper production under independent standards.

Constantly generating quality jobs, skills, talent and demand for local suppliers.

The experience of our **Infrastructure Division** in engineering, construction projects and industrial plants, clean energy, and offshore and onshore drilling in Mexico, position our organization as a leader in those industries.

Contributing to the global goals of reducing emissions and efficient use of resources to reduce our carbon footprint.



Because of its advantages in terms of efficiency, environmental impact, safety and profitability, the railroad is becoming a more popular option for companies and governments around the world, particularly where nearshoring will increase demand for freight transportation. To address this demand, our **Transportation Division** offers general rail and intermodal freight services, and also auxiliary services like terminal management and intra-terminal hauling, in North America.

Using technology to develop more processes that are safer and more efficient.

Developing necessary infrastructure to improve the quality of life of our communities, including hospitals, roads and schools.

Using technology to develop more processes that are safer and more efficient. Fostering better economic, social and cultural opportunities in the remote rural environments where most of our operations are situated.

Strengthening the local economy and the social/human capital of the communities where we operate.

Executing public works and improving services through the taxes we pay.

With this combination of products and services, we are driving growth in the countries and regions where we operate, while also supporting the economic development of our different stakeholders: investors, employees, suppliers, contractors, governments and neighbor communities.

3.1 Economic Contributions

3.1.1 Highlights

US$ 11,340 BN
of our total economic value generated, distributed among stakeholders primarily in the form of operating costs, taxes, payments to financial institutions and investors, and salaries, wages and employee benefits.

31,000
Direct jobs generated at Grupo México.

US$ 166 M
Invested in social programs and donations to communities, including infrastructure projects, up by +8.5% compared to 2022.

3.1.2 Management and Compliance

GRI 207-1

Tax compliance is a fundamental social responsibility in the countries and jurisdictions where we operate, and we are transparent in our disclosures in this area. We analyze the tax implications of our transactions to detect and prevent any type of tax-related or financial risk. Our tax payments contribute to the public spending in the countries and places where we operate.

We strictly abide by our Code of Ethics and Business Conduct, which outline the following directives, among others:

- Our actions in terms of legal, professional and ethical obligations, guided by our values of honesty, respect and responsibility.
- Our commitment to transparency in information, ensuring this is complete and available as an accurate reflection of the status of our business and our strategy.
- Ensure our financial statements, regulatory reports and other public documents are accurate, complete and timely, and that they meet all legal requirements.
- Compliance with our tax obligations and all tax laws and regulations applicable to our operations, in each country where we operate.
- Compliance with international tax laws.
- Our commitment to conducting transactions with related parties at market conditions and with transparency.
- Prohibit participation in any transaction that could be suspected of being linked to money laundering (complemented with our Anti-Money Laundering and Anti-Terrorism Financing Policy).
- Compete ethically and fairly within the framework of anti-trust laws and fair competition practices.
- Foster ethical and sustainable value chains, based on fair competition, prohibiting corruption in all its forms, illicit payments and trading influences.

Additionally, we have a set of corporate policies that foster ethical and sustainable value chains, ensuring our compliance with federal, state and municipal tax laws and regulations in the countries and jurisdictions where we operate, making prompt and full payment of all required taxes.

Among other things, these policies commit us to:

Corporate Policy (AMC and subsidiaries)	Commitments
Anti-Corruption Policy	• Prevent, prohibit and sanction corruption in any of its forms, in both the public and private sectors, and also other illegal or inappropriate conduct during the course of business. • Define the procedures, controls and standards of conduct to manage the related risks and conduct business with integrity.
Corporate Risk Management and Control Policy	• Adopt a culture of risk management, by identifying, assessing and treating the following types of risks: corporate governance, market, business, regulatory compliance, political, environmental, social, labor, operational, legal and reputational. • Implement a risk management and control system to define and implement the methodology criteria and activities necessary to manage and control the risks identified.
Corporate Policy on Economic Competition	• Promote an open and competitive internal market that fosters free competition. • Ensure equal opportunities in the market, where success in business is determined by capacity, effort and innovation. • Define guidelines for ethical conduct during business processes and participations in business and professional associations and forums.
Anti-Money Laundering and Anti-Terrorism Financing Policy	• Establish guidelines and mechanisms to detect, mitigate, prevent and report acts and/or transactions that could potentially involve resources obtained by illegal means. • Promote compliance with anti-money laundering and anti-terrorist financing laws and regulations. • Apply due diligence measures in the selection processes for personnel, commercial partners (suppliers, contractors or other third parties with whom we have dealings) and business partners (joint ventures), based on risk management and prioritization, and applicable laws and regulations.
Corporate Conflict of Interest Policy	• Identify, avoid and report conflicts of interest to prevent illegal actions and promote a culture of business ethics.
Corporate Data Privacy and Management Policy	• Guarantee the right to data privacy and protection for all persons who provide personal information as part of their dealings with AMC and subsidiaries.



Wire rod warehouse, Processing Plant, Nacozari de Garcia, Sonora, Mexico.

AMC Fraud Prevention Program

We have designed and implemented a program to address the regulatory requirements to which our subsidiary Southern Copper Corporation is subject and to raise the confidence of our stakeholders. This program prevents and detects potential acts of fraud and is based on the COSO 2013 directives of the Committee of Sponsoring Organizations of the Treadway Commission and aligned to Sarbanes-Oxley.

The Fraud Prevention Program aims to:

- Improve internal controls and processes to prevent, detect and reduce the risk of fraud, misappropriation, corruption and employee collusion.
- Assess and mitigate the risks associated with fraud, through control activities.
- Provide greater transparency and reliability in the preparation of financial information.
- Increase stakeholder confidence.
- Cultivate and foster a culture of honesty and high ethical standards.
- Promote and review security, quality and ongoing improvement.
- Protect company assets by avoiding loss due to fraud or negligence.
- Train staff and the organization in fraud prevention and detection.
- Identify the risks associated with fraud with the greatest impact on the organization.
- Provide a process that proactively identifies internal and external vulnerabilities.

The elements of this program are aligned to COSO 2013, classified as follows:

1. Control Environment: Our business culture, which influences our business activities, structure, goals and risk assurance. Includes:

- Code of Conduct and Ethics
- Reporting program
- Supervision by an Audit Committee, Board or other control bodies.
- Practices and guidelines to attract, develop and retain competent professionals.
- Investigation of reported deficiencies and their remediation.

2. Fraud Risk Assessment: Fraud is one of our potential risks and this assessment includes the ways that fraud or illegal acts could occur against the company. The elements reviewed include:

- Fraudulent financial information
- Misappropriation of assets
- Poor financial conduct
- Inappropriate segregation of duties
- Improper revenues and expenditures

3. Control Activities: Anti-fraud controls should be implemented across the organization, at all levels to:

- Identify fraudulent financial reports or improper use of assets.
- Prevent fraudulent financial reporting or misuse of assets.
- Certify that employees are familiar with and comply with policies and procedures.

4. Information and Communication: We identify, organize and communicate the necessary information to fulfill the obligations of this program, considering:

- Documentation and dissemination of policies
- Forums to discuss ethical issues
- Multiple internal communication channels
- Employee training

5. Supervision: The company's fraud prevention program and controls need to be supervised with:

- Periodic performance reviews
- Management response to important issues
- Fraud deterrent technology

This program supports Americas Mining Corporation to meet compliance with the accounting transparency requirements (Securities Exchange Act of 1934) and the anti-bribery provisions of the Foreign Corrupt Practices Act (FCPA) in the United States.

Extractive Industries Transparency Initiative (EITI)

As part of our commitment to open communication with the tax authorities, we support the Extractive Industries Transparency Initiative (EITI), a voluntary global initiative that promotes transparency and disclosure of payments to governments and extractive industry revenues. Therefore, our reports follow these guidelines to inform the governments of Peru and Mexico, who in return report to the EITI.

We voluntarily align with the spirit and requirements of the EITI Standard to disclose the payments we make to governments each fiscal year. Greater transparency improves understanding around the management of natural resources, strengthens public and corporate governance, reduces corruption, and facilitates providing the necessary information to contribute to greater transparency and accountability in the extractive industry.

In 2012, Peru was the first Latin American country to become an EITI Compliant Country. Eight National Transparency reports and 15 Regional Transparency Assessments support the disclosure of payments that companies report having made to the government and also the transfers national governments have made to their subnational governments and public universities, and how the recipients used the funds received.

Southern Peru was part of the EITI Peru Multi-Stakeholder Group from 2005 to 2022, and from 2016 to 2022, a Southern Copper Corporation representative was a member of the EITI International Board, being the only Latin American mining company to become an EITI supporting company.

From our executive leadership and throughout SCC, our commitment to this initiative has been clear and solid since we joined the EITI. We will continue to offer fiscal transparency through our reporting and communications, while also participating in actions together with industry chambers and associations, like the Mexican Mining Chamber, to report our fiscal performance to the EITI in Mexico.

For more information, visit https://eiti.org/supporters/southern-copper

Extractive Industries Transparency Initiative



Zinc bars, Zinc Electrolyte Refinery, San Luis Potosi, Mexico.

3.1.3 Governance

GRI 207-2

Our Tax offices are responsible for our fiscal management and are part of the Administration and Finance departments of each Grupo México division.

The second level of oversight is provided by the Administration and Finance departments and the Grupo México Administration and Control department through their review and validation of our compliance with these aspects.

Meanwhile, the Grupo México Corporate Audit department and the respective Corporate Audit departments of each division, independently and objectively, review the efficacy of our financial controls. These structures play an important role in identifying and mitigating our fiscal risks, and ensure our long-term financial stability.



Our corporate tax policies include a Lines of Defense system:

- **First line:** All relevant personnel, who comply with defined policies and are committed to required training.
- **Second line:** Areas involved in each topic, who evaluate the effectiveness and compliance with policies, approve and revise relevant management policies and related operational risks. Includes the AMC Risk Committee, Human Resources departments and Compliance offices in each country, etc.
- **Third line:** The heads of the Internal Audit departments in each country, who report the audit results to the AMC Board of Directors annually.

3.1.4 Payments to governments

We're committed to not supporting jurisdictions with weak tax laws and to not supporting tax structures lacking in commercial substance used for tax evasion. We therefore disclose our payments to governments and, where applicable, note in detail our role in delivering social and economic benefits in the areas where we operate.

Our neighbor communities benefit from fiscal policies like the Mining Funds in Mexico and Peru. These funds, each with their own characteristics, support investment in sustainable projects through the payment of taxes to provide infrastructure in areas like education, health and water security (for more information, Information in Infrastructure and supported services, and significant economic impacts, in the section Local Communities).

We have 14 company procedures and 24 policy documents in place to ensure transparency in our contributions of these resources and, in general, all our social investments, actions that support the ISO 9001:2015 certification of our community processes at Southern Perú operations.

a) Special and Extraordinary Mining Rights - Mexico

The Mining Fund was created with the 2014 reforms of the Mexican Federal Duties Law, establishing payments of Special, Additional and Extraordinary Rights by mining companies. The Fund for the Regional Sustainable Development of Mining States and Municipalities was designated as the vehicle for using and distributing 77.5-80% of the resources collected, while the remainder was allocated to the Federal Treasury.

The Ministry of Agricultural, Territorial and Urban Development administered the Mining Fund from 2014 to 2017, allocating these resources to the mining states and municipalities according to the value of their extractive activity, and to Regional Committees, composed of federal, state, municipal, community and mining company representation, to support physical infrastructure investment projects submitted for approval.

The Trust for the Fund for the Development of Mining Production Areas was dissolved in 2020 by presidential order, and the unassigned resources from the period 2014-2017 plus the total from 2018-2020 were returned to the Federal Treasury.

Today, the government distributes the resources collected from the Special, Additional and Extraordinary Mining Rights to different entities, including the Ministry of Education and the Ministry of Health to invest in projects to improve schools, the services and infrastructure of the healthcare sector, and public infrastructure with a positive social, environmental and urban development impact.

b) Mining Fund and Royalties – Peru

The Mining Fund (or *Canon Minero*) supports community projects and accounts for a large portion of our tax expense. Local governments (provincial and district municipalities) and regional governments receive the total tax revenue collected by the State proportionate to the economic exploitation of the mineral resources (metal and non-metal.

The Ministry of the Economy and Finance set the criteria for distributing the Mining Fund resources to the regional and local governments, considering aspects such as population and requirements of basic needs.

The distribution is detailed following:



40%
local department or regional department governments

25%
local district and provincial municipal governments

25%
regional governments, which are required to transfer 20% to the public universities in their jurisdiction

10%
local municipal or district municipal governments

The mining royalty is a financial amount that we pay to the State for the exploitation of metal and non-metal mineral resources.

The funds collected from the mining royalty are distributed based on indexes the Ministry of the Economy and Finance approve monthly considering defined directives (percentages, criteria, indicators), official information provided by the National Institute of Statistics and Information and the National Customs and Tax Administration Office, and also the amounts collected by the State as follows:



40%
local municipal or district municipal governments

20%
regional provincial governments

20%
local district governments

15%
regional governments

5%
public universities under department jurisdiction

3.1.5 Metrics

We report the value of our investments and payments through the following indicators:

a. Economic Value Generated and Distributed

b. Revenue and tax payments
- Tax obligations: revenue and taxes by jurisdiction
- Revenue and taxes by country
- Tax expense and tax rates

c. Payments to governments
- Special and extraordinary mining rights (Mexico)
- Mining fund and royalties (Peru)



Intermodal train in Santa Ana, Jalisco, Mexico.

a) Economic Value Generated and Distributed

GRI 201-1

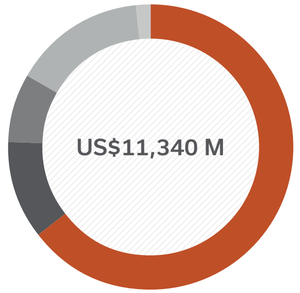
Our 2023 Economic Value Generated and Distributed was distributed as follows:

US$ million	2023	2022	2021	2020
Economic Value Generated (EVG) - Sales	**15,138**	**14,349**	**14,777**	**11,252**
Economic Value Distributed (EVD)	**11,340**	**11,925**	**10,182**	**8,435**
Operating costs	7,386	6,613	5,522	5,072
Salaries, wages and employee benefits	1,208	693	963	870
Financial institutions and shareholders	887	832	1,006	1,157
Taxes[1]	1,691	3,632	2,612	1,249
Community investments	155	144	68	39
Grupo México Foundation and donations	12	12	11	48
Economic Value Retained (EVR) = EVG - EVD	**3,798**	**2,424**	**4,594**	**2,820**

Stakeholders received 75% (US$11,340 million) of our total economic value generated, primarily in the form of operating costs, taxes, payments to financial institutions and investors, and salaries, wages and employee benefits.

The operations of Grupo México generated a total economic value of US$15,138 million in 2023.

Grupo México
Economic Value Distributed 2023



65%	11%	8%	15%	1.50%
Operating costs	Salaries, wages and emlpoyee benefits	Financial institutions and shareholders	Taxes	Community investments, donations + GM Foundation

[1] Includes mining rights, concession fees and other taxes.

The following table summarizes the distribution by division[2]:

US$ millions

Economic Value Generated (EVG)			Economic Value Distributed (EVD)							Economic Value Retained
Division	# Employees	Sales	Operating costs[3]	Salaries, wages and employee benefits[3]	Financial institutions and shareholders	Taxes	Community investments	Donations + GM Foundation	Total EVD	
Total MIN DIV	**17,264**	**11,245**	**5,687**	**621**	**331**	**1,607**	**97**	**4**	**8,345**	**2,900**
SCC	15,810	10,157	4,878	483	330	1,603	96	4	7,395	2,762
México (MM)	10,846	6,219	2,882	247	38	945	20	3	4,134	2,084
Perú (SPCC)	4,979	3,972	2,075	225	289	658	76	1	3,324	649
EUA (ASARCO)	1,439	1,083	805	136	0	4	0.3	0.1	945	138
Total TRA DIV	**11,029**	**3,197**	**1,251**	**505**	**498**	**-**	**57.4**	**1.8**	**2,314**	**883**
Total INFRA DIV	**2,900**	**696**	**448**	**81**	**58**	**85**	**1.2**	**0.03**	**674**	**22**
GM Foundation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.8**	**7**	**-**
Total Grupo México 2023	**31,193**	**15,138**	**7,386**	**1208**	**887**	**1,691**	**155**	**12**	**11,340**	**3,798**
2022	29,519	14,349	6,613	693	832	3,632	144	12	11,925	2,424
2021	29,090	14,777	5,522	963	1,006	2,612	68	11	10,182	4,981

[2] The final figures may vary from those reported in our 2023 Financial Statements, due to the time elapsed between the publication of this report and the independent audit and assurance conducted by the financial areas.
[3] The total Operating costs and Salary, wages and employee benefits include amounts for our projects in Spain, Ecuador and Chile, and eliminations between companies.

b.1) Revenue and taxes by jurisdiction

GRI 207-4

Our quarterly and annual financial statements provide perspectives on both the current and future fiscal impact associated with the accounting profit of the organization.

The taxes paid during the 2023 fiscal year are summarized following by division and country:

US$ thousands	Mining Division						Infrastructure Division	Transportation Division		Total
	Mexico	Peru	USA	Spain	Ecuador	Chile	Mexico	Mexico	USA	Grupo México
Revenue from sales to third parties	5,977,415	3,854,335	993,528	-	-	-	375,784	2,453,677	384,827	**14,366,895**
Revenue from intra-group transactions with other fiscal jurisdictions	82,107	0	35,304	-	-	-	-	457,671	1,730	**-**
Earnings before taxes	2,786,574	1,473,357	138,842	-656	-21,246	-1,124	67,989	868,507	13,100	**5,262,167**
Tangible assets other than cash and cash equivalents	7,351,921	3,855,209	1,637,023	329	1,953	13,941	1,930,662	3,214,070	2,308,221	**20,725,829**
Corporate income tax paid on a cash basis	834,218	610,549	3,924	-	-	-	76,440	282,031	570	**1,903,552**
Corporate income tax accrued on profit (loss)	883,008	615,228	-36,511	-147	-	-	24,154	273,962	303	**1,787,998**

b.2) Revenue and taxes by country

GRI 207-4

US$ million	Mining Division						Infrastructure Division	Transportation Division		Total
	Mexico	Peru	USA	Spain	Ecuador	Chile	Mexico	Mexico	USA	Grupo México
Revenue										
Revenue from unrelated parties	5,977	3,854	994	-	-	-	375.8	2,454.0	385.0	14,366.9
Revenue from related parties	82	-	35	-	-	-	334.6	458.0	2.0	
Taxes paid / (refunded)										
Corporate tax	679.1	456.6	0.0	0.0	0.0	0.0	62.7	273.0		1,531.3
Other taxes	155.1	153.9	3.9	0.0	0.0	0.0	13.8	9.0	0.6	372.3
Total supported taxes	**834.2**	**610.5**	**3.9**	**0.0**	**0.0**	**0.0**	**76.4**	**282.0**	**0.6**	**1,903.6**
Additional information							0.0			
Number of employees	10,696	4,488	1,441	37	-	-	2,904	10,238	839	30,702
Tangible assets (US$ million)	7,351.9	3,855.2	1,637.0	0.3	3.7	13.9	1,930.7	3,214.0	2,308.0	20,725.8

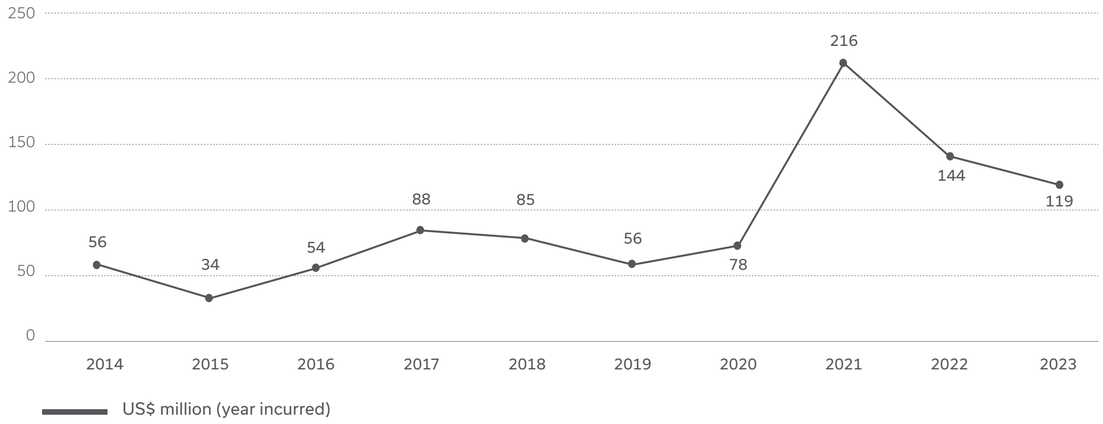
b.3) Tax expense and tax rates

GRI 207-4

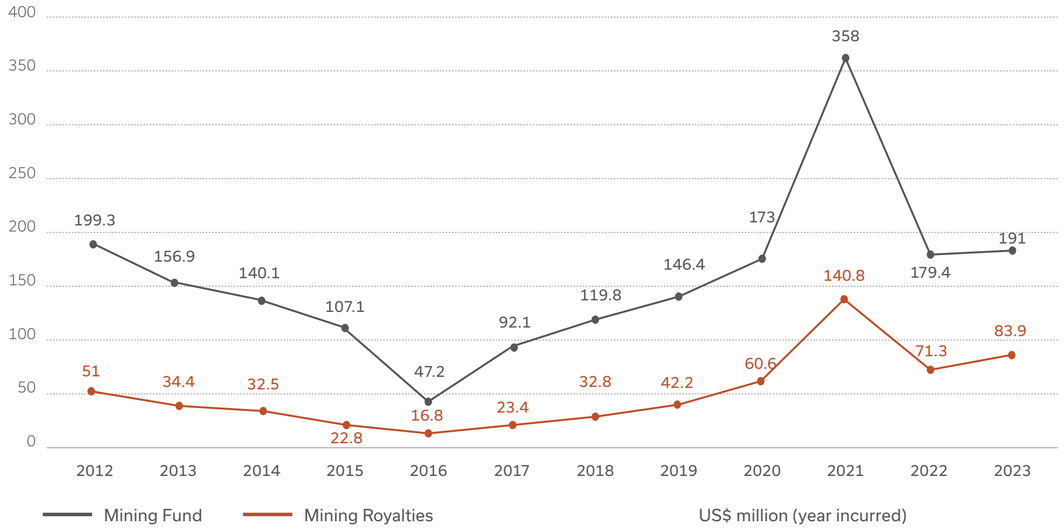
	Mining Division						Infrastructure Division	Transportation Division		Total
	Mexico	Peru	USA	Spain	Ecuador	Chile	Mexico	Mexico	USA	Grupo México
Earnings (loss) before taxes (US$ million)	2,786.6	1,473.4	138.8	-0.7	-21.2	-1.1	68.0	868.5	13.1	5,262.2
Income tax on earnings (US$ million)	883.0	615.2	-36.5	-0.1	0.0	0.0	24.2	274.0	0.3	1,788.0
Tax rate on financial statements	31.7%	41.8%	-26.3%	22.5%	0.0%	0.0%	35.5%	31.5%	2.3%	34.0%
Statutory tax rate	30.0%	29.5%	21.0%	25.0%	25.0%	25.0%	30.0%	30.0%	21.0%	30.0%

C) Payments to Governments

c.1) Special and Extraordinary Mining Rights (Mexico)



c.2) Mining Fund and Royalties (Peru)



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3.2 Supply Chain Management

3.2.1 Highlights

3.2.2 Governance

3.2.3 Management

3.2.4 Strategy

3.2.5 Next Steps

3.2.6 Metrics and Indicators

3.2 Supply Chain Management

At Grupo México, we recognize the importance of sustainability being practiced not only within an organization, it must also extend throughout the value chain to ensure a responsible supply that is mindful of both the environment and people, and which is also resilient to climate change and social conflicts.

3.2.1 Highlights

22,332
We worked with 22,332 suppliers across the 3 divisions of Grupo México.

US$6.226 BN
spent on goods and services.

89%
of our spending on suppliers was with local[1] and national[2] suppliers across the 3 divisions.

US$5.530 BN
invested in local and national supply, with a total 18,391 suppliers.

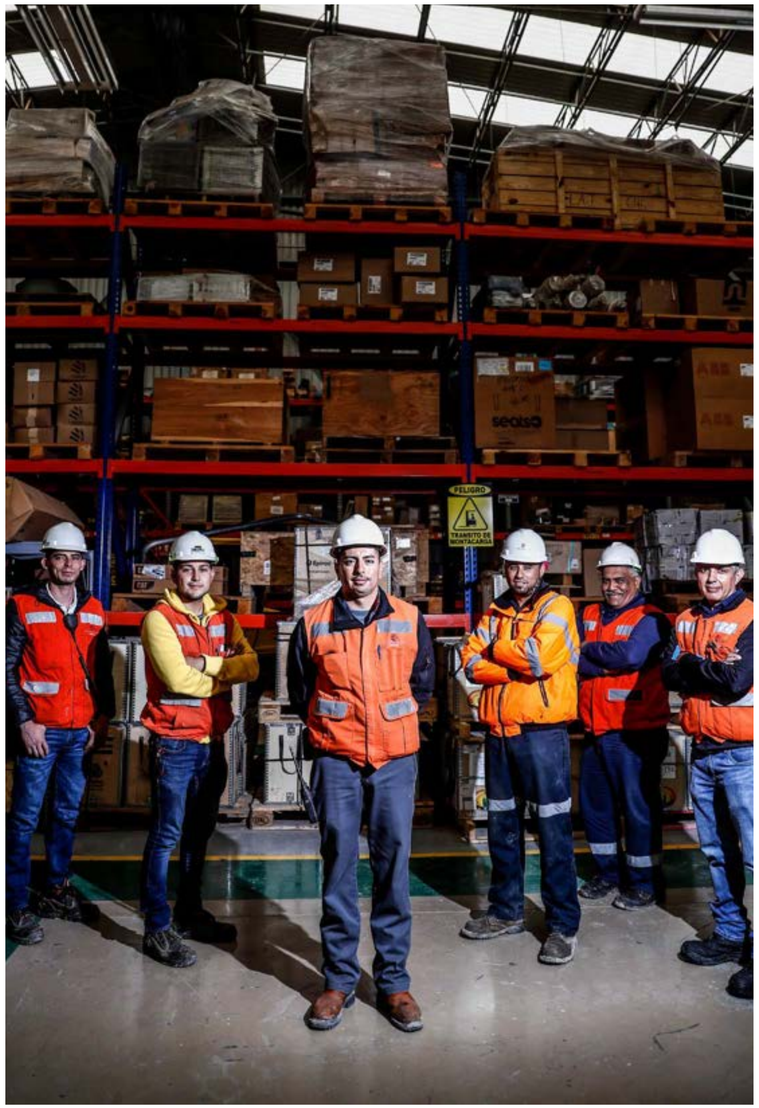
2,871
suppliers identified as critical[3], representing **33%** of our total suppliers this year.

[1] The term 'local supplier' refers to suppliers that provide goods or services in the same state as where our operations are located.
[2] Refers to a supplier that is in the same country where they provide the goods or services. Local providers are not included in the count of national suppliers.
[3] For more information consult Critical Suppliers.

3.2.2 Governance

The Procurement departments in each Grupo México division develop and implement management frameworks for our supply processes. Meanwhile, the Sustainable Development departments in each division advise on ongoing improvement and best practices for the environmental, social and governance aspects through the value chain, including assessment and certification processes.

For more information about our management of this area in each division, visit the Grupo México Sustainability website.



Warehouse employees, La Caridad mine, Nacozari de Garcia, Sonora, Mexico.

3.2.3 Management

GRI 2-6, 204-1

With operations in Mexico, the United States, Peru and Spain, we have extensive experience in the mining sector, where Grupo México is a world leader in copper production. Our Transportation Division delivers rail freight transportation services throughout Mexico and in the states of Texas and Florida in the United States. Through our Infrastructure Division, we provide specialized services in engineering, construction, power generation, exploration, onshore and offshore drilling, and oil platform leasing and operation. We also operate fuel terminals and highway concessions in Mexico.

Ther services our three divisions provide include the following, as classified by the Global Industry Classification Standard (GICS):

Division	Sector	Industry Group	Industry	Sub-industry
Mining	15 – Materials	1510 - Materials	151040 – Metals & Mining	15104025 - Copper
Transportation	20 – Industrials	2030 – Transportation	203040 – Ground Transportation	20304010 – Rail Transportation
Infrastructure	10 – Energy	1010 - Energy	101010 – Energy Equipment & Services	10101010 – Oil & Gas Drilling
	10 – Energy	1010 - Energy	101020 – Oil, Gas & Consumable Fuels	10102040 – Oil & Gas Storage & Transportation
	20 – Industrials	2010 – Capital Goods	201030 – Construction & Engineering	20103010 – Construction & Engineering
	20 – Industrials	2030 – Transportation	203050 – Transportation Infrastructure	20305020 – Highways & Railtracks
	55 – Utilities	5510 – Utilities	551050 – Independent Power and Renewable Electricity Producers	55105020 – Renewable Electricity

For more information about our lines of business, operations, geographic location and total sales, see Our Presence and Corporate Structure.

Our value chain considers different types of goods and services that are essential to ensuring the continuity of our productive processes and the sale and distribution of our products.

We extend our sustainability policies to our suppliers, employees and contractors to minimize the risks associated with our supply chain and to foster a company that is more and more mindful of the environment, health and safety, human rights, and respect for the communities where we operate. These policies apply to everyone involved with Grupo México, requiring all to act in accordance with our Code of Ethics.

The Grupo México Code of Conduct for Business Partners is applicable across our three divisions, while the Mining Division (including SCC) has its own Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners. These policy documents formalize the minimum requirements expected from our value chain in terms of:

- risk management
- community relations
- ethics, integrity and transparency
- environment
- human rights
- product sustainability
- labor aspects

Suppliers and contractors who provide goods and/or services to the company, and affiliates, subsidiaries and sites, are required to comply with these codes, in all jurisdictions where we have operations.

The commitments established in our policies and codes require all our suppliers to meet the following requirements to participate in our contracting and procurement processes for goods and services:

01
Adhere to the Code of Conduct for Business Partners (Grupo México) or the Code of Conduct for Suppliers, Contractors and Relevant Commercial or Business Partners (Mining Division).

02
Accept the Grupo México Code of Ethics.

03
Adhere to the Grupo México General Human Rights Policy.

04
Register personnel with the corresponding government services (social security or equivalent) in the countries where we operate.

05
Provide proof of good standing with the corresponding tax authorities.

06
Sign the data protection notice, letter of consent and related parties disclosure statement.



Buenavista del Cobre employees, Cananea, Sonora.

3.2.4 Strategy

Strategy by Division

Each division's strategy has its own approach and indicators, as described following:

Mining Division

The principal goals of our procurement departments are to:

- Optimize quality
- Reduce supply costs
- Follow up on agreed discounts
- Prepare and execute supply agreements

The key performance indicators for the management of this area are:

- Managed spending
- Negotiated annual discounts
- Supply fulfillment
- Number of local suppliers
- Total spending with suppliers

The ongoing improvement process of the division in this area includes standardizing technical specifications, integrating new technologies, optimizing logistics processes, and improving efficiency in prices and performance.

Infrastructure Division

The supply chain strategy of the Infrastructure Division focuses on automating and making processes more efficient to reduce the purchase cycle, reduce expenses, and to receive goods and services in a timely manner.

The five main priorities of the general management strategy are:

- Discounts and Foreign Trade
- Paperless initiatives
- Savings in logistics
- Automation of systems
- Delivery times and reducing factoring costs

The following environmental, social and governance (ESG) goals are identified for these priorities:

- Testing sustainable products for the different lines of business
- CO_2 reductions from the sale of scrap
- Paperless initiatives to reduce deforestation

Transportation Division

For the Transportation Division, maintaining an efficient supply chain in terms of quality, cost and delivery time is essential to continue providing a safe and quality freight transportation service.

The procurement department plays an essential role in the operations, seeking ongoing improvement and strengthening of our filters and processes. The principal goals and indicators for this area are:

- Negotiation strategies with suppliers
- Total spending with suppliers
- Identify critical suppliers
- Supplier assessments

ESG Approach

Our ESG approach for our supply processes involves three main stages:

a) Selection
b) Assessment
c) Supplier development and support services

a) Selection

Our transparent processes for selecting suppliers and contractors, and for purchasing goods and services, follow procedures that aim to guarantee impartiality and equal opportunity among potential bidders, based on delivery, quality, cost, service time, experience and reputation.

Our supplier selection and renewal mechanisms and processes take into account the following criteria for establishing these relationships:

- **Business relevance:** Commercial performance, legal compliance, and quality of the products and services provided.
- **Governance:** Ethics and integrity, and anti-corruption, antitrust and anti-money laundering practices.
- **Environmental and social:** Protections for communities and the environment, human rights, safe and healthy workplaces, and respect for fundamental labor rights (decent conditions, freedom of association, elimination of harassment, discrimination, and child and forced labor).

In support of these processes, we have internal procedures in place that provide guidelines for market and trend analyses, and to identify the level of competition of potential suppliers.

Selection process

The selection process for suppliers is integral to Grupo México's Strategic Supply management. This mechanism ensures the efficiency, quality and sustainability of our supply chain, critical factors for success and our competitiveness in the market.

The first step is to complete a **category analysis** to identify the needs and the strategic products or services that area will post for bids. We also evaluate the profitability and interdepartmental impact to provide internal support.

In parallel, we prepare a **current market analysis** analysis to identify the potential risks associated with the product, country and sector, which helps us to anticipate, prepare and adapt to any eventuality. This market analysis includes a detailed review of current trends, economic challenges, government regulations, and any social or environmental issues that could directly or indirectly impact our supply chain.

The next step is to define the negotiation strategies to open the **bidding** process:



1. First, we prepare a **Request for Information (RFI)**, which invites bidders to provide information about their products and/or services. This initial stage gathers key information that will facilitate a comprehensive comparative. Selection is based not only on cost, but also on various qualitative and quantitative factors that ensure the project is aligned to the strategic goals and standards of the company.



2. We then open a **Request for Proposal (RFP)**, where we share the list of products that Grupo México is seeking, along with the locations and quantities required, to request a quote from suppliers. The quote requires a formula for updating prices and a value proposal, evaluated comprehensively.



3. Where necessary, we add a **Request for Target (RFT)** process for clarity and using the information shared, to set a target price and value added for bidders, expecting bidders to meet these targets.



4. The bidders that best meet these criteria participate in an operational testing phase. On successfully completing this phase, the contract is awarded based on the needs of the organization.



5. The **supply contract** is then formalized with the successful bidders and, lastly, the supply contract is monitored and controlled for the benefit of all the parties involved.

This proactive approach not only helps to mitigate risks, but also identifies emerging opportunities in the market that can be exploited to strengthen the company's competitive position. Understanding the global and local contexts of suppliers informs our decision-making, supporting the selection of suppliers who meet the technical and commercial requirements and who align with our corporate values and principles on social responsibility and environmental sustainability.

The supplier rating system was designed to reflect the particulars of the product or service. This approach ensures a complete overview of the available options to identify those suppliers that not only meet the basic requirements, but also offer significant value added to the supply chain. The weighting of each of the factors considered and the key requirements requested of suppliers are:

Supply analysis	Financial analysis	Organizational analysis	Value added	Environment
40%	20%	15%	15%	10%
• Production plants and offices • Production plant locations • Production and capacity and warehousing • Delivery times • Quality of logistics • Supply chain risks • Incoterms • Countries where the principal raw materials are produced	• Recorded sales • EBITDA • EBITDA margin • Income statements • Complete, current and audited information	• Mission, vision and values statements • Code of Ethics and Conduct • Policies • Year founded • HQ location • Principal customers	• Quality • Security • Customer service • Technical support	• Environmental policies • Relevant certifications

The Procurement departments use the information gathered from this analysis to define strategies to understand the company's negotiating capacity in the market, in terms of suppliers, customers and competitors, to identify investment opportunities and profitability.

Screening and Monitoring

The Mining Division Compliance office in particular uses the Dow Jones Risk & Compliance tool, which provides a due diligence process to verify the integrity of the supply chain and business partners as a requirement for establishing a commercial relationship.

We have implementing this tool gradually since 2022, considering only suppliers and customers active in the last 5 years (2019-2023) and representing a commercial relationship valued in excess of US$1,000,000.

The process involves a reputational risk assessment, reviewing criteria that include:

- Corporate governance
- Government interaction
- Policies and procedures
- Money laundering
- Tax infractions
- Slavery or human trafficking
- Sustainability

The sustainability criterion considers different aspects related to our suppliers, contractors and relevant business partners, including:

- Adherence to the Global Compact.
- Codes or policies that address anti-corruption, anti-money laundering and fair competition commitments.
- Legal compliance in environmental, workplace health and safety and labor-related matters.
- Human rights reporting mechanisms and tools to meet compliance with the Voluntary Principles on Security and Human Rights.
- Policies, procedures or mechanisms that promote freedom of association, collective bargaining, self-determination of indigenous peoples, caring for the environment and harmonious relationships with communities.
- Health and safety plans to eliminate or mitigate risks, and related trainings and courses.

We are implementing this tool gradually in the Mining Division to eventually cover 100% of the suppliers in the sample, and as of 2024, the application of the tool will be mandatory for all suppliers selected from a bidding process.

b) Assessments

We strive to create sustainable value chains, developing suppliers and/or working with suppliers and contractors who operate in accordance with our values and who meet our standards of quality, workplace safety, environmental care, and who are socially responsible companies.

In this regard, we conduct periodic assessments of our suppliers and contractors, focusing on verifying compliance with laws and regulations, and our commercial requirements, to build relationships that ensure the sustainability of the business and to maximize results.

In general, supplier and contractor assessments consider four levels of application:



1. Commercial performance reviews: Review of documents to confirm legal and tax compliance in each country where we operate.

The review process considers factors that include:

- Financial capacity
- Technical evaluation
- Commercial terms
- Delivery record
- Performance of agreements / contracts
- Service levels
- Tax compliance
- Required certifications
- Safety, environmental and labor compliance

The following scoring scale is applied to the reviews and results for each supplier, based previously determined criteria:

✓ 100 >70 = confident approval
✗ 70 >0 = not approved

Any supplier that receives a score of less than 70 points is invited to prepare an improvement plan, together with the company, to correct immediately the deficiencies identified.

The Mining Division applies sustainability criteria in its commercial performance reviews, considering:

- Council on Economic Priorities (CEPAA) Voluntary certification of working conditions (SA8000)
- Guidance on Social Responsibility (ISO 26000)
- •International Organization for Standardization (ISO) Workplace health and safety management system (ISO 45001) and Environmental management system (ISO 14001)
- Mexican Standard on Social Responsibility (NMX-SAST-26000-IMNC-2011)

The Infrastructure and Transportation divisions use a third party service (Suppliers Circle) to gather and analyze information from suppliers to improve procurement processes in our supply chain.

This process considers the following criteria:

- Legal status and constitution
- Detailed economic activity
- Financial soundness
- Tax standing
- Credit situation
- Operational details
- Commercial references from clients
- Quality policies and certifications
- Environmental and social commitments
- Compliance with labor-related obligations
- Sustainability

Each supplier receives a score and is classified according to their level of compliance.

Additionally, the sustainability criterion adds another level that verifies environmental impact and level of social responsibility both within the company and in their community relations, through reviews of policies, plans, frameworks, programs, and recognitions received, such as the Mexican Stock Exchange ESG Index, the DJSI, GPTW, Bcorp, ESR, among others.

2. Onsite audits and reviews: Led by the Procurement departments or the engineering and construction inspection offices (Mining Division) and conducted by company personnel or by contracted consultants.

The Mining Division has procedures in place for third parties to conduct inspections of materials, equipment and repairs (suppliers, repair shops, etc.), applied for mines, plants and active projects. This process ensures the purchased goods and services meet the standards and specifications for their correct operation and durability.

Inspections include site visits with the supplier to conduct a technical review of specifications, codes and regulations for each type of order or request for goods and/or services.

A pass/fail inspection report is produced from the process, which is used to classify suppliers as reliable, conditionally reliable or unreliable. Any supplier that fails the inspection (does not meet the established requirements and criteria) is given an opportunity to take action to correct the findings. If the supplier then does not take such action, our commercial relationship with them will be cancelled.

3. Onsite audits and reviews by accredited independent auditors, depending on the type of certification required.

4. Sector reviews and certifications: This type of review and certification process considers specific requirements according to the type of sector or industry. For example, the Mining Division participates in different self-assessment processes (like The Copper Mark) for both our sites and for relevant business partners. For more information, see Our Approach – ESG Assessments and Recognitions.

We classify our suppliers as follows for reporting purposes in terms of reviews and assessments:

a) Tier 1 – Direct suppliers: Representing 100% of our annual procurement spending.
b) Tier 1 Important Suppliers: Those considered critical suppliers for the operation of the business.
c) Tier 2 – Suppliers of our direct suppliers.
d) Tier 3 – Suppliers that deliver raw materials to Tier 2 suppliers



San Martin mine employees, Sombrerete, Zacatecas, Mexico.

c) Supplier development and support services

When the different stages of the review or assessment return any significant finding, the supplier is invited to prepare a strategy, together with the company, to work on correcting the deficiencies. These strategies include:

- Deficiencies detected
- Actions to correct deficiencies
- Committed dates for completion
- Controls to prevent recurrence

The Procurement departments follow up on these improvement actions. Replacements or alternatives will be considered for any supplier that fails to correct their deficiencies within the time agreed.

We also offer different development programs, technical support services and reporting mechanisms, which are available to suppliers and contractors:

- **Supplier portal (AMC):** Supports tracking payment processes.
- **Shared Services Center:** Administrative team that monitors supplier and procurement procedures.
- **Community Care Service:** Open and permanent communication mechanism between the community and Grupo México to receive grievances and/or concerns from the community, including suppliers.
- ***Provee:*** Company program that develops local supply and offers training, operating in the Mexican and Peruvian operations of the Mining Division. Includes developing the ESG capacities of local suppliers.



Lime plant employees, Agua Prieta, Sonora, Mexico.

***Provee:* Developing local suppliers**

The *Provee* program (formerly known as *Forjando Futuro* (Forging Futures)) is in operation in the Mining Division to contribute to local development by strengthening the capacities of local persons and businesses, fostering employment and supply. The program focuses on three main areas, each with its own modalities, which also consider a gender perspective:

a) Fostering employment

This area focuses on developing skills and competencies, offering a wide range of courses and opportunities, including:

- **Trade Certification:** Certification courses for a variety of trades, including diesel mechanic, heavy equipment operator, electricity, electromechanics, instrumentation, plumbing, industrial safety, carpentry and TIG-MIG welding.
- **Professional Practices:** We offer opportunities for high school and university students to complete their service requirement. This includes internships at our sites registered with the "*Jóvenes Construyendo Futuro*" federal government program in Mexico.
- **Academic Completion:** Opportunities for adults to complete their high school education to improve their job prospects and for personal and professional development.

b) Economic diversification

This area of the program offers local residents alternatives for economic diversification so as to not rely exclusively on mining activity. These options include:

- **Productive Projects:** Food farming, poultry farming and family orchards.
- **Productive Skills:** Canning, dairy products, soy workshop, weaving, cooking, baking, hair dressing, crochet, tailoring, acrylic nails and make-up.
- **Indirect Value Chain:** Photography and marketing, customer service, English, basic computer skills and administration.

c) Strengthening suppliers

This area focuses on offering training for company suppliers and also for entrepreneurs and small and medium enterprises, to support their development as suppliers in the direct value chain of the mining sector.

The program includes:

- **Training in entrepreneurship and business organization:** Courses designed to improve business and organizational skills for local suppliers to optimize their processes and performance.
- **Development of ESG commitments:** Fosters adopting environmental, social and governance (ESG) practices among suppliers to strengthen the local value chain and contribute to their long-term sustainability.

Implementation

The implementation of the program at each site is informed by the needs identified through the participative diagnostics prepared by the Community Development department, and also the perspectives of the Community Committees, local associations and institutions, and the requirements of the particular profiles and competencies for our operational areas.

We build alliances with specialized institutions to offer workshops and courses:

- **In Mexico,** these institutions need to be registered with the Ministry of Labor or the Ministry of Education and be authorized to lead Trade Certification trainings, which guarantees the certificates issued will be officially recognized and valid.
- **In Peru,** institutions must hold an agreement with the company, which requires registry and recognition from the state supervisory and regulatory bodies corresponding.

These controls ensure the skills and competencies certifications issued meet the standards and are recognized nationally to support job seeking.

At Grupo México, we acknowledge and respective legitimate artisanal and small-scale mining, provided these activities follow the regulations of the countries where operate and they are not involved in conflicts or criminal activity. All our Community Development programs and services are open to these groups, just as they are open to the general public. We particularly highlight our Community Care Service as a mechanism for engagement and our Provee program, which offers technical training in mining-related trades.

3.2.5 Next Steps

As part of our commitments to ongoing improvement, Grupo México has undertaken various initiatives to strengthen our approach on ESG aspects in our supply chain processes, including:

Codes and procedures

We will soon add improvements and make adjustments to our Code of Conduct for Suppliers, Contractors and Relevant Commercial or Business Partners, applicable in the Mining Division, and to our Grupo México Code of Conduct for Business Partners, focusing on the criteria for social and environmental assessments, including GHG emissions, energy consumption, contamination prevention, waste management, efficient use of resources and biodiversity, and also labor practices (anti-trust) and human rights.

Environmental Bidder List[4] – Mining Division, in Mexico

The Environmental Bidder List is a process that sets the criteria for purchasing goods and services considering environmental aspects. These criteria are part of Minera México's Procurement and Contract Operations Control Procedure.

The procedure aligns to ISO 14001:2015 and includes:

- Preparation of an Environmental Management System Manual – Environmental Bidder List
- Environmental analysis of contractor actions and activities.
- Requiring contractors, suppliers and visitors of Minera México and subsidiaries to sign a letter of environmental commitment.
- Environmental communication for visitors, shippers and suppliers.

This procedure will be used in negotiations with suppliers for a wide variety of products: thermal insulators, air conditioning and refrigeration equipment, explosives, lighting fixtures/light bulbs, motors, paints and varnishes, restroom and kitchen equipment, refrigerants, chemical substances (including raw materials, sulfuric acid and reagents, among others), vehicles, construction materials, wood and wood products, and parts for contamination or pollution control equipment.

The Environmental Bidder List selection process also considers as a requirement that the supplier hold valid national and international environmental certifications and the corresponding authorizations and permits to conduct their activities.

We will be formalizing similar procedures for Peru and the United States in the medium term, and also for the Infrastructure and Transportation divisions.

Development programs and review

We are also continually improving our review or assessment mechanisms to unify criteria across our three divisions and structure initiatives that address ESG aspects through development programs, offering also technical support services for our suppliers.

3.2.6 Metrics and Indicators

GRI 2-6, 204-1

Our financial aspects and performance in the area of supply is reported through the following indicators:

a. Spending with suppliers
- Distribution of spending with suppliers
- Proportion of spending with local, national and international suppliers
- Economic spillover generated for each type of supplier

b. Critical suppliers
- Identification of critical suppliers
- Spending with critical suppliers

c. ESG program – Selection
- Identification of Tier 1 (direct) suppliers
- Identification of Tier 1 important suppliers

d. ESG program – Assessments
- Annual goal of suppliers reviewed
- Number of suppliers reviewed

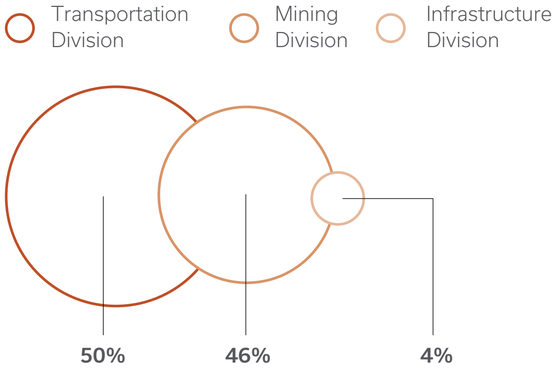
e. ESG program – Development and support services
- Training for local suppliers – *Provee*

[4] List of companies or suppliers interested in participating in bidding processes or in offering their services to provide specific goods or services.

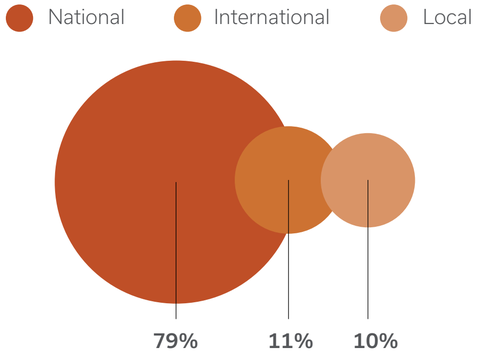
1) Spending on Suppliers

GRI 204-1

Distribution of spending on suppliers

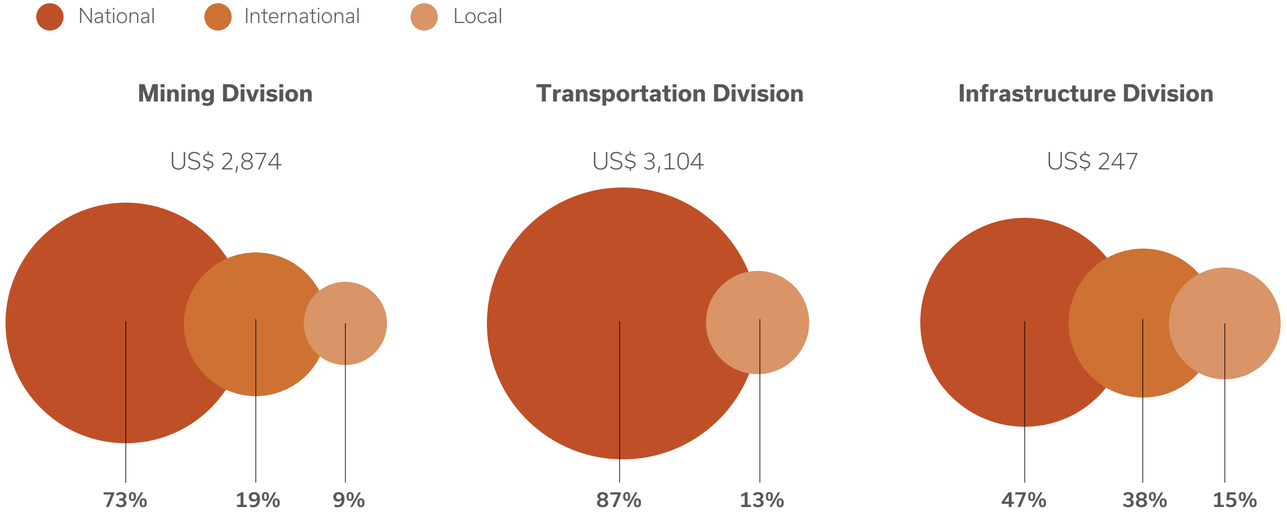


Proportion of spending on local, national and international suppliers



We spend US$6.226 billion on purchases of goods and services in 2023, representing a 37% year-over-year increase.

Proportion of spending on local, national and international suppliers



Note: The Transportation Division calculation considers only information for national and international suppliers.

1) Gasto en proveedores

GRI 204-1

Spending for each division by type of supplier

US$ million

Region	Total spending	Total suppliers	Local suppliers		National suppliers		International suppliers	
			Total spending	Total #	Total spending	Total #	Total spending	Total #
Total Mining Division	**2,874**	**7,050**	**533**	**1,433**	**2,088**	**4,318**	**253**	**1,299**
SCC	2,412	5,626	347	794	1,818	3,658	247	1,174
Mexico (MM)	1,402	3,200	338	657	897	1811	166	732
Peru (SPCC)	1,010	2,426	9	137	921	1847	81	442
USA (ASARCO)	462	1424	$185	639	271	660	6	125
Total Transportation Division	**3,104**	**13,407**			**2,699**	**10,854**	**405**	**2,553**
Mexico	3,007	13,111			2,699	10,854	308	2,257
USA	97	296					97	296
Total Infrastructure Division	**247**	**1,875**	**95**	**847**	**115**	**939**	**37**	**89**
Total Grupo México	**6,226**	**22,332**	**628**	**2,280**	**4,902**	**16,111**	**696**	**3,941**

Considerations:

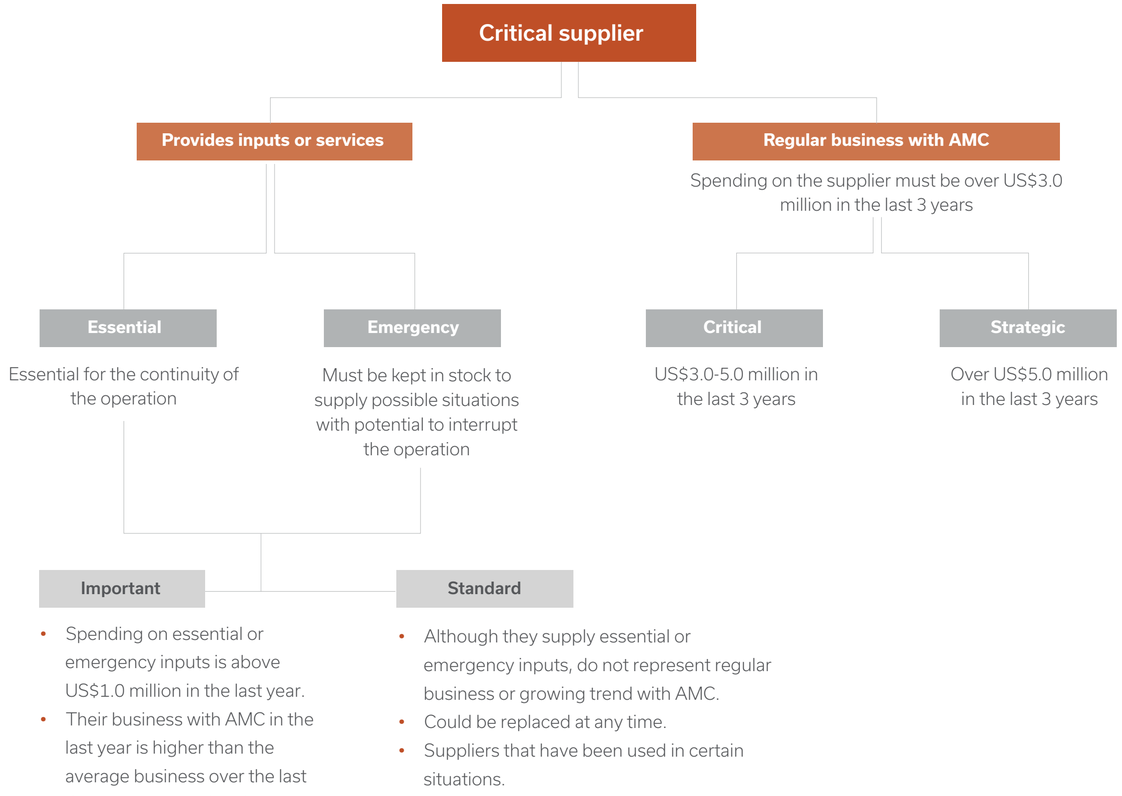
- 89% of spending on local and national suppliers across the three divisions.
- The **Transportation Division** is in the process of separating out their local and national suppliers to provide this detail in subsequent reports.

2) Critical Suppliers

Identifying critical suppliers

Mining Division and Infrastructure Division

We have set parameters to identify critical supplliers in our supply chains, which we classify according to the following characteristics:



Transportation Division

The Transportation Division identifies and classifies suppliers according to the following:

- Importance for the continuity of our operations.
- Key agents in the good performance of the company.
- Degree of technical, technological and/or scientific specifications of the good or service.
- Complexity to replace or find another supplier offering the same goods or services.

Suppliers are classified as critical when:

1. They are strategically important to the operation.
2. The good and/or service they offer is unique or difficult to find.
3. The company's material performance indicators depend on the supply of the good or service.

01
Specific supplier
1. Required by the customer
2. High reliability in the delivery of the product or service

02
Critical supplier
1. Essential for the operation
2. Very difficult to replace
3. Determining factor in the company's performance

03
Regular supplier
1. Standard catalog of goods and services
2. Broad range of suppliers that can provide the good or service
3. Goods and services that are not determining factors for the operation nor do they have unique characteristics

04
Influential supplier
1. Difficult to replace, but possible
2. The good or service has very important technical restrictions or details

Spending on critical suppliers

US$ millions

Division	Total suppliers	Total spending on suppliers	Critical suppliers	% total suppliers	Total spending on critical suppliers	% total spending
Total Mining Division	**7,050**	**2,874**	**799**	**11%**	**2,441**	**85%**
SCC	5,626	2,412	592	11%	2,086	86%
Mexico (MM)	3,200	1,402	349	11%	1,233	88%
Peru (SPCC)	2,426	1,010	243	10%	853	84%
USA (ASARCO)	1,424	462	207	15%	355	77%
Total Transportation Division	**13,407**	**3,104**	**2,730**	**20%**	**1,942**	**63%**
Mexico	13,111	3,007	2,730	21%	1,942	65%
USA	296	97	0	0%	-	0%
Total Infrastructure Division	**1,875**	**247**	**1,565**	**83%**	**184**	**74%**
Total Grupo México	**22,332**	**6,226**	**5,094**	**23%**	**4,567**	**73%**

Considerations:

- The **Mining Division** report considers 4 categories of critical suppliers.
- For reporting purposes, the **Infrastructure Division** considers only the categories critical, essential and emergency.
- The **Transportation Division** considers only the category critical and does not include information for our US subsidiaries for this reporting period.

In terms of total spending, we identified 5,094 critical suppliers across our 3 divisions, representing 73% of our spending.

3) ESG Program – Selection

Identifying Tier 1 suppliers (direct) and major suppliers in Tier 1 (critical)

Division	"Direct suppliers (Tier 1)"	"Critical suppliers (Tier 1-Major)"	% total suppliers
Total Mining Division	**7,050**	**799**	**11%**
SCC	5,626	592	11%
Mexico (MM)	3,200	349	11%
Peru (SPCC)	2,426	243	10%
USA (ASARCO)	1,424	207	15%
Total Transportation Division	**13,407**	**2,730**	**20%**
Mexico	13,111	2,730	21%
USA	296	0	0%
Infrastructure Division	**1,875**	**1,565**	**83%**
Total Grupo México	**22,332**	**5,094**	**23%**

Observations:

- The **Mining Division** report considers 4 categories of critical suppliers.
- For reporting purposes, the **Infrastructure Division** considers only the categories critical, essential and emergency.
- The **Transportation Division** considers only the category critical and does not include information for our US subsidiaries for this reporting period.



Technical inspection, underground mine, Mexico.

3) ESG Program – Selection

Screening and Monitoring

We continued our implementation of the Dow Jones Risk & Compliance tool in 2023. This web-based tool supports continual monitoring and screening for sanctions to verify the integrity of our supply chain through risk assessments for topic areas like bribery, corruption and dealings with sanctioned parties.

The principal monitoring includes:
- Beneficial ownership
- Politically exposed persons (PEP)
- Sanctions
- Negative media coverage
- Other high risk factors

This tool is part of a larger risk management system that involves the Procurement department, Compliance office and different decision-making management levels. We're working on a process that will increase the level of approval required within the company and the scope of the due diligence process in accord with a supplier's risk level (based on the findings of the Down Jones Risk Center).

This tool monitors the following categories for media coverage:

Regulatory
- Corruption
- Fraud
- Regulatory issues
- Sanctions

Competition/Financial
- Anti-trust practices
- Risk of association
- Information/copyright/patent-related rights
- Financial difficulties
- Management issues
- Property or ownership issues

Environmental/Production
- Environmental issues
- Issues involving products/services
- Issues involving production/supply chain

Social/Labor
- Discrimination/labor rights
- Human rights issues
- Labor disputes
- Workplace health and safety issues

This due diligence process can also check whether the mined ore that Grupo México receives comes from countries on the European Union CAHRA list (related to Copper Mark criterion 31), which helps us to meet compliance with the OECD Due Diligence Guidance for Reponsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

At 2023 close, we are using the tool to monitor 3,385 suppliers, applying selection criteria that includes active business relationships valued in excess of US$1 million in the last 5-6 years. We will apply the S&M process for these suppliers in 2024.

4) ESG Program – Assessment

a) Mining Division

We conducted 490 review inspections of orders and potential suppliers at our mines in Mexico in 2023

Division	Onsite inspections
Mining	490

ESG Assessment

Continuing our implementation of the Dow Jones Risk & Compliance tool, our relevant business partners participated in review surveys in 2023, based on ESG criteria. This process was reviewed by an independent third party as part of our Copper Mark certification for the Processing Plant (METCO), the La Caridad mine and the Zinc Electrolyte Refinery in Mexico.

The determination of our relevant business partners identifies the lowest number of suppliers that represent the largest share of the expense, selecting those with whom we contract or purchase goods or services over 1% of our total contracting or purchasing. the total relevant business partners identified for each operation were:

Operation	# Relevant business partners
METCO	88
La Caridad Mine	
Zinc Electrolyte Refinery	28

The results of both reviews informed the following:

La Caridad Mine / Processing Plant (METCO):

- The areas of opportunity include ISO 45001 / ISO 140001/SA 8000 certifications, preparing sustainability reports and/or codes of business conduct or for business partners, and defining actions to reduce GHG emissions, waste management practices, biodiversity conservation, community relations and water reuse.
- These areas of opportunity were not considered sufficiently relevant to cancel our business relationships with these suppliers.
- Only one relevant finding was detected and this involved freedom of association and union activities, for which we initiated continual monitoring through the Dow Jones Risk platform.

Zinc Electrolyte Refinery:

- The areas of opportunity include the preparation of sustainability reports and/or codes of business conduct or for business partners, and defining actions for workplace health and safety plans, addressing human rights-related risks and emergency response plans.
- These areas or opportunity were not considered sufficiently relevant to cancel our business relationships with these suppliers.
- Continual monitoring was initiated through the Dow Jones Risk platform.

b) Infrastructure Division and Transportation Division

The Infrastructure Division and the Transportation Division use the services of a third party (Suppliers Circle) to review the suppliers in these supply chains. The results of this process in 2023 were:

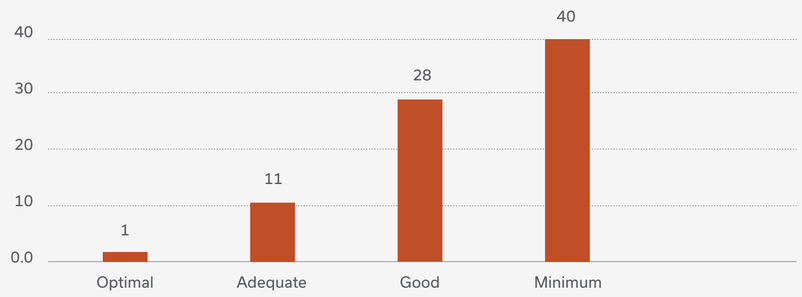
Division	Reviews
Transportation	829
Infrastructure	116

Sustainability Assessment

The Infrastructure Division includes in this review an ESG assessment that looks at environmental impact, social responsibility and community relations. The Mining Division and the Transportation Division are in the process of evaluating and developing their own strategies for implementing these types of mechanisms.

Division	ESG Assessments
Infrastructure	80

Of these 80 assessments, 50% of our suppliers met the minimum expectation of compliance and the other 50% ranged from good to optimal in terms of ESG criteria:



The ESG assessment for supplliers considers:

	Criteria
Environmental	Plans in place to reduce their environmental impact and for the responsible use of resources, including distinctions like the Global Compact, DJSI, ISO 9001 and ISO 14001, among others.
Social	Policies and programs in place that care for employees and their wellbeing and responsibilities with the communities impacted, including distinctions like OHSAS 18000, Bloomberg Gender Equality Index and GPTW, among others.
Governance	Frameworks or practices in place that ensure accountability, transparency and an equitable operation, and which are aligned to quality processes and standards, including distinctions like Bcorp, SA8000 and WEPs, among others.

As part of our commitment to ongoing improvement in our review and assessment mechanisms, the Procurement departments in each Division are in the process of developing strategies to use the results of these reviews, including ESG criteria, to inform ongoing improvement plans with our suppliers.

5) ESG Program – Development and support services

Training for local small suppliers – *Provee*

With the Mining Division Procurement department, Community Deveopment personnel conducted a pilot training program for local small suppliers in Cananea, Sonora, Mexico, focusing on:

- Preparing a supply and demand needs diagnostic for local services in the community, from which 19 supply needs were identified for the Buenavista del Cobre operation, which could potentially be met through 464 small businesses.
- Identifying opportunities to strengthen small businesses, focusing on tax obligations.
- With the support of the Sonora Mining Cluster and the Instituto Tecnológico de Cananea, training 74 local small businesses on various topics, including environment, safety, social responsibility, finance, administration and legal aspects, among others.
- Training 26 local entrepreneurs on basic security for mass events, with guidance from Civil Protection.



Warehouse at the San Martin mine, Sombrerete, Zacatecas, Mexico.

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4.1 Corporate Governance

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4.1 Corporate Governance

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4.1 Corporate Governance

GRI 3-3

Grupo México, S.A.B. de C.V. (Grupo México) is a leading Mexican company in mining, transportation and infrastructure. Our Corporate Governance Guidelines ensure our decision-making supports the sustainability of the company while caring for the interests of our investors, employees, customers, suppliers, neighbor communities and other stakeholders.

Our corporate governance ensures we adhere to our vision, mission and values statements, and oversees the decision-making of the company and our three divisions:

Americas Mining Corporation (AMC) → Mining Division, includes:
- Operations in Mexico and Peru (Southern Copper Corporation[1] (SCC))
- Operations in the United States (ASARCO)

Grupo México Transportes[2] (GMXT) → Transportation Division, includes:
- Operations in Mexico (Ferrosur, Ferromex, Intermodal México)
- Operations in the United States (Texas Pacífico, Florida East Coast)

México Proyectos y Desarrollos (MDP) → Infrastructure Division, includes:
- Operations in Mexico (Controladora de Infraestructura Petrolera México, México Compañía Constructora, Controladora de Infraestructura Energética México, GM Controladora de Combustibles, GM Servicios de Ingeniería y Autopistas), Grupo Inmobiliario UPAS.

Our governance structure is designed to ensure transparent and responsible decision-making that supports the expansion of the company (particularly in recent years) and the relevance of all our lines of business. Our mine operations represent nearly 79% of company sales and EBITDA, while our railroad operations account for 19% of sales (17% EBITDA) and our infrastructure operations nearly 2% of sales (4% EBITDA).

Grupo México Sales and EBITDA 2023



75% Sales Mining	22% Sales Transportation	3% Sales Infrastructure
75% EBITDA Mining	20% EBITDA Transportation	5% EBITDA Infrastructure

[1] Our subsidiary Southern Copper Corporation (SCC) trades on the New York and Lima Stock Exchanges and is regulated by the Securities and Exchange Commission (SEC) in the United States and the Superintendency of the Securities Market (in Spanish, SMV) in Peru. SCC has its own Board of Directors and General Shareholders Meeting. For more information about SCC's corporate structure, see the Southern Copper Corporation 2023 10k Report (Organizational Structure), available on the SCC website.

[2] Our subsidiary GMéxico Transportes (GMXT) trades on the Mexican Stock Exchange and is regulated by the Mexican Banking and Securities Commission (in Spanish, CNBV). GMXT has its own Board of Directors and General Shareholders Meeting. For more information about GMXT's corporate structure, see the GMXT 2023 Annual Report, available on the GMXT website.

4.1.1 Governance Structure

GRI 2-9

Our corporate governance structure incorporates international good practices and supports an environment of trust, transparency and accountability.

The General Shareholders Meeting is the supreme governing body of Grupo México. This body reviews and approves the management reports submitted to it by the Grupo México Board of Directors. Meanwhile, the Grupo México Board of Directors is our highest administrative body and is responsible for setting and overseeing the global strategies for our business and our subsidiaries, and for reviewing our compliance. The Board has two support committees: the Executive Committee and the Audit and Company Practices Committee.

Each of our three divisions has its own Board of Directors[3], which report directly to the Grupo México Board of Directors. Each division also has an Ethics and Conduct Committee and a Risk Committee, which support their respective boards in managing matters related to their corresponding topic areas. These committees report to their own boards and to the Grupo México Audit and Company Practices Committee.

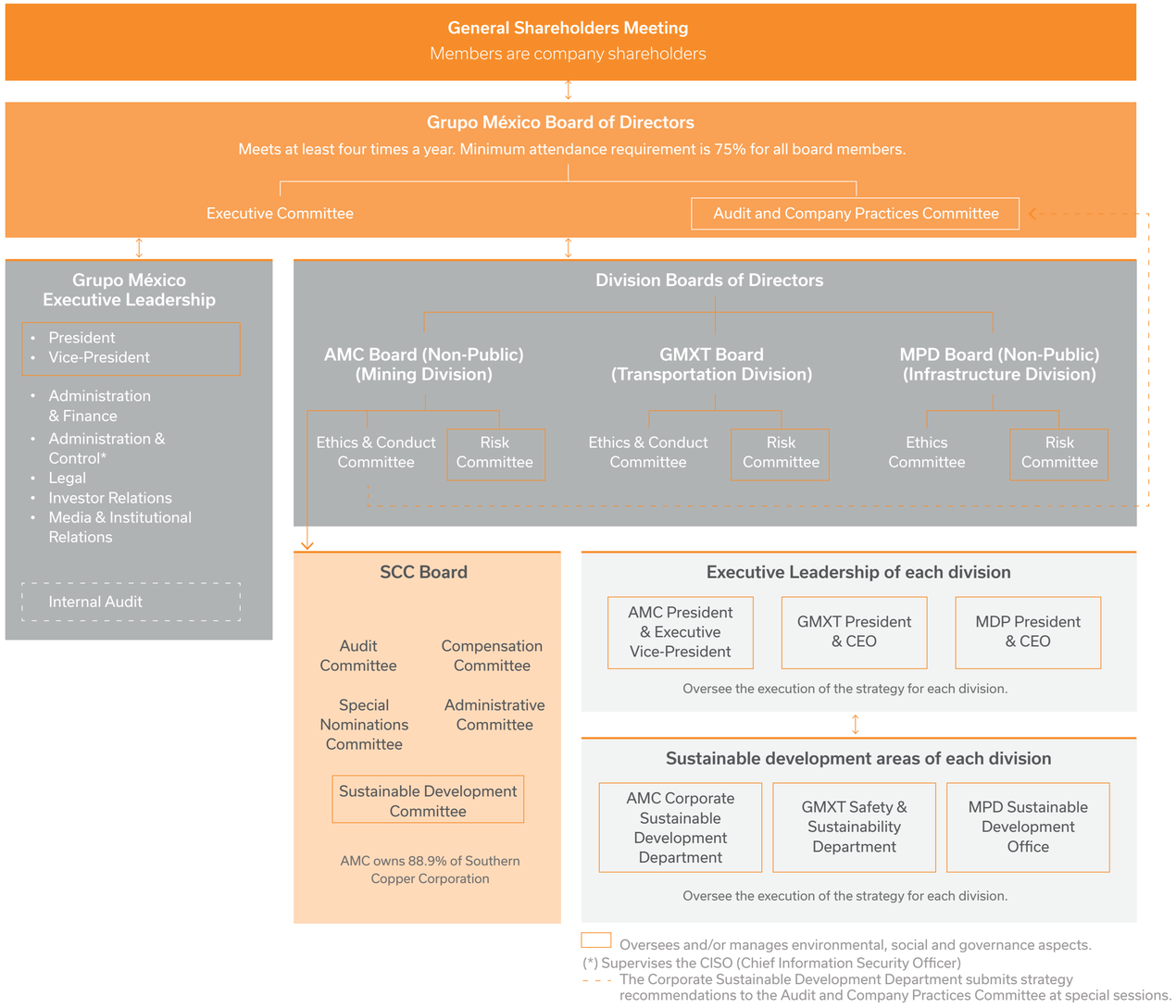
[3] The Boards of Directors of the Mining and Infrastructure divisions are not public.

Both Southern Copper Corporation (SCC) and Grupo México Transportes (GMXT) have their own Boards of Directors that report to their respective Shareholders Meetings.

The Executive Leadership of Grupo México is a senior management team that reports directly to the company President and Vice-President. The Executive Leadership of each division reports results and relevant issues to their respective Boards of Directors.

In terms of sustainable development, each division has specialized departments or offices in this area, which regularly report our environmental, social and governance (ESG) performance to their respective governing bodies, including the President, Vice-President or senior management, accordingly. Our ESG performance is consolidated and reported to the Grupo México Audit and Company Practices Committee at extraordinary sessions.

Grupo México governing bodies and their relationship to sustainable development



4.1.2 Board of Directors

GRI 2-10, 2-11, 2-17, 2-18 | TCFD GOB-A

The Grupo México Board of Directors is our highest administrative body and has two support committees: the Executive Committee and the Audit and Company Practices Committee.

Members

GRI 2-11, 2-17

Our Grupo México Board of Directors has 13 members, appointed by the General Shareholders Meeting. Decisions are made by a majority vote of the members present.

13 Members of the Grupo México Board of Directors in 2023.	
Germán Larrea Mota Velasco Presidente Patrimonial Board Member	**Carlos Prieto Sierra** Independent Board Member
Xavier García de Quevedo Topete[4]† Patrimonial Board Member	**Carlos Rojas Mota Velasco** Independent Board Member
Alfredo Casar Pérez Patrimonial Board Member	**Claudio X. González Laporte** Independent Board Member
Luis Castelazo Morales Patrimonial Board Member	**Emilio Carrillo Gamboa** Independent Board Member
Oscar González Rocha Patrimonial Board Member	**Fernando Ruiz Sahagún** Independent Board Member
Fernando López Guerra Larrea Patrimonial Board Member	**Rolando Vega Sáenz** Independent Board Member
Antonio Del Valle Ruiz Independent Board Member	

[4] We mourn the passing of Mr. Xavier García de Quevedo, who died in October 2023.

For more information about the members of the Board of Directors, including their background, experience, and corporate governance roles, see the Grupo México Board of Directors table in the Corporate Governance annexes in this report.

The company bylaws and applicable legislation confer minority rights on Company shareholders in the appointment of board members and alternates to protect their corporate and economic rights, in an environment of transparency and accountability.

The members of the Board of Directors are prominent business people with extensive experience in their industries, which benefits the management of our Grupo México business. Bringing together experience from different sectors, and also complementary skills and expertise, provides a broad perspective for our lines of business, and a variety of viewpoints on the current trends in our markets and the main areas of interest of our stakeholders. We have policies and procedures in place that are specifically designed to prevent and impede conflicts of interest among members of the Board and senior management. For more information about the different skill sets of our Board members, see the Grupo México Board of Directors table in the Corporate Governance annexes in this report.

Grupo México endeavors to adopt measures to develop and build on the collective expertise of the Board of Directors in environmental, social and governance aspects. As part of the ongoing development of our board members, an outside consultant will lead a training in 2024 on climate change.

The experiences and responsibilities of the directors are linked to the topics of the highest strategic relevance, such as issues related to climate change and its direct and indirect impacts.

Appointment and Independence

GRI 2-10

The Annual General Shareholders Meeting appoints the members of the Board of Directors each year according to criteria of professional background and experience, expertise, and personal and professional reputation, and we promote diversity in gender, age, nationality, ethnic origin, profession and specialization.

Board members are appointed individually and approved by a simple majority vote of company shares. Board members are appointed for one year and may be re-elected or removed at any time. Appointments to the company committees are also individual.

We encourage the inclusion of diverse profiles throughout the appointment process for the members of the Board of Directors, proposing, attracting and retaining board members that have different backgrounds and different life and professional experiences, bringing value added to the Board of Directors.

Voting on the matters before the Annual General Shareholders Meeting is individual, improving our Corporate Governance practices.

Board members must meet the requirements laid out in clause 25 of the Grupo México Bylaws and the Mexican Securities Market Law, Article 26, to be considered independent.

- 53% Board members are independent (25% required by law).

Performance Review

GRI 2-18

Under our Corporate Governance Manual, the members of the Board of Directors participate in a self-assessment process each year[5], which includes overseeing ESG performance. Committee leadership and members also participate in a self-assessment process annually.

[5] The minimum attendance requirement is one of the parameters reviewed.
[6] We mourn the passing of Mr. Xavier García de Quevedo, who died in October 2023.

4.1.3 Executive Leadership

The Grupo México leadership team has broad experience and expertise, and is responsible for the management, operation and execution of our business. Their responsibilities include preparing and submitting the business strategies for the company to the Board of Directors, and executing the decisions of the Shareholders Meeting and the Board of Directors.

- Germán Larrea Mota Velasco → Executive President
- Xavier García de Quevedo[6]† → Executive Vice-President
- Maria de Lourdes Aranda Bezaury → Director of Communications and Institutional Relations
- Marlene Finny de la Torre → Director of Administration and Finance
- Lillie Hernández Minor → General Counsel
- Juan Carlos Jaques Garcés → Audit Director
- Miguel Valdés Neaves → Administration and Control Director

In terms of sustainable development, the Executive Leadership designs business strategies that promote sustainable environments for our communities, the environment, and to ensure the continuity of the business.

The Executive Leadership prepares and presents the financial statements and the financial, administrative, economic and legal information referenced in the Mexican Securities Market Law, Article 104, which is required to be submitted to the Board of Directors for review and approval, with support documentation as necessary.

The Board of Directors conducts an annual review of the Executive Leadership, covering performance-based benefits and leadership of employees and senior management, exemplifying good, responsible and honest conduct.

4.1.4 Sustainable Development Management

GRI 2-12, 2-13, 2-14, 2-16 | TCFD GOB-A, GOB-B

We're committed to a comprehensive and cross-cutting management of our sustainable development across the different divisions, areas and levels of the organization to ensure the risks and opportunities associated with our material topics[7] are considered in our strategic decision-making processes.

Mining Division

GRI 2-14

All areas of the company are involved in the management and monitoring of our sustainable development aspects. The Grupo México Board of Directors Audit and Company Practices Committee reviews the reports prepared by the Corporate Sustainable Development Department on our management of risks and opportunities at extraordinary sessions during the year. Meanwhile, the Mining Division (AMC) Board of Directors ensures the ESG aspects of this line of business are managed properly, through quarterly reviews of the principal performance indicators reported by the Corporate Sustainable Development Department.

The Grupo México Audit and Company Practices Committee met in two extraordinary sessions in 2023 to review the results of our operations, relevant events and progress on our ESG indicators. The specific topics discussed included:

- Publication of the 2022 Sustainable Development Report
- Climate change strategy for the organization
- Workplace health and safety management
- Performance on ESG assessments conducted by rating agencies
- Critical Risk Registry for environmental and safety issues
- Corporate sustainable development goals and targets

[7] Includes occupational health and safety, water and waste management, biodiversity, climate change, human rights, business ethics, and our neighbor communities, among others.

Additionally, our principal subsidiary in the Mining Division, Southern Copper Corporation (SCC), has a Sustainable Development Committee under its Board of Directors. An independent board member chairs this committee, which meets quarterly to review the environmental, social and governance aspects of this division.



Sustainable Development Committee – Southern Copper Corporation Board of Directors

Principal roles and responsibilities

Support the Board in:

- Risk management, program implementation, and economic, environmental and social performance.
- Validating ESG targets, accountability, budgets, deliverables, etc.
- Compliance with regulations and policies to develop standards and procedures to achieve the sustainable development strategic goals of the organization.

ESG material topics:

- Responsible procurement
- Environmental issues (biodiversity, water, waste, climate change, closure plans)
- Sociopolitical matters
- Human rights
- Community development
- Diversity and inclusion
- Corporate governance
- Occupational health and safety

The SCC Sustainable Development Committee met four times in 2023 and reviewed the following aspects:

- Progress and challenges in ESG aspects
- Climate change (new requirements, emissions reduction targets and goals, and next steps)
- Community Development
- Divrsity and inclusion (strategy, update our Diversity and Inclusion policy, awareness campaigns)
- Water management
- Critical risk management
- Corporate Governance
- Progress on ISO 14001 and ISO 45991 certifications
- Publication of the 2022 Sustainable Development Report
- Mine waste
- Workplace health and safety



Employees from San Martin unit, Sombrerete, Zacatecas, Mexico.

Corporate Sustainable Development Department

In addition to reporting the ESG performance and other strategic recommendations to the governing bodies, our Corporate Sustainable Development Department is responsible for implementing the general sustainability strategy, and also for managing specific material topics, such as Environmental Affairs, Occupational Health and Safety, Community Development and Climate Change, principally in relation to our mining activities. The Climate Change Office, created in 2022, continuously monitors the implementation of our climate strategy, aligning the vision and climate change targets for our three divisions.

Additionally, the Department works in close collaboration with the other divisions and areas of the company to compile this report. Their roles and responsibilities include:

Roles and Responsibilities of the Corporate Sustainable Development Department

- Align the vision and sustainable development targets with the strategic priorities of Grupo México.
- Lead efforts in the prevention and mitigation of social and environmental risks.
- ESG reporting and communications.
- Participate in ESG assessment processes with rating agencies and investors.
- Prepare, compile and validate the Grupo México Annual Sustainable Development Report.
- Design and execute strategies focusing on gaps.
- Define policies, metrics and targets to improve our ESG performance.
- Supervise the implementation of management systems, programs and initiatives for operational and institutional improvement.
- Participate in initiatives and forums on sustainable development.
- Manage relations with inhouse and external stakeholders in relation to sustainable development.

Our Mining Division Corporate Sustainable Development Department holds regular follow-up meetings with regional managers and the heads of all our operations to monitor performance, risk management, fulfillment of goals and ongoing improvement for our environmental and social material topics.

At the operational level, all our mines have specialists in environmental and social aspects to ensure our sustainability metrics and risk management are monitored and reported properly, supporting the ongoing review of the effectiveness of the measures and management systems to make any strategic adjustments that might be necessary. For more information about our risk management, see Corporate Risk Management.

260+ experts in social and environmental aspects in the Mining Division.

Transportation Division

The CEO and Administration Department of Grupo México Transportes (GMXT) supervise the sustainable development strategy and performance of our Transportation Division. Each GMXT department is responsible for managing, planning and preparing specific projects corresponding to their area.

CEO and Administration Department	• Define the GMXT sustainability strategy. • Prioritize ESG risk management. • Define lines of action for the different departments of Grupo México Transportes.
Corporate Projects Department	• With Legal, verifies compliance with environmental and occupational health and safety regulations at both new projects and existing operations. • Coordinates the management and publication of ESG information for the Transportation Division to communicate to stakeholders.
Operations	• Develops and implements initiatives in occupational health and safety, environmental management and protection, fuel savings and energy.

Infrastructure Division

In the Infrastructure Division, the Executive President and their team support the Board of Directors in strategic decision-making for the operations of our companies and for the following:

- Allocating the necessary resources to achieve the defined goals.
- Promoting the efficient use of resources and available assets.
- Monitoring the social and environmental performance of our Infrastructure Division companies.
- Assessing the risks that could affect our Infrastructure Division companies.
- Ensuring compliance with company regulations and applicable legislation.

The sustainable development management of the Infrastructure Division is built on four pillars:

Policies	• Review, modification and approval of policies that promote sustainable development, together with inhouse and outside stakeholders.
Sustainable investments	• Design and financial planning through risk analyses to promote the inclusion of communities, being mindful of the environment.
Environmental protection	• Verification of regulatory compliance by all our operations. • Incorporation of industry best practices.
Risk management	• Identification of general and specific risks for each line of business, based on sustainability guidelines.

4.1.5 Compliance

We have Compliance Areas in all Grupo México's divisions, which are responsible for implementing the Corporate Compliance Program. The purpose of this program is to promote the adherence to external regulations, internal policies, and international industry best practices among employees and stakeholders.

The pillars upon which the Compliance Programs of the divisions are established include:

- Anti-corruption
- Prevention of Money Laundering and Financing of Terrorism
- Personal Data Protection
- Fair Competition

Grupo México's commitment to ensuring business ethics and integrity within our organization is achieved through the implementation of the Corporate Compliance Programs. Various policies derived from the Code of Ethics have been published for this purpose. Additionally, we have raised awareness of these policies through training programs, and the establishment of a Comprehensive Reporting System. We have instruments and mechanisms for prevention, accountability, and triggers for improvement actions.

The result of our commitment to establishing actions and measures to prevent corruption is reflected in the inclusion of Grupo México's divisions in the IC500 Corporate Integrity Index. This index scores companies based on their anti-corruption commitments.

4.1.6 Cybersecurity

Governance

The Grupo México Audit and Company Practices Committee manages our cybersecurity strategy. The Chairman of the Committee reports our cybersecurity performance to the Grupo México Board of Directors. Progress on the cybersecurity plan for the three divisions is reviewed quarterly, while the implementation of the strategy and organizational priorities are reviewed twice a year.

At the executive level the Chief Information Security Officer (CISO) monitors the implementation of the strategy and supervises the cybersecurity plans. Each division has an Information Security Officer who reports to the CISO quarterly on the implementation and performance of the cybersecurity strategy.

Culture of information security

Our Grupo México Corporate Information Security Policy aligns the expectations associated with this topic area to our institutional approach. Additionally, each division has its own information security policy, and these policies are publicly available and communicated internally to all company personnel through our intranet portals and email campaigns.

Our three divisions provide training on information security for all employees, including online workshops, periodical articles and in-house campaigns. The workshops also deliver information on the principal risks that employees may encounter, and the actions to take if they experience a suspicious event.

For example, we conducted an information security awareness campaign in 2023 with mandatory training for all employees, including phishing and other suspicious events. The course was complemented with testing suspicious events for all users to test their learning. The results informed a program of courses to build on the initial training with additional learning for those employees who presented areas of opportunity in the tests. We will continue our training plan in 2024 (built from the results of the phishing tests), emphasizing awareness.

All employees have access to procedures that outline what to do if they detect a suspicious event, and a direct line to Information Security personnel at our three divisions if an event requires priority attention.

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01 Introduction

02 Our Approach

03 Shared Value

04 Governance

05 Social

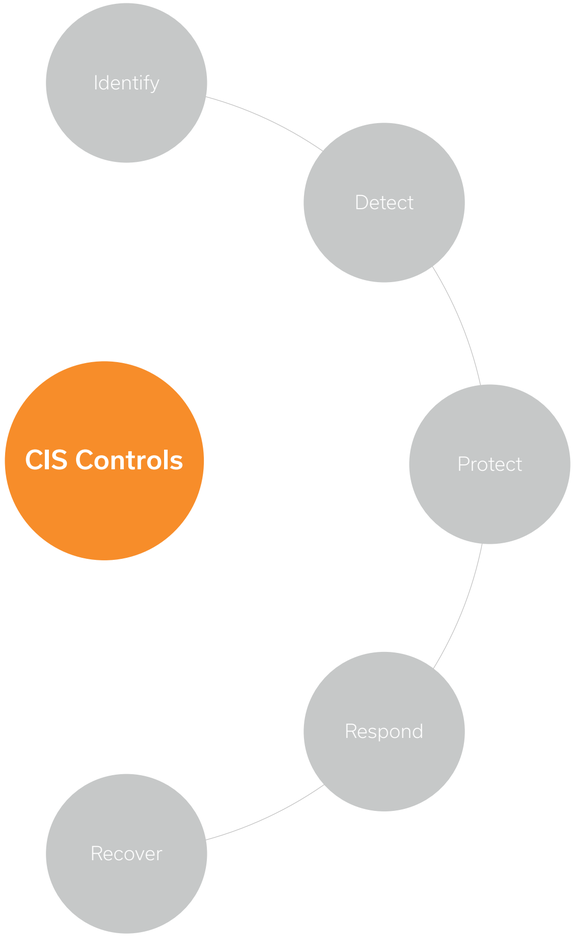
06 Environment

07 Annexes

Information security management systems

We have information security policies, processes, controls and systems in place in our three divisions, the design and architecture of which is based on the National Institute for Standards and Technology (NIST) benchmark and ISO 27000 guidance on information security management systems.

We also implement CIS controls (Center for Internet Security), which provide a benchmark for identifying the most common and significant cyberattacks by creating an international community that shares feedback on incidents, tools, problem solving, and alignment to regulatory frameworks and international standards. These controls systematically monitor the implementation of improvement plans in our three divisions in terms of the following aspects:





Control Center, Ferromex, Mexico.

Categories of controls monitored in Grupo México:

- Inventory and control of company assets
- Inventory and control of software assets
- Data protection
- Safe configuration for company software and assets
- Account management
- Access control management
- Permanent management of vulnerabilities
- Audit log management
- Email and web browser protection
- Anti-malware mechanisms
- Data recovery
- Network infrastructure management
- Network monitoring and defense
- Security awareness and skills training
- Service provider management
- Application software security
- Incident response management
- Penetration tests

The results of the CIS controls monitoring are presented regularly to the Audit and Company Practices Committee.

The internal audit department, with the Corporate CISO, verifies that the progress reported in the security management controls and systems is in keeping with the progress charts in each division, while an outside expert consultant verifies annually compliance with standards.

Our three divisions hire specialized third party firms for the following activities:

- Quarterly efficacy tests of the contingency plans and incident response procedures.
- Regular vulnerability analyses.
- Full time (365 days a year) monitoring (SOC) and incident response services.
- Cybernetic intelligence to detect movements on networks and the dark web.
- Disaster recovery plans.

The divisions perform vulnerability analyses at least quarterly using specialized tools (Tenable). Additionally, specialized certified firms conduct penetration tests, or Pentests, to detect vulnerabilities and also perform two types of attacks (black box and gray box), where our security infrastructure is attacked to test the incident response.



Centro de control, Buenavista del Cobre, Cananea, Sonora, México.



4.2 Business Ethics and Integrity

4.2.1 Commitments and Policies

4.2.2 Code of Ethics

4.2.3 Processes to remediate negative impacts

4.2.4 Reporting Line

4.2.5 Anti-Corruption

4.2.6 Channels to promote professional ethics

4.2 Business Ethics and Integrity

GRI 3-3

Business ethics and integrity are core to the operations of Grupo México, and we have tools and an internal control system in place to minimize the possibility of unlawful conducts occurring within the company or our value chain.

Aware of the importance of a comprehensive management system to ensure transparency in our financial and non-financial operations in all the countries where we operate, at Grupo México, we have implemented various accountability, process tracking and risk assessment measures. The COSO[1] framework provides us with guidance on enterprise risk management, internal control and fraud deterrence. We undergo an independent audit annually on compliance with Sarbanes-Oxley requirements and our internal control framework.

Our highlights from 2023 in the area of business ethics for Grupo México are our subsidiaries include:



We completed a significant transition in 2023 changing our Reporting Line provider in our three divisions to ensure impartiality and reliability in the handling of the information received, and also confidentiality. This strategic decision affirms our commitment to integrity and strengthens our communication channels, guaranteeing an ethical and transparent workplace environment.



Compliance with the Mexican Law for the Prevention and Identification of Operations involving Resources of Illicit Origin is a priority for Grupo México. The Mining Division Compliance office carried out a monitoring process in 2023 to verify regulatory compliance and to improve our procedure. We updated our risk matrix and Anti-Money Laundering and Anti-Terrorist Financing Manual, and implemented other measures, including automating our due diligence general information for third parties, and employee training.



The new Privacy Statements on the Minera México website and intranet are the result of a successful data protection compliance project, “Personal Data Protection Compliance System”. All areas of the company that manage personal data participated in the project, which produced and implemented various documents, including personal data lifecycles and also policies and procedures.

[1] Committee of Sponsoring Organizations of the Treadway Commission; defines the principal international standards for internal control frameworks.

4.2.1 Commitments and Policies

GRI 2- 24

At Grupo México, we acknowledge that a sustainable world can only be achieved through a multipronged approach, which includes adherence to policies and benchmarks on transparency for financial and non-financial operations, and also the assessment of latent risks in the conducting of our business.

Business ethics and integrity are a priority for our operations, and we have corporate policies in place that affirm this commitment, and also ambitious and responsible goals and targets in sustainability. Of note in this regard are our efforts in protecting human and labor rights, protecting the environment, risk assessment, reducing CO_2 emissions, and preventing corruption.

Our policies are prepared by multidisciplinary teams made up of the areas involved in the topic at hand, supported by our legal, internal control and compliance departments. All Grupo México worksites, operations and corporate offices are required to abide by our policies. The corresponding guidelines, objectives and commitments are communicated throughout the company via audiovisual media.

Grupo México, and all our subsidiaries, are held to the following publicly available policies:

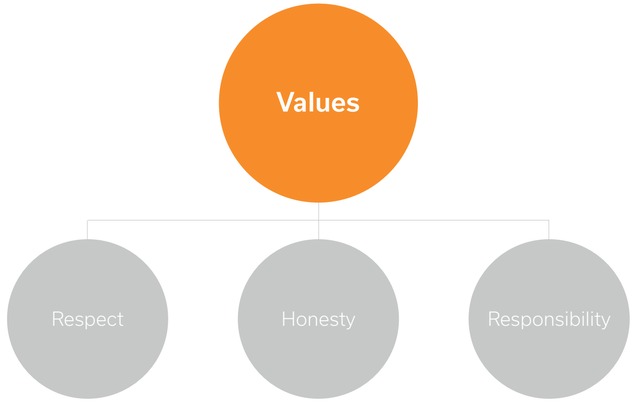
Policies
General Sustainable Development Policy
Workplace Health and Safety Policy
Environmental Policy
Anti-Money Laundering and Anti-Terrorist Financing Policy
General Human Rights Policy
Community Development Policy
General Climate Change Policy
General Tailings System Policy
General Policy on Diversity, Inclusion and Non-Discrimination
Anti-Corruption Policy
General Policy of Respect for the Rights of Indigenous Peoples and Communities
Personal Data Protection Policy
Code of Ethics

4.2.2 Code of Ethics

Values, principles and ethics

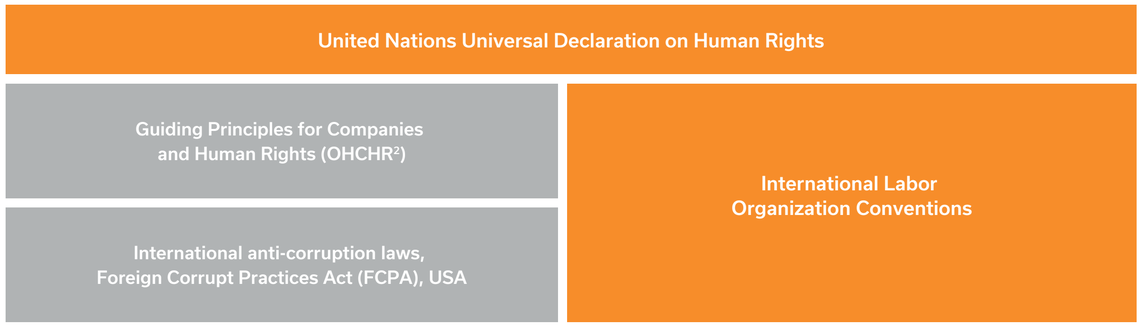
GRI 2-23

Our Code of Ethics describes all conducts permitted and not permitted during the course of business both within and outside the company, and all areas of the company are subject to these directives. Additionally, all new hires receive information and orientation on our Code of Ethics. Employees recertify their knowledge of our Code of Ethics each year as part of our efforts to reinforce our culture of ethics and to consolidate our fundamental values and promote corporate responsibility.



The Code of Ethics is the basis for ensuring ethical conduct and integrity throughout our company and is applied equally for all employees and suppliers in all countries where we operate. Employees and suppliers are required to accept our Code of Ethics on joining the company. All persons who collaborate directly or indirectly with the company are held to our Code of Ethics, including the Board of Directors, Executive Leadership, employees, representatives and any person acting on behalf of Grupo México or our subsidiaries, in Mexico or abroad. We share our Code of Ethics with our value chain and our stakeholders to communicate our principles and how we conduct our relationships.

At Grupo México, we promote and protect human rights in adherence of the United Nations Universal Declaration on Human Rights. In this context, we include the rights of the indigenous peoples and communities where we are present, by understanding and respecting their customs, traditions and spaces, in compliance with law. Similarly, we adhere to the principles laid out in the International Labor Organization Declaration on the Fundamental Principles and Rights at Work.



[2] Office of the United Nations High Commissions for Human Rights (OHCHR).

4.2.3
Processes to remediate negative impacts
GRI 2-25

We follow an annual calendar of internal audits to determine compliance with our policies and processes by all departments, Finance, Environment, Operations and Compliance. The internal audit team identifies areas for improvement and any potential impacts on our operations. These audits support us to address and remediate any breach or irregularity identified.

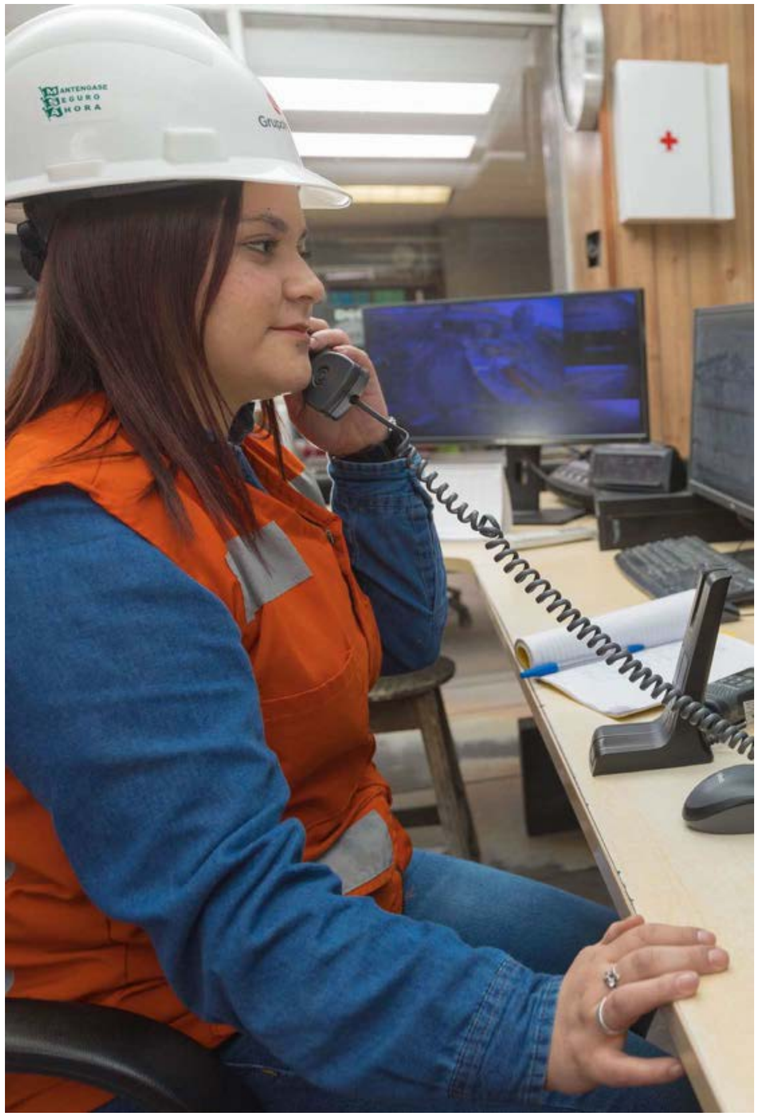
At Grupo México, we firmly adhere to international benchmarks on different administrative, financial, substantive, technology and cybersecurity processes. One of these is COSO, which we adopted over two decades ago, an international standard recognized as one of the most rigorous and exhaustive. By adopting COSO as our benchmark, we have positioned Grupo México as an organizational leader in three key areas:

Enterprise Risk Management (ERM): We have solid mechanisms in place to identify, assess and mitigate the strategic, operational, financial and compliance risks our organization faces.

Internal Control: Our robust internal control system is aligned to COSO and ensures effective corporate governance, reliable financial reporting and efficient operations.

Fraud Prevention: We apply strict COSO-based deterrent controls to protect the company against acts of corruption, misappropriation of assets and fraudulent reporting.

Grupo México is proud of our unwavering commitment to the highest international standards in regulatory compliance and controls, guaranteeing the transparency, integrity and strength of our operations. We conducted more than 800 internal reviews in 2023, and also remediation plans for operational, financial and non-financial issues.



Buenavista del Cobre employee, Cananea, Sonora, Mexico.

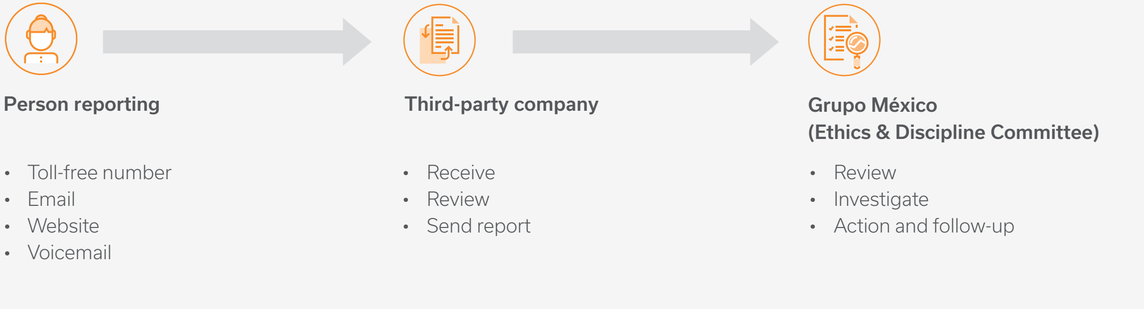
4.2.4 Reporting Line

Comprehensive Reporting System

GRI 2-25

Grupo México is committed to transparency and honest. We offer a Reporting Line to employees, suppliers, contractors, communities and all inhouse and external stakeholders, available 24 hours a day, 365 days a year in all countries where we operate.

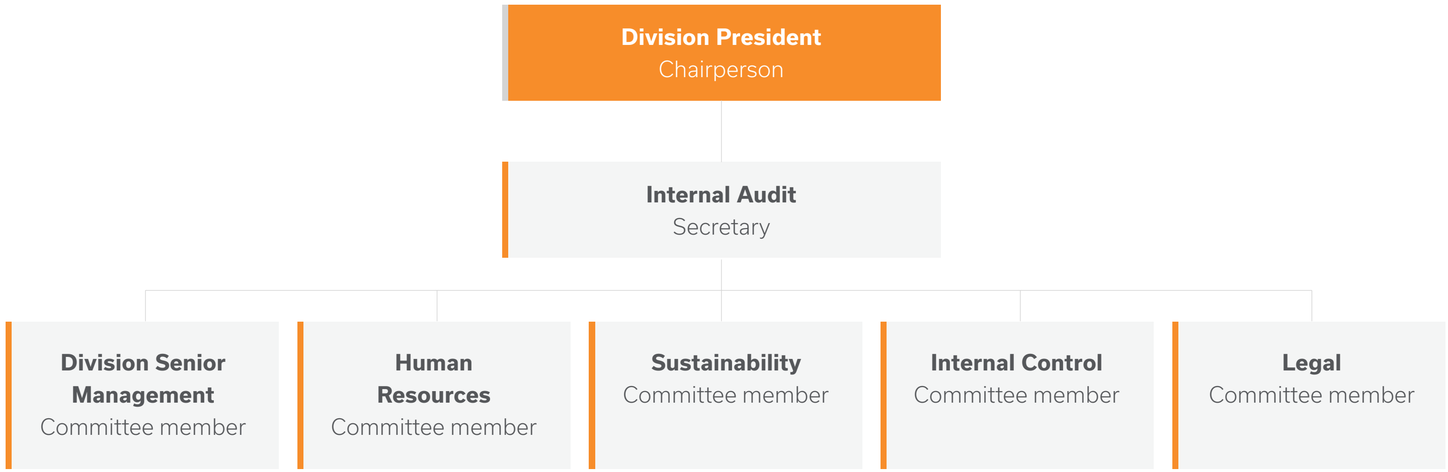
The Reporting Line is managed by a third party to guarantee anonymity; therefore, no Grupo México person has direct access to any information, and the records cannot be altered or deleted, and there is no access tracking.



Division	Operation	Website	Email	Phone
Mining	Minera México (Mexico)	https://gmm.lineadedenuncia.net/	gmm@lineadedenuncia.net	800 10 88 869
	Southern Peru Copper Corporation (Peru)	https://spcc.lineadedenuncia.net/	spcc@lineadedenuncia.net	080 078 258
	ASARCO (USA)	https://asarco.lineadedenuncia.net/	asarco@lineadedenuncia.net	1 800 961 6771
Infrastructure	México Proyectos y Desarrollos	https://gmi.lineadedenuncia.net/	gmi@lineadedenuncia.net	800 10 88 869
Transportation	Grupo México Transportes	https://gmt.lineadedenuncia.net/	gmt@lineadedenuncia.net	800 10 88 869
Corporate	Services	https://gm.lineadedenuncia.net/	gm@lineadedenuncia.net	800 062 2105

Members of the Ethics and Discipline Committee

Each Grupo México division has an Ethics and Discipline Committee that meets quarterly and reviews all reports received, prioritizing any involving corruption or discrimination. This multidisciplinary committee ensures impartiality and dedicated attention to each case. The committee reviews and addresses these reports and determines the response action and follow-up. The committee is formed from the following areas:



Reports received (2023)

	Mining Division					Transportation Division	Infrastructure Division	Grupo México
	Total división	SCC	Minera México	SPCC (Peru)	ASARCO (EUA)			
Human Resources-related[3]	160	152	121	31	8	118	56	334
Business ethics-related[4]	116	114	66	48	2	34	10	160
Total	**276**	**266**	**187**	**79**	**10**	**152**	**66**	**494**

[3] Abuse of authority, sexual harassment, improper or unsafe working conditions, improper employee conduct, unfair dismissal, discrimination, workday, coexistence issues, consumption of alcohol or illegal substances, and non-sexual harassment.
[4] Conflicts of interest, falsification of information, technical reports or research, theft of company property, customer service issue, improper use of assets or resources, corruption, and money laundering.

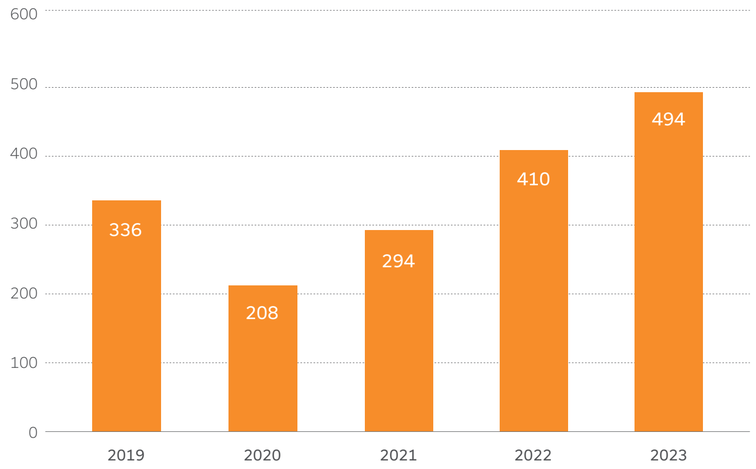
For more information about the number of reports by category, see the detailed table in Annexes – Business Ethics and Integrity.

At the Grupo México level, we received 494 reports in 2023, a 21% increase over 2022. The most significant increase in reports was seen in the Mining Division, noting that the principal grievance was abuse of authority, receiving 98 reports.

In the Transportation Division, the number of reports increased 25%. Of note is that most of the reports for this division involved urban coexistence, and more specifically noises complaints from the train passing through or near communities. Our response was to communicate directly with each user, noting that the noise level and duration are regulated by the federal government and Grupo México Transportes is required to comply with Mexican law, while also acknowledging the concerns of all stakeholders.

Reports in the Infrastructure Division decreased 10%, compared with 2022. As with the Mining Division, the primary complaint users reported involved abuse of authority. Of the 36 reports received involving this topic, we took action on 12, while 19 were dismissed on lack of evidence and 5 are currently under review. The corrective actions taken in the 12 confirmed cases included training for leadership, reprimands and there were two dismissals. Our goal is is address the grievances reported and prevent future incidents.

Total Reports Received Grupo México 2019- 2023



The 5 topic areas reported with the greatest frequency are disclosed below.

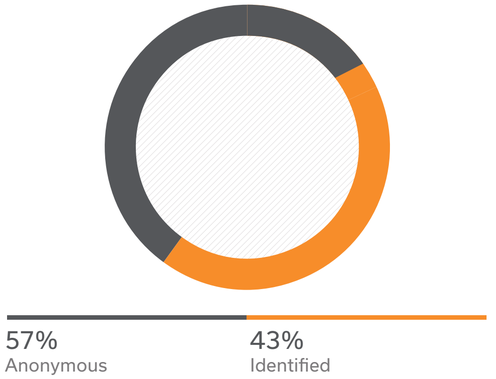
The most frequently reported issue in 2023 was abuse of authority.

Principales denuncias por tipo en 2023

- 158 abuse of authority
- 38 conflicts of interest
- 55 urban coexistence
- 28 property theft

Protecting the identity of the persons reporting

Categories of persons reporting 2023



Our Code of Ethics protects the identity of persons who use the Reporting Line. Employees and commercial partners can call the Reporting Line without fear of repercussions.

Of the 494 reports received, 57% were submitted anonymously, while a name and contact information were provided for the other 43%.

4.2.5 Anti-Corruption

GRI 205-1

Our Anti-Corruption Policy defines conducts that are not permitted or tolerated within the organization, and also includes control mechanisms and declaring conflicts of interest.

The Reporting Line is the formal channel of communication for reporting any grievance associated with corruption , in any of its variants. The Reporting Line is available to company personnel, outside stakeholders, the government, communities and the general public.

[5] Per the FCPA, corruption includes acts of bribery, extortion or solicitation, trading in influences, and unauthorized facilitation payments to government employees.

4.2.6 Channels to promote professional ethics

GRI 205-2 I **SASB EM-MM-510a.1**

Training

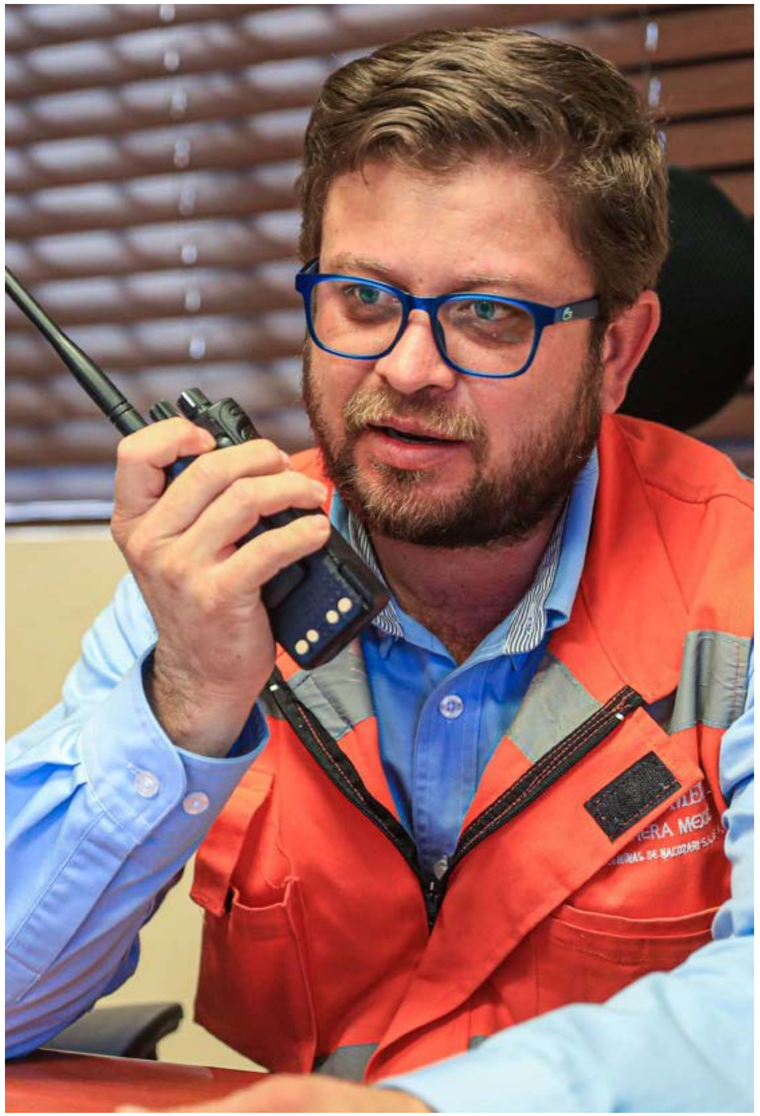
The three divisions of Grupo México provided Compliance trainings in 2023 to improve employee commitment rates and understanding of our company policies and procedures, and to reduce risks.

- Based on the international standards laid out in the FCPA (Foreign Corrupt Practices Act), including the seven guidelines the FCPA provides to prevent acts of corruption.
- Union employees receive Code of Ethics training every two years, and annually for non-union employees.

Communication

- Media campaigns with posters, memos, intranet and screens at company offices and cafeterias.
- Principal topic areas:
  - Workplace harassments
  - Corruption and conflicts of interest
  - Respect for human rights
  - Money laundering
  - Detecting and reporting process violations
  - Personal data
  - Gifts, donations and sponsorships

We successfully carried out our employee training and awareness programs in 2023 to improve their knowledge, understanding and compliance with the rules and regulations to which we are subject.



La Caridad mine employee, Nacozari de Garcia, Sonora, Mexico.

These programs also seek to raise awareness on the risks associated with non-compliance, highlighting the legal and reputational consequences.

It is essential to Grupo México to promote ethical practices and to disseminate company policies and procedures as this supports the continuity of the business and our success in the long term. We use different tools and media in our employee training and awareness programs on the company Code of Ethics, Anti-Corruption policy and anti-discrimination policy, among others.

In addition to the Code of Ethics certification, which includes anti-corruption training, the Mining Division conducted its annual Compliance certification in 2023, with a deeper focus on topics that include anti-corruption, anti-money laundering, prevention of forced labor and conflicts of interest.

Code of Ethics training (includes anti-corruption topics)	Mining Division			Infrastructure Division
	Minera México	SPCC	ASARCO	
Executive Leadership	98%	91%	100%	27%
Senior Management	98%	100%	100%	17%
Middle Management	98%	100%	100%	24%
Administrative / Operational personnel	98%	49%	100%	90%
Unionized	2%	100%	*	*

*Government institutions and business partners are not included in the personnel receiving training.
*Unionized personnel did not participate in anti-corruption and ethics trainings in 2023.

Compliance training (anti-corruption, anti-money laundering, forced labor, conflicts of interest)	Mining Division	
	Minera México	SPCC
Executive Leadership	100%	100%
Senior Management	100%	100%
Middle Management	100%	100%
Administrative / Operational personnel	100%	63%
Unionized	2%	100%

Confirmed incidents of corruption and actions taken

GRI 205-3

Grupo México has zero tolerance for corruption, fraud, conflicts of interest, or any action or activity that could be construed as contrary to our company values and standards or in violation of any federal or international law.

We received no reports of government-related corruption in 2023. Additionally, neither Grupo México nor any of our divisions or subsidiaries, including Southern Copper Corporation, have received any report of corruption in the last 5 years.

[6] Per the FCPA, acts of bribery, extortion or solicitation, trading influences and unauthorized facilitation payments, where government operations are involved.

Production in countries that have the 20 lowest rankings in the Transparency International Corrupt Perception Index

SASB EM-MM-510a.2

In the context of our anti-corruption initiatives and actions in our three divisions and subsidiaries, including Southern Copper Corporation, as ranked by the Transparency International Corrupt Perception Index, we have no operations or financial or non-financial transactions in any of the 20 countries with the highest perception of corruption.

Contributions to political parties or representatives

GRI 415-1

In compliance with and as required by our Code of Ethics, our three divisions and subsidiaries, including Southern Copper Corporation, do not make donations of any kind to political parties or organizations, pay lobbying expenses, or participate in setting public policy or in legislative or regulatory processes.

Legal actions for anti-competitive behavior, anti-trust and monopoly practices

GRI 206-1

None of our three divisions or subsidiaries, including Southern Copper Corporation, was subject to legal action involving anti-competitive behavior, anti-trust or monopoly practices. As a preventive action, Grupo México has a team of legal experts who advise on critical business decisions to avoid any non-compliance at the national or international level.

Non-compliance with laws and regulations in the social and economic area

GRI 419-1

We have received no monetary or non-monetary fine or sanction for non-compliance with social or economic laws.

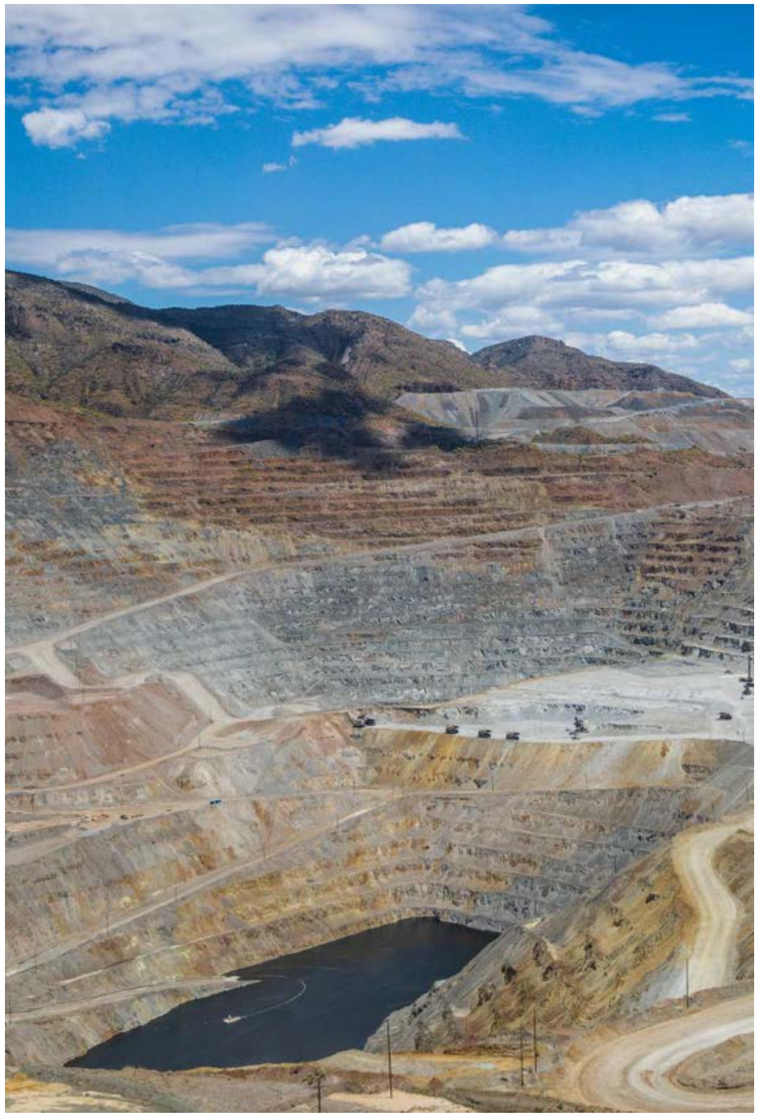
Non-compliance with environmental laws and regulations

GRI 307-1

The Mining Division Environmental Legal Compliance Taskforce was created to design and monitor an institutional system to identify the risks associated with legal non-compliance that could impact the environment and/or affect our operations in Mexico. This taskforce meets quarterly and operates according to their Environmental Legal Compliance Policy, Environmental Legal Steering Committee Charter, and a Compliance Model and Manual.

The Mining Division in Mexico received six fines in 2023, totaling US$351,667, which our Legal Department is reviewing and may challenge.

The Infrastructure and Transportation divisions did not receive any significant monetary or non-monetary fine or sanction in 2023 for non-compliance with social, economic or environmental laws or regulations.



Ray mine pit, ASARCO, Arizona, United States.

Number of environmental fines[7] in the last 4 years:

Division	2020		2021		2022		2023	
	Fines	US$	Fines	US$	Fines	US$	Fines	US$
Mining	2	52,489	10	781,780	3	195,841	6	351,667
Transportation	-	-	-	-	-	-	-	-
Infrastructure	-	-	-	-	-	-	-	-
Total	**2**	**52,489**	**10**	**781,780**	**3**	**195,841**	**6**	**351,667**



Conveyor belt at the Cuajone mine, Moquegua, Peru.

[7] The number of fines and the amounts reflect the number of fines received and their amounts in the corresponding year. The total amount, where applicable and available, does not include the amounts challenged. Therefore, the data may be restated in the next report as there may be changes to some fines and amounts as a result of these challenges, occurring outside of the reporting period for this report.

Success Story

Grupo México is among the top companies listed in the Business Integrity 500 index (IC500) as rated by the Association of Mexicans Against Corruption and Impunity, with Mexican Transparency, to assess the existence, quality, disclosure and transparency of policies on integrity and ethics of the 500 largest companies in Mexico.

Now in its seventh year, this assessment considers publicly available information based on the following five aspects:

1. Statement of principles
2. Relationships with third parties
3. Training and scope
4. System for reporting grievances
5. Availability of information

The assessment determined that Grupo México and our divisions have high standards to position us as solid companies, actively combating corruption. Grupo México, Grupo México Transportes and Americas Mining Corporation received 98 points (out of 100) to rank second on the IC500, while our Infrastructure Division received a score of 100 to place among the top-rated companies. Grupo México has shown the greatest improvement in this assessment in the last four years. These recognitions affirm our anti-corruption strategy, which strengthens our culture of integrity and compliance, to anticipate and face reputational risks, maintain our competitive advantages, mitigate other associated risks, and comply with international standards and guidelines.



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5.1 Workplace Health and Safety

GRI: 3-3

Personal health, safety and wellbeing is our priority both in and outside our operations. We provide a safe and healthy work environment for our employees, contractors and suppliers by promoting a culture of prevention, identifying threats, minimizing risks, developing skills, and the ongoing improvement of our health and safety management systems.

5.1.1 Highlights

-32%
Over the past 8 years, we have reduced our Lost-Time Injury Frequency Rate (LTIFR) by 32%

+29%
Increase in safety training hours in the Mining Division

US$148M
Invested by Grupo México in health and safety

100%
Of our Mining Division workplaces (16 operations) and 60% of our Infrastructure Construction and Oil sites are ISO 45001 certified

Casco de plata
Recognition awarded by the Mexican Mining Chamber (in spanish, CAMIMEX) to our Metalúrgica del Cobre copper refinery for the third consecutive year

Safe and Healthy Workplace Environment
8 of our Mining Division operations in Mexico received the Safe and Healthy Workplace Environment recognition, granted by the federal government of Mexico (IMSS)

5.1.2 Governance

GRI 403-8

Our three divisions report their workplace health and safety management to the Grupo México governing bodies. The Board of Directors, for example, monitors and follows up on this performance as described in Sustainable Development Management in the section Corporate Governance.

Consult the breakdown by division on the Grupo México Sustainability website.

5.1.3 Management

GRI 403-1, 403-2, 403-3, 403-4, 403-8

Our Workplace Health and Safety Policy provides the guidelines for promoting a culture of prevention and the ongoing improvement of the comprehensive health and safety management systems at our operations.

Our prevention management is built on three principal pillars:

1. Risk identification and control
2. Health and safety culture and leadership
3. Performance review

1. Risks: identification and controls

GRI 403-2

We manage the risks associated with all our operational activities to detect, prevent, mitigate and remediate unwanted events that could affect our personnel and our interactions with communities. Our risk identification and control cycle for our operational processes involves:

1. Multidisciplinary teams who proactively identify threats and assess risks.
2. Workplace Safety Analysis: We analyze the risks associated with the current conditions at our operations and prepare control actions.
3. Permission for high-risk work: Systematic process to authorize any type of operational work, identifying the hazards to determine operational controls to minimize the risks.
4. Inhouse and independent audits.

Our 2023 goal was to use these tools to foster a culture of prevention with our contractors and suppliers. We also incorporated this category into the scope of our critical risk management, focusing on our contractor companies that perform high-risk work and our new projects each year. Actions in this area include:

- Identify contractor companies that perform high-risk work
- Safety programs to supervise activities
- Evaluation of the objectives (in conjunction with Contracting)
- Integrate contractor companies into the indicator statistics, particularly in the Transportation Division

As part of our commitment to the ongoing improvement of our management, our Mining Division continued to implement a Critical Risk Registry in 2023, based on the International Council on Mining and Metals (ICMM) Health and Safety Critical Control Management Good Practice Guide. This tool will aid us to manage our critical risks more efficiently, and also our logging and monitoring controls.

Our improved processes have identified 16 principal Health and Safety risks, which will be monitored via the Critical Risk Registry:

- Incorrect operation of vehicles
- Pyrometallurgical explosions
- Falling rock
- Fall from height
- Electrocution
- Injury from moving parts / machinery
- Explosion of pressure vessels
- Injuries from lines and winches
- Increased toxic gases and/or temperature
- Flooding inside the mine
- Flash fires
- Landslides
- Explosives
- Collapse inside the mine
- Occupational disease
- Transportation of personnel

For more information, see Sustainability Risk Management.

2. Culture: leadership in health and safety

Fostering leadership and the active participation of our personnel is an ongoing effort by offering different training programs. We promote safe work environments through the personal and professional development of our operational and administrative personnel.

Our training programs are built from the needs assessments conducted at each operation and cover topics that include:

- Safety orientation
- Safety standards
- Hazard identification and risk assessment
- Workplace health and safety awareness and culture
- Equipment and machinery training
- High-risk work (at height, confined spaces, handling chemical substances, and the storage and handling of explosives, etc.)
- Emergency response (rescue procedures, salvage, civil protection)

For more information, see Metrics.

We have **Medical Services** at all our operations, which run prevention programs geared towards all our employees and their families to foster healthy lifestyles.

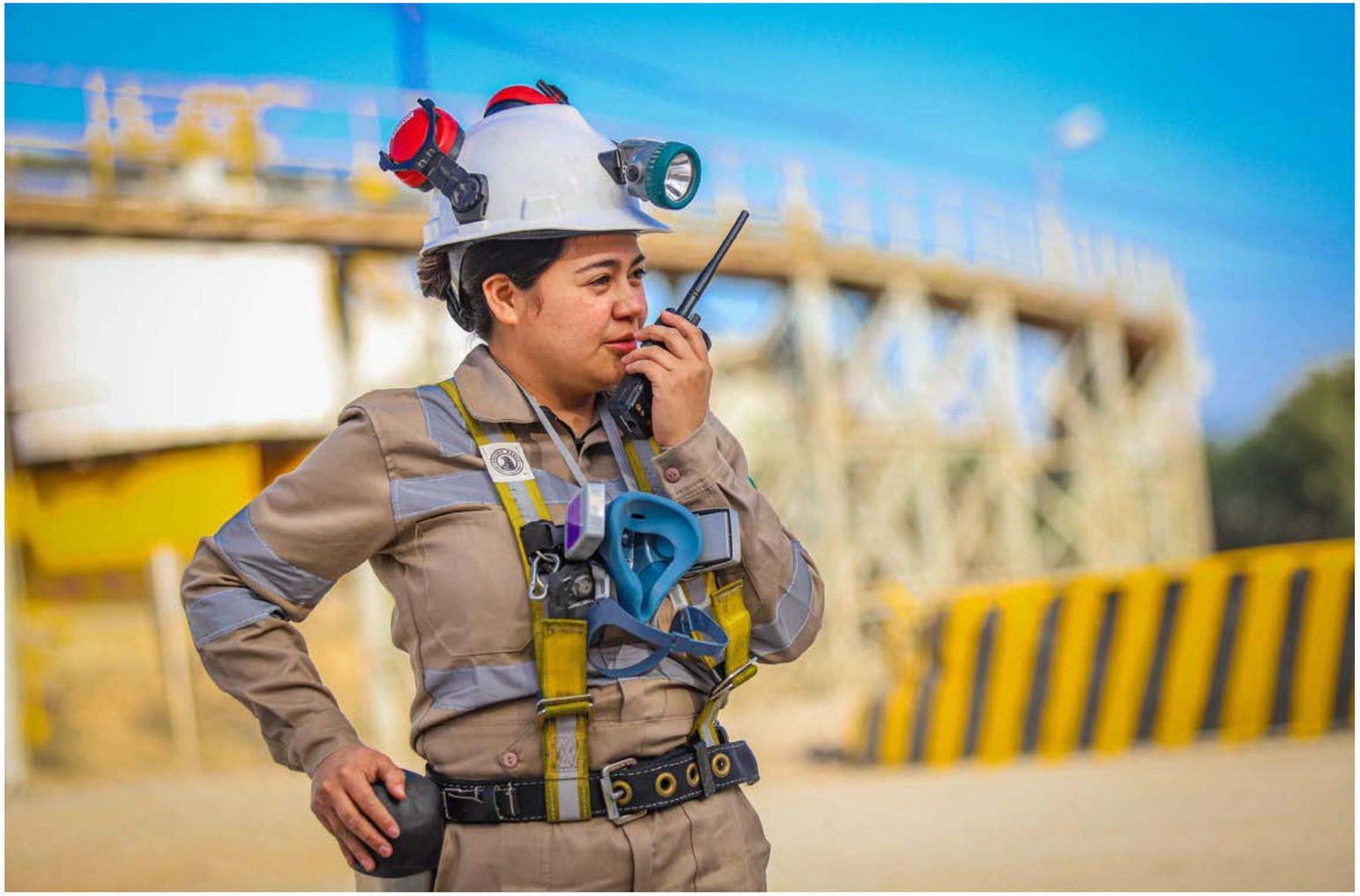
3. Ongoing evaluation of our performance

We have implemented various mechanisms for the ongoing improvement of our performance safety, including communication channels to support our employees in reporting unsafe conditions or risks at their workplace, observation programs, and audits.

The evaluation mechanisms for our Health and Safety strategies in the three company divisions are divided into the following 3 categories:

1. **Informational mechanisms:** tools and channels to receive reports and to disseminate messages.
2. **Observation and monitoring mechanisms:** practices and bodies created to regularly evaluate workplace environments and conditions.
3. **Review mechanisms:** practices that focus on the fulfillment and performance of our Health and Safety strategies.

For more information about the evaluation mechanisms, see the Grupo México Sustainability website.



Charcas mine employee, San Luis Potosi, Mexico

5.1.4 Strategy

GRI 403-1, 403-2, 403-4

Safety programs and tools

Our strategy uses different tools, initiatives, corporate health and safety programs, and also evaluation mechanisms, which include bodies, practices and channels to maintain an ongoing evaluation process.

Our principal corporate safety programs include Emergency Response Plans and Safety Teams across our three divisions, adapted to the particular characteristics of each type of operation:

Emergency Response Plans

Monitoring our Emergency Response Plans helps us to order the actions of each person when responding to each type of event that may present at our operations in the different divisions.

These Emergency Response Plans strengthen the response skills of our personnel and their ability to react, reducing their vulnerability by having competent work teams and the equipment necessary to respond to incidents.

We evaluate these plans through our Comprehensive Workplace Health and Safety Management System, which identifies and develops:

- Actions for implementation, correction, monitoring and updating.
- Technical training needs of our employees.
- Equipment and instruments to detect and respond to emergencies.
- Maintenance of evacuation routes and signage.

Safety Teams

We have emergency response teams at all our operations, made up of operational health and safety personnel who have been trained to respond to emergency situations quickly.

Our Mining Division has specialized rescue brigades at our mines. In 2023, 39 members of our rescue brigades at our Charcas, Zinc Refinery, Processing Plant, La Caridad and Lime Plant operations participated in a special skills training focusing on responding to fires, hazardous chemical spills, rescues at height and rescues in confined spaces. All participants received certification from the San Luis Potosi College of Firefighters.

We also received EC1388 Underground Mine Rescue certification from the National Council on Job Skill Standardization and Certification (in Spanish, CONOCER) and the Mexican Mining Chamber (in Spanish, CAMIMEX), certifying the members of our Santa Barbara and Charcas mine rescue teams.

The Infrastructure Division has trained teams to respond to the various types of situations that may present in our different lines of business, such as fuel leaks, man overboard rescue, incidents involving helicopters, ship collisions, raising or lowering wind turbines, among others.

In the Transportation Division, trained teams control situations and give instructions in the event of an emergency at our operations, with the support of our medical service.

Contractors

We expanded our Contractor Safety procedure in the Mining Division in 2023 to improve safety management at our operations and include in both the procedure and our contracts, the safety requirements for contractor companies to provide services. Contractor companies are also encouraged to consider these safety requirements in their bids.

The next step is to deliver the contractor safety code, asking the head of the contractor company to sign a letter of acknowledgement, which will increase engagement and responsibility in terms of safety. The contractor company then undergoes a review that involves different safety requirements and controls to determine the classification of the contracts with the contractor company based on their level of exposure to risks.

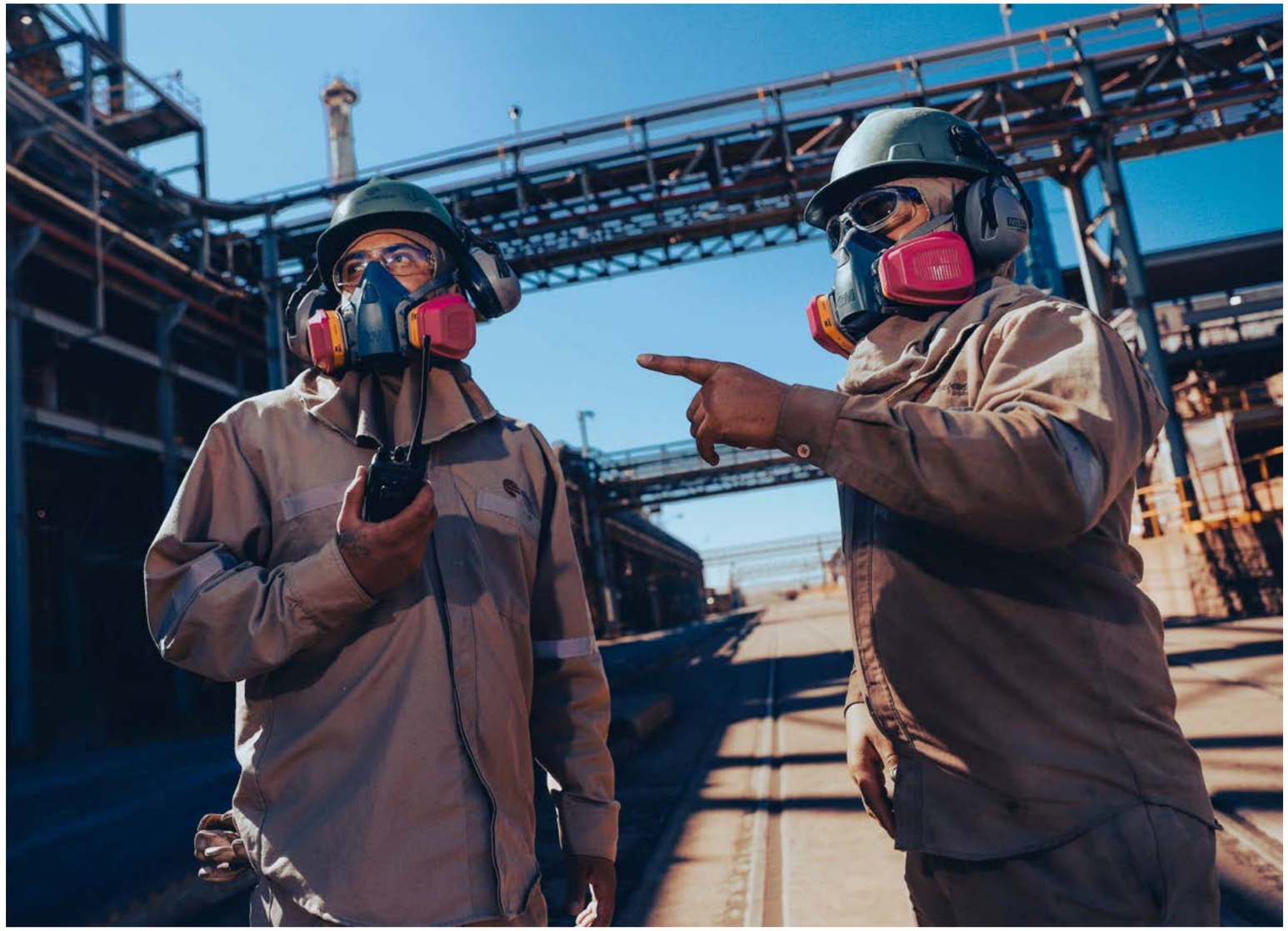
Contractor companies are required to provide in advance a health and safety folder that addresses the strategic elements defined by Grupo México. The start of any contract is conditioned on participation in a briefing and the approval of all safety requirements by the Contract Administrator and the safety department at the operation in question. The purpose of the briefing is to ensure compliance with the technical requirements and the contractor's health and safety management standards.

Medical examinations are carried out prior to starting a service, along with antidoping testing, and a safety orientation is provided. Contractors then participate in a series of tests to assess their safety skills and knowledge, including topics such as the operation of equipment, machinery and tools, among others. Once the safety department signs off on these processes, Human Resources issues an id badge to the contractor to access the site and start their work. Contractors are required to provide proof that all their personnel have completed a safety training prior to starting the work.

Onsite, contractors are required to participate in all Grupo México safety management requirements, including talks, cross inspections, critical risk management processes, emergency response plans, etc. The Contractor Safety Plan is based on 3 main areas:

- Access controls
- Critical risk management
- Accompaniment

Lastly, we collaborated with the Contracting department to create a safety performance evaluation for contractor companies at the end of their contracts, which will be taken into account for future bids.



Zinc electrolyte refinery employees, San Luis Potosi, Mexico

Health programs and tools

GRI 403-3, 403-4

Our medical services are constantly monitoring the physical and mental health and wellbeing of our personnel, and that of our neighbor communities for certain operations.

Medical services

Mining Division

Our principal health programs include:

- **Health campaigns and prevention talks:** Our medical departments, together with our safety departments, conduct health campaigns each year, focusing on the prevention and detection of health issues.
- **Mental health training workshops:** Led by specialists in occupational psychology, these workshops focus mainly on stress management, resilience, acceptance of mental health conditions, and eliminating the stigmas associated with mental illness.
- **Wellbeing program:** Implemented at our Mining Division operations in Mexico, this program focuses on the detection and prevention of non-occupational health risks and chronic-degenerative diseases. As of 2023, 86% of our employees are participating in this health control and monitoring program and we recorded a 4% increase in healthy personnel from 2022 to 2023.

Transportation Division

The Transportation Division has a medical service at each operation, available 24/7 for medical attention and assessments.

Our medical services serve as a filter to ensure all operational personnel are physically fit to perform their activities, without any health concern or condition that could compromise their safety or that of others. The Transportation Division has a Zero Tolerance policy for employees having alcohol or illegal substances in their systems at work.

Health campaigns are part of our efforts and commitment to the health of our personnel and include the dissemination of information about seasonal illnesses, vaccination days, nutritional monitoring programs, and addiction prevention campaigns.

Additionally, and to encourage safe and healthy habits, we hold health and safety fairs each year for our employees and their families to raise awareness and teach first aid techniques, healthy eating workshops, and the detection and care for chronic diseases.

Infrastructure Division

In addition to our ongoing health campaigns, the Medical Service at our operations is available for consultation by phone, where a team of physicians attends to health-related concerns, channeling employees to local public and private healthcare facilities, when necessary.

5.1.5 Next Steps

GRI 403-6

As part of our ongoing improvement processes, Grupo México involves and encourages our employees to develop their potential, while also strengthening our operations. Continual monitoring, review and attention to the impact of our activities is key to fulfilling our corporate sustainability strategy and goals.

To achieve these goals, we encourage and foster coordination with the different government safety agencies to both prevent and address unwanted events, and also with health agencies, such as civil protection authorities, social security, and federal, state and municipal authorities, among others.

We will continue to strengthen our prevention management, supported by the following actions:


Risks


Culture


Evaluation

Risks:

- Implement additional critical risk controls to achieve zero serious and fatal accidents.

Culture:

- Increase the frequency of practice drills and preventive redundancies.
- Deliver mandatory courses and workshops to develop talent specialized in safety.
- Foster a culture of safety prevention focusing on Critical Risks
- Implement a system of Recognitions and Penalties for personnel who do, or do not, follow our health and safety procedures, and strengthen our performance-based safety program

Evaluation:

- Strengthen our management processes and improve the ISO 45001 performance of our personnel.
- Audit the safety protocols of our contractor companies, principally those whose work exposes them to critical risks.

For more information on meeting our 2023 Corporate Sustainable Development Goals and our 2030 Targets, see Corporate Goals in the section Our Approach.

5.1.6 Metrics

GRI 403-1, 403-5, 403-9, 403-10

We evaluate the performance of our strategy and our different Health and Safety mechanisms through the following indicators:

a. Lost Time Injury Frequency Rate (LTIFR)
b. Fatality Rate (FR)
c. Training
d. Certifications
e. Occupational diseases
f. Urban-railroad coexistence

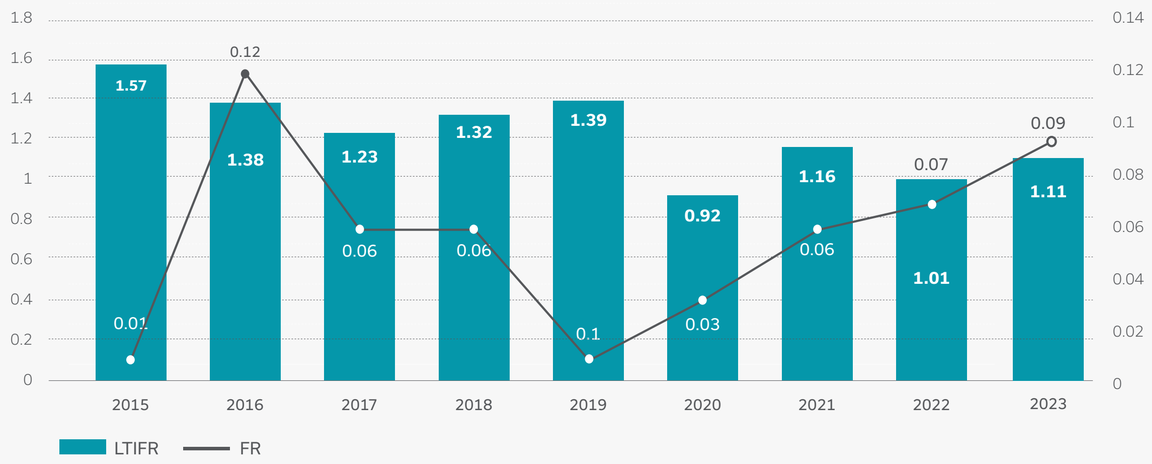
5.1.5
Annual performance

a) Lost Time Injury Frequency Rate (LTIFR)

GRI 403-9

The following table presents the historic lost time injury frequency (LTIFR) and fatality (FR) rates for Grupo México personnel.

Grupo México Safety Performance 2015-2023



$$\text{Fatality Rate} = \frac{\text{(\# fatalities x 1,000,000)}}{\text{(total man hours worked)}}$$

$$\text{Lost Time Injury Frequency Rate (LTIFR)} = \frac{\text{(\# lost time injuries x 200,000)}}{\text{(\# lost time injuries x 200,000)}}$$

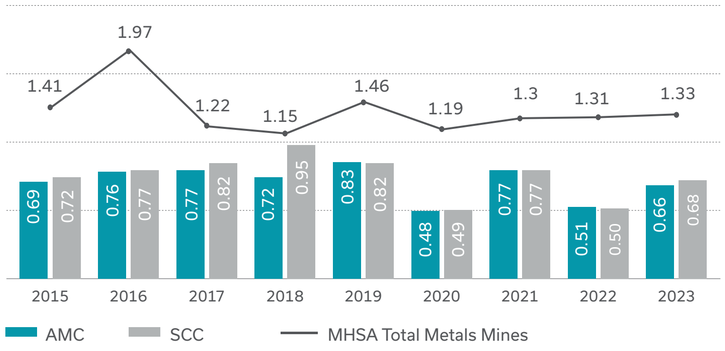


Fenicias wind farm employees, Nuevo Leon, Mexico

a) Lost Time Injury Frequency Rate (LTIFR)

GRI 403-9 I SASB EM-MM- 320a.1

Mining Division and Southern Copper Corporation (2015-2023)

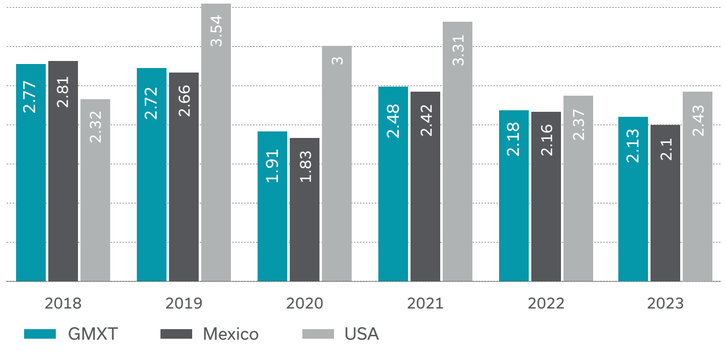


Lost Time Injury Frequency Rate (LTIFR) = (# lost time injuries x 200,000) / (total man hours worked)

The above table presents a comparison of the lost time injury frequency rate (LTIFR) for company personnel occurring per 200,000 man hours worked between the Mining Division, Southern Copper Corporation, and the results reported by the Mine Safety and Health Administration (MSHA).

The principal types of injuries caused by workplace accidents were fractures, contusions and cuts, and the fingers are the part of the body most frequently injured.

Transportation Division (2018 – 2023)



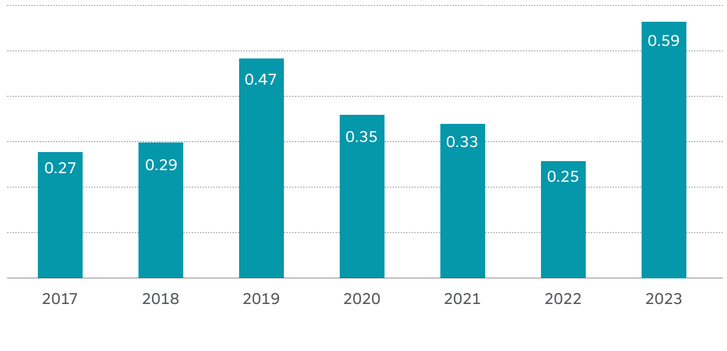
Lost Time Injury Frequency Rate (LTIFR) = (# lost time injuries x 200,000) / (total man hours worked)

Our accident prevention campaigns and management programs have reduced our accident rate by 18% over the last four years . One example is our "Zero Accidents Challenge", which raises awareness among our operational personnel to adopt a culture of workplace safety.

Also, our employee training programs include onsite technical training and constant communication of information via internal digital media focusing on the importance of safety.

The main types of injuries caused by workplace accidents were sprains, fractures and contusions.

Infrastructure Division (2017 – 2023)



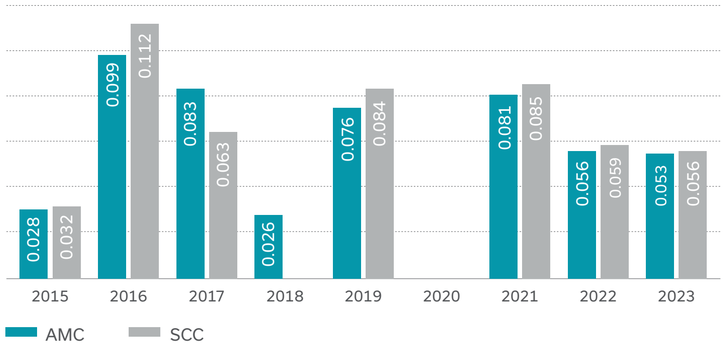
Lost Time Injury Frequency Rate (LTIFR) = (# lost time injuries x 200,000) / (total man hours worked)

Our Infranstructure Division operates in multiple sectors, some of which are high-risk, as in the case of the oil and construction industries.

b) Fatality Rate (FR)

GRI 403-9

Mining Division and Southern Copper Corporation (2015-2023)

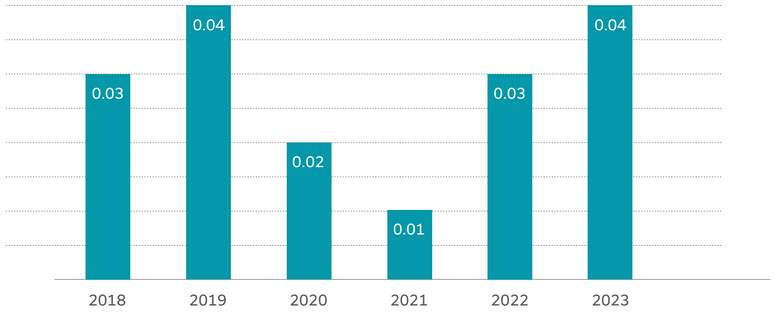


Fatality Rate = (# fatalities x 1,000,000) / (total man hours worked)

There were four accidents in 2023 that resulted in fatalities, three company employees at our La Caridad, Ilo and Toquepala operations and one contractor personnel at our Charcas operation, involving vehicle operation.

Following these events, we strengthened our control measures to upgrade our standards, prepare reports, increase media campaigns and instructional materials for personnel, and reinforced the application of corrective procedures and certifications for equipment operators by the supplier, accordingly.

Transportation Division (2018 – 2023)



Lost Time Injury Frequency Rate (LTIFR) = (# lost time injuries x 200,000) / (total man hours worked)

There were four fatalities at our operations in 2023.

These events were caused by unsafe actions and failures to follow regulations, safety protocols and instructions from the Operations Control Center.

Infrastructure Division

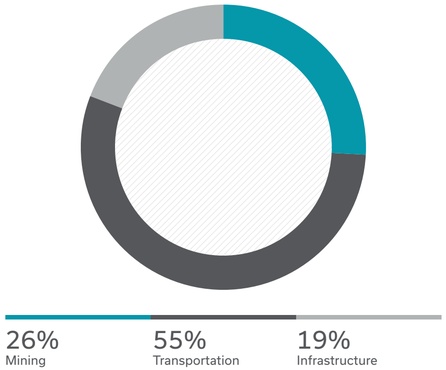
The Infrastructure Division reported no fatalities at our operations in 2023.

c) Training

GRI 403-5

We delivered a total 954,464 trainings hours on workplace safety in 2023.

Safety training hours



In the Mining Division, we delivered 271,038 training hours on basic and preventive safety for a total 56,397 participants, both new and old hires (company and contractors), of which 27,216 hours were dedicated to training our contractor personnel.

The Transportation Division reported 567,464 training hours, a 32% increase over 2022.

In the Infrastructure Division, we delivered more than 115,927 training hours on workplace safety at our sites.

d) Certifications

GRI 403-1

Our management systems are certified by accredited bodies and are frequently reviewed with inhouse audits, and strengthened through ongoing improvement processes.

Our principal certifications include:

ISO 45001

Mining Division

We made progress in 2023 in certifying the safety systems at our operations:

All our 16 operations (100%) are ISO 45001 certified.

Operations certified:

- La Caridad
- Processing Plant
- Lime Plant
- Guaymas Terminal
- Buenavista del Cobre
- Zinc Plant
- Charcas
- Santa Barbara
- Ilo
- San Martin
- Toquepala
- Silver Bell
- Ray
- Mission
- Central Repair Shop
- Cuajone

Infrastructure Division

In the Infrastructure Division, 60% of our worksites are certified, principally in our Construction and Oil subsidiaries:

Certified:

- Oil
- Construction
- Engineering

Pending certification:

- Highways
- Energy
- Fuels

e) Occupational Diseases

GRI 403-10

Mining Division

The principal indicators in Health for the Mining Division are:

- Fatalities resulting from occupational diseases or illnessses
- Recorded occupational diseases or illnesses
- Occupational disease rate

The principal occupational diseases identified in the Mining Division are:

Hypoacusis: Sensory disorder that produces hearing loss or deafness and hinders speech development, language and communication; may present unilaterally, affecting only one ear, or bilaterally, affecting both ears.

Pneumoconiosis: Chronic lung disease caused by exposure to metal or mineral dust.

Identifying occupational diseases helps us to measure the performance of our prevention programs and industrial health and hygiene controls. Meaning, the performance of all the measures in place to mitigate and control occupational health risks are reflected in decreases or increases in the occupational diseases identified.

We conducted 50 health campaigns in 2023 in which 1,894 employees participated, focusing on the early detection of diseases like breast cancer, cervical cancer, prostate cancer and tuberculosis. We also held 3,877 health talks, which received 22,804 participants, and 4,569 talks on occupational health, focusing on the prevention of occupational risks and diseases. We conduct health campaigns together with healthcare agencies for our employees and their families in the communities where we operate, providing full check-ups with imaging studies and lab work, focusing particularly on breast cancer and prostate cancer.

Indicator		AMC	SCC	Mexico	Peru	USA
I. Fatalities resulting from occupational diseases or illnesses	a) Employees	0	0	0	0	0
	b) Contractors	0	0	0	0	0
II. Recorded occupational diseases or illnesses	a) Employees	12	12	11	1	0
	b) Contractors	0	0	0	0	0
III. Occupational disease rate*	a) Employees	0.059	0.063	0.089	0.015	0.0

* Contractors are not included here as the majority are temporary.

Transportation Division

The Transporation Division reported no occupational diseases at our operations in 2023.

Additionally, we conducted healthcare awareness campaigns through the health and safety fairs we held at six locations across the country in 2023 for employees and their families, focusing on good prevention practices.

Infrastructure Division

The subsidiaries of our Infrastructure Division reported no occupational diseases in 2023, according to government health records.

We conducted 23 health campaigns in 2023, in which 1,332 employees participated, focusing on early detection of breast cancer, cervical cancer and respiratory diseases. We also held talks on health issues such as psychosocial risks, ergonomics, nutrition and dental health, and covid-19 and flu vaccination campaigns, with more than 600 participants.

f) Urban-Railroad Coexistence

The safety and care of our employees is key to consolidating and maintaining an urban-railroad existence that benefits and ensures the wellbeing of both the community and the railroad. In addition to constantly reviewing our safety processes, we communicate with the communities through different campaigns, programs and initiatives. We held events in Hermosillo and Guadalajara in 2023 as part of our "Watch for the Train" campaign to build a culture of railroad safety.

This awareness campaign aims to prevent accidents by disseminating technical information about the railroad, including the rules of road that involve the train, and also for pedestrians, drivers and cyclists. We distributed flyers at four major level crossings in both Hermosillo and Guadalajara, held safety talks in schools and industries, and also with local vehicle and truck drivers. Safety at crossings is essential for a reliable and quality rail transportation system, in addition to keeping the trains moving.

There are many level crossings on our lines and a priority for our Transportation Division is to remove those that are unnecessary or were installed illegally, and also installing more signaling to make crossings even safer.

We started a program a few years ago to improve the urban-railroad coexistence, based on three areas of action:

- Signaling and gates at level crossings.
- Removal of redundant, illegal and/or high accident crossings.
- Awareness and communication campaigns on railroad safety.

Automated gates were installed at 62 crossings in 2023 and we also performed preventive and corrective maintenance, actions that have reduced the accident rate at level crossings by 79%.

Grupo México Transportes formalized our "Road Safety Program" with the Ministry of Infrastructure, Communications and Transportation in 2023. This project includes actions at 110 level crossings to install specialized signaling and equipment at the crossings with the highest accident rates on our lines. Under this collaboration, Grupo México Transportes will also provide resources to perform preventive and corrective maintenance at these crossings.

With these projects, Grupo México Transportes reaffirms our commitment to preventing accidents, damage to the urban environment and loss of life, while also improving the coexistence of the railroad with the community.

We also expanded our training to deliver courses and workshops for more than 400 first responders and local authorities from the Red Cross, SEDENA, traffic police, firefighters and civil protection officers, among others, in Tlaxcala, Sonora and Mexicali.

We provided basic training and practical exercises in handling hazardous materials. The practical exercises were carried out with the support of the Tanker School, a railcar designed with valves and other elements to practice different safety measures for handling hazardous materials.

The annual **Grupo México Transportes and TRANSCAER** seminar was held in Monterrey, where 120 people participated in practical workshops and training on handling pressurized gases.

For 10 years, **Dr. Vagón** has been providing free medical services throughout the Grupo México Transportes rail network. Dr. Vagón has established itself as a one-of-a-kind train in its class, bringing high quality healthcare services to underprivileged communities where medical services are not available.

Since starting operations in 2014, Dr. Vagón has provided nearly 2.5 million free doctor's visits, delivering more than 762,000 medications in over 300 communities across Mexico, traveling over 77,680 miles (125,016 km).

Sensitive to the needs detected in the communities that Dr. Vagón visits, we have expanded our services with a car dedicated to the detection and control of diabetes, and also an eye health car, which offers eye exams and, in 2023, delivered more than 15,000 pairs of glasses. There is also a car for women's health that offers gynecological services, breast cancer screening and family planning, among others. Forty-five lab tests were provided, delivering the results in the moment so that the patient could follow up with the corresponding specialization.

Dr. Vagón has ventured into very specific projects with effective results that have generated positive changes in people's lives, such as providing hearing aids. In 2023, 4,000 hearing tests were provided and we delivered 600 hearing aids, opening new opportunities for people with hearing difficulties.

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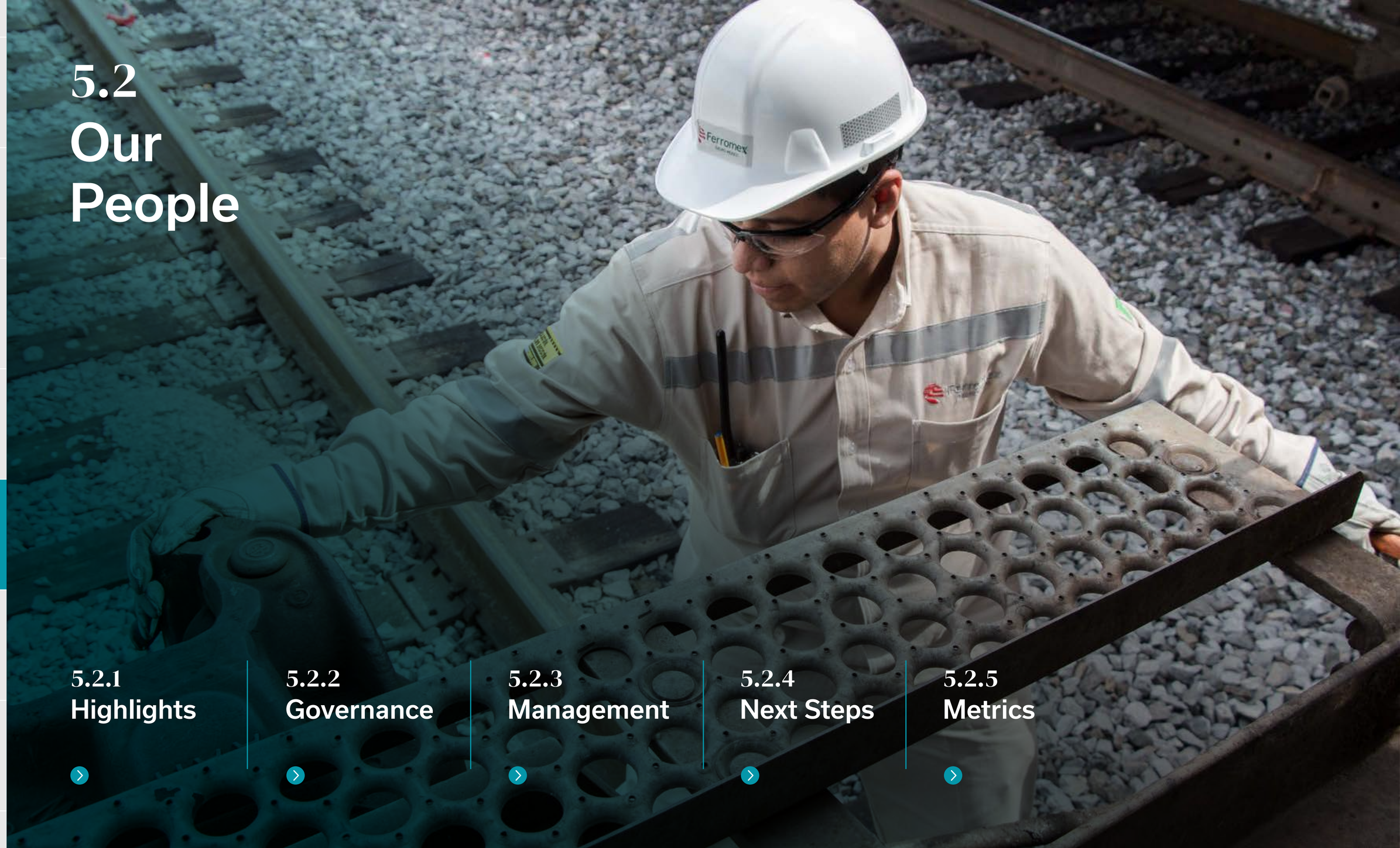
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5.2 Our People

5.2.1 Highlights

5.2.2 Governance

5.2.3 Management

5.2.4 Next Steps

5.2.5 Metrics

5.2
Our People
GRI 3-3

Our people are the backbone of Grupo México and the foundation for fostering an environment of wellbeing for all company employees, based on the values of honesty, respect and responsibility.

We list to and address the concerns of our employees through organization-wide tools and mechanisms, like the Reporting Line and workplace climate surveys.

5.2.1
Highlights
GRI 202-2

Grupo México:[1]

8.7%
of employees are women (+ 22.1% over 2022).

19.8%
New hires increased 19.8% over 2022.

33.2%
vacant positions filled inhouse.

45.4%
employees are hired from and/or residents of local communities near our operations (+7.2% over 2022).[2]

87.9%
of upper management positions are held by local residents.[3]

24.6%
of our 2,706 women employees are in STEM positions.

9.7%
of women employees in Top Management positions (+42.9% over 2022).

16.3%
of women employees in all Management positions[4] (+29.2% over 2022).

43.7%
of women employees in management positions in revenue-generating functions.

16.4%
of women employees hold Junior Management - Middle Management positions (+30.9% over 2022).

40
training hours per employee this year (+ 26.7% over 2022).

17.5%
decrease in the turnover rate, compared with 2022.

[1] For the calculation of Head Count and other Human Resources indicators, two administrative companies (Viveros México and Tiendas del Minero) are included within the Mining Division, which were not considered in previous years.
[2] The region of the USA is excluded from the Mining Division & all subsidiaries and regions that make up the Transport Division, however, we are working to ensure that the data will be published in future reports.
[3] The region of the USA is excluded from the Mining Division & all subsidiaries and regions that make up the Transport Division, however, we are working to ensure that the data will be published in future reports.
[4] All management positions include executive, sub-executive, managerial, superintendent roles, as well as supervisors, area managers, etc.

5.2.2 Governance

The Corporate Human Resources Department in each division manages the labor aspects, personnel management, human capital development, and talent recruitment and retention.

Each operation has a human resources department, which is tasked with executing the corresponding corporate plans and ensuring the company policies are correctly applied.

Each division reports their management of the four pillars for Our People to the principal Grupo México governing bodies, as described in Sustainable Development Management in the section Corporate Governance.

Consult the breakdown by division on the Grupo México Sustainability website.



Charcas mine employee, San Luis Potosi, Mexico

5.2.3 Management

GRI 2-7, 2-8, 3-3

The following corporate policies and codes support the management and development of our labor practices in adherence of regulations in the regions where we operate, complemented with recommended international practices on human resources management:

- Code of Ethics
- General Policy on Our People
- General Human Rights Policy
- General Policy on the Respect and Wellbeing of Our Collaborators
- Policy on Diversity, Inclusion, Non-Discrimination, and Zero Tolerance for Workplace or Sexual Harassment
- Workplace Health and Safety Policy

Our management in this area is based on four principal pillars:



a) Diversity, inclusion and non-discrimination



b) Labor practices



c) Human capital development



d) Talent recruitment and retention

a) Diversity, inclusion and non-discrimination

We strive to ensure our work environments foster diversity, inclusion and gender equality, offering equal opportunities, regardless of race, faith, age, gender, nationality or sexual orientation.

We seek to foster an environment of respect that encompasses our employees, their families, our neighbor communities, and all our stakeholders.

b) Labor practices

We honor all our obligations and responsibilities as laid out in our collective bargaining agreements, acting in adherence of law and our values, labor culture and Code of Ethics.

c) Human capital development

Grupo México is committed to caring for and supporting the personal and professional development of our employees. Our goal is to foster their growth by improving and upgrading their technical skills and competencies through training and development plans.

i. Education. We focus on the professionalization of our workforce. This means we are continually providing programs for our personnel that focus on their formal education, such as academic studies (elementary, middle school, high school, bachelor's degrees) and post-graduate studies (master's degrees and diploma programs).

ii. Training. We focus on developing technical skills (operation and maintenance), going beyond technical safety knowledge, which is continually reinforced. We provide training in management skills and institutional competencies, and we continually reinforce training on human rights and our Code of Ethics for all personnel.

iii. Development. We continuously prepare our personnel to take on new tasks and responsibilities, as needed, supporting the growth of their professional careers within the company.

d) Talent recruitment and retention

To ensure a good workplace environment, with a high level of permanency and a low turnover rate, we maintain a team that is fairly compensated, satisfied, motivated and committed to the organization. We also strive to maximize labor competitiveness, encourage engagement, and develop talent.



Zinc electrolyte refinery employee, San Luis Potosi, Mexico

5.2.4 Next Steps

As part of our ongoing improvement efforts, Grupo México gets involved and encourages our employees to develop their potential, while in parallel strengthening our operations.

For more information on the progress towards our 2030 Goals, see Corporate Sustainable Development Goals in the section Our Approach.

5.2.5 Metrics

GRI 202-1, 401-1, 401-2, 401-3, 402-1, 404-1, 404-2, 404-3, G4-MM4

We evaluate the performance of our strategy and the different labor-related mechanisms through the following indicators:

Labor practices[5]

- **a.** Workforce
- **b.** Collective bargaining agreements
- **c.** Number of strikes and lockouts exceeding one week's duration, by country

Human capital development

- **a.** Professional training
- **b.** Employee training hours
- **c.** Performance reviews
- **d.** Training programs
- **e.** Career transition and retirement programs

Talent recruitment and retention

- **a.** New hires and turnover
- **b.** Employee benefits
- **c.** Parental leave
- **d.** Workplace climate
- **e.** Ratio of starting base salary by gender compared to local minimum wage

[5] The data reported in this chapter cover 100% of the workforce for our three divisions.

Highlights by Division

Mining Division[6]

- 8.8% women employees (+23.2% vs 2022).
- 15.3% increase in new hires, compared with 2022.
- 73.4% of vacant positions were filled inhouse (+8.4% vs 2022).
- 46.3% employees hired from and/or residents of communities near our operations.[7]
- 79.8% senior management positions held by local residents.[8]
- 34.9% of women employees hold STEM positions (+32.9% vs 2022).
- 10.6% of women employees hold top management positions (+25% vs 2022).
- 13.4% of women employees hold management positions (+21.3% vs 2022).
- 13.4% of women employees hold junior or middle maangement positions (+25% vs 2022).
- Average 30.8 training hours per employee (+24.1% vs 2022).
- Turnover rate decreased 2% vs 2022.

Southern Copper Corporation[9]

- 8.6% women employees.
- 91.3% of vacant positions were filled inhouse (+10.8% vs 2022).
- 46.3% employees hired from and/or residents of communities near our operations (+12.4% vs 2022).
- 66.3% senior management positions held by local residents.
- 31.4% of women employees hold STEM positions (+10.3% vs 2022).
- 13.5% of women employees hold management positions (+21.8% vs 2022).
- 53.7% of women employees hold revenue generating management positions (+ 83.3% vs 2022).
- 13.6% of women employees hold junior or middle management positions (+24.8% vs 2022).
- Average 28 training hours per employee (+8.2% vs 2022).



San Martin mine employee, Sombrerete, Zacatecas, Mexico

[6] Includes two administrative companies (Viveros México and Tiendas del Minero) in the Mining Division, not considered in previous years.
[7] Does not include the United States because the Human Resources department does not track this information.
[8] Does not include the United States because the Human Resources department does not track this information.
[9] Includes two administrative companies (Viveros México and Tiendas del Minero) in the Mining Division, not considered in previous years.

Highlights by Division

Transportation Division

- 8.9% increase in women employees vs 2022.
- 30% increase in new hires vs 2022.
- 6.9% of vacant positions filled inhouse.
- 3.1% of women employees hold STEM positions.
- 8.8% of women employees hold top management positions.
- 17.8% of women employees hold management positions (+18.1% vs 2022).
- 43% of women employees hold revenue generating management positions.
- 18.1% of women employees hold juior or middle management positions (+21.2% vs 2022).
- Average 60 training per employee.[10]
- Turnover rate decreased 71.4% vs 2022.

Infrastructure Division

- 20.4% women employees (+34.8% vs 2022).
- 16.6% increase in new hires vs 2022.
- 6.3% vacant positions filled inhouse.
- 40.2% employees hired from and/or residents of communities near our operations.
- 19.2% of women employees hold STEM positions (+5.6% vs 2022).
- 9.1% of women employees hold top management positions (+200% vs 2022).
- 25.2% of women employees hold management positions (+67% vs 2022).
- 25.9% of women employees hold junior or middle management positions (+60% vs 2022).
- Average 24.8 training hours per employee (+50.1% vs 2022).



Ferromex employees, Mexico

[10] Does not include the training hours for the US subsidiaries of the Transportation Division, therefore the average training hours were calculated based on the employees of our subsidiaries in Mexico. We are working to include the complete data in future reports.

Workforce

GRI 2-7 I SASB EM-MM-000.B

At Grupo México, we homor all our obligations and and responsibilities as laid out in our collective bargaining agreements, acting in adherence of law and our values, labor culture and Code of Ethics.

96.9% of our employees are under permanent contract.

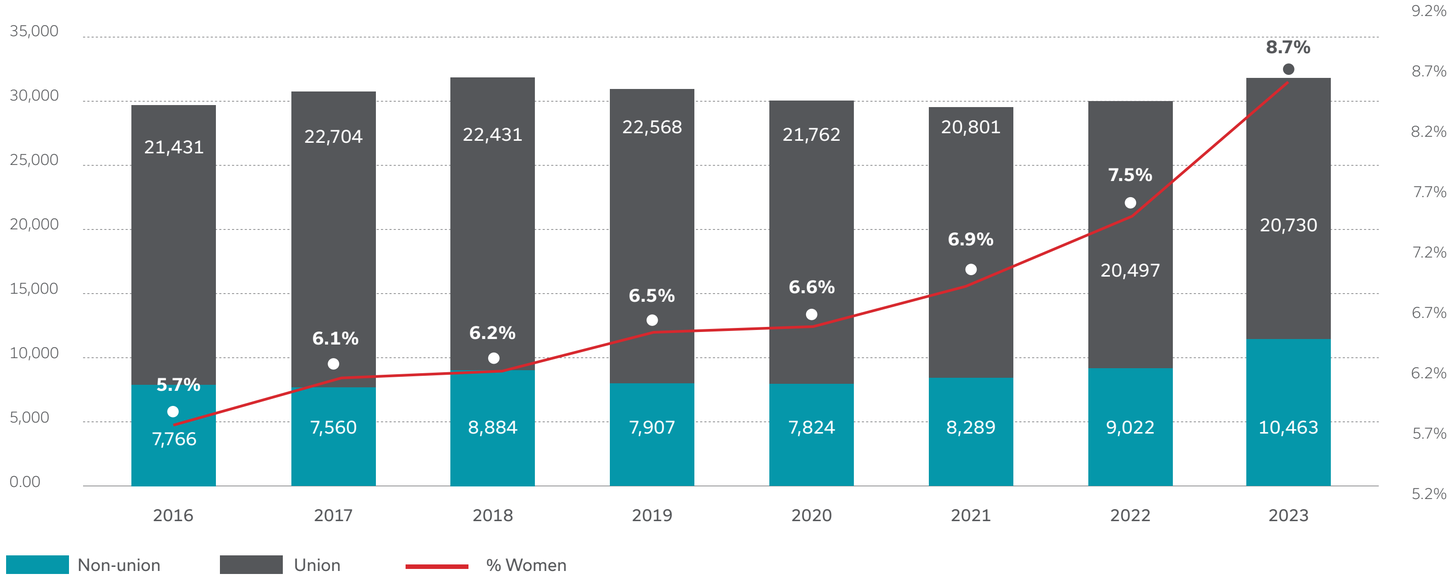
Workforce[11]

	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Division	SCC	Mexico	Peru	USA	Total Division	Mexico	USA	Total Division	Total Grupo México
Employees	**17,264**	**15,810**	**10,846**	**4,979**	**1,439**	**11,029**	**10,140**	**889**	**2,900**	**31,193**
Women	**1,527**	1,359	999	358	170	**586**	489	97	**593**	2,706
Men	**15,737**	14,451	9,847	4,621	1,269	**10,443**	9,651	792	**2,307**	28,487
Permanent contracts	**16,666**	**15,212**	**10,739**	**4,488**	**1,439**	**10,669**	**9,780**	**889**	**2,900**	**30,235**
W Full-time	**1,465**	1,297	985	310	170	**563**	466	97	**593**	2,621
M Full-time	**15,201**	13,915	9,754	4,178	1,269	**10,106**	9,314	792	**2,307**	27,614
Temporary contracts	**598**	**598**	**107**	**491**	**-**	**360**	**360**	**-**	**-**	**958**
Women	**62**	62	14	48	-	**23**	23	-	**-**	85
Men	**536**	536	93	443	-	**337**	337	-	**-**	873
Contractors[12]	**13,001**	**13,066**	**7,294**	**5,707**	**-**	**-**	**-**	**-**	**-**	**13,001**

[11] Includes the breakdown of our workforce by type of employment contract, gender and region.
[12] Reporting the total number of contractors for the Mining Division in Mexico and Peru. The Infrastructure Division and the Transportation Division are not included, however we are working to include these figures in future reports.

- 46.3% of Mining Division employees (excluding USA) are from local communities.
- El 40.2% of the Infrastructure Division employees are from local communities.

Evolution of the Grupo México Workforce



Collective Bargaining Agreements

GRI 2-30

Our Human Rights Policy commits us to respecting basic labor principles and rights, in adherence of conventions 87 and 98 of the International Labor Organization (ILO) on freedom of association and collective bargaining.

Grupo México ensures all employees are familiar with the terms of our collective bargaining agreements and have been informed of their right to accept or reject these terms with their individual, free and secret vote. All employees, suppliers and contractors across our divisions have access to a reporting line where they can report any violation of these rights.

We have received no penalty in any of the three countries where we operate (Mexico, Peru, USA) for breach of applicable regulations or for violating the rights of freedom of association or collective bargaining of our employees.

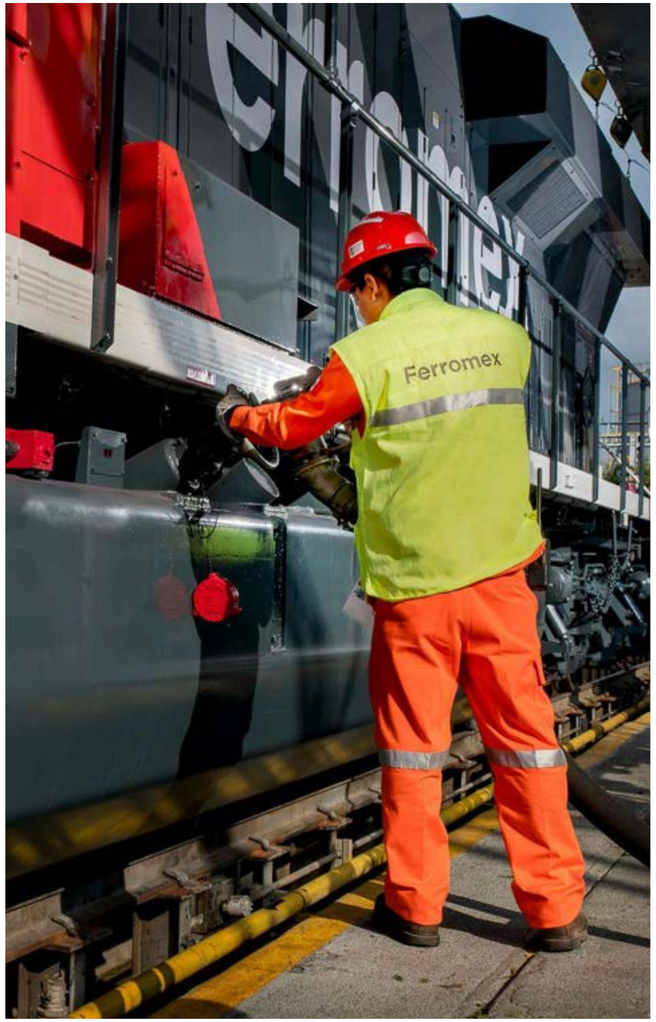
Each Grupo México division sets the terms and conditions for employment for their non-union personnel, respecting all regulations in each country where we operate.

42

collective bargaining agreements:
Mining Division[13]: 16
Transportation Division: 6
Infrastructure Division: 20

- 66.5% of Grupo México employees are covered by collective bargaining agreements.

[13] Does not include the collective bargaining agreements of our ASARCO subsidiary (USA), as the Basic Labor Agreement between the company and its unions expired October 15, 2019. Employees are currently working under the terms and conditions of the last, best and final offer (LBFO) implemented by the company on December 2, 2019.



Ferromex employee, Mexico

Number of strikes and lockouts exceeding one week duration, by country

G4 – MM4

In 2023, there were no additional strikes or lockouts[14] recognized as such by the authorities that affected the operations of any of our Mining Division subsidiaries.

Minimum notification periods for operational changes

GRI 402-1

Our **Mining Division** maintains a permanent and open dialogue with our employees through our Human Resources department. We communicate any operational change with the advance notice required by law. In Mexico, employees are generally notified of operational changes the same week as the change takes effect.

The notices and arrangements for consulting and review of collective bargaining agreements are detailed in the agreements themselves, while the Mexican Labor Law sets the times for requesting reviews of collective bargaining agreements. In the United States, notification times are set by the National Labor Relations Act and vary by place and topic. We are also governed by the Worker Adjustment and Retraining Notification Act (WARN), which requires 60-day notice for mass layoffs and shutdowns. In Peru, legal changes to work hours must be communicated to employees and unions eight days in advance.

Under international best practices and in adherence of the regulations in the countries where we operate, **Transportation Division** employees receive advance notice of any significant or material change in the company.

The **Infrastructure Division** maintains ongoing dialogue with all our employees and union representatives. Changes that would have an impact on operations are communicated during our work meetings with the advance notice required by the labor laws. Because of their business model being based on temporary projects, our Construction and Engineering subsidiaries inform employees of the start and end dates for projects when they are hired, so they can make the best professional decisions for themselves. Where possible, employees may be transferred to other sectors or areas within the same company to continue working and looking after their families.

[14] The operations of the Taxco site have been suspended (strike) since 2007, due to a conflict with the National Union of Mining, Metal and Allied Workers of the Mexican Republic (in Spanish, SNTMMSRM).

Human Capital Development

GRI: 3-3

Grupo México is committed to caring for and developing the personal and professional growth of our employees, aligned with the strategic goals of the company and our Institutional Competencies Model.

Our training and development plans are designed to support our employees to acquire and upgrade their technical skills and competencies. The activities of our three divisions require highly specialized technical skills, therefore developing these skills and competencies is a priority.

Additionally, employees have the opportunity to explore and grow in areas of interest to them, developing their skill sets according to their professional profiles and aspirations. Some examples of this are our training programs and career plans, and our processes and campaigns to measure, review, offer feedback and improve performance.

We offer educational programs in the communities where we operate and invite students to complete their professional practices in the different areas of the company. For more information, see Local Communities.

Education Programs

- Formal education programs (elementary, middle school, high school, bachelor's degree and graduate studies)
- Postgraduate programs (certifications, diploma programs and master's degrees)
- Incentive policies and financial support for professionalization.
- Considerations in our collective bargaining agreements to support the studies of our employees and their families.

Training Programs

- Development of technical safety skills (operation and maintenance): technical know-how, raising awareness and focus on safe behaviors.
- Management skills and institutional competencies.
- Human Rights and Code of Ethics.

Development Plans

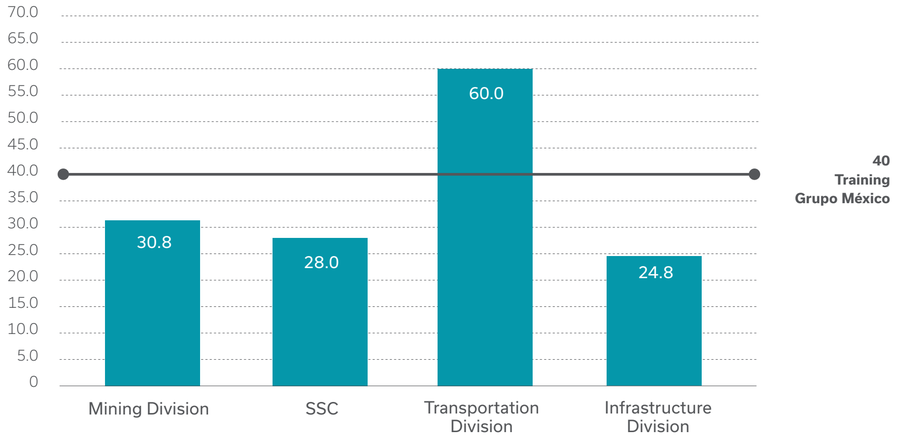
- Ongoing preparation to take on new tasks and responsibilities, as needed, consolidating their professional careers within the company.
- Individual development plans.

Professional Training

GRI 404-1

Grupo México provided an average 40 hours of training per employee in 2023.[15]

Grupo México training 2023



1.2 millones

training hours.

+26.7%

increase in the training hours at the Grupo México level, compared with 2022.

$5.5M USD

total cost of training at the Grupo México level.

At the Grupo México level[16], the total cost of training was around US$5.5 million, while the average cost of training per employee was around US$272. For the Mining Division and SCC, the cost of training per employee was around US$288 and US$281, respectively, while for the Infrastructure Division, it was US$180.

[15] The training hours for the US subsidiaries of the Transportation Division are not included, therefore the caculation for the average training hours was based on the number of staff of the subsidiaries where the training hours were recorded. We are working to include the complete data in future reports.

[16] The Transportation Division is not included as this information is not available, however we are working to include these figures in future reports.

Performance Reviews

GRI 404-3

Our performance reviews are based on individual goals and competencies aligned with the strategic goals of the organization.

Most company personnel participate in annual performance reviews based on objectives defined by the company and the metrics and indicators of our performance improvement process to identify the potential of each employee. Additionally, union employees participate in a different type of review each month, which generally results in performance-based monthly bonuses.

Mining Division employees in Mexico in operational and maintenance positions (both union and non-union) are entitled to receive a bonus when production targets are met.

81.7%

of our total Grupo México non-union employees participated in a performance review

87.2%

non-union personnel in the Mining Division participated in an annual performance review; 92.3% for SCC

93.5%

non-union personnel in the Transportation Division in Mexico participated in an annual performance review

54.0%

non-union personnel in the Infrastructure Division participated in an annual performance review

Ongoing Feedback

Our Performance Management and Improvement process in the Mining Division includes an annual final review, while the objectives undergo a formal review every six months during the Performance Management period (January to December) to align to the priorities and projects arising during the year. We created a Basics of Professional Feedback program to ensure our people have the necessary tools to give and receive feedback.

Training Programs

GRI 404-2

We delivered more than 36 programs in 2023 to upgrade the skills and competencies of company personnel. Our training programs include inhouse courses and financial support for outside training or education.

Of note are the following programs we offered in 2023 focusing on leadership skills:

Mining Division & SCC

Leadership Coaching (1,236 participants)
Program to develop skills in self-leadership, emotional intelligence, and intra and interpersonal relationships to become an agent of change in the company.

Leadership programs (381 participants)
LEADERSHIP PROGRAMS: A success case in 2023 was at our Underground Mining Subdivision - IMMSA (Mexico), where we ran four specific progrmas: Supervisor ABC, IMMSA Leadership Development Program, Management Skills Development, and Human Resources Skills Development. These programs covered all levels of leadership, fostering a **culture shift at our operations**. In these programs, 381 people participated from the 5 IMMSA operations and our corporate offices. Program participants learn practical applications and acquire tools to help improve both their own performance and that of their teams, building productive relationships, creating collaborative environments, and practicing safety as the most important value in all our actions. The topics covered in these programs include emotional intelligence, communication for leadership, feedback, workplace violence prevention, healthy workplace relationships, handling crisis situations, safety workshop for leaders, environmental training for middle management, and knowledge of workplace conditions. We strengthened our efficacy and positive impact on the overall performance of the program participants in their supervisory and management roles.

In particular, the Supervior ABC program, developed inhouse, focuses on our operations and real situations experienced at our mines and plants, comprising 10 chapters with 7 topics in each, covering topics like giving instructions and feedback, and managing the workplace climate. The impact of applying these leadership skills permeates through the more than 3,000 employees in this subdivision, generating a culture of collaboration and open and participative communication.

Transportation Division

The Power of Leadership (548 participants)
Strengthens the competencies of the GMXT leadership to face the challenges of today, generating a positive impact and contributing value for the organization.

Transforming Leaders (303 participants)
Develops management and leadership skills, aligned with the mission, vision and values of GMXT.

Training programs and participants[17]					
	Mining Division	SCC	Transportation Division	Infrastructure Division	Grupo México
Programs to upgrade skills	10	7	3	3	16
Participants	10,977	10,790	920	394	12,291
Programs to upgrade competencies	14	12	5	1	20
Participants	49,436	47,997	5,954	40	55,430
Total programs	**24**	**19**	**8**	**4**	**36**
Total participants	**60,413**	**58,787**	**6,874**	**434**	**67,721**

- We provided more than 36 programs in 2023 to upgrade and improve employee skills and competencies. The high number of participants is due primarily to all employees participating in at least 1 program.
- Our training programs include inhouse courses and financial support for outside training or education.

Career transition and retirement programs

The **Mining Division** has a retirement plan for our employees, which offers benefits in addition to the pensions required by law. At ASARCO, for example, we offer 401K retirement benefits, an employer-sponsored retirement plan that supports employees to save a portion of their salary (before taxes) for their retirement.

The **Infrastructure Division** operates a program that supports transitioning employees (after a project is completed), including pre-retirement planning, job placement service and support for the transition life after working (training, orientation) laboral (por ejemplo entrenamiento, orientación). Twelve people participated in this program in 2023.

[17] For the description and scope of each program, see the Annexes.

Talent Recruitment and Retention

GRI 103-1

We strive to provide a good workplace environment, which, coupled with fair compensation, ensures high employee retention , satisfaction and commitment to the organization.

Our recruitment efforts are linked to our education and job skills training programs. Our hiring practices are fair and transparent, informing prospective candidates of the tasks and skills required for each position, and also how results are measured with our performance review process.

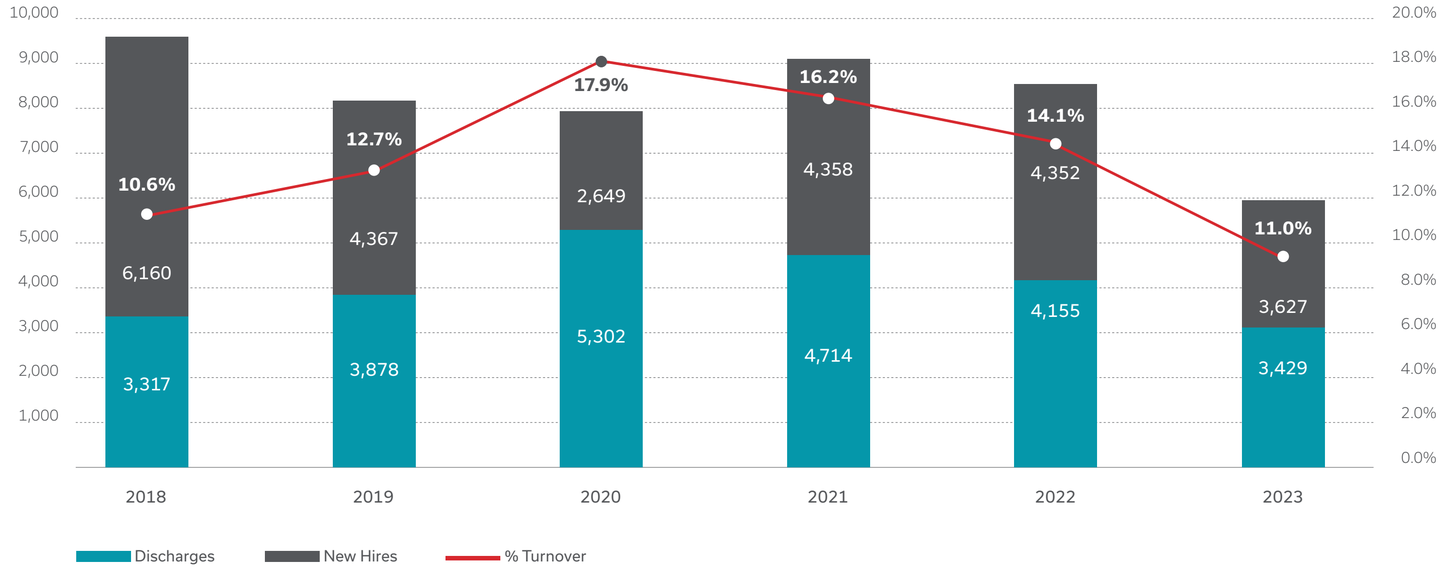
We monitor employee performance through annual reviews, which inform our employee training, development, success and career plans.

We encourage recruiting local talent, which positively impacts the economies of our neighbor communities.

New hires and turnover

GRI 401-1

The turnover rate for Grupo México was 11% in 2023.



New hires[18]

	Mining Division	SCC	Transportation Division	Infrastructure Division	Grupo México
Women	15.69%	15.66%	11.21%	13.49%	13.67%
Men	84.31%	84.34%	88.79%	86.51%	86.33%
% Grupo México	39.85%	N/A	30.45%	29.70%	100%

The average cost per hire at the Grupo México level[19] was around US$4,300, while for SCC, it was around US$1,200.

Turnover rate

	Mining Division	SCC	Transportation Division	Infrastructure Division	Grupo México
Women	13.2%	14.4%	10.1%	33.7%	17%
Men	9.2%	8.4%	2.8%	53%	10.4%
% total by division	9.6%	100%	3.2%	49.1%	11.0%

The high turnover rate for the Infrastructure Division reflects the nature of these operations. The projects of the Engineering and Construction subsidiary are short-term or temporary and, therefore, personnel are signed to contracts annually that stipulate the start and end dates of the project to which they are assigned. Under this framework, we discharged 1,423 people in 2023.

New hires	Inhouse promotions
There were 5,215 new hires at the **Grupo México** level, representing a 19.8% increase over 2022.	33.2% of vacant positions in **Grupo México** were filled inhouse, and 91.3% at SCC.

Total turnover rate

The turnover rate decreased 17.5% at the **Grupo México** level, compared with 2022, while the **Mining Division** and the **Transportation Division** reported 1.8% decreases in their turnover rates, compared with 2022.

[18] The new hires for the Infrastructure Division include inhouse hirings, as when a project is completed, we look for vacancies in other projects that are similar to the profiles of the employees that had been working on the completed project.

[19] Does not include the Transportation Division as this information is not available, however we are working to include it in future reports.

Employee Benefits

GRI 401-2

We offer an attractive benefits package over and above that required by law, to contribute to the job stability of our employees.

Employee benefits				
	Mining Division	SCC	Transportation Division	Infrastructure Division
Salary-related	Full-time	Full-time	Full-time	Full-time
Life insurance	X	X	X	X
Medical insurance	X	X	X	X
Family protection insurance	X	X	X	
Disability coverage	X	X		
Pension plan	X	X	X	X
Savings fund	X	X	X	X
Grocery vouchers	X	X	X	X
Productivity bonus	X	X	X	
Interest-free personal loans, up to one month's salary	X	X	X	X
Stock options	X	X	X	X
Employee cafeteria	X	X	X	X
Employee transportation	X	X	X	X
Rent support - housing assignment	X	X		
Lactation rooms	X	X		X

Hybrid workplace model

The Mining Division implemented a pilot program in Mexico in 2023 for positions working from our Hermosillo and Mexico City offices in Billing, Accounting and IT Support serving our other countries. More than 100 people are participating in this hybrid workplace program, where they spend 60% of the work week at our offices and 40% working from home. The results so far have been positive, maintaining our service levels and information processing. We will measure the results after one full year to evaluate expanding the model to other appropraite areas, considering that our mine and plant operations, because of the business of the extractive industry, require operators and their supervisors to be onsite.

Parental Leave

GRI 401-3

Grupo México encourages families spending time together and we adhere to the government guidelines that support parents to achieve a work-family balance.

Parental leave

- In the **Mining Division**, 49 women and 566 men took parental leave, with a 99.2% return to work rate for both men and women.
- In the **Transportation Division** in Mexico, 7 women and 165 men took parental leave, with a 100% return to work rate.
- In the **Infrastructure Division**, 1 woman took parental leave, with a 100% return to work rate.

Lactation rooms

- The **Mining Divison** and the **Transportation Division** support nursing mothers by providing designated lactation rooms at our offices and sites. Our long term goal is to generalize these spaces in all company workplaces.

Workplace Climate

The **Mining Division** conducted our Employee Survey (ECO) in 2023 to measure employee commitment to the organization. This instrument measures two base factors: LOYALTY, defined as the extent to which an employee identifies with the organization and our business objectives, and SATISFACTION, defined as the level of contentment with their working conditions and whether these conditions are optimal for the employee's work.

The same methodology and instrument is used in all countries (Mexico, Peru, Spain and USA) to obtain a valid comparison, which is reviewed and prepared jointly by the Human Resources departments in each country. The instrument measures the perceptions of our people to learn how they feel, to then design actions to increase their commitment.

The survey applies 18 Loyalty and Satisfaction factors through 97 questions, which we update each year. We use a Likert scale of 1-5 for the responses, where 1 is Totally Disagree and 5 is Totally Agree. Participants complete the survey online and a third party with broad experience in social measuring and statistics runs the exercise, which also guarantees impartiality and confidentiality.

Each factor is analyzed in detail and the results are delivered to company management at each site to prepare a Reponse Plan to address the needs identified. We added diversity topics to the ECO in 2021, including age and gender, among other identifiers, to better understand the composition and level of commitment of different groups within our company.

In 2023, 1,087 women (304 more than in 2021) and 12,099 men participated in the survey, together representing 85% of the total workforce (9% increase over 2021). The high voluntary participation of our people far exceeds our 2023 participation target of 60%.

Women responded with higher scores than men in each of the factors evaluated, leading to an overall commitment level of 83.2%.

From the results, the employee commitment score was 4.28 out of 5, demonstrating a high level of loyalty to the company, while in Peru, this score was 3.91 and in the United States, 3.79. The average **commitment** of our people in 2023 was **4.16**, an increase over the 4.09 average in 2021.

For more information, see the tables in Annexes - Our People.

The results of the 2023 survey indicate that the three favors rated highest are:

1. **BELONGING (4.40)**, which translates into the employee being in agreement that their company is a good place to work.
2. **SAFETY AND HYGIENE (4.33)**, referring to how employees feel about the working conditions at AMC, and how the workplace environment, health and safety are managed.
3. **PRIDE (4.28)**, being the sense of satisfaction that employees feel working for the company.

The factors that improved the most from 2021 to 2023 include:

1. LEADERSHIP, measures employee opinion on the management and supervision they receive in the company and how this is carried out, increased from 3.86 to 4.07.
2. SOCIAL IMPACT, measures employee perception of the company's actions to improve the communities where we operate, in terms of infrastructure, education and community activities, increased from 3.88 to 4.04.
3. FAIR TREATMENT, measures the feeling of being treated with respect, justice, dignity and individual consideration, increased from 3.94 to 4.21. Our people today perceive company leadership as treating others much more equitably and fairly.

The EQUITY factor also improved over 2021, increasing from 4.01 to 4.15, measuring employee perception of being treated by leadership equally and without favoritism.

The factors that received a lower rating in 2023 actually received a higher rating than in 2021, and indicate our greater areas of opportunity:

1. RECOGNITION, refers to feeling appreciated in terms of achievements and performance, and that this does not go unnoticed; receiving a score of 4.04 in 2023, while in 2021 this score was 3.89.
2. WORK-LIFE BALANCE, speaks to an employee's quality of life; rated 4.03 in 2023 and 3.96 in 2021.
3. COMMUNICATION, measure employee opinion on how information flows within AMC and whether it is congruent and assertive; scored 3.93 in 2023, an increase over the 3.83 in 2021.

Employees in Mexico also participated in the Mexican Standard NOM-035 survey "Psychosocial risk factors at work", completing 9,021 surveys (88.44% participation), a much higher participation rate than the standard requires. The results were tabulated immediately and we prepared work plans for each site and office, particularly to respond to cases that reported severe traumatic events, channeling these for psychological and medical follow-up.



Combined cycle power plant employees, Nacozari de Garcia, Sonora México

Ratio of starting base salary by gender compared to local minimum wage

GRI 2-6, 202-1

We're committed to offering salaries above the minimum wate in the countries where we operate, and that our higher wages ensure a decent standard of living for company employees and their families. The total annual salary and compensation package for company employees in our three divisions comprises their base salary, productivity bonuses, cash benefits and profit sharing, where applicable. The following table compares our base salaries (which is only one part of the total compensation package) against minimum wage.

Ratio of base salary by gender compared to local minimum wage

	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Division	SCC	Minera México (Mexico)	SPCC (Peru)	ASARCO (USA)	Total Division	Mexico	USA	Total Division	Total Grupo México
Women	**4:1**	5:1	3:1	17:1	4:1	**2:1**	6:1	1:1	**2:1**	4:1
Men	**4:1**	5:1	3:1	17:1	4:1	**2:1**	6:1	1:1	**2:1**	4:1

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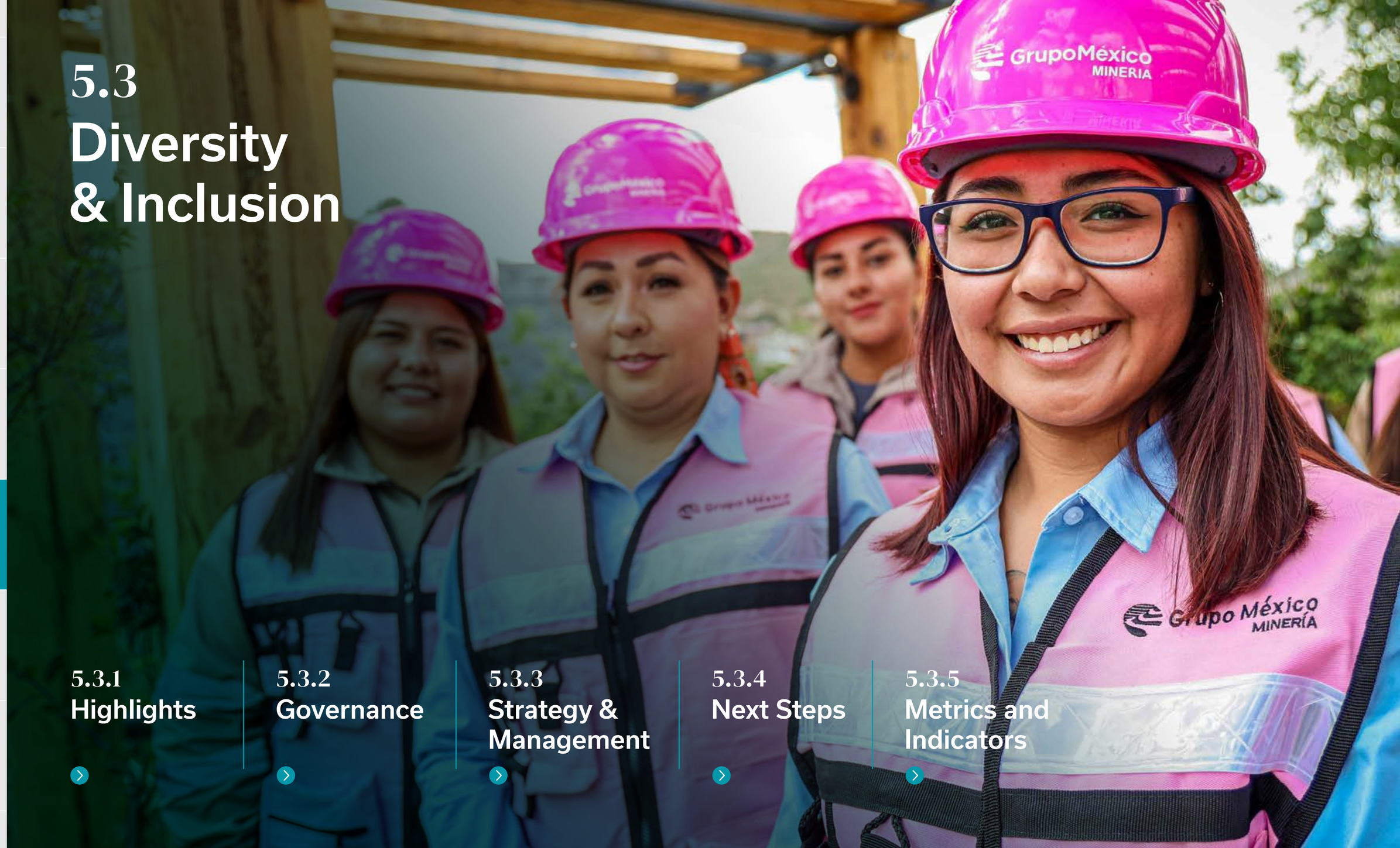
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5.3 Diversity & Inclusion



5.3.1 Highlights

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5.3.5 Metrics and Indicators

5.3 Diversity & Inclusion

GRI 3-3

At Grupo México, we strive to incorporate into our organization the richness and plurality of each country and community that embraces us.

Valuing diversity and encouraging openness to different ways of thinking, and creating inclusive environments, are essential to ensuring our workplaces support the optimal development of our employees and stakeholders. In this regard, we're working to build diverse and inclusive teams, fostering respect among all our employees, extending this culture to the communities where we operate.

5.3.1 Highlights

1,208
Women received training in job and productive skills under our *Forjando Futuro* (Forging Futures) program.

8,421
Employees across our three divisions received training on topics related to diversity, inclusion and human rights.

22.1%
We increased the number of women at Grupo México by 22.1% vs 2022, 24.6% of whom hold science, technology, engineering or mathematics (STEM) positions.

- We obtained the Great Place to Work for Women certification for the Sonora Metallurgical Complex for the second time.
- All unionized and non-unionized employees at Minera México were shown a video explaining what diversity and inclusion are, and why Grupo México promotes them as part of the training in the Code of Ethics.

5.3.2 Governance

Diversity and inclusion in the workplace is a cross-cutting topic that touches all areas of our company, and is the reason we created a Grupo México Diversity and Inclusion (DEI) Working Group, coordinated by the Sustainable Development Department.

For more information, see the Grupo México Sustainability website.

5.3.3 Strategy & Managemen

The Grupo México General Human Rights Policy supports our efforts in diversity and inclusion through:

- Policy on Diversity, Inclusion, Non-Discrimination, and Zero Tolerance for Workplace or Sexual Harassment, for Grupo México and the Mining Division, which describes the reporting mechanisms available in Mexico, Peru and the United States, and the protections for the person reporting.
- Diversity and Inclusion Strategic Plan (in the process of being implemented).

The general commitments outlined in the policy are:

- Respect human rights, guaranteeing diversity and inclusion, wellbeing, no discrimination, and equality for all persons.
- Prevent potential barriers during hiring, promotion and salary processes, always with objectivity.
- Ensure equal opportunities, and also equal treatment, condition and position between men and women.
- Guarantee workplaces where respect and tolerance are the norm.
- Take corrective action against attitudes or acts of discrimination, harassment or any other type of disrespectful, excessive or violent behavior.
- Guarantee no repercussions or consequences for people who report a violation of the obligations outlined in the Policy.
- Fair and exhaustive investigation of all reports under the Policy.

DEI Diagnostics

The Mining Division conducted a diagnostic in Mexico in 2020 and another in Peru in 2021 to identify DEI-related risks and opportunities, the results of which informed the design of the 2020-2023 DEI Strategic Plan to promote greater inclusion and safe workplaces.

An independent firm conducted diagnostics for the Infrastructure and Transportation divisions in 2023 on diversity and inclusion in the workplace considering:

Division	Surveys	Interviews with management	Focus groups
Infrastructure[1]	1,376	8	8 (102 participants)
Transportation	1,134	11	15 (150 participants)

These 4 diagnostics identified the principal barriers to entry and growth for women, people with disabilities, and members of the LGBT+ community.

[1] Focus groups were held for our 6 business lines.



Santa Barbara mine employee, Chihuahua, Mexico

Diversity and Inclusion (DEI) Strategic Plan

Our actions to promote diversity and inclusion in all three Grupo México divisions are laid out in the 2020-2023 DEI Strategic Plan, which will be updated in 2024 with information gathered from the diagnostics. The principal action lines are:

1. Awareness campaigns, training and communication on diversity, inclusion and non-discrimination.
2. Incorporation of a gender equality and diversity approach in our human resources policies and procedures.
3. Physical modifications at workplaces for the inclusion of women.
4. Define specific processes on awareness, prevention and handling potential incidents of sexual and/or workplace harassment.
5. Promoting diversity and equal opportunities in our neighbor communities.

1. Awareness campaigns, training and communication on diversity, inclusion and non-discrimination

Our Code of Ethics and human rights trainings include topics related to diversity and inclusion (see Employee training on human rights).

In parallel, we run an ongoing media campaign to promote the value of diversity and inclusion, and also tools available for reporting incidents of discrimination or harassment. These messages are conveyed via videos at our sites, on the company intranet and with print materials.

We designed an organization-wide inhouse and public video, print and social media campaign for International Women's Day to acknowledge the contribution women make to the workplace and to raise awareness on the importance of empowering women everywhere and protecting their rights.

These training and media campaigns seek to raise awareness among all employees and, gradually, drive a cultural shift to safe, diverse and inclusive workplaces.

2. Incorporation of a gender equality and diversity approach in our human resources policies and procedures

Incorporating a DEI approach into our human resources processes goes beyond hiring more women, it also means understanding the phenomenon of turnover and designing actions to promote the permanency and development of women within the organization.

We are continually improving the recruitment processes at our three divisions by using inclusive language for open positions, incorporating measures to avoid bias in the hiring process, and considering a greater number of candidates for the final shortlists.

To promote a change in culture, training for women begins at entry level positions and technical and professional internships. At Southern Perú, for example, we found an imbalance in our entry level positions (held by recent college graduates) where at least 50% of these positions should be held by women.

The ECO Opinion Survey helps us to measure the commitment and level of satisfaction of our employees to inform our efforts to improve inclusion. The information gathered from the ECO helps Human Resources to identify areas of improvement that will be addressed through the lines of action of the DEI Strategic Plan.

Additionally, we designed a new exit survey in 2023 that is applied organization-wide to better understand the specific reasons that lead women to leave the company. This information will help us to take measures to promote the retention and growth of women.

Thanks to these efforts, today we are much better prepared to make proactive efforts to increase the number of women in the industries where we operate.



3. Physical modifications at workplaces for the inclusion of women

Making adjustments to the facilities and physical infrastructure in our three divisions is a gradual and ongoing process and will improve the inclusion of women in all areas of our operations. In 2023, we continued to improve and install lactation rooms at corporate offices and to identify unmet needs at our operations (for example, insufficient number of restroom facilities or changing rooms for women).



4. Define specific processes on awareness, prevention and handling potential incidents of sexual and/or workplace harassment

During 2023, work was undertaken to develop Protocols for "Prevention, Attention, Action, and Restoration in cases of workplace or sexual harassment" for the operations of the Mining Division in Mexico, Peru, the United States, and Spain. This involved sessions with the Audit, Internal Control, and Human Resources Departments, taking into account the applicable legislations of each country. Additionally, the reporting channels were updated, and staff were guided on the use of the Reporting Line through communications, infographics, and Ethics Code certification, both digitally and in print, ensuring 100% coverage of our personnel.

For more detailed information on training about workplace harassment in our three divisions, please refer to the section on Progress in the DEI Strategic Plan - Training and Communication.

For more information about our progress in this area in each line of business, see Metrics & Indicators.



5. Promoting diversity and equal opportunities in our neighbor communities

The community development model of our Mining and Infrastructure divisions is guided by inclusion, where all our programs and projects conduct an exhaustive advance process to listen to the ideas and needs of the different groups that make up a community, considering their diversity in terms of age, gender, language, sexual preference and specific needs.

We promote the value of diversity and inclusion through three key areas:

Community programs

Of our Mining Division community programs, we highlight our Youth Orchestras and Choirs program operating at 6 sites in Mexico and 6 in Peru, and open to all members of our neighbor communities.

Support for disabled and special needs students at our schools

We have adapted all our programs to ensure that anyone with any type of disability or special need can actively participate in all Grupo México actions in the communities. We carry a particular concern for guaranteeing that students at our schools with any type of physical and/or intellectual disability, who are on the neurodiversity spectrum, or who have special needs, have specialized support available to them to support their learning and participation in school life.

All students are assessed when they join our schools. The assessment for students with special educational needs includes an action plan to offer the student additional support during their academic performance.
Our schools have "shadow teachers", who are present in the classroom and available to offer individual support to students who may need it.
In 2023, we identified that 9.6% of the children and youth at our schools have some type of physical and/or intellectual disability, are on the autism or neurodiversity spectrum, or have a learning difficulty. A team of experts in student psychology advised and accompanied these students and their families to support their academic development.

Additionally, Grupo México promotes the value of diversity and inclusion through regular talks and activities at our schools.

Training for women

The Mining Division programs *Forjando Futuro* (Forging Futures) and *Provee* (Provide) contribute to local economic development by strengthening the skills of individuals and local businesses to benefit from the economic value generated by Grupo México through Jobs and contracting suppliers.

These programs include training, local job skills, productive skills and business training for local residents.



Program participant in Sombrerete, Zacatecas, Mexico

5.3.4 Next Steps

We have been working on building an institutional structure over the last few years that will advance our diversity and inclusion agenda both across all company divisions and with our neighbor communities.

The inclusion of women, people with disabilities and members of the LGBT+ community in the workplace implies a cultural shift that we call businesses and organizations to formally support. We designed and regularly update our Grupo México DEI Strategic Plan with this goal in mind.

In 2024, we will continue our efforts in the strategic lines of action discussed above (awareness, training, hirings, promoting the permanency and development of women, changes to the infrastructure, working in communities) and incorporate into this Plan, the learnings we acquire along the way. Our next steps will focus on:

- Continuing to implement the adjustments to our facilities proposed in 2023 to address the needs of women.
- Translating into an Action Plan, the results of the DEI diagnostics for the Infrastructure and Transportation divisions.
- Reinforcing the implementation of inhouse mechanisms to prevent, address, take action and remediate situations of workplace or sexual harassment.
- Continuing our awareness campaigns with each division and at the Grupo México level.
- Continuing and reinforcing our human resources processes to promote not only the hiring but the retention and development of women.

At Grupo México, we're committed to increasing the number of women in our total workforce by 1-2% each year from 2022 to 2025.

For more information about our targets and goals, and our progress, visit the Sustainability website.

5.3.5 Metrics and Indicators

GRI 405-1, 405-2

Our annual performance is reported through the following metrics and indicators:

a. Progress on the DEI Strategic Plan
- Training and communication
- Strengthen human resources policies and processes
- Physical modifications at workplaces to be more inclusive of women
- Diversity and equality in communities

b. Progress on DEI targets
c. Participation of women
d. Salary gap
e. Intergenerational diversity
f. Certifications

a) Progress on the DEI Strategic Plan

a.i) Training and communication

15,085 employees across our three divisions participated in Code of Ethics and human rights trainings in 2023.

Training:

Mining Division

Minera México

98% of non-union Minera México personnel (2,797 people) received Code of Ethics training, where we explain how to use the Reporting Line and our commitments under the Human Rights Policy, and we discussed in detail the topic of diversity and inclusion, and preventing and handling incidents of workplace or sexual harassment.

Additionally 100% of our recruiters and trainers received DEI training to ensure our diversity approach permeates throughout our human resources processes.

Also in 2023, 254 employees completed the online course "Let's talk about diversity and inclusion", while 818 employees completed specific 1-hour online courses to understand and prevent workplace harassment as laid out in Mexican standard NOM035, to promote safe and respectful workplaces.

ASARCO

At ASARCO, 397 non-union employees at 4 sites participated in a 90-minute training on sexual harassment in the workplace.

Southern Perú

We provided 3 courses on diversity and inclusion at Southern Perú :

	# Participants	% Participation	# Sessions
Leadership Coach program:			
Strengthening our commitment to DEI	1169	97.5	18
Leadership: Creating a culture of DEI	974	80.1	10
Supervisor ABC's program - Human rights and DEI management:			
For non-union operational personnel	598	44.1	21
For non-union administrative personnel	811	56.6	8
DS024 Safety program:			
Micro-Learning: Strengthening our commitment to diversity and inclusion	4,580	93.3	1
Total participants	8,132		58

a) Progress on the DEI Strategic Plan

a.i) Training and communication

Infrastructure Division and Transportation Division

The Infrastructure and Transportation divisions offered a course that addresses these specific topics, "Let's talk about diversity and inclusion", for the first time. This online course will be offered periodically for non-union personnel. At 2023 close, 52% of the Infrastructure Division (626 employees) and 63.3% of the Transportation (1,293 employees) had completed the course.

Additionally, 210 Infrastructure Division employees participated in "Talent without labels" talks about the gender perspective, and we provided in-person training for 73 employees on discrimination and harassment in the workplace.

In the Transportation Division in 2023, we provided training on workplace discrimination and harassment to 302 employees (83 men and 219 women) through the Trace virtual platform, totaling 433 hours of instruction.



Mining Division employee, Mexico

a) Progress on the DEI Strategic Plan

a.i) Training and communication

15,085 employees across our three divisions participated in Code of Ethics and human rights trainings in 2023.

Communication:

Mining Division

Members of the AMC leadership (168 people) participated in "Leaders in workplace violence prevention" talks in 2023. These 90-minute sessions discussed promoting diversity and inclusion.

Minera México
Minera México designed a "Women who impact" communication campaign featuring vignettes about the stories and achievements of women employees to promote and communicate the professional value that women bring to the company.

Southern Perú
In Peru, we also ran a communication and awareness campaign, "Women who inspire", which featured stories of women employees weekly, and four stories were published bimonthly in the company magazine *Cobresur*. As part of this program and to encourage the women in the Southern Perú family, in their different roles, three "Women who inspire" cultural days were held at our sites.

The participation of women in our campaigns increased to 50% in Peru in 2023, wile the participation of women in our *Cobresur* social media was 48%.

Communication:

Infrastructure Division

The Infrastructure Division began a digital media communication program at our worksites featuring success stories of women leaders in our organization. We ccreated a network for women leaders or in STEM positions for our 6 lines of business for bimonthly sharing of experiences and learnings.

a) Progress on the DEI Strategic Plan

a.ii) Incorporation of the DEI approach in our human resources policies and procedures

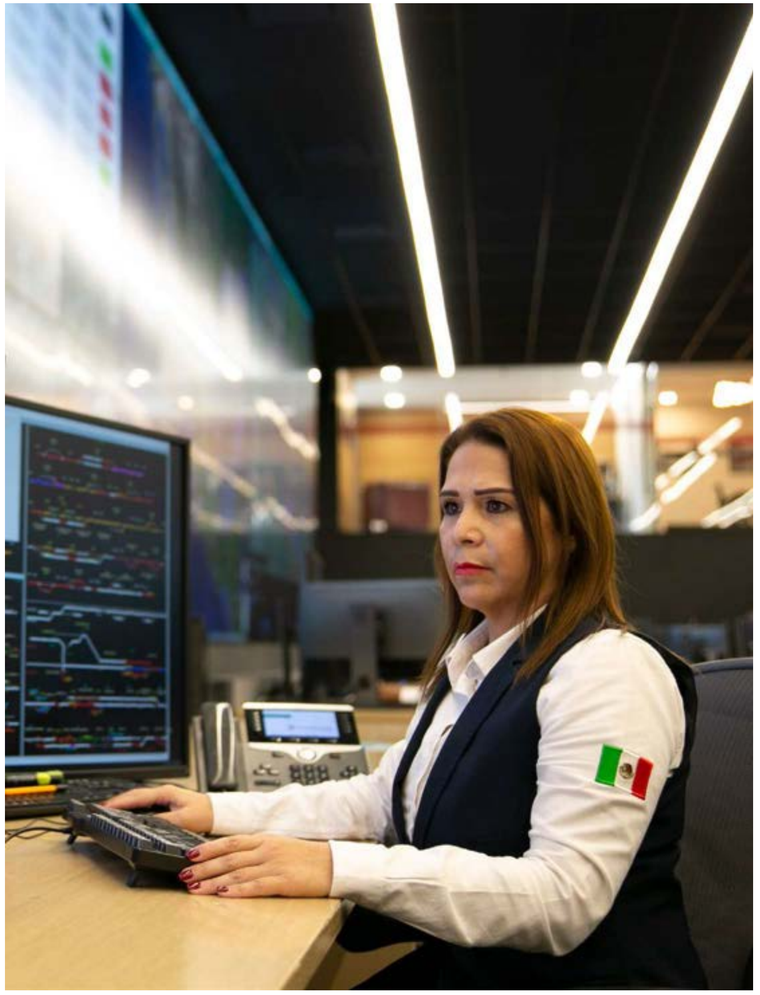
Mining Division

Minera México

In 2023, 13,282 Mining Division employees participated in the biannual Opinion Survey, which includes diversity and inclusion aspects. Reponses of note on topics related to diversity and inclusion included:

Question	Score 1-5
There is a feeling of respect and dignity among work teams	4.14
The organization treats me fairly and with dignity	4.16
Opportunities for professional development do not consider gender, age, skin color, religion, beliefs, disabilities or socioeconomic status.	4.33

We designed a new exit survey in 2023, which is appllied in our three divisions and helps us to better understand the specific reasons why women leave the company.



Control center employee, Transportation Division, Mexico

a) Progress on the DEI Strategic Plan

Physical modifications at workplaces for the inclusion of women

Mining Division

Minera México
The company prepared a study at our processing plants and the La Caridad mine, and we installed washroom facilities for women at different sites, a lactation room at our processing plants, at La Caridad, and at our corporate offices in Mexico City.

Southern Perú
The company made progress on making modifications according to the needs map prepared in 2022: 15 washroom facilities for women installed in Toquepala and 2 in Cuajone. We also made progress on making modifications to our sports facilities with a DEI approach.

Infrastructure Division

The Infrastructure Division prepared an executive report documenting the work conditions for women, monitoring uniforms, washrooms and changing rooms. Minimum changes were made, as the infrastructure at our different lines of business was, in general, sufficient.

Transportation Division

The Transportation Division installed lactation rooms at our offices in Mexico City and Guadalajara; some modifications were made to staff uniforms, and washroom facilities for women were installed at 7 yards.

a) Progress on the DEI Strategic Plan

a.iv) Promote diversity and equal opportunities in our neighbor communities

Social programs:

Mining Division
Our Youth Choirs and Orchestras program in 2023 included children and youth on the spectrum, with physical and intellectual disabilities, and with genetic disorders, like Down syndrome.

Schools:

Mining Division
We held a Disability Week in 2023 that included talks and activities with our school communities (students, teachers, families) to raise awareness on different types of disability and neurological diversity (autism spectrum).

Training - Forjando Futuro and Provee:

Mining Division
We trained 2,089 people this year in Mexico and Peru; 1,503 (72%) were women.

***Forjando Futuro* (Forging Futures):**
Job skills training: 52% of participants were women who received training in trades like diesel mechanic, health and safety, heavy equipment operator (scoop tram, jumbo, truck, backhoe), surveyor assistant, plumbing, general construction, instructor training, instrumentation, welding (TIG MIG), electrical mechanic, electricity and high school diploma.

Regional training and productive skills: 1,145 participants in 2023 (87% women). Programs include: agri-food projects, family gardens, poultry farming, forestry, cooking and pastry workshops, personal finances, computer studies, English, job skills, communication skills for business, photography and marketing for your business, basic vehicle mechanics.

***Provee* (Provide):**
Training for local businesses: 68% of the businesses that participated were represented by women. Training topics include: registering as a vendor in the mining industry, finances, administration, accounting, legal, process improvements, sales and customer service.

b) Progress on DEI targets

At Grupo México, we're committed to increasing the number of women in our total workforce by 1-2% each year, from 2022 to 2025.

Women in the workforce targets

Increase women employees		% women in the total workforce				
División	2022-2025 Annual increase target	2022 (base year)	2023 Target	2023 Actual	Annual increase	Difference target vs performance 2023
Mining Division	2%	7.6%	9.6%	8.8%	1.2%	0.8%
SCCO	2%	7.3%	9.3%	8.6%	1.3%	0.7%
Infrastructure Division*	0.80%	15.8%	16.6%	19.4%	3.6%	-2.8%
Transportation Division	0.70%	5.0%	5.7%	5.3%	0.3%	0.4%

*This table does not include 162 Infrastructure Division employees (62 women, 105 men) who we categorize as "specialized services", because they work at customer workplaces subject to the their company policies.

There was a significant increase in the number of women employees across our three divisions, although only the Infrastructure Division not only met, but exceeded its target. This was due in part to the Infrastructure Division adding a new line of business, real estate, where 51% of the total staff are women.

The increase in the three divisions can be more clearly appreciated by comparing the number of women employees in the company in 2022 vs 2023:

Division	Total increase in # women 2022-2023
Mining Division	23.2%
SCC	24.2%
Transportation Division	8.9%
Infrastructure Division	34.8%
Grupo México	22.1%

c) Women on the workforce

December 2023	Mining Division	SCC	Transportation Division	Infrastructure Division	Grupo México
% Women	8.8%	8.6%	5.3%	20.4%	8.7%
# Women	1,527	1,359	586	457	2,706
Total workforce	**17,264**	**15,810**	**11,029**	**2,900**	**31,193**

Infrastructure Division	% Women	Women	Men	Total
Corporate	45%	89	111	200
Engineering	28%	132	347	479
Construction	8%	72	842	914
Highways	28%	79	202	281
Energy	23%	17	56	73
Fuels	0%		3	3
Oil	10%	68	617	685
Real Estate	51%	136	129	265
Total[1]	**20.4%**	**593**	**2,307**	**2,900**

Division	Total number of women employees	% holding STEM positions
Mining Division	1,527	34.9%
SCC	1,359	31.4%
Transportation Division	586	3.1%
Infrastructure Division	457	19.2%
Grupo México	2,706	24.6%

Women represent 8.7% of the total Grupo México workforce.

However, the participation of women is not uniform across all our divisions. In the Infrastructure Division, for example, the participation of women varies greatly according to the line of business, which has implications for our DEI strategy. It is noteworthy that women's participation in corporate offices reached 45%, while in real estate, it stood at 51%.

We are working to progressively bring more women into the company. Currently, 16.3% of women hold management positions[2] and 10 women are members of different governing bodies, committees and working groups (13% of the total members).

55.5% women in administrative and operational positions
56.5% women 30-50 years of age
25.2% of the total female workforce in the Infrastructure Division hold management positions, while in the Transportation Division, Mining Division and SCC, women represent **17.8%**, **13.4%** and **13.5%**, respectively.

Of our total 2,706 women employees at Grupo México, **24.6%** hold STEM positions (science, technology, engineering, mathematics.

The efforts described here to foster diversity and inclusion have resulted in an increased number of women working at Grupo México. In the Mining Division, the total number of women increased **23.2%** in 2023, compared with 2022, and at the Grupo México level, this increase was **22.1%**[3].

[2] Includes executive leadership, senior management, middle management, superintendents, supervisors, etc.
[3] Two service companies were added to the Mining Division.

c) Women in the workforce

Women employees 2022-2023			
Division	% Increase in hiring	% Turnover	% Total increase in women employees
Mining Division	1.6%	13.2%	23.2%
SCC	-3.0%	11.6%	24.2%
Transportation Division	34.8%	10.1%	8.9%
Infrastructure Division[4]	11.2%	33.7%	34.8%
Grupo México	11.2%	17%	22.1%

We analyzed turnover trends for women employees to design a strategy to encourage women to stay with the company.

Although there was no substantial increase in hiring from 2022 to 2023, the hiring pace is sufficiently high (326 women hired in the Mining Division in 2023) to report a considerably higher percentage of women in 2023, compared with 2022.

[4] The high turnover for the Infrastructure Division reflects the nature of the operation as the Engineering and Construction subsidiary contracts by project, therefore our personnel sign a contract each year that stipulates the start and end dates for the project in question.

d) Salary gap

GRI 405-2

At Grupo México, we promote equal opportunities in salary and professional development for both men and women. An example of this is our salary tables, which make no distinction for gender and remunerate talent under equal conditions.

Ratio of base salary, women to men[5]					
Category[6]	Mining Division	SCC	Transportation Division	Infrastructure Division	Grupo México
Executive Leadership	1.07	N/A	0.74	1.28	1.03
Senior Management	0.97	0.94	0.96	0.96	0.97
Middle Management	0.97	0.92	0.89	0.8	0.95
Administrative/ Operational	0.89	0.97	0.92	0.81	0.89
Union	0.93	1.00	0.86	0.83	0.91
Total	**0.96**	**0.95**	**0.89**	**1.12**	**0.95**

[5] This table is built from salary information for men and women in the same category across the three divisions, including only those categories where women hold positions and for which we have a comparative salary to obtain these averages.

[6] The category Executive Leadership refers to vice-president and above, while the category Senior Management contains deputy directors, managers and superintendents, the category Middle Management is deputy managers, heads and supervisors, the category Administrative / Operational refers to all non-union employees not covered by the previous categories, and the category Union is all unioniezed employees.

e) Intergenerational diversity

We value intergenerational diversity and inclusion, which ensures an exchange or learning and experiences between the members of one generation and another, and also better performance of our teams:

Workforce by age group				
Age	Mining Division	Transportation Division	Infrastructure Division	Grupo México
< 30 years	18.8%	18.7%	22.8%	19.2%
30 - 50 years	59.5%	57.2%	60.4%	58.8%
> 50 years	21.6%	24.1%	16.8%	22%

Mining Division



Transportation Division



Infrastructure Division



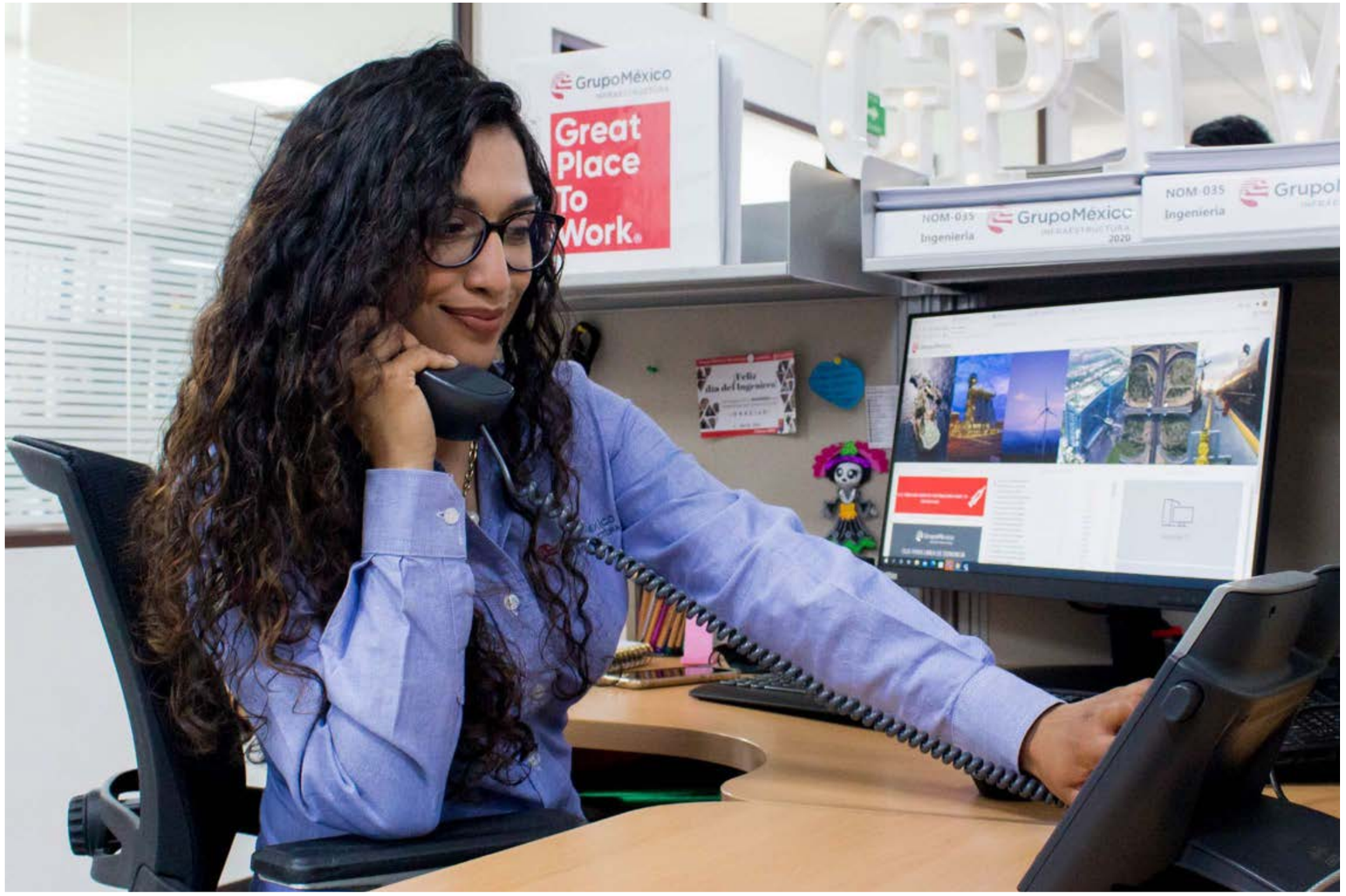
Grupo México



g) Certifications

Our good practices in fostering diverse and inclusive workplace environments led to our Sonora Processing Plant receiving Great Place to Work for Women certification, ranking us in 6th place among the best places for women to work in Mexico.

Furthermore, Perforadora México (Infrastructure Division) was recognized as a Great Place to Work for Women Mexico 2024 in the category of companies with more than 500 employees.



Infrastructure Division employee, Mexico

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5.4 Human Rights



5.4.1 Highlights

5.4.2 Management

5.4.3 Due Diligence Processes

5.4.4 Next Steps

5.4.5 Metrics & Goals

5.4 Human Rights

GRI 3-3

At Grupo México, we're committed to respecting and promoting the human rights of all our employees, our neighbor communities, and also our suppliers and contractors, in adherence of all laws and regulations in the countries where we operate.

5.2.1 Highlights

100%
of our Mining Division operations in Mexico and Peru, and 100% of the operations of the Infrastructure Division have active social diagnostics in 2023.

100%
Of the 602 cases we received through the Community Care System were addressed within an average of 4 days.

15,700
Training hours on Human Rights at a Grupo México[1] level.

8,017
Training hours on Human Rights at a Southern Copper Corporation level.

5.2.2 Management

Our Human Rights management strives to prevent, mitigate, and where necessary, remediate potential impacts. The Grupo México General Human Rights Policy provides the foundation of our corporate strategy and articulates the commitments outlined in our Code of Ethics. All employees of our three divisions and subsidiaries are subject to these policies, which also extend to our suppliers and contractors.

The Grupo México Policy on Respect for Indigenous Peoples and Communities, Policy on Diversity, Inclusion and Non-Discrimination, and Zero Tolerance for Workplace or Sexual Harassment and Code of Conduct for Business Partners[1] strengthen our company processes to ensure we meet our commitments.

Goals of our company policies and processes:

- Guarantee respect for the human rights of our employees.
- Guarantee respect for the human rights of the communities near our operations.
- Promote respect for human rights throughout our value chain.

[1] The training hours for the Transportation Division were not accounted for; however, we are working to report this information in future reports.

[2] The Mining Division also has a Policy on Diversity, Inclusion and Non-Discrimination, and Zero Tolerance for Workplace or Sexual Harassment, which details our reporting mechanisms to ensure our commitments in this area are met. Additionally, the Mining Division has a Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners, which includes commitments directly related to human rights.

The effective management of our environmental, social and governance risks helps us to identify human rights-related risks and to implement preventive measures to ensure our operations produce no negative impacts on the human rights of our communities, employees or contractors, or in the event of any such impact, to take actions to mitigate or remediate. For more information, see Management of Sustainability Risks.

As noted in the table following, our risk management includes relating the different types of risk to the different types of human rights, as categorized by international benchmarks. The table notes the company department responsible for managing the potential human rights-related risks, based on the policies and procedures in place for each department (described in the corresponding sections of this report).

Types of risk identified by Grupo México

Related to Human Rights		Related to the Principles of the Global Compact[15]		Company department
Environmental	Right to clean water and sanitation[3]	7	Precautionary approach to environmental challenges.	Environmental Affairs
	Right to a healthy environment that supports development and wellbeing[4]	8	Initiatives to promote greater environmental responsibility.	
		9	Development and diffusion of environmentally friendly technologies.	
Labor	Right of freedom of association and collective bargaining[5]	3	Uphold freedom of association and collective bargaining.	Human Resources and the Ethics & Discipline Committee
	Right to not be subjected to forced, compulsory or slave labor[6]	4	Elimination of forced or compulsory labor.	
	Right to fair and decent work conditions[7]	5	Abolition of child labor.	
	Right to no discrimination in the workplace[8]	6	Elimination of workplace discrimination.	
Social	Rights of Indigenous Peoples to self-determination and to free, advance and informed consent[9]	1	Support and respect the protection of internationally proclaimed human rights.	Community Development (Mining and Infrastructure divisions) and Railroad Protection and Communications (Transportation Division)
	Right to participate in cultural life[10]	2	Not complicit in human rights abuses.	
	Right to land (no forced eviction; privacy and property[11]			
Occupational Health & Safety	Right to healthy and safe work conditions[12]	1	Support and respect the protection of internationally proclaimed human rights.	Occupational Health & Safety
	Right to health[13]	2	Not complicit in human rights abuses.	
	Right to life[14]			
Security	Right to life	2	Not complicit in human rights abuses.	Corporate Security

International Benchmarks
[3] United Nations General Assembly Resolution A/RES/64/292, 2010 and Resolution A/RES/70/169, 2015
[4] Mexican Constitution, Article 4, paragraph 5.
[5] Universal Declaration on Human Rights (UDHR), International Covenant on Civil and Political Rights (ICCPR), International Covenant on Economic, Social and Cultural Rights (ICESCR), International Labor Organization fundamental conventions (ILOC)
[6] UDHR, ICCPR, ICESCR, ILOC
[7] UDHR, ICESCR
[8] UDHR, ICCPR, ICESCR, ILOC
[9] UDHR, ICCPR
[10] UDHR, ICCPR, ICESCR, ILOC
[11] UDHR, ICCPR, ICESCR
[12] ICESCR
[13] ICESCR
[14] UDHR
[15] The Grupo México policies and procedures to comply with Principle 10: Work against corruption in all its forms, are described in the section Business Integrity.

5.4.3 Due Diligence Processes

GRI 2-23, 2-24, 2-26

Under our commitment to the United Nations Guiding Principles on Business and Human Rights, we have implemented assessment processes to identify, prevent, mitigate or remediate negative impacts on the human rights of our employees and our communities.

Our due diligence processes address four principal groups:



Communities



Company personnel



Suppliers



Security officers

I) Due diligence process with communities

SASB EM-MM-210b.1.

Mining and Infrastructure Divisions

In addition to the risk management described above, Grupo México applies a human rights due diligence process for the communities where we operate throughout the life of each Project (exploration, construction, operation and closure). The Mining and Infrastructure divisions use the following to support this process:

a) Participative social diagnostics
b) Management plans
c) Community Care Service (CCS)

a) Participative social diagnostics

Transforming mineral resources, generating power and building communication routes have impacts on communities. Grupo México has developed a due diligence process to identify, prevent, mitigate and remediate potential negative impacts at all our operations.

This process involves conducting participative social diagnostics at our Mining Division (SCC) operations in Mexico and Peru, and our Infrastructure Division to proactively mitigate negative impacts and maximize the positives. These diagnostics are updated every two years and are based on the Social Impact Assessment methodology recommended by the Mexican Ministry of Energy (in Spanish, SENER) for energy sector projects.

b) Management plans

The information gathered from the participative diagnostics informs our Social Management Plans, where we outline measures to prevent, mitigate or remediate any potential negative impact, and also actions to maximize the positive impacts.

c) Community Care Service (CCS)

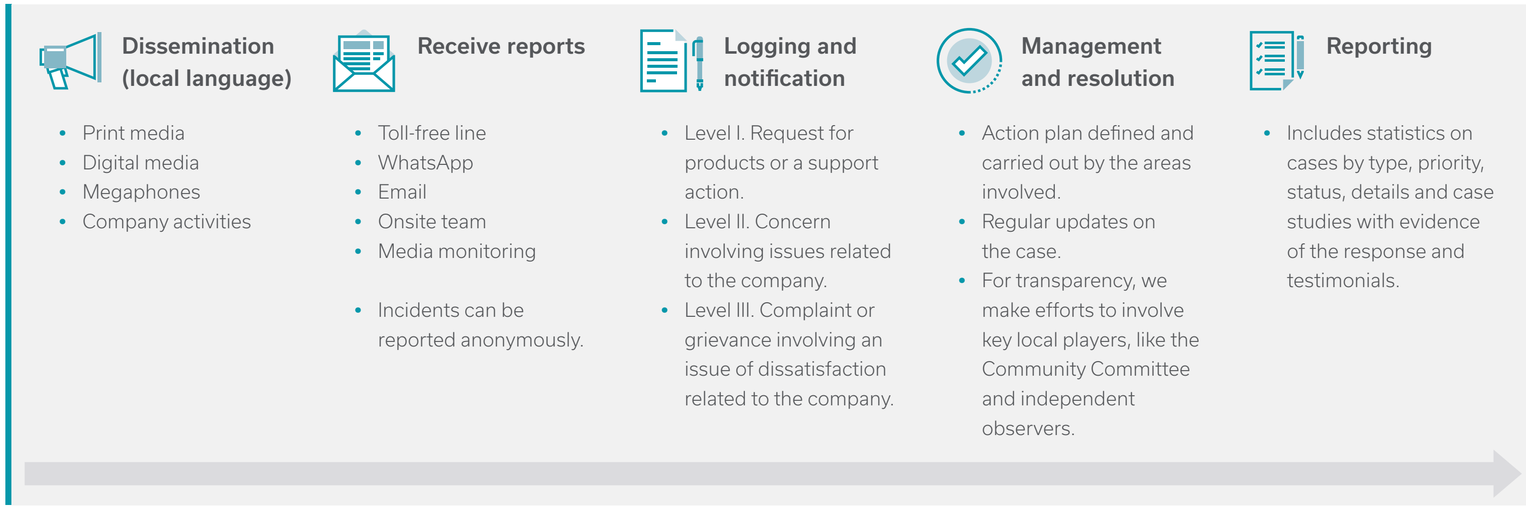
GRI 2-26

The Community Care Service (CCS) is an open and permanent mechanism for the community to quickly communicate their concerns and grievances to the company, particularly when their human rights are involved.

This key tool in the due diligence process was designed in consultation with the Office of the United Nations High Commissioner for Human Rights in Mexico, and we received occasional feedback from this body. The CCS is currently operating at 25 Mining and Infrastructure division sites in Mexico, Peru and the United States.

The due diligence process involves inter-property audits, conducted by the Impact Measuring office of the Community Development Department, to review and validate the necessary elements for full compliance with the social management plans in our communities.

Additionally, both inhouse and independent auditors review the performance of our Community Development model. We have sought specialized consulting for various mechanisms, like the consultation with the Office of the United Nations High Commissioner on Human Rights in Mexico regarding the Community Care Service (CCS), as mentioned above.



Transportation Division

The Transportation Division due diligence process with communities addresses the following groups:

Indigenous peoples and communities

- In coordination with the Ministry of Indigenous Peoples and Communities (in Spanish, SPCI), we support the residents of indigenous and underprivileged communities in the region by offering a reduced fare program for the Chihuahua-Los Mochis regional passenger line, where cardholders pay only 20% of the economy train fare. We are currently reviewing the discount card renewal agreement to manage the delivery of these cards and their correct use.

- Additionally, in collaboration with different organizations, we provide the free transportation of donated goods to benefit the communities and underprivileged residents in the region.

Communities

- Direct and ongoing interaction with social actors and local authorities through interpersonal communication tools.

- Dialogue with our neighbor communities and impact assessments, in the case of infrastructure works.

- Initiatives: *Dr. Vagón* the Health Train and *Mexicanos Sembrando.*

- Safety at level crossings is a priority to reduce the impact of the railroad on the communities where we operate.

Migrant populations[16]

- Coordination with Mexican authorities, including the Ministry of Internal Affairs, the Mexican Immigration Office, and the Railroad Regulatory Agency, to warn of the risks to people who use freight trains as a means of transportation. Collaboration with the authorities to apply the protocols set by the Immigration Office to dissuade people from riding railcars, respecting and safeguarding the rights of those who pass through Mexico.

[16] Mexico is a natural route for migration flows to the United States. Migrants who ride freight trains as a means of transportation put their safety at risk, as the physical and operating conditions of the freight cars are not designed to transport passengers. This is particularly relevant for our operations in central and southern Mexico, as well as near interchange points on the US-Mexico border.



Participant in the reduced fare program, Chihuahua, Mexico



Charcas mine employees, San Luis Potosi, Mexico

II) Due diligence processes with company personnel

Our human rights due diligence process for Grupo México personnel has two components:

- Workplace climate surveys
- Reporting line

a) Workplace climate surveys

The workplace climate survey tool helps us to measure the commitment and level of satisfaction of our employees in different topic areas, including respect for human rights, diversity, equity and inclusion.

The surveys are applied periodically at our operations and offices. For example, the Mining Division applies the survey every two years, submissions are anonymous, and the tool covers 18 topics, several of which relate to these rights, such as fair treatment, equity, work-life balance, working conditions and tools, safety and hygiene.

We also use the NOM-035-STPS-2019 "Psychosocial risk factors at work – Identification, analysis and prevention" survey to identify, analyze and prevent psychosocial risks and promote a positive environment in our workplaces.

We identify patterns in the responses to then design actions for all operations to take to address human rights-related concerns expressed in the surveys:

- Supervisor trainings on collective bargaining agreements and the company codes.
- Training for company leadership in organizational human development.
- Code of Ethics training.
- Using the Reporting Line.
- Agreements with gyms and schools to promote wellbeing and work-life balance.

b) Sistema Comprehensive Reporting System

The Reporting Line is an essential component of our human rights due diligence process in our three divisions, providing a mechanism for employees and suppliers to immediately communicate to the company any violation of their human rights and to receive a report of how their grievance was addressed. For more information, see Comprehensive Reporting System.

In addition to the tools mentioned, our Workplace Health and Safety departments play a key role in protecting the human rights of our employees, such as the right to life, health, and a safe and healthy workplace.

III) Due diligence process with suppliers

Our Code of Conduct for Business Partners includes sections on ethics and integrity, labor aspects, human rights, risk management, workplace health and safety, community relations, and the environment. All company collaborators are required to comply with this Code of Conduct, including company representatives and anyone acting on behalf of AMC and its subsidiaries.

Principal references for the Code of Conduct for Suppliers

- Voluntary Principles on Security and Human Rights
- Organization for Economic Cooperation and Development (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- International Labor Organization Convention 169
- United Nations International Human Rights Instruments

Grupo México processes to ensure our suppliers respect the human rights of company personnel

- Exhaustive analysis of the supplier
- Verification of employee rights, as established by law
- Supplier acknowledgement (signature) of the Human Rights Policy and the Code of Conduct
- Contract signing, with clauses on compliance with labor laws and occupational health and safety (human rights related)
- Acknowledgement (signature) of the appendix to assure compliance with the Grupo México Comprehensive Occupational Health and Safety Management System
- Monthly monitoring to verify compliance with commitments

This regular monitoring of suppliers includes a review of documents to confirm there are no cases of child or forced labor. We also conduct routine visits where we interview employees of our contractors to confirm compliance with the Code of Conduct for Suppliers (for example, the work hours are respected and working conditions). In the event the monthly monitoring finds any irregularity, the supplier is required to correct the situation immediately, or their payments will be frozen, and they may be removed from the Grupo México suppliers list and prevented from participating in future contract bids.

- The Reporting Line is available to the employees of our suppliers, where they can report any violation of their human rights or those of others.

Our Mining Division Procurement department began a sustainability assessment process for relevant commercial partners in 2022, which is based on a questionnaire that includes topics related to human rights, working conditions, environmental protections, and anticorruption.

Additionally, we use the Dow Jones Risk Center tool to evaluate and monitor the performance of our suppliers on topic areas related to sustainability and human rights. These tools reflect our commitment to fostering respect for human rights throughout our supply chain. For more information, see Supply Chain.

IV) Due diligence process with security officers

GRI 410-1

Voluntary Principles on Security and Human Rights

SASB EM-MM-210ª.3

Grupo México strictly complies with the legal frameworks of the countries where we operate and we have policies and processes in place that ensure adherence to the Voluntary Principles on Security and Human Rights, which serve as a guide for companies.

We apply a due diligence process for contracting private security companies, which ensures compliance with our Code of Ethics and Human Rights Policy. We verify that these security officers receive regular human rights training, and the contracts contain clauses that promote respect for human rights and establish frameworks for action at our facilities. This process consists of three stages:

1. Risk assessment

- Awareness of the local and national political and socioeconomic context, and also the crime rates and potential risks to human rights in the locations where we operate.
- Regular reports with information gathered from the security, legal and environment departments to establish preventive measures and actions.
- Identify risks or threats that would require attention and produce action plans to protect both people and facilities.

2. Interactions between the company and public safety agencies

- Agreements with the Peruvian National Police[17] to ensure the safety of our employees and to protect the assets of the **Mining Division**. These services are provided fully respecting human rights.
- None of our operations in Mexico or the United States are guarded by police forces.

3. Interactions between the company and private security

- Contract private security companies to protect our operations.
- Security officers at the **Mining** and **Infrastructure divisions** operate only within the property limits and have no contact with the community, which eliminates the risk of potential human rights violations.
- The **Mining Division** Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners provides for frequent review, by the supplier, of their security procedures and that these are aligned with the Voluntary Principles on Security and Human Rights.

We constantly supervise private security providers to identify any irregularities and we make the Reporting line available to all employees, suppliers and providers. In addition, we have procedures in place to investigate and sanction any human rights violations involving private security officers.

[17] The Peruvian National Police guarantees appropriate and only strictly necessary use of force, and will not violate rights related to freedom of association and peaceful assembly. There were no reports in 2023 of any violations of these rights by any police officer working under these agreements.

5.4.5 Metrics & Goals

GRI 406-1, 407-1, 408-1, 409-1, 412-1, 412-2

Performance Indicators

Our performance indicators for each due diligence process are listed following:

Communities

- **a.** Participative social diagnostic processes
- **b.** Community management plans
- **c.** Addressing concerns and grievances
- **d.** Transparency

Company personnel

- **a.** Workplace climate survey
- **b.** Certificaciones
- **c.** Corrective actions against acts of discrimination
- **d.** Freedom of association and collective bargaining, and prohibition of child and forced labor
- **e.** Operations subject to human rights reviews or impact assessments
- **f.** Employee training on human rights (refer to the section on Diversity and Inclusion (DEI))

Security officers

- **a.** Security officers contracted by the company

I.a) Participative social diagnostic processes

100%

of our Mining Division operations in Mexico have active diagnostics in 2023

100%

of our Infrastructure Division operations have active diagnostics in 2023

100%

of our Mining Division operations in Peru have active diagnostics in 2023

I.b) Management plans

All 20 company operations where we have conducted participative social diagnostics and where the Community Care Service is available have human rights-related risk mitigation plans in place. We identified no impacts on human rights in 2023 that would require remediation plans. For a summary of the risks identified and the actions taken, see Annex.

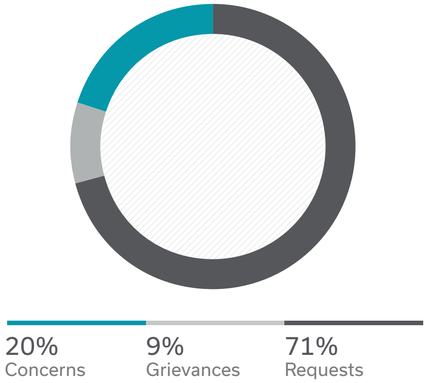


Information sessions with communities, Guerrero Negro, Baja California Sur, Mexico

I.c) Addressing concerns and grievances

Requests and concerns accounted for 91% of the reports received this year. These involved access to activities, community supports and donations, supply offerings and job opportunities. The remaining 9% of the reports were grievances, mostly involving delayed contractor payments to third parties, which the Community Development and Procurement departments analyzed. The environment-related grievances involved issues like water, dust and blasting. We took the actions necessary to remedy the negative impacts on the local community identified.

Incident reports by level



20% Concerns | 9% Grievances | 71% Requests

2023 Reports received by country

Origin	Level I Request	Level II Concern	Level III Grievance	Total
Total Mining Division				
Mexico	130	10	24	**164**
Peru	288	57	22	**367**
SCC	430	67	46	**531**
USA	0	53	6	**59**
Total Infrastructure Division (Mexico)	**6**	**3**	**3**	**12**
Total Grupo México	**424**	**123**	**55**	**602**

55
Grievances

547
Requests and concerns

602
Cases received
100% addressed

4 DAYS
Average resolution time

2023 Issues raised

	Request or concern	Grievance	Total
Environment	4	16	**20**
Health and safety	7	4	**11**
Land-related	1	3	**4**
Business partners (suppliers and contractors)	172	24	**196**
Community relations	213	6	**219**
Job-related	150	0	**150**
Specific assets	0	1	**1**
Channeled to the Ethics and Discipline Committee	0	1	**1**
Indigenous Communities	0	0	**0**
Total	**547**	**55**	**602**

Grievance involving a contractor dumping debris (concrete and asphalt) near a stream

Esqueda, Sonora, Mexico

On May 30, a local resident reported being annoyed that a company contractor was dumping debris inappropriately near the community's stream. After receiving and recording the case, the matter was reported to the local Engineering and Construction office to contact the contractor. Municipal personnel were notified and a site visit was conducted to inspect the area, identifying the presence of materials used in a works project the contractor was doing for the company. That afternoon, company personnel met with the municipal Public Works department to identify a place where these materials could be taken. The head of the Public Works department took the contractor to the location to show them where they should take the debris produced by the project. The contractor and maintenance personnel removed the material early the next day.

Grievance involving a contractor dumping rocks on private property

Cuajone, Torata, Peru

On November 21, a local resident reported being annoyed that a company contractor was leaving rocks from the Garita-Moquegua highway construction works on their property. After receiving and recording the case, the matter was reported to the local Plant Engineering office to contact the contractor. A site visit was conducted to inspect the area, identifying the presence of rocks among the crops. A meeting was then held with Community Development personnel, Southern Perú Plant Engineering staff, a representative for the contractor company and the owners of the land, reaching an agreement to repair the damages caused by the rocks on the land. It was also agreed that the contractor would reinforce the security measures to prevent any event that would negatively impact the families in the area. The family was satisfied and thanked the company for addressing the matter and for the accompaniment they received.

I.d) Transparency

We're committed to transparency, regularly sharing via public forums the performance of our due diligence model on human rights:

- Our vice-president of Community Development has served as chairperson of the Mexican Mining Chamber's Community Development and Human Rights Commission since 2022.
- We participated in various forums in 2023, noting the 12th UN Forum on Business and Human Rights held in Geneva, Switzerland, where Grupo México participated on the panel "Business and human rights in challenging contexts: considerations to stay or to leave".

II.a) Workplace climate surveys

Mining Division

In 2023, 13,186 employees participated in the new version of the **Opinion Survey**, representing a response rate of 85%.

4.26 - The human rights of everyone in the company and the communities are respected equally.

4.28 - My coworkers respect everyone regardless of their gender, age, skin color, religion, disability, beliefs, education or socioeconomic status.

Additionally, 9,021 Minera México employees participated in the "**Psychosocial risk factors at work - Identification, analysis and prevention**" survey in 2023 to identify, address and prevent psychosocial risks and to promote a favorable organizational environment at our worksites.

II.b) Certifications

Mining Division

En 2023 destaca la certificación "Great Place to Work 2023" en la Unidad Planta Metalúrgica, Metalúrgica de Cobre, S.A. de C.V. (METCO), la cual refleja nuestro buen desempeño en aspectos como el respeto y la imparcialidad, valores vinculados a los derechos humanos. Además, se logró posicionar como 6o lugar dentro del ranking de las empresas reconocidas como "Best Workplaces for Women México 2023".

La certificación de Great Place to Work es reconocida en más de 60 países y se otorga a compañías que acreditan entornos de gran confianza y alto rendimiento, a través de metodologías de investigación, encuestas a colaboradores y auditorías sobre clima organizacional.

Infrastructure Division

Por primera vez, durante el 2023 todas las compañías de la división Infraestructura han sido certificadas como Great Place to Work. Esta certificación valida el esfuerzo continuo de todos por crear un entorno donde cada empleado se sienta valorado, respetado y motivado a alcanzar su máximo potencial.

Además, durante el 2023 Perforadora México fue evaluada y obtuvo el Great Place to Work for Women Mexico 2024 en la categoría de empresas de más de 500 empleados.

II.c) Corrective actions for cases of discrimination

GRI 406-1

In 2023, our Reporting Line received and addressed 7 reports of discrimination at Minera México and one in Peru, which were presented to the Ethics and Discipline Committee. After investigating the reports, five were dismissed as they were determined to not be cases of discrimination. Two reports were handled by the human resources and internal audit departments, one case was addressed with an apology and acknowledgement by the offender, and the other merited corrective measures. The seventh report is under review to define action plans and, where necessary, remediation plans. For more information, see Business Ethics.

II.d) Freedom of association and collective bargaining, and prohibition of child and forced labor

GRI 407-1, 408-1, 409-1

We have company policies and procedures in place that eliminate any risk of child or forced labor, human trafficking or restriction on the freedom of association or collective bargaining at all our operations, in strict compliance with applicable regulations in each country where we operate. Grupo México is committed to the Children's Rights and Business Principles, a set of 10 principles developed by UNICEF, the Global Compact and Save The Children to protect children from any negative impact on this vulnerable group caused by business activity.

II.e) Operations subject to human rights reviews or impact assessments

GRI 412-1

Mining Division	We updated the diagnostics at 5 mining oeprations and 4 exploration projects in Mexico and Peru in 2023. With this, 16 Mining Division operations and projects have a current diagnostic.
Infrastructure Division	All our operations in Mexico have a current participative social diagnostic in 2023 and we will update the diagnostics for four operations (drilling, El Retiro and Fenicias wind farms, and highways) in 2024.
Transportation Division	All our operations in Mexico underwent human rights assessments in 2023, with special emphasis on the safety of migrants on our rail lines. We identified that our operations in central and southern Mexico are more exposed to risks associated with protecting and respecting human rights, principally in regard to migrants. All our operations in Mexico have mechanisms in place to closely collaborate with the authorities.

100%

of our operations in Mexico and Peru have participative social diagnostics

II.f) Employee human rights training

GRI 412-2

Human rights trainings					
	Country	Course duration	Type of personnel	Employees participating	%
Mining Division	Mexico	1 h	Union	156	2%
			Non-Union	2,917	93.4%
	Peru	1.6 h	Union	3,698	100%
			Non-Union	1,246	64%
	USA	1 h	Union	-	-
			Non-Union	404	42.6%
	SCC	1.4 h	Union	3,854	35.8%
			Non-Union	4,163	82.3%
Infrastructure Division	Mexico	4	Union	-	-
			Non-Union	1,045	61.8%

Mining Division

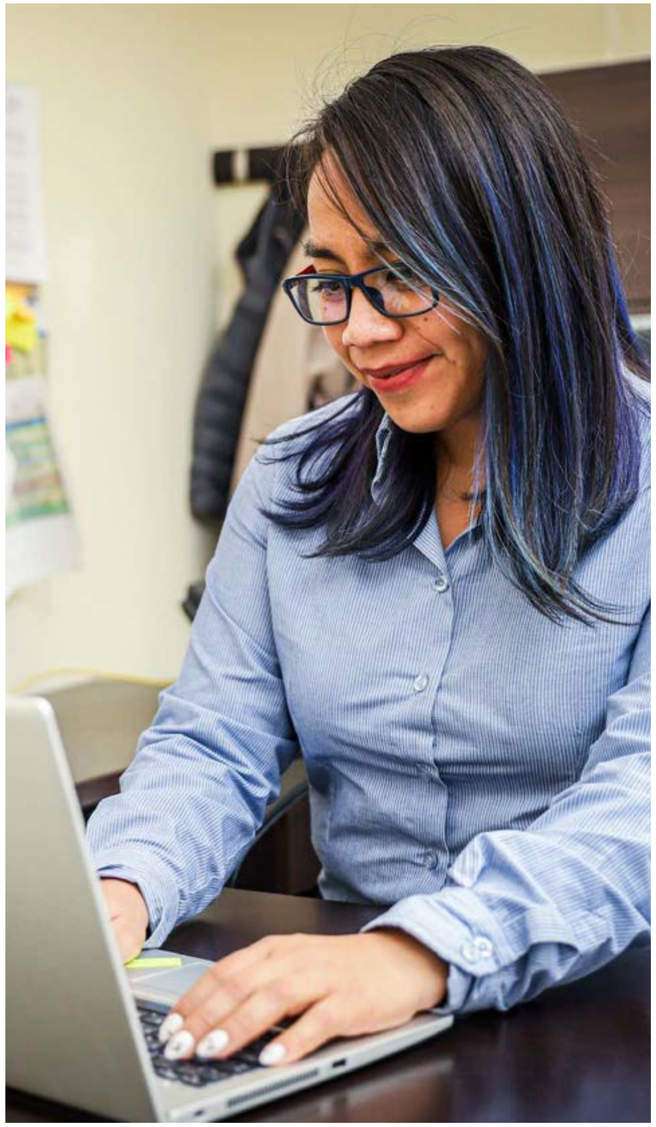
All new hires at Grupo México, both union and non-union, receive and sign their acknowledgement of our policies on Human Rights and Respect and Wellbeing of our Collaborators, and our Code of Ethics.

Minera México provided in-person sensitivity training in 2023 for all union and non-union personnel, covering topics that included our Code of Ethics (and using the Reporting Line), our commitments outlined in the Grupo México Human Rights Policy, and also diversity and inclusion, prevention of workplace or sexual harassment and how such cases are handled. We have produced six videos to reinforce these principles, one of which is dedicated to the topic of diversity and inclusion, and after the screening, we lead group activities and a reflection on the advantages of promoting diversity and inclusion. According to the feedback on the in-person Code of Ethics certification sessions, 99% of participants stated they know about the reporting line and how to use it, they are more aware of diversity and inclusion, and how applying the Code of Ethics helps to improve the workplace environment.

Due to the remote locations where we operate, and also the size of our operations, union employees receive this training (online or in-person) every two years and non-union employees every year. In parallel, we constantly reinforce the content of the Code of Ethics and the Human Rights Policy through media campaigns.

We provided Code of Conduct and Ethics, trainings (including human rights-related topics and the reporting line) in Peru in 2023, at the start of all Course #4 Mining / Industrial Health and Safety Program sessions, in which all personnel at our operations participate. These talks included an audio and/or video on the Southern Peru Copper Corporation Code of Conduct and Ethics. All union and non-union new hires that joined the company in 2023 received the talk on our Code of Conduct and Ethics and the Reporting Line as part of their orientation.

For more information on our employee trainings in human rights and diversity and inclusion in both Mexico and Peru, see Diversity and Inclusion.



Repair shop employee, Hidalgo del Parral, Chihuahua, Mexico

Infrastructure Division

Our Infrastructure Division implemented its Compliance, Ethics and Integrity program in 2023, which includes eLearning and infographics. This program leads employees through seven modules, covering topics like anticorruption, anti-money laundering, our human rights commitments, and how to use the reporting line. The training includes other topics, such as fair work practices, child and forced labor prevention, non-discrimination, freedom of association, and workplace and sexual harassment.

For more information on our employee trainings in human rights, discrimination and workplace harassment, see Diversity and Inclusion.

Transportation Division

All non-union new hires in the Transportation Division receive an explanation of the Code of Ethics and Human Rights Policy, which they sign in acknowledgement on joining the company.

For more information on our employee training in human rights, discrimination and workplace harassment, see Diversity and Inclusion.

III.a) Security officers - human rights violations

There were no reports in 2023 (or in previous years) of any human rights violations involving any resident of our neighbor communities committed by any private security officer contracted by the company.

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5.5 Local communities

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5.5.4 Local communities in our other divisions

5.5.5 Next Steps

5.5.6 Goals & Metrics

5.5 Comunidades locales

GRI 3-3 | **SASB EM-MM- 210b.1.**

At Grupo México, we respect and promote the human rights of all our employees, our neighbor communities, and our suppliers and contractors, in adherence of all laws and regulations in the countries where we operate.

We are committed to generating wellbeing in the communities where we operate to improve the quality of life of the local residents. Our Community Development Model in the Mining Division and the Infrastructure Division supports this commitment. Through linkage mechanisms, participation and transparent communication, we identify the potential effects resulting from the different stages of our productive projects and implement actions to prevent or mitigate any negative effects, while also creating services in benefit of our communities.

The Transportation Division applies a model of community relations to maintain and strengthen respectful coexistence with the community.

5.5.1 Highlights

Principal social performance results in Mexico, Peru and the United States:

2,303 Programs with 17,583 activities

282,254 Participants

7,925 Volunteers

21,064 Volunteer hours

3,270 Institutional linkages

Social investment

- **UDS $12.3 MDD** Community development programs, social linkage and productive projects
- **USD $27.3 MDD** Operating costs for schools and company neighborhoods
- **USD $56.8 MDD** Infrastructure, works and equipment for communities and company neighborhoods

Recognitions

We received 3 recognitions in Mexico and 3 in Peru in 2023, including:

- Exceptional Company (Mexico) for two successful programs: the Schools of the Mining Division and the Invitation to Submit Project Proposals of the Infrastructure Division.
- Companies that Transform Peru 2023.

A highlight this year was our participation in the 12th United Nations Forum on Business and Human Rights in Geneva, Switzerland.

For more information about these projects, see Metrics below.

5.5.2 Governance

Grupo México is structured to address the management of our community engagement at each operation, supervised in our Mining and Infrastructure divisions by the Community Development Department.

For more information, visit the Grupo México Sustainability website.

5.5.3 Strategy & Management

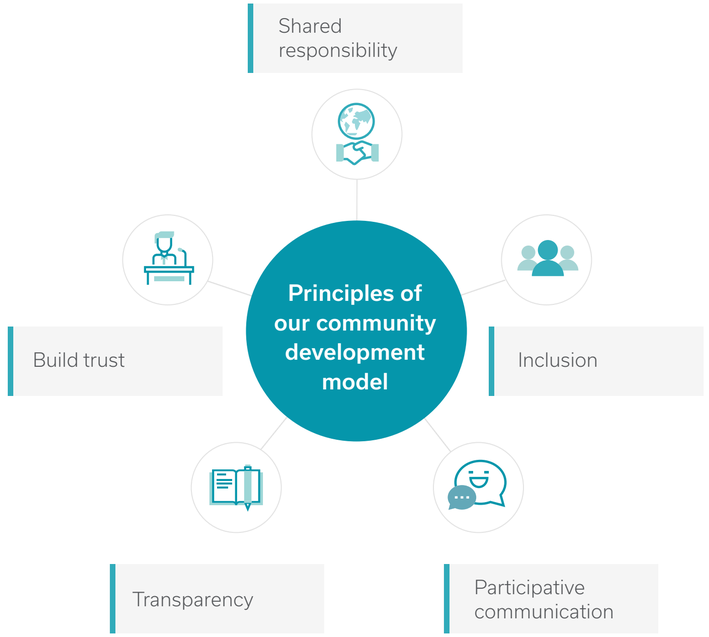
GRI 203-1, 203-2, 413-1

All our Mining and Infrastructure operations in Mexico and Peru apply our social management model, using tools like our social diagnostics.

We create spaces to listen to the community and receive their questions, concerns, requests and grievances, helping us to identify the needs and issues to then bring solutions that foster responsible coexistence with our neighbor communities. We also have initiatives in place to generate economic development through job skills training and developing local supply, like our Forjando Futuro (Forging Futures) program. This and other activities and programs that promote training and learning in culture-related topics, education, health, sports and the environment, among others, are part of our strategy to boost human development.



Promote responsible coexistence | Generate economic development | Boost human development



We conduct a process to listen to groups in the community before initiating any action. With this participative communication and inclusion of their points of view and proposals, we ensure their specific needs are addressed.

We have indicators in place to institutionalize the social assessment process in our communities, continually strengthening our efforts and strategies to define and revise our social management and community development plans.

a) Responsible coexistence

The basis for our Community Development Model is ensuring a positive and healthy coexistence with the communities near our operations. In support of this, we use open and accessible communications tools to listen and respond appropriately to our communities.

1. Participative social diagnostics: We conduct participative diagnostics regularly and for the different stages of each business to listen to the community and ensure decisions on operational and social plans are made collaboratively, considering the risks, needs and concerns of the community. The results of the diagnostic are presented and reviewed with representatives from the community to receive their feedback and ensure their representation.

2. Community Care Service (CCS): Our Community Care Service (CCS) provides an open line of communication for our communities and addresses grievances, suggestions and concerns for the company. The CCS is available in 25 locations: 4 in the Infrastructure Division and 21 in the Mining Division (14 Mexico, 6 Peru, 1 United States). For more information see Human Rights.

3. Humanitarian aid: We also provide disaster relief through donations and programs in response to emergency situations affecting the wellbeing of the community.

b) Economic development

GRI 203-1 y 203-2

We strive to create community and institutional connections while also generating economic value through two main action areas:

1. *Forjando Futuro* (Forging Futures) program: The plans for this program are designed in coordination with the Community Development, Procurement and Human Resources departments. This program strengthens both local job skills and the mining supply chain. Additionally, training plans are developed for economic sectors unrelated to our operations to boost job skills in other areas.

2. Productive projects: Arising from proposals submitted by community members to initiate or strengthen an activity contributing to family finances. The Community Committee evaluates the proposals, and those selected are supported by the company with in-kind assistance.

3. Social infrastructure:
a. Company funds: Voluntary investment in social infrastructure projects using company resources.

b. Works for taxes: Mechanism applicable in Peru whereby the company executes works projects under an arrangement with the government as part of our tax payments.

c. Tamosura and Pinacate: Located, respectively, in Cananea and Nacozari, Sonora, Mexico, these shopping centers offer spaces for local merchants and entrepreneurs, and include dedicated areas to promote sports, health, culture, and also green spaces for recreational and leisure activities.

d. *Tiendas del Minero* (Stores for Miners): Supporting our employees, their families and the community at large, this supermarket chain offers goods at competitive prices (9 stores in Mexico and 8 in Peru).

c) Human development

Our 32 Community Development Centers in Mexico (Casa Grande) and Peru (Casa Nuestra) support human development in our communities by providing opportunities and services in remote areas. ASARCO operates the Mineral Discovery Center in the United States. This visitor's center offers guided tours of a working mine.

These centers are the principal means to implement our model through:

1. Strengthening institutions and creating leaders: Leaders from different areas of the community participate in Community Committees. This social participation mechanism reviews and selects the projects to support with grant funds for seed capital provided by the company to finance social projects.

2. Empowering people: We're committed to fostering shared responsibility through corporate, youth and community volunteer programs.

3. Know-how and capacity building for personal growth and development: Our Community Development Centers offer capacity building activities, courses and workshops on topics related to culture, art, health, physical activity, and the environment, among others, for people of all ages. Some of our emblematic projects are:
a. Youth orchestras and choirs
b. Documentary filmmaking and photography workshops
c. Wellbeing and sports program (swimming, baseball, soccer and cycling)

Additionally, the company sponsors 11 schools (4 in Mexico and 7 in Peru), more than 3,000 students.

The 2023 highlights are included in the Performance section below.

For more information about our schools, visit the Grupo México Sustainability website.

5.5.4
Local communities in our other divisions

Transportation Division

GRI 413-1, 413-2

With presence in 24 states in Mexico and 2 in the United States, building and maintaining mutually respectful relations and coexistence with the communities that neighbor our rail lines is fundamental for the Transportation Division in order to operate safely and efficiently. We evaluate our management approach of community relations and coexistence according to relevant performance indicators to ensure our activities are conducted effectively and efficiently.

Operating under a framework of engagement and respect with the community is one of our most important commitments as a company. In this regard, the activities of the Transportation Division always respect the rights of indigenous peoples and communities as outlined in our General Policy on Respect for the Rights of Indigenous Peoples and Communities.

The Transportation Division offers a reporting line on our website as part of our efforts to maintain an open channel of communication. Anyone is welcome to use this channel to submit a complaint or grievance involving our operations.

We have developed a community engagement model to support our community relations. This model involves 3 strategic lines of action to strengthen our outreach and relationships with the community:

a. Support for indigenous communities:

i. Community transportation. We offer discount rates for the residents of communities in Chihuahua and Sinaloa in support of those who frequently travel on our line.

ii. Free transportation of goods. We transport donated foodstuffs and materials to the Sierra Tarahumara free of charge.

b. Coexistence between the railroad and the community:

i. We conduct **awareness campaigns and workshops** to promote a road culture of respect and accident prevention.

ii. Dr. Vagón, the Health Train. In collaboration with the Grupo México Foundation, we provide free healthcare services to remote communities in Mexico.

iii. Cine Vagón. Screenings of new releases for remote communities in Mexico.

iv. Construction of needed infrastructure in communities.

c. Boosting tourism:

Through the Chepe Express, we attract Mexican and international tourism, generating economic spillover in one of the most remote and underprivileged areas of the country, the Sierra Tarahumara.

The Transportation Division acknowledges that one of the principal conflicts we encounter with the community is a lack of road culture and that people will try to “beat the train”. As part of our efforts, each year we conduct a flyer campaign at our level crossings, where company personnel hand out information materials on the importance of respecting the train and personal safety.

The Transportation Division has operations in 24 Mexican states, and also in Texas and Florida in the United States. We also have presence in multiple communities as our rights of way pass through or near all types of urban areas.

5.5.5 Next Steps

Our Community Development Model breaks down into 12 areas of Community Materiality related to the three principal aspects of the Global Reporting Initiative (environment, society and economy) and aligned with the indicators and targets of the 2030 Sustainable Development Goals.

In the furtherment of our defined goals, we will continue our social investments in 2024 in both infrastructure and economic and human development programs for the communities where we operate. To continue to increase our positive impact, we will focus on 4 aspects:

- Invest in water, educational and urban improvement infrastructure works with a focus on the environment, health and safety. In Mexico, we will continue to execute works projects to improve the supply of clean water to the communities of Cananea and Nacozari de Garcia, Sonora, and the development of a sports center in the latter. In Peru, we will start construction on the Callazas Dam and complete two high performance schools. In the United States, we will start a renovation project at the ASARCO Mineral Discovery Center.
- Institutionalize our program to support local small suppliers and strengthen training in mining and non-mining skills to support the economic development of our communities.
- Develop partnerships and scholarship programs to support the youth in our youth orchestras and choirs, documentary filmmaking and sports (swimming, baseball, cycling and soccer) programs to continue their education and build on their skills.
- Conclude the diagnosis and closure plans of social gaps in the communities with the highest vulnerability where the company is present.

For more information about our 2030 targets, see Corporate Goals in the section Our Approach.

5.5.6
Goals & Metrics

GRI 203-1, 203-2, 413-1, 413-2, G4-MM6, G4-MM7, G4-MM8

Our community development model outlines the following performance indicators:

Mining and Infrastructure divisions

Responsible coexistence:

a. Operations with local community engagement, impact assessments and development programs
b. Operations where artisanal and small-scale mining take place on, or adjacent to, the site
c. Operations with significant actual and potential negative impacts on local communities
d. Mechanisms for transparency and engagement
e. Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples
f. The extent to which grievance mechanisms were used to resolve significant disputes related to land use, customary rights of local communities and indigenous peoples, and the outcomes

Economic development:

a. Economic diversification: job training, local supply and other job skills
b. Social investment in the communities where we operate
c. Investment in infrastructure and supported services, and significant indirect economic impacts

Human development:

a. National and international certifications and recognitions
b. Emblematic programs: Youth orchestras and choirs, Documentary filmmaking and photography workshops, Sports clinics (swimming, baseball, soccer, cycling) and Invitations to submit project proposals
c. Enhance academic achievement of students in the educational centers sponsored by the company.

Transportation Division

a. Services provided by Dr. Vagón, the Health Train
b. Approval of transportation programs along the Chepe line
c. Performance of the free transportation of donated goods to the Sierra Tarahumara program
d. Reach of the "Watch out for the train" campaign



Students at our school in Sombrerete, Zacatecas, Mexico

Mining Division

a) Operations with local community engagement, impact assessments and development programs

GRI 413-1

All Mining Division and Infrastructure Division operations in Mexico, Peru and the United States have community engagement programs, which aim to maintain ongoing interaction and dialogue with the community to identify the potential impacts of the operation (positive and negative), and also the concerns, grievances and wishes of the community and define a social management plan, together. We note the mechanisms described in other sections of this chapter, such as the participative diagnostics, which we use to regularly consult with different representative groups of a community, covering the aspects of an impact assessment; Community Committees, which serve as representative and decision-making bodies with the company for social investments, and our Community Care Service, a means for open and ongoing communication.

Our development programs are based on the Grupo México Community Development Model, adjusted to the particulars of each site and built with the participation of the community. All our Mining Division and Infrastructure Division sites in Mexico, Peru and the United States have development programs.

GRI 413-1	2023	
	Number	Percentage
Sites with social impact assessments	27	100%
Sites with development programs	27	100%
Sites with completed development programs	27	100%
Current production assets that required community consultation	21	100%
Projects in development that have required community consultation	6	100%
Projects in development that are in the process of a community consultation	3	50%

b) Operations where artisanal and small-scale mining takes place on, or adjacent to, the site

GRI G4 **MM8**

Understanding the relevance of artisanal and small-scale mining (ASSM)[1] for those who engage in this activity, we began a diagnostic process in 2023 to identify ASSM near our operations. As a result, we have identified ASSM presence only near our Cananea mine in Sonora, Mexico, representing 4% of our total 23 sites in Mexico, Peru[2] and the United States.

This artisanal mining is focused on the extraction of turquoise, a practice carried out by tunneling into the hills, (different from our open-pit mining operations) . The mining activity is currently being conducted outside of company property and represents no risk to our site. In Mexico's Mining Law Turquoise is considered as a precious stone subject to this legislation, and therefore, the lands for its extraction must be granted by the nation. Likewise, those engaged in this activity must comply with labor and environmental laws, among others.

It is common for artisanal and small-scale mining practitioners not to fully comply with regulations, posing risks to themselves and the communities due to accidents and pollution. This makes it hard to have a direct interaction with them regarding their occupation. We will continue to strengthen the diagnosis in order to better understand the underlying causes and forms of this activity, enabling us to develop new ways to address them effectively.

In recognition of local ASSM, the short film "Piedra del Cielo" was produced under our Mobile Documentary Filmmaking Workshop project. This documentary short was directed by Cristobal Copetillo Luque, resident of Cananea, Sonora, as an homage to the local artisanal turquoise miners.

Additionally, all our Community Development programs and services, including our Community Care Service, job skills training, sports, cultural and education programs, among others, are offered to the general public, including artisanal miners.

	Grupo México	Southern Copper Corporation
Total operations	23	18
Operations involving artisanal and small-scale mining	1	1
Percentage	4%	6%

[1] In reference to this indicator, we use the definition of legitimate artisanal and small-scale mining provided by the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals.
[2] In the case of Peru, the difference observed compared with the information reported last year is due to the previous report considering the information available at the provincial level, while the current report applies the guidelines laid out in GRI G4 MM8.

Mining Division

c) Operations with significant actual or potential negative impacts on local communities

GRI 413-2 | SASB EM-MM-210b.1

Performance indicators

Our operations in Mexico, Peru and the United States produced no significant negative impacts in 2023, understanding significant impact as that which the authorities determine as requiring remediation, such as displacement, loss of traditional lands, resettlement or invading the cultural intimacy of the communities near mining operations.

We have management policies and processes in place to assess different types of risks and to prevent generating significant negative impacts on our communities.

Although this has not yet occurred, we have identified two projects in exploration in Peru where there is a possibility of actions that would relocate a small number of people, which has been anticipated in the social agreements negotiated with the communities. In both cases, considerations are being made to minimize this possibility and if these actions are absolutely necessary, they will be carried out, as with the entire process, in accordance with law and with the accompaniment of a dedicated community development program. We do not yet have detailed information as this will come from the results of the exploration studies still in progress.

d) Mechanisms for transparency and relationships

Performance indicators

The members of the communities where we operate play a key role in our decision-making for our economic and social development programs. Our model includes spaces for the community to participate proactively and to express their grievances, concerns, interests, positions and proposals.

This participative communication involves open and direct dialogue to identify commonalities and to develop or revise our community development programs, achieving results that foster healthy relationships with our communities.

Mining Division

e) Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples

GRI G4-MM6

Performance indicators

The company conducts its operational activities respecting the dynamics of the community in terms of their customs, sharing common goals for the development and wellbeing of the local residents. The company holds as a high priority maintaining close and healthy relationships with the local communities to prevent conflicts involving land use, strengthening our protocols and channels of communication to address any negative perception the community may have in regards to lands and their management.

In this indicator, disputes are understood as conflicts between the company and the affected community involving land use or the customary rights of local communities and indigenous peoples. Disputes are considered significant when they cannot be resolved jointly within a reasonable time, they recur, are widespread, or they would carry long-term financial, legal or reputational consequences for the community or the company.

Under this definition, no significant dispute occurred in 2023 at our operations.

f) Extent to which grievance mechanisms were used to resolve significant disputes related to land use, customary rights of local communities and indigenous peoples, and the outcomes

GRI-MM7

Performance indicators

The company receives grievances, concerns and requests involving the company from the community through our Community Care Service (CCS), and in 2023 no significant disputes were identified.

All our sites have a team of at least two Community Development specialists who have created spaces for dialogue and trust, in addition to implementing strategic activities for the benefit of the community based on our Community Development model (responsible co-existence, human development, economic development).

Mining Division

g) Economic diversification – *Forjando Futuro*

Performance indicators

The Community Development, Procurement and Human Resources departments collaborate to coordinate the plans for each site for this program, which aims to strengthen local job skills and the mining value chain. We also offer training for economic sectors that are not related to our operations to boost regional production.

Job skills training

- Training in different trades for **833 program participants**.
- Trades such as diesel mechanic (basic), health and safety, scoop tram, jumbo or dump truck operator, instructor training, instrumentation, welding (TIG MIG), electrical mechanic, electricity and high school diploma.

Local sourcing

- Strengthen the capacities of local micro, small and medium suppliers.
- Skills certification.
- 100 local businesses with **109 program participants in 2023**.

Regional vocation

- Productive skills training for **1,145 program participants in Mexico**.
- Training in skills such as business communication, personal finances, English, basic Excel, photography, orchards, forestry, sewing, crochet, weaving, preserves, cooking, hair dressing, tailoring, embroidery, among others.



Carpentry, San Martin mine, Sombrerete, Zacatecas, Mexico

Mining Division

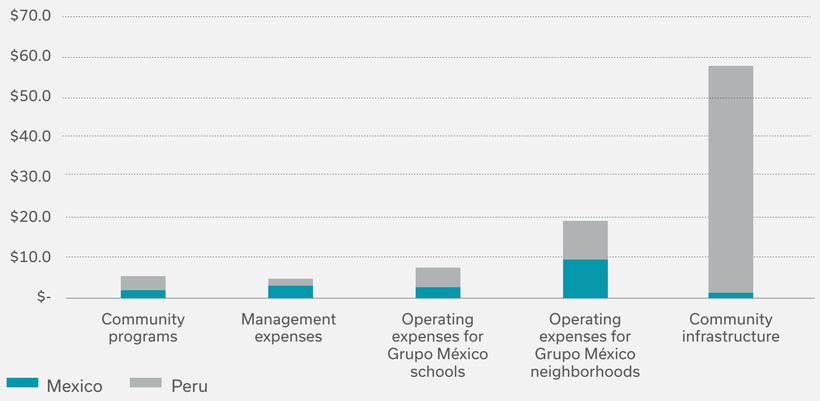
h) Social investment

Performance indicators

US$ million

Breakdown of employees interviewed	SCC		
	Mexico	Peru	Total
Community programs	$2.2	$3.2	$5.4
Management expenses	$3.2	$1.5	$4.7
Operating expenses for Grupo México schools	$2.9	$5.0	$7.9
Operating expenses for Grupo México neighborhoods	$9.7	$9.7	$19.4
Community infrastructure	$1.9	$56.8	$58.7
Total social investment	**$20.0**	**$76.2**	**$96.2**

Social Investment in Mexico and Peru





Casa Grande Cultural Center, Santa Barbara, Chihuahua, Mexico

Mining Division

h) Social investment

Principal social infrastructure projects

Year	Country	Project	Description	Investment	Impact
2023	Mexico	Urban improvement of the former Moctezuma Copper Company tailings deposit in Nacozari, Sonora	Support the municipality in the remediation of an environmental liability left by the defunct Moctezuma Copper Company by improving slope stability, channeling rainwater, tree planting, creating walkways, and the construction of a megalithic sculpture to make this an iconic recreational public space.	US$2,326,415 (cumulative investment in this project, phases 1 and 2)	Contribute to improving the air and water quality, and also general health to benefit the more than 14,000 inhabitants of Nacozari by containing the tailings and preventing their release into the air and water, while developing a space for physical, recreational and leisure activities, creating identity.
	Mexico	Construction of the El Minero sports park in Santa Barbara, Chihuahua	Provide employees, their families, and the general public with a space where they can play sports (soccer, softball), exercise (jogging track) and enjoy recreational activities.	US$895,074	Contribute to improving the quality of life and health of the more than 9,000 local residents.
	Peru	Improvement and expansion of the Fe y Alegría School No. 52 in Ilo province, Moquegua region	Contribute to improving the quality of education with upgraded infrastructure for students in Ilo province.	US$4,240,658	School infrastructure and equipment and auxiliary facilities (library, labs, psychomotricity room, and others). This project created 260 jobs and benefits 812 students.
	Peru	Clean water capture and distribution system in the Huanuara and Quilahuani districts, Tacna region	Reduce diet-related, gastrointestinal and skin diseases and illnesses in the Quilahuani and Huanuara districts to improve the quality of life of local residents.	US$2,251,095	The residents of the Quilahuani and Huanuara districts will have access to clean water that meets the standards for human consumption, reducing diet-related, gastrointestinal and skin diseases and illnesses. 42 miles (68 km) of water lines. This project benefits 2,362 families.

Other significant investments in social infrastructure in 2023 include:

- **Urban improvements and safe pedestrian crossings** in Esqueda, Sonora, Mexico, with an anticipated investment of US$1.5 million to improve the urban image and train safety of the nearly 7,000 inhabitants. (70% completed)
- **High-Performance Schools in Tacna, Moquegua and Apurimac in Peru**, with an anticipated investment of US$67.5 million to build and equip school infrastructure and auxiliary facilities (administrative area, cafeteria, residences and others). These projects will contribute to improving the quality of education for high achieving students, and will benefit 6,000 students.
- **Wastewater Treatment Plant in Ilo, Peru**, representing an investment of US$26.4 million for the construction of medium capacity (54 gal/s (206 L/s)) industrial water plant that will benefit more than 130,000 people.
- **Applied research center and specialized labs for the Faculty of Engineering at the Universidad Nacional de San Agustín de Arequipa, Arequipa region, Peru**, representing an estimated investment of US$15.9 million to build 24 specialized labs equipped with the latest technology to further the development of advances in engineering, benefiting 7,118 students.
- **Orchestras and Choir Peru**, representing an investment of US$0.9 million to create choirs and/or orchestras in Tacna, Candarave, Torata and Mollendo. The 111 participants improved their academic by 91% and their self-esteem and safety 81%.

Mining Division

i) Investment in infrastructure and supported services, and significant indirect economic impacts

GRI 203-1 y 203-2

Performance indicators

Mexico

US$119.2
million in special mining rights

Peru

US$83.9
million in mining royalties

US$44.7
million in water, education and farming infrastructure projects (OxI and FD)

US$191.0
million contributed to the Mining Canon

Mexico and Peru

US$7.9
million invested in 11 schools

The government allocates the special mining rights paid in Mexico to the Ministry of Education and the Ministry of Health, among others, for environmental and social impact projects and positive urban development projects.

We allocated US$19.3 million for the neighborhoods where our employees and their families live in Mexico and Peru, and we donated US$3.8 million to our communities in 2023.

j) National and international certifications and recognitions

Performance indicators

Forums
We were invited to present our Community Development Model at 7 national and international forums. Of particular note is our participation in the 12th UN Forum on Business and Human Rights in Geneva, Switzerland.

We received 3 recognitions in Mexico in 2023 and 3 in Peru, noting the following:

Exceptional Companies
For the second year, we received Exceptional Company recognition from the Business Coordinating Council for two successful practices: our Mining Division schools and the Infrastructure Division Invitations to Submit Proposals program. For more information about these projects, see the case study on our Schools on the Grupo México Sustainability website, and for the 2023 results of both projects, see Metrics in this section.

Companies that Transform Peru 2023
We received Companies that Transform Peru 2023 recognition from the Peruvian Institute of Business Administration, and a major radio media outlet, "Radio Programas del Perú", and the organization "Frieda", for our contributions to irrigation infrastructure with the Culajahuira dam and steppe farming project in Candarave, Tacna, benefiting more than 500 farmers.

Pro-Investment
Our community development management was recognized by the Peruvian Pro-Investment state agency, awarding us the *"Unidos - Obras por Impuestos"* prize for our clean water and rural sanitation project in the community of Yacango, Torata district, Moquegua, benefiting nearly 140 families.

Mining Division

k) Social programs

Performance indicators

7,925
Volunteers

109
Seed capital projects approved in 2023

286,254
Participants and people benefits

Sports clinics (swimming, soccer, cycling and baseball))

Mobile Documentary Filmmaking and Photography Workshop	Naranjeros-Grupo México Baseball Academy	Infrastructure Division Invitations to Submit Proposals
Our Mobile Documentary Filmmaking and Photograph Workshop program has been in operation for 4 years, serving 600 children and youth in 7 communities in Mexico. The 286 workshops to date have produced 180 films and over 3,000 photographs. This program fosters creativity and artistic expression among the workshop participants. Four original short films were selected at major film festivals in Mexico this year, noting: • **18th SHORTS Mexico festival:** The short films *"Santos"* (Santa Barbara, Chihuahua), *"Mientras quede la danza"* and *"Raíces de mi Tierra"* (Charcas, San Luis Potosi) were screened at the **Cineteca Nacional** and at the **Reforma 222 Cinemex** theater in September. • **Monterrey International Film Festival:** *"Raíces de mi Tierra"* (Charcas, San Luis Potosi) competed in the category **best student documentary**.	The Naranjeros-Grupo México Baseball Academy fosters and develops the game of baseball among children and youth aged 4-17, residents of the communities of Cananea, Nacozari and Esqueda in the state of Sonora, Mexico. This program is operated through a strategic alliance with the Mexican Pacific League, the Hermosillo Naranjeros baseball club and the Sonora State Sports Commission. **2023 results:** • 27 students were selected to represent Zone 8 in the Baseball State Championships organized by the Sonora State Sports Commission. • 10 of the 25 games in the tournament were broadcast on the social media of the Mexican Pacific League, Telemax and Casa Grande México, reaching 3.5 million users. • 77 students were scouted by Naranjeros coaches to advance in the 11-16 year olds category.	Invitations to Submit Project Proposals is a shared social investment program that finances projects to improve quality of life and foster development. These projects, proposed by the community and reviewed by a Community Committee, are divided into social and productive. To be approved, projects must align with our Community Development Model and social management plans. The Infrastructure Division has financed 114 projects since 2014, representing a total investment of US$190,200. These projects have benefited more than 19,723 people in areas of education, culture, health, environment, sports and civil protection, while also providing project leaders opportunities for growth, promoting self-managed participation in the community.

Mining Division

I) Schools

Performance indicators

2,091	1,327	136	168	4	7
Students (Mexico)	Students (Peru)	Teachers (Mexico)	Teachers (Peru)	Schools (Mexico)	Schools (Peru)

Schools	Academic achievement	Bilingual education
The Mining Division offers basic education at company-sponsored schools in 7 of our neighbor communities, providing spaces for the comprehensive development of our employees and their families, in addition to improving the level of education in these communities. Located in Mexico and Peru, these schools offer preschool, elementary and middle school education. **Services provided** Our schools offer a variety of services that facilitate and enrich student activities, such as a transportation service, extracurricular activities, extended hours, personalized tutoring, and psycho-pedagogical and nutritional care. A total of 3,418 students, aged 3-15, were served in 2023 by a multidisciplinary staff of 306 teachers, 18 psychologists, 22 workshop and extracurricular activity facilitators , 14 coordinators and 18 principals.	Our schools conduct regular assessments using internal mechanisms, standardized testing and evaluations by outside institutions to ensure the students are advancing in their skills and learning. In Mexico, 2nd and 9th grade students participated in standardized testing; 77% obtained satisfactory or higher results in Spanish and mathematics. In Peru, 4th and 8th grade students participated in inhouse assessments based on the Student Census Assessment, which gathers information on student learning levels; 67% of our students obtained satisfactory or higher results in Spanish and mathematics.	In 2023, 45% of our students completed their basic education, graduating with an intermediate or higher level in English. Our schools apply different methodologies for teaching English and we hold agreements with educational programs like Cambridge University Press, Oxford University Press, Pearson Education, Richmond and National Geographic, which are instructed by 75 bilingual teachers working in coordination with different organizations, achieving positive results in learning English as a second language.

Mining Division

I) Schools

Performance indicators

Health promotion	Students with learning barriers
To promote healthy habits that stay with students for a lifetime, our schools have multidisciplinary teams that accompany, raise awareness and train students and their families on the importance of healthy eating and exercise, and the impacts on their overall health. At 2023 close, 69% of students are at their ideal weight. 15 physical education teachers lead healthcare and physical development activities with the students, like exercise breaks, conscious eating campaigns and healthy cooking workshops.	Our schools have specialist teachers in inclusive education, who train and accompany classroom teachers in preparing Individual Orientation Programs to support students with special needs, as well as providing personal accompaniment for students. 328 students were served by 18 psychologists, with the support of 8 shadow teachers and 14 teacher aids, providing assessment services, pedagogical adjustments, workshops for families and ongoing training for staff on topics like inclusion and diversity.



Students of the La Caridad school, Nacozari de Garcia, Sonora, Mexico

Mining Division

I) Schools

Mexico



01 ***Centro educacional La Caridad Nacozari***
- Location: Esqueda, Sonora
- Founded in 1980
- 627 students
- 40 teachers
- Preschool, Elementary, Middle School

02 ***Centro Educacional La Caridad Esqueda***
- Location: Nacozari de Garcia, Sonora
- Founded in 1977
- 880 students
- 51 teachers
- Preschool, Elementary, Middle School

03 ***Instituto Minerva***
- Location: Cananea, Sonora
- Founded in 1903
- 513 students
- 26 teachers
- Elementary

04 ***Centro Educativo Charcas***
- Location: Charcas, San Luis Potosi
- Founded in 1970
- 46 students
- 5 teachers
- Multigrade school (Preschool, Elementary)

Minería

I) Schools

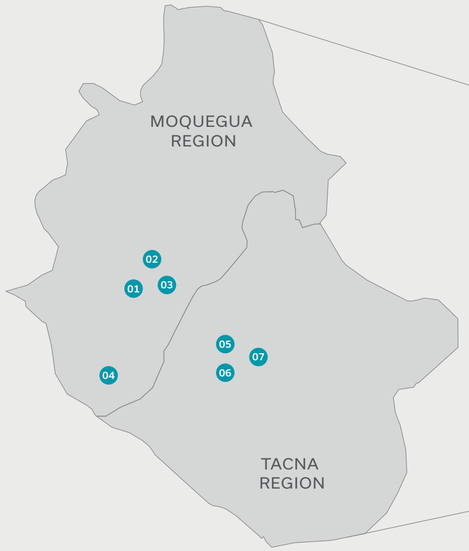
Peru

01 ***IEF Inicial Santa Rosa de Lima***
- Location: Moquegua/Mariscal Nieto/Torata
- Founded in 1977
- 72 students
- 6 teachers
- Preschool

02 ***IEF Daniel Alcides Carrión***
- Location: Moquegua/Mariscal Nieto/Torata
- Founded in 1977
- 277 students
- 34 teachers
- Elementary, Middle School

03 ***IEP Juan Vélez Córdova***
- Location: Moquegua/Mariscal Nieto/Torata
- Founded in 1982
- 143 students
- 28 teachers
- Preschool, Elementary, Middle School

04 ***IEP Enrique Meiggs***
- Location: Moquegua/Ilo/Pacocha
- Founded in 1984
- 256 students
- 29 teachers
- Preschool, Elementary, Middle School



05 ***IEF Inicial 2677***
- Location: Tacna/Jorge Basadre/Ilabaya
- Founded in 1986
- 138 students
- 11 teachers
- Preschool

06 ***IEF Toquepala***
- Location: Tacna/Jorge Basadre/Ilabaya
- Founded in 1999
- 436 students
- 47 teachers
- Elementary, Middle School

07 ***IEP Mariscal Ramón Castilla***
- Location: Tacna/Jorge Basadre/Ilabaya
- Founded in 1984
- 155 students
- 29 teachers
- Preschool, Elementary, Middle School



IEF: *Institución Educativa Fiscalizada* (Audited Educational Institution)
IEP: *Institución Educativa Privada* (Private Educational Institution)

Transportation Division

a) Dr. Vagón, the Health Train, services

After 10 years of providing free medical services along our rail lines in 22 states across Mexico, the Health Train has traveled over 77,680 miles (125,016 km), logging 7,551 miles (12,153 km) in 2023.

Our Health Train delivers first-rate services, including general medicine, mammograms, diabetes testing, hearing tests, eye exams, ultrasounds, vasectomies, x-rays, lab work and free medications, among others. We ensure our medical services meet the highest standards, caring for the wellbeing of the patients we serve.

2023 performance:

- 61,279 patients
- 204,186 lab tests
- more than 15,000 pairs of glasses and 584 hearing aids
- 4,520 mammograms
- nearly 70,000 free medications

Our Cine Vagón projected 116 movie screenings, accompanied by popcorn, for 22,526 moviegoers.

b) Discounted fare program on the Chepe regional route

We have delivered 43,832 discount fare cards to residents living near or who travel frequently on the Chepe route.

54,690 discounted fare tickets were sold in 2023.

c) Free transportation of donations to the Sierra Tarahumara

We transported 184 tons of donations free of charge in 2023.

Historic donations transported free of charge				
	2020	2021	2022	2023
Tons	298	61.73	164.4	184.2

d) “Watch for the tain” campaign

We focused our “Watch for the train” railroad safety culture campaign efforts on Hermosillo and Guadalajara in 2023. This campaign aims to prevent accidents by disseminating information about the railroad.

We distributed information about the rules for pedestrians in terms of the train, and also the behaviors for pedestrians, drivers and cyclists to coexist with the railroad. We distributed flyers at four major level crossings during one week, held safety talks in schools and industries, and also with local vehicle and truck drivers.

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5.6 Indigenous Peoples



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5.6.4 Goals & Metrics

5.6 Indigenous Peoples

GRI 3-3

We acknowledge the multicultural and multilingual nature of the countries where we operate, and we respect the human rights of indigenous peoples in line with the United Nations Declaration on the Rights of Indigenous Peoples and International Labor Organization (ILO) Convention 169.

At Grupo México, we respect and foster cultural diversity to build long-term relationships with the communities where we operate, as **outlined in our General Policy of Respect for the Rights of Indigenous Peoples and Communities. Also, we are aligned and committed** to complying with national and local regulatory frameworks on indigenous peoples and communities.

5.6.1 Highlights

- **Supporting the culture and identity of the indigenous communities** near five of our mining operations, one wind farm and one mine project in Mexico, Peru and the United States.
- **Community projects that support economic recovery and promote indigenous culture** in the Zapotec and Cochimi communities in Mexico, in the states of Oaxaca and Baja California Sur, respectively.
- Strategic social management programs to maintain a **connection with the rural farming communities in Peru**, with actions that respect their language and traditions.
- **Ongoing actions** at our company operations near indigenous communities in Mexico, Peru and the United States **to boost employment**.
- **Supporting the Constisuyo Museum in Cuajone**, Peru, to conserve and preserve objects of national heritage.
- **We held an International Forum on Community Development** in 2023, with a focus on topics related to human rights. The participants included a representative from the Cochimi community in Guerrero Negro, Mulege, Baja California Sur, and a person who identifies as Muxe from Juchitan, Oaxaca.
- The forum included an exchange of ideas that will inform our community projects to protect and promote respect for indigenous communities. The Community Development team received training on indigenous cultural awareness from the Phoenix Indian Center.



Zapotec community resident, Juchitan, Oaxaca, Mexico

5.6.2 Strategy & Management

SASB EM-MM-210a.3.

Due diligence in human rights of indigenous peoples

The Grupo México Action Protocol with Indigenous Communities was designed in 2020 to raise awareness and provide training and orientation to company employees, contractors and suppliers, providing them with tools for engaging with indigenous communities near our operations, respecting the worldview, culture and identity of these communities.

The Protocol was built on a roadmap that outlines the steps to ensure respectful relationships with indigenous communities from the onset, the mechanisms for engagement, agreements and follow-up, and also a series of basic tools for consultation, forms and recommendations to act in a way that is culturally appropriate.

We are constantly in dialogue with the indigenous communities through different channels of communication and we promote community actions that foster respect and the preservation of their cultures:

i) Peru

Working in collaboration with local governments and institutions, we contribute to improving the quality of life of the farming communities near our operations and projects in Peru.

Our social management plan continues to prioritize investments to strengthen the existing construction systems that are part of the culture and traditions of these rural farming communities.

Toquepala, Cuajone and Los Chancas

Mine operations near rural farming communities. These communities are recognized by the Peruvian Constitution and are made up of families with ancestral social, economic and cultural ties expressed in their communal ownership of the land, communal work, mutual support and democratic government.

In addition to our 6 Community Development Centers, where we offer activities that foster economic and human development, we operate cultural broadcasting initiatives (like Radio Candarave) and farming projects that promote the traditions of these communities.



ii) Mexico

Our Social Management Plan is based on a Participative Social Diagnostic, which is updated every two years and provides statistical, geographic, socioeconomic and qualitative information about the communities, and about their relationship with our operations. This Plan designs measures to mitigate potential negative impacts and measures to optimize positive impacts to generate shared value in benefit of indigenous peoples and communities.

La Ventosa, Juchitán, Oaxaca

Wind farm located in a Zapotec indigenous community. We have lease agreements for the land and our Community Development Center here was opened in 2014. Casa Grande *Lidxinu'* ("place for everyone" in Zapotec) is a bilingual community center that promotes the preservation and strengthening of the Zapotec language and culture, as 60% of the local population speaks this language.

Guerrero Negro, Mulegé, Baja California Sur

El Arco is a project in exploration, situated at the southern end of the Baja California peninsula, in the Villa Jesus Maria district, municipality of San Quintin, bordering the community of Guerrero Negro, Baja California Sur. Our Community Development Center here was opened in 2013, this being the largest, most representative and closest site to the project.

The El Arco exploration project is not situated within an indigenous area identified by the National Commission for the Development of Indigenous Peoples (CDI). More than 46 miles (75 km) from the project, in Guerrero Negro, Mulege, Baja California Sur, some members of this community identify as Cochimi and we have established a close relationship with them to promote the preservation of their traditions and language.

iii) United States

Our relationship with the indigenous peoples in Arizona is conducted according to federal law and the specific codes of each nation. Our operations have mechanisms in place for ongoing communication.

Mission, Arizona

Mine partly situated on land owned by the Tohono O'odham nation reservation. We have a lease agreement in place and also an agreement of preferred right of access to jobs. The visitor center here features a section on local mining production.

Ray and Hayden, Arizona

This mining complex is located near two indigenous communities: San Carlos Apache Indian Reservation and Gila River Indian Community. We have agreements with the latter on water rights.



5.6.3 Next Steps

With our policy and protocol on engagement with indigenous communities in places, we will continue to strengthen these relationships in 2024 focusing on three actions:

- Continuing our social management programs and agreements with indigenous communities. (Mining and Infrastructure divisions)
- Complete our anthropological mapping of farming communities in the areas of influence around the Toquepala and Cuajone mines and the Los Chancas project.
- Update the participative social diagnostic for the Zapotec community in Juchitan, Oaxaca.

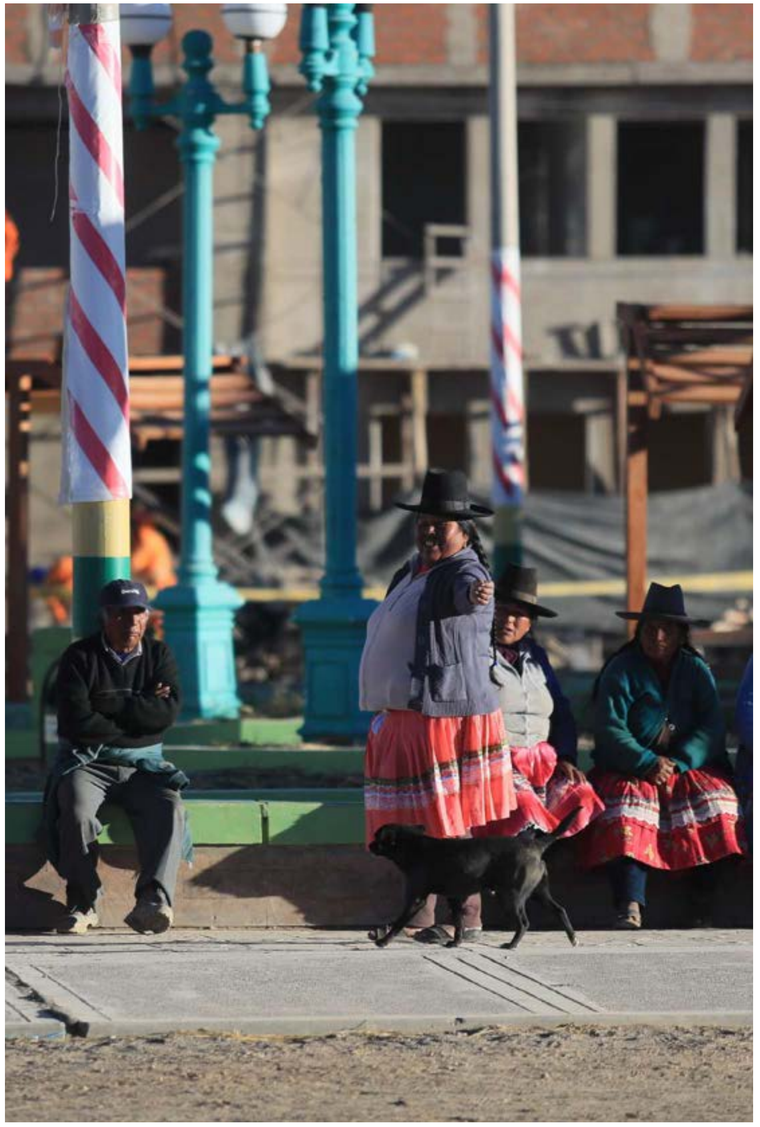
Consult our targets and goals, and also our progress, by visiting the Sustainability website.

5.6.4 Goals & Metrics

GRI 411-1, G4-MM5

Our performance indicators in this area include:

a. Ore reserves in indigenous communities
b. Due diligence processes to protect the human rights of indigenous peoples
c. Operations in indigenous peoples' territories and operations with formal agreements with indigenous communities
d. Formal grievance or reporting mechanisms
e. Incidents of violations involving the rights of indigenous peoples
f. Investment in community programs and projects
g. Engagement with indigenous communities by country (highlighted initiatives)



Building cultural services in Camilaca, Tacna, Peru

a) Ore reserves in indigenous communities

EM-MM-210a.2

As part of our efforts to disclose information on our operations near indigenous communities in the direct and indirect areas of influence, the percentage and grade of the probable reserves are detailed following:

El Arco, in Baja California Sur, is a world class copper deposit with ore reserves in excess of 1.230 billion tons with an estimated average grade of 0.40%, and 141 million tons of leaching material with an average grade of 0.27%. This project includes an open pit mine with concentrator and leaching plant, and is expected to produce approximately 190,000 tons of copper and 105,000 ounces of gold annually.

+1,230 M
tons in ore reserves with an estimated average grade of
0.40%

141 M
tons of leaching material with an average grade of
0.27%

Mission is an open pit copper mine located in Sahuarita, Arizona, with two concentrators. Actual reserves are 209 million tons with a grade of 0.39% and a remaining useful life of 11 years (2034). Mission is working with the Tohono O'odham indigenous community to mine in the San Xavier area, which would increase the reserves to 538 million tons, with a grade of 0.36%, and extend the life of the mine to 2062.

209 M
tons with a grade of
0.39%

538 M
tons with a grade of
0.36%

b) Operations on or adjacent to indigenous lands and operations that have formal agreements with indigenous communities

GRI G4-MM5

Our Mining and Infrastructure divisions in Mexico, Peru and the United States have:

34 operations

9 projects

Of our total operations, five are adjacent to or in some manner have presence with indigenous communities in Mexico and the United States, and three with rural farming communities in Peru.

We have formal agreements with indigenous communities at four of these five operations (one in Mexico and six in the United States), representing 80% of our operations adjacent to or in some manner having presence with indigenous communities.

In the case of the Cochini indigenous community in Mexico, we do not have a formal agreement as the community lies outside our area of influence (46 miles (75 km) away). However, our social management programs prioritize respect for their culture and traditions.



El Retiro wind farm, Juchitan, Oaxaca, Mexico

c) Formal grievance mechanisms

SASB EM-MM-210a.3.

Community Care Service (CCS)

The principal channel of communication with indigenous peoples and communities.

Promoted via social media, print materials, community programs, presentations, megaphones and publicity, among others.



For more information, visit the Grupo México Sustainability website.

Our Community Development Center in Juchitan (Oaxaca, Mexico) has bilingual staff to attend to members of the Zapotec community. All our Community Care Service (CCS) materials are available in Zapotec, and we also have a toll-free line and WhatsApp number with service in Spanish, English and Zapotec.

Grievances at our Mission mine (USA) are channeled through the Mining and Reclamation Plan group. The Tohono O'odham community can contact our Environmental Affairs or Community Development departments at the mine, by phone or email.

We received a total 22 reports (requests, questions and concerns) in 2023 from the communities near our operations where we have identified an indigenous population. We addressed 2 concerns in Guerrero Negro, Baja California, 4 requests and questions in Juchitan, Oaxaca, and 16 concerns in Mission, Arizona.

d) Incidents of violations of the rights of indigenous peoples

GRI 411-1

In compliance with national laws, the United Nations Declaration on the Rights of Indigenous Peoples, ILO Convention 169, and the Guiding Principles for Companies and Human Rights, we disclose that Grupo México received no reports of violations of the rights of indigenous peoples in Mexico, Peru or the United States, through our Community Care Service, the Community Development Centers, third parties or other media.

e) Investment in special programs and projects

US$ 2.0M

We invested more than US$2.0 million in social programs and projects in 2023 involving indigenous and rural communities in Mexico, Peru and the United States.



Reservoir in Candarave, Peru

f) Actions with indigenous communities by country (principal initiatives)

Mexico:

Juchitan, Oaxaca

During 2023, 5,500 residents of the community of La Ventosa participated in programs and activities led by community leaders, for which we allocated a social investment of $1,641,568.00 Mexican pesos in the areas of health, sports, environment, culture and economic development to create spaces for wellbeing and social development, including:

- *Hrulá diidxazá* (Saving the Zapotec language) workshop: More than 120 sessions were held in 2023 with children, youth and adults from the community.
- La Ventosa wind orchestra and choir: After one year, 35 children and youth have benefited from this program, which offers a space for social transformation in three areas: education, personal and family, through musical training. Five concerts were held locally and regionally, with a repertoire of more than 12 musical pieces.
- *Binigulaza* (descendents from the heavens) cultural market in collaboration with the local government. Ten events have been held to date, creating a space for economic spillover and a network of local entrepreneurs. More than 80 women entrepreneurs (artisans and local merchants) have participated, offering their products to more than 300 community attendees.

México:

Guerrero Negro, Mulege, Baja California Sur

In 2023, 90 children participated in workshops on the Cochimi culture and language as part of our *Auka* (hello or good day in Cochimi) summer camp. Also, indigenous volunteers from the Guerrero Negro community led traditional Mexican games.

Peru:

Social and productive programs were held in 2023 to improve the quality of life of our neighbor communities, and we collaborated with local governments and institutions on social management programs that reached 1,330 people.

We are currently working on anthropological mapping studies in the areas of influence of our Toquepala and Cuajone mines and our Los Chancas project.

For the communities in Candarave province (Tacna), we set up a rural radio station in 2014, *Radio Candarave*, to broadcast local and national news in indigenous languages and in Spanish, along with regional music programming.

United States:

Arizona

We reached out to the Tohono O'odham community in 2023, through members of the San Xavier District, who visited Nacozari and Cananea in the state of Sonora in Mexico to learn about our community development programs.

We also provided a tour of the Mission mine in Arizona and the Mineral Discovery Center. This process has enriched our mutual understanding, working together toward shared goals.

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6.1 Climate Change

GRI 3-3

Climate change is one of the greatest global challenges of today, requiring the commitment of governments, companies and society as a whole. Grupo México's materiality analysis identifies climate change as one of the most relevant issues in our three divisions, motivating our commitment to reducing our carbon footprint and to promoting energy efficiency.

Under our risk management and prevention approach, we're working to ensure all our company operations are safe and resilient to climate change, and to extend this resilience to our neighbor communities. Another focus area is mitigating the risks associated with the transition to low-carbon economies, positioning Grupo México as a key player in contributing to the transition to a green economy. We deliver products and services that support this transition, and we are an agent of positive change in the mitigation of global greenhouse (GHG) emissions.

6.1.1 Highlights

We revised and updated our strategy on climate change in 2023, building this strategy on four pillars:

- Deliver products and services that support the energy transition.
- Reduce our carbon footprint, across the organization.
- Increase the resilience of our operations and neighboring communities to the effects of climate change.
- Align our organizational management with international best practices.

We conducted an analysis to expand the second pillar of our climate strategy and cover reducing our Scope 3 emissions, guided by the best practices in our sector and global trends. This analysis identified various emissions reduction levers that were key to setting new climate change mitigation targets for our value chain:

-10%

Short term (2027): reduce our Scope 3 absolute emissions by 10% for BAU[1] emissions, using 2022 as the base year.

-20%

Medium term (2035): reduce our Scope 3 absolute emissions by 20% for BAU emissions, using 2022 as the base year.

-30%

Long term (2050): reduce our Scope 3 absolute emissions by at least 30% for BAU emissions, using 2022 as the base year, although we aspire to reach the 60% target set by the International Copper Association (ICA).

[1] "business as usual"

Our participation in the "Global Copper Decarbonization Roadmap" working group of the *International Copper Association* (ICA) played an important role in setting our mitigation targets. This working group aims to define the contribution of the copper industry to achieving the goals of the Paris Agreement, as well as actions that could be taken to succeed in this effort.

We have also started a preliminary mapping of the capital expenditures that will be needed to develop the energy efficiency and renewable energy projects identified as part of our Scope 1 and 2 emissions reduction roadmap in 2022 (see Targets & Goals).

The Grupo México Audit and Company Practices Committee has been reviewing strategic opportunities in GHG emissions reduction since third quarter 2023, as well as the risks and opportunities associated with climate change, projects to supply our operations with renewable energy, and actions to reduce emissions in our value chain (Scope 3).

Additionally, our commitment to a just transition led us to begin an analysis in 2023 on how to align our corporate policies and the community development actions of our three Grupo México divisions with international good practices and benchmarks in this area.

In recent years, we have made significant progress in our performance, management and transparency on issues related to climate change:

- Each year, we complete the Carbon Disclosure Project (CDP) questionnaire on climate change, which provides a system for environmental disclosure and is globally considered the most relevant assessment on climate change. We also prepare a gap analysis each year from our annual assessment results in support of ongoing improvement. This led to Grupo México maintaining its "B" rating in 2023, demonstrating our continued effective management of our climate strategy. This rating is higher than the regional average for North America ("C") and higher than the average for the metal smelting, refining and production sector ("C").

CDP Rating Scale:



- We have participated in the S&P Global Corporate Sustainability Assessment (CSA) since 2020. Our climate governance score was 90 out of 100 in 2023, confirming the progress we have made in this area. Also, we received a score of 100 in the category TCFD (Task Force on Climate-Related Financial Disclosures), which focuses on the management and disclosure of climate-related financial risks and opportunities.

- Additionally, the investor-led Climate Action 100+ initiative recognized our emissions reduction roadmap and gave us a "full compliance" rating in the category TCFD.

We recognize that climate change management is constantly evolving, requiring us to closely follow new technologies and to continuously monitor the resilience of our operations, our supply chain, and the communities with which we work. Given this, we will be revising our analyses of climate scenarios in 2024 to consider the most current science-based scenarios, deepen our analysis of transition and physical risks at the operational level, and prepare adaptation and mitigation plans for our vulnerable operations. The results of these new analyses will inform our calculations of potential material financial impacts for Grupo México and for our value chain in the medium and long term.

[2] Global Copper Decarbonization Roadmap.

6.1.2 Governance

TCFD GOB-A, GOB-B,

At Grupo México, we are continuously improving our governance structure and practices to ensure the goals of our climate strategy are attained and to align our business portfolio with a low-carbon economy.

Corporate governance mechanisms:

Body	Function
Grupo México Audit and Company Practices Committee	• The sustainability offices of each division present the environmental, social and governance strategy and management of related risks and opportunities to this Committee at special sessions.
Southern Copper Corporation Board Sustainable Development Committee	• Made up of independent board members. • The SCC Executive Vice-President, who is also the Executive Vice-President of Grupo México participates on this committee (for more information, see Corporate Governance). • Supervises the management of the risks and opportunities associated with climate change

Our climate strategy, performance and management of related risks and opportunities are presented to both committees, which then share these issues with their Boards of Directors. In 2023, strategic topic areas related to opportunities for reducing GHG emissions were analyzed, and also climate-related risks and opportunities, projects to supply our operations with renewable energy and actions to reduce emissions in our supply chain (Scope 3). These committees also review the performance of key indicators, including electricity and fuel consumption and GHG emissions.

- The Mining Division's Corporate Sustainable Development Department is responsible for the implementation of the Grupo México climate strategy, coordinating the related aspects for our three divisions. This Department regularly reports to the Grupo México Audit and Company Practices Committee and also to the Executive Vice-President and the SCC Sustainable Development Committee.

- A Climate Change office was created in 2022 to coordinate the strategy and the management of related risks and opportunities in our three divisions, and also to align our climate change vision and targets presented to the Committees. Additionally, the Infrastructure and Transportation divisions each have sustainability offices, which provide internal monitoring of our climate change management, in coordination with the Climate Change office.

In compliance with and as required by our Code of Ethics, none of our three divisions or subsidiaries, including Southern Copper Corporation, make contributions of any kind to political parties or organizations, pay lobbying expenses, or participate in setting public policy or in legislative or regulatory processes. However, we do engage in lobbying activities through our participation in associations, mining chambers and environmental forums, which promote initiatives with key players, in benefit of the members of these groups, society and the environment. Recently, these activities have involved sharing our decarbonization strategy at mining sector forums, associations and chambers.

We are particularly interested in contributing to the achievement of the goals laid out in the Paris Agreement, to which Grupo México is committed through our Climate Change Policy, related to limiting global warming to well below 2°C above preindustrial levels and pursuing efforts to limit warming to 1.5°C.

Some examples of our actions in 2023 are described following:

Evento	Temática presentada	Lugar
***Perumin 36*, Mining Convention**	"Contribution of sustainable mining to the decarbonization process both globally and nationally", forum moderators	Peru
Perú Sostenible	Participation on the panel "Planet", talking about "Energy transition and decarbonization"	Peru
35th International Mining Convention, organized by the Mexican Mining Chamber (in Spanish, CAMIMEX)	"Global Roadmap for Decarbonization", organizers and moderators of the keynote, given by the International Copper Association (ICA)	Acapulco, Mexico *(Note: Unfortunately, Hurricane Otis interrupted this event.)*
KPMG webcast: 'The Responsibility of the Board and the Audit Committee in Managing Environmental and Social Issues	Panel: "The Responsibility of the Board and the Audit Committee in Managing Environmental and Social Issues.	Mexico
12th UN Forum on Business and Human Rights	Panel on Business and Human Rights in Challenging Contexts: Considerations for Staying and Exiting.	Geneva, Switzerland

We also participated in various other events and symposiums on sustainability and decarbonization in 2023, organized by the chambers and associations where we are members, particularly noting the Mexican Mining Chamber (in Spanish, CAMIMEX), the International Copper Association, and Asociación Mexicana de Energía Eólica AC, among others.

6.1.3 Management

GRI 201-2

Policies and Protocols

TCFD GDR-B

General Sustainable Development Policy	Outlines our commitment to the Paris Agreement and our contribution to the United Nations Sustainable Development Goals, specifically Goal 13: "Climate Action", focusing on adopting urgent measures to combat climate change and its impacts.
Environmental Policy	Affirms our commitment to the Paris Agreement, to ongoing improvement and to adopting best practices, and also our contribution to the transition to a green economy.
Climate Change Policy	Acknowledges the growing challenge of combating climate change, particularly in terms of social, economic and environmental aspects to ensure the continuity of our operations and the safety of our neighbor communities, as well as sustainable development for future generations. Grupo México senior management acknowledge and endorse the various commitments outlined in the policy, which support the development of adaptation and mitigation plans to effectively manage these challenges and prevent any financial impact on our operations.
Mining Division	• Critical Risk Registry, which ensures controls are applied to address atypical weather events and conditions that could trigger breaches of the curtains at tailings dams or landslides at open pits. (See Sustainability Risk Management.) • Heat Stress Prevention Protocols that include how to recognize signs and symptoms, and first aid techniques at our underground mines. • For some sites in Peru, an emergency response protocol for landslides caused by rainfall, and also a slope stability program. • Implementation of water retention ponds and side channels to redirect water flows at our mines. • Construction of safety infrastructure at tailings facilities, like overflow channels.
Transportation Division	• Speed restrictions and operating policies for high temperature conditions. • Maintenance programs for areas that are particularly vulnerable to extreme rainfall and landslides, and also a multiyear program to reinforce bridges, roads and tracks, for natural water drainage and channeling.
Infrastructure Division	• Emergency response plans to mitigate the risks associated with extreme sea levels. Sea weather conditions are monitored continuously and regular practice drills are conducted with the navy. • For the oil line of business, emergency response protocols for tropical cyclones.



El Retiro wind farm, Juchitan, Oaxaca, Mexico

Process for identifying risks and opportunities

TCFD GDR-A, GDR-B, GDR-C

At Grupo México, we identify, prioritize and classify risks based on the degree of significance of the economic, environmental and social impacts, taking into account the influence of stakeholder assessments and decisions in each of our divisions. These risks are grouped into four segments: (i) business ethics and integrity, (ii) climate change, (iii) communities, and (iv) our people. Identifying deficiencies and opportunities helps us to maintain a process of ongoing improvement and consequent learning to shape a culture focused on strategic risk management from senior management levels and throughout the organization.

We follow the three lines of defense model for effective risk management and the control required to comprehensively mitigate these risks, while at the same time strengthening the way we communicate risk management and supervision. This model provides the basis for effective corporate governance through the accountability of the different governance bodies, the actions of senior management, and the assurance provided by the Internal Audit department.

Lines of defense for risk management.

1. **Heads of the areas that are directly involved in the day-to-day operation of the business**

   Operational departments manage the operational risks and Senior Management monitors performance.

2. **Areas that support the first line**

   Internal Control, Sustainability and the Environment, Corporate Legal.

3. **Internal Audit**

   Whose primary task is to confirm compliance with policies and procedures, to identify weaknesses, and to recommend improvements.

In 2024, we will revise our analysis of climate scenarios and deepen our physical risk analysis, to identify risks and opportunities and prepare adaptation and mitigation plans for each operation. These results of these new analyses, and the resulting adaptation and mitigation plans, will be incorporated into the three lines of defense model described above to systematize the identification, assessment and management of risks at the operational level.

Regarding the corporate level management of the opportunities identified, the Grupo México Audit and Company Practices Committee and the Southern Copper Corporation (SCC) Sustainable Development Committee have reviewed strategic areas related to reducing GHG emissions, with particular attention to electrically powered mine trucks, fuel substitution in different areas of the business, energy efficiency, and developing projects to supply renewable energy to our operations. As a next step, these committees will further explore the issues around climate-related risks. The Risk Committees at each Grupo México division will also be looking at these topics, reporting their performance to the Board of Directors.

- The Corporate Sustainable Development Department has been identifying and analyzing physical and transition risks since 2020, as well as opportunities associated with climate change, applying the TCFD framework.

- Systematizing the management of climate-related risks and opportunities as work of the Grupo México Audit and Company Practices Committee, the SCC Sustainable Development Committee and the Risk Committees of the three division, will support Grupo México in strengthening our climate change governance in the short term.

Short, medium and long term risks and opportunities identified

Physical risk analysis

TCFD EST-A, EST-B, EST-C, GDR-A

Physical Risk Analysis

Preliminary analysis
Map and prioritize the relelvant risks associated with our operations and our value chain, informed by pertinent scientific publications and the characteristics of the assets (including factors like: type of operation, geographic location, historic climate impacts, contribution to earnings, among others).

Scenarios
Time horizons: The analysis used different time horizons to consider aspects like the end of the useful life of our sites, contract periods, and concessions for leased assets. Particular emphasis was placed on the long-term horizon as this would produce more extreme scenarios.

- Short term (2021-2025)
- Medium term (2025-2050)
- Long term (2050-2080)
- Climate change scenarios

Geography
Mexico, USA and Peru, and other countries or regions where we have strategic projects in the planning or exploration stage, like Spain, Ecuador and Chile.

Granularity
Review of the corporate mechanisms currently in place.

Scenarios considered in the physical risk analysis[3]

RCP2.6

Stringent mitigation
Low probability that the average global temperature rise will exceed 2°C.
Probable range of change in the average global temperature by 2100: 0.3 -1.7°C.

RCP4.5

Intermediate mitigation
Probable range of change in the average global temperature by 2100: 1.1 -2.6°C.

RCP8.5

Business as usual (no mitigation)
Unlikely the average global temperature rise will remain below 4°C.
Probable range of change in the average global temperature by 2100: 2.6 -4.8°C.



Ite wetlands, Peru

[3] Source: IPCC, 2014: Climate Change 2014: Synthesis report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core writing team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 157 pages. The analysis incorporated projections from various climate change scenarios. Most of the sources consulted included only projections for RCP 4.5 and RCP 8.5. However, when information was available, we also evaluated scenario RCP 2.6. Scenario RCP 6.0 was not included due to the lack of information available. The projections for scenario RCP 8.5 hold greater relevance for Grupo México as the potential impacts are the most severe. We also reviewed information to identify any trends in recent decades (upward or downward) that could emerge in the short term due to chronic events resulting from gradual changes in temperature and rainfall, and in the intensification of extreme climate scenarios.

Results of the physical risk analysis

Threat	Potential impacts on operations	Potential impacts on the value chain	Examples of existing initiatives
Increased maximum high temperatures	• Reduced workforce productivity and restrictions on some activities, both outdoors and inside underground mines (where operations are stopped when the temperature exceeds the 90°F (32° C) threshold). • Effects on worker health from heat stress. • Increased energy consumption. • Heat expansion of train tracks affecting the operations of the Transportation Division and also the highways operated by the Infrastructure Division. • Potential decrease in power production by the wind farms due to decreased air density caused by high temperatures, which can also overheat the nacelles. • The combined cycle power plants operated by the Infrastructure Division could also experience decreased power production. It is estimated that for each 1°C increase in the air temperature above 30°C, the net production of the combined cycle gas turbines decreases 0.3%-0.6%. • Increased water loss from evaporation at tailings heaps and dams, also reducing capacity to recycle water.	• Interruptions or delays in the supply of key inputs and raw materials, particularly electricity, increasing power demands. • Overland transportation and distribution routes may be affected by overheated asphalt.	• Heat stress prevention protocols that include how to recognize signs and symptoms, and first aid techniques. We also provide courses on how to prevent heat stress. • The Transportation Division is developing initiatives to address worker health. For example, more comfortable employee uniforms, water stations, rest areas at worksites. • To prevent accidents, the Transportation Division has speed restrictions in place and operating policies for high temperature conditions.
Droughts	• Potential decrease in the water supply, which could affect our mine operations: • Limitations on usage for reducing dust emissions. • Limitations on operations, like leaching. • Increased water demand to compensate increased evaporation. • Additional investments to treat water at mines situated in water stress areas.	• Competition for water resources could raise water costs or increase the frequency and complexity of community conflicts.	The Mining Division in particular has taken important actions to address this risk. See Interaction with Water as a Shared Resource.
Extreme rainfall	• Damages to the infrastructure and facilities at our sites and rail lines, particularly in the event of flooding. • Production interruptions at some Mining Division and Infrastructure Division sites. • In conjunction with other factors, there could be landslides, which would threaten worker safety and the infrastructure of some mines. • Service interruptions in the Transportation Division, particularly in the event of sinkholes and landslides. • Overflows at mine waste facilities.	• Interruptions or delays in the supply of key inputs and raw materials. • Transportation and distribution routes may be affected by damages to highways and rail lines.	• The Transportation Division has maintenance programs for areas that are particularly vulnerable to extreme rainfall and landslides, and also has a multiyear program in place to reinforce bridges, roads and tracks, for natural water drainage and channeling. • Some Mining Division sites in Peru have an emergency response protocol for landslides caused by rainfall and slope stability control programs. We are also evaluating additional measures to strengthen these programs. • Implementation of water retention ponds and side channels to redirect water flows at our mines. • Construction of new tailings dams designed to withstand storms with a return period of 10,000 years or to receive predictable maximum rainfalls resulting in more resilient dams and overflow channels to contain extreme rainfalls from climate change.

Results of the physical risk analysis

Threat	Potential impacts on operations	Potential impacts on the value chain	Examples of existing initiatives
Flooding	• Potential damage to the infrastructure and facilities at some Mining Division and Infrastructure Division sites, and some Transportation Division rail lines. • Production interruptions at some Mining Division and infrastructure Division sites. • Service interruptions or delays in the Transportation Division. • Slope erosion at tailings dams.	• Interruptions or delays in the supply of key inputs and raw materials. • Transportation and distribution routes may be affected by damages to highways and rail lines.	• All the same mitigation measures as noted for extreme rainfall. • Protective works to prevent overflows.
Tropical cyclones	• Damages to oil rigs and interruptions in activities. • Damages to the infrastructure and facilities of the Transportation Division in coastal areas, as well as service interruptions. • Service interruptions or delays in the Transportation Division. • Overflows at mine waste facilities or tailings dams.	• Interruptions or delays in the supply of key inputs and raw materials. • Transportation and distribution routes may be affected by damages to highways in coastal areas and ports.	• The Infrastructure Division's oil line of business has emergency response protocols in place for tropical cyclones. • The Mining Division has implemented mitigation measures for extreme rainfall, as described above.
Extreme sea levels	• Damages to the Infrastructure Division's oil rigs and to the infrastructure and facilities of the Transportation Division in coastal areas. • Potential effects on production at some sites. • Service interruptions or delays in the Transportation Division.	• Interruptions or delays in the supply of key inputs and raw materials. • Transportation and distribution routes may be affected by damages to highways in coastal areas and ports.	• The Infrastructure Division has emergency response plans in place to mitigate these types of risks. Sea weather conditions are monitored continuously and regular practice drills are conducted with the navy. • The Transportation Division has an early warning system for extreme weather events that activates prevention and mitigation measures for these types of risks.

Changes for the indicators analyzed, for the RCP 4.5 and RCP 8.5 scenarios, long term

Legend	Threat	Indicators analyzed	Changes projected under RCP 4.5 and RCP 8.5 Long term (2050-2080)	Probability[4]
	Increased maximum high temperatures	Days with temperatures > 95°F (35°C).	In some regions, like Arizona and northwest Mexico for example, the number of days per year with highs over 95°F (35°C) will increase 50% compared with the historic period in the RCP 4.5 scenario and 200% in the RCP 8.5 scenario.	**High**
	Droughts	Probability of experiencing droughts that could last for several years.	There would be a significant[5] increase in droughts in Arizona, northwest Mexico and southern Peru, and also in Spain and Chile, under the RCP 8.5 scenario. Studies under the RCP 8.5 scenario project a 30-50% increase in the probability of megadroughts in Arizona that could last for several decades, while this increase would be 20-50% for the RCP 4.5 scenario.	**High**
	Extreme rainfall	Changes in the frequency and intensity of extreme rain events, with a return period of 30 years.	The return period would change so that extreme rainfall events would be more acute and frequent in all our countries, except Spain. The maximum increase projected would reach 15% for the RCP 4.5 scenario, compared with the historic period, and 26% for the RCP 8.5 scenario, for our sites in Sonora.	**Moderate**
	Flooding	Changes in the frequency and intensity of extreme rain events, with a return period[6] of 30 years.	More frequent and more intense rainfall events, as well as drastic changes in the magnitude of flooding would affect certain sites in Mexico (La Caridad, Processing Plant) and in the United States (Ray and Hayden).	**Moderate**
	Tropical cyclones	Frequency of tropical cyclones registering category 3 or higher on the Saffir-Simpson scale.	Increased ocean temperatures would lead to an increase in the number of tropical cyclones category 4 or higher on the Saffir-Simpson scale with probability of making landfall in Mexico or the United States. For example, the projections indicate 5-15 tropical cyclones category 4 or higher on the Pacific coast could make landfall per decade, in addition to those recorded in the historic period. For the Atlantic, projections indicate up to 5 additional tropical cyclones category 4 or higher per decade, compared against the historic period, with the possibility of landfall in Mexico or the United States. The projections are similar for both the RCP 4.5 and RCP 8.5 scenarios.	**Low**
	Extreme sea levels	Changes in the frequency of extreme sea levels with a return period of 100 years.	The gradual increase in sea levels would significantly increase the frequency of extreme sea levels (e.g. storm surges), which could cause coastal flooding in places like Sonora, Veracruz and Florida. The increase, compared against the historic period, would reach 10% for the RCP 4.5 scenario and would exceed 100% in the RCP 8.5 scenario. Events that currently have a 1% annual probability of occurrence could reach 100% annual probability in the long term.	**High**

[4] Three levels of probability were used, based on the granularity of the projections and the quality of the sources available: **high** (the information comes from one or more studies that have used regionalization methods or studies that are based on various climate models with narrow projections); **moderate** (the information comes from one or more studies that have used regionalization methods or studies that are based on various climate models with broad projections); **low** (the information comes from studies that do not meet the quality criteria described or which are limited in terms of the modeling methods used).

[5] Significant, in this context, means the projections for the threat show a statistically relevant change, considering the models and conclusions of the studies and sources consulted.

[6] The return period for a weather or climate event is a metric to estimate the probability of occurrence of a threat, indicating the approximate time (in years) between one event that reaches or exceeds a certain threshold and the next event with similar characteristics in terms of intensity and magnitude. For example, an event with a return period of 30 years would occur, on average, once every 30 years, or in other words, has a 3.3% change of presenting in any given year.

Physical risks associated with climate change as identified under the RCP 8.5 scenario, long term (2050-2080), for Grupo México sites with an end of life or concession after 2050[7]

Division	Country	Site	Type	Location	Types of risk					
					Increased maximum high temperatures	Droughts	Extreme rainfall	Flooding	Tropical cyclones	Extreme sea levels
Mining	Chile	**Catanave**	Future project	Parinacota		✓	✓			
	Ecuador	**Chaucha**	Future project	Cuenca & Guayaquil			✓			
	Spain	**Andalusia**	Future project	Seville	✓	✓				
	USA	**Hayden**	Plant	Arizona	✓	✓	✓	✓		
		Ray	Mine & Plant	Arizona	✓	✓	✓	✓		
	Mexico	**Angangueo**	Future mine project	Michoacan	✓					
		Buenavista del Cobre	Mine & Plant	Sonora	✓	✓	✓	✓		
		Buenavista Zinc	Future mine project	Sonora	✓	✓	✓			
		Chalchihuites	Future mine project	Zacatecas	✓	✓	✓			
		Processing Plant	Plant	Sonora	✓	✓	✓	✓		
		El Arco	Future project	Baja California	✓	✓	✓			
		El Pilar	Future project	Sonora	✓	✓	✓			
		La Caridad	Mine & Plant	Sonora	✓	✓	✓			
		Pilares	Future project	Sonora	✓	✓	✓			
		Lime Plant	Mine & Plant	Sonora	✓	✓	✓			
		Central Repair Shop	Plant	Chihuahua	✓	✓	✓			
		Guaymas Terminal	Plant	Sonora	✓	✓	✓			✓
		Zinc Refinery	Planta	San Luis Potosi	✓	✓	✓			
	Peru	**Tantahuatay**	Gold mine	Cajamarca			✓			
		Los Chancas	Future project	Apurimac			✓			
		Tía María	Future project	Arequipa		✓	✓			
		Cuajone	Copper mine	Moquegua		✓	✓			
		Toquepala	Plant & Mine	Tacna		✓	✓			
		Ilo	Plant	Ilo		✓	✓			
Transportation	USA	**Florida East Coast**		Florida	✓			✓		✓
		Texas Pacifico		Texas	✓					
	Mexico	**Ferromex**			✓		✓	✓		✓
		Ferrosur			✓		✓	✓		✓

[7]Active or future operations for which no risks have been identified or with an estimated life ending before 2050 have been omitted.

Summary of operational physical risks resulting from the analysis of climate change scenarios and their impact on the business, strategy and financial planning

The potential physical impacts of climate change on our operations are highly uncertain and depend on the geographic location of each site. These impacts may include changes in precipitation patterns, water shortages, changes in temperatures, sea levels, and storm patterns and intensities. These effects may have an adverse impact on the cost, production and financial performance of our operations. In addition, substantial weather-related conditions could affect our relationships and agreements with our major customers and suppliers by materially affecting the normal flow of our transactions, particularly those that are sea related. Severe weather events could damage transportation infrastructure and cause interruptions or delays in the supply of key inputs and raw materials, and also products sold. Therefore, we monitor fluctuations in weather patterns in the areas where we operate, and also evaluate our water demands, as weather changes may result in increases or decreases that would affect our water needs.

As part of our supply chain risk management strategy, we seek to ensure that our suppliers have a reliable supply chain structure while maintaining the continuity of our operations, adjusting delivery times and back-up reserves as necessary. We support all our relationships with our customers and suppliers through contracts and negotiation processes, creating strategic partnerships to provide, for example, railroads, construction services if a port is closed, energy or alternative energy sources in the event of an energy shortage that could affect our operations.

To date, weather conditions have not posed significant problems in our relationships and agreements with our customers or suppliers, because of the strategic partnerships we have built. From a long-term perspective, there is a risk of a material impact from changes in weather-related conditions that could affect our relationships and agreements with customers and suppliers in the future by affecting the normal flow of our transactions, particularly sea related transactions.

We will be revising and expanding our analysis of climate scenarios in 2024 to identify new physical risks at the operational level, and prepare adaptation and mitigation plans for each of our operations. Also, we developed a reduction strategy in 2023 for Scope 3 emissions that will include joint actions with our suppliers and customers and improve the ESG performance of our supply chain.

Analysis of transition risks and opportunities associated with climate change

GRI 201-2

TCFD EST-A, EST-B, EST-C, GDR-A

Analysis of transition risks and opportunities associated with climate change

Opportunities associated with climate change

- Increased revenue
- Increased competition in electricity costs
- Reduced emissions from our operations by fostering a low-emission supply chain

Transition risks associated with climate change

- Analysis of current regulations on carbon pricing mechanisms
- Carbon pricing analysis based on global decarbonization scenarios (2025-2040)

Opportunities associated with climate change

Grupo México is the fourth largest copper producer in the world and holds the largest copper reserves. Our stakeholders increasingly recognize the importance of copper in the migration to low-carbon economies, therefore the implications of climate change could benefit the company's reputation. However, this is conditioned on our commitment to supporting the attainment of the goals of the Paris Agreement and our ability to demonstrate clear and sustained progress in the decarbonization process of our operations.

Increased revenue. Copper is a critical component in many of the technologies required for the transition to low-carbon economies, including wind and solar power generation, electric vehicles, and power grids, among others. Therefore, demand for copper is expected to increase significantly in the future, which could drive up prices and positively impact Grupo México earnings.

Increased competition in electricity costs. The cost of generating renewable electricity is going to become more and more competitive, compared with conventional power plants, which offers the opportunity to reduce operating costs and GHG emissions at our operations.

Reduced emissions from our operations by fostering a low-emission supply chain. Copper is a critical material for electrically powered vehicles in general, and for mine vehicles in particular, due to it being used as a component in the electrical batteries that power these types of vehicles. By producing a portion of the copper used in this market, we will be contributing to the manufacturing of these trucks, while also reducing the emissions from our copper extraction processes (Scope 1), by eliminating our diesel consumption, and those of our supply chain (Scope 3).

Energy transition: Zinc Refinery

The transition to renewable energy sources is key to reducing emissions worldwide, and at Grupo México, we recognize the importance of identifying opportunities that will help us to expedite this transition across our organization. Meanwhile, this transition represents a business opportunity as it could boost our competitiveness in energy costs, while reducing emissions.

Therefore, as an opportunity, the transition to renewable energy sources opens the way for us to seek out even more possibilities to strengthen our business model and reap the benefits. In this regard, we continue to explore investment projects in renewable energy to supply our operations.

One example of a project that will generate a positive impact in this area is the Fenicias wind farm, which will supply 83% of the electricity our zinc refinery currently consumes. This project is one of our climate change mitigation measures and carries several benefits: job creation, a more flexible energy matrix and, above all, it will replace electricity generated from non-renewable sources. Additionally, we are looking to replicate this type of initiative with solar projects at ASARCO and in Peru, for which we are preparing the groundwork for feasibility studies for these operations.

Supplying our Zinc Refinery with renewable energy will reduce electricity costs by approximately 55%.

We will be revising our assessments of climate-related opportunities in 2024, along with the resulting positive impacts on our finances.

1. Current scenario (BAU)	
Energy source	MWh
Non-renewable electricity supplied by third parties (grid)	100%
Total	100%

2. Scenario with Fenicias	
Energy source	MWh
Electricity replaced by the Fenicias wind farm	83%
Non-renewable electricity supplied by third parties (grid)	17%
Total	100%

Transition risks associated with climate change

At Grupo México, we assess different types of transition risks associated with climate change, including the risks related to change in technology and operations, market trends, credit risks and regulatory changes. This assessment is described in detail in the section Risk Management, concluding that these risks have not had a material impact on the company's economic performance, but this could change in the future.

Therefore, we will continue to measure and report the impact that these risks could generate, to inform the development of appropriate mitigation measures.

The costs of greenhouse gas emissions associated with Grupo México operations could have more immediate financial relevance. For this reason, we prepared an analysis of transition risks resulting from carbon pricing mechanisms, composed of two focus areas:

Analysis of current applicable regulations[8]	Analysis of potential future carbon costs
Identify relevant carbon pricing mechanisms (including carbon taxes and emissions trading systems), present in the countries where Grupo México has operations and projects.	Calculate the potential financial impacts of carbon pricing mechanisms for the period 2025-2040, based on three global decarbonization scenarios.[9]

At Grupo México, we have considered the potential impact of the transition risks associated with climate change in terms of technological and operational changes, implementing measures aimed at reducing the use of fossil fuels and greenhouse gas emissions, and improving energy efficiency and optimizing water usage.

[8] Regulations in effect at the beginning of 2021.
[9] Two scenarios from the International Energy Agency were considered: 1) According to current regulations, and 2) Scenario of Sustainable Development Goals. From the IPCC, multiple decarbonization pathways aligned to a temperature change of 1.5°C were considered to represent the most ambitious scenario.

Measures aimed at reducing the use of fossil fuels and GHG emissions:

- Consume energy from external renewable sources supplied by two hydroelectric plants for our operations in Peru.
- Use clean electricity supplied by the Infrastructure Division through high-efficiency combined cycle power plants and soon, the Fenicias wind farm.
- Improve, redesign, convert and retrofit equipment, rational use of resources, and environmental training for personnel.
- Operate water recovery systems that help to conserve water and minimize the impact on nearby streams.
- Operate a desalination plant for our operations in Ilo, Peru.

Additionally, the implementation of low or zero emission technology for heavy mine trucks is not yet commercially available, but as mentioned, we are working with our suppliers on defining a strategy that will accelerate the availability of electrically powered mine trucks using renewable energies. This initiative arose after identifying as a risk associated with technological and operational change, the possibility that Grupo México may not have access to sufficient supply of electrically powered trucks before 2030 (and thus, reduce our Scope 1 emissions) due to the saturation of demand for electrically powered trucks.

In 2023, we began looking at the capex allocations needed to implement these measures, particularly for investments in energy efficiency and renewable energies (see Targets & Goals). We will continue this project in 2024 as part of the revision of our analysis of risks and opportunities.

We have also considered how changing market trends or credit risks resulting from the demand for global and national greenhouse gas emission reduction targets may affect our business, financial position or operating results. Grupo México recognizes that potential climate-related changes in market trends may include reduced demand for goods that produce significant greenhouse gas emissions or that are related to carbon-based energy sources, as well as increased demand for goods that are low carbon or sourced materials that help to reduce emissions.

It is likely that large copper consumers will increasingly seek to purchase low or zero emission products as a way of achieving their own GHG emissions reduction targets. Being slow to adapt to this trend, or without preparing adequately could result in reputational risks for the organization or lost opportunities in the market.

Changes in regulations related to climate change in Mexico, the United States and Peru have not had a material impact on our operations. However, we are expecting additional environmental laws and regulations in the future to mitigate greenhouse gas emissions in the jurisdictions where we operate. In this regard, we have prepared an analysis of possible future carbon pricing associated with different decarbonization scenarios to assess how the resulting figures could impact the company financially. This analysis highlights that emission costs under the most ambitious decarbonization scenarios could be up to 70% higher for the company under a "business as usual" GHG emissions generation scenario, compared to a scenario under which the GHG emissions reduction would be in line with the expectations of the Paris Agreement (science-based targets.

In line with government efforts to combat climate change, Grupo México is working to reduce GHG emissions at our operations following the emissions roadmap. Efforts to comply with stricter environmental protection programs in the United States, Peru and Mexico, in conjunction with relevant trade agreements, could impose restrictions and imply additional costs for our operations. Consequently, there may be a need to make significant related investments in the future.

Analysis of current carbon pricing systems

United States

There are carbon pricing mechanisms in 11 states, but not in the states where we have operations (Arizona, Texas and Florida).

There are currently no bases on which to estimate any carbon pricing for the United States at the federal level or for the states where Grupo México has operations. However, this could change considering the new decarbonization goals, published by the government in 2021 (to achieve zero net GHG emissions by 2050).

Mexico

There are federal and state fossil fuel taxes, and also an emissions trading system in pilot Phase.

Tax rates range from US$2.5/tCO2 to US$12.5/tCO2, approximately[10]. The relevant tax rates for Grupo México include a federal tax and state taxes for Baja California, Zacatecas and San Luis Potosi.

Mexico continued to pilot an emissions trading system in 2023, therefore the allocation of allowances was free and determined by the federal government. However, as this system moves into its operational phase in 2024, and the various elements of this phase are defined (e.g., offsetting program, auctions with financial implications), we will be able to quantify future costs for the operations that are currently participating in this program. Considering other emissions trading systems globally, it is estimated that the costs per allowance could be in excess of US$7 for the startup of the emissions trading system in Mexico.

Peru

No carbon pricing mechanism.

Although the Peruvian government has expressed its intention to set a carbon price, no carbon pricing mechanism is expected to be implemented in the short term. This is because the Nationally Determined Contribution (NDC), revised in 2020, does not include a carbon pricing system. The situation could change in 2025, when the national contributions come up for review.

Spain

Our Los Frailes mine project will be subject to the European Union emissions trading system and also a federal tax on fluorinated gases.

The European Union has had an Emissions Trading System in place, applicable in Spain, since. Prices per ton of CO2eq varied between €66 and €100 in 2023. The system is in its fourth phase, covering the period 2021-2030, which will enable a linear reduction on the emissions cap and, by consequence, on emissions allowances. Considering the changes to the emissions trading system will be aligned with the highest level of climate ambition, it is feasible that prices will increase in the future.

There is also a tax on fluorinated gases in Spain, which is not a carbon tax, but a greenhouse gas tax.

[10] Estimate approximate rates retrieved from https://www.statista.com/statistics/1322214/carbon-prices-european-union-emission-trading-scheme/#:~:text=EU%2DETS%20allowance%20prices%20in%20the%20European%20Union%202022%2D2024&text=The%20price%20of%20emissions%20allowances,of%20CO%E2%82%82%20in%20February%202023.

Carbon pricing analysis based on global decarbonization scenarios (2025-2040)

This analysis considered different scenarios, with projections of Grupo México's emissions and possible future carbon pricing.

The emissions projections considered in the analysis include the operational emissions of Grupo México under "business as usual" (BAU) scenarios, as well as a scenario aligned with an absolute reduction equivalent to that associated with Science-Based Targets (SBT), with a "below 2°C" ambition[11]. This will support better estimates of the financial implications for the company in a climate action scenario.

The carbon pricing projections used were aligned with the global decarbonization scenarios of 1.5°C, 1.75°C and 1.9-3.5°C as shown in the table below.

Scenarios	**Current IEA regulations scenario (1.9-3.5°C)[12]** Considers the energy and carbon pricing regulations currently in effect.	**Scenario aligned with the Sustainable Development Goals (1.75°C)[13]** Ambition aligned with the IEA United Nations Sustainability Goals.	**IPCC 1.5°C scenarios[14]** Most ambitious scenario with the highest carbon pricing.
Grupo México emissions – SBT (aligned with 'below 2°C')	Emissions: **Reduced**	Emissions: **Reduced**	Emissions: **Reduced**
	Prices: **Lowest**	Prices: **Moderate**	Prices: **High**
	Impact: **Minimum**	Impact: **Minor**	Impact: **Medium**
Grupo México emissions – BAU	Emissions: **Increased**	Emissions: **Increased**	Emissions: **Increased**
	Prices: **Lowest**	Prices: **Moderate**	Prices: **Highest**
	Impact: **Medium**	Impact: **High**	Impact: **Major**

- A BAU emissions scenario for Grupo México, combined with high carbon pricing associated with ambitious climate action scenarios (1.75°C and 1.5°C), could have a material financial impact on the company. Under these scenarios, the future pricing per ton of carbon could exceed US$100 in Europe by 2030, while the carbon markets in other regions where we operate will remain in their early stages.

- The financial implications for Grupo México associated with the potential future carbon pricing would decrease 60-70% considering an SBt emissions scenario, compared with a BAU scenario, current regulations scenario, the SDG scenario or the 1.5°C scenario.

[11] Implies a 2.5% annual reduction in GHG emissions, in terms of the base year.
[12] More information available at: https://www.iea.org/reports/world-energy-model/stated-policies-scenario
[13] More information available at: https://www.iea.org/reports/world-energy-model/sustainable-development-scenario
[14] More information available at: https://data.ene.iiasa.ac.at/iamc-1.5c-explorer/#/about

Adaptation and mitigation projects

We are continually looking for ways to strengthen our risk management mechanisms and to make our operations and neighbor communities more resilient by adopting a preventive approach to eliminating or mitigating risks. For example, we have improved the emergency response and contingency plans for our operations by developing adaptation projects to make our operations safer and more resilient, including actions such as:

- Increasing efficiency in the usage of fresh water
- Strengthening infrastructure and facilities to increase their resilience to adverse weather conditions.
- Engineering works to improve rainwater management and to channel excess water.
- Modernizing and improving ventilation systems in underground chambers.

The **Transportation Division** has developed action protocols to minimize the impact of climate events on our facilities, considering multiple scenarios ranging from damage to signaling systems to landslides, mudslides and floods. The Transportation Division also operates a multiyear program to reinforce bridges, roads and tracks, for nature water drainage and channeling.

The **Mining Division** has implemented measures to increase the resilience of our neighbor communities, including projects that focus on preventing risks associated with water usage and water stress. In Peru, we built more than 125 miles (200 km) of irrigation channels and 400 reservoirs to benefit 20,000 farmers. We recently completed the construction of the Culajahuira dam, built in collaboration with the community and local authorities, to contribute to water sustainability in one of the most arid regions on the planet, situated near our mine operations and the Atacama Desert. These efforts are complemented by productive technification and land recovery projects, such as in the town of Borogueña in southern Peru, where we implemented a program to improve the productivity of 700 farmers.

Our new tailings dams are designed to withstand storms with return periods of 10,000 years or to receive predictable maximum rainfalls, resulting in more resilient dams (which in some cases include overflow channels) to contain extreme rainfalls from climate change. An example of this are the overflow channels at the La Caridad tailings dam, which were constructed in the last 5 years to address these risks in the short term.

6.1.4
Strategy

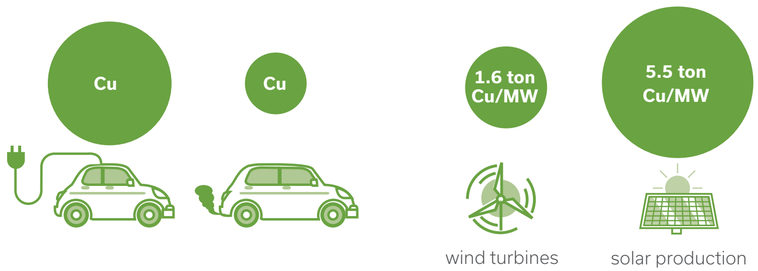
Climate Change Strategy

- Deliver products and services that support the transition to low-carbon economies
- Reduce our carbon footprint, across the organization
- Increase the resilience of our operations and neighboring communities to the effects of climate change
- Align our organizational management with international best practices

Deliver products and services that support the transition to low-carbon economies

Grupo México operates in sectors that promote and facilitate the transition to inclusive low-carbon economies.

The **Mining Division** primarily produces copper, which is essential in the manufacturing of technological solutions that, collectively, have the potential to significantly reduce GHG emissions around the world. For example, copper is used to make components for wind generators, solar panels, smart grids, electric vehicles and cell phones, among others. Electrically powered vehicles contain almost four times more copper than a vehicle with an internal combustion engine. Wind turbines contain up to 1.6 tons Cu/MW and solar production systems use about 5.5 tons Cu/MW[15]. Also, as a 100% recyclable metal that does not lose its properties when recycled, copper facilitates the circular economy and helps preserve the environment.



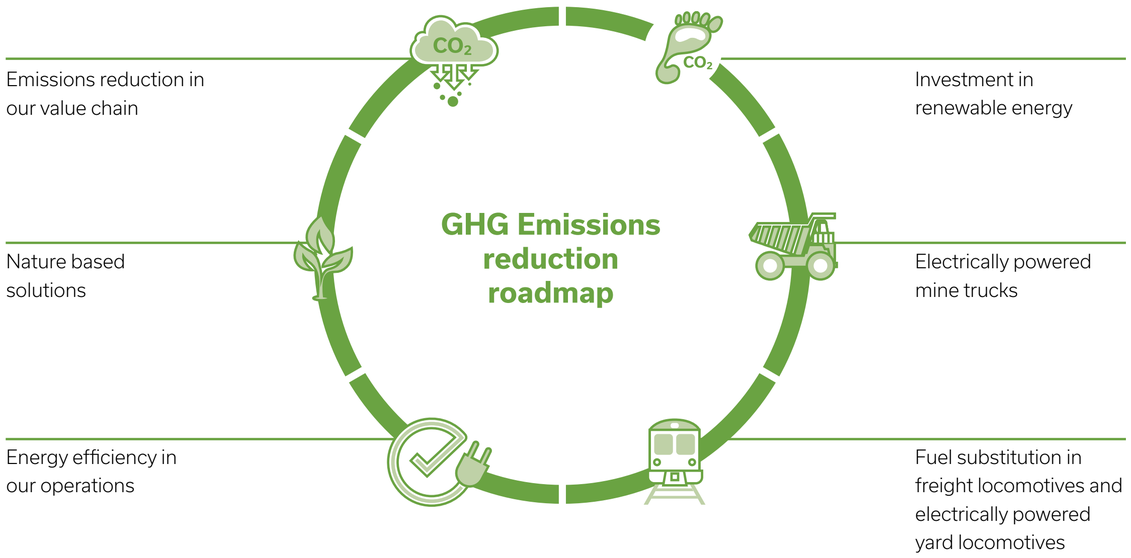
The **Transportation Division** strives to provide a quality freight transportation service not only in terms of customer service, safety and efficiency, but also in emissions reduction and mitigating climate change. The railroad can move large volumes of freight over long distances, making it an efficient means of transportation in terms of fuel consumption, compared with trucks. Also, transporting freight by rail reduces traffic congestion on critical highways and city streets, which also improves air quality and reduces urban heat islands.

The **Infrastructure Division** develops engineering and energy projects to generate clean and renewable energy. We have two wind power generation projects: the 74MW El Retiro and the 168MW Fenicias wind farms.

[15] Estimate based on one 3MW wind turbine containing nearly 4.7 tons Cu.

Reduce our carbon footprint, across the organization

At Grupo México, we are contributing to the transition to low-carbon economies with projects and services that produce the lowest carbon footprint possible, forming part of a responsible supply chain. We are collaborating with the International Copper Association (ICA) and our peers to develop a global plan to reduce emissions in the industry, known as the "Global Copper Decarbonization Roadmap". The results of this initiative have been useful in strengthening our climate strategy and defining our own emissions reduction roadmap.





Lime plant, Agua Prieta, Sonora, Mexico

Investment in renewable electricity

- A first step in reducing our Scope 1 and 2 emissions is to replace diesel and other fuels with electrically powered options.
- Construction of the 168MW Fenicias wind farm in the state of Nuevo Leon, which will supply power to our IMMSA mine and processing operations.
- Analysis of renewable energy for future mine projects.
- We will be working on feasibility studies in 2024 on the potential to generate renewable energy on site for our mine operations in the United States and Peru seeking to reduce the Scope 2 emissions associated with these operations.

Electrically powered mine trucks

- Build working groups with mine truck providers to collaborate on defining a strategy to accelerate the production of electrically powered vehicles using renewable energies. We have identified that as these types of vehicles are not expected to be readily available before 2030, using electrically powered mine trucks will make only a limited contribution to reducing emissions in the short term.
- Analysis of how many of our trucks could be electrically powered after 2030, considering their useful life, and how these changes will contribute to our medium and long term emissions reduction targets.

Nature-based solutions

- Our company nurseries produced 5,644,078 trees in 2023 for reforestation projects and to absorb GHG emissions in areas at and around our mines.
- Work continues on our long term restoration of the Ite Wetlands, where we have created an artificial wetland on approximately 4,000 acres (1,600 hectares) of a former mine waste disposal site.
- Additionally, we have identified about 28,000 acres (11,300 hectares) near our mines in Mexico where we could potentially support carbon absorption through reforestation and ecosystem conservation projects.
- In 2024, we will define how to quantify the potential for carbon absorption associated with these projects and their feasibility to offset the emissions from our operations.

Energy efficiency in our operations

- Redesign, convert and retrofit equipment, improve and reorganize processes, and efficient energy usage training for employees.
- The **Transportation Division** has implemented two fuel saving and emissions reduction initiatives: Trip Optimizers, an automated fuel management and power regulating system that reacts to topographic features to improve train handling on each trip (since 2022, this system has been installed in 279 locomotives), and HP-TON, an operational and logistic strategy that considers the train's maximum towing capacity and the total tonnage of the freight to move more with less.
- The **Mining Division** has been working on two emissions reduction projects at the Ilo plant: power cogeneration and substituting fuel oil and diesel for natural gas. We have also implemented a project to reduce our diesel consumption in the SX/EW process at La Caridad to heat electrolytes through a thermal system (solar combined with electric furnace), and we are analyzing how to replicate this project at other sites. We have created working groups across the three diisions to identify further energy efficiency projects.

Fuel substitution in freight locomotives and electrically powered yard locomotives

- Initiative to analyze the possibility of retrofitting diesel freight locomotives and tenders to hybrid (natural gas/ diesel). In its first phase, this project retrofitted 30 freight locomotives in 2022.
- Various test runs were completed in 2023 operating trains with natural gas tenders, primarily on the Torreon-Piedras Negras route. During this phase of the process, we began to record the necessary indicators to confirm the savings, both in diesel consumption and emissions reduction, to then move into the second phase of investment. If the results of the project are operationally viable, we will enter the second phase of the initiative, which will extend the retrofitting to 120 locomotives.
- Another effort of the Transportation Division on the decarbonization roadmap will be to continue to assess the feasibility of migrating to 100% electric locomotives or using alternative technologies and energies.

Emissions reduction in our value chain

- For the fifth year in a row, accounting of Scope 3 emissions, where we have identified that the material emissions are mostly related to category 1 (purchased goods and services), category 3 (fuels and energy usage) and category 10 (processing of products sold).
- We have created working groups with our customers and suppliers who are the highest contributors to our Scope 3 emissions to share information to aid in tracking emissions efficiently and to identify opportunities for reduction.
- As a result of this analysis, we developed an emissions reduction strategy in 2023 that considers joint actions with our suppliers and customers, and will improve the ESG performance of our value chain.
- Our Code of Conduct for Business Partners invites our business partners to estimate their carbon footprints, to take actions to reduce, and to provide information on the emissions associated with the products and services supplied to Grupo México on request.
- Also, the **Mining Division** has a Code of Conduct for Suppliers and Contractors that invites our commercial partners to join in the effort to minimize their greenhouse gas emissions, and to increase their usage of renewable energies and continually improve their energy efficiency.

Increase the resilience of our operations and neighbor communities to the effects of climate change

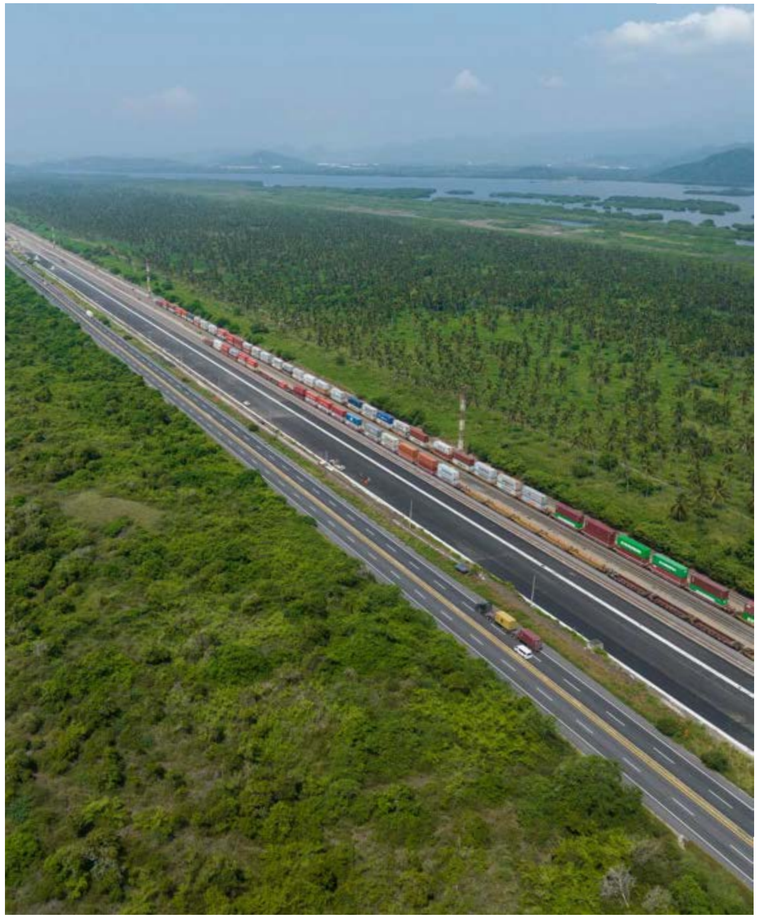
One of the key actions to strengthen the resilience of the Grupo México business model is to identify and manage the risks and opportunities related to climate change by analyzing climate scenarios, which we have been doing since 2020. As a result, we are incorporating factors related to climate change into our business decisions representing either risks (e.g., carbon taxes, increased costs related to climate management, physical impacts on operations) or opportunities (e.g., increased demand for copper, substitution of fossil fuels, implementation of low or zero emission technologies).

The scenarios were selected based on the 2017 guidelines of the TCFD[16], which recommend using Representation Concentration Pathways (RCP) to analyze physical risks. These pathways provide projections of the GHG concentrations in the atmosphere in the medium and long term, in accordance with the Intergovernmental Panel on Climate Change (IPCC). For the transition risk analysis, particularly those risks associated with carbon pricing mechanisms, the TCFD recommends using the scenarios developed by institutions like the International Energy Agency (IEA). These models inform assessments of the potential medium and long term climate effects from global warming and the outlook for carbon pricing ranges that could be reached in the future in the different regions where Grupo México operates.

These results have been helpful in strengthening our climate strategy, and in understanding the potential financial impacts for the organization. We will be revising our analysis of climate scenarios in 2024 to consider the most recent scenarios recommended by the IPCC in their latest report on climate change (AR6). During this process, we will also deepen our physical risk analysis at the operational level, and prepare adaptation and mitigation plans for each of our operations.

The results of these new analyses will inform the calculations of potential material financial impacts for our operations and our value chain in the medium (2030) and long (2050) term. This revision will help to lay the foundation for improving our management of climate-related risks, and also ensure that we are meeting the increased demands from our markets, particularly in terms of the new requirements the Securities and Exchange Commission (SEC) is expected to release in the near future on climate disclosures.

Another action we have taken to improve the resilience of our operations to the effects of climate change is to build on recent efforts to understand, prevent and better address the risks associated with water management, both at our facilities and in the watersheds where we operate. In this regard, we regularly review and update our inventory of water-related risks, including droughts and flooding, and also prepare plans to prevent and address these issues.



Tepalcates intermodal terminal, Manzanillo, Mexico

[16] In particular, the 2017 technical supplement on the use of scenarios for disclosures on climate-related risks and opportunities.

Align our organizational management with international best practices

Our 2022 and 2023 actions in this regard have essentially been focused on aligning our organizational climate change management with international best practices.

As a result of these efforts, and despite the assessment becoming more and more stringent each year, Grupo México maintained its "B" rating from the CDP's climate change assessment in 2023, demonstrating our continued effective management of our climate strategy. This rating is higher than the regional average for North America ("C") and higher than the average for the metal smelting, refining and production sector ("C").

We also participate in the S&P Global Corporate Sustainability Assessment (CSA) and in 2022, we received a climate governance score of 90 out of 100 for both Grupo México and Southern Copper Corporation, which affirms our ongoing improvement in our efforts in this area. Additionally, the investor-led Climate Action 100+ initiative recognized our emissions reduction roadmap and gave us a "full compliance" rating in the category TCFD.

Announcing our short, medium and long term Scope 3 emissions reduction targets for Grupo México, and starting to map the capex needed to invest in our decarbonization, were important achievements for the company in 2023, and will support us to continue aligning our climate strategy with market trends, and continue improving our climate performance and our management of reputational risks.

Just Transition

At Grupo México, we understand the concept of "just transition to a low-carbon economy" as a continuous and collective process of adaptation and resilience to climate change that must be implemented considering all key stakeholders in our value chain, including our employees, stakeholders, and the communities surrounding our operations, in order to avoid or minimize any negative impact resulting from our decarbonization actions. We recognize that these actions could imply a paradigm shift in the labor market and in the communities where we operate. Therefore, we seek to follow a fair and inclusive path.

As a first step we have corporate policies in place to guide our adopting of urgent measures to combat climate change (General Sustainable Development Policy, Environmental Policy and Climate Change Policy), along with our corporate policies on human rights, labor rights, our employees and our neighbor communities (Code of Ethics, General Human Rights Policy, Policy on Community Relations and General Policy on Respect and the Wellbeing of our People, among others). Compliance with these policies is mandatory for all Grupo México. We take a holistic approach to the International Labor Organization (ILO) Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All.

At Grupo México, we're committed to our workforce, to caring for our employees and their personal and professional development. We offer various channels through which we listen to our employees. These channels include the workplace environment survey and the reporting line (for more information, see Our People). We are committed to maintaining our current retraining programs and to opening new job opportunities for workers affected by the transition to adjust to the new job market.

As a second step, we have identified four key factors that will play an important role in continuing to produce transition metals and decarbonizing our operations. However, these factors could have significant impacts on our value chain if not addressed with a just transition approach following the concept described earlier: adoption of new technologies, development and operation of new mining projects, closure of mining operations, and nature-based solutions (NBS).

Below, we provide a detailed description of the actions we are implementing to tackle each of the factors identified earlier:

1. **Adoption of new technologies:**
   Our emissions reduction roadmap entails a shift in the technological paradigm we currently employ. For instance, we are considering the adoption of autonomous or zero-emission trucks in the near future. This transition necessitates a reevaluation of our operational configurations and the upskilling of our workforce, with potential impacts—both positive and negative—on our value chain. Rooted in our Community Development model, which prioritizes individual empowerment, we implement a rigorous due diligence process to identify and mitigate any adverse effects. Moreover, in anticipation of new technologies that may challenge our employees' capabilities, we are strategically undertaking the following measures to safeguard our workforce:

- We conduct a risk analysis related to our operations, with particular emphasis on the human rights of our employees and the communities that may be affected, such as the right to freedom of work, profession, industry, or trade.
- Participatory social diagnostics: Every two years, we engage with the local population through various qualitative and quantitative methodologies to identify, prevent, and mitigate any concerns they may have regarding operational aspects and community perceptions. This helps us develop better resilience strategies and change management.
- Social management plans: Based on the findings from participatory diagnostics, we develop programs and initiatives that address preventive aspects such as staff training in new trades, empowerment through finance courses, seed capital projects to promote entrepreneurship, among others.

2. Development and operation of new projects:

Our community development model is founded on transparency and trust, aiming to foster enduring, long-term relationships with the communities neighboring our operations. Embracing the principles of a Just Transition, we have endeavored to enhance the capacities and skills of the communities where we operate through our "*Forjando Futuro*" program. This initiative encompasses job training, productive skills development, and support for the growth of local small and medium-sized suppliers.

For the development of new projects and throughout their operation, we implement mechanisms and tools for ongoing consultation with the communities where these projects are undertaken. These mechanisms ensure a just transition by maximizing opportunities for social, economic, and human development within the communities. Dialogue and engagement with the communities are based on Participatory Diagnostics, aimed at fostering social dialogue among stakeholders. Through these diagnostics, we identify the perceived needs of the population, assess risks and intervention opportunities, and develop a collaborative work plan with the community (as a symbol of consent) to maximize social value generation. We strive to promote shared responsibility, empowerment, and respect for human rights. We are committed to replicating these consultation activities for any future decarbonization projects we undertake.

An example of this is the three projects of the Infrastructure Division (El Retiro Wind Farm in Juchitán (La Ventosa), the Fenicias Wind Farm in General Bravo, Nuevo León, and the Combined Cycle Power Plant in Nacozari, Sonora) that have contributed to the company's decarbonization efforts. In these projects, various activities are carried out to balance social, economic, and environmental aspects in the transition process towards cleaner and more sustainable energy sources. All three sites have a mechanism in place for identifying and preventing negative impacts associated with operations (a Due Diligence process for communities), which includes the following components: **a) Sociodemographic Variables, b) Risk Analysis Related to Operations, c) Participatory Social Diagnostics, d) Social Management Plan, and e) Community Care Service.** This mechanism allows any member of the community to share with the company their complaints or concerns about the negative impacts on their rights related to the company's operations.

On the other hand, our Mining Division has a robust portfolio of future mining projects that will enable the company to continue producing transition metals that contribute to decarbonizing the economy. Currently, we have programs in place and are developing actions to mitigate negative social impacts and enhance any positive outcomes that may arise from these new projects. An example of this is the successful case described below.



Michiquillay project, Peru

Success Story: Citizen Consultation for the Michiquillay Project in Peru

In 2020, during the COVID-19 pandemic, an inclusive public consultation process was conducted for the future gold and copper project located in Michiquillay, Peru. This process involved the Environmental Impact Assessment (EIA), during which a connectivity analysis was carried out. It was found that over 75% of the communities rely on radio as their primary means of communication.

The plan underwent several phases of work for approval, including pre-production, production, and implementation. The Community Care Service (CCS) specific to the consultation process was initiated, establishing a toll-free 800 line, an email address, WhatsApp and SMS messaging, as well as a form to facilitate documentation of questions and inquiries through various platforms and promotional materials. Subsequently, the installation of receiving antennas for radio link and other technical components was carried out to develop a workshop with uninterrupted 7-hour broadcasting. This workshop presented the project description, environmental and social baseline, identification and evaluation of impacts, and environmental management strategy.

The result was the implementation of an innovative consultation process, as the live workshop reached over 10,000 listeners. Additionally, 262 inquiries were addressed via WhatsApp, 48 calls were received during the broadcast, and 250 individuals utilized the CCS.

3. **Closure of mining operations:** Mining operations have a finite lifespan; even in the Mining Division, we have projects that have ceased operations. Therefore, we have developed actions to address the social impacts resulting from these closures and preparedness to address those that may arise in the future when some of our mines cease operations.

   For instance, our mine closure plans include a social component aimed at promoting long-term common welfare through economic diversification programs and the creation of new job skills. The aforementioned approach will lead to a progressive and comprehensive closure, reducing the labor vulnerability of our employees once the mines close. We aim for the involvement of stakeholders to be an ongoing process, even post-operation closure.

   Currently, we have updated seven closure plans for mining operations and associated facilities. In addition to environmental and operational aspects, these plans include the development of a social baseline, stakeholder identification, potential risks, and planning under different closure scenarios such as temporary suspension, progressive closure, final closure, and post-closure, with a 10-year follow-up.

   The plan is complemented by financial guarantees, the roles and responsibilities of the department, and performance indicators. The following case study illustrates in more detail the actions we undertake.

Social Closure Case Study: Nueva Rosita, Coahuila - Coal Mine

For the past 18 years, following the closure process of the operation in Nueva Rosita, as part of our commitment to the communities, a strategy was designed to address the closure needs, which includes:

- Meetings with stakeholders to communicate the closure strategy and provide clear, transparent, and timely information.
- Site visits to arrange for leases, agreements, and prevent social liabilities.
- Collaboration with local institutions such as IEEA (State Institute of Adult Education) and the Department of Economy of the State of Coahuila, as well as universities and non-governmental organizations to explore training alternatives and job opportunities.
- Seeking professional consultancy to work on business incubation projects with workers and families.
- Training the Community Development team in collaboration with Human Resources, Health and Safety, and Legal departments on handling administrative closure.

Throughout the closure process, aspects related to the community were considered, such as the future employment of workers, ensuring maximum participation in closure preparation, ensuring the availability of resources to address socioeconomic aspects, exploring alternative uses for company facilities, and promoting productive, emblematic, and competitive projects such as "Órale... Leaders for Nueva Rosita," which encouraged citizen participation.

During the responsible closure of the mine's coking plant, several actions were undertaken:

- **Pre-communication campaign:**
  - Notification to local government authorities
  - Implementation of social media campaigns by Casa Grande in Nueva Rosita highlighting positive actions
  - Maintaining regular communication with stakeholders such as the mayor of the municipality
- **Community actions for job search and self-employment:**
  - Organization of job fairs
  - Conducting 5 personal finance workshops
  - Training and certification in various trades
  - Addressing 17 business incubation projects
  - Assisting 245 employees during the administrative closure
- **Dissemination of closure actions:**
  - Engagement with 5 media outlets
  - Close communication with local business groups and civil associations

4. **Nature-based solutions:** The protection and restoration of natural ecosystems, with their respective sustainable management, play a crucial role in mitigating climate change and lead us to exploring projects built on nature-based solutions that will develop long-term social and environmental safeguards (food security, job creation, lessening of the effects of natural disasters) that are aligned with our vision of a just transition, according to the most internationally and nationally recognized standards.

   At Grupo México, we recognize that climate change entails various risks and impacts at the operational level, including those related to neighboring communities, employees, the value chain, and stakeholders. Therefore, it is of utmost importance to strengthen our strategy to limit these aspects as we progress towards a just transition. Consequently, our next steps will involve:

   - Defining internal principles of just transition
   - Developing a detailed short, medium, and long-term plan
   - Raising awareness about the impacts and risks in our operations
   - Continuing with social programs, dialogues, and interactions with communities and stakeholders

   It is worth noting that each country where we operate faces different transition landscapes. Therefore, our objective is to continuously adapt our approach considering specific national regulations, reinforce engagement activities with stakeholders and communities, and forge new partnerships with various key actors.



Combined cycle power plant, Nacozari de Garcia, Sonora México

6.1.5

Targets & Goals

Short, medium and long term emissions reduction targets

TCFD MYO-C

We prepared a Scope 1 and 2 emissions reduction roadmap for Grupo México in 2022 to define our new short, medium and long term targets.

A key part of this effort is our active collaboration in the International Copper Alliance's (ICA) "Global Copper Decarbonization Roadmap" working group, which aims to define the copper industry's contribution to achieving the targets of the Paris Agreement, and also recommended actions to succeed in this effort.

Our targets are aligned with the ICA roadmap as follows:

- We have considered 2018 as the base year as the emissions for 2019 and/or 2020 may not be representative due to the economic slowdown caused by the Covid-19 pandemic.
- With the 2022 base, we have prepared emissions projections for the short (2027), medium (2035) and long (2050) term, considering the planning for new projects. For example, we anticipate that our operations will grow in response to increased demand for copper because of its importance in the transition to low-carbon economies. We also considered "business as usual" (BAU) scenarios to understand how our emissions would increase if we were to take no action to reduce or mitigate.
- Reducing Scope 1 and 2 emissions in the medium and long term is dependent on the advancement of technologies related to producing electrically powered mine trucks and locomotives, the substitution of fossil fuels for alternative fuels (like hydrogen), and the capturing and storing or use of carbon dioxide. The short term reductions may be achieved with energy efficiency measures and investments in green electrification measures, by constructing new renewable energy projects or negotiating new green Power Purchase Agreements (PPAs), and International Renewable Energy Certificates (iRECs).

Short term (2027)	• Reduce Scope 1 and 2 emissions 15% by 2027 for BAU emissions, using 2018 as the base year.
Medium term (2035)	• Reduce Scope 1 and 2 emissions 35% for BAU emissions, using 2018 as the base year.
Long term (2050)	• Net zero Scope 1 and 2 emissions by 2050 for BAU emissions, using 2018 as the base year.

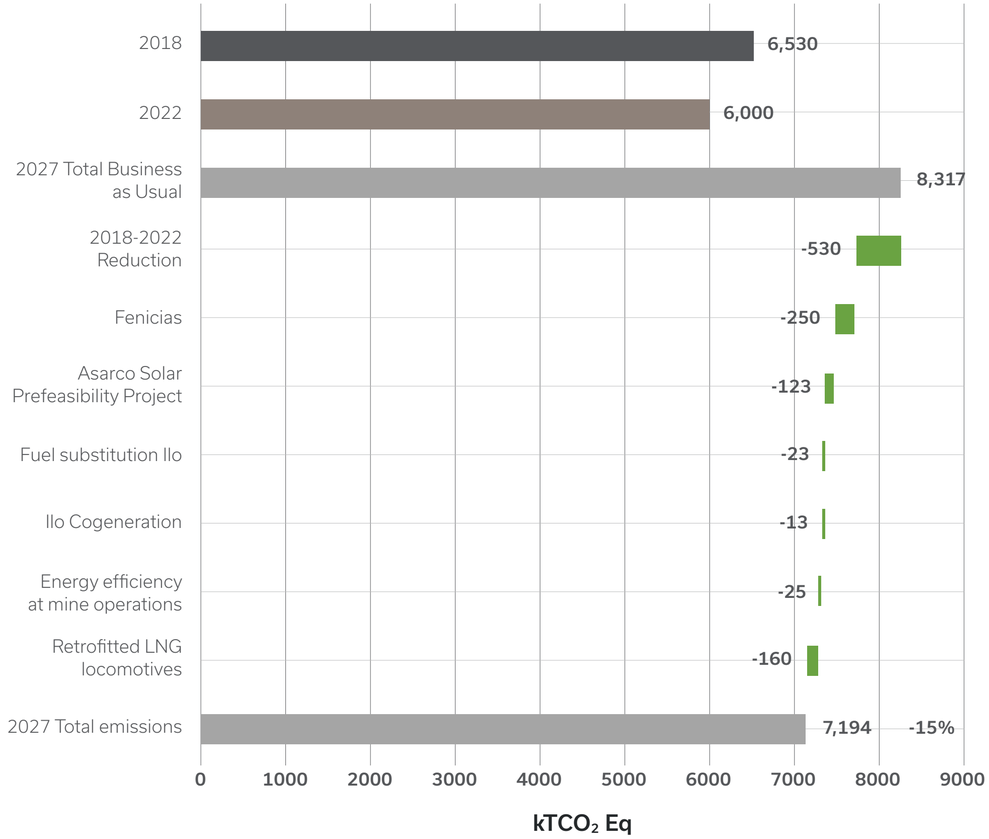
Short term (2027)

Reduce our Scope 1 and 2 emissions **15% by 2027 for BAU emissions, using 2018 as the base year**. We have set an emissions intensity reduction target of 20% by 2027, compared to 2022, for our Mining Division, and we are aiming for at least 25% of our electricity consumption to come from renewable energy sources by 2027, using 2022 as the base year.

Actions to achieve our targets:

- **Invest in renewable electricity.** We have invested US$256 million in the construction of the 168MW Fenicias wind farm. Once in operation, this project is estimated to avoid approximately 250 ktCO2eq Scope 2 emissions, increasing the renewable electricity usage of the organization by at least 25%. Additionally, we are assessing the feasibility of implementing small solar power projects in Mexico following the model of medium voltage distributed generation for mines that do not have access to the renewable energy produced by the Grupo México wind farms. The first success case is the Tamosura Business Center, where we implemented this distributed generation model, producing a reduction of approximately 130 tCO_2eq. We are also preparing feasibility studies for our mine operations in the United States to understand the potential to generate renewable energy on site and, thus, the additional emissions reduction from this investment, which we estimate could be around 123 $ktCO_2eq$ of Scope 2 emissions. This emissions reduction would mean generating, through renewable energies, approximately 32% of the current power demands of our ASARCO operations.
- **Energy efficiency:**
  - The Mining Division is developing the following fuel substitution projects for our mines in Mexico, which will produce reductions of approximately 1.25 ktCO2eq when they start operations before 2027.
    - Solar thermal system with electric furnace at the La Caridad SX/EW plant, which will replace the use of diesel to heat the electrolyte. This project is expected to start operations in first quarter 2024 and may be replicated at other sites.
    - Concept study to replace the use of diesel to heat the electrolyte at the Buenavista del Cobre SX/EW 3 plant with heat pumps or a solar thermal system (to be determined in 2024).
  - For our mines in Peru, we are developing three projects that will produce reductions of approximately 39-43 $ktCO_2eq$ starting in 2024:
    - Power cogeneration using the residual furnace heat at the Ilo Smelter to generate steam-based electricity.
    - Substituting fuel oil and diesel for natural gas at the Ilo Smelter, by using dry natural gas in plant equipment processes.
    - Solar thermal system with electric furnace at the Toquepala SX/EW plant, which will replace the use of diesel and fuel oil to heat the electrolyte (implementation dates pending).
  - In 2024, we will continue to identify similar energy efficiency actions for our US operations that could be implemented in the short and medium term.
- **Substituting fuels in locomotives:** To reduce our emissions in the short term, we are analyzing the possibility of retrofitting freight locomotives and tenders to hybrid (natural gas/diesel). This project is in its first phase, retrofitting 30 freight locomotives and completing their respective test runs. We are planning to start the second phase of this initiative in 2024 to retrofit an additional 120 locomotives. For 2025, we plan to complete the retrofitting of a total 150 locomotives, which will reduce emissions by approximately 160,000 tons CO_2eq, starting 2026.

2027 emissions reductions (thousands of tons)



Notes about the chart

The information shown here is based on concept analyses, the results of which, together with the current status of project development, were used to inform the approximations for the values presented. In 2024, we will continue working on more specific studies (e.g. the ASARCO feasibility study) to strengthen and refine the reductions identified.

The total reduction compared against the 2027 Total Business as Usual is 14%, however we have rounded off our target to 15% for practical purposes.

At Grupo México, we report all data with transparency. Therefore, we note that the "2027 Business as usual" (BAU) bar considers the estimated growth that best reflects the reality of the different divisions of our company this year, including the mine projects that will start operations prior to 2027 and which will produce emissions if reduction actions are not taken from the onset. The emissions of our Mining Division account for 59% of our BAU emissions and were calculated from our 2027 production projections for both current operations and new mine projects, and the average emissions intensity for the period 2019-2022. The emissions of our Transportation Division account for 22% of our BAU emissions and were calculated considering an increase in our fleet of locomotives (and by consequence, diesel consumption) on par with company growth. The remaining 19% is attributed to the emissions of our Infrastructure Division, which are not projected to experience significant growth by 2027 because of our renewable or low-emission energy projects. These BAU emissions represent 100% of the Scope 1 and 2 emissions of the three divisions that comprise Grupo México.

Of the total emissions reductions presented for this target, 16% are expected to come from Mining Division projects (Asarco solar, Ilo cogeneration and fuel substitution, energy efficiency), 22% from the Infrastructure Division (Fenicias), 14% from the Transportation Division (locomotive retrofitting), and the remainder is attributed to the emissions reductions during the period 2018-2022.

For more information on how these reduction actions are contributing to the emissions intensity reduction target, see HERE.

Capital expanditures

We have started a preliminary mapping of the capital expenditures that will be required for most of the emissions reduction opportunities presented in this report, based on the cost of projects already in place, feasibility studies and conversations with technology providers.

We will revise the information presented following as we move forward with our analyses and the implementation of these projects, noting that the information offered here is preliminary.

Project	Type	Investment US$ (000)	Reduction tonCO_2eq (000)	Status and start of operations
Fenicias	Wind farm (renewable energy)	256,000	250	Stand-by/tbd
Asarco solar	On site solar power (renewable energy)	To be defined	123	Feasibility studies/tbd
Ilo fuel substitution	Investment in cleaner energy matrix	15,300	23	Construction/end of 2024
Ilo cogeneration	Energy efficiency	24,500	13	Feasibility/tbd
Tamosura Business Center	Distributed generation (renewable energy)	175	0.13	In operation
SX/EW Peru	Solar thermal system (energy efficiency)	3,000	3	Concept phase/tbd
La Caridad SX/EW	Solar thermal system(energy efficiency)	938	0.1	Construction/April 2024
BVC SX/EW 3	Heat pumps (energy efficiency)	3,000	1.15	Concept phase/tbd
Medium voltage distributed generation	Solar panels(renewable energy)	800	0.48	Concept phase/tbd
Retrofitting LNG locomotives	Investment in cleaner energy matrix	19,700	160	Tests/tbd



Fenicias wind farm, Nuevo Leon, Mexico

Medium term (2035)

Grupo México has set as our 2035 target, reducing our Scope 1 and 2 emissions by **35% for BAU emissions, using 2018 as the base year**. We have set an emissions intensity reduction target of 50% by 2035, compared to 2022, for our Mining Division, and we are aiming for at least 50% of our electricity consumption to come from renewable energy sources by 2035, using 2022 as the base year.

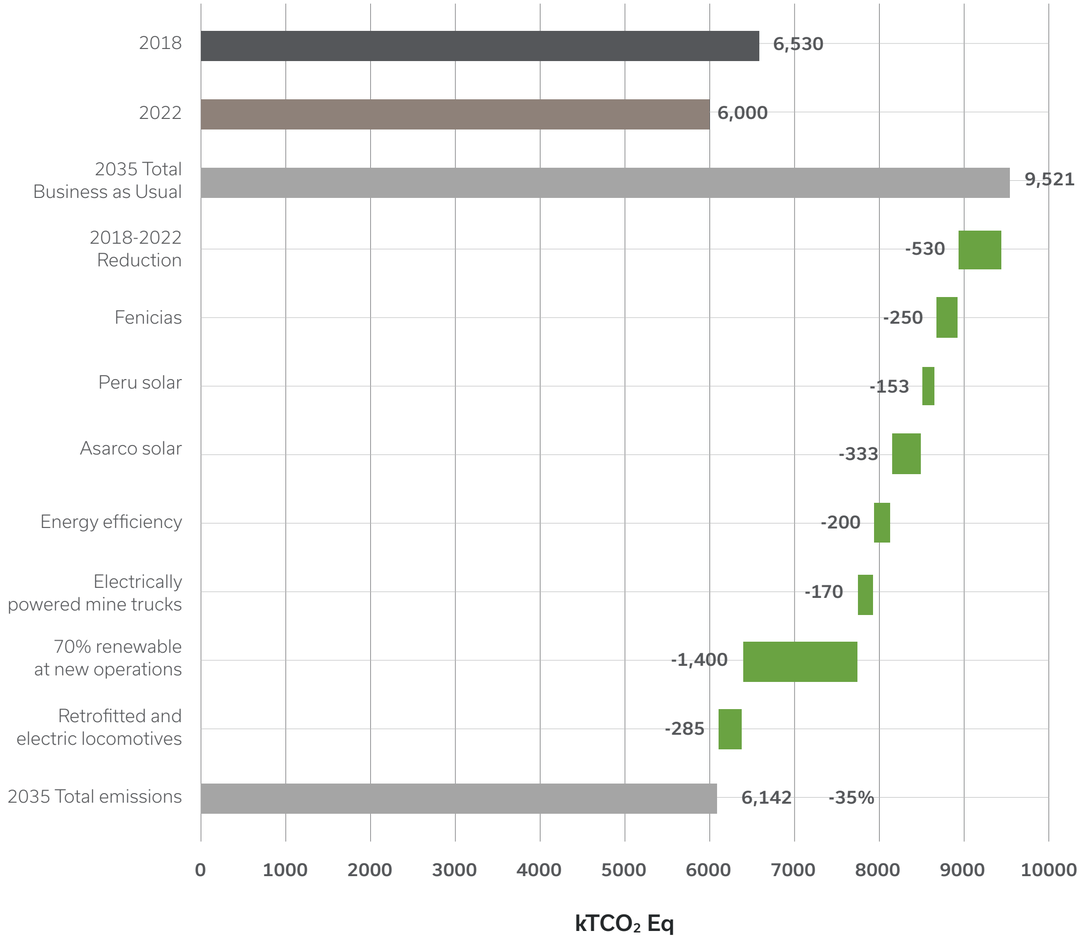
Actions to achieve our targets:

- **Electric mine trucks.** This project will make only a limited contribution to reducing GHG emissions in the short term, as these types of vehicles are not expected to be readily available before 2030. We have started to analyze how many of our trucks could be electrically powered between 2030 and 2035, considering their useful life, and assuming that electrically powered trucks will be available from our suppliers, we estimate approximately 20% of our current fleet of trucks could be electrically powered, which would represent a reduction of approximately 170 $ktCO_2eq$.

- **Continue investing in renewable electricity for existing projects.** Assuming the Fenicias wind farm will remain in operation after 2027, we estimate that our ASARCO and Southern Peru operations could cover at least 90% of their current electricity needs from renewable energy sources, by negotiating new green power purchase agreements, international clean energy certificates or the construction of greater capacity renewable energy generation projects. This would mean a reduction of approximately 486 $ktCO_2eq$. We will be preparing a feasibility study in 2024 for the development of an on site solar project near our Quebrada Honda tailings dam in Peru, with a capacity of 37-107MW, depending on the availability of land. Furthermore, we are currently assessing the feasibility of another solar project in Moquegua, boasting a capacity of 300 MW.

- **Invest in renewable energies for new mine projects.** We estimate Grupo México will have new projects in operation by 2035. If we consider that all new Mining Division operations would operate at 70% renewable electricity by 2035, including the electricity needs of 15% of their mine trucks, we estimate the BAU emissions could be reduced by approximately 1,400 $ktCO_2eq$.
- **Electrically powered locomotives:** In addition to fuel substitution for locomotives, we believe that as of 2028, we will be starting to electrify around 30% of our yard locomotives, which could reduce the emissions of the Transportation Division by an additional 125 $ktCO_2eq$, assuming this technology is readily available by then. This project would mean a total reduction of 285 ktCO2eq associated with the Transportation Division, considering the achievements made by 2027.
- **Additional energy efficiency projects.** In 2024, we will continue working to redesign, convert and retrofit equipment, improve and reorganize processes, and provide efficient energy usage training for employees, to identify additional opportunities for energy efficiency. With these actions, we would expect to reduce the overall energy consumption of our operations by at least 2% by 2035, which would represent at least an additional 200 $ktCO_2eq$ by 2035.

2035 Decarbonization Roadmap (000 tons)



Notes about the chart

The information shown here is based on concept analyses, the results of which, together with the current status of project development, were used to inform the approximations for the values presented. In 2023, we will continue working on more specific studies (e.g., energy efficiency at the La Caridad Combined Cycle Power Plant) to strengthen and refine the reductions identified.

The total reduction compared against the 2035 Total Business as Usual is 34.8%, however, we have rounded off our target to 35% for practical purposes.

We note that the "2035 Business as usual" (BAU) bar considers the estimated growth that best reflects the reality of the different divisions of our company in that year, including the mine projects that will start operations prior to 2035 and which will produce emissions if reduction actions are not taken from the onset. The emissions of our Mining Division account for 60% of our BAU emissions and were calculated from our 2027 production projections for both current operations and new mine projects, and the average emissions intensity for the period 2019-2022. The emissions of our Transportation Division account for 23% of our BAU emissions and were calculated considering an increase in our fleet of locomotives (and by consequence, diesel consumption) on par with company growth. The remaining 17% is attributed to the emissions of our Infrastructure Division, which are not projected to experience significant growth because of our renewable or low-emission energy projects. These BAU emissions represent 100% of the projected 2035 Scope 1 and 2 emissions of the three divisions that comprise Grupo México.

Of the total emissions reductions presented for this target, 68.4% are expected to come from the Mining Division (Asarco and Peru solar, energy efficiency, electrically-powered mine trucks and renewable energy at new operations), 7.4% from the Infrastructure Division (Fenicias), 8.4% from the Transportation Division (locomotive retrofitting), and the remainder is attributed to the reductions since 2018.

For more information on how these reduction actions are contributing to the emissions intensity reduction target, see HERE.

Regarding the capex that will be needed for the opportunities presented for the 2035 period, we have started to map the amounts we will need to invest in renewable energies for our assets in Peru and ASARCO, these being the sites currently in operation.

In the case of Peru, we are estimating an investment of US$40-100 million, depending on the installed capacity, and for ASARCO, we are waiting for the results of the feasibility study that will be prepared in 2024.

For the other opportunities presented for this period, we will continue to follow the technological advances with our truck and train providers, and also the development of our new mine projects, to then estimate more realistic investment amounts.



Toll booth on the Salamanca-Leon highway, Guanajuato, Mexico

Long term (2050)

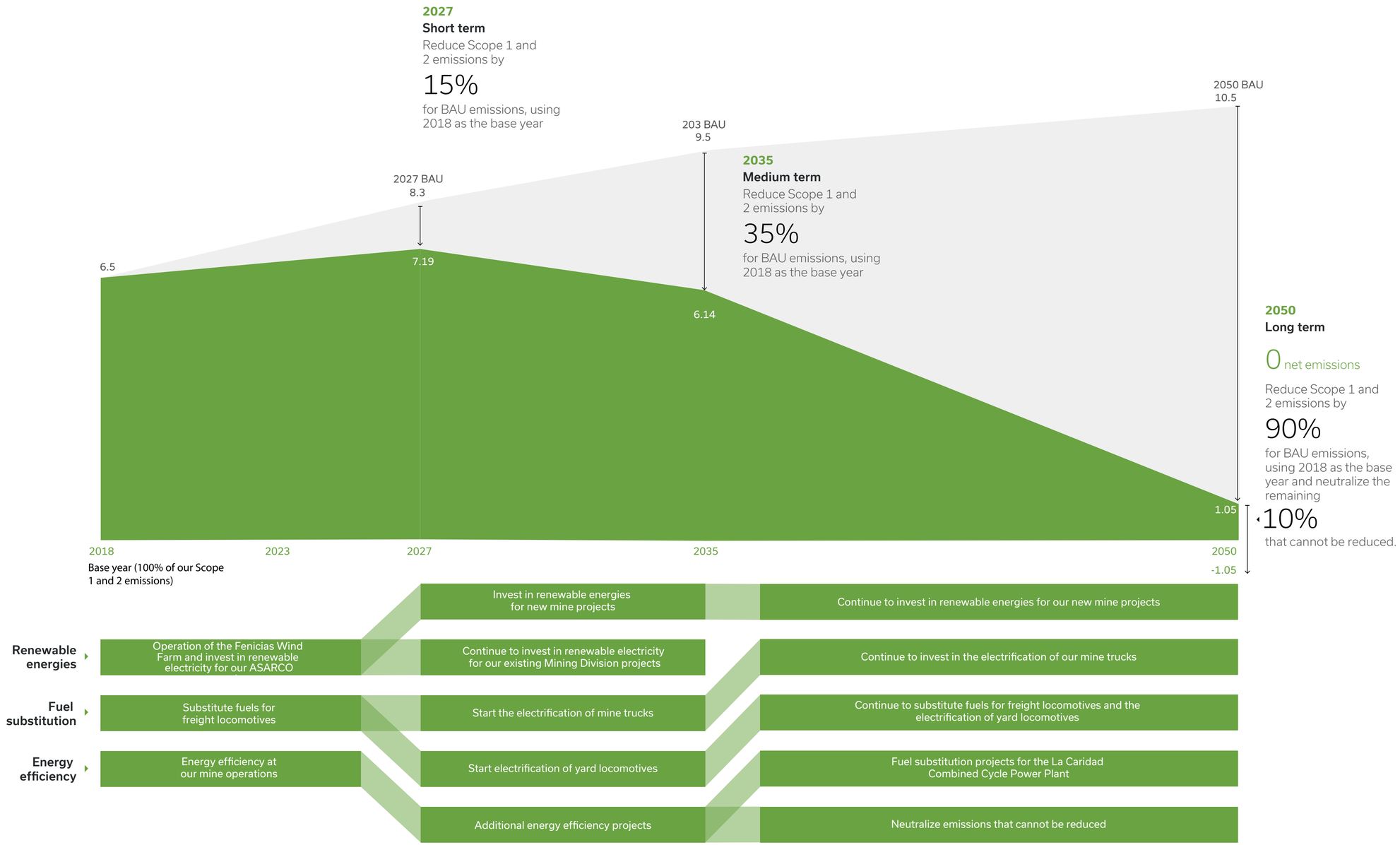
Our target is **net zero emissions** (Scope 1 and 2) by **2050 for BAU emissions, using 2018 as the base year**.

Actions to achieve our targets:

- **Continue investing in electrically powered mine trucks.** We expect 100% of our current fleet of mine trucks to be electrically powered by 2050, as we estimate that by then all our current trucks will have reached the end of their useful life, therefore there will be an opportunity to invest in new electrically powered trucks. We believe that having a 100% electric fleet by 2050 is crucial to achieving our target of net zero emissions by 2050.
- **Continue investing in renewable energies for new mine projects.** By 2050, we have set the target of all our operations, including new projects, operating on renewable energies, which will significantly reduce our Scope 2 emissions.
- **Continue investing in electrically powered locomotives.** Our target is that the majority of the Transportation Division's locomotives will be electric by 2050.
- **Develop long term fuel substitution projects.** Ideally, the electricity generated at our "La Caridad" combined cycle power plant will gradually be replaced with renewable energies in the medium and long term, but if that is not possible, we believe that these emissions can be reduced by substituting natural gas for hydrogen, expecting the production and supply of this alternative fuel will be a reality by 2030.
- **Neutralize the emissions that cannot be reduced.** To achieve our target of net zero emissions by 2050, we will need to take actions to neutralize those carbon emissions that are difficult or impossible to reduce, which we estimate will be around 10% of our BAU emissions calculated for 2050. Such actions may include carbon capturing and sequestering or using the carbon dioxide from the direct emissions produced by the chemical processes associated with lime production and the residual energy from generating power by natural gas at our "La Caridad" combined cycle power plant. We are also considering implementing nature-based solutions or even purchasing carbon offsets.

As of 2023 close, Grupo México has not used "offsets" or carbon credits (own or from third parties) to offset our operational emissions.

Regarding the capex that will be needed for the opportunities presented for the 2050 period, we will continue to follow the technological advances with our truck and train providers, and also the development of our new mine projects, to then estimate more realistic investment amounts. For the nature-based solutions presented, we identified approximately 28,000 acres (11,300 hectares) near our mine operations in Mexico in 2023, where we are looking to develop reforestation and ecosystem conservation projects to permanently remove carbon from the atmosphere. In 2024, we will define how to quantify the capex needed and the carbon capture potential associated with these projects, and their feasibility for offsetting emissions from company operations and our value chain. We will also be analyzing the possibility of developing a carbon capture and use project in 2024 for our lime plant, and the corresponding investment.


2027
Short term
Reduce Scope 1 and 2 emissions by
15%
for BAU emissions, using 2018 as the base year
2035
Medium term
Reduce Scope 1 and 2 emissions by
35%
for BAU emissions, using 2018 as the base year
2050
Long term
0 net emissions
Reduce Scope 1 and 2 emissions by
90%
for BAU emissions, using 2018 as the base year and neutralize the remaining
10%
that cannot be reduced.
2050 BAU 10.5
203 BAU 9.5
2027 BAU 8.3
6.5
7.19
6.14
1.05
-1.05
2018
2023
2027
2035
2050
Base year (100% of our Scope 1 and 2 emissions)
Renewable energies
Fuel substitution
Energy efficiency
Operation of the Fenicias Wind Farm and invest in renewable electricity for our ASARCO
Substitute fuels for freight locomotives
Energy efficiency at our mine operations
Invest in renewable energies for new mine projects
Continue to invest in renewable electricity for our existing Mining Division projects
Start the electrification of mine trucks
Start electrification of yard locomotives
Additional energy efficiency projects
Continue to invest in renewable energies for our new mine projects
Continue to invest in the electrification of our mine trucks
Continue to substitute fuels for freight locomotives and the electrification of yard locomotives
Fuel substitution projects for the La Caridad Combined Cycle Power Plant
Neutralize emissions that cannot be reduced

Emissions reductions in our value chain

One of our strategic priorities at Grupo México is to work with our suppliers and customers to reduce our company emissions as we have identified that the largest portion of our organizational footprint has historically been attributed to our value chain. This led us to prepare an analysis in 2023 to expand our climate change strategy to address reducing our Scope 3 emissions, aligned with the best practices in our sector and global trends. This analysis was built on 5 key points:



1. **Gather accurate Scope 3 information:** We have been reporting our Scope 3 carbon footprint for the last 5 years and in 2022 we defined a more robust methodology for gathering information, based on the ICMM Scope 3 Accounting and Reporting Guidance and the GHG Protocol, to identify additional sources of emissions and prepare a more representative inventory. As a result, we set 2022 as our baseline or base year. Also, we have created working groups with our customers and suppliers who are the highest contributors to our Scope 3 emissions to share information (emission factors, carbon footprint for products, etc.) to aid in tracking emissions efficiently and to identify opportunities for reduction.

2. **Share Grupo México's targets and goals:** Our process for setting targets and goals is built on a methodology that helps us to quantify potential increases in the emissions of Grupo México according to a "business as usual" scenario to understand our context in the short, medium and long term, while also determining the approximate reductions we need to achieve to maximize the positive impact of our company.

3. **Define and implement emissions reduction levers:** This process was developed by identifying the actions that will make the greatest contribution to reducing our emissions, based primarily on the operational emissions reduction targets (Scope 1 and 2) that our major customers and suppliers are reporting, on mapping the displacement of Scope 3 emissions resulting from the implementation of reduction projects at our operations (for example, energy efficiency projects, electrically-powered mine trucks and locomotives, and investments in renewable energies), and on defining collaboration plans with customers and suppliers to identify efficiencies in logistics and to select inputs with a lower carbon intensity.

4. **Set emissions reduction goals:** The efforts discussed above have led to the targets presented, based on actions that can be tracked and monitored over time. These targets focus mainly on the most representative Scope 3 emissions blocks in our inventory, which were defined according to the "Project Method" suggested under the GHG Protocol, to quantify the potential reductions from individual mitigation projects in terms of a baseline (meaning, a hypothetical or "business as usual" scenario that considers emissions with no mitigation projects).

5. **Measure and track the impact:** These targets are monitored constantly and are revised according to innovations in the industry and the efforts we identify together with our customers, suppliers and other players. Additionally, we have mechanisms in place to stay in contact and to enforce compliance with certain requirements through the Grupo México Code of Conduct for Customers and Suppliers, and the Code of Conduct for Business Partners with our major business partners. Our aim is to expand these controls over the coming years to add efficient tracking of the progress on this strategy.

This analysis identified the following emissions reduction levers that were compatible with our strategy:

- Implement low carbon procurement policies.
- Replace high-emissions capital with low-emissions capital.
- Replace fossil fuel consumption at our operations and through our value chain with renewable energies.
- Increase efficiency in the production and logistics for our products and services.
- Collaborate with key players (national and international customers, suppliers and organizations) to exchange accurate information and identify opportunities for emissions reduction.
- Follow market good practices and reduction initiatives in the sector.

Quantification of the emissions reduction levers:

We distribute our Scope 3 carbon footprint in percentages of relevance according to each category quantified for the baseline (2022). We then divide the carbon footprint into 3 reduction blocks defined according to the volume of emissions and the reduction levers where we could have the most influence, to prioritize the categories with the greatest impact. Lastly, we consider projects and actions that could reduce emissions through in-depth investigations into good practices and actions identified in the market and reported by our value chain. This helps us to estimate for each time horizon in our climate change strategy (2027, 2035 and 2050), the emissions reduction targets presented here to achieve these targets in a tangible and measurable way.



Silver Bell mine pit, Arizona, United States

Emissions reductions block #1 (suppliers, customers, capital goods and products)		
Scope 3 categories	**$ktCO_2eq$**	**% relevance**
Category 1 (purchased goods and services)	2,126	27%
Category 10 (processing of products sold)	529	7%
Category 2 (capital goods)	2,247	29%
Total GMEX 2022	**4,902**	**63%**
Total AMC 2022	**4,460**	**57%**

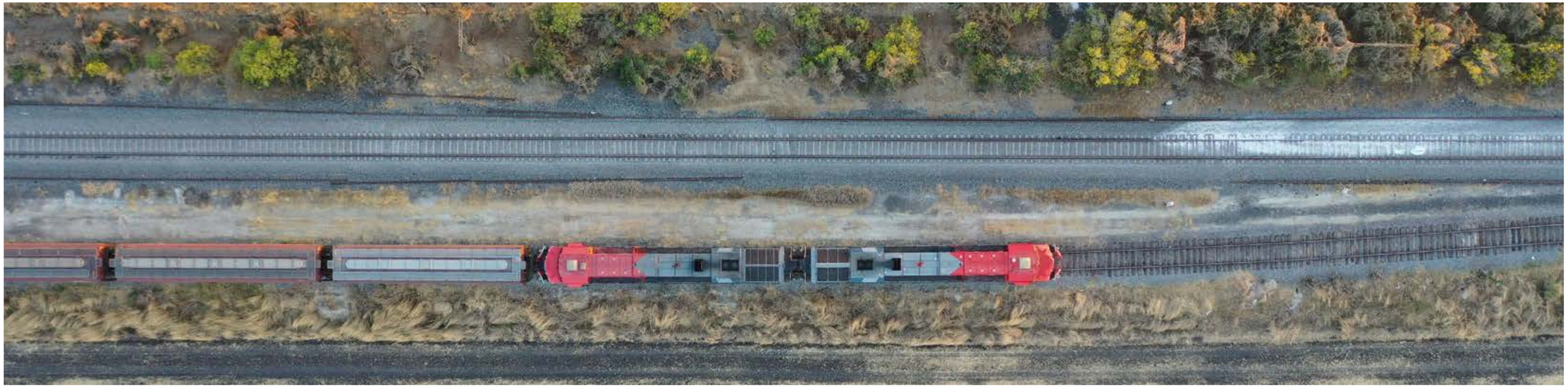
High priority

Most relevant emissions reduction levers

- Implement low carbon procurement policies
- Collaboration with key players
- Monitor good practices in the market and reduction initiatives in the sector
- Replace high-emissions capital with low-emissions capital

Examples of initiatives that would impact our footprint

- Implementation of our Policy and Code of Conduct for Suppliers, which invites our suppliers to minimize their emissions, increase their use of renewable energy and continuously improve their energy efficiency.
- Creation of working groups with the 10 customers and suppliers that are the highest contributors to our footprint to review emission factors, confirm consumptions, unify calculation methodologies and share information about opportunities to reduce emissions from processes.
- Analysis of the carbon footprint for company and customer products to implement reduction strategies.
- Analysis of the carbon footprint for our major inputs to identify lower emission options.
- Collaboration and follow up with suppliers in terms of their emissions reduction initiatives.



Ferromex, Mexico

Emissions reduction block #2 (vehicles and fuels for the transportation of inputs and products)		
Scope 3 categories	**$ktCO_2eq$**	**% relevance**
Category 3 (fuels and energy consumption)	1,519	20%
Category 4 (upstream transportation and distribution)	829	11%
Category 9 (downstream transportation and distribution)	398	5%
Total GMEX 2022	**2,746**	**36%**
Total AMC 2022	**2,196**	**28%**

Medium priority

Most relevant reduction levers

- Replace fossil fuel consumption at our operations and through our value chain with renewable energies
- Improve efficiency in the production and logistics for our products and services
- Replace high-emissions capital with low-emissions capital
- Monitor good practices in the market and reduction initiatives in the sector

Examples of initiatives that would impact our footprint

- Development energy efficiency and renewable energy projects at our mines to displace indirect emissions associated with the processing and distribution of fossil fuels and electricity.
- Adoption alternative fuel sources with a lower carbon footprint.
- Implementation of fuel saving initiatives in the Transportation Division to improve the transportation logistics for our products.
- Replace diesel mine trucks and vehicles with electrically powered trucks and vehicles in the medium and long term to reduce the emissions in our value chain.
- Monitor the evolution of the industry from heavy vehicles to electrically powered as a standard for the distribution and transportation of goods.
- Efficiency analysis for our transportation routes.

Emissions reductions block #3 (disposal of waste, employee commuting and others)		
Scope 3 categories	**$ktCO_2eq$**	**% relevance**
Category 5 (waste generated)	70	1%
Category 13 (downstream leased assets)	55	1%
Category 7 (employee commuting)	14	0.18%
Category 6 (business travel)	3.6	0.05%
Total GMEX 2022	**142**	**2%**
Total AMC 2022	**75**	**0.96%**

Long term priority

Most relevant reduction levers

- Replace high-emissions capital with low-emissions capital
- Implement low carbon procurement policies
- Collaboration with key players
- Monitor good practices in the market and reduction initiatives in the sector

Examples of initiatives that would impact our footprint

- Analysis to ascertain the feasibility of treating or recycling internally spent tires generated at our operations.
- Implementation of our Policy and Code of Conduct for Suppliers, which invites our suppliers to minimize their emissions, increase their use of renewable energy and continuously improve their energy efficiency.
- Analysis to identify programs that support circular economies as applicable to our operations.

-10%

Short term (2027): reduce our Scope 3 absolute emissions by 10% for BAU emissions, using 2022 as the base year

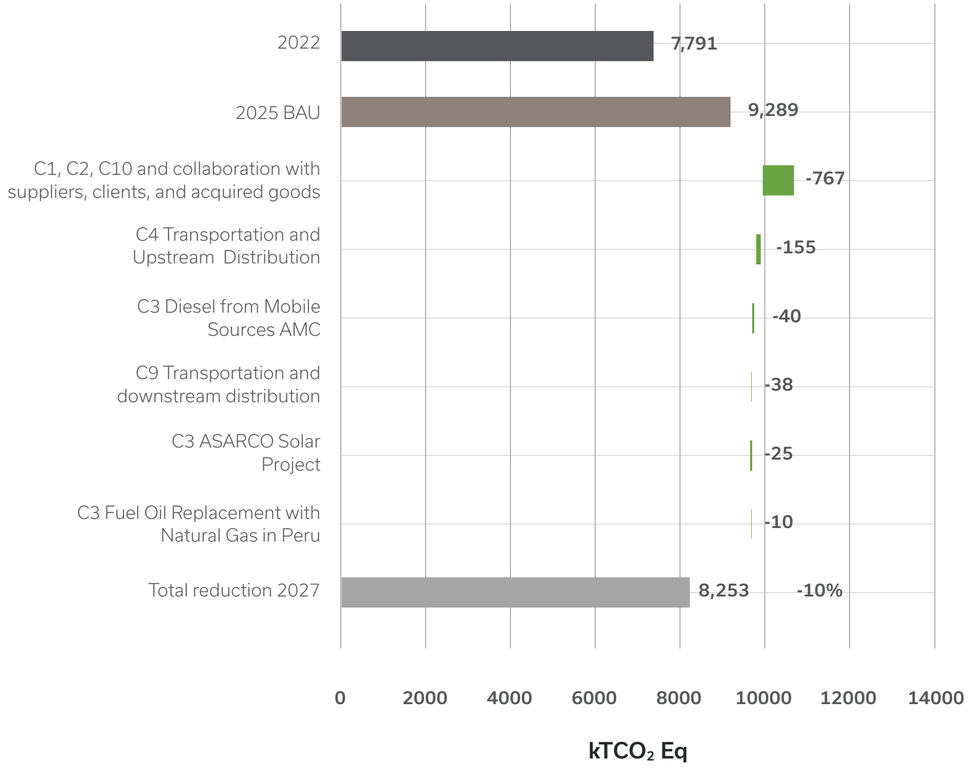
-20%

Medium term (2035): reduce our Scope 3 absolute emissions by 20% for BAU emissions, using 2022 as the base year

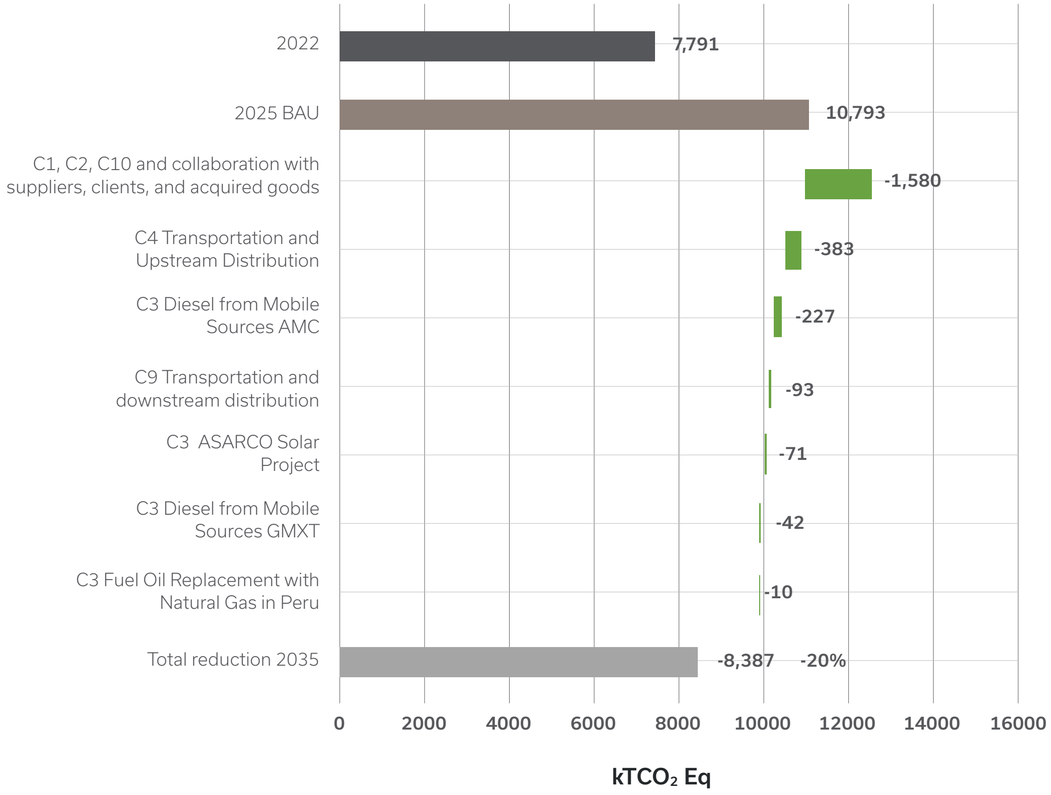
-30%

Long term (2050): reduce our Scope 3 absolute emissions by 30% for BAU emissions, using 2022 as the base year, although our aspiration is to reach the 60% proposed by the International Copper Association

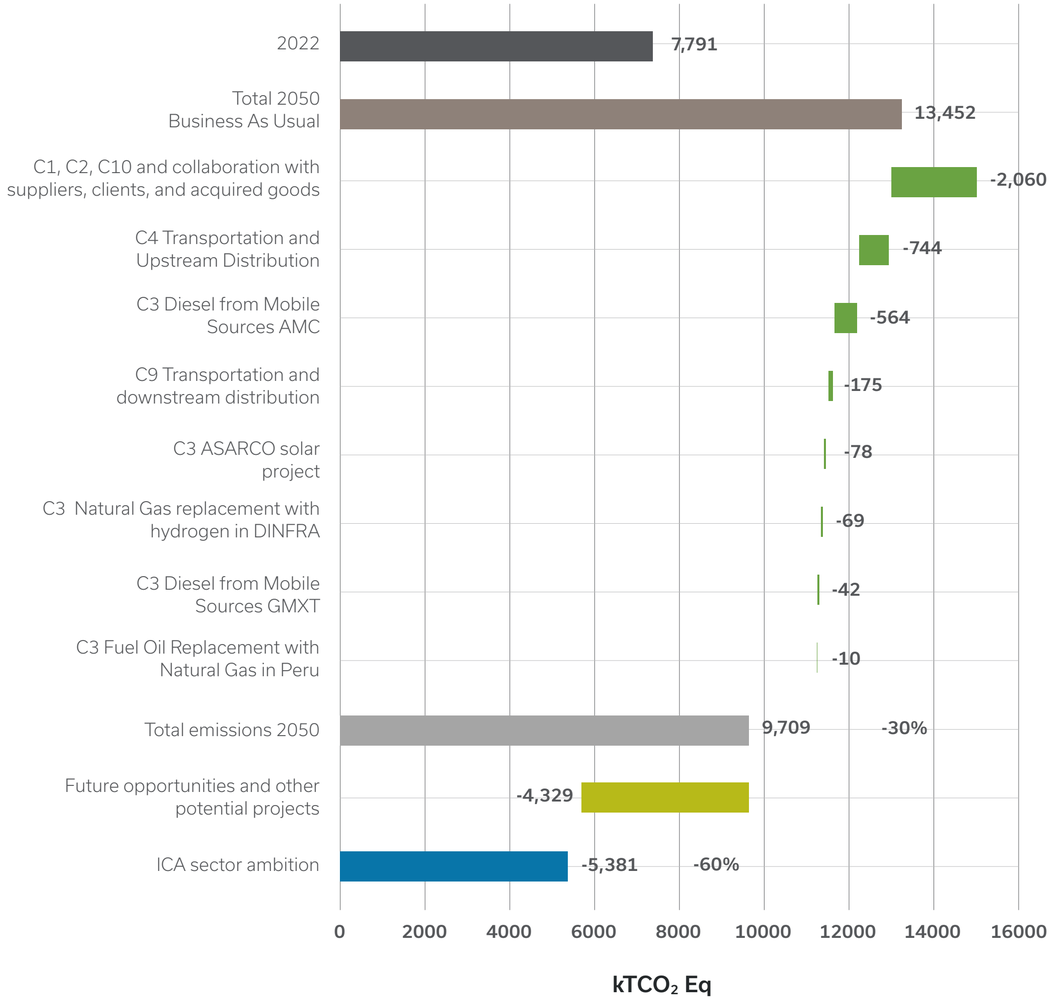
2027 Decarbonization roadmap (Thousand tons)



2035 Decarbonization roadmap (Thousand tons)



2050 Decarbonization roadmap (Thousand tons)



We want to highlight that at Grupo México, we support the Science Based Targets initiative (SBTi), the primary goal of which is to help companies to set emissions reduction targets in line with climate science and the goals of the Paris Agreement. We have included the recommendations of this initiative in the preparation of the targets outlined above, analyzing whether they are in keeping with what the most recent climate science considers necessary to achieve the goals of the Paris Agreement: limit global warming to well below 2°C above preindustrial levels and pursuing efforts to limit warming to 1.5°C.

However, given that we need to incorporate the long term growth of the company to better reflect a more realistic and transparent projection of our "business as usual" emissions, and taking into account it is probable that the technological solutions that will be key to reducing our emissions will only be ready in the long term, we have concluded that, at this time, we are not able to set reduction targets that are aligned with the recommendations of this initiative.

The next action to strengthen our climate change strategy, and by consequence, achieve the Scope 1, 2 and 3 emissions reduction targets presented here, is to continue strengthening our emissions reduction roadmap to identify additional opportunities to reduce emissions and continue analyzing the capital expenditures required and the anticipated annual costs to implement the actions described here.

As we move forward with this review, we will be open to analyzing whether our reduction targets will require adjustments to align with climate science and the SBTi initiative. Meanwhile, we are open to collaborating with this initiative in the development of a specific guide for the mining sector, which we believe would significantly drive the efforts of the sector to set emissions reduction targets in line with the Paris Agreement.



La Caridad mine, Nacozari de Garcia, Sonora, Mexico

6.1.6 Next Steps

Our goals in 2024 are:

- Define how to implement internal carbon pricing that will support our operations in anticipating potential regulations and favor the reduction of their carbon footprint. With the finance team, in 2023, we began to explore how the company's financial projections would be affected (in terms of copper sales) if a general carbon tax were to be implemented in the short and medium term in the countries where we operate.
- Begin to analyze the carbon footprint for copper concentrates and cathodes considering operational emissions (Scope 1 and 2) and from our value chain (Scope 3) for our major Sonora and SPCC sites.
- Define how to quantify the capital expenditure needed and the potential for carbon capture from nature-based projects and their feasibility for offsetting emissions from company operations and our value chain.
- Revise our analysis of climate scenarios to identify new physical risks associated at the operational level and prepare adaptation plans for our most vulnerable sites.

6.1.7 Metrics

GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-5, 305-7

We evaluate the performance of our climate change strategy and the different mechanisms through the following indicators:

Energy consumption

a. Total energy consumptions (fuels and electricity), by country and subsidiary (GJ)

Greenhouse gas emissions

a. Carbon footprint, operational emissions
b. Historic operational emissions, bar chart
c. Operational emissions (historic)
- Scope 1
- Scope 2

d. INTENSITIES METRIC (TABLE)

Fuels

a. Year fuel consumptions (GJ) by division, country and type of fuel (bar)
b. Total fuel consumptions (GJ)
c. Year fuel consumptions by division, country and type of fuel (GJ)
d. Grupo México emissions from fuel consumption in mobile combustion sources by type of gas
e. Grupo México emissions from fuel consumption in fixed combustion sources by type of gas

Electricity

a. Historic electricity consumption by country and division
b. 2023 Electricity consumption by source (in MWh)
c. Mining Division grid energy consumption
d. RENEWABLE ENERGY CONSUMPTION TABLE

Scope 3 emissions

a. Scope 3
- Scope 3 emissions by category
- Emissions by category and division (pie)

Summary of the Grupo México corporate footprint

a. Scope 1, 2, 3 total emissions by division and scope
b. Total emissions MtCO2eq
c. Year operational emissions MtCO2eq
d. Grupo México total emissions detailed by scope, subsidiary and country (ktCO2eq)

Energy Consumption

GRI 302-1, 302-3, 302-4

Total energy consumption (fuels and electricity) (GJ) by country and subsidiary
GRI 302-1| SASB EM-MM-130a.1

Division / Subsidiary	2023	2022	2021	2020	2019	Variance 2023-2022 (%)
Total MIN DIV	51,692,293	52,942,758	51,310,021	49,082,890	52,072,515	-2.36%
SCC	45,606,967	46,971,120	44,609,792	43,244,904	43,208,095	-2.90%
Mexico (MM)	27,824,494	29,274,794	27,343,238	26,743,178	26,450,947	-4.95%
Peru (SPCC)	17,782,473	17,696,326	17,266,554	16,501,726	16,757,148	0.49%
USA (ASARCO)	6,085,326	5,971,638	6,700,229	5,837,986	8,864,420	1.90%
Total TRA DIV	18,935,395	17,624,701	18,216,612	17,469,906	19,836,559	7.44%
Mexico	17,443,066	16,264,664	16,921,974	15,873,940	17,190,295	7.25%
United States	1,492,330	1,360,036	1,294,638	1,595,966	2,646,264	9.73%
Total INF DIV	**23,063,246**	**24,219,428**	**25,120,070**	**26,037,483**	**28,189,659**	**-4.77%**
Total Grupo México	**93,690,934**	**94,786,887**	**94,646,703**	**92,590,279**	**100,098,733**	**-1.16%**

The Mining Division reduced its consumption of fuels and electricity because of atypical operating conditions at some of our sites in Mexico. Additionally, the Infrastructure Division reduced its energy consumption by 4.8%, due to a pause in operations for maintenance at the Combined Cycle Power Plant.

Energy intensity

Division / Subsidiary	2019	2020	2021	2022	2023
Energy intensity (GJ/ tCu))	41.9	39.3	42.8	43.4	45.3

73 %

of the energy Grupo México consumes is associated with fuels, while the remainder is electricity purchased or self-generated.

2023

Grupo México's total energy consumption was 93,690,934 GJ.

Greenhouse gas emissions (GHG)

GRI 302-3, 305-1, 305-2; 305-5, TCFD MYO-A, MYO-B

We report the GHG emissions resulting from our activities (Scope 1 and 2) and for the fourth year in a row, we also report the GHG emissions associated with our value chain (Scope 3).

Scope 1

Include all emissions generated from the use of fossil fuels by fixed and mobile sources, and also emissions from chemical and physical processes, in the case of the Mining Division emitted during lime production.[18]

Scope 2

Include indirect emissions from the consumption of electricity produced by third parties.

Scope 3

Include all other indirect emissions associated with the company's activities, upstream and downstream.
The Scope 3 emissions produced by our value chain are included in the inventories to identify opportunities to collaborate with our supplier and customer stakeholders to promote emission reduction measures outside of our Grupo México operations.

The 2022 GHG emissions inventory was prepared according to the guidelines of the Greenhouse Gas Protocol[19] with a corporate focus that considers the multiple synergies between the three divisions of Grupo México to avoid a double accounting of the GHG emissions. For example, the power the Infrastructure Division supplies to the Mining Division and to the Transportation Division, and also the rail services the Transportation Division provides to the Mining Division.

The emissions accounting followed an operational control approach that includes all material operations of the three divisions. Also, and in alignment with the GHG Protocol guidelines, Scope 2 emissions were calculated using the 'market-based' approach and the 'location-based' approach[20]. The Scope 2 emissions reported here refer to the 'market-based' approach, unless otherwise indicated.

Estimates were used to calculate the Scope 1 emissions from fuel consumption in fixed and mobile sources, not direct measuring. Excluded from our Scope 1 emissions are: Buenavista del Cobre landfill and the wastewater treatment plants at our different operations, due to their negligible values in the total emissionsreported for Grupo México.

[18] Fugitive emissions associated with the use of cooling and air conditioning equipment are included as they account for 0.4% of the Scope 1 emissions for all of Grupo México.
[19] "Corporate Accounting and Reporting Standard – Revised Edition" and the "Value Chain (Scope 3) Accounting and Reporting Standard" supplement to the GHG Protocol, prepared by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).
[20] Market-based calculations consider contractual instruments for renewable energies (for example, renewable energy certificates, power contracts, and "green" tariffs) estimating the emissions associated with supplying electricity. Different from market-based calculations, location-based calculations consider only regional power production averages when calculating emissions.

Greenhouse Gas Emissions

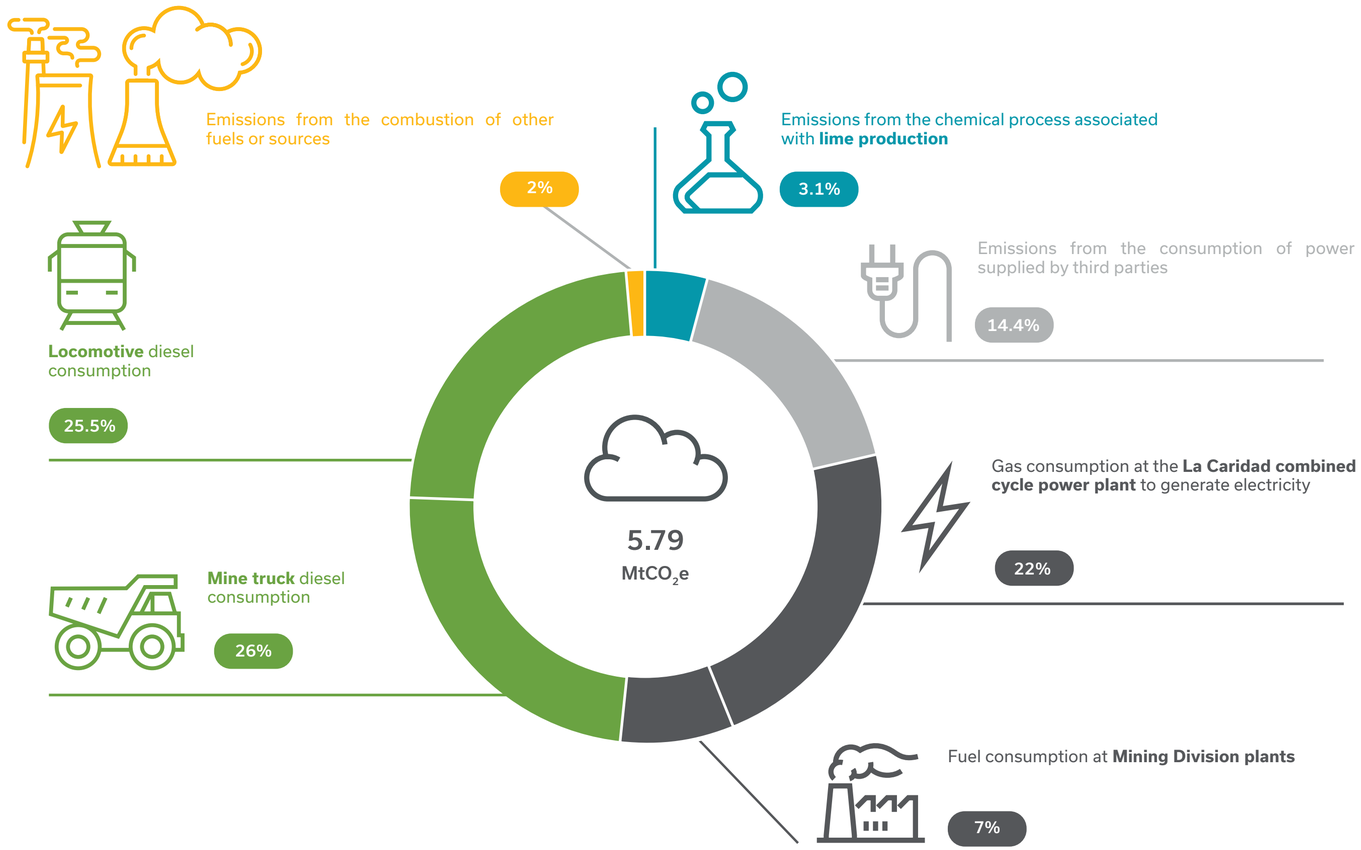
SASB EM-MM-110a.1; TR-RA-110a.1; IF-EU-110a.1, TCFD MYO-B

Operational emissions include Scope 1 and Scope 2 emissions. In the particular case of Grupo México, operational emissions encompass those stemming from the use of fuels in stationary and mobile sources, electricity purchased from third parties outside of Grupo México, and process emissions during lime production (CO_2 emissions emitted during the transformation of limestone into lime).

Considering the three divisions of the organization, Grupo México's total operational emissions were 5,783 ktCO2e in 2023. The most significant source of emissions comes from fuel consumption in mobile sources (representing 51.5% of total operational emissions), followed by combustion in stationary sources (28.9%), and the consumption of electricity acquired from third parties (14.4%)*.

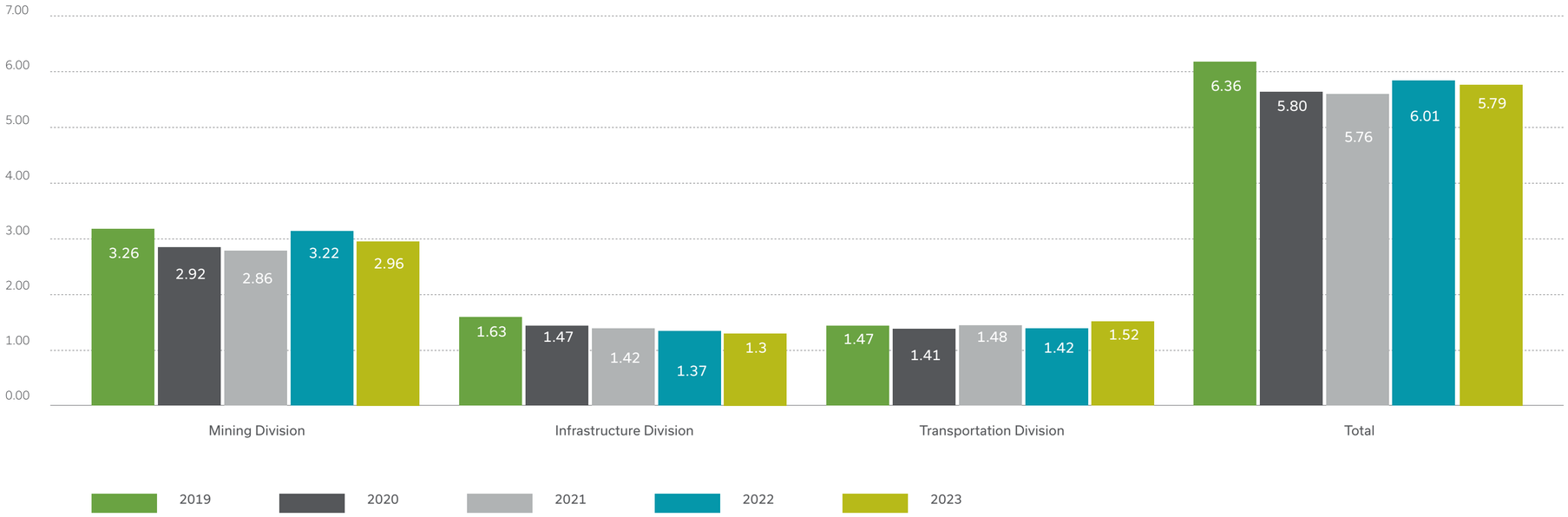
The graph demonstrates the breakdown by category of operational emissions in 2023.

Greenhouse Gas Operational Emissions 2023



* Emissions from electricity generation by the La Caridad Combined Cycle Plant are accounted for as Scope 1 emissions associated with the Infrastructure Division.

Operational Emissions 2019 - 2023 ($MtCO_2e$)



Grupo México's operational emissions in 2023 were 3.6% lower than in 2022, largely due to:

- Reduced production at the lime plant due to atypical operating conditions (31% decrease in emissions, compared with 2022).
- Reduced consumption of electricity from third parties (19.3% decrease in emissions, compared with 2022), due to atypical operating conditions at some sites.
- Purchase of international renewable energy certificates (iRECs) for the Kallpa contracts in Peru, which decreases the total Scope 2 emissions for this region (231,884 tonCO_2e).
- Reduced production at the Amarillo refinery due to atypical operating conditions.
- Reduced consumption of natural gas at the combined cycle power plant due to a pause for maintenance (5.1% decrease in emissions, comparted with 2022).

Operational emissions

GRI 305-1, 305-2 | SASB EM-MM-110a.1; TR-TRA-110a.1

Division / Subsidiary	2023 ($MtCO_2e$)			2022 ($MtCO_2e$)			2021 ($MtCO_2e$)			2020 ($MtCO_2e$)			2019 ($MtCO_2e$)			Total variance 2023-2022 (%)
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	
Mining Division	**2.14**	**0.82**	**2.96**	**2.19**	**1.02**	**3.22**	**2.05**	**0.81**	**2.86**	**1.82**	**1.1**	**2.92**	**1.99**	**1.27**	**3.26**	**-7.89%**
SCC	1.91	0.46	2.37	2.00	0.61	2.61	1.81	0.43	2.24	1.64	0.6	2.25	1.73	0.6	2.34	-9.11%
Mexico (MM)	1.20	0.46	1.66	1.28	0.44	1.72	1.13	0.26	1.39	1.01	0.43	1.45	1.04	0.43	1.46	-3.58%
Peru (SPCC)	0.71	0.00	0.71	0.72	0.17	0.89	0.68	0.17	0.85	0.63	0.17	0.8	0.7	0.18	0.87	-19.79%
USA (ASARCO)	0.23	0.36	0.59	0.19	0.41	0.61	0.24	0.38	0.62	0.18	0.5	0.68	0.26	0.67	0.92	-2.65%
Transportation Division	**1.51**	**0.01**	**1.52**	**1.41**	**0.01**	**1.42**	**1.47**	**0.02**	**1.48**	**1.4**	**0.01**	**1.41**	**1.46**	**0.02**	**1.47**	**6.99%**
Mexico	1.41	0.01	1.42	1.32	0.01	1.33	1.38	0.01	1.38	1.3	0.01	1.31	1.28	0.01	1.29	6.87%
USA	0.10	0.00	0.10	0.09	0.00	0.10	0.09	0.01	0.1	0.1	0	0.1	0.18	0	0.18	8.66%
Infrastructure Division	**1.30**	**0.00**	**1.30**	**1.37**	**0.00**	**1.37**	**1.42**	**0**	**1.42**	**1.47**	**0**	**1.47**	**1.63**	**0**	**1.63**	**-4.64%**
Total Grupo México	**4.95**	**0.84**	**5.79**	**4.97**	**1.04**	**6.01**	**4.94**	**0.83**	**5.76**	**4.69**	**1.12**	**5.81**	**5.08**	**1.29**	**6.37**	**-3.63%**

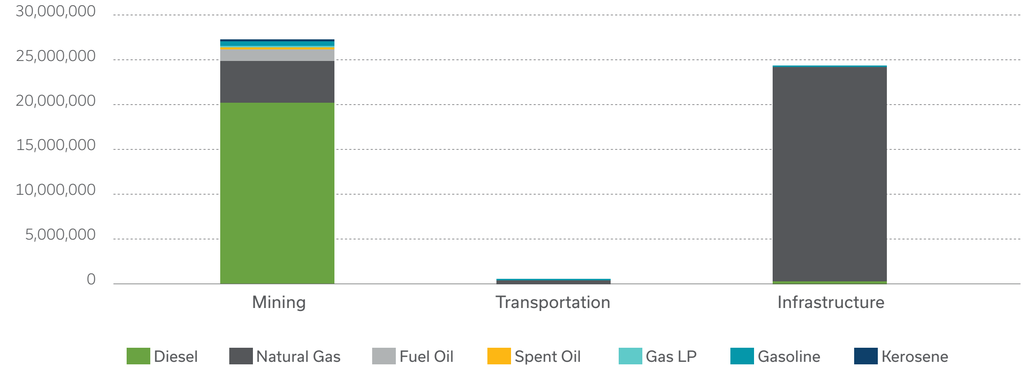
Uncertainty analyses were not prepared for the emissions data and information.

Emission intensity

RI 305-4

Division / Subsidiary	2023	2022	2021	2020	2019
Emission intensity (tCo_2e/tCu)	3.5	3.7	3.5	3.4	3.7

Fuel consumption (GJ) 2023, by division and type of fuel



Grupo México's total fuel consumption in 2023 was 68,745,529 GJ, representing a 0.43% increase over 2022.

Total fuel consumption (GJ) 2023
GRI 302-1 y 302-4| SASB EM-MM-130a.1

Division / Subsidiary	2023	2022	2021	2020	2019	Variance 2023-2022 (%)
Mining Division	**26,911,922**	**26,687,316**	**25,824,547**	**22,539,763**	**24,802,317**	**0.8%**
SCC	23,608,101	23,823,553	22,298,456	19,948,887	20,615,271	-0.9%
Mexico (MM)	14,255,889	14,319,810	13,341,052	11,668,361	11,841,271	-0.4%
Peru (SPCC)	9,352,211	9,503,744	8,957,404	8,280,526	8,774,000	-1.6%
USA (ASARCO)	3,303,821	2,863,762	3,526,092	2,590,876	4,187,046	15.4%
Transportation Division	**18,785,162**	**17,490,892**	**18,034,289**	**17,328,458**	**19,684,339**	**7.4%**
Mexico	17,339,492	16,161,349	16,815,368	15,764,106	17,073,314	7.3%
USA	1,445,670	1,329,542	1,218,921	1,564,352	2,611,025	8.7%
Infrastructure Division	**23,048,444**	**24,207,036**	**25,112,209**	**26,030,720**	**28,182,646**	**-4.8%**
Total Grupo México	**68,745,529**	**68,385,244**	**68,971,045**	**65,898,941**	**72,669,302**	**0.53%**

Diesel and natural gas are th emost used fuels in the organization, representing 58% and 39% of our total fuel consumption, respectively. in terms of total GHG emissions from the use of fuels, diesel represented 53%, while natural gas, being a cleaner fuel, contributed 26%. The principal consumers of diesel in Grupo México are the Mining Division (53%) to move mine trucks, and the Transportation Division (46%) to move locomotives, while the principal consumer of natural gas is the Infrastructure Division (84%), with the La Caridad combined cycle power plant being the primary consumer. The Mining Division accounts for the remaining 16% of the natural gas consumed, mainly by the Processing Plant and the Lime Plant in Sonora.

Diesel consumption at our mines increased because of the greater hauling distances at our open pit sites. Natural gas consumption decreased 6%, due mainly to lower consumption at the La Caridad combined cycle power plant because of major maintenance on the turbines and the reduced production at the lime plant and the Amarillo refinery due to atypical operating conditions. Lastly, fuel oil consumption decreased 2.5%.

Fuel consumption (GJ) 2023, by division, country and type of fuel
SASB TR-RA-110a.3

Division / Subsidiary	Spent oil	Fuel oil	Diesel	Gasoline	Natural gas	LP Gas	Kerosene
Mining Division	**94,656**	**1,268,664**	**21,153,085**	**241,957**	**3,891,090**	**252,595**	**9,875**
SCC	94,656	1,204,640	18,102,427	188,349	3,782,196	225,958	9,875
Mexico (MM)	94,656	51,000	9,966,240	185,432	3,782,196	166,490	9,875
Peru (SPCC)	-	1,153,639	8,136,187	2,917		59,468	
USA (ASARCO)	-	64,024	3,050,658	53,609	108,893	26,637	
Transportation Division	-	-	**18,195,767**	**184,819**	**399,465**	**5,112**	
Mexico	-	-	16,798,284	136,974	399,123	5,112	
USA	-	-	1,397,483	47,845	342		
Infrastructure Division	-	-	**426,717**	**31,010**	**22,590,178**	**539**	
Total Grupo México	**94,656**	**1,268,664**	**39,775,569**	**457,786**	**26,880,733**	**258,246**	**9,875**
% of whole	**0.14%**	**1.85%**	**57.86%**	**0.67%**	**39.10%**	**0.38%**	**0.01%**



Ferromex, Mexico



Mine truck at the La Caridad mine, Nacozari de Garcia, Sonora, Mexico

Grupo México emissions from fuel consumption in mobile combustion sources by type of gas
SASB SASB EM-MM-110a.1

Division / Subsidiary	tCO_2e	tCO_2e		
		CO_2	CH4	N_2O
Mining Division	**1,524,436**	**1,501,648**	**2,457**	**20,331**
SCC	1,332,053	1,310,947	2,048	19,058
Mexico (MM)	740,425	728,550	1,188	10,686
Peru (SPCC)	591,629	582,397	860	8,372
USA (ASARCO)	192,383	190,701	409	1,273
Transportation Division	**1,508,880**	**1,376,067**	**2,273**	**130,540**
Mexico	1,408,870	1,276,958	2,066	129,845
USA	100,011	99,108	207	695
Infrastructure Division	**34,188**	**33,585**	**66**	**537**
Total Grupo México	**3,067,504**	**2,911,299**	**4,796**	**151,409**

Grupo México emissions from fuel consumption in fixed combustion sources by type of gas
SASB SASB EM-MM-110a.1

Division / Subsidiary	tCO_2e	tCO_2e		
		CO_2	CH4	N_2O
Mining Division	**406,811**	**405,459**	**476**	**876**
SCC	372,325	371,241	374	710
Mexico (MM)	257,864	257,500	143	221
Peru (SPCC)	114,461	113,741	231	490
USA (ASARCO)	34,486	34,218	102	165
Transportation Division				
Mexico	.	.	.	.
USA	.	.	.	.
Infrastructure Division	**1,268,780**	**1,267,527**	**634**	**620**
Total Grupo México	**1,675,591**	**1,672,986**	**1,110**	**1,495**

Electricity

GRI 302-1, 302-4

TCFD MYO-A

Electricity consumption by country and division 2023 and 2022

GRI 302-1

Division / Subsidiary	2023		2022		2021		2020		2019		Variance 2023-2022 (%)
	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	
Mining Division	**6,883,436**	**24,780,371**	**7,293,178**	**26,255,442**	**7,079,298**	**25,485,474**	**7,373,091**	**26,543,127**	**7,575,055**	**27,270,198**	**-5.6%**
SCC	6,110,796	21,998,867	6,429,880	23,147,567	6,197,593	22,311,336	6,471,116	23,296,017	6,275,785	22,592,824	-5.0%
Mexico (MM)	3,769,057	13,568,605	4,154,162	14,954,985	3,889,496	14,002,186	4,187,449	15,074,817	4,058,243	14,609,676	-9.3%
Peru (SPCC)	2,341,739	8,430,262	2,275,717	8,192,582	2,308,097	8,309,150	2,283,667	8,221,200	2,217,541	7,983,148	2.9%
USA (ASARCO)	772,640	2,781,504	863,299	3,107,876	881,705	3,174,137	901,975	3,247,110	1,299,271	4,677,374	-10.5%
Transportation Division	**41,731**	**150,233**	**37,169**	**133,809**	**50,645**	**182,323**	**39,290**	**141,447**	**42,284**	**152,220**	**12.3%**
Mexico	28,770	103,574	28,699	103,315	29,613	106,606	30,509	109,834	32,495	116,981	0.3%
USA	12,961	46,659	8,471	30,494	21,033	75,717	8,781	31,613	9,789	35,239	53.0%
Infrastructure Division	**4,111**	**14,801**	**3,442**	**12,392**	**2,184**	**7,861**	**1,879**	**6,763**	**1,948**	**7,013**	**19.4%**
Total Grupo México	**6,929,279**	**24,945,405**	**7,333,789**	**26,401,643**	**7,132,127**	**25,675,658**	**7,414,261**	**26,691,337**	**7,619,287**	**27,429,431**	**-5.5%**

Electricity consumption in 2023 was 6,929,279 MWh (24,945,405 GJ). The Mining Division accounted for 99.4% of the total electricity consumed, while the Transportation Division and the Infrastructure Division consumed 0.5% and less than 0.1%, respectively. Compared with 2022, total electricity consumption decreased 5.5% because of atypical operating conditions at some sites, like the Buenavista del Cobre mine, the Lime Plant and the Amarillo Refinery.

Electricity consumption by source (MWh) 2023
GRI 302-1 SASB EM-MM-130a.1

Divison / Subsidiary	Renewable sources					Non-renewable sources					Total (renewable + non-renewable sources)
	Generated on site	Supplied by the Infrastructure Division (El Retiro)	Supplied by the grid (unrelated third parties)	Subtotal renewable sources	Subtotal renewable sources (%)	Generated on site	Supplied by the Infrastructure Division	Supplied by the grid (unrelated third parties)	Subtotal non-renewable sources	Subtotal non-renewable sources (%)	
Total Grupo México	**19,629**	**13,487**	**2,322,110**	**2,355,226**		**41,511**	**2,645,267**	**1,887,275**	**4,574,053**		**6,929,279**
Mining Division	19,629	2,248	2,322,110	2,343,987	34.05%	41,511	2,645,267	1,852,671	4,539,449	65.95%	6,883,436
Transportation Division	0	11,239	0	11,239	26.93%	0	0	30,492	30,492	73%	41,731
Infrastructure Division	0	0	0	0	0.00%	0	0	4,111	4,111	100.00%	4,111
Total Grupo México (%)	**0.29%**	**0.03%**	**33.73%**	**33.99%**		**0.60%**	**38.43%**	**26.91%**	**66.01%**		**100.00%**

The total emissions associated wtih electricity consumption (Scope 2) were 836 $ktCO_2e$ in 2023, representing a 19.2% year-over-year. This was principally because of the purchase of international renewable energy certificates (iRECs) for the Kallpa contracts in Peru and also the atypical operating conditions already mentioned. As a result, the overall proportion of renewable electricity increased from 19.5% to 34% in 2023.

Electricity consumption by source (MWh) 2023 - Mining Division
GRI 302-1 SASB EM-MM-130a.1

Division / Subsidiary	Renewable sources					Non-renewable sources					Total (renewable + non-renewable sources)
	Generated on site	Supplied by the Infrastructure Division (El Retiro)	Supplied by the grid (unrelated third parties)	Subtotal renewable sources	Subtotal renewable sources (%)	Generated on site	Supplied by the Infrastructure Division	Supplied by the grid (unrelated third parties)	Subtotal non-renewable sources	Subtotal non-renewable sources (%)	
Total Mining Division (MWh)	**19,629**	**2,248**	**2,322,110**	**2,343,987**		**41,511**	**2,645,267**	**1,852,671**	**4,539,449**		**6,883,436**
SCC	19,629	2,248	2,322,110	2,343,987	38%	41,511	2,645,267	1,080,031	3,766,809	62%	6,110,796
Mexico	0	2,248	0	2,248	0.06%	41,511	2,645,267	1,080,031	3,766,809	99.94%	3,769,057
Per (SPCC)	19,629	0	2,322,110	2,341,739	100%	0	0	0	0	0%	2,341,739
USA (ASARCO)	0	0	0	0	0%	0	0	772,640	772,640	100%	772,640
Total Mining Division (%)	**0.29%**	**0.03%**	**33.73%**	**34.05%**		**0.60%**	**38.43%**	**26.91%**	**65.95%**		**100.00%**

As the Mining Division accounted for 99.3% of the total electricity consumed by the organization in 2023, the following table details consumption by source for the subsidiaries of the Mining Division.

Mining Division grid power
SABS EM-MM-130a.1

Subsidiary	% electricity supplied by the grid	% electricity supplied off the grid
SCC	55.67%	44.33%
Mexico (MM)	28.66%	71.34%
Peru (SPCC)	99.16%	0.84%
USA (ASARCO)	100.00%	0.00%
Total Mining Division	**60.65%**	**39.35%**

All the electricity our mine operations in Peru consume comes from renewable sourceds (100%). The proportion of renewable electricity consumed by SCC and the Mining Division is 38% and 34%, respectively. The emission factor for the Infrastructure Division's Combined Cycle Power Plant in Sonora is lower (5%) compared to the Mexico's national grid.

	2019	2020	2021	2022	2023	2027 Target	2035 Target
Renewable electricity consumption (%)	18.6	19.8	22.6	19.8	34	At least 25%	50%

Scope 3 Emissions

GRI 305-3
TCFD MYO-B

The total Scope 3 emissions in 2023 were 8,165 $ktCO_2e$. The three main categories for Grupo México remained in keeping with our reporting last year, however, there was a slight change in the proportion of the most relevant categories: purchased goods and services (29%), processing of products sold (30%) and fuel and energy usage (16%).

The emissions associated with processing of products sold are relevant only to the Mining Division, as this Division supplies raw materials to other companies that manufacture finished and semi-finished products. In 2023, this was the most relevant category because the principal product sold is copper, which is essential in manufacturing clean and renewable technologies, needed for the transition to low-carbon economies and will only increase over time.

Scope 3 emissions by category [a]

Upstream emissions	($ktCO_2e$)	70%
1. Purchased goods and services [b]	2,374	29%
3. Fuel and energy usage [c]	1,275	16%
4. Upstream transportation and distribution [d]	981	12%
2. Capital goods [e]	476	6%
5. Waste generated by operations [f]	121	1%
7. Employee commuting [f]	17	0.20%
6. Business travel [g]	5.6	0.07%
Downstream emissions		**36%**
10. Processing of products sold [h]	2,438	30%
9. Downstream transportation and distribution [i]	423	5%
13. Downstream leased assets [j]	55	1%
Total Grupo México	**8,165**	**100%**

Notes about the chart:

a. Numbers rounded to the nearest digit.
b. Includes emissions associated with the manufacturing of the principal products and material services purchased by Grupo México.
c. Emissions associated with the extraction, processing and transportation of the fuels used by the organization. This category also includes the fuels used to generate the electricity supplied by third parties and which is consumed in the operations of Grupo México. Also included are the emissions from energy lost during transmission and distribution.
d. Emissions generated by the transportation and distribution provided by third parties to the Mining Division and the Infrastructure Division (including sea, rail and road transportation paid for by the company).
e. Includes the emissions associated with the manufacturing of the capital goods acquired by Grupo México.
f. Emissions associated with air travel by employees and contractors.
g. The emissions in this category are those produced by Grupo México customers when they process the products sold into other finished or semi-finished products. The calculation for this category includes the processing of the copper, molybdenum, zinc, lead and cadmium the organization sold in 2020.
h. Emissions associated with the fuel consumption of the oil rigs leased by the Infrastructure Division, considering only the fuels paid for by Grupo México.
i. Emissions produced by the transportation and distribution provided by third parties to the Mining Division and the Infrastruccture Division (including sea, rail and road transportation).
j. Emissions associated with managing waste from operations (landfills, recycling, incineration, etc.).

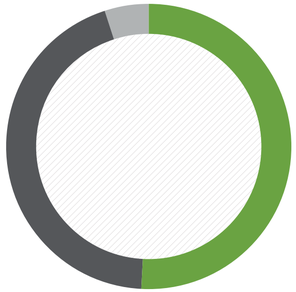
For more information, see the SCC and Transportation Scope 3 emissions in the Annexes. The following charts show the distribution of Scope 3 emissions for each division, reflecting the characteristics of their activities.

Emissions by category
Mining Division



34%	28%	14%
Processing of products sold	Purchased goods and services	Downstream leased assets

Emissions by category
Transportation Division



51%	44%	5%
Fuel and energy usage (WTT)	Purchased goods and services	Capital goods

Emissions by category
Infrastructure Division

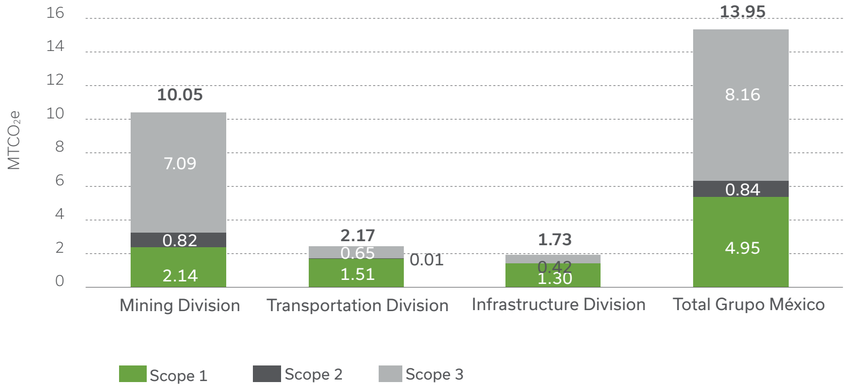


53%	24%	13%
Fuel and energy usage (WTT)	Purchased goods and services	Downstream leased assets

Summary of the Grupo México corporate carbon footprint

TCFD MYO-B

Total Scope 1, 2, and 3 emissions by division and scope

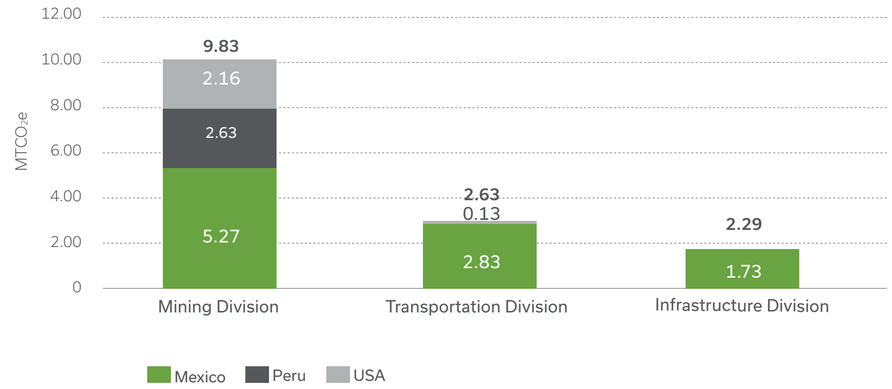


In 2023, our GHG emissions for all three scopes totaled 13,95 ktCO$_2$eq.

Scope 1 emissions decreased 0.38%, approximately 19,000 tons CO$_2$eq, from 2022 to 2023, mainly due to atypical operating conditions during 2023. These conditions reduced our consumption of natural gas, fuel oil and spent oil in fixed combustion sources. Despite this, our emissions remained at levels similar to last year as the uniform increase in mobile combustion sources is related to the increase in haulage distances for all Mining Division Scope 1 emissions.

The Mining Division Scope 1 emissions are, on average, 34% higher than those of the Infrastructure and Transportation divisions. Our Scope 2 and 3 emissions are produced primarily by our mining activities.

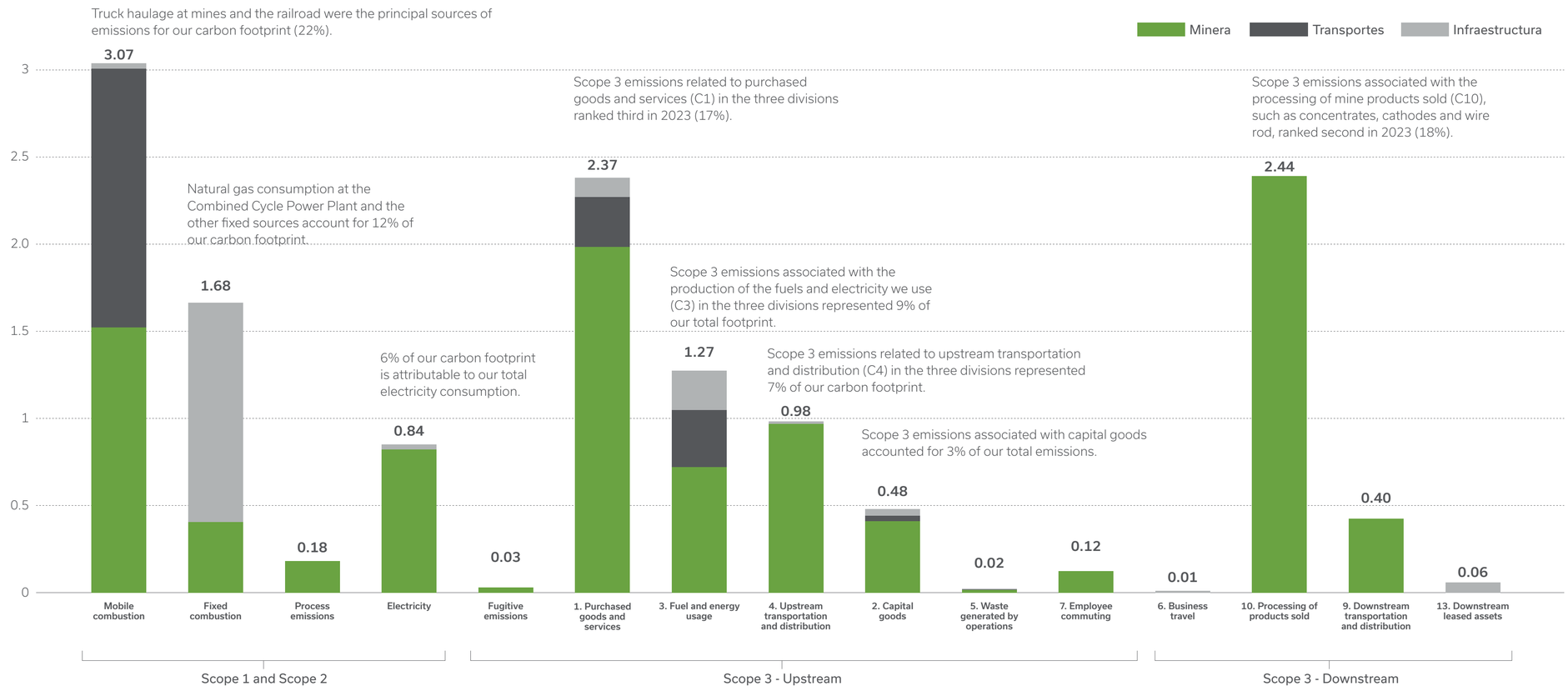
Total emissions MtCO$_2$e



Our Scope 2 emissions decreased 19% as this year, the Mining Division acquired iREC renewable energy certificates for the first time for our Peru operations (SPCC). As a result, the emission factor for market-based emissions is trackable and helps us to reach an emission factor of zero. Also, our electricity consumption decreased 5.5% due to atypical operating conditions at some sites, like our Buenavista del Cobre mine, the Lime Plant and the Amarillo Refinery.

The electricity consumption of the other Grupo México divisions reported similar levels to last year and remains a variable of lesser importance as the Mining Division continues to represent our highest electricity consumption (99.3% of the total for Grupo México).

Total Greenhouse Gas Emissions 2023 ($MtCO_2e$)



Scope 3 emissions reported in 2023 were 9% lower than in 2022.

Our analysis applied the same methodology as was used last year, congruent with the information gathering tools across the three company divisions to refine the analysis.

Our detailed results for the year-over-year variance in emissions are described following for each category:

* Note: Scope 1 and 2 are reported together due to the information collection and analysis being conducted together.

	Mining Division	Infrastructure Division	Transportation Division
C1 y C2*	Reported a decrease due to a correction in the calculations for purchases of goods, services and capital goods.	There was a decrease in purchased goods and services as some concepts, such as machinery or repair and installation services, reported a decrease of more than 50% in 2023 due to atypical operating conditions.	Construction services were 90% lower than last year and use of trucks decreased 33% year-over-year.
C3	Atypical operating conditions at Buenavista del Cobre, the Lime Plant and Amarillo Refinery resulted in lower energy consumption.	Reduced natural gas consumption due to a pause in operations for maintenance.	Energy consumption increased due to higher volumes of goods transported in 2023.
C4	Average increase proportionate to the growth percentages in other categories.	Percentage increase proportionate to the higher sales of the Infrastructure Division	Not applicable, not material.
C5	Increase in waste because of Pilares starting operations and the general implementation of projects generated more waste.	Decrease due a correction of the calculation for emissions associated with solid waste.	To be defined
C6	The post-pandemic stabilization of our administrative activities is reflected in the increase in these emissions.		
C7	The post-pandemic stabilization of our administrative activities is reflected in the increase in these emissions.		
C8	Grupo México does not lease assets to third parties as part of our normal course of business.		
C9	Although the tons/km was lower, the transportation methods or vehicles used were more carbon-intensive.	Not applicable because the bulk of our products are not transportable by conventional means.	Not applicable, this division moves its own goods.
C10	Although there was a decrease in the production of some minerals, we report increased sales of copper products in 2023, and these products are more carbon-intensive than others.	Not applicable because the bulk of our products are not processable or used in other markets, meaning not business to business (b2b).	Not applicable because the bulk of our products are not processable or used in other markets, meaning not business to business (b2b).
C11	Not included, as the products Grupo México sells do not, by their nature, generate direct emissions in their final use.		
C12	Not included, as these emissions are considered non-material because the minerals sold have low end-of-life emissions and the services of the other division do not generate products that have end-of-life emissions.		
C13	The Mining Division does not lease downstream assets to third parties as part of its normal course of business.	The operations of the Infrastructure Division remained within a range that did not materially alter downstream leased assets.	The Transportation Division does not lease downstream assets to third parties as part of its normal course of business.
C14	Grupo México does not franchise operations to third parties.		
C15	Grupo México does not have third party equity investments, debt, or project financing, or managed investments or customer services.		

Grupo México total emissions by scope, subsidiary and country ($ktCO_2e$)
GRI 305

Division / Subsidiary	Direct emissions (Scope 1)	Indirect emissions from electricity consumption (Scope 2)	Emissions associated with our value chain (Scope 3)	Total emissions
Mining Division		**822**	**7,089**	**10,052**
SCC		460	5,528	7,900
Mexico (MM)		460	3,616	5,273
Peru (SPCC)		-	1,913	2,627
USA (ASARCO)		362	1,568	2,160
Transportation Division		**12.6**	**652**	**2,173**
Mexico		7.7	1,415	2,832
USA		4.9	24	129
Infrastructure Division		**1.8**	**424**	**1,729**
Total Grupo México	**4,953**	**837**	**8,165**	**13,955**
	35.5%	**6.0%**	**58.5%**	**100%**

Considering the three scopes, our mine operations in Mexico remain the primary source of emissions (37.8%), followed by our operations in Peru (18.8%), representing a total of 56.6% for SCC. Our railroad operations in Mexico represent 15.6%, while the Infrastructure Division in Mexico represents 12.4%, and mine and railroad operations in the United States represent 15.5% and 0.9%, respectively.



Mission mine, Sahuarita, Arizona, United States

Emissions Reduction

GRI 305-5

At Grupo México, we have been operating mitigation projects for several years, particularly related to energy. Initiatives in Mexico like the El Retiro wind farm in Oaxaca and cogeneration at the Processing Plant in Nacozari have increased our consumption of renewable energy and reduced our emission intensity. Additionally, third parties supply renewable energy to our operations in Peru.

These efforts have reduced our corporate carbon footprint by avoiding the emission of greenhouse gases (GHG) each year. These achievements are summarized in the following table, which reports the avoided emissions in 2023 and the emissions that will be reduced when the Fenicias wind farm starts operations.

Division	Project	Type	Avoided consumption (MWh/year)	Avoided emissions* ($ktCO_2eq$/year)
Projects implemented in prior years				
SPCC (AMC)	Power purchased from the grid	Renewable hydroelectric power	2,341,739	1,221
MM (AMC)	METCO	Congeneration (reusing smelter gases to generate electricity)	41,511	**
Grupo México	El Retiro	Wind power	13,487	6
New project implemented in 2022				
Total ($ktCO_2eq$/year)				**1,227**
Infrastructure	Fenicias	Renewable energy - 168MW wind farm	-	250 (future)

*Grupo México prepared the scenarios to estimate our emissions reductions from a conservative point of view and these scenarios are not yet aligned to a specific protocol or guide. The projects presented have not been subjected to a verification process that would validate the methodology, principles and assumptions used in the scenarios established to estimate the emissions reductions.

**The preliminary estimated emissions reduction is 18.18 $kTCO_2eq$/year. We're working at the methodological level to calculate and align the final reductions associated with this project to a specific reduction protocol developed and approved by expert institutions.

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6.2 Water and Effluents



6.1.1 Highlights

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6.1.3 Management and Strategy

6.1.4 Water and effluents in our other divisions

6.1.5 Metrics and Indicators

6.2
Water and Effluents

GRI 3-3

Water is an essential resource for sustainable development. Economic activities, ecosystems and human wellbeing depend on its availability and quality. Water is so important to sustainability that the United Nations (UN) has explicitly recognized the human right to water and sanitation since 2010, affirming these are essential rights that underlie all other human rights.

Responsible water management, from a comprehensive perspective and preventive approach, is one of the pillars in the Grupo México sustainable development strategy, aligning with United Nations Sustainable Development Goal 6, which calls for the efficient and sustainable use, recycling and reuse of water.

We recognize the importance and the challenges of the sustainable management of this resource. In this regard, Grupo México is committed to caring for water as an essential and strategic element in our operations, for the wellbeing of our communities, and for biodiversity conservation. This care includes activities throughout the lifecycle of our projects and our productive chain that focus on responsible water usage and the quality of the water we return to the environment.

Climate change represents a threat to the stability of the water cycle and the availability of this resource, while increasing the vulnerability of our operations and the communities we interact with every day. Because of this, we take considerable care to understand, prevent and better address the risks associated with water management, both at our sites and for the basins and watersheds where we operate, involving various stakeholders, principally our communities.
According to the *World Resources Institute Aqueduct: Water Risk Tool)*, 74% of our mines are situated in high water stress zones, representing 95% of Mining Division sales.

The water our operations consume comes from water tables, surface water, wastewater, recycled water and, on occasion, from the public supply. Our mining operations use volumes of water in different proportions for extraction and processing activities. Water is also used to transport mine waste (tailings). The close relationship between mining and water requires the responsible and informed management of this resource to ensure its sustainable use.

The water stress assessments we prepare for all our sites and neighboring communities form the base for our water management approach. These assessments identify the local and regional conditions, and also the current and future risks associated with this resource. They also help us to contribute to providing timely solutions to the needs of the community, to protecting the ecosystems, and to reducing the risks associated with water management.

Our Mining Division has 18 active mine operations in the United States, Mexico and Peru, which together account for 99% of the company's total water consumption.

Map of the basins and watersheds where SCC has presence



6.2.1 Highlights

We received a B rating from the CDP (formerly, the Carbon Disclosure Project) for the second time this year, for our performance in Water Security, positioning Grupo México above the average for the metals industry and above the average for North America, one step away from achieving the leadership category.

We maintained our efficiency in water reclaiming for reuse in our operations.

We are working on diversifying and balancing our water supply matrix by increasing our use of reclaimed water and treated wastewater in our processes.

6.2.2 Governance

The organizational structure of Grupo México supports efficient water management at our operations.

For more information, visit the Grupo México Sustainability website.



Guaymas terminal, Sonora, Mexico

6.2.3

Management and Strategy

GRI 303-1, 303-2

The Grupo México Environmental Policy commits us to minimizing our discharges, and to avoiding and reducing the risks and damages that our operations could cause to water sources. Through responsible water management, from a comprehensive perspective and with a preventive approach, Grupo México is committed to continue caring for water as an essential and strategic element in our operations, for the wellbeing of our communities, and for biodiversity conservation.

Our strategy aims to maintain and, where possible, improve the wellbeing of the communities influenced by our operations, and also preserve the integrity of the supply sources for our sites. This strategy is built on five pillars:

1. Preventive management of the risks associated with water usage at our operations.
2. Ongoing improvement in efficient water usage at our operations.
3. Ensuring the quality of the water we release back into the environment.
4. Collaboration with other players in the management of the river basins and watersheds where we work.
5. Generation of value added in water management.

Our Sustainable Water Management Protocol commits and encourages us to:

- Reduce our water footprint and minimize our wastewater discharges, maximizing reuse practices.
- Regularly update the water balances for each of our operations.
- Review and regularly update our analysis of risks and opportunities to address these in a timely manner.
- Regularly monitor the water tables and meteorological variables associated with our operations.
- Maintain a current inventory of the water-related risks and the environmental and social repercussions that our operations could cause to water sources, the risks that climate change represents for our operations, and plans for prevention and attention.
- Promote a transition in our water matrix to gradually, and wherever possible, replace fresh water sources with treated, reclaimed or desalinated water.
- Prepare scenarios to analyze the potential impact of water shortages on our operations.
- Use environmental performance indicators that contribute to improving this performance through a process of ongoing improvement based on recognized best practices.
- Contribute to protecting the environmental services that ecosystems provide, through water harvesting projects and reforesting in the river basins and watersheds where we operate.
- Incorporate sector best practices on reporting and engagement with stakeholders and to ensure regulatory compliance.
- Collaborate with other stakeholders, particularly in the management of the river basins and watersheds where we work, to protect and preserve this shared resource.

The Protocol sets the minimum requirements to be considered in the planning, management and implementation of water resources throughout the lifecycle of our projects, and also the responsibilities of each company department and operation. The specific roles and responsibilities are laid out in our environmental management systems. The protocol also includes actions throughout the lifecycle of our projects and productive chain, regarding water usage and the quality of the water when it is returned to the natural environment.

Identifying risks and opportunities

We identify the risks and impacts associated with water management before embarking on a new project, through supporting technical studies for zoning changes, preventive reports, and environmental impact assessments, which we update whenever there is a major change at an operation. These diagnostic tools inform different actions to prevent the risks and potential impacts on water resources and water users, including the ecosystems.

The risk assessment is updated whenever there is a change to the original scenario, to reflect the new circumstances.
The risk assessment process includes:

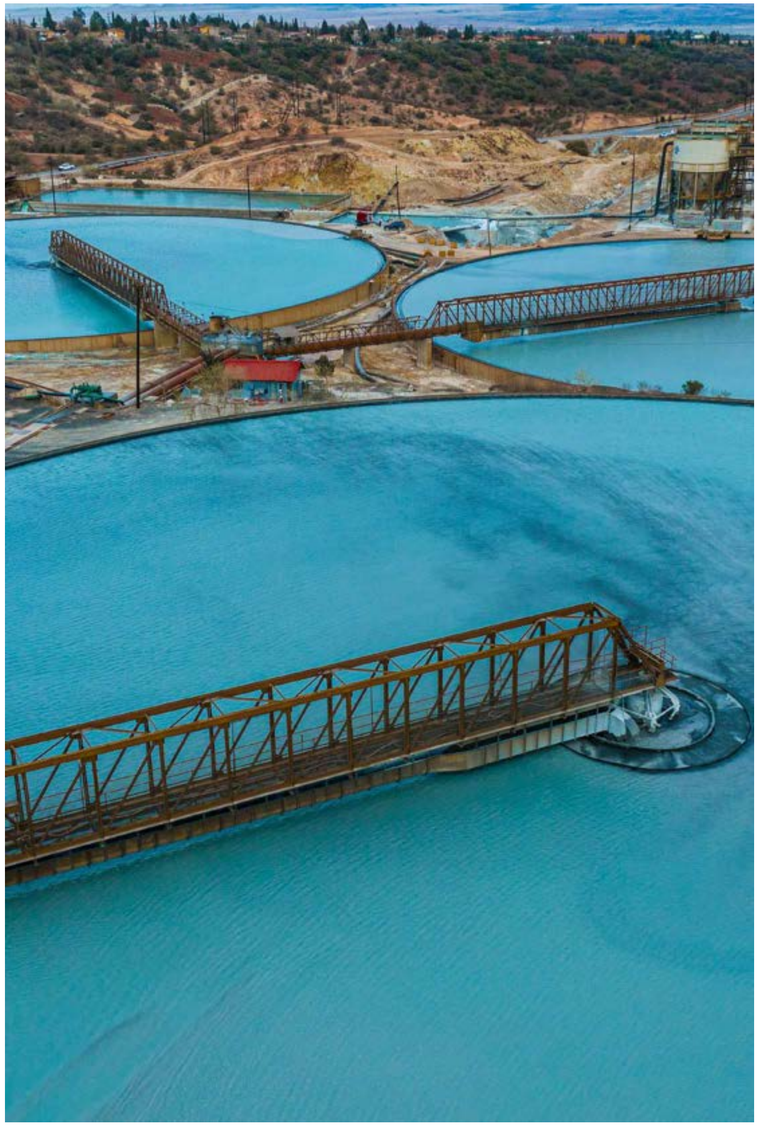
- Identify the risks that could affect water availability.
- Assess the risks based on their impact and probability of occurrence.
- Identify prevention and mitigation measures, accordingly (mitigation reduces the probability of occurrence).
- Reassess the risks post-mitigation.
- Apply the measures identified.

Various areas of the Mining Division participate in this permanent process, particularly the Water Resources Department, the Environmental Affairs Department, and our operations.

Short, medium and long term risks and opportunities

Our Mining Division has five active mining operations in the United States, two of which were exposed to negative water-related impacts in 2020. Our Silver Bell mine experienced a prolonged drought that resulted in requiring more water for dust control and processing. Electricity consumption increased for this same reason, as did our operating costs. The basin affected by this event was the Avra Valley, between Silver Bell and Tucson, in the Tucson Active Management Area (TAMA). Although this event caused an increase in our operating costs, it is not considered to have had a significant impact on the business or the site.

Our Mining Division has three active mining operations in Peru, which account for 37% of our total water extraction. Two of these operations (Toquepala and Cuajone) were exposed to intense rainfall in 2020, with the resulting flooding and landslides complicating access to the mines. The employee camp was also affected, and the integrity of the water supply lines. Although this event affected our operations, it is not considered to have had a significant impact on the business or the sites involved.



Thickeners at Buenavista del Cobre, Cananea, Sonora, Mexico



Thickener at the San Martin mine, Sombrerete, Zacatecas, Mexico

Short, medium and long term risks and opportunities

Type of impact:	Utilize potential opportunities
Legal	• Compliance with water extraction and usage permits for groundwaters and Surface waters.
Water availability	• Monitoring the water systems at our operations to determine water availability, volume and quality, and to identify and mitigate the risks associated with water management. • Improve water efficiency in our processes. • Improve efficiency in reclaiming water. • Diversify supply sources. • Reduce competition for this resource. • Works to increase water harvesting and conservation.
Water quality	• Monitoring water quality. • Contamination prevention.
Impacts on infrastructure and facilities from weather events	• Design (storm seasons). • Auxiliary facilities (overflow canals, rainwater diversions, contingency systems, etc.). • Preventive weather monitoring. • Incorporate international good practices, like the International Council on Mining and Metals (ICMM) Water Stewardship Framework.
Reputational	• Diversity supply sources (wastewater). • Social responsibility. • River basin and watershed projects (water capture, soil erosion prevention). • Involving other relevant players in water management. • Publish information.

Measures to address and manage negative impacts

GRI 303-2

Our ISO 14001 certified environmental management systems help us to identify, prevent and, as necessary, mitigate the impacts our operations may cause during the different stages of their lifecycle.

Accredited and approved labs regularly test the quality of our discharge wastewater to ensure we are in compliance with the regulatory limits and parameters.

Other specific actions

- We are currently reclaiming approximately 1.58 million gallons (6,000 m3) of water per day through our new tailings filtering plant at Quebrada Honda in Peru, equal to 159 gallons (0.6 m3) of water per ton of tailings. With a capacity of 10,000 t/day and representing an investment of US$27 million to date, this filtering plant is the largest tailings treatment facility of its kind in the market (581 million gallons (2.2 million m3) per year).
- Improvement of the infrastructure and equipment for the water supply system in Cananea, Sonora. Deficiencies in the water infrastructure of the community near our Buenavista del Cobre operations cause a loss of up to 49% from leaks, therefore we replaced pumping equipment, sectioned the system and repaired the existing leaks to benefit the 39,408 residents of Cananea.
- "Water, take it seriously" education program. The focal point of this major awareness campaign on caring for and saving water is a temporary exhibition installed at our *Casa Grande* community centers. The campaign is directed at the general community and focuses on topics that include the realities of water around the world, the water cycle, water footprint, good water practices in mining, and a call for community action.
- Drought Management Plan for the Tacna region. This instrument, unique in Peru, was developed in collaboration with the Australian government and is a tool for implementing actions to reduce impacts on the most vulnerable zones, according to the water events scale. This tool has been made available to those responsible for managing the water resources in the region and to take actions on the occurrence of extreme events, like droughts.
- Water Management Plan for the Locumba River Basin. Under this plan, we have prepared a diagnostic of the water resources and hydraulic infrastructure available in the Locumba River Basin and defined a strategic plan to improve water usage, today and in the future. This plan has been approved by the water authorities in Peru and has been made available to national, regional and local authorities to inform their investment decisions and ensure rational and efficient water usage, and also water security for the local communities.

Influence and involvement of stakeholders in the measures adopted

The regulatory authorities (SEMARNAT[1], CONAGUA[2], SENACE[3], ANA[4], and Arizona and Texas state governments in the United States) authorize water rights and environmental impact assessments, and approve measures to prevent, mitigate and offset environmental impacts throughout the lifecycle of our operations. Of note is that the environmental impact authorization process in Mexico and Peru involves evaluations that include public consultations with persons holding interest in the project. These public consultations are held during the design and approval stage, and nonprofit and community stakeholders usually participate.

Supervisory authorities (OEFA[5], PROFEPA[6], Arizona and Texas state governments and the USEPA[7] in the United States) monitor compliance with these obligations in terms of their effectiveness and timeliness.

The communities involved in our water management through our due diligence and community engagement mechanisms as part of our Community Development model: Participative Social Diagnostics, the Community Care Service, and the Community Committees.
Through these tools, we identify the needs and concerns raised by the community regarding this resource and we build solutions, together.
In Toquepala, Peru, the Environmental Supervisory and Monitoring Committee is made up of members of the civil society, authorities and company representatives, who actively participate in quarterly environmental monitoring, hold events to share the results, and convey the environmental concerns of the community to the company.

[1] Ministry of the Environment and Natural Resources (Mexico)
[2] National Water Board (Mexico)
[3] National Environmental Certification Service for Sustainable Investments (Peru)
[4] National Water Board (Peru)

[5] Environmental Assessment and Inspection Agency (Peru)
[6] Environmental Protection Agency (Mexico)
[7] United States Environmental Protection Agency (USA)

6.2.4

Water and effluents in our other divisions

Infrastructure Division

GRI 303-1, 303-2

Our Infrastructure Division is committed to efficient water usage and to managing the use of this resource considering the social, financial and environmental implications, affirming our commitment to water care in all our processes. Our efforts adhere to Mexican regulations and we adopt international standards voluntarily.

We use water in different ways at our more than 25 worksites, primarily for generating power, supplying the oil rigs, laying roads, preparing concrete, etc., therefore it is essential that we constantly monitor water discharges from our processes, improve our water efficiency, and maintain the environmental awareness of all our employees and stakeholders. To do this, we have defined three pillars to execute the comprehensive management of water resources:

1. Comprehensive protection of water resources.
2. Water efficiency and reuse at our operations.
3. Active participation with stakeholders.

We published a corporate "Comprehensive Water Management" procedure in 2023, which supports efficient monitoring of water extraction, consumption and discharges at our worksites, and also provides the specific steps to remain in full legal compliance, along with guidelines on actions for new projects.

Interactions with water as a shared resource

GRI 303-1

We're committed to meeting strict compliance with Mexican legislation, and to avoiding any negative impact on the environment or our communities. In this regard, we have a procedure in place to identify and review the legal requirements, monitor indicators monthly and take early action via our risk management processes, implementing operational controls to reduce our impact on the ecosystems.

Our environmental management system is designed to prevent impacts on ecosystems, waterbodies and communities, and we address related issues in three ways, primarily:

1. Annual reviews of the water stress status of the river basins and watersheds where we operate to identify problems of over-exploitation. The analysis uses public information from the Mexican National Water Board and international public tools.
2. Quarterly monitoring of the quality of effluents according to Mexican legislation to maintain the quality of the waterbodies in the regions where we operate.
3. Through the Reporting Line, we listen to the communities and address their concerns and needs to avoid disputes involving water usage in our processes.

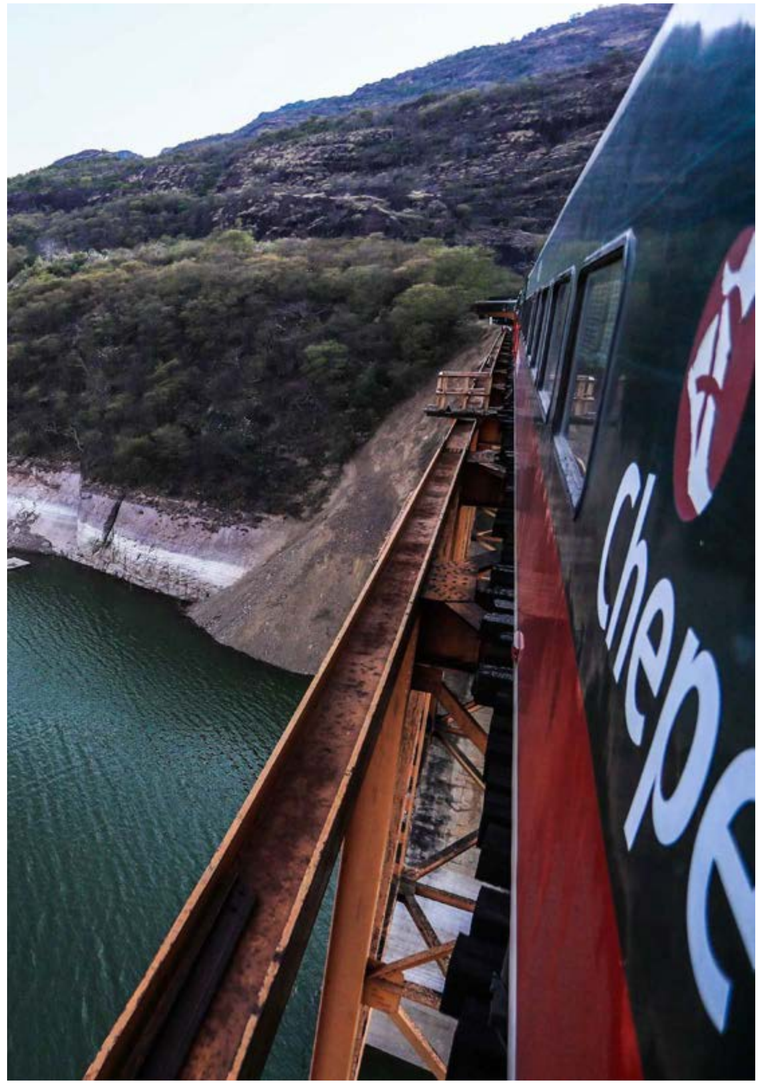
Management of impacts related to water discharges
GRI 303-2

An independent firm accredited by the Mexican accrediting agency (*Entidad Mexicana de Acreditación, A.C.*) monitors the water discharges at our worksites quarterly, considering more than 20 physical, biological, chemical and radioactive parameters, aligned with the Mexican standard NOM-001-SEMARNAT-2021, which includes the type of body that receives the discharge.

Regarding our offshore operations, in addition to the national standard, we align with the international directives defined in the MARPOL convention (International Convention for the Prevention of Pollution from Ships).

Transportation Division

Although water is not a material topic or a critical element for our Transportation Division operations, we acknowledge the importance and urgency of caring for this non-renewable resource. We're committed to reinforcing and improving our usage and interaction with water to maintain its availability and access for generations to come.



Thickener at the San Martin mine, Sombrerete, Zacatecas, Mexico

6.2.5
Metrics and Indicators
GRI 303-3, 303-4, 303-5

Our performance indicators in this area are:

Mining Division

a. Consumption of fresh water and reclaimed water
b. Water used in crushed ore (m^3/TMS)

Infrastructure Division

a. Water extraction
b. Water discharges

Transportation Division

a. Water consumption

Mining Division

a) Fresh water and reclaimed water consumption

GRI 303-5

Consumption of fresh and reclaimed water in terms of production at Americas Mining Corporation (AMC) concentrators.

	AMC Crushed ore
DMT	196,880,000

	AMC Total water	AMC Fresh water	AMC Reclaimed water
%	100	26	74
m³	400,073,077	104,019,000	296,054,077

	AMC Total water index	AMC Fresh water index	AMC Reclaimed water index
m³ / DMT	2.18	0.52	1.65

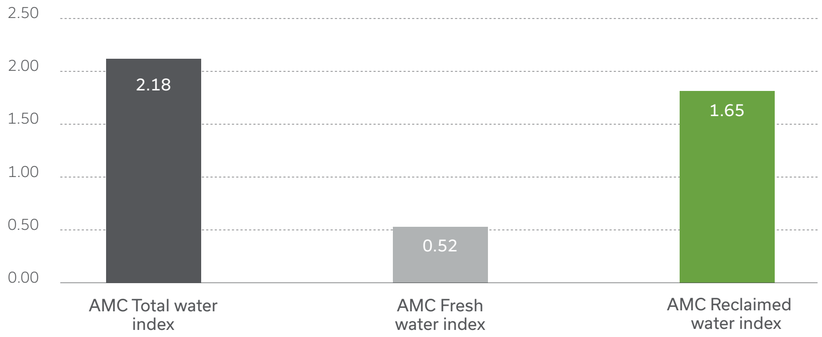
Mining Division



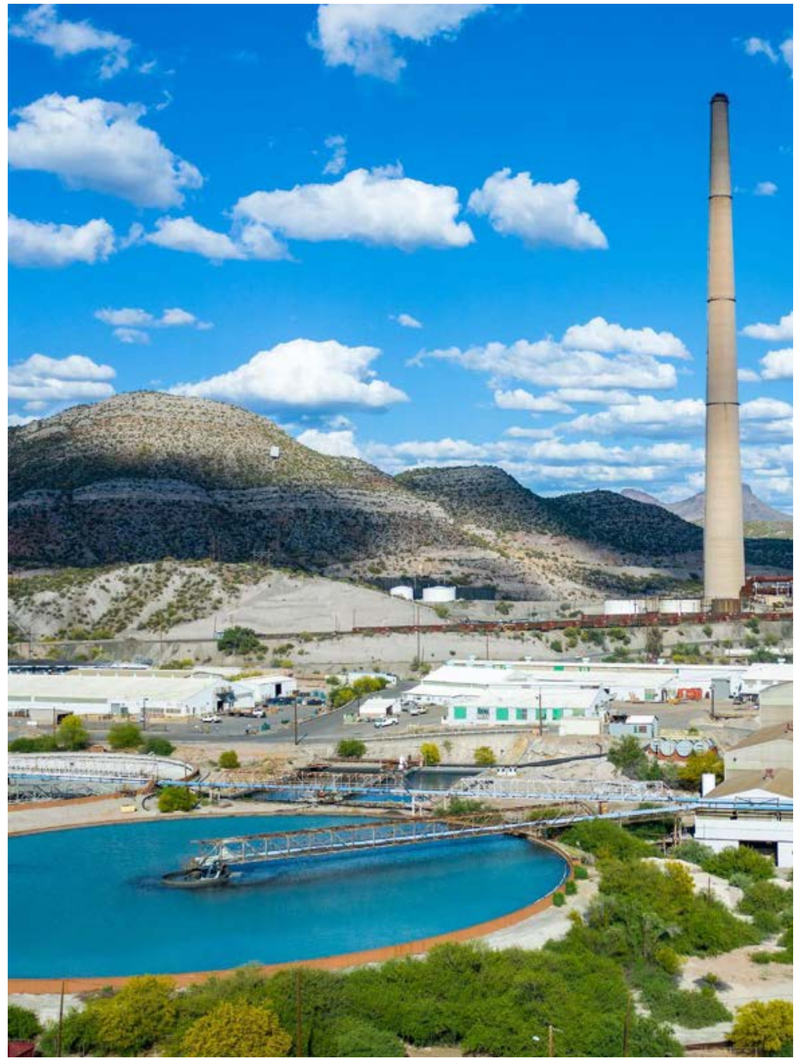
74% AMC Reclaimed water

26% AMC Fresh water

b) AMC Water used in crushed ore (m³/DMT)



DMT: Dry Metric Tons



Hayden smelter, Arizona, United States

c) Specific actions

Fresh and reclaimed water consumption relative to production at Americas Mining Corporation's concentrators.

Mexico

$20 million pesos invested in Nacozari, Mexico to ensure the **supply of clean water to the community** (14,369 local residents). This project included the construction of an 8 gal/s (30 L/s) water treatment plant, electrical upgrade for the supply source "Filter Chamber 1", upgrade of the supply source "Filter Chamber 3", replacing filter equipment, installing pipes, and correcting slopes, among other activities.

Improvements to the water supply infrastructure and equipment in Cananea, Mexico. representing an investment of $281 million pesos in 2023 to benefit 39,408 local residents. This project is improving the local water service by upgrading 11 extraction wells, the installation of 3 pumps at the main pumping station, a project to section the system, repair leaks, and change out pipes and instrumentation, among other activities.

Peru

Executive project for a **wastewater treatment plant** in Ilo, Peru, with an average capacity of 54 gal/s (206 L/s). This project will benefit more than 75,000 local residents without increasing water rates.

Executive project to install a **rural clean water and sanitation system** in Yacango, Torata, Peru. This project will provide clean water with a flow of up to 0.4 gal/s (1.39 L/s) from the Torata treatment plant, and includes 139 household hookups. Additionally, the project will install 137 lightweight outhouses with self-cleaning biodigesters as the homes are spread over moderately rugged terrain. This project will serve 414 residents.

Steppe improvements in Candarave province, Peru: 2,367 farmers benefited and 2,594 acres (1,050 hectares) improved with this 2-stage project: steppe reconstructions and soil improvement. Steppes are terraces that are contained and supported by stone walls to prevent fertile soil from being lost due to water erosion. This form of hill farming is part of the ancestral culture that has been passed from generation to generation and has served as a means of farming the most rugged terrains in Candarave province. We are working with the farmers and the Peruvian government through the Ministry of Agricultural Development and Irrigation. The second phase of the project will remove earth and incorporate organic matter to add nutrients and improve the soil structure before planting.

Canal improvements in the districts of Candarave, Camilaca and Curibaya in Peru: These projects will benefit 219 farmers on 406.5 acres (164.51 hectares), improving system efficency by 95%, transporting water over 3 miles (4,807 meters) of concrete reinforced canals, and other hydraulic works to help control the velocity and pressure of water through the canals.

The four desalination plants installed in Ilo have a combined production capacity of 880 gal/min (200 m3/hr). Three of these desalination plants are at the smelter and one at the refinery, supplying water for the operational processes at both facilities and for the employee complex at Ilo.

Infrastructure Division

a) Water Extraction

303-3

Water extraction (ML)					
	2023	2022	2021	2020	2019
Total sea water	112	112	112	106	168
Total groundwater	2.907	3.165	3.637	3.932	3.917
Total surface water	3	30	5	106	82
Total recycled water/third parties	47	48	15	418	231
Total	**3.069**	**3.355**	**3.741**	**4.561**	**4.398**

All the water our Perforadora México rigs use is extracted from the sea and undergoes a desalinization and treatment process to be able to use if for human consumption and the operational processes at each site. After use, the water is treated with an electrolysis process before it is returned to the sea.

Of the water consumed by our operations, 92% comes from groundwater, used to generate electricty at our combined cycle power plant in Nacozari, Sonora, while 99% of the water used at the plant is groundwater and only 1% comes from surface water. Our MW/h to water consumption ratio is 1:1, which demonstrates the high efficiency of our processes.

Other industrial processes provide 50% of the water consumed by our México Compañía Constructora subsidiary. The water is treated, and on meeting Mexican quality standards, it is reused in our construction processes. In this way, we are caring for the ecosystems and the watershed.

None of our sites operate in water stress areas.

- The highest consumers of water in the Infrastructure Division use freshwater (total dissolved solids ≤ 1000 mg/l).
- 3% comes from other water (total dissolved solids > 1000 mg/l).



Ciudad del Carmen, Campeche, Mexico

b) Water Discharges

303-4

Water discharges by subsidiary (ML)						
Subsidiary	Final destination	2023	2022	2021	2020	2019
Energy	Surface water	**495**	**494**	530	564	777
Oil	Seawater	**41**	**40**	60	47	138
Highways	Surface water	**6**	**9**	7	6	2
Construction	Surface water	**4**	**3**	0.3	3	4
Fuels	Surface water	**0**	**0**	0.1	0.1	_
	Total	**546**	**546**	**597**	**620**	**921**

The Infrastructure Division channels water discharges to two destinations, primarily:

a. Terrestrial surface waterbodies as most of our operations are on land; 93% of our discharges are confined to federal terrestrial waterbodies.

a. Marine waterbodies: discharges at our offshore rigs represent 7% of our total discharges for the Infrastructure Division.

In both cases, our water discharges meet the quality required by national and international water regulations.

The principal contaminants in our wastewater are associated with biological oxygen demand (BOD) and chemical oxygen demand (COD) parameters, oils, and also nitrates, nitrites, sulfates and ammonium.

Water discharges at our operations are processed at biological, chemical and electrolysis treatment plants to ensure organic contaminants are removed in adherence of Mexican compliance parameters.

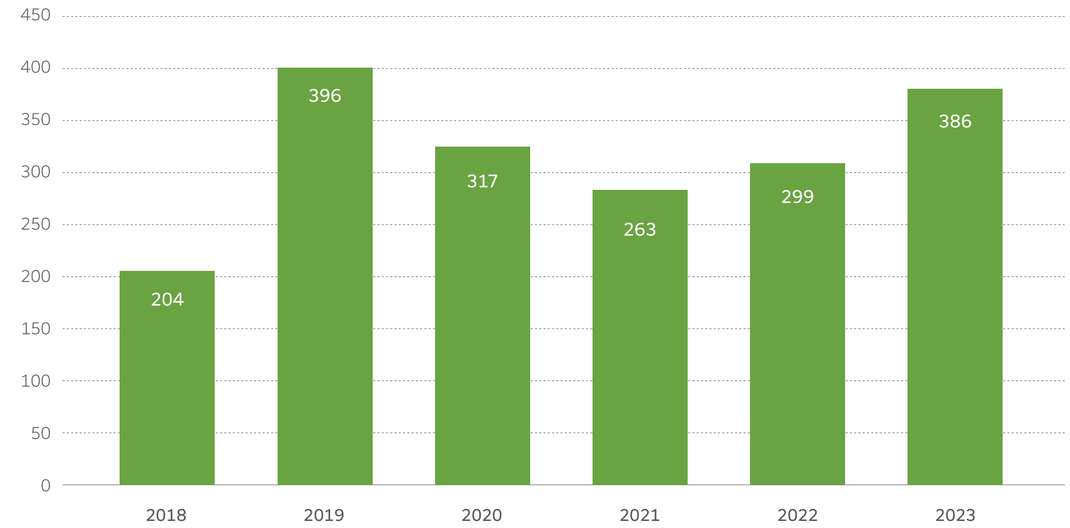


Salamanca-Leon highway, Guanajuato, Mexico

Transportation Division*

a) Water Consumption ML

303-3



Type of Source	2018	2019	2020	2021	2022	2023
City supply (ML)	53	181	108	99	143	180
Well (ML)	151	215	209	164	156	206
Total (ML)	**204**	**396**	**317**	**263**	**299**	**386**

2023 Water consumption by type of source (ML)

Type of source	México	EUA	Total
City supply	153	27	180
Well	206	0	206
Total consumption	386	0	386

* For the Transportation Division, the water extracted is equal to consumption.

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6.3 Biodiversity



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6.3.3 Strategy and Management

6.3.4 Biodiversity management in our other divisions

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6.3 Biodiversity

GRI 3-3

At Grupo México, we understand biodiversity as the variety and variability of life on Earth. The survival of life itself depends on it, as does the stability of the ecosystems that provide different provision and regulation environmental services, such as recharging the groundwater or absorbing carbon from the atmosphere via photosynthesis. A significant portion of the global economy depends on biodiversity and healthy ecosystems, which today are at risk because of human activities and climate change.

The Grupo México materiality analysis identifies our Mining Division as the most relevant of our three divisions in terms of biodiversity. Mines tend to be located in remote, and sometimes environmentally sensitive, areas. If mining activities are not conducted responsibly, they may cause long-term harm to the biodiversity.

According to the Millennium Ecosystem Assessment[1], by the end of this century, climate change will likely have become one of the principal driving forces in biodiversity loss. The current rate of global warming is already affecting species and ecosystems around the world, particularly those that are the most vulnerable.

In this regard, we align with the Convention on Biological Diversity (CBD), the results of the United Nations Biodiversity Conference (COP15-2022), the adoption of the Kunming-Montreal Global Biodiversity Framework (GBF), and the declaration of the United Nations Decade on Ecosystem Restoration 2021-2030.

We are also committed to the 2030 Agenda, and more specifically Goal 15: "Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss."

[1] The Millenium Ecosystem Assessment was a call made by the United Nations Secretary General Kofi Annan in 2000. Launched in 2001, it sought to assess the impacts of changes to the ecosystems on human wellbeing, and the scientific basis for the actions needed to improve the conservation and sustainable use of these ecosystems, as well as their contribution to human wellbeing.

6.3.1 Highlights

At Grupo México, we understand the importance of conserving and protecting the biodiversity and the ecosystems at and around our sites. We work responsibly to avoid, insofar as possible, impacting the biodiversity from our projects and operations.

We have prepared a Biodiversity Management Protocol for the Mining Division, compliance with which is compulsory as of 2023 for all our mine operations and our partners and suppliers (level 1 and non-level 1 suppliers) throughout our value chain.

For the fourth year in a row, we achieved zero net deforestation. In 2023, SCC reforested an area 2.8 times greater than that impacted by our operations (3,565 vs 1,295 acres (1,443 ha vs 524 ha)).

Work continued in 2023 on our project to create and maintain the Ite Wetlands along the southern coast of Peru, restoring 25 acres (10 ha) for a total 3,254 acres (1,317 ha).

We did not explore or develop new projects in declared Natural World Heritage sites[2].

We continued to design and manage the biodiversity at our operations according to the designated biological and ecological value of the area (protected areas[3] and high biodiversity value areas[4]). Our five operations in Mexico located in high biodiversity value areas have biodiversity management plans that address this designation. Also, our four operations in the United States that are near high biodiversity value areas are currently preparing their own biodiversity management plans. Our operations in Peru are not located in or near high biodiversity value zones.

Additionally, we continued to collaborate with governments, academic institutions and nonprofits in 2023 on wildlife protection and conservation (Mexican wolf, Darwin's rhea, bighorn sheep, free-tailed bat, bobcat, birds of prey, migratory water birds) to identify and prevent risks and significant impacts on the biodiversity and ecosystem services.

We continue to meet due and full compliance with our legal obligations related to biodiversity management throughout the lifecycle of our projects.bighorn sheep, free-tailed bat, bobcat, birds of prey, migratory water birds) to identify and prevent risks and significant impacts on the biodiversity and ecosystem services.

SCC started to prepare studies in 2023 to introduce monitoring ecological integrity at five of our open pit and underground mines in Mexico, to which we will add two more sites in 2024, also in Mexico.

We expanded the involvement of local communities, environmental authorities, research institutions, nonfits and our business partners in our biodiversity management. For more information, see Description of the Influence and Involvement of Stakeholders.

We reported our Biodiversity and Forests performance to the Carbon Disclosure Project (CDP) for the first time.

[2] Precisely delineated areas with outstanding universal value from the point of view of science, conservation or natural beauty (World Heritage Convention, 1972).
[3] Biosphere reserves designated by the UNESCO and protected areas declared by national legislation.
[4] Wetlands of international importance under the Ramsar Convention; priority land regions in Mexico; areas of importance for the conservation of birds in Mexico (AICA); KBA Partnership key biodiversity areas (KBAs).

6.3.2
Governance

The organizational structure of Grupo México supports efficient biodiversity management at the local level, at each site, which is supervised by the Environmental Affairs Department of each division in each country.

For more information, visit the Grupo México Sustainability website.

6.3.3
Strategy and Management
GRI 304-1, 304-2, 304-4

Our Environmental Policy, sets out our commitment to achieving a positive net impact on biodiversity. To attain this, we work with various stakeholders, mainly environmental authorities and academic and research institutions, to develop and maintain important projects that go beyond our regulatory obligations.

Our Biodiversity Management Protocol commits us to achieving zero net deforestation and to protecting and fostering the biodiversity applying the mitigation hierarchy of avoid, reduce, restore and offset potential impacts that, over the life of our sites, could negatively affect the biodiversity.

Our Code of Conduct for Suppliers, Contractors and Relevant Commercial Partners involves our value chain in the management of this priority topic and invites them to contribute to the protection and conservation of the biodiversity, adopting the commitments of zero net deforestation and positive net impact. We also monitor the performance of our inputs suppliers and service providers on our properties and require them to protect the flora and fauna, avoid unnecessary clearing, and to take the measures necessary to protect the ecosystems.

Our actions seek to:

- Gradually reduce the areas impacted with actions to restore more land area than we impact, contributing to our zero net deforestation target.
- Determine and monitor the conditions and health status of the ecosystems around our sites to identify risks to biodiversity and measure the progress in restoring degraded areas, contributing to our zero net biodiversity loss target.
- Develop and support wildlife conservation projects with impacts beyond our operations, contributing to our positive net impact target.
- Prevent the contamination of water and the ecosystems.
- Achieve a harmonious coexistence with protected natural areas and those with high biodiversity value.
- Involve the local communities, environmental authorities, research institutions and nonprofits in all the above actions.

Additionally, the Grupo México Community Care Service follows a detailed procedure to receive and address complaints and/or grievances. For more information, see Community Care Service in the section on Human Rights.

Identifying risks and opportunities

We identify the risks to biodiversity before embarking on a new project through environmental impact assessments, which are updated whenever there is a significant change in our operations. These diagnostics assist in defining different actions to prevent impacts on the ecosystems, and according to the mitigation hierarchy, to mitigate and offset such impacts when they cannot be avoided.

Our biodiversity management plans identify opportunities to contribute to a net positive impact on the biodiversity, not only in the areas surrounding our sites, but with a broader scope to contribute to not only the preservation of populations of relevant species and their habitats, but to the recovery of ecosystems, the creation of new ecosystems, and the recovery of threatened species.

Our ISO 14001 environmental management systems ensure we fulfill our obligations, support our follow-up on the responsibilities of our business partners in terms of protecting the biodiversity, and identify an ongoing and continual improvement process for risks and opportunities.

Furthermore, three of our operations in Sonora, Mexico (Buenavista del Cobre, La Caridad and Metalúrgica del Cobre) have biodiversity risk prevention manuals that address the specific risks associated with each site.

We are currently considering adopting the Science Based Targets Network (SBTN), the TNFD[5], LEAP approach (Locate, Evaluate, Assess and Prepare), Global Canopy ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure), UNEP FI[6], UNEP-WCMC[7], and the WWF[8] Biodiversity Risk Filter (WWF BRF) to better assess our impacts, risks and opportunities in terms of biodiversity.



La Churea grounds, Cananea, Sonora, México

[5] Taskforce on Nature-related Financial Disclosures
[6] The UN Environment Programme Finance Initiative (UNEP FI).
[7] The UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).
[8] World Wildlife Fund.

Description of the risks and opportunities

Biodiversity loss is a risk associated with mining that tends to be underestimated. While human activities can affect the biodiversity, when the biodiversity is deteriorated, this in return, can then affect operations. The impacts of biodiversity loss can go far beyond the mere disappearance of plant and animal species contributing to food insecurity, exacerbating climate change, affecting microclimates and human health, and can destabilize communities, particularly those most underprivileged and vulnerable.

The potential undesired impacts on the company and our operations include those associated with reduced provision and regulation environmental services[9].

- Reduced water availability. Impacts on the forest cover contribute to the depletion of groundwater by reducing the filtration capacity because of soil erosion. This carries negative impacts not only on company operations, but also for other water users, especially the local communities.
- Reduced food production in the communities where we operate due to soil loss, reduced pollination, increased pests and reduced water supply.
- Increased risk of fire. Soil erosion and reduced moisture content can support fires to spread, which would threaten our infrastructure, operations and neighbor communities.
- Flooding from flash floods. The inability of the soil to filter and reduce the force of the water can result in violent water flows that would negatively impact our facilities, and also our neighbor communities.

Meanwhile, we have identified the nature of the significant direct and indirect impacts that our operations may cause to the biodiversity. For each, we have also identified opportunities for prevention or reduction, insofar as possible, by adopting biodiversity management best practices, which we extend to our business partners.



Plants produced at our nurseries, Mexico

[9] Provision services are ecosystem services that describe the material products that ecosystems produce, which include food, water and other resources. Regulation services include climate and air quality, sequestering and storing carbon, the moderation of natural phenomena, wastewater treatment, erosion prevention and conservation of soil fertility, pest control, pollination, and regulation of water flows.

Actions taken on potential opportunities

Type of impact / risk	Potential measures and opportunities *	Mexico							Peru			United States			
		Buenavista del Cobre	Charcas	La Caridad	Metco	Lime Plant	San Martin	Santa Barbara	Cuajone	Ilo	Toquepala	Hayden	Mission	Ray	Silver Bell
Habitats and ecosystems affected by land transformation	**Prevention:**														
	• Wherever possible, use areas already impacted, like existing communication routes or sites that are in the closure process.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	• Avoid affecting areas through negligence.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	• Designate reserve areas with high biological / ecological value and promote ecological conservation areas.	✓	✗	✗	✗	✗	✗	✗	✗	✗	✓	✗	✗	✗	✗
	Mitigation:														
	• Recover resources like soil and plant matter to use in restoration projects.	✓	✓	✓	✓	✗	✓	✓	✗	✓	✗	✗	✗	✗	✗
	• Rescue specimens of flora and fauna species with conservation value.	✓	✓	✓	✓	✗	✓	✓	–	–	–	✗	✗	✗	✗
	• Take early remediation actions, during the operational stage, for areas affected by our operations (concurrent remediation).	→	✓	✓	✓	✗	✓	✗	✗	✓	✓	✓	✓	✓	✓
	• Implement dust reduction measures.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Restoration:														
	• Soil restoration and works projects to divert and capture water to recover flora and fauna habitats.	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓	✗
	• Develop closure plans that include restoring the landscape and the functional conditions of the ecosystems affected.	✗	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Offsetting:														
	• Reforest impacted areas outside of our operations.	✓	✓	✓	✓	✗	✓	✓	✓	✗	✓	✗	✗	✗	✗
	• Soil recovery projects and water and wind erosion prevention.	✓	✓	✓	✓	✗	✓	✓	✓	✓	✓	✗	✗	✗	✗
	• Water harvesting projects.	✓	✓	✓	✓	✗	✓	✓	✗	✗	✗	✗	✗	✗	✗
	And in general, meet full compliance with the measures set by the environmental authorities to avoid, reduce, restore and offset specific or cumulative environmental impacts, temporary or permanent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Actions taken on potential opportunities

Type of impact / risk	Potential measures and opportunities *	Mexico							Peru			United States			
		Buenavista del Cobre	Charcas	La Caridad	Metco	Lime Plant	San Martin	Santa Barbara	Cuajone	Ilo	Toque-pala	Hayden	Mission	Ray	Silver Bell
Reduction of species populations with high biological / ecological value	**Prevention:**														
	• Avoid affecting areas with high value for the health of emblematic species populations or with high conservation value, like wildlife corridors, nesting, mating and breeding areas.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	• Monitor the status of the biodiversity and populations of relevant species to take prompt action where necessary.	→	→	✓	✓	✗	→	→	✓	✓	✓	✗	✗	✗	✗
	Mitigation:														
	• Rescue and relocate specimens of threatened endemic species, with high biological value or that are slow or non-moving, or recovery species, as classified by the IUCN and the regulations of the countries where we operate.	✓	✗	✓	✓	✗	✓	✗	–	–	–	✗	✗	✗	✗
	• Monitor the status of specimens and their evolution in translocation sites.	✓	✗	✓	✓	✗	✓	✗	✗	✗	✗	✗	✗	✗	✗
	Restoration														
	• Recover ecosystems, habitats and vital ecosystem services for the populations of emblematic species affected or with high conservation value.	✓	✓	✓	✓	✗	✓	✗	✗	✗	✓	✗	✗	✗	✗
	• Carry out actions for captive breeding and the repopulation of areas affected by our operations.	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
	Offsetting:														
	• Recover ecosystems, habitats and vital ecosystem services for populations of threatened species.	✓	✓	✓	✓	✗	✓	✗	✗	✗	✓	✗	✗	✗	✗
	• Captive breeding and reintroduction of threatened species into the wild in original population distribution areas.	✓	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗	✗
	And in general, meet full compliance with the measures set by the environmental authorities to avoid, reduce, restore and offset specific or cumulative environmental impacts, temporary or permanent.	✓	✗	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Actions taken on potential opportunities

Type of impact / risk	Potential measures and opportunities *	Mexico							Peru			United States			
		Buenavista del Cobre	Charcas	La Caridad	Metco	Lime Plant	San Martin	Santa Barbara	Cuajone	Ilo	Toque-pala	Hayden	Mission	Ray	Silver Bell
Contamination of waterbodies and ecosystems from dust, emissions, discharges or accidents	**Prevention:**														
	• Monitor and control the solution management systems to avoid contingencies.	✓	✓	✓	✓	–	✓	✓	✓	✓	✓	✓	✓	✓	✓
	• Reduce the release of dust from our tailings dams and access roads.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Mitigation:														
	• Use controls to prevent waste, dust, solutions or acid drainage from reaching waterbodies or ecosystems near our sites in volumes or concentrations that could be harmful to the biodiversity and the functions and services of the ecosystems.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	• Monitor emissions and discharges to take prompt action if the limits are exceeded so as to be harmful to the biodiversity and the functions and services of the ecosystems.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Restoration:														
	• Remediate sites impacted by our operations to recover the existing conditions prior to the impact.	→	✓	✓	✓	✗	✗	✗	✗	✓	✓	✓	✓	✓	✓
	And in general, meet full compliance with the measures set by the environmental authorities to avoid, reduce, restore and offset specific or cumulative environmental impacts, temporary or permanent.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*The Guaymas Terminal, Zinc Refinery and Amarillo operations are located in urban areas.

✓ Completed

→ Implementation in progress

– Not applicable

We have identified our mine operations that are located in or adjacent to (within 1.25 miles (2km)) high biodiversity value or protected natural areas. We monitor our activities at these sites, manage the impacts in advance, and reduce the risks to the biodiversity.

Operational sites in or adjacent to protected areas or areas of high biodiversity value
(GRI 304-1)*

Site	MM (Mexico)					ASARCO (USA)			
	Buenavista del Cobre	Charcas	La Caridad	Metallurgical Complex	Lime Plant	Hayden	Silver Bell	Ray	Mission
Inside high biodiversity or protected areas	Ramsar[10] No. 2044 Ajos-Bavispe ecosystem, San Pedro River Basin area of influence RTP[11]-41 Cananea-San Pedro AICA[12] No. 126, Western Sierra Madre systems KBA[13] Western Sierra Madre mountain system	KBA Sierra Catorce	RTP-44 Bavispe-El Tigre AICA No. 126, Western Sierra Madre systems KBA Western Sierra Madre mountain system	RTP-44 Bavispe-El Tigre AICA No. 126, Western Sierra Madre systems KBA Western Sierra Madre mountain system	AICA No. 38 Western Sierre Madre mountain system KBA Western Sierra Madre mountain system	No	No	No	No
Adjacent to high biodiversity or protected areas (1.25 mi / 2 km)	No	No	ANP[14] Bavispe flora and fauna protection area	RTP-42 Los Ajos – Buenos Aires – La Purica	No	Gila River area KBA: Lower San Pedro River	Ironwood Forest National Monument	Gila River area	Pima Pineapple Cactus Priority Conservation Areas
Biodiversity management plan (ICMM)	Prepared in 2021, implementation in progress	Prepared in 2021, implementation in progress	Prepared in 2021, implementation in progress	Prepared in 2021, implementation in progress	Prepared in 2021, implementation in progress	Will be prepared in 2024	Will be prepared in 2024	Will be prepared in 2024	Will be prepared in 2024

* For the purposes of this table, "in or adjacent" is defined as an operational site being within 1.25 miles (2 km) from the outer edge of a protected area or an area with high biodiversity value.

** Our operations in Peru are not located in or adjacent to areas with high biodiversity value.

[10] Wetlands of international importance under the Ramsar Convention, Iran, 1971.
[11] Priority Land Regions in Mexico, determined by the National Commission for the Knowledge and Use of Biodiversity (in Spanish, CONABIO), are areas where ecosystem conservation is a priority for the preservation of the endemic species that inhabit these ecosystems, determined by criteria of biology, threat to maintaining the biodiversity and opportunity for conservation.
[12] Areas of importance for the conservation of birds in Mexico (in Spanish, AICA). These areas are determined by criteria that include the diversity of species, endemic species, presence of threatened species, and diversity of ecosystems.
[13] Key biodiversity areas (KBAs) determined by the KBA Partnership.
[14] Protected natural area under Mexican legislation.

We have also identified species that are listed on the International Union for Conservation of Nature (IUCN) Red List and national conservation lists, with habitats near our operations. This information helps us to prepare, implement and monitor our biodiversity management plans.

IUCN red list threatened species and national conservation list species with habitats in areas affected by operations
(GRI 304-4)[15]

Mining Division

IUCN Red List (IUCN Classification)	Mexico							Peru				Total SCC	USA				Total Mining Division
	Buenavista del Cobre	Charcas	La Caridad	Metco	Lime Plant	San Martin	Santa Barbara	IUCN Classification	Cuajone	Ilo	Toquepala		Hayden	Mission	Ray	Silver Bell	
Vulnerable	3	0	1	1	0	0	0	Vulnerable	2	1	1	**9**	0	0	0	0	**9**
Endangered	0	2	0	1	0	0	0	Endangered	0	1	2	**6**	0	0	0	0	**6**
Critically Endangered	0	0	0	0	0	0	0	Critically Endangered	0	0	0	**0**	0	0	0	0	**0**
Extinct in the Wild	0	0	0	0	0	0	0	Extinct in the Wild	0	0	0	**0**	0	0	0	0	**0**
National Lists	**NOM-059-SEMARNAT-2010**							**Supreme Decrees 004-2014 & 046-2006**				**SCC**	**Endangered Species Act (ESA)**				**Total Mining Division**
Threatened	23	12	5	8	3	7	6	Endangered	1	6	4	**75**	1	1	1	0	**78**
In danger of extinction	7	2	2	2	0	0	0	Critically Endangered	2	0	3	**18**	0	0	0	0	**18**
Probably extinct in the wild	7	0	0	0	0	0	0	Extinct in the Wild	0	0	0	**7**	0	0	0	0	**7**
Subject to special protection	40	26	9	9	6	14	11	Vulnerable	7	5	6	**133**	0	0	0	0	**133**

Our conservation projects are currently focused on some of these species, including the Darwin's rhea, bighorn sheep, Mexican wolf, free-tail bat, bobcat, birds of prey and migratory water birds. For more information about these efforts, see Specific Actions.

[15] Consult the list of threatened species in the Biodiversity annex.

Biodiversity management by operational site

GRI G4-MM2

Mining Division

Site	Biodiversity diagnostic	Biodiversity management plan (ICMM[16])	Biodiversity monitoring	Potential risk	Water stress (WRI Aqueduct Water Risk Atlas)	Restoration / reforestation	Conservation projects	Involvement of others	2023 Targets	Status of the 2023 targets	2024 Targets
Charcas Charcas, San Luis Potosi, Mexico	✔	Prepared in 2021, implementation in progress	Not carried out in 2023	Contamination of ecosystems / Affected habitats	Extremely high	Nursery with production capacity of 300,000 plants/year 252 acres (245 ha) reforested in 2023 with 51,012 plants	No conservation projects in 2023	-	Develop an ecological integrity monitoring model for adjacent ecosystems	We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems.	Continue the ecological integrity study to assess the status of the biodiversity in areas adjacent to the operation, as part of a biodiversity risk assessment. Publicly report the status of the biodiversity near our relevant Minera México sites.
San Martin Sombrerete, Zacatecas, México.	✔	Prepared in 2021, implementation in progress	Not carried out in 2023	Contamination of ecosystems / Affected habitats	Medium - high	Nursery with production capacity of 798,000 plants/year 3.5 acres (1.4 ha) reforested in 2023 with 1,574 plants	No conservation projects in 2023	-	Develop an ecological integrity monitoring model for adjacent ecosystems.	We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems.	Continue the ecological integrity study to assess the status of the biodiversity in areas adjacent to the operation, as part of a biodiversity risk assessment. Publicly report the status of the biodiversity near our relevant Minera México sites.
Santa Barbara Santa Barbara, Chihuahua, Mexico	✔	Prepared in 2021, implementation in progress	Not carried out in 2023	Contamination of ecosystems / Affected habitats	Extremely high	-	Conservation of bat populations	UNAM Ecology Institute Community	Develop an ecological integrity monitoring model for adjacent ecosystems. Bat population conservation projects.	We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems. In 2023, we estimated the economic value of the ecosystem services provided by one of the bat colonies in Chihuahua at US$317 million per year, based on the size of the colony (158,000 bats). We also conducted an extensive environmental awareness campaign in Santa Barbara, Chihuahua, aimed at mine employees and their families, the residents of Santa Barbara, and elementary school students in this community, to change perceptions about bats and to respect and value the caves to share these spaces. 827 people participated (610 children, 34 teachers, 140 miners and 43 local residents).	Continue the ecological integrity study to assess the status of the biodiversity in areas adjacent to the operation, as part of a biodiversity risk assessment. Publicly report the status of the biodiversity near our relevant Minera México sites. Bat colony conservation project: build an alliance with the Universidad Autónoma de Chihuahua to develop a plan for the legal protection of the Bustillos mine in Santa Eulalia, Chihuahua, Mexico, which is inhabited by different species of bats.

[16] ICMM - Good Practice Guide for Mining and Biodiversity.

Biodiversity management by operational site

GRI G4-MM2

Mining Division

Site	Biodiversity diagnostic	Biodiversity management plan (ICMM)	Biodiversity monitoring	Potential risk	Water stress (WRI Aqueduct Water Risk Atlas)	Restoration / reforestation	Conservation projects	Involvement of others	2023 Targets	Status of the 2023 targets	2024 Targets
San Luis Potosi Zinc Refinery San Luis Potosi, San Luis Potosi, Mexico	⊘	Not applicable, urban area	Not applicable, urban area	Contamination of ecosystems	Extremely high	Nursery with production capacity of 1,998,000 plants/year	No conservation projects in 2023	-	Not applicable, urban area	Not applicable, urban area	Not applicable, urban area
Buenavista del Cobre Cananea, Sonora, Mexico	✔	Prepared in 2021, implementation in progress	Not carried out in 2023	Contamination of ecosystems / Reduction of populations of species with high biological / ecological value	Extremely high	Nursery with production capacity of 1,800,000 plants/year 1,922 acres (778 ha) reforested in 2023 with 857,087 plants	Buenavista del Cobre Wildlife Conservation Management Center Rescue and relocation of 264 specimens of fauna and 1,489 specimens of flora	US Fish & Wildlife Service / Semarnat / Conanp Mexico-USA Binational Committee for the Mexican Gray Wolf Conservation Program *Universidad de Querétaro* UNAM Faculty of Geology	Develop an ecological integrity monitoring model for adjacent ecosystems. Collaborate with the Binational Conservation Program for the Mexican Wolf *(Canis lupus bayleyi)*	We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems. We continued our collaboration with the Binational Conservation Program for the Mexican Wolf *(Canis lupus bayleyi)*, receiving 3 individuals from the Coahuila Museo del Desierto Coahuila, Mexico.	Continue the ecological integrity study to assess the status of the biodiversity in areas adjacent to the operation, as part of a biodiversity risk assessment. Publicly report the status of the biodiversity near our relevant Minera México sites. Collaborate with the Binational Conservation Program for the Mexican Wolf *(Canis lupus bayleyi)*. Prepare a study to create a wildlife corridor by voluntarily designating for conservation an area in Sonora, Mexico. Project to produce techno-soils from mine waste for use in the restoration of impacted areas.
La Caridad Nacozari de Garcia, Sonora, Mexico	✔	Prepared in 2021, implementation in progress	Diversity of species and use of the feline habitat. Diversity of species and use of the birds of prey habitat.	Contamination of ecosystems / Reduction of populations of species with high biological / ecological value	Extremely high	1,307 acres (529 ha) reforested in 2023 with 555,417 plants	Rescue and relocation of 19 specimens of fauna and 14,369 specimens of flora	-	Develop an ecological integrity monitoring model for adjacent ecosystems. Continue to monitor birds of prey. Continue to monitor felines, with emphasis on bobcats *(Lynx rufus)*.	We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems. Wildlife monitoring with camera traps and treks through 52 mi^2 (134 km^2) to identify breeding grounds in Nacozari, Sonora, in a joint effort between Metalúrgica del Cobre and La Caridad, we identified 2,641 individuals of 48 species (17 mammals, 27 birds, 4 reptiles) in 2023. These recorded species include Bobcat (Linx Rufus) (65 individuals), Puma (*Puma concolor*) (20 individuals), Common black hawk (*Buteogallus anthracinus*) (4 individuals) and Red-tailed hawk (*Buteo jamaicensis*) (13 individuals).	Continue the ecological integrity study to assess the status of the biodiversity in areas adjacent to the operation, as part of a biodiversity risk assessment. Publicly report the status of the biodiversity near our relevant Minera México sites. Continue to monitor birds of prey. Continue to monitor felines, focusing on bobcats *(Lynx Rufus)*.

Biodiversity management by operational site

GRI G4-MM2

Mining Division

Site	Biodiversity diagnostic	Biodiversity management plan (ICMM)	Biodiversity monitoring	Potential risk	Water stress (WRI Aqueduct Water Risk Atlas)	Restoration / reforestation	Conservation projects	Involvement of others	2023 Targets	Status of the 2023 targets	2024 Targets
Metallurgical Complex Nacozari de Garcia, Sonora, Mexico	✔	Prepared in 2021, implementation in progress	Diversity of species and use of the birds of prey habitat. Diversity of species of birds and mammals.	Contamination of ecosystems	Low / Extremely high	Nursery with production capacity of 1,800,000 plants/year 2.5 acres (1 ha) reforested in 2023 with 5,140 plants	Rescue and relocation of 20 specimens of fauna and 400 specimens of flora Monitoring of large and medium felines. Monitoring of songbirds and grassland birds. Monitoring of birds of prey. Monitoring of reptiles.	*Aviario Sonorense para la Protección de Especies Silvestres A. C.*	Monitoring of large and medium felines. Monitoring of songbirds and grassland birds. Monitoring of birds of prey. Monitoring of reptiles.	Wildlife monitoring with camera traps and treks through 52 mi^2 (134 km^2) to identify breeding grounds in Nacozari, Sonora, in a joint effort between Metalúrgica del Cobre and La Caridad, we identified 2,641 individuals of 48 species (17 mammals, 27 birds, 4 reptiles) in 2023. These recorded species include Bobcat *(Linx Rufus)* (65 individuals), Puma *(Puma concolor)* (20 individuals), Common black hawk *(Buteogallus anthracinus)* (4 individuals) and Red-tailed hawk *(Buteo jamaicensis)* (13 individuals).	Develop an ecological integrity monitoring model for adjacent ecosystems. Monitoring of large and medium felines. Monitoring of songbirds and grassland birds. Monitoring of birds of prey. Monitoring of reptiles.
Lime Plant Agua Prieta, Sonora, Mexico	✔	Prepared in 2021, implementation in progress	Not carried out in 2023	Contamination of ecosystems	Extremely high	-	No	-	Develop an ecological integrity monitoring model for adjacent ecosystems.	The ecological integrity monitoring model for adjacent ecosystems was not developed in 2023.	Develop an ecological integrity monitoring model for adjacent ecosystems.
Guaymas Terminal Guaymas, Sonora, Mexico	⊘	No	Not applicable, urban area	Contamination of ecosystems	Extremely high	Yes	No	-	Not applicable, urban area.	Not applicable, urban area.	Not applicable, urban area.
Toquepala Tecna, Peru.	✔	In development	Not carried out in 2023	Contamination of ecosystems	High	1807 plants produced in 2023 4 acres (1.6 ha) reforested in 2023 with 1,021 plants	No	-	Prepare a biodiversity management plan.	The biodiversity management plan was not prepared in 2023.	Prepare a biodiversity management plan.

Biodiversity management by operational site

GRI G4-MM2

Mining Division

Site	Biodiversity diagnostic	Biodiversity management plan (ICMM)	Biodiversity monitoring	Potential risk	Water stress (WRI Aqueduct Water Risk Atlas)	Restoration / reforestation	Conservation projects	Involvement of others	2023 Targets	Status of the 2023 targets	2024 Targets
Cuajone Moquegua, Peru.	✓	In development	Not carried out in 2023	Contamination of ecosystems	Extremely high	1,524 plants produced in 2023 0.8 acres (0.3 ha) reforested in 2023 with 113 plants	Conservation of the Darwin's Rhea *(ñandú andino or Rhea pennata).*	National Forestry and Wildlife Service of Peru	Continue our collaboration with the National Forestry and Wildlife Service of Peru to monitor populations of Darwin's Rhea *(ñandú andino or Rhea pennata).* Prepare a biodiversity management plan.	We continued our collaboration with the National Forestry and Wildlife Service of Peru to monitor populations of Darwin's Rhea *(ñandú andino or Rhea pennata).* The biodiversity management plan was not prepared in 2023.	Continue our collaboration with the National Forestry and Wildlife Service of Peru to monitor populations of Darwin's Rhea *(ñandú andino or Rhea pennata).* Prepare a biodiversity management plan.
Ilo Tecna, Peru.	✓	In development	Not carried out in 2023	Contamination of ecosystems	High		Yes - Ite Wetlands	Ite Community Goat farmers in the region	Prepare a management plan for the Ite wetlands.	Completion of a management plan for the Ite Wetlands.	Implement the management plan for the Ite Wetlands.
Mission Arizona, Pima County, Sahuarita, Estados Unidos.	→	Will be prepared in 2024	The status of the biodiversity will be assessed in 2024	Habitats affected	High				Prepare a biodiversity management plan.	The biodiversity management plan was not prepared in 2023.	Prepare a biodiversity management plan.
Ray Arizona, Pinal County, Kearny, Estados Unidos.	→	Will be prepared in 2024	The status of the biodiversity will be assessed in 2024	Habitats affected	Extremely high				Prepare a biodiversity management plan.	The biodiversity management plan was not prepared in 2023.	Prepare a biodiversity management plan.
Silver Bell Arizona, Pima County, Marana, USA	→	Will be prepared in 2024	The current status of the biodiversity will be assessed in 2024	Habitats affected	High		Conservation of the bighorn sheep *(Ovis canadensis)*	Arizona Game & Fish Department	Continue our collaboration with the Arizona Game & Fish Department in the conservation of the bighorn sheep *(Ovis canadensis).* Prepare a biodiversity management plan.	We continued our collaboration with the Arizona Game & Fish Department in the conservation of the bighorn sheep *(Ovis canadensis).* The biodiversity management plan was not prepared in 2023.	Continue our collaboration with the Arizona Game & Fish Department in the conservation of the bighorn sheep *(Ovis canadensis).* Continue to manage specimens of bighorn sheep in coordination with the Arizona Game & Fish Department at our Silver Bell site, for the conservation of healthy populations. Prepare a biodiversity management plan.
Amarillo Amarillo, Texas, Estados Unidos.	⊘	Not applicable, urban area	Not applicable, urban area	Contamination of ecosystems	Low		No				Not applicable, urban area.
Hayden Arizona, Gila & Pinal Counties, Hayden and Winkelman, USA	→	Will be prepared in 2024	The current status of the biodiversity will be assessed in 2024.	Habitats affected	Extremely high		No		Not considered.		Prepare a biodiversity management plan.

Description of real and potential impacts

GRI 304-2

The principal negative environmental impact on our operations is changing the land, which can fragment ecosystems and the connectivity between them. This eventually increases the vulnerability of the populations to limiting their dispersion and gene flow, and can locally reduce the availability of resources for food and shelter.

The expansions of our sites modified 1,633 acres (661 hectares) of Mining Division land in 2023, principally secondary oak forest shrub vegetation[17], natural grassland and microphyllous desert scrub in Mexico and desert scrub in the United States and Peru. These modifications were carried out in compliance with current environmental regulations and include mitigation actions, such as the recovery of fertile soils and organic matter to then be used in restoration works, and also the rescue and relocation of slow-moving flora and fauna to suitable areas for their development.

In this regard, under our ambitious reforestation and ecosystem restoration plan, we restored 2.1 times more land than we affected this year. The plan includes not only soil erosion control and recovery works, water capturing and filtration, and reforestation with native species, but also follow-up actions to ensure the recovery of the ecosystem services.

Our restoration actions contribute to mitigating and offsetting the impacts caused by changing or modifying land, as described above. For more information, see Measures to Address and Manage Negative Impacts.

Other potential impacts on nature are caused by the dispersion of dust (for more information, see Waste) and changes to local water flows, which we prevent and mitigate through constant watering of the roads and unfinished surfaces at our sites, and using upstream and downstream monitoring at our sites to ensure that the availability and quality of the water that passes through our operations would not be affected downstream. For more information, see Water and Effluents.

Without doubt, accidents that involve releasing mine waste or chemical substances from our processes represent a potential risk, which we address through rigorous critical environmental risk management. For more information, see Our Approach – Sustainability Risk Management.

To ensure that the resources needed to restore the landscape at the end of the useful life of our sites are available, we periodically prepare financial estimates and maintain a financial reserve that guarantees the recovery of the original environmental conditions at the end of our operations, in addition to post-closure monitoring that will detect any deviation from the recovery plans. For more information, see Closure of Operations.



Nursery employees, Buenavista del Cobre, Cananea, Sonora, Mexico

[17] Vegetation that occupies a space where the primary or original vegetation had once been predominant and is indicative of an area previously disturbed.

Measures to address and manage negative impacts

GRI 304-2

Our ISO 14001 Environmental management systems contain operational controls to address and manage negative impacts caused by our operations.

We have biodiversity management plans in place at seven operations in Mexico where the biological/ecological value is the most relevant: our Buenavista del Cobre, La Caridad, Santa Barbara, San Martin and Charcas mines, and also the Metalúrgica de Cobre and Lime plants. These biodiversity management plans are aligned with the ICMM Good Practice Guide for Mining and Biodiversity and address both the characteristics of the area at and around the sites, and the operations conducted there. These plans take a preventive approach and include actions like using camera traps to detect the presence or absence of animals, preparing and updating inventories, logging hours of activity and other behaviors, diversity estimates, monitoring populations in different environments, and abundancy and density estimates. With this, we can prevent human actions that could disturb species of special interest and their populations, or the functions of the ecosystems they inhabit.

It is important to highlight that our Grupo México Mining Division and SCC biodiversity management considers the interaction of our operations with priority conservation areas, as determined by the Ramsar[18] Convention and the International Union for Conservation of Nature (IUCN). Our operations in Mexico also consider the priority areas identified by the National Commission for the Knowledge and Use of Biodiversity (in Spanish, CONABIO) and the National Commission for Protected Natural Areas (in Spanish, CONANP).

See Metrics and Indicators for our performance related to significant impacts and restored areas and habitats.



La Churea grounds, Cananea, Sonora, México

[18] Convention on wetlands of international importance, specifically waterbird habitats, Ramsar, Iran, 1971.

Influence and involvement of stakeholders

Biodiversity conservation requires a lot of technical and scientific information requiring the collaboration of academic and research institutions. These types of stakeholders participate with Grupo México in the monitoring and assessment of the biodiversity status in the regions where we operate.

The *Universidad Nacional Autónoma de México* (UNAM) Faculty of Geology helps us, for example, by developing techno-soils for ecological restoration. We work closely with the *Universidad de Querétaro*, among others, on efforts to reintroduce Mexican wolf specimens and to repopulate areas where until recently, the Mexican authorities considered this species extinct in the wild.

We have partnered with UNAM Ecology Institute researchers to prepare diagnostics on the status of different bat populations around our underground mines, and we are developing conservation and environmental education actions with a long-term vision. With the participation of these institutions, we are continually enriching our projects and actions in benefit of the protection and conservation of biodiversity.

Additionally, we have been working on developing alliances and capacities to promote the protection of ecosystems and biodiversity. The company continues to build new relationships with relevant stakeholders in biodiversity conservation, such as our recent collaboration with the *Universidad Autónoma de Baja California* for the conservation of the totem pole cactus *(Lophocereus schotti monstrosus)*, a species endemic to the Baja California desert. This project includes research activities that, in turn, generate opportunities for thesis development and internships, in addition to developing skills in our environmental areas.

Environmental nonprofits and our communities play an essential role in the success of these initiatives. Without their involvement and commitment, the road would be much more difficult. We are also reliant on the participation of our communities in our projects.

In Mexico, we involve the community in our bat conservation projects at our underground mines through environmental education programs, and in Peru, through the development of the Ite wetlands, where we also are working long-term with local goat farmers to achieve a sustainable usage of the available resources.

Also in Mexico, we are collaborating with the Mexican Alliance for Biodiversity and Business (in Spanish, AMEBIN), a joint biodiversity protection and conservation effort between the private sector, nonprofits, international cooperation agencies, business chambers and academe.

Biodiversity conservation is also a priority for the authorities. We work with the environmental authorities in the countries where we have operations. For example, in Mexico we coordinate with the Ministry of the Environment and Natural Resources (in Spanish, SEMARNAT) and in the United States, with the Fish & Wildlife Service, who set the guidelines for the Mexican wolf recovery project. In Peru, we collaborate with the Ministry of Agriculture and Irrigation (Moquegua and Tacna Region) National Forestry and Wildlife Service on the monitoring of the Darwin's rhea *(ñandú andino, Rhea pennata)*, and in Mexico, with the National Commission for Protected Natural Areas through our participation on the Advisory Committees for some of these protected natural areas.[19] We also participate on water basin committees in Mexico and Peru. These collegiate groups review, among other things, the environmental management of water considering the ecosystems as users.

[19] Los Cirios Valley flora and fauna protection area in Baja California and the Alamos Sierra-Cuchuiaqui River flora and fauna protection area in Sonora, Mexico.

6.3.4

Biodiversity management in our other divisions

Transportation Division

GRI 304-1, 304-2

The primary business of the Transportation Division is to transport freight by rail. When rail lines are built, they fragment and affect ecosystems. However, our operations are conducted on rail lines that were mostly built in the 19th and early 20th centuries, and concessioned to Grupo México in 1998, therefore any related ecosystem fragmentation occurred a long time age.

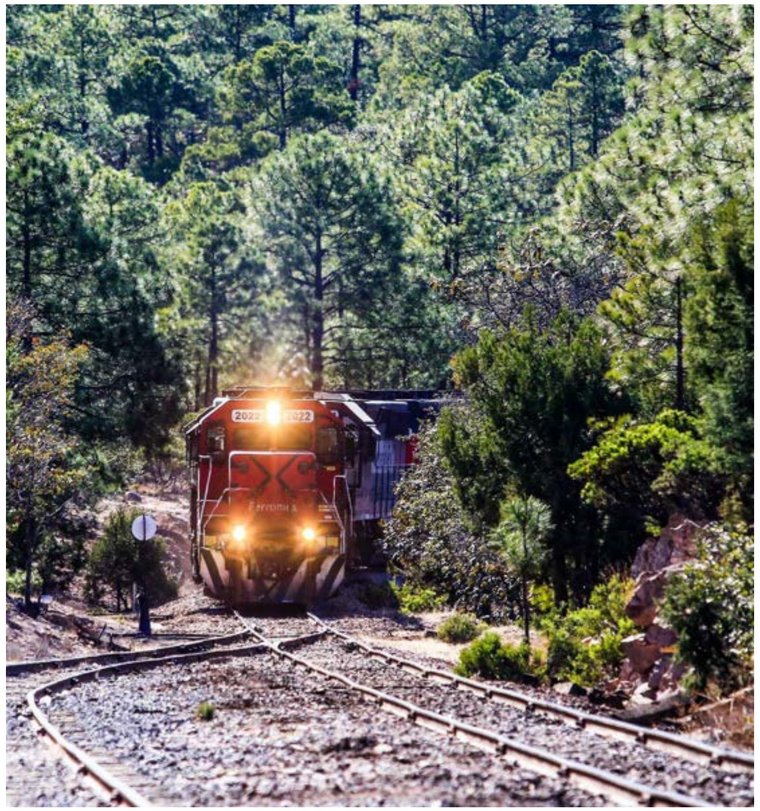
Quality services and operations require the construction and/or improvement of infrastructure. We ensure all such projects are carried out in strict adherence of all environmental regulations in the places where we operate.

We acknowledge that habitats are lost when barriers are created and land is stripped, generating isolation and making the resulting fragmented habitats more fragile. This isolation may, in turn, cause colonies or communities of flora and fauna to disappear, resulting in decreased genetic variability. Also relevant is that animals may be hit by trains and this, in some cases, may be highly significant particularly when threatened or endangered species are involved.

The operations of the Transportation Division are not generally located in areas with high biodiversity value, with the exception of rail lines that cross some zones that were declared protected after the railway system was built. These zones are mostly located in the states of Coahuila, Colima, Sinaloa, Sonora and Veracruz. When our operations could impact the biodiversity, by crossing zones declared protected, we comply with all environmental requirements in the design, construction and operation of the works, in addition to having monitoring mechanisms in place for clearing vegetation, soil compaction and erosion.

We operate under a vision of sustainability where we address all potential negative and positive impacts on the environment caused by our operations. Ensuring our operations prevent, reduce and mitigate all potential environmental impacts is one of our key objectives.

We endeavor to accurately assess the impacts that may be produced by our rail line infrastructure and our operations. We favor connectivity through the installation of drainage systems, viaducts, underpasses and overpasses, providing safe crossings for wildlife. To mitigate edge effects, we repopulate with endemic plant species to encourage the permanency and repopulation of animal species that are part of the ecosystem affected by the habitat fragmentation.



Chepe Express passenger train in the Copper Canyon, Mexico

Infrastructure Division

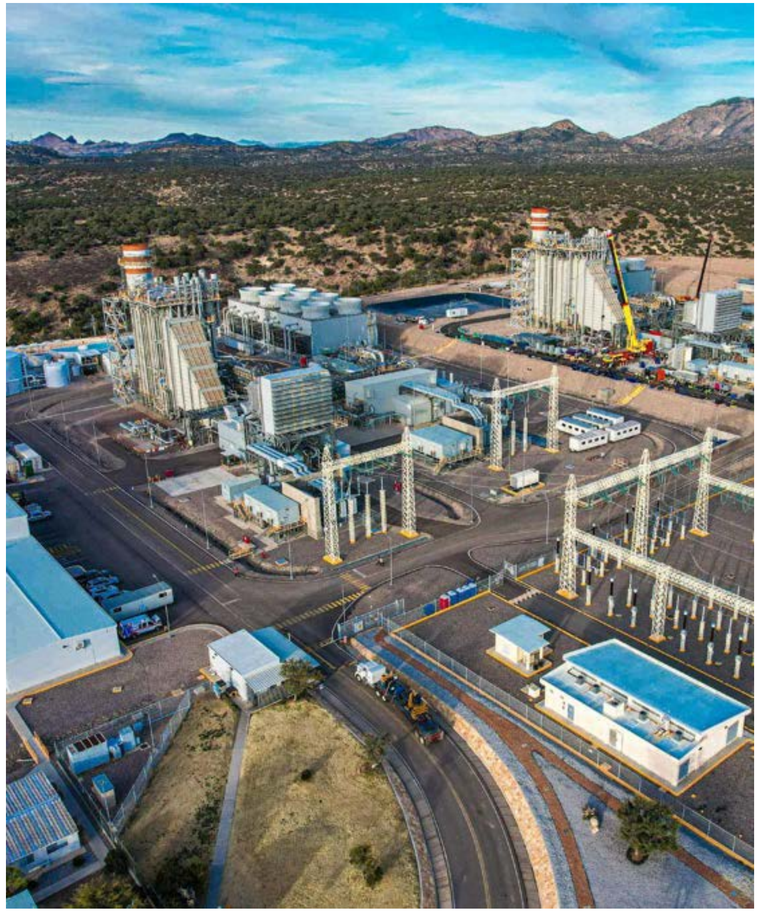
GRI 304-1, 304-2

We have identified and assessed the significant impacts our sites may have on biodiversity and for each, we have implemented prevention or mitigation measures to avoid or, as necessary, reduce these impacts. These actions involve both company personnel and our business partners and include restrictive and informational signage at all our worksites and enforcing strict compliance with national and international regulations for the care and conservation of species and ecosystems.

The Infrastructure Division does not have operations in protected areas or areas with high biodiversity value. Our operations closest to these types of areas are:

- The La Caridad power plant in Sonora, Mexico, is located 12.5 miles (20 km) from the Sierra de Ajos, Buenos Aires and Purica protected natural areas.
- Our oil sector administrative offices in Ciudad del Carmen, Cempeche, Mexico, are located adjacent to the Laguna de Términos protected wildlife area.
- Also in Mexico, the Cerro del Cubilete protected natural area is located 18.5 miles (30 km) from the Salamanca-Leon Highway and the Silao Bypass, which do not invade or affect the protected areas.

The range of operations of our Infrastructure Division presents significant challenges in terms of mitigating risks and impacts on biodiversity. We have, therefore, implemented various measures and taken specific actions at each site and in compliance with the requirements laid out in our environmental permits. We use operational controls and measures to prevent impacts on biodiversity, including controls to prevent the contamination of ecosystems, soil protections and reforesting impacted areas.



Combined cycle power plant, Nacozari de Garcia, Sonora México

6.3.5

Next Steps

Targets and goals in biodiversity management (Mining Division)

We have adopted a goal of net zero deforestation, reversing net biodiversity loss and to being net positive.

To achieve this, we have started working on transitioning towards science-based targets, focusing on the risks to ecosystems and their components, with a global purpose and which are aligned with the Montreal Agreement on Biodiversity (COP 15):

i. contribute to the protection and conservation of land and marine areas through protected areas and other effective conservation measures;
ii. contribute to the restoration of currently degraded areas, and
iii. contribute to monitoring, assessment and transparent reporting of the risks and impacts on biodiversity at our operations and value chain.

See our targets and goals, and our progress, by operational site.

We strive to ensure that our efforts in biodiversity conservation are effective, and when they are not, correct whatever is necessary. In addition to assessing our performance based on biodiversity management indicators, our actions go through a verification process with the certification of environmental management systems, the independent assessment of our Sustainable Development Report, and the assessment of our first biodiversity conservation project by the Wildlife Habitat Council. Verification systems provide ways to continuously identify opportunities for improvement, which are incorporated through the change management processes of our environmental management systems.

Our decisions are informed by the best science-based information available and considering not only the environmental aspects, but also social, cultural and economic. It is therefore important to involve the academic-scientific community, the public and the civil society in our actions. Biodiversity conservation is only possible, in many cases, through sustainable use, making it very important to combine conservation needs with the economic improvement of the local communities.

Our biodiversity conservation and awareness projects include social and economic components from which we are learning a lot.

Building alliances is essential to advance in attaining our common goal of protecting the biodiversity and its value for future generations. These alliances must also include the authorities, particularly in those cases where the government holds authority over the biological diversity. We have also learned that to be successful, we need to resolve the conflicts that sometimes hinder the path of conservation, such as the current conflict between wildlife populations and human activities over the use of land. Biological diversity is linked to other complex management processes, like those related to climate change, water management and pollution prevention. Therefore, a broad and comprehensive vision is required to be successful in raising awareness on biodiversity. We are working to better understand these relationships to more clearly reflect them in our policies and procedures.

Lastly, and perhaps most importantly, is to ensure that our personnel understand that caring for biodiversity is everyone's responsibility, and that they have the tools to contribute to this goal. In this regard, we dedicate significant efforts to providing training on caring for the environment.

6.3.6

Targets & Goals

GRI 304-2, 304-3, 304-4, G4-MM1

Our quantitative performance indicators in this area are:

Mining Division

- **a.** Significant impacts of our activities on biodiversity
- **b.** Area impacted and area restored
- **c.** Habitats protected or restored
- **d.** Nursery production
- **e.** Reforestation
- **f.** Areas restored/areas impacted
- **g.** Rescue of flora and fauna specimens with protection status, endemic or with high biological/ecological value
- **h.** Specific actions (qualitative performance)

Infrastructure Division

- **a.** Habitats protected or restored
- **b.** IUCN Red List threatened species and national conservation list species with habitats in areas affected by operations
- **c.** Certifications



Charcas mine employees, San Luis Potosi, Mexico

Mining Division

a) Significant impacts of activities on biodiversity

GRI 304-2

Unidad	MM (Mexico)							SPCC (Peru)			ASARCO (USA)				Total Mining Division
	Buenavista del Cobre	Charcas	La Caridad	METCO	Planta de cal	San Martin	Santa Barbara	Cuajone	Toquepala	Ilo	Silver Bell	Hayden	Ray	Mission	
Size of site (hectares)	49,601	270	21,629	6,656	958	704	776	19,400	119,618	3,377	6,591	7,286	17,679	5,920	**260,465**
Total cumulative area impacted (hectares)	10,290	203	4,315	414	155	133	305	2,997	12,402	872	1,500	950	3,985 [1]	3,341	**41,859**
Total impacted area during 2023 (hectares)	225	9	195	0	0	2	0	26	40	0	14	142	9	0	**661**
Cumulative total area with permanent and irreversible impact (hectares)	1,189	-	699	-	100	-	-	739	855	-	402	-	878 [2]	608 [3]	**5,470**
Site assessed and mapped for biodiversity in the last five years	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Not located in or adjacent to protected areas or areas of importance for biodiversity	In progress	In progress	In progress	In progress	**-**
Total area with permanent and irreversible impact in 2023 (hectares)	-	-	40	-	-	-	-	16	27	-	11	-	-	-	**94**

The principal negative environmental impact from our operations is changing the land. Our mine expansions in 2023 affected 1,633 acres (661 hectares) of Mining Division land, mainly secondary oak forest shrub vegetation, natural grassland and microphyllous desert scrub in Mexico and desert scrub in the United States and Peru.

[1] and [2] Figure adjusted down after a detailed review.
[3] Overburden not included in 2023.

b) Impacted and rehabilitated area

GRI G4-MM1

Unidad	MM (Mexico)							SPCC (Peru)			ASARCO (USA)				Total Mining Division
	Buenavista del Cobre	Charcas	La Caridad	METCO	Planta de cal	San Martin	Santa Barbara	Cuajone	Toquepala	Ilo	Silver Bell	Hayden	Ray	Mission	
Total area impacted not yet rehabilitated at 2022 close (A)	10,065	194	4,120	414	155	132	305	2,971	12,362	872	1,485	796	3,660	3,292	**40,822**
Total area impacted in 2023 (B)	225	9	195	-	-	2	-	26	40	-	14	142	9	-	**661**
Total area rehabilitated in 2023 (C)	-	-	-	-	-	-	-	0	2	-	-	2	-	-	**4**
Total area impacted not yet rehabilitated at 2023 close (D=A+B-C)	10,290	203	4,315	414	155	134	305	2,996	12,400	872	1,500	936	3,669	3,992	**41,479**

The cumulative total area impacted at 2023 close is 103,436 acres (41,859 ha), while the total area impacted not yet rehabilitated is 102,497 acres (41,479 ha) and the total area restored is 939 acres (380 ha).

c) Restored or protected Habitats

GRI 304-3

Site	Mexico					Peru	
	Buenavista del Cobre	La Caridad	METCO	San Martin	Charcas	Toquepala	Cuajone
Name of the high biodiversity or protected area	**Inside:** • Ramsar Site No. 2044 Ajos-Bavispe ecosystem, area of influence San Pedro River Basin • RTP-41 Cananea-San Pedro • AICA No. 126, Western Sierra Madre systems • KBA Western Sierra Madre mountains	**Inside:** • RTP-44 Bavispe-El Tigre • AICA No. 126, Western Sierra Madre mountains • KBA Western Sierra Madre mountains **Adyacente:** • ANP Bavispe flora and fauna protected area	**Inside:** • RT- RTP-44 Bavispe-El Tigre • AICA No. 126, Western Sierra Madre systems • KBA Western Sierra Madre mountains **Adjacent:** • RTP-42 Sierras Los Ajos – Buenos Aires – La Púrica	Outside of high biodiversity or protected areas.	**Inside:** • KBA Sierra Catorce	Outside or adjacent of high biodiversity or protected areas.	Outside of high biodiversity or protected areas.
Total area reforested in 2023 (hectares)	781	556	1	1.4	102	2	0.3
Total area impacted in 2023 (hectares)	225	195	-	1.5	9	40	26
Total specimens reforested in 2023	857,087	555,417	5,140	1,574	51,012	1,021	113
Net gain (Areas restored / Areas impacted)	4	3	1	1	11.7	0.04	0.01

Reforestation is one of Grupo México's emblematic environmental programs. SCC reforested 2.2 times more land than we impacted with our operations in 2023 (3,565 vs 1,633 acres (1,443 ha vs 661 ha)), meeting our commitment for the fourth year in a row. WIth this and other actions, we are making progress towards our 2030 target of net zero deforestation and net positive impact on biodiversity.

Indicators d, e and f

Performance indicators						
Indicator	**Unit**	**2023**	**2022**	**2021**	**2020**	**Δ % (2023 vs 2022)**
d) Plant production	# plants	5,647,409	5,849,378	4,955,922	4,350,363	**-3%**
e) Reforestation	# trees planted	1,471,364	1,441,068	229,141	335,354	**2%**
	Area reforested (hectares)	1,443	1,772	252	333	**-19%**
f) Area restored / Area impacted*	Hectares	1,443/524	1,772 / 231	252 / 204	333 / 550	**-64%**
	Rate	2.8	7.7	1.24	0.6	

Reforestation is one of Grupo México's emblematic environmental programs. Our nurseries and greenhouses have an extensive production capacity (6.8 million plants) and in 2023, we produced 5,647,409 plants. Some of our reforestation projects are carried out in collaboration with the Grupo México Foundation, which donates plants to various nonprofits, who use them to reforest different areas. Other reforestation projects are coordinated with the authorities, mainly to define the areas to reforest.

g) Flora and fauna specimens rescued with protection status, endemic or with high biological/ecological value

Site	Mexico				Total
	Buenavista del Cobre	La Caridad	Metco	San Martin	
Individuals of flora rescued	1,489	14,369	400	0	16,258
Individuals of fauna rescued	264	19	20	24	327
IUCN Red List Species (IUCN Classification)					0
Low Concern (LC)	1,560	8,496	19	23	10,098
Nearly Threatened (NT)	0	1	0	0	1
Vulnerable (VU)	0	0	0	0	0
Endangered (EN)	0	0	0	0	0
Critically Threatened (CT)	0	0	1	0	1
Extinct in the Wild (EW)	0	0	0	0	0
Species according to national (Mexican) classification NOM-059-SEMARNAT-2010					0
Threatened	12	0	2	0	14
In danger of extinction	0	0	1	0	1
Probably extinct in the wild	0	0	0	0	0
Subject to special protection	62	5	7	1	75

h) Specific Actions

Reversing history: The Ite Wetlands in Peru

Located in southern Peru, at the mouth of the Locumba River in the Tacna region, near the border with Chile, these wetlands are home to over 150 species of birds (local and migratory), and other flora and fauna. Today, these are the largest coastal wetlands in the country and represent a site with high biodiversity value for South America.

The 3,860 acre (1,562 hectare) site had been a mine waste deposit for nearly three decades. We have physically and chemically stabilized 3,254 acres (1,317 hectares) through a long-term restoration process that involves building small wetland areas, flooding areas to inhibit the oxidation of the remnant pyrites, testing with vegetation tolerant to changes in pH (like natural grasses, reeds and rushes, and cattails), applying organic matter, building a water infrastructure to control the water levels, which includes floodgates, channels, dumps and pipes, and we continuously monitor different physical-chemical parameters and metals.

As a result, an important ecosystem for biodiversity conservation, and for the wellbeing of the local community, has developed there. The environmental services generated in the wetlands include, among others, water storage in one of the most arid zones on the planet and the sequestering of carbon from the atmosphere.

Its natural beauty and diversity of animal and plant life make the Ite Wetlands a popular and highly appreciated place for visitors and recreation. This project generates income in the local economy and today, the Ite Wetlands are a reference site for education and environmental research.



Birds at the Ite wetlands, Peru

Reversing history: The Mexican wolf repopulating in the forests of Mexico

The Mexican gray wolf (*Canis lupus baileyi*) plays a role that is fundamental to maintaining balance in the ecosystems it inhabits, regulating the populations of other species, contributing to maintaining biological diversity.

Until the first half of the last century, the Mexican gray wolf inhabited the wild areas of Arizona, New Mexico and Texas in the United States, and in the Western and Eastern Sierra Madre mountains in Mexico, down to the neo-volcanic range in Central Mexico. After a strong eradication campaign in the first half of the 20th century, the Mexican gray Wolf practically disappeared in the wild and was declared probably extinct.

Aware of the environmental repercussions of this situation, and in accordance with UN Sustainable Development Goal 15: Life on Land, in 2011, Grupo México adopted the Mexican gray wolf as the insignia for the Center for the Conversation, Management and Sustainable Use of Wildlife (known in Spanish as the UMA) at Buenavista del Cobre, in Cananea, Sonora. This Center contributes to the recovery of this species by reintroducing specimens in their natural habitats.

To date, our Center has housed 62 Mexican wolf specimens and has witnessed the birth of 23 cubs. In a coordinated effort with the Mexican and United States authorities through the Binational Program for the Recovery of the Mexican Wolf, 27 individuals have been reintroduced at sites originally inhabited by this species.

We continued to collaborate with the Binational Program for the Recovery of the Mexican Gray Wolf (*Canis lupus bayleyi*) in 2023 and we received three individuals from the Desert Museum in Coahuila, Mexico for genetic conservation.
With this important contribution by Grupo México to these conservation efforts, the Mexican Gray Wolf was recently moved from the category "Probably extinct in the wild" to "In danger of extinction".

Our Buenavista del Cobre Wildlife Conservation Management Center (in Spanish, the UMA) received Wildlife Habitat Council (WHC) certification for our wildlife conservation efforts in protection, exhibition, reproduction and scientific and ethological research.

CONSERVATION CERTIFICATION
WILDLIFE HABITAT COUNCIL
WHC Certified
SILVER



Mexican wolf at the Wildlife Conservation Center, Cananea, Sonora, Mexico

Environmental protection and the local economy: Conservation of bat populations in Chihuahua, Mexico

Grupo México has established a Bat Conservation Program in collaboration with UNAM Ecology Institute researchers.

This project arose from visits by technical specialists in 2021 to different Grupo México sites in Baja California, Sonora, Chihuahua and Zacatecas, where it was determined that a management plan was needed for bats and would be useful for existing colonies at company sites.

This Management Plan, along with various research highlighting the value of these bats and the ecosystem services they provide, would support the development of an effective awareness and environmental education program focused on the people directly involved, which would help to address any issues affecting the normal operation of the mines.

By protecting bat colonies, Grupo México is driving an assessment process for the role bats play in guaranteeing the continuity of environmental services, as keeping these colonies at our sites healthy, they will serve as effective pest control for crops. This insectivore species devours tons of insects every night, maintaining production and avoiding the use of pesticides, saving farmers unnecessary expenses and avoiding contamination by unwanted chemicals in crop fields.

It is important to note that, despite being highly recognized as biological regulators that feed on multiple insects that are pests for some crops, including corn and potatoes, bats have a misguided negative reputation, mostly because of their nocturnal habits, myths, and stories and legends deeply rooted in different cultures. Bat colonies play an important role in the surrounding ecosystems. Because of the large concentrations in caves, when bats emerge, they need to travel long distances to find food.

Conservatively estimated, they travel at least 30 miles (50 km) each night, although many travel more than 80 miles (130 km). They are capable of flying even greater distances, as this species is highly migratory and one of the fastest in the air, reaching up to 100 mph (160 km/h). Considering the minimum distance mentioned, we could calculate the area of influence of bats at any mine site as being around 3,031 square miles (7,850 km^2) or even greater.



Bat colony, Chihuahua, Mexico



Buenavista del Cobre nursery, Cananea, Sonora, Mexico

Recovering habitats and environmental services in Sonora, Mexico

Global efforts to restore and create forest cover have many chemical, social and biological benefits. Planting new trees can help to reduce CO2 concentrations in the atmosphere. Greenhouse gases, like carbon dioxide and methane, contribute significantly to a changing climate. Forests are effective natural carbon sinks that absorb large amounts of carbon released from the burning of fossil fuels. Reversing global deforestation is a key element for an effective mitigation strategy to combat global warming.

Reforestation is one of Grupo México's emblematic environmental programs. Our nurseries and greenhouses have an extensive production capacity (6.8 million plants) and in 2023, we produced 5,647,409 plants. Some of our reforestation projects are carried out in collaboration with the Grupo México Foundation, which donates plants to various nonprofits, who use them to reforest different areas. Other reforestation projects are coordinated with the authorities, mainly to define the areas to reforest.

The Mining Division reforested 2.8 times more land than we impacted with our operations in 2023 (3,565 acres vs 1,295 acres (1,443 ha vs 524 ha), a commitment we have met for the fourth year in a row. With this and other actions, we are making progress towards our 2030 target of net zero deforestation and net positive impact on biodiversity.

Healthy ecosystems sustain the supply and quality of water, and provide protection against water-related threats and disasters. The grasslands, forests and other forms of vegetation we are restoring provide an essential source of protection for watersheds in highland areas, helping to reduce the velocity of run-off, protect against erosion, balance seasonal peaks and dips in water flow, and minimize the sludge and sediments that flow downstream.

Our ecosystem restoration activities in Mexico are designed based on the Guide for preparing supportive technical studies, issued by the Mexican Ministry of the Environment and Natural Resources (SEMARNAT in spanish), who evaluates our success in this area.

To recover and protect the soils of the ecosystems near our operations, we built 29 filter dams in 2023 around our La Caridad mine and processing plant (METCO), both in Sonora, with a retention capacity of 390 tons of soil, preventing this loss. We also built dams with a retention capacity of 7,359 tons of soil, and 86 filter trenches, a half mile (897 meters) of level edging and 119 miles (192 km) of ripping to break hardened soil. Together, these projects have a capacity to capture 12.6 million gallons (47,756 m^3) of rainwater.

La Cabellera and La Churea: Voluntary conservation of more than 28,000 acres (11,000 ha) of ecosystems in Mexico

Areas Voluntarily Designated for Conservation (in Spanish, ADVC) are sites that support the preservation of biodiversity and ecological balance in Mexico, while fostering community engagement.

Under a landscape management plan, Grupo México has proposed designated an additional 28,000 acres (11,360 hectares) as ADVC for the conservation of the biocultural richness of Mexico, to foster wildlife corridors, and to increase connectivity between existing protected natural areas. La Cabellera and La Churea are situated in the southern part of the municipality of Cananea and in the northern part of the municipality of Arizpe, on land property of Buenavista del Cobre, S. A. de C. V., in the state of Sonora. These areas are conducive for oak, mesquite and alligator juniper forests, microphyllous desert scrub, xerophytic mesquite, and grasslands, both natural and artificial.

This project seeks to recover the connectivity between systems to maintain the ecological processes, reduce the fragmentation and isolation of ecosystems, and contribute to the long-term survival of species and communities.



La Cabellera, Cananea, Sonora, Mexico

Buenavista del Cobre Environmental Management Center in Cananea, Mexico

Belonging to Grupo México, our wildlife conservation center, registered and with an approved management plan, cares for in captivity, breeds and releases into the wild different species, contributing to maintaining their populations in the wild. This is also a breeding, germoplasm and reproduction center for threatened species, particularly the jaguar (*Panthera onca*), the Mexican gray wolf (*Canis lupus baileyi*) and the American black bear (*Ursus americanus*).

This is one of the first wildlife conservation centers to have a designated space (3 acres (1.3 ha), two additional enclosures and four observation and treatment buildings, among others) for the rescue of an emblematic species of the southern United States and northern Mexico: the Mexican gray wolf.

The Mexican gray wolf is a critically endangered species according to the International Union for Conservation of Nature Red List of Threatened Species, making these conservation efforts even more important.

The consistency of this work, which enables the conservation of genetic information for the Mexican gray wolf, places our conservation center (in Spanish, the UMA) second in successful reproduction of this species.

A highlight of this work is the birth in April 2022 of a pair of cubs, resulting from mating one specimen from New Mexico with another from Cananea, under the agreements of the Binational Committee for the Recovery of the Mexican Gray Wolf.



Deer at the Wildlife Conservation Center, Cananea, Sonora, Mexico

Assessing the ecological integrity of the ecosystems near our operations

To be successful, ecosystem restoration requires rigorous short and long term monitoring of the ability of the ecosystems to maintain a community of organisms that perform a variety of funtions and have different compositions and structures. Ecological integrity assessments are used in this monitoring.

We began ecological integrity monitoring testing in 2023 at some of our operations in Mexico. This is an internationally accepted methodology for evaluating the codition of an ecosystem and its biodiversity, and for implementing actions for adaptative management.

This initial ecological integrity assessment process was applied for the ecosystems near 5 of our mines in Mexico: Buenavista del Cobre, La Caridad, Santa Barbara, San Martin and Charcas, by gathering field data to determine the values for selected metrics. This process will determine the current ecological condition of these ecosystems and the baseline for identifying relevant changes in the future.

The US National Park Service, the US Fish and Wildlife Service and the US Forest Service use this methodology in their biodiversity planning and monitoring systems. In Mexico, it is used by the National Biodiversity Monitoring System, coordinated by the National Commission for the Use and Conservation of Biodiversity (in Spanish, ONABIO), the National Forestry Commission (in Spanish, CONAFOR) and the National Commission on Protected Natural Areas (in Spanish, CONANP).



Employee monitoring fauna, Mexico



Fauna identified through monitoring, Mexico

Wildlife monitoring

Permanent monitoring around our operations in Mexico helps to detect relevant changes in the biological and ecological value of these ecosystems. This monitoring includes using trap cameras, transects and sampling to determine changes.

We have been monitoring emblematic species since 2018 in areas around our operations in the Mexican Sonora mountains, noting in particular our monitoring of birds of prey and felines -with emphasis on the bobcat (*Lynx rufus*) and the puma (*Puma concolor*)- detecting the presence or absence of organisms, preparing or updating inventories, recording hours of activity and other behaviors, estimating diversity, monitoring populations in different habitats, and estimating numbers and density.

In 2023, we monitored wildlife with trap cameras and nesting with visits to a 51 square mile (134 km2) area in the Sonora mountains, recording 2,641 individuals of 48 species (17 mammals, 27 birds, 4 reptiles). The species identified include 65 lynxes (*Linx rufus*), 20 pumas (*Puma concolor*), 4 common black hawks (*Buteogallus anthracinus*) and 13 red-tailed hawks (*Buteo jamaicensis*).

The information gathered from this monitoring is shared with the Mexican environmental authorities to feed their biodiversity databases and which inform federal conservation actions.

The lynx or bobcat (*Lynx rufus*) is one of six species of felines found in Mexico and is the only feline (*Felidae* family) with a short tail.

Wildlife deterrent, rescue and relocation program

We activate our wildlife deterrent, rescue and relocation program when we are clearing vegetation to change land use at our mine operations in Mexico to prevent harming individuals present in these areas.

The program limits the presence of wildlife in work areas using methods to deter species without harming them, primarily human presence and the use of auditory repellents with predator and wildlife warning sounds, and for slow-moving species, we catch and release these individuals to nearby areas. We also relocate active bird nests.

In 2023, we rescued 327 individuals, mainly reptiles and birds, at our operations in Sonora and Zacatecas, which were released into the environment in coordination with the environmental authorities.

Activities:

- Training crews
- Presence to deter wildlife
- Rescue and relocation of slow-moving species
- Relocation of bird nests



Fauna identified through monitoring, Mexico



La Cabellera, Cananea, Sonora, Mexico

Flora rescue and relocation program

We rescued and relocated 16,258 specimens of flora species of biological importance at our mine operations in Mexico in 2023, primarily cacti and agaves, as a prevention and mitigation measure in our clearing or change of land use activities. This program focuses on species of biological importance to protect and conserve the biodiversity, reducing the risks of loss.

These actions are also used to restore degraded areas around our operations.

Typical activities are:

- Training crews
- Identification, selection and marking the individuals to be rescued
- Specimen rescue and extraction
- Moving specimens to transplant areas
- Conditioning transplant areas
- Transplanting specimens
- Identification of individuals
- Maintenance (watering, weeding, pest and disease control)
- Monitoring survival

Infrastructure Division

a) Protected or restored habitats

GRI 304-3

We reforested various areas in 2023:

La Caridad combined cycle power plant, Nacozari, Sonora: We have been working on the conservation of 9 areas since the start of this project, with a total 3,508 planted of 19 different species. In 2023, we voluntarily reforested 4.27 acres (1.73 hectares) with 1,356 individuals.

El Retiro wind farm, Juchitan, Oaxaca: In 2023, we completed the rehabilitation of 3 areas in the wind farm, with a total of 136 individuals of 6 different species, which were selected according to the vegetation present in the area.

Fenicias wind farm, Nuevo Leon: In 2023, we performed maintenance on the 27,974 individuals planted in 2022 , all as part of our compliance with the enviromental impact assessment and the technical studies.

Carmen Sector, Ciudad del Carmen, Campeche: We voluntarily reforested a RAMSAR site along the San Jose River, to the east of the municipality of Carmen, Campeche. This activity was completed with the support of the Universidad Autónoma del Carmen (UNACAR), planting a total 690 individuals of 19 native wetlands species.

Ramal Puerto Interior, Guanajuato: We relocated 104 individuals as part of our land clearing along the state network of paved roads in the Leon area.



Fenicias wind farm, Nuevo Leon, Mexico

b) IUCN Red List species and national conservation list species with habitats in areas affected by operations

GRI 304-4

Category	Mexico (NOM 059-SEMARNAT-2019)
Critically endangered	0
Endangered	2
Vulnerable	2
Nearly threatened	1
Low concern	25
Total	**30**

Most of the species protected by the Infrastructure Division are classified as "low concern", with 2 species "endangered", 2 species "vulnerable", and 1 "nearly threatened".



Mangrove in Ciudad del Carmen Campeche, Mexico

c) Certifications

GRI 304-4

Our Oil line of business renewed our International Oil Pollution Prevention certificates, which validate the integrity of our facilities to prevent damages such as leaks or wastewater contamination, and we also renewed our Clean Industry certifications for 1 rig and 1 onshore facility.

Our Energy line of business renewed its Clean Industry certificate for 1 of our sites, the El Retiro wind farm.

01 Introduction

02 Our Approach

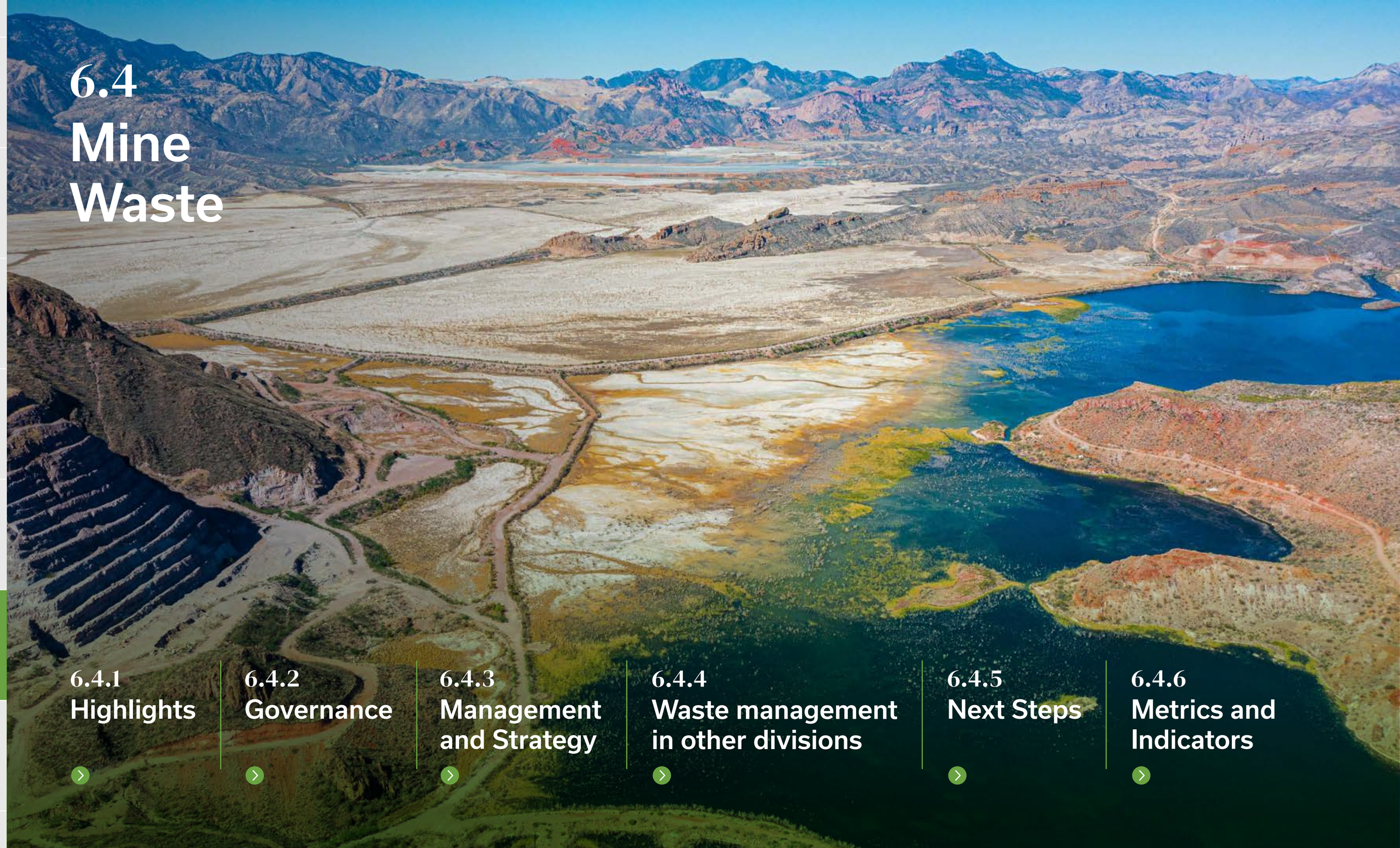
03 Shared Value

04 Governance

05 Social

06 Environment

07 Annexes



6.4 Mine Waste

6.4.1 Highlights

6.4.2 Governance

6.4.3 Management and Strategy

6.4.4 Waste management in other divisions

6.4.5 Next Steps

6.4.6 Metrics and Indicators

6.4 Mine Waste

GRI 3-3

Responsible waste management is an essential part of our sustainable development strategy. Grupo México aligns with United Nations Sustainable Development Goal 12 to reduce the waste we produce and promote reuse and repurposing.

We apply the principles of waste management hierarchy and, wherever possible, circular economies by identifying opportunities that prevent waste, contribute to preserving the value of the materials and, where possible, encourage solutions to mitigate and control the risks associated with waste management. For more information on the hazardous, non-hazardous and mine waste we produce, see the Annexes to this report.

Because of its volume, the waste produced by our mining activities is the most relevant. This waste is produced from the extraction and processing of ore and can potentially produce acid drainage and contain some metals in concentrations that would require special handling and environmentally appropriate disposal to prevent impacts on the environment. Our mining operations also tend to occupy significant tracts of land that eventually will need to be reintegrated into the natural landscape. For more information about our tailings dams, see the Annexes to this report.

We ensure our operations prioritize safety at our mine waste impoundments and the systems that feed these facilities, throughout their lifecycle, from design to closure and post-closure. We also give special attention to the ongoing improvement of our actions for emergency preparedness and response.

Sharing relevant information with the public and collaboration with the authorities and our neighbor communities contributes to improving our waste management.

Although produced in much smaller volumes, our non-mine waste is relevant because of its potential to be hazardous in nature. Therefore, we handle this waste in strict compliance with all regulations and international best practices to first avoid generating hazardous waste, and then handling it safely and repurposing wherever possible.

[1] Mine waste includes tailings and overburden (innocuous material produced by mining activities).

Active and inactive tailings dams at our operations



6.4.1
Highlights

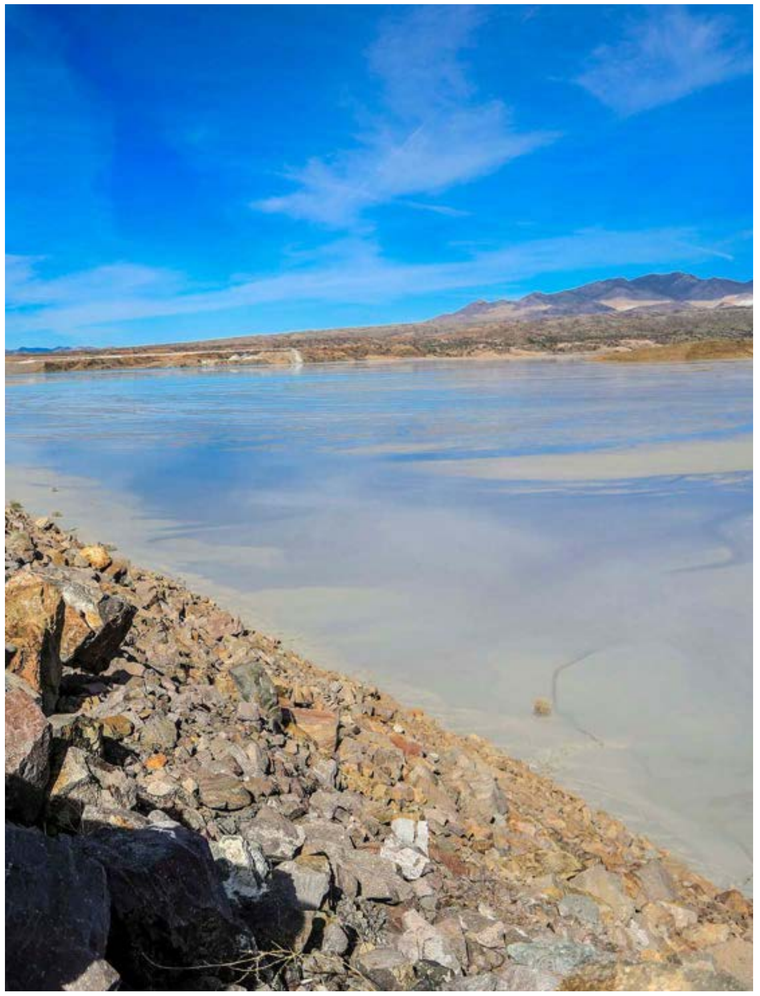
We maintained the safety factors at all our active tailings dams or impoundments within the acceptable values set by the International Commission on Large Dams (ICOLD) and the Canadian Dam Association (CDA). A qualified independent Review Engineer regularly conducts a systematic Dam Safety Review (DSR) considering potential failures.

Our safety measures, investments and ongoing improvement in the operation of our tailings dams was reflected in zero major incidents involving leaks, overflows, landslides or containment failures in 2023. For historic information, see Historic information on incidents at tailings dams.

We updated our General Policy for Tailings Systems in 2023, to include commitments to plan, design, construct, operate and close our Tailings Systems facilities responsibly and to align with the ICMM Global Industry Standard on Tailings Management, and to not dump tailings into rivers or oceans.

We have made progress on digitalizing the measuring instruments at all our active impoundments, which helps us to monitor -as part of our preventive approach- the behavior of walls and curtains in real time using recognized safety parameters.

At Buenavista del Cobre, we continue to research the use of mine waste to prepare artificial soils that can be used to restore impacted sites. We are currently evaluating the performance of the techno-soil and the development of the vegetation species planted in it.



Mine waste facility in Buenavista del Cobre, Cananea, Sonora, Mexico

6.4.2
Governance

Grupo México has an organizational structure that supports efficient mine waste management at our operations.

Our Mining Division set up a Tailings System Review Committee in July 2022. This high-level technical group conducts independent technical reviews of the design, construction, operation, closure and management of our tailings systems, providing an additional level of review to develop a solid risk and quality management system for all stages of the tailings impoundment lifecycle, including closure and post-closure.



For more information, visit the Grupo México Sustainability website.

6.4.3
Management and Strategy
GRI 301-1, 306-2, 306-3, G4MM3

The Grupo México Environmental Policy, outlines our commitment to plan, design, construct and operate our facilities responsibly and with a preventive approach throughout their lifecycle, and also our mission to minimize our impact on the soil, and to reduce our waste, discharges and emissions.

Our General Policy on Tailings Systems, has been in place since 2019 and promotes international best practices for:

i. the design, construction, operation and monitoring of our tailings facilities;
ii. the classification of our tailings facilities by stability risk through the evaluation of the conditions downstream;
iii. the design, implementation and operation of monitoring systems to manage the risks associated with each phase of the tailings deposit lifecycle;
iv. emergency response preparedness; safety is one of our base pillars.

We prioritize prevention in the generation of waste and endeavor to recover and preserve the value of the materials wherever possible, applying our waste management hierarchy.

The commitments laid out in our environmental policy extend to all Grupo México personnel and also to our suppliers, contractors and partners in our three divisions in all countries where we have operations. The General Policy on Tailings Systems extends to SCC and the Mining Division. The codes of conduct for our suppliers, contractors and partners are available on our website.

Our strategy follows the waste management hierarchy and seeks to:

- **Prevent waste starting with the project design.**
  - Develop an organizational culture of prevention that promotes learning, communication and early detection of problems associated with managing mine waste.
  - Develop plans and design criteria for impoundments that would minimize the risks associated with each stage of the lifecycle, including closure and post-closure.
- **Reduce the volume and environmental impact of our waste throughout the lifecycle of our projects.**
  - Develop and maintain current a multidisciplinary knowledge base (social, engineering, environmental) to support our mine waste management throughout the lifecycle, including the closure and post-closure of our tailings impoundments.
  - Publicly report the relevant aspects of our mine waste management and address concerns raised by our neighbor communities.
- **Recover and repurpose waste.**
- **Avoid, offset and address the risks associated with waste management:**
  - Design and operate monitoring systems to manage the risks associated with each stage in the lifecycle of our mine waste management facilities, with particular focus on tailings.
  - Maintain current our emergency response systems associated with managing mine waste.

- **Restore the areas affected by the management of our mine waste.**
  - Hold in reserve the necessary resources to guarantee a successful closure that ensures the restoration, repair, restitution or rehabilitation of the environment on the closure of our mine waste facilities.
  - o Ensure a safe and environmentally appropriate closure of active and inactive mine waste facilities, including the post-closure stage. (For more information, see Closure of Operations).

Process for identifying risks and opportunities

The risk assessment is updated whenever there is a change to the original scenario, to reflect the new circumstances of the mine waste facility, aligning with the recommendations of the ICMM. (For more information, see Risk Management in Our Approach.)



Identify the risks that may be generated during the preparation of the impoundments, their construction, operation and closure.

Assess the risks based on their impact and probability of occurrence.

Identify prevention and mitigation measures and controls, accordingly (mitigation reduces the probability of occurrence).

Reassess the risks post-mitigation.

All our active tailings dams identify their associated risks. We classify these risks according to the potential damage that may be caused by a breach, which provides us with a reference to prioritize our safety measures and risk management. For more information, see AMC active tailings facilities and their classification.

To properly assess the risks of a potential failure at our tailings facilities, we need to predict the flow of tailings that could be released and the path of this flow according to the hydrography of the area. Breach analyses at our tailings facilities are essential to determine the effects an accident could have on the human population and the ecosystems, to then define response actions. To do this, we estimate the volume of tailings that could be released, the quantity of water in the tailings, and the concentration of solids; we conduct hydrographic analyses and identify the flows downstream from the facility.

On reaching the end of their useful life, there is still a potential for tailings dams to impact the health and the environment around them if we do not take appropriate action according to their particular physical and chemical characteristics. For this reason, we actively identify and manage these risks. For more information, see Closure of Operations - Risks.

Tailings facilities (with and without closure plans)



Environmental considerations during the lifecycle of our mine waste deposits



Description of the risks and opportunities

There are different risks and opportunities related to waste management, including legal and regulatory, health and safety, environmental, social, financial and reputational aspects.

Legal and regulatory

Risk: Laws and regulations tend to expand their scope and requirements over time, which means the obligations also change and the cost of compliance increases. Delays or failure to obtain the necessary permits for new projects can stall or impede the development of these projects and increase their implementation costs. Furthermore, improper waste management may generate liabilities on damages to individuals or the environment.

Opportunity: If we reduce the quantity of waste or the waste is managed safely and can be repurposed, the liabilities for damages can be avoided and costs are lowered.

Health and safety

Risk: Accidents caused by breaches at mine waste facilities, human exposure to hazardous waste, dust and particles, and accidents involving equipment during the construction, maintenance and operation of mine waste facilities may represent risks to humans and ecosystems that should be avoided.

Opportunity: Prevention, like the approach we have adopted in waste management to minimize the operational risks and reduce the costs associated with responding to unwanted events.

Environmental

Risk: Improper hazardous and mine waste management may potentially contaminate waterbodies, soil and air, and also affect wildlife populations and habitats. For more information, see Biodiversity – Environmental Impacts.

Opportunity: Proper waste management avoids compensation for damages and reduces ecological restoration costs.

Social

Risk: Improper waste management can affect the quality of life of the communities near our mines and their usage of existing natural resources in their surroundings. As a result, discontent and grievances may lead to formal complaints with the authorities and social conflicts that could affect operations and the development of new projects.

Opportunity: Proper waste management contributes to maintaining a social license and facilitates the operate and closure of facilities.

Financial

Risk: All the above risks carry financial consequences for our operations.

Reputational

Risk: The company's image and public perception may be negatively affected by the way the company manages it waste and by accidents that would impact human health and safety and/or the environment.

Opportunity: To counter, safe and preventive waste management that applies the waste hierarchy is a reputational strength.

Description of the short, medium and long term risks and opportunities identified for the material topic	
Potential risk:	Actions on potential opportunities:
Legal and regulatory	• Full and timely compliance with all legal and regulatory obligations. • Training to ensure familiarity with obligations, how to meet compliance and the consequences of not doing so.
Health and safety	• Training to ensure familiarity with the measures to prevent accidents. • Monitoring and control of company safety regulations. • Monitoring contractor performance.
Environmental	• Implementation of preventive measures to reduce impacts on air, soil, water and ecosystems. • Restoration of the natural landscape, taking into consideration the type of ecosystem and continuity of the ecosystem functions. • Reintroduction of native species or species with a protection classification. • Restoration of environmental services, like water capture.
Social	• Strengthen community relations. • Provide information to the neighbor communities. • Address the concerns of the communities. • Strengthen the community infrastructure. • Strengthen the social weave through sports and cultural activities.
Financial	• Undertake closure activities prior to the end of the life of our mine waste facilities. • Hold in reserve the resources necessary to ensure we mee tour closure obligations and closure plan expectations.
Reputacional	• Planning and follow-up for a safe closure, with value added. • Leave a positive legacy at the site.

Our mine waste management and disposal facilities are in a constant process of both construction and operation. We take advantage of opportunities to initiate closure activities in areas that are no longer affected by our operations. These actions can reduce operational risks, compliance obligations and closure costs for mine waste facilities. (For more information, see Closure of Operations – Measures to address and manage potential impacts).

Description of the real impacts

We have identified the nature of the significant impacts from our handling of mine waste.

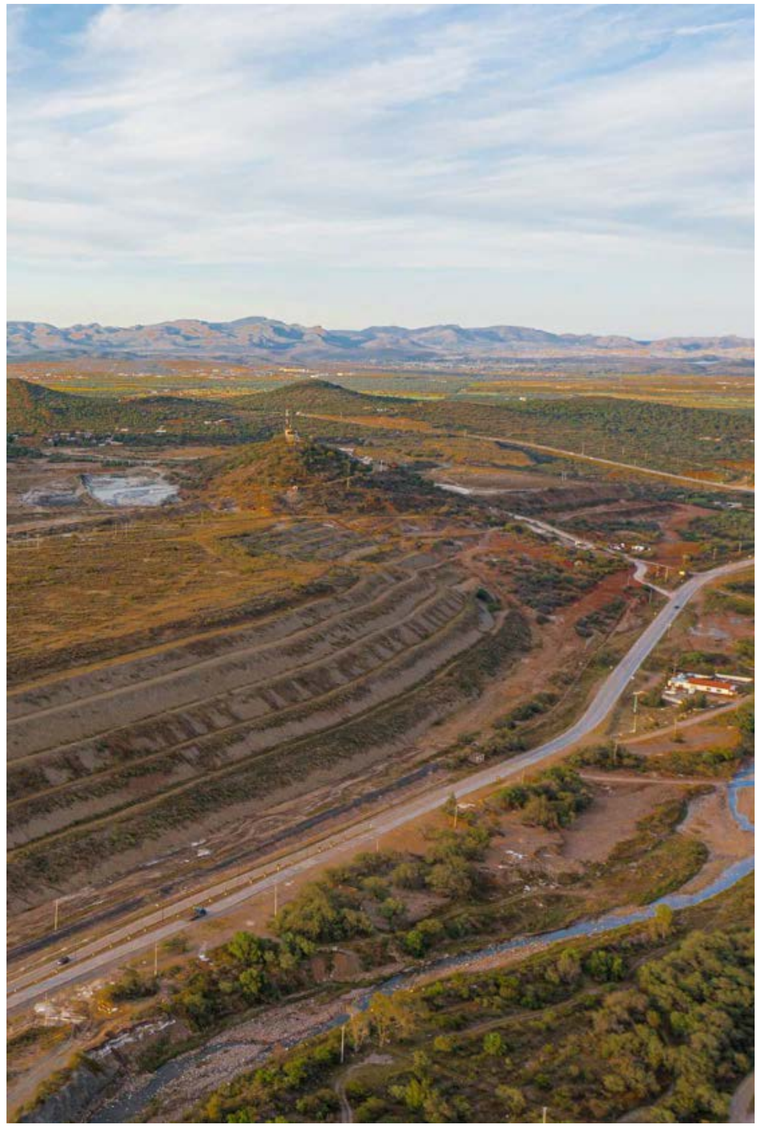
1. **Modification of the landscape**
   The construction of mine waste facilities has a direct impact on the soil and the landscape, which affects the continuity of the ecosystems and their functions, and may fragment these ecosystems. Our operations impacted 1,295 acres (524 ha) in 2023, most of which was due to the construction and growth of mine waste facilities. For more information about the impacts on the landscape, impacted areas and reforested areas, see Biodiversity - Impacts.

2. **Dust generation**
   The dust generated by the wind and the movement of machinery on the surface of mine waste deposits tends to disperse and cause discomfort in neighboring communities.

   This is a problem that presents throughout the lifecycle of these facilities and may affect human health and ecosystems.

3. **Acid drainage**
   Some of our mine waste facilities may generate acid drainage due to the reactive metal sulfides, which produce and release acid drainage when they oxidize. According to our most recent calculations, the total cumulative volume of mine waste at our operations with the potential to generate acid drainage is 378 million tons. The water stress and high evaporation rates at our operations limit the volume of acid drainage that may be generated, which facilitates its management and reduces the risk of contamination. For specific details by operational site, see Potential to generate acid drainage by site.

4. **Contamination of ecosystems**
   Hazardous waste released into the environment may cause significant impacts on human health and affect ecosystem functions (see Biodiversity - Description of impacts). There were no events of this type at our Mining Division operations in 2023.



2 Mine waste facility in Santa Barbara, Chihuahua, Mexico

Measures to address and manage negative impacts

As outlined in our strategy, the measures we use to address impacts include:

- **Prevention, starting with the project design, the generation of waste and its impacts on the environment.**

  Our environmental management systems lay out how we classify, transport, store, treat and dispose of our hazardous waste, complying with environmental regulations. We are always seeking solutions that will reduce our consumption of chemical substances, improve the efficiency of the chemical reactions and reduce packaging and the generation of hazardous waste due to contact between these substances and others that are not hazardous. See Our Approach - Goals and targets.

- **Reduce the volume and impact of waste on the environment throughout the lifecycles of our projects.**

  We send 767,396 tons of tailings to fill underground mines, which avoids their storage in open spaces and reduces the stress on rock masses, falling rock and damage to the ground inside our underground mines. This action also improves the conditions and safety inside these mines.
  We design and construct our tailings facilities to optimize stability and minimize wind erosion, and when certain areas of these facilities reach the end of their useful life, we cover them with borrow material or vegetation.

  Additionally, we carry out scheduled irrigation during the dry season and cover with dust suppressants the areas of the tanks through which machinery does not pass.

- **Recover and repurpose waste**

  The use of metallurgical waste produced at our smelters represents an important business opportunity that reduces the volume of waste at a profit. Our slag repurposing project in Hayden, Arizona, processes around 4,000 tons/day, and our other project at Metalúrgica de Cobre in Sonora, Mexico, is currently being evaluated.

  We take our responsibility to prevent acid drainage into the environment very seriously. In this regard, we conduct diagnostics of potential sources of acid drainage and design long-term solutions for prevention and control. Acid drainage may remain present for decades, which makes identification, prevention and control even more important. Because of the conditions under which acid drainage occurs, this situation is not present at all mines, but without doubt it must be properly addressed to avoid unwanted impacts on water and the environment after the mine has ended its useful life. We are currently designing indicative/predictive testing at our facilities in Sonora, Mexico, to better predict the quality and quantity of the acid drainage.

  For information about the volumes of repurposed hazardous and non-hazardous waste, and our 2024 targets and goals, see the corresponding annexes.

- **Avoid, offset and address the risks associated with risk management**

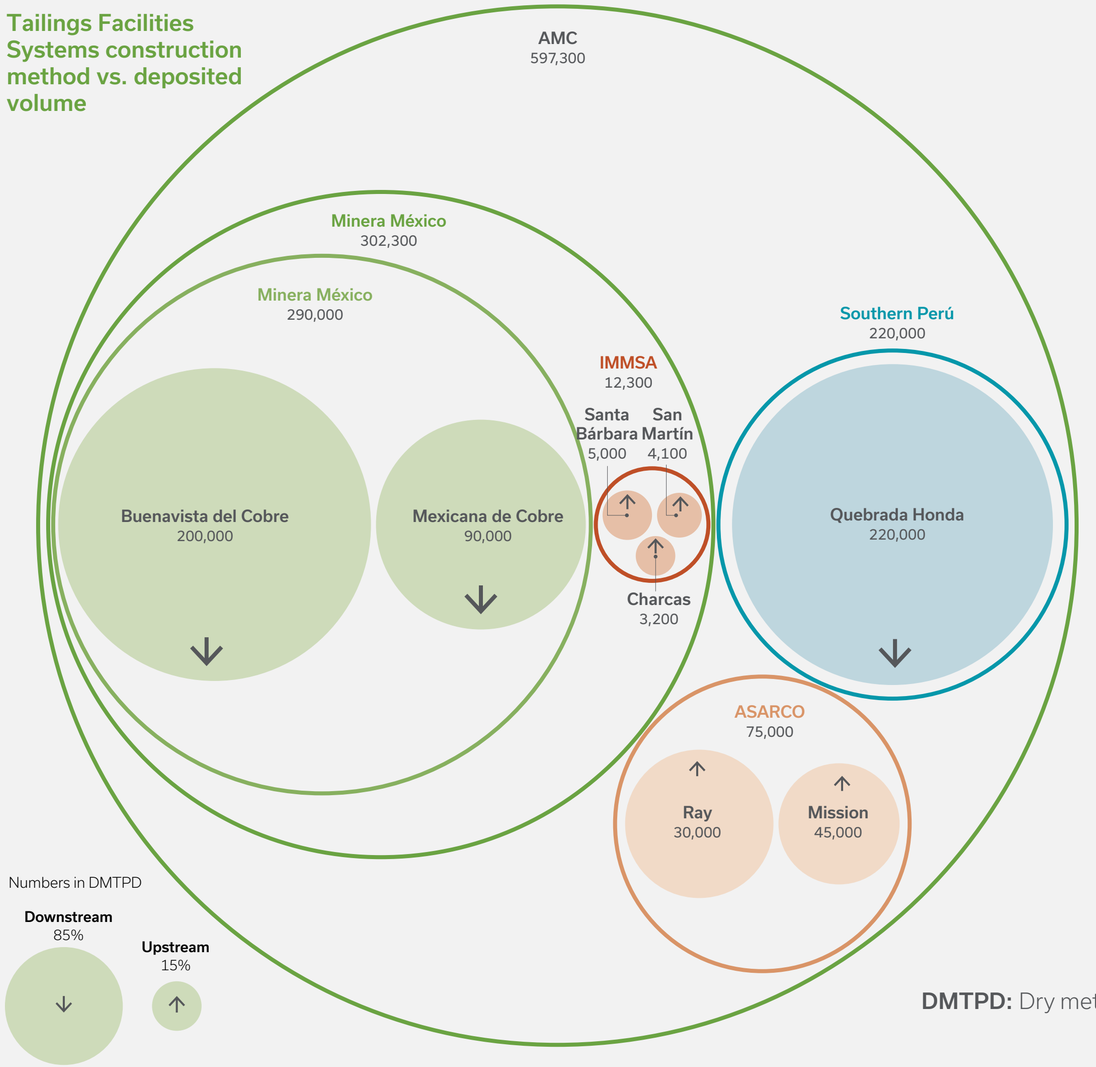
  The design and operation of our future tailings dams considers the best practices available and seeks to ensure the safe and responsible management of this waste in the long term. We recently designed a facility in Mexico for semi-dry tailings, and we're designing two more, also in Mexico. None of these facilities are in coastal or marine areas. Through our relationships with our neighbor communities, we keep them informed about the safety measures in place at our projects. These actions are supported by the commitments laid out in our General Policy on Tailings Systems.

  We are gradually implementing the ICMM Global Industry Standard on Tailings Management to strengthen the safe handling of our tailings and other waste, supported by our General Policy on Tailings Systems, aligned with international best practices. All these actions are periodically reviewed and supervised by our Internal Tailings Systems Review Committee.

  Also, acknowledging the importance of early detection, in real time, of stresses and deformations in the structures and the water pressure in the tailings pores and soils in reservoirs and curtains, our tailings dams are equipped with instruments for automatic monitoring by telemetry with the installation of vibrating wire piezometers, inclinometers, extensometers, accelerograph stations, GNSS antennas for collimation and leveling by telemetry, and prisms and automated stations. We will soon be incorporating InSAR technology (Interferometric synthetic aperture radar) to

monitor curtain movements at our mine waste facilities. We continually monitor the weather at our mines in real time through automated telemetric meteorological stations to inform our hydrologic surveys and our adaptations to climate change. We also measure volumes or levels and flows in sections or at hydraulic control points to log reclaimed water and the volumes stored in the tailings dams. Additionally, we regularly conduct exploratory surveys of the tailings dam curtains and reservoirs taking disturbed and undisturbed soil and tailings samples, standard penetration assays, electric piezocone testing for pore pressure dissipation, permeability and piezometric levels, among others, to update the knowledge base for each tailings facility and review their structural and hydraulic geotechnical safety.

Tailings Facilities Systems construction method vs. deposited volume



DMTPD: Dry metric ton per day

[2] Global navigation satellite system.

- Restore the spaces affected by our mine waste management

We aspire to leave a positive legacy for future generations. In this regard, we periodically update our closure plans, which apply a closure hierarchy that prioritizes, wherever possible, the recovery of the original conditions of sites occupied by tailings dams, then developing alternative uses for the land to produce greater benefits than prior to the mining operation, and lastly, reconstruct the site to an acceptable level according to regulations.

These closure plans typically include an analysis and monitoring of the physical and chemical stability of the tanks, their covers, rainfall controls to prevent erosion, and post-closure maintenance and monitoring mechanisms. Our closure plans detail specific actions for each site to minimize and control acid drainage, prioritizing passive systems like wetlands. For more information, see our Closure Protocol and Closure of Operations in this report.

Other specific actions

- Slope safety and behavior diagnostics for open pits, waste rock piles and slag heals. We use high-resolution satellite images to regularly monitor deformations through satellite interferometry to prevent unwanted events and facilitate the closure of operations. With this, we can assess the magnitude of potential morphological changes at our mine waste facilities and estimate the direction, evolution and magnitude of observed movements with millimetric precision, and calibrate and/or validate the geotechnical models for these structures.

- We restored 3,565 acres (1,443 hectares) in 2023 to recover the landscape and its ecosystem functions. For more information, see Biodiversity – Specific Actions.

- Develop artificial soil production techniques. We have been exploring using mine waste (tailings and overburden) to produce techno-soils at our Buenavista del Cobre operation. In the current pilot phase, we are testing different compositions of artificial soil to restore areas affected by our operations.

Creating a layer of fertile soil is a critical step in restoring the ecosystems in areas potentially impacted by our mining activities. Natural reforestation can be extremely difficult, particularly in desert or semi-desert zones, where most of our operations are located, which are characterized by shallow soil, and being deficient in organic matter and nutrients. We are working with the Universidad Nacional Autónoma de México to build knowledge in this field.

- Production of native plants for reforesting and restoration. We have 8 nurseries (7 in Mexico and one in Peru) with an annual production capacity of more than 5 million plants, most of which are native to the zones where we operate. Our Vegetation Restoration and Production Department uses these plants for projects both in and outside our properties. For more information, see Biodiversity – Specific Actions.

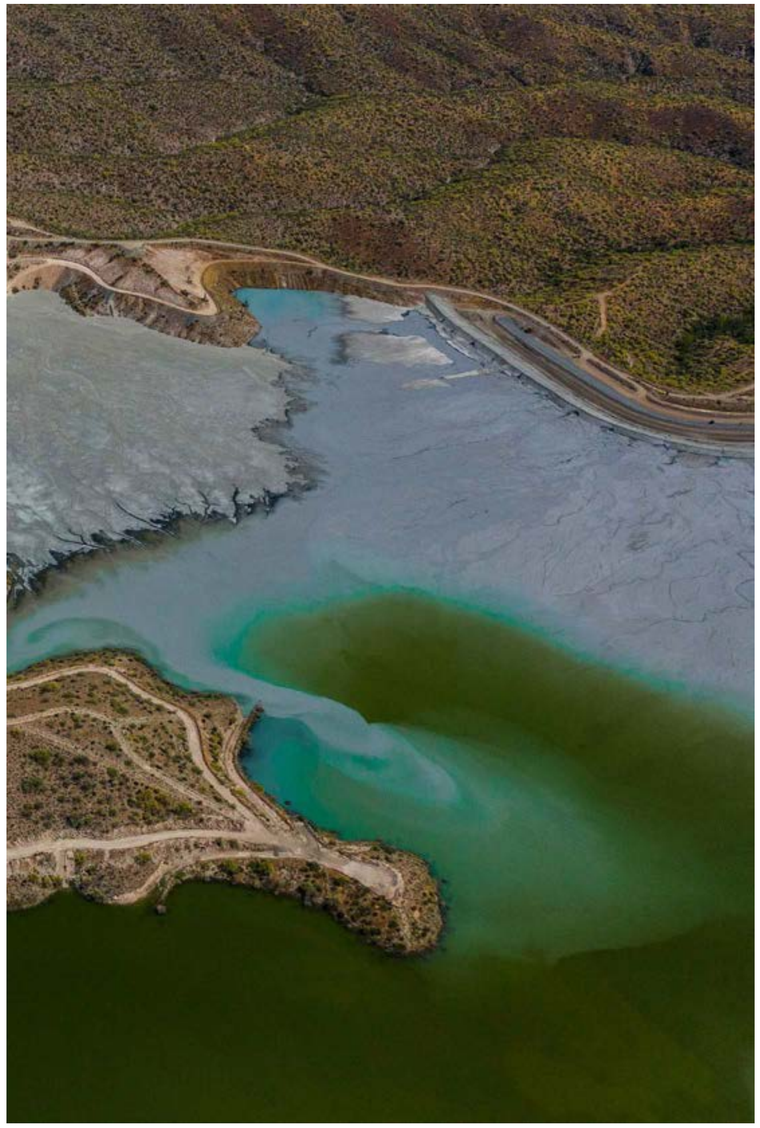
Influence and involvement of stakeholders

The regulatory authorities (Semarnat[1], SENACE[2] and the Arizona and Texas state governments in the United States) authorize our environmental impact assessments and set measures to prevent, mitigate and offset environmental impacts throughout the lifecycle of these facilities, and particularly for the end of operations / operational life stage. Of note is that the environmental impact authorization process in Mexico and Peru involves evaluations that include public consultations with persons holding interest in the project. These public consultations are held during the design and approval stage, and nonprofit and community stakeholders usually participate.

Supervisory authorities (OEFA[3], Profepa[4], Arizona and Texas state governments, and the USEPA[5] in the United States) monitor compliance with these obligations in terms of their effectiveness and timeliness.

The communities are involved in our waste management through our due diligence and community engagement mechanisms as part of our Community Development model: Participative Social Diagnostics, the Community Care Service, and the Community Committees. Through these tools, we identify the needs and concerns raised by the community regarding mine waste and we build solutions, together. (For more information, see Local Communities).

[1] Ministry of the Environment and Natural Resources (Mexico)
[2] National Environmental Certification Service for Sustainable Investments (Peru)
[3] Environmental Assessment and Inspection (Peru)
[4] Environmental Protection Agency (Mexico)
[5] United States Environmental Protection Agency (USA)



Mine waste facility at the Ray mine, Arizona, United States

6.4.4
Waste management in other divisions

Infrastructure Division
GRI 3-3

We're committed to rigorous waste separation and to promoting reuse, wherever possible, and also responsible usage of resources and energy.

The comprehensive waste management at our operations has been strengthened through environmental awareness strategies, interinstitutional efforts and recycling campaigns. For example, the slurry produced by the wastewater treatment plant at our La Caridad Combined Cycle Power Plant is passed through a composting process to enrich the natural soil with organic matter.

Organizational management

Our comprehensive waste management is based on four pillars:

- Compliance with environmental policies
- Spill prevention and control
- Environmental culture and trainin
- Minimize the use of materials, endeavor to make waste sustainable and apply the principles of circular economies

Evaluation mechanisms

We use monitoring and evaluation mechanisms for our processes to ensure our handling of hazardous and non-hazardous waste is in compliance with regulations at all our sites. The principal tools we use are:

- Monthly reports of indicators to comply with the Annual Operations Certification for each worksite.
- Random inspections conducted by the Audit department each year at both the corporate and worksite levels.
- We published our Corporate Comprehensive Hazardous Waste Management procedure in 2023, which unifies the environmental performance indicators at all our sites and provides guidance for all personnel on how to manage waste and which processes to follow. Our Infrastructure Division holds as a priority returning waste to the productive chain, avoiding impoundment wherever possible. Some of these actions include separating and classifying waste where it is produced, to prevent contamination at the origin.
- Assess waste requiring special handling for recycling and/or reuse, as permitted by regulations.
- Promote sustainable purchasing to prevent producing large volumes of waste.
- Conduct PET collection campaigns, for subsequent donation.
- Hold talks and campaigns on caring for the environment.

Transportation Division

GRI 3-3

The Transportation Division manages waste according to the regulations in each region where we operate, with particular attention to handling, storage and shipment for final disposal. We have developed alliances and hold shared responsibility with third parties authorized to transport waste for the different productive chains.

The hazardous waste we produce comes from our repair shops where we perform maintenance, fueling and repairs for our railcars and locomotives.

All our repair shops maintain a monthly log of the type and quantity of hazardous waste produced, and also track the final disposal of this waste. This service is provided by a third party accredited by the environmental authorities for the transportation and final disposal of this waste.

The Transportation Division Environmental Management department ensures our repair shops and warehouses are in compliance with environmental regulations and correctly capture the waste produced.

Spills

GRI 306-3

Our Transportation Division has a response protocol in place to address spills of materials which, depending on the type of event, involves different mechanisms for prevention and coordinated action with different levels of the organization and governments in the regions where we operate.

Waste Management



Waste produced at repair shops
Railcar and locomotive storage, maintenance and repair

Waste taken to hazardous waste storage
Classification and logging of the hazardous waste produced into the storage log

Authorized transportation arrives
Disposal of waste through authorized service provider

Disposal of hazardous waste report received
Report of waste received and final disposal

Our emergency response protocol for spills is structured as follows:



Prevention

The prevention activities the Safety Committee will take are defined.



Response

The Contingency Plan is activated on the occurrence of a chemical incident.



Remediation

With the emergency under control, the track is reported as clear and the damages to the line and surrounding areas are surveyed. The damages to equipment and infrastructure are assessed and quantified, as well as the environmental restoration that may be required.

6.4.5
Next Steps

In the Mining Division, we will continue measuring hazardous and non-hazardous waste trends, setting reduction and repurposing targets, and monitoring our improvement actions, supported by our environmental management systems.

In preventing the impact of our mine waste, we will:

- Wherever possible, use already impacted land for mine waste impoundments.
- Wherever possible, use waste rock to reduce the potential for acid drainage.
- Maintain our acid drainage capturing and pumping systems to reincorporate this into our leaching heaps.
- Continue our projects to reduce the exposure of acid drainage producing waste to conditions that enable this process.
- Reincorporate depleted leaching lands into the natural landscape at the end of their useful life.

The primary goal of our waste management (particularly mine waste) is to guarantee human safety and the ecosystems at and around our tailings facilities, depleted waste rock piles and smelter slag heaps.

For information about our goals and targets, and our progress, visit the Sustainability website.

Effectiveness of the processes, measures and goals to manage the material topic, and also lessons learned and how these have been incorporated

We strive to ensure our efforts to contribute to the safe and responsible handling of waste at our operations are effective, and we adjust these efforts as needed to achieve our goal. In addition to evaluating our performance by measuring our waste management indicators, our actions are verified with the certification of our environmental management systems and the independent assurance of our Sustainable Development Report. These verification systems provide an ongoing process that helps us to identify opportunities for improvement, which we incorporate into our environmental management systems through change management processes.

We know that to achieve our goals effectively, we need to make decisions supported by the best science-based information available, and considering not only the environmental, but also the social, cultural and economic aspects. It is therefore important to involve the authorities, the academic and scientific communities, our local communities and the civil society in our actions. We are clear that building alliances is essential in achieving our goals.



Mine waste facility at La Caridad, Nacozari de Garcia, Sonora, Mexico

6.4.6
Metrics and Indicators

Our performance and management indicators are constantly monitored and reviewed, and include the following components for each division:

Mining Division

- **a.** Mine waste produced.
- **b.** Areas impacted by mine waste facilities.
- **c.** Volume of rock produced that could generate acid drainage.
- **d.** Waste diverted from disposal.
- **e.** Waste directed to disposal.
- **f.** Acceptable safety factors* for active tailings dams.
- **g.** Percentage of compliance with our General Policy on Tailings Systems and the ICMM Global Industry Standard on Tailings Management.
- **h.** Percentage of significant risks that have functional critical controls in place at all sites.
- **i.** Percentage of remediation at inactive tailings dams.

Infrastructure Division

- **j.** Waste directed to disposal; waste diverted from disposal
- **k.** Significant spills
- **l.** Materials used by weight or volume

Transportation Division

- **m.** Waste produced
- **n.** Spills

Mining Division

a) Mine waste produced

AMC Mine Waste																				
	Total Mining Division				SCC				Minera México (Mexico)				SPCC (Peru)				ASARCO (USA)			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Slag and other smelter and refinery waste (ton)	1,723,198	1,716,589	1,562,781	1,696,791	1,723,198	1,716,589	1,562,781	1,696,791	737,745	663,905	697,855	759,970	985,453	1,052,684	864,926	936,821	0	0	0	0
Rock waste or overburden (ton)	516,780,401	486,264,155	425,721,871	314,072,100	459,948,416	421,956,829	369,191,458	262,016,100	202,800,862	182,218,777	143,322,030	87,742,100	257,147,554	239,738,052	225,869,428	174,274,000	56,831,985	64,307,326	56,530,413	52,056,000
Tailings (ton)	199,979,355	198,375,051	204,163,195	202,971,891	177,457,424	174,278,833	179,797,989	178,462,310	109,919,007	110,248,245	109,970,100	110,021,747	67,538,417	64,030,588	69,827,889	68,440,563	22,521,932	24,096,218	24,365,206	24,509,581
Total mine waste (ton)	718,482,955	686,355,795	631,447,847	518,740,782	639,129,038	597,952,251	550,552,228	442,175,201	313,457,615	293,130,927	253,989,985	198,523,817	325,671,424	304,821,324	296,562,243	243,651,384	79,353,917	88,403,544	80,895,619	76,565,581

We generated 718,482,955 tons of mine waste in 2023, 71% of which was rock waste.

b) Areas impacted by mine waste facilities (tailings and overburden)

Areas impacted by mine waste facilities (tailings and overburden) 2023									
Site	**Buenavista del Cobre**	**La Caridad**	**Cuajone**	**Toquepala**	**Hyden**	**Silver Bell**	**Ray**	**Mission**	**Total**
Tailings (hectares)	0	65	133		0	0	3	0	**201**
Overburden (hectares)	0	85	38	36	0	0	0	0	**158**

c) Produced rock volume capable of creating acid drainage (ARD)

Site	Produced rock volume capable of creating ARD (t)
Mexico	
Buenavista de Cobre (BVC)	**140,916,671**
OMINA (La Caridad)	42,039,843
Peru	
Toquepala	100,379,235
Cuajone	94,777,706
Asarco	
Ray	11,039
Silver Bell	21,554
Total	**378,146,048**

d) Waste diverted from disposal, and e) Waste directed for disposal

	Grupo México		Mining Division (MIN DIV)										Transportation Division (TRA DIV)						Infrastructure Division (INF DIV)	
	Total Grupo México		Total MIN DIV		SCC		Mexico		Peru		USA		Total TRA DIV		Mexico		USA		Total INF DIV	
	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous
GRI 306-4 Waste diverted from disposal (ton)																				
Waste sent for recovery																				
Reuse	243.90	799.59	197.70	799.26	191.08	799.21	191.08	38.07	-	761.14	6.62	0.05	-	-	-	-	-	-	46.20	0.33
Recycling	83,346.93	20,418.87	82,747.01	20,050.09	79,383.01	20,050.09	79,228.91	17,685.66	154.10	2,364.43	3,364.00	-	-	-	-	-	-	-	599.92	368.78
Composting	6,010.35	-	932.15	-	932.15	-	636.30	-	295.85	-	-	-	-	-	-	-	-	-	5,078.20	-
Repurposing or restoration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale	19,199.79	1,427.08	19,199.79	789.96	19,199.79	789.96	740.12	-	18,459.67	789.96	-	-	-	637.12	-	637.12	-	-	-	-
Other* (co-processing, leaching heaps})	3,493.00	2,069.07	3,493.00	2,069.07	3,463.00	2,069.07	3,409.00	2,069.07	54.00	-	30.00	-	-	-	-	-	-	-	-	-
Total waste for recovery (ton)	**167,781.00**	**167,781.00**	**167,781.00**	**13,160.00**	**103,169.02**	**23,708.32**	**84,205.41**	**19,792.79**	**18,963.61**	**3,915.54**	**3,400.62**	**0.05**	**-**	**637.12**	**-**	**637.12**	**-**	**-**	**5,724.32**	**369.11**
GRI 306-5 Waste directed for disposal (ton)																				
Waste sent for final disposal																				
Incineration with energy recovery	17.81	198.00	17.81	20.00	-	-	-	-	-	-	17.81	20.00	-	-	-	-	-	-	-	178.00
Incineration without energy recovery	0.28	16.85	0.28	12.50	0.13	12.50	0.13	12.50	-	-	0.14	-	-	-	-	-	-	-	-	4.35
Sent to disposal sites or impoundments	28,572.09	34,748.38	28,536.09	33,503.63	28,536.09	12,670.98	17,820.00	10,833.00	10,716.09	1,837.98	-	20,832.65	-	1,226.98	-	1,226.98	-	1,233.22	36.00	17.77
Sent to controlled landfills	4,007.45	62.52	4,007.45	62.52	3,368.45	-	239.38	-	3,129.07	-	639.00	62.52	-	-	-	-	-	-	-	-
Well injection	92.00	-	92.00	-	-	-	-	-	-	-	92.00	-	-	-	-	-	-	-	-	-
Other (disposal en situ, uncontrolled landfills)	4,041.50	372.00	4,041.50	372.00	49.89	372.00	49.89	-	-	372.00	3,991.61	-	-	-	-	-	-	-	-	-
Total waste sent for final disposal	**36,731.12**	**35,397.75**	**36,695.12**	**33,970.65**	**31,954.56**	**13,055.48**	**18,109.41**	**10,845.50**	**13,845.15**	**2,209.98**	**4,740.56**	**20,915.17**	**-**	**1,226.98**	**-**	**1,226.98**	**-**	**1,233.22**	**36.00**	**200.12**
Total waste (ton)	**204,512.12**	**203,178.75**	**204,476.12**	**47,130.65**	**135,123.58**	**36,763.81**	**102,314.82**	**30,638.29**	**32,808.77**	**6,125.52**	**8,141.19**	**20,915.22**	**-**	**1,864.10**	**-**	**1,864.10**	**-**	**1,233.22**	**5,760.32**	**569.23**

f) Acceptable safety factors for our active tailings dams

The Grupo México Mining Division uses as the reference, the safey factors recommended by the ICOLD (International Commission on Large Dams). These factors are: 1.5 static and 1.1 pseudostatic.

g) Percentage of compliance with the General Tailings Systems Policy and the ICMM Global Tailings Management Standard

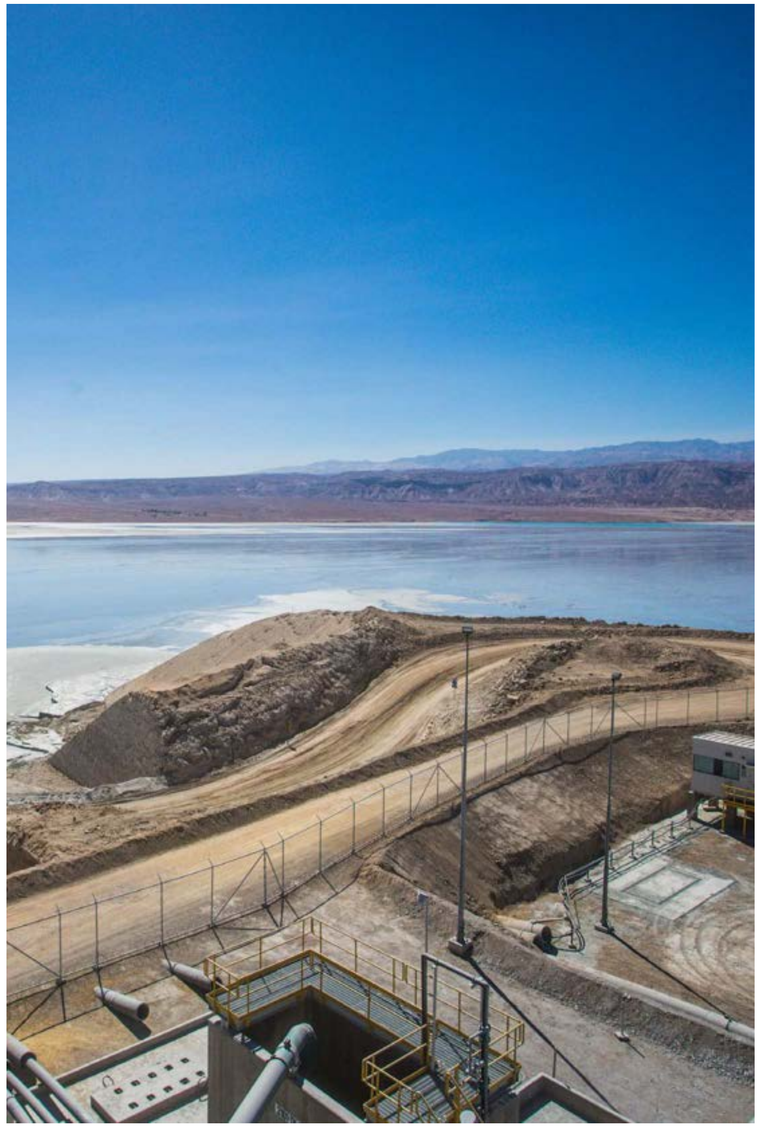
58%
Lack of training for management personnel at the tailings facilities and their staff. Our tailings faciliites are in the process of aligning to the 77 requirements of the Global Tailings Management Standard.

h) Percentage of significant risks that have functional critical controls in place at all sites

70%
We have identified 17 environment-related critical risks, 12 of which have perational controls in place.

i) Percentage of remediation at inactive tailings dams

50%
16 of our 32 inactive facilities are remediated.



Mine waste facility at Quebrada Honda, Toquepala, Peru

Infrastructure Division

a) Waste diverted from disposal and waste directed for disposal

306-4 y 306-5

Hazardous waste by disposal method	2023	2022	2021	2020
Recovery	TON	TON	TON	TON
Reuse	0	0	0	0
Recycling	369	393	438	254
Total	**369**	**393**	**438**	**254**
Waste directed for disposal				
Incineration with energy recovery	178	164	116	114
Incineration without energy recovery	4	0	1	4
Impoundment in controlled facilities	18	19	36	58
Other	0	0	57	0
Total	**200**	**184**	**211**	**176**
Total		**577**	**650**	**429**

The waste produced in 2023 was managed comprehensively, in compliance with regulations, promoting reuse, separation, recycling and any other method to avoid impoundment.

As a result, 96% of our hazardous waste was reincorporated into other industrial chains, providing a raw material for other users.

Non-hazardous waste by disposal method	2023	2022	2021	2020
Recovery	TON	TON	TON	TON
Reuse	46	31	88	0
Recycling	600	1,052	367	265
Composting	5,078	5,612	6,431	5,777
Total	**5,724**	**6,696**	**6,886**	**6,042**
Waste directed for disposal			TON	TON
Impoundment in controlled facilities	0	36	41	100
Total	**0**	**36**	**41**	**100**
Total	**0**	**6,732**	**6,927**	**6,142**

Most of our non-hazardous waste (also known as requiring special handling) is produced by water treatment at the La Caridad combined cycle power plant, which is directed to composting.

b) Significant spills*

GRI 306-3

Our personnel receive ongoing training on topics related to environmental care, handling hazardous substances, and disposal of hazardous and non-hazardous waste. We also monitor our worksites constantly to identify any irregularity and avoid potential impacts on the environment.

There were no significant spills in 2023 involving chemical substances or hazardous waste at any of our worksites, therefore we were not subject to any technical or legal reporting requirement with the Mexican authorities.

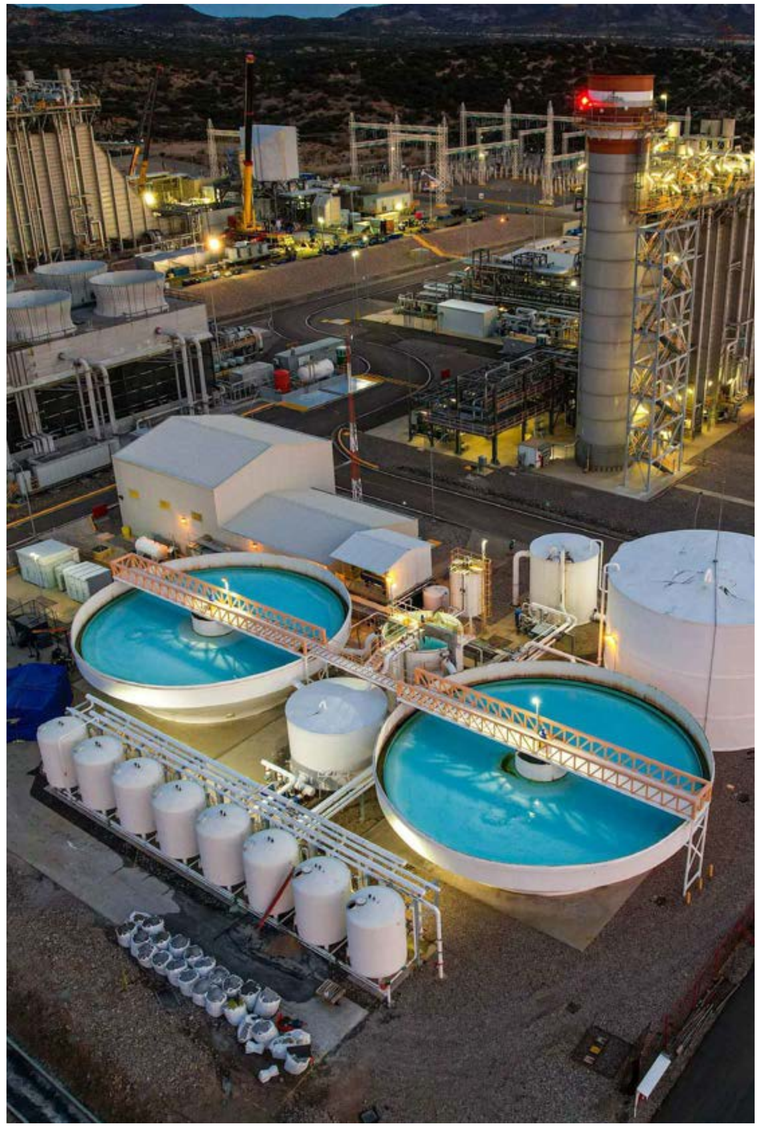
*Over 264 gallons (1m³).

c) Materials used by weight or volume

301-1

The Infrastructure Dicision depends on different inputs to guarantee the operation of our six lines of business. The most used materials in the Infrastruccture Division are summarized following:

1	DIESEL	9,592,914	L
2	UNLEADED GASOLINE	465,949	L
3	400 SAE 15W-40 DELO OIL	107,952	L
4	FL-24 L LIQUID FILTER CONTROLLER	38,762	L
5	TYPE H CEMENT	7,850	T
6	ALUMINUM CHLORHYDRATE 23%	1,073	T



Combined cycle power plant, Nacozari de Garcia, Sonora, Mexico

Transportation Division

a) Hazardous waste produced and its disposal

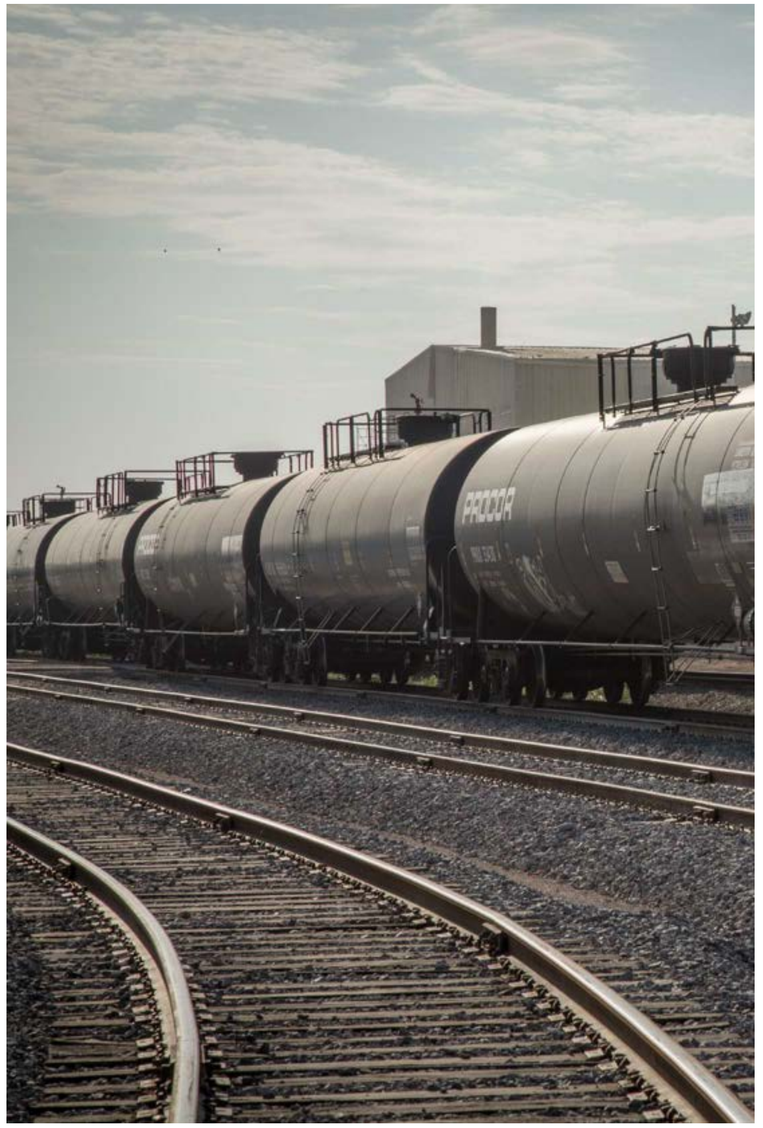
GRI 306-3, 306-5

	2021	2022	2023		
			Final disposal	Repurposed	Total generated (tons)
México	1,294	1,319	1,227	637	1,864
E.U.A.	1,216	1,233	1,823	0	1,823
GMXT	2,510	2,552	3,050	637	3,687

b) Spills

GRI 306-3

There were no significant spills or related fines in 2023.



Torreon terminal, Coahuila, Mexico

01 Introduction

02 Our Approach

03 Shared Value

04 Governance

05 Social

06 Environment

07 Annexes

6.5 Closure of Operations

6.5.1 Highlights

6.5.2 Governance

6.5.3 Strategy and Management

6.5.4 Next Steps

6.5.5 Metrics and Indicators

6.5 Closure of Operations

At Grupo México, we aspire to leave a positive legacy for future generations. This is embodied by our commitment to leaving a net positive social and environmental impact, and also to preventing, mitigating and offsetting the potential impacts that our activities may cause throughout the lifecycle of our projects, acknowledging that the use of the land will often change when our operations complete their useful life.

The closure of sites used for industrial activities is one of our most important challenges, particularly for our mining operations, because the process is carried out over a long time and the potential impacts may manifest even after the operations have ended, if not foreseen and avoidance measures implemented correctly in advance.

Effective planning and implementation affect the magnitude and types of impacts on the environment, the communities and the company. In particular, we strive to avoid residual impacts and restore the land impacted by our operations to its original conditions and reassess the soil, to either restore ecosystem functions and services, or to generate value added using the land for a different purpose in benefit of the communities that accompany us during the life of our mines. The closure of operations process also seeks to reduce as much as possible the potentially negative social and economic impacts that the closure may cause if not carried out carefully.

6.5.1 Highlights

Our Grupo México mines are large-scale and complex. Mine closure is a comprehensive and dynamic process, requiring the participation of all the stakeholders involved: authorities, communities, trade unions, suppliers, contractors, employees and their families, nonprofits, and even the ecosystems. Because of its nature, a mining operation will evolve and change over time and, by consequence, the considerations for its safe closure. Therefore, we regularly review and revise our closure plans, which provide actions to prevent and mitigate the environmental and social impacts identified for each stage of a mine's lifecycle.

For us, mine closure is much more than a technical-administrative formality, it's a process for a specific event at the end of the lifecycle. Grupo México works with relevant stakeholders to define and review the minimum expectations for the closure of operations in terms of the regulatory, environmental, social, labor and financial aspects. A responsible closure process will produce better, more effective and cost efficient results by addressing risks early, building a gradual social transition, and restoring the land we occupy. The Mining Division currently has closure plans in place at 70% of its operations.

Additionally, the Energy subsidiary of our Infrastructure Division has closure plans for:

- **Combined cycle power plant in Nacozari**
- **Fenicias wind farm in Nuevo Leon**
- **El Retiro wind farm in Oaxaca**

Our actions in 2023 include:



Publishing our Closure of Operations Protocol (mines) on the Grupo México website, outlining the commitments, directives, responsibilities and monitoring mechanisms for these activities.



Developing and maintaining our production capacity of native plants for reforestation and ecosystem restoration, ensuring the needs of concurrent and definitive closures are covered. For more information, see Biodiversity.



Updating our inventory of mining and related facilities to estimate the effort and resources required to meet our obligations, but primarily to guarantee the safe and timely closure of our operations.



Exploring alternatives for economic diversification in the communities where we operate. For more information, see Local Communities.



Updating the closure cost estimates for all our operations to more accurately calculate the financial reserve to guarantee not only compliance with obligations, but also best practices for this activity. This information is reported to the financial authorities periodically, as required by law.



Updating the closure plan for La Caridad to include environmental, economic and social aspects, aligned with the International Council on Mining and Metals (ICMM) Integrated Mine Closure good practices guide.

6.5.2 Governance

The organizational structure of supports managing the efficient closure of our operations.



For more information, visit the Grupo México Sustainability website.

6.5.3

Strategy and Management

The Grupo México Environmental Policy, outlines our commitment to plan, design, construct and operate our facilities responsibly and with a preventive approach to minimize our impact on the soil and to reduce our waste, discharges and emissions throughout the lifecycle of the site.

Our Community Development Policy addresses the social aspects of our operations and commits us to ongoing listening and dialogue with the communities through different communication mechanisms, to providing timely and relevant information for our stakeholders, and to fostering the economic and social development of the communities where we operate.

We have a Closure of Operations Protocol in place, under which we are committed to ensuring our decision-making processes throughout the lifecycle of our operations give consideration to the closure process, taking into account our employees, trade unions, our social and environmental values, our obligations, safety, risks to humans and to ecosystems, costs, and stakeholder expectations.

The Protocol sets the minimum requirements for the planning, management and implementation of the closure of operations throughout the lifecycle, and also the responsibilities of each operational area and company site. The roles and responsibilities are outlined in our environmental management systems.

The Protocol requires us to have and maintain current a social baseline obtained from official information sources that includes socioeconomic indicators and preliminary studies to then define the initial reference parameters for comparison against subsequent measures during the lifecycle of our projects, including their closure. We also use social inequality and human development indexes to measure our company efforts at the local level.

Our operations have plans in place that outline the bases for effective planning and implementation of the closure of operations. These plans are updated every five years and include pre-closure activities.

Additionally, we hold in reserve the necessary resources to guarantee a successful closure, including supporting the diversification of the local economy, for the social closure. The calculation for this reserve ensures the costs associated with the restoration, repair, offsetting or remediation of the environment on the closure of a site are covered, at present value, and also their disclosure. We have a specific procedure for preparing the calculation in each country where we operate, which is primarily based on the obligations set by law, and we report these figures to the financial authorities.

Our strategy considers the guidance of the International Council on Mining and Metals (ICMM)[1] and the Economic Commission for Latin America and the Caribbean (ECLAC)[2] to identify the potential impacts our operations may cause and also the areas of opportunity to mitigate and extend the positive impacts, from the community perspective. Our goal is to maintain and, wherever possible, improve the wellbeing of the communities near our operations, and also preserve the integrity of the ecosystems at our sites, focusing on:

- Integrating closure planning into the lifecycle of the operation.
- Building and continually adding to a knowledge base (with physical, biophysical and socioeconomic information) for our sites to support informed decision-making during the lifecycle.
- Preparing and updating every 2 years social diagnostics for each operation, defining the areas of influence, stakeholder engagement program, stakeholder mapping, social baseline, capacity building for the local community, and social management strategies.
- Identifying the environmental and social risks inherent to the closure process.
- Reviewing and regularly updating the risks and opportunities analysis to address these in a timely manner.
- Identifying the actions for each stage of a site's lifecycle and defining a plan for the execution of these actions.
- Preventing and mitigating the environmental and social impacts our closure and pre-closure activities may cause.
- Defining performance criteria to demonstrate the success of our closure actions.

[1] https://guidance.miningwithprinciples.com/integrated-mine-closure-good-practice-guide/?lang=es

[2] https://repositorio.cepal.org/server/api/core/bitstreams/766a85c7-5ac4-4cd4-874a-f06c6c2060c6/content

- Estimating, evaluating and updating the closure costs for each operation to guarantee the reserve holds the necessary resources. This estimate includes post-closure costs and monitoring.
- When a property transaction is involved, ensuring full compliance is met with the closure responsibilities by notifying the corresponding authorities and including the transfer of responsibilities in the contracts, after completing a due diligence process.

We conduct an iterative and ongoing process with stakeholders prior to the closure of operations, wherever possible, to reduce the risks and the potential impacts in a timely manner, enriching our closure plans, and engaging the parties involved in the execution of these plans. Building close relationships and trust with the communities and other stakeholders is essential for us.

Identifying risks and opportunities

We identify the risks and impacts associated with the closure of operations prior to starting new projects through environmental impact assessments, which we update whenever there is a major change at an operation, and also with social diagnostics, which we update every two years.

These diagnostic tools inform different actions to prevent risks and potential impacts on people and ecosystems.

The risk assessment process involves:



1. Identify the environmental and social risks that may affect the closure of the operation, the social transition or the post-closure phase.
2. Assess the risks based on their impact and probability of occurrence.
3. Identify prevention and mitigation measures, accordingly (mitigation reduces the probability of occurrence).
4. Reassess the risks post-mitigation.
5. Update the closure cost estimate.
6. Carry out the activities outlined in the closure plan.

Our sites involve different types of facilities that have a variable useful life, therefore there are opportunities to partially begin specific closure activities prior to the definitive closure of a project.

This translates into a gradual closure process, with the consequent advantages of reducing risks and costs.

Description of the risks and opportunities

We have identified the significant direct and indirect impacts that the closure of our mining operations may cause. For each operation, we have also identified opportunities to prevent and reduce these impacts as much as possible.

The environmental impacts we need to address regarding the closure of a mine include:

- Modification of the geoforms resulting from our mine operations, which may cause collapses at surface and underground projects, erosion at our mine waste facilities, impacts on surface and underground drainage, and fragmentation of ecosystems, among others.
- Acid drainage leaks containing metals that could contaminate surface and ground waterbodies.
- Impacts on the continuity and functioning of ecosystems caused by their fragmentation. For more information, see Biodiversity.

We recognize that the works required to avoid these potential impacts, and also the dismantling, demolition, soil remediation and recovery of the natural landscape may, in turn, produce other effects on the air, soil, water and ecosystems, which must be anticipated to ensure they are avoided and mitigated efficiently.

The impacts on health and safety may include injuries and even loss of life when safety standards are not followed, or as a result of some of the potential environmental impacts described above, like slope collapses in pits, galleries or mine waste facilities.

Socially, the impacts on the communities within the area of influence of an operation may involve employment, cultural heritage and economic activity. Ensuring a next step for the workers employed at the site and supporting alternative economic activities for these employees and local residents is essential for the closure plan to be successful.



Soil remediation deposit structures, San Luis Potosi, Mexico

Measures to address risks and opportunities	
Type of risk	Actions on potential opportunities
Legal and regulatory	• Full and timely compliance with all legal and regulatory obligations. • Training to ensure familiarity with obligations, how to meet compliance and the consequences of not doing so.
Health and safety	• Training to ensure familiarity with the measures to prevent accidents and occupational diseases. • Monitoring and control of company safety regulations and related legislation. • Monitoring contractor performance.
Environmental	• Implementation of preventive measures to reduce impacts on air, soil, water and ecosystems. • Restoration of the natural landscape, taking into consideration the type of ecosystem and continuity of the ecosystem functions. • Reintroduction of native species or species with a protection classification. • Restoration of environmental services, like water capture.
Social	• Supporting the diversification of economic activities in the area of influence of the operation. • Promoting the integration of company employees into the economic activities of the community. • Fostering micro and small businesses, certifications with technical institutes, job fairs. • Generating value added during the transition in the change of land use. • Strengthening the community infrastructure. • Community Committees to follow up on closure plan programs. • Strengthening the social weave through sports and cultural activities.
Financial	• Closure activities prior to the end of the operational life of our sites. • Holding in reserve the resources necessary to ensure we meet our closure obligations and expectations of our closure plans.
Reputational	• Planning and follow-up for a safe closure, with value added. • Leaving a positive legacy at the site.
Labor	• Building an inventory of talent. • Relations and collaborations with chambers and similar industries. • Accompaniment of eligible personnel in processing their retirement. • Outplacement training.

Our ISO 14001, certified environmental management systems help us to identify, prevent and, where necessary, mitigate the impacts our operations may cause during the various stages of a site's lifecycle.

We are working on updating the social closure plans for each of our operations. These plans outline the strategies for involving stakeholders, setting the social baseline, and also impact assessments, risk management, programs that promote economic development through workshops on finance-related topics, opportunities for relocation, job fairs and courses on entrepreneurship, all especially designed for our employees and contractors.

During the operation, and with particular emphasis on the closure and post-closure, we seek out opportunities to leave a sustainable legacy for our communities, with skills development programs, productive projects and linkages to foster employment opportunities. We support the local economy by focusing on diversifying the productive activities, with programs like *Forjando Futuro* (Forging Future), taking into account the local industries and sustainability.

Other specific actions

- Acid drainage diagnostic and design of long-term solutions for prevention and control. See Waste - Measures to address impacts.
- Slope safety and behavior diagnostic for open pits, tailings dams, waste rock piles and slag heaps. To prevent unwanted events and facilitate the closure of operations, at Buenavista del Cobre, for example, we use cutting-edge technology to regularly monitor and control deformations through satellite interferometry at open pits, waste rock piles and dam curtains. With this, we can assess the magnitude of potential deformations at these mine waste facilities, and estimate the direction, evolution and magnitude of observed movements with millimetric precision, and calibrate and/or validate the geotechnical models for these structures.
- Develop artificial soil production techniques.
- Production of native plants for reforesting and restoration. See Biodiversity - Specific actions.
- Develop infrastructure to channel rainwater and prevent the erosion of mine waste facility structures.
- Boost economic development from the operational stage through to the closure, focusing on capacity building, job conversion or retraining, and strengthening the local institutions.
- Maintain close communication and engagement with stakeholders to follow up on agreements, and linkage with institutes, organizations and academe around topics of economic and human development.

Influence and involvement of stakeholders

The regulatory authorities (SEMARNAT[3], SENACE[4], and the Arizona and Texas state governments in the United States) authorize our environmental impact assessments and set measures to prevent, mitigate and offset environmental impacts throughout the lifecycle of each facility, and particularly for the closure or end of operational life stage. Of note is that the environmental impact authorization process in Mexico and Peru involves evaluations that include public consultations with persons holding interest in the project. These public consultations are held during the design and approval stages, and nonprofit and community stakeholders usually participate.

Supervisory authorities (OEFA[5], Profepa[6], Arizona and Texas state governments and the USEPA[7] in the United States) monitor compliance with these obligations in terms of their effectiveness and timeliness. There is also some participation by financial authorities in terms of guaranteeing that sufficient funds are held in reserve to meet our closure obligations for all Grupo México operations.

In the academic community, we are working with the Universidad Nacional Autónoma de México to develop knowledge in the production of technosoils using mine waste.

[3] Ministry of the Environment and Natural Resources (Mexico)
[4] National Environmental Certification Service for Sustainable Investments (Peru)
[5] Environmental Assessment and Inspection Agency (Peru)
[6] Environmental Protection Agency (Mexico)
[7] United States Environmental Protection Agency (USA)

6.5.4
Next Steps

Effectiveness of our processes, measures and targets

We strive to ensure our efforts to contribute to the safe and responsible closure of our operations are effective, and we adjust these efforts as needed to achieve our goal. In addition to evaluating our performance through our closure of operations indicators, our actions are verified with the certification of our environmental management systems and the independent assurance of our Sustainable Development Report. These verification systems identify opportunities for improvement, which we incorporate into our environmental management systems through change management processes.

We know that to achieve our goals effectively, we need to make decisions supported by the best science-based information available, and considering not only the environmental, but also the social, cultural and economic aspects. It is therefore important to involve the authorities, the academic and scientific communities, our local communities, and the civil society in our actions. We are clear that building alliances is essential in achieving our targets and goals.

Our efforts in 2024 will be aimed at:

- Identifying gaps in information that should be covered with the knowledge base for each operation.
- Continuing to update our closure plans.
- Continuing to explore alternatives to protect the resources of the communities and develop economic alternatives in relation to the closure of operations.
- Developing improved capacities for the closure of operations (soils, plant production, labs, studies, surveys, training, governance).

For more information about our targets and goals, and our progress, visit the Grupo México Sustainability website.

6.5.5
Metrics and Indicators

Our aim at SCC and the Mining Division is to ensure the long-term physical, chemical and biological stability of sites that are no longer in operation, while also preventing potential risks to personal health and safety, and to the environment.

Grupo México uses a hierarchy for the closure of a site focusing first on restoring the original conditions of the site, then developing alternative uses for the land to produce greater benefits than had been in place prior to the mining operation, and lastly, reconstruct the site to an acceptable level according to regulations.

We use the following metrics to measure our performance:

- Percentage of sites with closure plans
- Area restored / area impacted

a) Percentage of sites with closure plans

Performance indicators				
	2023	2022	2021	2020
% of sites with closure plans	70%	40%	25%	15%

Closure plans for Buenavista del Cobre, Santa Eulalia, Guaymas, Taller Central and Planta de Cal are currently being developed.

b) Restored area / impacted area

Performance indicators				
	2023	2022	2021	2020
Restored area/ impacted area	1,443/661	1,772 / 231	252 / 204	333 / 550

c) Deforestation rate

Performance indicators				
	2023	2022	2021	2020
Deforestation rate	2.2	7.7	1.24	0.6



Tailings dam, Santa Barbara, Chihuahua, Mexico

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7.1 GRI Indicators Index



Section	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section	Additional notes
GRI 2: GENERAL DISCLOSURES 2021						
The organization and its reporting practices	2-1	Organizational details			**SDR: 1.3 About Grupo México**	
	2-2	Entities included in the organization's sustainability reporting			**SDR: 1.4 Our Presence, 1.5 Corporate Structure**	
	2-3	Reporting period, frequency and point of contact			**SDR: 1.1 About this Report**	
	2-4	Restatements of information			**SDR: 1.1 About this Report**	
	2-5	Independent or external assurance			**SDR: 1.1 About this Report**	
Activities and workers	2-6	Activities, value chain and other business relationships			**SDR:1.3 About Grupo México** **SDR: 3.2 Supply Chain Management,** 3.2.3 Management, 3.2.6 Metrics and Indicators	
	2-7	Employees			**SDR: 5.2 Our People,** 5.2.3 Management and Strategy, 5.2.5 a. Labor practices, 5.2.5 c. Talent recruitment and retention	
		Workers who are not employees			**SDR: 5.2 Our People,** 5.2.3 Management and Strategy, 5.2.5 a. Labor practices, 5.2.5 c. Talent recruitment and retention	
Governance	2-9	Governance structure and composition			**SDR: 4.1 Corporate Governance,** 4.1.1 Governance Structure, Governance annexes	
	2-10	Nomination and selection of the highest governance body			**SDR: 4.1 Corporate Governance,** 4.1.2 Selection and Independence	
	2-11	Chair of the highest governance body			**SDR: 4.1 Corporate Governance,** 4.1.2 Board Members	
	2-12	Role of the highest governance body in overseeing the management of impacts	Principles 7, 8		Corporate Governance Manual, 3.2.2 Board of Directors pp.7-9 **SDR: 4.1 Corporate Governance,** 4.1.4 Corporate Sustainable Development Department	
	2-13	Delegation of responsibility for managing impacts			**SDR: 4.1 Corporate Governance,** 4.1.4 Mining Division	
	2-14	Role of the highest governance body in sustainability reporting			**IDS: 4.1 Gobierno Corporativo,** 4.1.4 División Minera	
	2-15	Conflicts of interest			Corporate Governance Manual, 4.1.1 Policies on independence and conflicts of interest pp. 18-19	

Section	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section	Additional notes
GRI 2: GENERAL DISCLOSURES 2021						
Governance	2-16	Communication of critical concerns	Principles 1, 2, 10		**SDR: 4.1 Corporate Governance,** 4.1.4 Sustainable Development Management	**Omission**: We do not currently disclose the number or nature of critical concerns communicated to the Board of Directors. **Comment:** We disclose the number and nature of the concerns received via our reporting line. For more information, see Business Ethics.
	2-17	Collective knowledge of the highest governance body			**SDR: 4.1 Corporate Governance,** 4.1.2 Composition, Annexes for Governance	
	2-18	Evaluation of the performance of the highest governance body			**SDR: 4.1 Corporate Governance,** 4.1.2 Performance Reviews **Corporate Governance Manual,** 3.2.2.2 Competencies, diversity and independence pp. 7, 7. Corporate Governance Compliance and Self-Assessment pp.9	
	2-19	Remuneration policies				**Omission:** Our remuneration policy is not public.
	2-20	Process to determine remuneration				**Omission:** Our remuneration policy is not public.
	2-21	Annual total compensation ratio				**Omission:** We do not currently disclose information about the total annual compensation ratio.
Strategy, policies and practices	2-22	Statement on sustainable development strategy			**SDR: 1.2 Letter from the Chairman of the Board**	
	2-23	Policy commitments	Principles 1,2		**SDR: 4.2 Business Ethics,** 4.2.2 Code of Ethics **SDR: 5.4 Human Rights,** 5.4.2 Management, 5.4.3 Due diligence processes **Policies:** Human Rights Policy, Policy on Respect for Indigenous Peoples and Communities, Policy on Diversity, Inclusion and Non-Discrimination, Code of Conduct for Business Partners, Code of Ethics and Business Conduct	All policies are validated by our Executive Leadership.

Section	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section	Additional notes
GRI 2: GENERAL DISCLOSURES 2021						
Strategy, policies and practices	2-24	Embedding policy commitments			**SDR: 2.3 Risk Management,** 2.3.2 Governance, 2.3.3 Risk strategy and management, Goals and Targets **SDR: 4.2 Business Ethics** 4.2.1 Commitments and Policies **IDS: 5.4 Derechos Humanos,** 5.4.2 Management, 5.4.3 Due diligence processes Our Policies	
	2-25	Processes to remediate negative impacts			**SDR: 4.2 Business Ethics,** 4.2.3 Processes to remediate negative impacts, 4.2.4 Reporting Line	
	2-26	Mechanisms for seeking advice and raising concerns	Principles 1, 2, 10	✔	**SDR: 4.2 Business Ethics,** 4.2.4 Reporting Line **SDR: 5.4 Human Rights,** 5.4.3 Due diligence processes Reporting Line	
	2-27	Compliance with law and regulations			**SDR: 4.2 Business Ethics,** Non-compliance with environmental laws and regulations	
	2-28	Membership associations			**2.5 Stakeholder Engagement,** 2.8 ESG Assessments and Recognitions	
Stakeholder engagement	2-29	Approach to stakeholder engagement	Principles 1 - 10		**2.5 Stakeholder Engagement,** 2.8 ESG Assessments and Recognitions	
	2-30	Collective bargaining agreements	Principles 1, 3		**SDR: 5.2 Our People,** 5.2.3 Management and Strategy, 5.2.5 a. Labor practices, Annexes for Our people	
GRI 3: GENERAL DISCLOSURES 2021						
Disclosures on material topics	3-1	Process to determine material topics		✔	**SDR: Material Topics for the Three Divisions of Grupo México**	
	3-2	List of material topics			**SDR: Material Topics for the Three Divisions of Grupo México**	

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Water and Effluents	3: Material Topics 2021	3-3	Management of material topics	Principles 7,8,9		**SDR: 6.2 Water and Effluents,** 6.2.3 Management and Strategy, 6.2.4 Management of water and effluents in other divisions **Policies:** Environmental Policy, Sustainable Water Management Protocol
	303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Principles 7,8,9		
		303-2	Management of water discharge-related impacts	Principles 7,8,9		**SDR: 6.2 Water and Effluents,** 6.2.3 Management and strategy - measures to address and manage negative impacts. 6.2.4 Water and effluent management in other divisions - Management of impacts related to water discharge. **Sustainable Water Management Protocol,** VI. Performance indicators, VII. Knowledge base, X. Implementation
		303-3	Water withdrawal	Principle 8	✔	**SDR: 6.2 Water and Effluents,** 6.2.5 Metrics and indicators, Water and Effluent Appendices - GM Historic Water Consumption
		303-4	Water discharge	Principles 8, 9	✔	
		303-5	Water consumption	Principle 8	✔	
Biodiversity	3: Material Topics 2021	3-3	Management of material topics			**SDR: 6.3 Biodiversity** **Policies:** Environmental Policy, Biodiversity Management Protocol, Code of Conduct for Business Partners
	304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Principle 8		**SDR: 6.3 Biodiversity,** 6.3.3 Strategy and Management – Operations in or adjacent to protected areas or areas of high biodiversity value 6.3.4 Management in the other divisions
		304-2	Significant impacts of activities, products and services on biodiversity	Principio 8		**SDR: 6.3 Biodiversity,** 6.3.3 Strategy and Management, 6.3.4 Management in other divisions, 6.3.6 Metrics and Indicators – Mining Division: a. Significant impacts of biodiversity actions

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Biodiversity		304-3	Habitats protected or restored		✔	**SDR: 6.3 Biodiversity,** 6.3.6 Metrics and Indicators – Mining Division: c. Habitats restored or protected, 6.3.6 Metrics and Indicators – Infrastructure Division: a. Habitats restored or protected
	304: Biodiversity 2016	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations			**SDR: 6.3 Biodiversity,** 6.3.3 Strategy ad Management, 6.3.6 Metrics and Indicators – Infrastructure Division: b. IUCN Red List species and national conservation list species with habitats in areas affected by operations SDR: Biodiversity Annexes
	Mining and Metals Sector Supplement	G4-MM1	Area impacted or rehabilitated	Principle 8		**SDR: 6.3 Biodiversity,**6.3.6 Metrics and Indicators – Mining Division: b. Area impacted or rehabilitated
		G4-MM2	The number and percentage of total sites that require biodiversity management plans, and the number of those sites with plans in place	Principle 8		**SDR: 6.3 Biodiversity,** 6.3.3 Strategy and management – Biodiversity management by operation
Climate Change	3: Material Topics 2021	3-3	Management of material topics	Principles 7,8		**SDR: 6.1 Climate Change** **Policies:** Sustainable Development Policy, Climate Change Policy
	201: Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	Principles 7, 8, 9		**SDR: 6.1 Climate Change,** 6.1.3 Management - Summary of physical operational risks resulting from analyses of climate change scenarios and their impact on the business, strategy and financial planning, Analysis of climate change-related transition risks and opportunities
	302: Energy 2016	302-1	Energy consumption within the organization	Principle 8	✔	**SDR: 6.1 Climate Change,** 6.1.7 Metrics – Energy Consumption, Fuels, Electricity
		302-2	Energy consumption outside the organization			**Omission:** Information not available.

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Climate Change	302: Energy 2016	302-3	Energy intensity	Principle 8		**SDR: 6.1 Climate Change**, 6.1.7 Metrics – Energy Consumption
		302-4	Reduction of energy consumption			**SDR: 6.1 Climate Change,** 6.1.7 Metrics – Energy Consumption
		302-5	Reductions in energy requirements of products and services			**Omission:** Information not available.
	305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Principles 8,9	✔	**SDR: 6.1 Climate Change,** 6.1.7 Metrics – GHG Emissions
		305-2	Energy indirect (Scope 3) GHG emissions	Principles 8,9	✔	**SDR: 6.1 Climate Change,** 6.1.7 Metrics – GHG Emissions
		305-3	Other indirect (Scope 3) GHG emissions		✔	**SDR: 6.1 Climate Change,** 6.1.7 Metrics – Scope 3 Emissions
		305-4	GHG emissions intensity	Principles 8,9		**SDR: 6.1 Climate Change,** 6.1.7 Metrics – Scope 1 and 2 emission intensity charts, Scope 3 emission intensity charts
		305-5	Reduction of GHG emissions	Principles 8,9		**SDR: 6.1 Climate Change,** 6.1.7 Metrics – Emissions reduction
		305-6	Emissions of ozone-depleting substances (ODS)			**Omission:** N/A. We do not generate ozone emissions
		305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Principles 8,9	✔	**SDR: Climate Change annexes** – NOx and SOx Emissions Mining Division
Closure of Operations	3: Material Topics 2021	3-3	Management of material topics			**SDR: 6.5 Closure of Operations** **Policies:** Community Development Policy, Closures of Operations Protocol
	Mining and Metals Sector Supplement	G4-MM1	Area impacted or rehabilitated			**SDR: 6.5 Closure of Operations,** 6.5.5 Metrics and Indicators – a. Percentage of sites with closure plans
		G4-MM1	Number and percentage of operations with closure plans			**SDR: 6.5 Closure of Operations,** 6.5.5 Metrics and Indicators – b. Area restored / Area impacted

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Local Communities	3: Material Topics 2021	3-3	Management of material topics	Principles 1,2		**SDR: 5.5 Local Communities** **Policies:** Community Development Policy, Policy on Respect for Indigenous Peoples and Communities
	203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Principle 6		**SDR: 5.5 Local Communities,** 5.5.3 Strategy and Management – b) Economic development, .3.6 Metrics and Targets – Economic development: i. Investment in infrastructure and supported services and significant indirect economic impacts
		203-2	Significant indirect economic impacts			
	413: Local communities 2016	413-1	Operations with local community engagement, impact assessment and development programs			**SDR: 5.5 Local Communities,** 5.5.3 Strategy and Management, 5.5.5 Linkage and co-existence with communities, 5.5.6 Metrics and Targets – Mining Division and Infrastructure Division: a. Operations with local community participation
		413-2	Operations with significant actual and potential negative impacts on local communities	Principles 2, 8		**SDR: 5.5 Local Communities,** 5.5.6 Metrics and Targets – Mining Division and Infrastructure Division: c. Operations with negative actual or potential negative impacts on local communities
	Mining and Metals Sector Supplement	G4-MM6	Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples	Principles 1,2		**SDR: 5.5 Local Communities,** 5.5.6 Metrics and Targets – Mining Division and Infrastructure Division: f. Use of grievance mechanisms to resolve disputes relating to land use and customary rights of local communities and indigenous peoples, and the outcomes
		G4-MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and indigenous peoples, and the outcomes	Principles 1,2		**SDR: 5.5 Local Communities,** 5.5.6 Metrics and Targets – Mining Division and Infrastructure Division: f. Use of grievance mechanisms to resolve disputes relating to land use and customary rights of local communities and indigenous peoples, and the outcomes

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Local Communities	Mining and Metals Sector Supplement	G4-MM8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	Principles 1,2		**SDR: 5.5 Local Communities,** 5.5.6 Metrics and Targets – Mining Division and Infrastructure Division: b. Operations where there is artisanal or small-scale mining
		G4-MM9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process.	Principles 1,2		**Omission:** Information not available.
Human Rights	3: Material Topics 2021	3-3	Management of material topics	Principles 1,2,6		**SDR: 5.4 Human Rights** **Policies:** Human Rights Policy, Policy of Respect for the Rights of Indigenous Peoples and Communities, Policy on Diversity, Inclusion and Non-Discrimination, Code of Conduct for Business Partners, Code of Ethics and Business Conduct
	406: No discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	Principles 1,2,6		**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: c. Corrective actions in cases of discrimination
	407: Freedom of association and collective bargaining 2016	407 -1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk			**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: d. Freedom of association and collective bargaining, and prohibition of child and forced labor
	408: Child labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor			**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: d. Freedom of association and collective bargaining, and prohibition of child and forced labor
	409: Forced or compulsory labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor			**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: d. Freedom of association and collective bargaining, and prohibition of child and forced labor
	410: Security practices 2016	410-1	Security personnel trained in human rights policies and procedures	Principles 1,2		**SDR: 5.4 Human Rights,** 5.4.3 Due Diligence Processes – Due diligence process with security officers

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Human Rights	412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Principles 1,2		**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: e. Operations subject to human rights-related reviews
		412-2	Employee training on human rights policies and procedures	Principles 1,2,6		**SDR: 5.4 Human Rights,** 5.4.5 Metrics and Targets – Employees: f. Employee human rights training
		412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Principles 1,2		**Omission:** Information not available.
Diversity and Inclusion	3: Material Topics 2021	3-3	Management of material topics			**SDR: 5.3 Diversity and Inclusion** **Policies:** Human Rights Policy, Policy on Diversity, Inclusion and Non-Discrimination, Code of Ethics and Business Conduct
	405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	Principles 1,6		**SDR: 5.3 Diversity and Inclusion,** 5.3.5 Metrics and Targets
			Ratio of basic salary and remuneration of women to men		✔	**SDR: 5.3 Diversity and Inclusion,** 5.3.5 Metrics and Targets – d. Salary gap
Business Ethics	3: Material Topics 2021	3-3	Management of material topics			**4.2 Business Ethics and Integrity** **Policies:** Our Policies
	205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Principle 10		**4.2 Business Ethics and Integrity,** 4.2.5 Anti- corruption
		205-2	Communication and training about anti-corruption policies and procedures	Principle 10		**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics
		205-3	Confirmed incidents of corruption and actions taken	Principle 10		**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics – Confirmed cases of corruption and actions taken
	206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust and monopolistic practices			**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics – Legal actions related to unfair competition, anti-trust and monopolistic practices

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Business Ethics	307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	Principle 8		**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics – Non-compliance with social and economic laws and regulations
	415: Public policy 2016	415-1	Political contributions			**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics – Contributions to political parties or representatives
	419: Socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area			**4.2 Business Ethics and Integrity,** 4.2.6 Channels to promote professional ethics – Non-compliance with social and economic laws and regulations
Economic Contributions	201: Economic performance 2016	201-1	Direct economic value generated and distributed			**SDR: 3.1 Economic Contributions,** 3.1.5 Metrics and Indicators - a. Economic value generated and distributed
	207: Tax 2019	207-1	Approach to tax			**SDR: 3.1 Economic Contributions**, 3.1.2 Tax management and compliance
		207-2	Tax governance, control and risk management			**SDR: 3.1 Economic Contributions**, 3.1.3 Governance
		207-3	Stakeholder engagement and management of concerns related to tax			**Omission:** Information not available.
		207-4	Country-by-country reporting			**SDR: 3.1 Economic Contributions,** 3.1.5 Metrics and Indicators - b. Revenue and tax payments
Supply Chain Management	204: Procurement practices 2016	204-1	Proportion of spending on local suppliers	Principle 1		**SDR: 3.2 Supply Chain Management,** 3.2.3 Management, 3.2.6 Metrics and Indicators - 1. Spending with suppliers
Our People	3: Material Topics 2021	3-3	Management of material topics	Principles 1, 2, 3, 4, 5, 6		**SDR: 5.2 Our People** **Policies:** Code of Ethics, Human Rights Policy, Policy on Diversity, Inclusion and Non-Discrimination and Zero Tolerance for Workplace or Sexual Harassment, Workplace Health and Safety Policy

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Our People	202: Market presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage			**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators - c. Talent recruitment and retention: Ratio of starting base salary by gender compared to local minimum wage **SDR: Our People annexes –** Living Wage
		202-2	Proportion of senior management hired from the local community	Principle 6		**SDR: 5.2 Our People,** 5.2.1 Highlights **SDR: Our People annexes**- Fuerza laboral Grupo México
	401: Employment: 2016	401-1	New employee hires and employee turnover	Principle 6		**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – c. Talent recruitment and retention: New hires and turnover **SDR: Our People annexes** – Talent recruitment and retention: New hires and turnover
		401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Principle 6		**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – c. Talent recruitment and retention: Employee benefits
		401-3	Parental leave	Principle 6		**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – c. Talent recruitment and retention: Parental leave **SDR: Our People annexes** – Parental leave
	402: Labor/Management relations 2016	402-1	Average hours of training per year per employee			**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – a. Labor practices: Minimum notification periods for operational changes
	404: Training and education 2016	404 -1	Programs for upgrading employee skills and transition assistance programs			**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – Human Capital Development: Professional training **SDR: Our People annexes** – Human Capital Development: Average employee training hours

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Our People	404: Training and education 2016	404 -2	Programs for upgrading employee skills and transition assistance programs			**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – Human Capital Development: Training programs **SDR: Our People annexes –** Human Capital Development: Programs to upgrade employee skills and transition support
		404-3	Percentage of employees receiving regular performance and career development reviews			**SDR: 5.2 Our People,** 5.2.5 Metrics and Indicators – Human Capital Development: Performance reviews **SDR: Our People annexes** – Human Capital Development: Percentage of employees reviewed
	Mining and Metals Sector Supplement	G4-MM4	Number of strikes and lockouts exceeding one week's duration, by country	Principle 3		**SDR: 5.2 Our People,** Metrics and Indicators- a. Labor practices: Number of strikes and lockouts exceeding one week duration, by country
Indigenous Peoples	3: Material Topics 2021	3-3	Management of material topics			**SDR: 5.6 Indigenous Peoples** **Policies:** Policy on Respect for Indigenous Peoples and Communities
	411: Rights of indigenous peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	Principles 1,2		**SDR: 5.6 Indigenous Peoples,** 5.6. Metrics and Indicators - d) Incidents of violations of indigenous rights
	Mining and Metals Sector Supplement	G4-MM5	Total number of operations taking place in or adjacent to indigenous peoples' territories, and number and percentage of operations or sites where there are formal agreements with indigenous peoples' communities	Principles 1,2		**SDR: 5.6 Indigenous Peoples,** 5.6. Metrics and Indicators - b) Operations on or adjacent to indigenous lands and operations that have formal agreements with indigenous communities

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Waste	3: Material Topics 2021	3-3	Management of material topics			**SDR: 6.4 Mine Waste** **Policies:** Environmental Policy, Tailings Systems Policy
	301: Materials 2016	301-1	Materials used by weight or volume			**SDR: 6.4 Mine Waste**, 6.4.3 Management and Strategy, 6.4.4 Management in other divisions, 6.4.6 Metrics and Indicators: - **Mining Division:** a) Mine waste generated
	306: Waste 2020	306-1	Waste generation and significant waste-related impacts			**SDR: 6.4 Mine Waste,** 6.4.3 Management and Strategy, 6.4.4 Management in other divisions, 6.4.6 Metrics and Indicators: - **Mining Divisiona:** a) Mine waste generated, b) Areas impacted by mine waste facilities (tailings and heaps), f) Percentage of risk
		306-2	Waste by type and disposal method	Principle 8		**SDR: 6.4 Mine Waste,** 6.4.3 Management and Strategy, 6.4.4 Management in other divisions, 6.4.6 Metrics and Indicators: -**Mining Division:** a) Mine waste generated, d) Waste diverted from disposal, and e) Waste directed for disposal -**Infrastructure Division:** a) Waste diverted from disposal and waste directed for disposal
		306-3	Waste generated	Principle 8	✔	
		306-4	Waste diverted from disposal	Principle 8	✔	
		306-5	Waste directed for disposal	Principle 8	✔	
	Mining and Metals Sector Supplement	G4-MM3	Total amounts of overburden, rock, tailings and sludges, and their associated risks	Principle 8	✔	**SDR: 6.4 Mine Waste,** 6.4.3 Management and Strategy, 6.4.4 Management in other divisions, 6.4.6 Metrics and Indicators: - **Mining Division:** a) Mine waste generated, c) Volume of rock produced that could generate acid drainage
Occupational Health & Safety	3: Material Topics 2021	3-3	Management of material topics	Principle 1		**SDR: 5.1 Workplace Health and Safety** **Policies:** Workplace Health and Safety Policy

Material Topic	Standard	# GRI	Disclosure	Global Compact Principles	Independent Assurance	Section
Occupational Health & Safety	403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Principles 1,2		**SDR: 5.1 Workplace Health and Safety,** 5.1.3 Management, 5.1.4 Strategy, 5.1.6 Metrics – d) Certifications
		403-2	Hazard identification, risk assessment and incident investigation	Principles 1,2		**SDR: 5.1 Workplace Health and Safety,** 5.1.3 Management, 5.1.4 Strategy
		403-3	Occupational health services	Principles 1,2		**SDR: 5.1 Workplace Health and Safety,** 5.13 Management, 5.1.4 Strategy – Health programs and tools
		403-4	Worker participation, consultation and communication on occupational health and safety	Principles 1,2,3, 6		**SDR: 5.1 Workplace Health and Safety,** 5.13 Management, 5.1.4 Strategy – Health programs and tools
		403-5	Worker training on occupational health and safety	Principles 1,2,6		**SDR: 5.1 Workplace Health and Safety**, 5.1.6 Metrics – c) Training
		403-6	Promotion of worker health	Principles 1,2		**SDR: 5.1 Workplace Health and Safety,** 5.1.5 Next Steps
		403-8	Workers covered b yan occupational health and safety management system	Principles 1,2		**SDR: 5.1 Workplace Health and Safety,** 5.1.2 Governance, 5.1.3 Management, 5.1.4 Strategy **SDR: Workplace Health and Safety annexes** – a) Historic information on safety performance, b) information on safety performance
		403-9	Work-related injuries	Principles 1,2	✔	**SDR: 5.1 Workplace Health and Safety,** 5.1.6 Metrics – a) Lost time injury frequency rate (LTIFR), Fatality rate (FR) **ISDR: Workplace Health and Safety annexes** – a) Historic information on safety performance, b) Information on safety performance
		403-10	Work-related ill health	Principles 1,2	✔	**SDR: 5.1 Workplace Health and Safety,** 5.1.6 Metrics – e) Occupational diseases **SDR: Workplace Health and Safety annexes** – a) Historic information on safety performance, b) Information on safety performance

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7.2 SASB Indicators Index



SASB Standard: Metals and Mining 2023

SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Activity metrics						
Activity metrics	EM-MM-000.A	Production of metal ores	Metric tons (t) saleable			Production by subsidiary/country and mineral is reported in detail following the SASB Indicators tables. The consolidated figures for the Mining Division are also provided in the financial report at: https://www.gmexico.com/Pages/reportesfinancieros.aspx
		Production of finished metal products	Metric tons (t) saleable			
	EM-MM-000.B	Total number of employees, percentage contractors	Number, percentage (%)		Our People	Mining Division personnel in 2023: Employees: 17,264 (57% of the total) Contractors: 13,001 (43% of the total) Total personnel (employees + contractors): 30,265
Accounting parameters						
Greenhouse gas emissions	EM-MM-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO_2e		Climate Change	Details of our Scope 1 emissions. Grupo México: 4.95 $MtCO_2e$ División minera: 2.14 $MtCO_2e$ SCC: 1.91 $MtCO_2e$
		Percentage of Scope 1 emissions covered under emissions-limiting regulations (metric tons (t) CO_2e)	Porcentaje (%)		Climate Change	The Mining Division has mines and plants in Mexico, Peru and the United States (Arizona). Mexico has mandatory emissions reporting to the National Registry (in Spanish, RENE), although this is not a regulation to restrict emissions. However, the emissions trading system (ETS) sets an emissions limit for operations with annual emissions over 100,000 tCO_2e, only from fixed sources. Only two Mining Division operations exceed this threshold with combined emissions of 417,092 tCO_2e, representing 8.4% of Grupo México's total Scope 1 emissions. The ETS is still in its test period. In Arizona, the state withdrew from the Western Climate Initiative (WCI) in 2011 (cap&trade system); therefore, this regulation is not applicable to our operations. Peru also does not have an emissions trading system or regulatory caps. The assets in Chile, Ecuador and Spain are projects and are therefore not considered here.
	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a		Climate Change	In 2022, we prepared a GHG emissions reduction roadmap to reduce the overall carbon footprint of the company. This roadmap has been key to setting new climate mitigation targets. • Short term (2027), reduce our Scop1 and 2 absolute emissions by 15%, BAU emissions, with 2018 as the base year. • Medium term (2035), reduce our Scope 1 and 2 absolute emissions by 35%, BAU emissions, with 2018 as the base year. • Long term (2050), net zero Scope 1 and 2 emissions, BAU emissions, with 2018 as the base year. Our analysis indicates that Grupo México operational emissions in 2023 were 3.6% lower than in 2022. This decrease is largely due to: • Reduced production at the lime plant due to atypical operating conditions (31% emissions reduction, compared with 2022). • Reduced consumption of third party electricity (19.3% emissions reduction, compared with 2022), due to atypical operating conditions at some sites.

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Greenhouse gas emissions	EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a		Climate Change	• Acquisition of international clean or renewable energy certificates (iRECs) for the Kallpa contracts in Peru, which reduces the Scope 2 total emissions in this region (231,884 tonCO2e). • Reduced production at the Amarillo refinery due to atypical operating conditions. • Reduced consumption of natural gas at the combined cycle power plant due to a pause in operations for maintenance (5.1% emissions reduction, compared with 2023). Together, the 3 divisions report a trend of reducing their operational emissions over the last 5 years (2019-2023), result of the targets and measures implemented to optimize the performance of our operations.
Air quality	EM-MM-120a.1	CO emissions	Metric tons (t)			23,475 t in the Mining Division. We are in the process of standardizing our calculation methodology across our three divisions.
		NOx emissions (exclusive of N_2O)	Metric tons (t)			38,105 t in the Mining Division. We are in the process of standardizing our calculation methodology across our three divisions
		SOx emissions	Metric tons (t)		Annex	We are in the process of standardizing our calculation methodology across our three divisions.
		Particulate matter emissions (PM_{10})	Metric tons (t)		Annex	We are in the process of standardizing our calculation methodology across our three divisions.
		Mercury emissions (Hg)	Metric tons (t)			Not available; we do not monitor mercury or lead emissions.
		Lead emissions (Pb)	Metric tons (t)			
		Emissions of volatile organic compounds (VOCs)	Metric tons (t)			We are in the process of standardizing our calculation methodology across our three divisions.
Energy management	EM-MM-130a.1	Total energy consumed	Gigajoules (GJ)		Climate Change	Grupo México: 93,690,934 GJ División Minera: 51,692,293 GJ SCC: 45,606,967 GJ
		Percentage grid electricity	Percentage (%)		Climate Change	Grupo México: 24,945,405 GJ, 27.04% División Minera: 24,780,371 GJ, 48% SCC: 21,998,867 GJ, 48%
		Percentage renewable (GJ)	Percentage (%)		Climate Change	Grupo México: 8,478,815 GJ 34% División Minera: 8,438,355 GJ, 34.05% SCC: 8,438,355 GJ, 38%

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Water management	EM-MM-140a.1	Total fresh water withdrawn	Cubic meters (m^3)	Information not available for ASARCO.	Water and Effluents	115,571,000 m^3 total fresh water withdrawn for Grupo Mexico (1,042,000 m^3 sea water) 112,243,000 m^3 total fresh water withdrawn for SCC (931,000 m^3 sea water)
		Total fresh water consumed	Cubic meters (m^3)	Information not available for ASARCO.	Water and Effluents	416,834,000 m^3 total fresh water consumed for Grupo Mexico (includes reused water). 413,910,000 m^3 total fresh water consumed for SCC (includes reused water).
		Percentage of water withdrawn in high or extremely high water stress zones (thousand cubic meters (m^3))	Percentage (%)	Information not available for ASARCO.	Water and Effluents	Water withdrawn in water stress zones, as percentage of total water withdrawn: Grupo México: 95% SCC: 98%
		Percentage of water consumed in high or extremely high water stress zones (thousand cubic meters (m^3))	Percentage (%)	Information not available for ASARCO.	Water and Effluents	Water consumed in water stress zones, as percentage of total water withdrawn: Grupo México: 98% SCC: 99%
	EM-MM-140a.2	Number of incidents of non-compliance with water quality or quantity permits, standards and regulations	Number		Water and Effluents	No incidents in 2023.
Waste and hazardous materials management	EM-MM-150a.4	Total weight of non-mineral waste generated	Metric tons (t)	Hazardous and non-hazardous waste	Waste annexes	Grupo México: 209,121 tons SCC: 171,887 tons
	EM-MM-150a.5	Total weight of tailings produced	Metric tons (t)		Waste annexes	Mining Division: 199,979,355 tons (includes SCC and ASARCO) SCC: 177,457,424 tons
	EM-MM-150a.6	Total weight of waste rock generated	Metric tons (t)		Waste annexes	Mining Division: 516,780,401 tons (includes SCC and ASARCO) SCC: 459,948,416 tons
	EM-MM-150a.7	Total weight of hazardous waste generated	Metric tons (t)		Waste annexes	Grupo México: 60,096 tons SCC: 36,764 tons
	EM-MM-150a.8	Total weight of hazardous waste recycled	Metric tons (t)			Grupo México: 24,718 tons SCC: 23,708 tons
	EM-MM-150a.9	Number of significant incidents associated with hazardous materials and waste management	Number			No incidents in 2023.

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Waste and hazardous materials management	EM-MM-150a.10	Description of waste and hazardous materials management policies and procedures for active and inactive operations	n/a			The Grupo México Environmental Policy outlines our commitment to minimizing the impact of the waste we generate. The Mining Division Tailings Systems Policy defines our commitment to managing our tailings systems and facilities responsibly and aligned to international standards throughout the lifecycle of these operations.
Biodiversity impacts	EM-MM-160a.1	Description of environmental management policies and practices for active sites	n/a		Biodiversity	The Grupo México Environmental Policy outlines our commitment to achieving a net positive impact on biodiversity. To achieve this goal, we are collaborating with different stakeholders, primarily the environmental authorities and academic and research institutions, to develop and maintain important projects that go beyond our regulatory obligations. The Biodiversity Management Protocol for our Mining Division has been published and is mandatory for all our mine operations as of 2023. This Protocol defines roles and responsibilities -including for our suppliers- and commits us to: • Contribute to biodiversity conservation through the protection and recovery of species, their habitats and ecosystems. • Not explore or develop new projects at declared Natural World Heritage sites. • Design and manage new operations and changes to existing operations in a way that is compatible with the value for which they were designated protected areas and high biodiversity areas. • Achieve net zero deforestation and a net positive impact on the biodiversity. • Assess and prevent significant risks and impacts to the biodiversity and ecosystem services at our operations. • Timely compliance with all applicable legal obligations associated with biodiversity management, during the construction, operation and closure of sites, and also in the post-closure stage. • Ongoing improvement of our performance in biodiversity management. • Involve the local communities, environmental authorities, research institutions, nonprofits and our business partners in our biodiversity actions, where appropriate and insofar as possible. • Promote the adoption of best practices in biodiversity management with our business partners.
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is predicted	Percentage (%)			100% of our mines in Peru, Mexico and the United States.
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is actively mitigated	Percentage (%)			100% of our mines in Peru, Mexico and the United States.
	EM-MM-160a.2	Percentage of mine sites where acid rock drainage is under treatment or remediation	Percentage (%)			100% of our mines in Peru, Mexico and the United States.
	EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	Percentage (%)			

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Security, human rights and rights of indigenous peoples	EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	Percentage (%)	Not applicable		The company does not operate in areas of conflict, as defined by the SASB.
	EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near indigenous land	Percentage (%)		Indigenous Peoples	**El Arco**, in Baja California Sur, Mexico, is a world-class copper deposit with ore reserves in excess of 1.230 billion tons with an estimated average grade of 0.40% and 141 million tons of leaching material with an average grade of 0.27%. **Mission** is an open pit copper mine located in Sahuarita, Arizona, USA, with two concentrators and actual reserves of 209 million tons with a grade of 0.39% and a useful life of 11 years (2034).
	EM-MM-210a.3	Discussion of engagement process and due diligence practices with respect to human rights, indigenous rights and operation in areas of conflict	n/a		Human Rights Indigenous Peoples	The company does not operate in areas of conflict, as defined by the SASB. For a detailed description of the engagement process and due diligence practices with respect to human rights and indigenous rights, see Management Approach in the sections Human Rights and Indigenous Peoples.
Community relations	EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	n/a			Our due diligence process on human rights is part of our risk assessment processes to identify, prevent, mitigate and, as necessary, remediate potentially adverse impacts on the human rights of both our company employees and our neighbor communities. Grupo México uses a series of tools as part of our preventive approach, guaranteeing respect for the human rights of our neighbor communities (Participative Diagnostics, Social Management Plans and the Community Care Service) and applied at each stage of the lifecycle. Our due diligence processes during contracting and ongoing monitoring ensure that our suppliers and contractors comply with the Voluntary Principles on Security and Human Rights. For more information, see the Human Rights section of our Sustainable Development Report and corresponding annex on the human rights-related risks identified through participative diagnostics/CCS, and our prevention/mitigation actions. All our sites have Social Management Plans, based on our Community Development Model, which aim to foster responsible relationships, promote economic development and drive human development and tailored with the collaboration of stakeholders through ongoing commitment to respond to the needs and interests of each community and provide programs with shared value. For more details on our Community Development Models, these strategies, programs and investments, see the Local Communities section of our Sustainable Development Report. We have 14 procedures that ensure the implementation, measure and ongoing improvement of our community actions, and also ISO 9001:2015 certification for our community processes in southern Peru, for a total 24 policy documents. Both internal and independent auditors review the performance of our Community Development Model. We have sought specialized consulting for various mechanisms, like the consultation with the Office of the United Nations High Commissioner on Human Rights in Mexico regarding the Community Care Service (CCS). We have also received various recognitions from different bodies, including city councils and, specifically, the Inter-American Development Bank (IDB) and the Business Coordination Council in Mexico, among others, which recognized our Community Development Model as a good corporate practice in the extractive sector in Latin America
	EM-MM-210b.2	Number and duration of non-technical delays (days, hours)	Number, days			

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Labor relations	EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, by national and non-national employees	Percentage (%)		Our People	Percentages of employees covered by collective bargaining agreements in 2023: GMEX: 66.5% (20,730 employees of the 31,193 total) Mining Division: 65.1% (11,245 employees of the 17,264 total) SCC: 68% (10,754 employees)
	EM-MM-310a.2	Number and duration of strikes (days, hours)	Number, days			There were no strikes in 2023 involving more than 1,000 employees.
Workplace health and safety	EM-MM-320a.1	MSHA all-incidence rate	Various		Workplace Health and Safety	MSHA - 1.33 (company employees only) The rate is calculated per 200,000 man hours.
	EM-MM-320a.1	Work-related fatality rate	Various		Workplace Health and Safety	Fatality rate - 0.015 (employees), 0.006 (contractors) The rate is calculated per 200,000 man hours.
	EM-MM-320a.1	Near miss frequency rate (NMFR)	Various			NMFR – 4.85 (employees), 0.79 (contractors) The rate is calculated per 200,000 man hours.
	EM-MM-320a.1	Average hours of health, safety and emergency response training for (a) full-time employees, and b) contract employees	Hours		Workplace Health and Safety	Average training hours for employees – 4.27, contractors – 1.99 (calculated as 271,038 training hours divided by 56,397 employees, and 27,216 training hours divided by 12,130 contractors)
Business ethics and transparency	EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	n/a		Business Ethics	Our anti-corruption and anti-bribery management systems are described in the sections Business Ethics and Supply Chain Management.
	EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Metric tons (t) saleable			The Mining Division has operations in Mexico, the United States and Peru only, with projects in Chile, Argentina, Ecuador and Spain. None of these countries are ranked in the 20 lowest positions in the Transparency International Corruption Perception Index.

SASB Standard: Metals and Mining 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Tailings Storage Facilities Management	EM-MM-540a.1	Tailings storage facility inventory table: (1) facility name, (2) location, (3) ownership status, (4) operational status, (5) construction method, (6) maximum permitted storage capacity, (7) current amount of tailings stored, (8) consequence classification, (9) date of most recent independent technical review, (10) material findings, (11) mitigation measures, (12) site-specific EPRP.	Various			The Mining Division has 11 active tailings dams. For more information, see our 2024 Sustainable Development Report: Waste – Active facilities (annexes).
	EM-MM-540a.2	Summary of tailings management systems and governance structure used to monitor and maintain the stability of tailings storage facilities	n/a			Grupo México has an organizational structure that supports efficient mine waste management at our operations. Our Mining Division set up a Tailings System Review Committee in July 2022. This high-level technical group conducts independent technical reviews of the design, construction, operation, closure and management of our tailings systems, providing an additional level of review to develop a solid risk and quality management system for all stages of the tailings impoundment lifecycle, including closure and post-closure.
	EM-MM-540a.3	Approach to development of Emergency Preparedness and Response Plans (EPRPs) for tailings storage facilities	n/a			Our Tailings Systems Policy reflects our commitment to defining emergency response plans, and to integrating and operating these plans through practice drills.

Mining Division Production

SASB EM-MM-000.A

The production of the Mining Division is summarized below, with a report for each mineral detailing the amounts produced of the different products, by subsidiary and region: Minera México (Mexico), SPCC (Peru) and ASARCO (USA).

The consolidated production of the Mining Division is also disclosed in our annual financial report.

Copper (tons)												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Concentrates (DMT)	1,954,090	1,455,742	364,151	**3,773,983**	1,903,432	1,251,406	318,493	**3,473,331**	1,886,647	1,388,349	355,239	**3,630,235**
Content in concentrates	452,612	372,614	94,207	**919,433**	456,824	312,852	79,623	**849,298**	426,330	348,884	86,163	**861,377**
SX/EW Content (cathode)	107,220	25,754	32,400	**165,374**	116,612	26,380	32,524	**175,516**	110,547	25,253	32,678	**168,478**
Total mine content	559,832	398,368	126,607	**1,084,807**	573,436	339,232	112,147	**1,024,814**	536,877	374,137	118,841	**1,029,855**
Smelter content	374,571	321,964	138	**696,673**	-	-	-	**-**	-	-	-	**-**
Refinery	242,667	260,177	-	**502,844**	245,672	289,387	-	**535,059**	218,564	289,663	-	**508,227**
Refined (refineries + SX/EW)	349,887	285,931	32,400	**668,218**	362,284	315,767	32,524	**710,575**	329,111	314,916	32,678	**676,705**
Refined, converted into Rod	150,124	-	-	**150,124**	156,448	-	47,346	**203,794**	154,307	-	-	**154,307**
Refined, converted into Sheet	-	-	-	**-**	-	-	-	**-**	-	-	-	**-**

Zinc (tons)												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Concentrates	135,055	0	0	**135,055**	124,044	0	0	**124,044**	131,980	0	0	**131,980**
Content in concentrates	66,958	0	0	**66,958**	60,010	0	0	**60,010**	65,509	0	0	**65,509**
Refinery	92,672	0	0	**92,672**	99,893	0	0	**99,893**	101,013	0	0	**101,013**

Lead (tons)												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Concentrates	33,763	0	0	**33,763**	32,531	0	0	**32,531**	33,648	0	0	**33,648**
Content in concentrates	17,104	0	0	**17,104**	16,590	0	0	**16,590**	18,746	0	0	**18,746**

Gold (ounces)												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Content in concentrates (ounces)	52,080	8,551	-	**60,631**	22,165	1,746	-	**23,911**	25,778	1,939	-	**27,717**
Refinery (ounces)	33,085	6,937	-	**40,022**	35,250	5,972	-	**41,223**	30,482	7,173	-	**37,655**

Silver (ounces)												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Content in concentrates (ounces)	13,589,068	5,373,332	1,271,822	**20,234,222**	5,475,078	777,211	1,100,790	**7,353,079**	5,999,982	1,444,227	1,119,760	**-**
Refinery (ounces)	7,611,546	3,985,085	-	**11,596,631**	8,569,423	3,740,746	-	**12,310,169**	7,397,654	3,565,523	-	**10,963,177**

Molybdenum												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Content in concentrates	15,430	14,831	0	**30,261**	14,966	10,557	0	**25,523**	30,302	17,173	-	**47,475**

Other products												
Distribution	2021				2022				2023			
	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**	Minera México	SPCC	ASARCO	**Total**
Coal	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Coke	0	0	0	**0**	0	0	0	**0**	0	0	0	**0**
Sulfuric acid	1,162,454	1,066,472	0	**2,228,926**	1,181,386	1,210,181	0	**2,391,567**	1,112,532	1,282,000	0	**2,394,532**
Cadmium	526	0	0	**526**	671	0	0	**671**	513	0	0	**513**
Lime	274,403	0	0	**274,403**	346,066	0	0	**346,066**	240,000	0	0	**240,000**

SASB Standard: Rail Transportation 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Activity parameters						
Activity Metric	TR-RA-000.A	Number of carloads transported	Number			This information is available in our 2023 Annual Financial Report at: https://www.gmexico.com/Pages/reportes-financieros.aspx
	TR-RA-000.B	Number of intermodal units transported	Number			This information is available in our 2023 Annual Financial Report at: https://www.gmexico.com/Pages/reportes-financieros.aspx
	TR-RA-000.C	Track miles	Miles			More than 6,845 miles (11,017 km).
	TR-RA-000.D	Revenue ton miles (RTM)	RTM	Not available; metric not used		This information is available in our 2023 Annual Financial Report at: https://www.gmexico.com/Pages/reportes-financieros.aspx
	TR-RA-000.E	Number of employees	Number			GMXT total workforce: 11,029
Accounting parameters						
Greenhouse gas emissions	TR-RA-110a.1	Gross global Scope 1 emissions	Metric tons (t) CO_2e		Climate Change	Our Scope 1 emissions are reported in the section Climate Change. Transportation Division Scope 1 emissions were 1.52 million metric tons CO_2e in 2023.
	TR-RA-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a		Climate Change	The Transportation Division is working on a decarbonization strategy to maintain the energy efficiency of our operational productivity and reduce emissions. We are assessing scenarios and technologies that will support achieving a significant emissions reduction target. Until then, we will continue our fuel efficiency strategy of "moving more with less" to meet our target of 10% Scope 1 and 2 emissions reduction by.
	TR-RA-110a.3	Total fuel consumed, percentage renewable (Gigajoules (GJ))	Gigajoules (GJ),		Climate Change	The Transportation Division consumed 18.79 million GJ of fossil fuels in 2023; 100% is fossil fuel
Air quality	TR-RA-120a.1	1.1 NOx emissions	Metric tons (t)			73.19 Kilotons in 2023.
		(excluding N_2O)	Metric tons (t)			0.21 Kilotons in 2023.
Employee health and safety	TR-RA-320a.1	1.1 Total recordable incident rate (TRIR)	Rate	Reported as the lost time injury frequency rate (LTIFR)	Workplace Health and Safety	2023 Incident rate for GMXT: 2.13
		1.2 Fatality rate	Rate		Workplace Health and Safety	2023 Fatality rate for GMXT: 0.04
		1.3 Near miss frequency rate (NMFR) for employees and contractors	Rate		Workplace Health and Safety	Near misses are not reportable in the Transportation Division.
Competitive behavior	TR-RA-520a.1	Total monetary losses as a result of legal proceedings associated with anti-competitive behavior and regulations	Reporting currency			No monetary sanctions for anti-competitive practices in 2023.

SASB Standard: Rail Transportation 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Accident and safety management	TR-RA-540a.1	1.1 Number of accidents or incidents	Number			Not available
	TR-RA-540a.2	2.1 Number of accidental releases of hazardous material	Number			No significant releases of hazardous material resulting from an accident in 2023.
		2.2 Number of non-accident releases of hazardous material (not caused by derailment, collision or other accidents)	Number			No significant releases of hazardous material not resulting from an accident in 2023.
	TR-RA-540a.3	3.1 Number of Federal Railroad Administration (FRA) recommended violation defects	Number			Not available
	TR-RA-540a.4	4.1 Frequency of internal railway integrity inspections	Various			Not available

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Activity parameters						
Activity Metric	IF-EN-000.A	Number of active projects	Number			Our active projects at close of each year: 2018: 13 projects 2019: 12 projects 2020: 13 projects 2021: 17 projects 2022: 19 projects 2023: 12 projects
	IF-EN-000.B	Number of commissioned projects	Number			The Altamira, Celaya, Salamanca-Leon Highway Maintenance, and Lime Plant projects were delivered in 2023.
	IF-EN-000.C	Total backlog	Number			At 2023 close, total sales for these projects was $1.271 billion Mexican pesos.
Accounting parameters						
Environmental impacts of project development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards and/or regulations	Number		Business Ethics and Integrity	All projects and operations were in compliance with national environmental laws in 2023, consequently, the Infrastructure Division received no penalties this year.
	IF-EN-160a.2	Discussion of the process to assess and management environmental risks associated with project design, siting and construction	n/a		Biodiversity	The México Compañía Constructora Environmental Management system is ISO 14001 certified and systematizes our environmental risk management. This includes preparing an environmental aspect and impact matrix, along with an analysis of the specific legal requirements for a project, which are audited by the project customer and the company's internal audit department.
Structural integrity and safety	IF-EN-250a.1	Total costs for defect and safety-related rework	Reporting currency	Not available in our monitoring indicators		All projects completed and delivered meet all quality, environmental and safety requirements; therefore, there was no additional cost for defect rework.
	IF-EN-250a.2	Total monetary loss as a result of legal proceedings associated with defect and safety-related incidents	Reporting currency			$0 Mexican pesos. No penalties.
Workforce health and safety	IF-EN-320a.1	1.1 Total recordable incident rate (TRIR)	Various		We report the lost time injury frequency rate (LTIFR). We do not use the TRIR metric.	TRIR: 0.43, this accounting parameter increased due to the intensity of the operations reported at the Cananea project.
		1.2 Fatality rate for (a) direct employees and (b) contract employees	Various		Workplace Health and Safety	There were no fatalities in the Infrastructure Division, for the 8th year in a row.

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Activity parameters						
ILifecycle impacts of buildings and infrastructure	IF-EN-410a.1	Number of (1) commissioned projects certified to a third party multi-attribute sustainability standard and (2) active projects seeking such certification	Number			México Compañía Constructora does not have projects with sustainable infrastructure certification, because of the types of projects we develop (e.g., mining infrastructure). We do have the corresponding health and safety certifications for the work, and the environmental and social assessments required.
	IF-EN-410a.2	Discussion of process to incorporate operational energy and water efficiency considerations into project planning	n/a			We strive to ensure that our projects, and particularly their construction phase, produce the least environmental and social impacts possible, implementing mitigation and/or offsetting measures in all cases. For the construction phase, the characteristics of the equipment we use are key and we look for the best performance in fuel consumption. Regarding materials and techniques, we look for those that are efficient in the use of resources, including water.
Climate impacts of business mix	IF-EN-410b.1	Amount of backlog for (1) hydrocarbon-related projects and (2) renewable energy projects. Meaning, revenue contractually expected in the future but has not been recognized (at close of the reporting period).	Reporting currency			There were no new hydrocarbon or renewable energy projects in 2023.
	IF-EN-410b.2	Monetary loss for cancellations associated with hydrocarbon-related projects	Reporting currency			There were no hydrocarbon projects in 2023.
	IF-EN-410b.3	Monetary amount (value) of non-energy projects associated with climate change mitigation	Reporting currency			No such investment in 2023.
Business ethics	IF-EN-510a.1	(1) Number of active projects and (2) backlog in countries that have the 20 lowest rankings in the Transparency International Corruption Perception Index	Number			México Compañía Constructora (included in the Grupo México Infrastructure Division) only has projects in Mexico, which is not ranked in the lowest 20 positions in the Transparency International Corruption Perception Index.
	IF-EN-510a.2	Total monetary losses as a result of legal proceedings associated with charges of (1) bribery or corruption and (2) anti-competitive behavior	Reporting currency		Business Ethics and Integrity	There were no reports or legal actions in 2023 associated with anti-competitive practices, bribery or corruption.
	IF-EN-510a.3	Description of policies and practices for prevention of (1) bribery or corruption and (2) anti-competitive behavior in the project bidding processes	n/a		Business Ethics and Integrity	At Grupo México, including the Infrastructure Division and subsidiaries, we operate under the COSO framework for fraud-related internal controls, risk management and deterrence, the Grupo México Anti-Corruption Policy, Code of Ethics, and Code of Conduct for Suppliers, which we apply for bidding processes and commercial relationships to win projects.

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Activity parameters						
Activity Metric	IF-EU-000.A	Number of: (1) residential, (2) commercial, and (3) industrial customers	Number			The La Caridad combined cycle power plant produces electricity for the Grupo México Mining Division (Metalúrgica del Cobre, Operadora de Minas de Nacozari and OMINSA - Buenavista del Cobre), and sells the surplus to the Mexican Electricity Commission (CFE) and on the Mexican Wholesale Market. The El Retiro wind farm sells 25% to 25% to Cinemex and the remainder is allocated to Grupo México; 25% to Ferromex (Transportation Division) and 75% to IMMSA (Mining Division).
	IF-EU-000.B	Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) retail customers, and (5) wholesale customers	Megawatt hours (MWh)			See response I IF-EU-000.A
	IF-EU-000.C	Length of transmission and distribution lines	Kilometers (km)			We do not have or operate transmission lines; only the connection from the El Retiro wind farm to the CFE connecting point (less than 20 km (12 miles)).
	IF-EU-000.D	Total electricity generated, percentage by energy source, percentage in regulated markets	Megawatt hours (MWh), Percentage (%)			The electricity generated by the La Caridad combined cycle power plant and the El Retiro wind farm is reported as: Combined cycle power plant - México Generadora de Energía (MGA) • 3,456,418.89 MWh in 2019 • 3,463,560.89 MWh in 2020 • 3,342,825.49 MWh in 2021 • 3,211,109.75 MWh in 2022 • 3,150,644.94 MWh in 2023 El Retiro wind farm (ERSA) • 160,755.39 MWh in 2019 • 174,738.64 MWh in 2020 • 171,884.02 MWh in 2021 • 175,854.31 MWh in 2022 • 172,434.00 MWh in 2023
	IF-EU-000.E E	Total electricity purchased	Megawatt hours (MWh)			All electricity consumed at the combined cycle power plant is self-generated. In the case of the wind farm, the majority is self-generated, but a portion is purchased from the CFE. These annual data are: 2019: 992 MWh 2020: 813 MWh 2021: 854 MWh 2022: 805 MWh 2023: 656 MWh

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Greenhouse gas emissions and energy resource planning	IF-EU-110a.1	Gross global Scope 1 emissions	Metric tons (t) de CO_2e		Climate Change	2023: 1,302,913 tonCO_2e
		Percentage of emissions covered under emissions-limiting regulations or emissions-reducing regulations	Percentage (%)		Climate Change	All power generation assets are located in Mexico. Mexico has mandatory emissions reporting to the National Registry (in Spanish, RENE), although this is not a regulation to restrict emissions. However, the emissions trading system (ETS) sets an emissions limit for operations with annual emissions over 100,000 tCO_2e, only from fixed sources. Currently, only one Infrastructure Division operation exceeds this threshold, our La Caridad combined cycle power plant, reporting emissions of 1,267,309 ton CO_2e, which represents 98% of the Scope 1 total emissions for our Infrastructure Division energy business.
		Emissions covered under emissions-reporting regulations	Metric tons (t) de CO_2e		Climate Change	The emissions subject to disclosure are those produced by the La Caridad combined cycle power plant and reported following: 2019: 1,477,567 tonCO_2e 2020: 1,451,714 tonCO_2e 2021: 1,341,350 tonCO_2e 2022: 1,337,574 tonCO_2e 2023: 1,267,309 tonCO_2e
	IF-EU-110a.2	Greenhouse gas (GHG) emissions associated with power deliveries	Metric tons (t) de CO_2e		Climate Change	The principal emissions source associated with our power deliveries are the emissions of our La Caridad combined cycle power plant, reported at 1,267,309 tonCO_2e
	IF-EU-110a.3	Discussion of long and short term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a		Climate Change	See targets reported for Grupo México in the sections above.
Air quality	IF-EU-120a.1	NOx emissions (exclusive of N_2O)	Metric tons (T)			We are in the process of standardizing our calculation methodology across our three divisions.
		SOx emissions	Metric tons (T)	Not available		We are in the process of standardizing our calculation methodology across our three divisions.

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Air quality	IF-EU-120a.1	Particulate matter (PM10) emissions	Metric tons (T)	Not available		We are in the process of standardizing our calculation methodology across our three divisions.
		Lead (Pb) emissions	Metric tons (T)			Our power generation operations do not release lead.
		Mercury (Hg) emissions	Metric tons (T)			Our power generation operations do not release mercury.
		Percentage of each in or near areas of dense population	Percentage (%)			Neither the combined cycle power plant nor the wind farms are located in densely populated areas
Water management	IF-EU-140a.1	Total water withdrawn	Cubic meters (m^3)		Water and Effluents	3,069,619.22 m^3
		Total water consumed	Cubic meters (m^3)		Water and Effluents	2,524,254.49 m^3
		Percentage of each in regions with high or extremely high water stress	Percentage (%)		Water and Effluents	
	IF-EU-140a.2	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number		Business Ethics and Integrity	Zero. No incidents, fines or sanctions for legal non-compliance were reported. Adherence to Mexican law and international good practices is part of our Grupo México Infrastructure Division code of ethics.
	IF-EU-140a.3	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a			In the case of the combined cycle power plant, we are currently preparing water availability studies to identify the risks and actions. Regarding the El Retiro and Fenicias wind farms, water consumption is extremely low, therefore this is not a material topic for these operations.
Coal ash management	IF-EU-150a.1	Amount of coal combustion products generated and the percentage recycled	Metric tons (T)	This topic does not apply to México Generadora de Energía because of the type of operation and energy sources		
	IF-EU-150a.2	Total number of coal combustion residual impoundments, by Hazard potential classification and structural integrity assessment	Percentage (%)			

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Energy affordability	IF-EU-240a.1	Average retail electric rate for residential customers	Various	This topic does not apply to México Generadora de Energía because of the type of operation and energy sources.		
		Average retail electric rate for commercial customers	Various			
		Average retail electric rate for industrial customers	Various			
	IF-EU-240a.2	Typical monthly electric bill for residential customers for 500 kWh	Reporting currency			
		Typical monthly electric bill for residential customers for 1,000 kWh	Reporting currency			
	IF-EU-240a.3	Number of residential customer electric disconnection for non-payment, and percentage reconnected within 30 days	Number, percentage (%)			
	IF-EU-240a.4	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	n/a			
Workforce health and safety	IF-EU-320a.1	Total recordable incident rate (TRIR)	Various	We report the lost time injury frequency rate (LTIFR). We do not use the TRIFR metric.		Reporting only the 3 energy operations of the Infrastructure Division, there were 0 incapacitating incidents (or lost time injuries) in 2023.
		Fatality rate			Workplace Health and Safety	Zero fatalities reported at our 3 energy operations or at the Infrastructure Division level in 2023
		Near miss frequency rate (NMFR) for (a) direct employees and (b) contract employees				We consider near misses as incidents that would entail economic loss, with no employee injury. There were 0 in 2023.
End use efficiency and demand	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that are decoupled	Percentage (%)	This topic does not apply because of the type of operation and commercialization being mostly internal		

SASB Standard: Engineering and Construction Services 2023						
SASB Topic	Code	Disclosure	Unit of Measure	Omissions and/or Restatements	Section	Additional Notes
Accounting parameters						
Eficiencia y demanda de uso final	IF-EU-420a.1	Percentage of electric utility revenues from rate structures that contain a lost revenue adjustment mechanism (LRAM)	Percentage (%)	This topic does not apply because of the type of operation and commercialization being mostly internal		
	IF-EU-420a.2	Percentage of electric load served by smart grid technology	Percentage (%) by megawatt hours (MWh)			
	IF-EU-420a.3	Customer electricity savings from efficiency measures, by market	Megawatt hours (MWh)			
Nuclear safety and emergency management	IF-EU-540a.1	Total number of nuclear power units	Number	This topic does not apply because we do not have generation assets with nuclear sources		
	IF-EU-540a.2	Description and efforts to manage nuclear safety and emergency preparedness	n/a			
Grid resiliency	IF-EU-550a.1	Number of incidents of non-compliance with physical or cybersecurity standards or regulations	Number	This topic does not apply because we are not energy distributors and we do not operate a grid		
	IF-EU-550a.2	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Minutes / Number			

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7.3 TCFD Indicators Index



Topic	Recommendation	Recommended Disclosure	Code	Section
Governance	TCFD G: Disclose the organization's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	GOB-A	**IDS: 6.1 Climate Change,** 6.1.2. Governance
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	GOB-B	**IDS: 6.1 Climate Change** 6.1.2. Governance **IDS: 4.1 Corporate Governance**
Strategy	TCFD S: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	EST-A	**IDS: 6.1 Climate Change,** 6.1.3 Management – Physical risk analysis, Analysis of transition risks and opportunities associated with climate change
		b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	EST-B	**IDS: 6.1 Climate Change,** 6.1.3 Management – Physical risk analysis, Analysis of transition risks and opportunities associated with climate change **IDS: 1.2 Letter from the Chairman of the Board** **IDS: 2.1 Sustainable Development Strategy**
		c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	EST-C	**IDS: 6.1 Climate Change,** 6.1.3 Management – Physical risk analysis, Analysis of transition risks and opportunities associated with climate change
Risk Management	TCFD RM: Disclose how the organization identifies, assesses and manages climate-related risks.	a) Describe the organization's processes for identifying and assessing climate-related risks.	GDR-A	**IDS: 6.1 Climate Change,** 6.1.3 Management – Process for identifying risks and opportunities, Physical risk analysis, Analysis of transition risks and opportunities **IDS: 4.1 Corporate Governance**
		b) Describe the organization's processes for managing climate-related risks.	GDR-B	**IDS: 6.1 Climate Change,** 6.1.3 Management – Policies and protocols, Process for identifying risks and opportunities
		c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	GDR-C	**IDS: 6.1 Climate Change,** 6.1.3 Management – Process for identifying risks and opportunities
Metrics and Targets	TCFD M&T: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	MYO-A	**IDS: 6.1 Climate Change,** 6.1.7. Metrics
		b) Disclose the Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	MYO-B	**IDS: 6.1 Climate Change,** 6.1.7. Metrics
		c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	MYO-C	**IDS: 6.1 Climate Change,** 6.1.5. Goals and Targets

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7.4 Glossary and Acronyms



Acronyms and abbreviations

AAR	Association of American Railroads	APPAMEX	Asociación de Proveedores de Productos Agropecuarios (Association of Agricultural Retailers in Mexico)	CEO	Chief Executive Officer
ADEX	Asociación de Exportadores (Association of Exporters)	AQ	Air quality	CEPAA	Consejo de Prioridades Económicas (Council on Economic Priorities Accreditation Agency)
ADVC	Áreas Destinadas Voluntariamente a la Conservación (Voluntary Conservation Areas)	ASARCO	American Smelting and Refining Company	CEPAL	Comisión Económica para América Latina y el Caribe (Economic Commission for Latin America and the Caribbean)
AENOR	Asociación Española de Normalización y Certificación (Spanish Association of Standardization and Certification)	AST	Análisis Seguro de Trabajo (Job Security Analysis)	CESPEDES	Comisión de Estudios del Sector Privado para el Desarrollo Sustentable (Private Sector Commission for Sustainable Development)
AICA	Áreas de Importancia para la Conservación de las Aves (Important Bird Areas)	BAU	Business As Usual	CFO	Chief Financial Officer
ALARP	As low as reasonably practical	BE	Business ethics	CFR	Code of Federal Regulations
AMA	Arizona Mining Association	BID	Banco Interamericano de Desarrollo (Inter-American Development Bank)	CG	Corporate Governance
AMC	Americas Mining Corporation	BIVA	Bolsa Institucional de Valores (Institutional Securities Exchange)	CH4	Metano (Methane)
AMCO	Asociación Mexicana de Comunicadores Organizacionales (Mexican Association of Organizational Communicaters)	BMV	Bolsa Mexicana de Valores (Mexican Stock Exchange)	CHRB	Corporate Human Rights Benchmark
AMDEE	Asociación Mexicana de Energía Eólica (Mexican Wind Energy Association)	BOD	Biological oxygen demand	CIS	Center for Internet Security
AME	Asociación Mexicana de Energía Eléctrica (Mexican Electricity Association)	BVL	Bolsa de Valores de Lima (Lima Stock Exchange)	CISO	Chief Information Security Officer
AMEBIN	Alianza Mexicana de Biodiversidad y Negocios (Mexican Biodiversity and Business Alliance)	CA	Calidad del Aire (Air Quality)	CMIC	Cámara Mexicana de la Industria de la Construcción (Mexican Chamber of the Construction Industry)
AMESPAC	Asociación Mexicana de Empresas de Servicios Petroleros (Mexican Association of Oil Service Companies)	CAIDI	Customer Average Interruption Duration Index	CNA	Cumplimiento Normativo Ambiental (Environmental Compliance)
AMEXHI	Asociación Mexicana de Empresas Hidrocarburos (Mexican Association of Hydrocarbon Companies)	CAMIMEX	Cámara Minera México (Mexican Mining Chamber)	CO_2	Dióxido de carbono (carbon dioxide)
AMF	Asociación Mexicana de Ferrocarriles (Mexican Railroad Association)	CBD	Convention on Biological Diversity	COA	Cédula de Operación Anual (Annual Operating Statement)
AMIVTAC	Asociación Mexicana de Ingeniería de vías Terrestres (Mexican Association of Road Engineering)	CC	Climate change	COD	Chemical oxygen demand
AMSAC	Asociación de Mineros de Sonora (Sonora Miners Association)	CCE	Consejo Coordinador Empresarial (Business Coordinating Council)	COEPI	Comisión Estatal para los Pueblos Indígenas de Chihuahua (Chihuahua State Commission on Indigenous Peoples)
AMTI	Asociación Mexicana de Transporte Intermodal (Mexican Association of Intermodal Transportation)	CCL	Cámara de Comercio de Lima (Lima Chamber of Commerce)	CONABIO	Comisión Nacional para el Conocimiento y Uso de la Biodiversidad (National Commission for the Knowledge and Use of Biodiversity)
ANA	Autoridad Nacional del Agua (Peruvian National Water Authority)	CCS	Community Care Service	CONAGUA	Comisión Nacional del Agua (Mexican National Water Commission)
ANIPAC	Asociación Nacional del Plástico (National Plastics Association)	CD	Community Development	CONAFOR	Comisión Nacional Forestal (National Forestry Commission)
ANIQ	Asociación Nacional de la Industria Química (National Association of the Chemical Industry)	CDA	Canadian Dam Association	CONANP	Comisión Nacional de Áreas Naturales Protegidas (National Comission of Natural Protected Areas)
ANP	Área natural protegida (Protected natural area)	CDP	Carbon Disclosure Project	CONFIEP	Confederación Intersectorial de Empresas Privadas (Intersectoral Confederation of Private Companies)
APP	Aquifer Protection Permit	CEC	Clean energy certificate		

Acronyms and abbreviations

CONOCER	Consejo Nacional de Normalización y Certificación de Competencias Laborales (National Council for Standardization and Certification of Labor Competencies)	EPA	Environmental Protection Agency	ICA	International Copper Association
COP15	United Nations Biodiversity Conference	EPP	Equipo de Protección Personal (Personal Protective Equipment)	ICCPR	International Covenant on Civil and Political Rights
COPARMEX	Confederación Patronal de la República Mexicana (Employer´s Confederation of the Mexican Republic)	EQS	Environmental Quality Standard	ICESCR	International Covenant on Economic, Social and Cultural Rights
COSO	Committee of Sponsoring Organizations of the Treadway Commission	ERM	Enterprise Risk Management	ICMM	International Council on Mining and Metals
COVID 19	Coronavirus	ESA	US Endangered Species Act	ICOLD	International Commission on Large Dams
CP	Closure plans	ESG	Environmental, Social and Governance	IDB	Inter-American Development Bank
CSA	Corporate Sustainability Assessment	EVIS	Evaluación de Impacto Social (Social Impact Assessment)	IE	Indirect economic impacts
CTPAT	Customs Trade Partnership Against Terrorism	FCPA	The Foreign Corrupt Practices Act	IIMP	Instituto de Ingenieros de Minas del Perú (Peruvian Institute of Mine Engineers)
DBO	Demanda biológica de Oxígeno (Biological Oxygen Demand)	FEC	Florida East Coast Railway	IMNC	Instituto Mexicano de Normalización y Certificación (Mexican Institute of Standardization and Certification)
DBR	Design-based research	FGM	Fundación Grupo México (Grupo México Foundation)	IMOA	International Molybdenum Association
DEI	Diversidad e Inclusión (Diversity and Inclusion)	FR	Fatality Rate	IMSSA	Institute of Mine Surveyors of Southern Africa
DEMAS	Dirección de Medio Ambiente y Aprovechamiento Sustentable (Department of the Environment and Sustainable Usage)	FRA	Federal Railroad Administration	IMSS	Instituto Mexicano Del Seguro Social (Mexican Institute of Social Security)
DINFRA / INF DIV	Infrastructure Division	FTSE	Financial Times Stock Exchange Group	INM	Instituto Nacional de Migración (National Migration Institute)
DJSI	Dow Jones Sustainability Index	GBF	Kunming-Montreal Global Biodiversity Framework	INSAR	Interferometric synthetic aperture radar
DQO	Demanda Química de Oxígeno (Chemical Oxygen Demand)	GHG	Greenhouse gases	ILO	International Labor Organization
DSR	Dam Safety Review	GICS	Global Industry Classification Standard	ILOC	International Labor Organization Conventions
EBITDA	Earnings before interest, taxes, depreciation and amortization	GJ	Gigajoules	IPCC	Intergovernmental Panel on Climate Change
ECA	Estándares de Calidad Ambiental (Environmental Quality Standards)	GMXT	Grupo México Transportes	IPERC	Identificación de Peligros y la Evaluación de Riesgos y Controles (Hazard Identification and Risk Assesment and Controls)
ECO	Encuesta de Opinión (Opinion Survey)	GRI	Global Reporting Initiative	IRGC	International Risk Governance Council
EITI	Extractive Industries Transparency Initiative	Ha	Hectares	ISAE	International Standard on Assurance Engagements
ELSSA	Entornos Laborales Seguros y Saludables (Safe and Healthy Workplaces program)	Hg	Mercury	ISO	International Organization for Standardization
EMA	Entidad Mexicana de Acreditación (Mexican Accreditation Entity)	HIPAA	Health Insurance Portability and Accountability Act	ISS	Institutional Shareholder Services
ENCORE	Exploring Natural Capital Opportunities, Risks and Exposure	HR	Human Rights	IT	Information technologies
EP	Economic Performance	IAASB	International Auditing and Assurance Standards Board	IUCN	International Union for Conservation of Nature

Acronyms and abbreviations

KBAs	Key Biodiversity Areas	MMBTU	Millions BTU	OP	Our People
Kg	Kilogram	MP	Market presence	PASST	Programa de Autogestión en Seguridad y Salud en el Trabajo (Workplace Health and Safety Self-Management Program)
Km	Kilometre	MPL	Maximum Permissible Level	Pb	Lead
KPI	Key Performance Indicator	MSCI	Morgan Stanley Capital Internacional	PET	Polyethylene terephathalate
ktCO2e	Kilotoneladas de Dióxido de Carbono Equivalente	MSHA	Mine Safety and Health Administration	PM_{10}	Particulate matter
LBFO	last, best and final offer	MTCC	Metropolitan Tuscon Chamber of Commerce	PPE	Personal protective equipment
LGBT+	Lesbianas, Gais, Bisexuales y Trans (Lesbians, Gays, Bisexuals, and Trans)	$MtCO_2e$	Metric ton of carbon dioxide equivalent	PRAE	Planes de Respuesta y Atención de Emergencias (Emergency Response Plans)
LEAP approach	Locate, Evaluate, Assess and Prepare	MW	Megawatt	PROFEPA	Procuraduría Federal de Protección al Ambiente (Mexican Environmental Protection Agency)
L/s	Liters per second	MWh	Megawatt hour	RailTEC	Rail Transportation and Engineering Center
LRAM	Land Rehabilitation and Maintenance	N_2O	Óxido nitroso (nitrous oxide)	RCP	Representative Concentration Pathway
LTIFR	Lost Time Injury Frequency Rate	NAMC	North American Metals Council	REINFO	Registro Integral de Formalización Minera (Integral Registry of Mining Formalization)
m^3	Cubic meter	NDC	Nationally determined contributions	RENE	Registro Nacional de Emisiones (Mexican Emissions Registry)
m^3/hr	Cubic meter per hour	NIST	National Institute for Standards and Technology	RFI	Request for Information (Solicitud de Información)
mm^3	Cubic millimeters	NMFR	Near miss frequency rate	RFP	Request for Proposal (Solicitud de Propuesta)
Manual OMS	Operations maintenance surveillance manual	NMX	Norma Mexicana de Responsabilidad Social (Mexican Standard on Social Responsibility)	RFT	Request for Target (Solicitud de Objetivo)
MAPFRE	Mutualidad de la Agrupación de Propietarios de Fincas Rústicas de España (Mutual Society of the Group of Owners of Rustic Farms of Spain)	NOM	Norma Oficial Mexicana (Official Mexican Standard)	RMI	Responsible Mining Index
MARPOL	International Convention for the Prevention of Pollution from Ships	NOM-001-SEMARNAT-1996	Official Mexican Standard that sets the maximum permissible levels of contaminants in discharges of wastewater and federal waters and assets	RTM	Revenue Ton Mile
MDP	México Proyectos y Desarrollos (Mexico Projects and Developments)	NYSE	New York Stock Exchange	SAAMI	Andean Mining Cluster
MEM	Mercado Mayorista de México (Mexican Wholesale Electricity Market)	OCDE	Organización para la Cooperación y el Desarrollo Económico (Organization for Economic Cooperation and Development)	SAC	Servicio de Atención Comunitaria (Community Care Service)
METCO	Sonora Metallurgical Complex, Mexico	OEFA	Organismo de Evaluación y Fiscalización Ambiental (Peruvian Agency for Environmental Assessment and Enforcement)	MILA	Mercado Integrado Latinoamericano (Latin American Integrated Market)
MGA	México Generadora de Energía (Mexico Energy Generator)	OHS	Occupational Health and Safety	SAIFI	System Average Interruption Frequency Index
MIN DIV	Mining Division	OHCHR	Office of the High Commissioner on Human Rights	SARS CoV-2	Severe Acute Respiratory Syndrome Coronavirus 2
ML	Megaliters	ONU	Organización de las Naciones Unidas (United Nations)	SASB	Sustainability Accounting Standards Board

Acronyms and abbreviations

SAIDI	System Average Interruption Duration Index	SOC	Security Operations Center	UIC	Underground Injection Control
SBTN	Science Based Targets Network	SOPEP	Shipboard Oil Pollution Emergency Plan	IUCN	International Union for Conservation of Nature
SCC	Southern Copper Corporation	SPCC	Southern Peru Copper Corporation	UMA	Unidad de Manejo Ambiental (Wildlife Conservation Management Center)
SDG	Sustainable Development Goals	SPCI	Secretaría de Pueblos y Comunidades Indígenas (Secretariat of Indigenous Peoples and Communities))	UNACAR	Universidad Autónoma del Carmen (Autonomous University of Carmen)
SEC	Securities and Exchange Commission	STEM	Science, Technology, Engineering, Mathematics	UNAM	Universidad Nacional Autónoma de México (National Autonomous University of Mexico)
SEMARNAT	Secretaría de Medio Ambiente y Recursos Naturales (Ministry of the Environment and Natural Resources)	STPS	Secretaría del Trabajo y Previsión Social (Ministry of Labor and Social Welfare)	UNEP FI	The UN Environment Programme Finance Initiative
SENACE	Servicio Nacional de Certificación Ambiental (National Environmental Certification Service)	S&P	Standard & Poor's	UNEP-WCMC	The UN Environment Programme World Conservation Monitoring Centre
SENER	Secretaría de Energía	TACD	Taller Ambulante de Cine Documental (Mobile Documentary Filmmaking Workshop)	UNESCO	Organización de las Naciones Unidas para la Educación, la Ciencia y la Cultura (United Nations Educational, Scientific and Cultural Organization)
SINIA	Sistema Nacional de Información Ambiental (Peruvian Environmental Information System)	TAMA	Tuscon Active Management Area	UNICEF	Fondo de las Naciones Unidas para la Infancia (United Nations Children's Fund)
SISSEI	Sistema de Información Salud y Seguridad Integral (Comprehensive Health and Safety Information System)	TCFD	Task Force on Climate-Related Financial Disclosures	UNSA	Universidad Nacional de San Agustín, Perú (National University of San Agustin, Peru)
SJA	Safe Job Analysis	TIPS	Threaten, Interrogate, Promise, Surveil	USA	United States of America
SLP	San Luis Potosi	TMS	Tetramethylsilane	USEPA	United States Environmental Protection Agency
SME	Society for Mining Metallurgy and Exploration	Ton	Ton	VC	Value Chain
SMM	Sociedad Minera de México (Mexican Mining Society)	TNFD	Taskforce on Nature-related Financial Disclosures	WARN	Worker Adjustment and Retraining Notification Act
SJA	Safe Job Analysis	TPCT	Community of Tumilaca, Pocata, Coscore and Tala	WCI	Western Climate Initiative
SLP	San Luis Potosi	TRA DIV / DTRA	Transportation Division	WEF	World Economic Forum
SME	Society for Mining Metallurgy and Exploration	TRACE	Anti-Bribery Compliance Solutions	WHC	Wildlife Habitat Council
SMM	Sociedad Minera de México (Mexican Mining Society)	TRIR	Total Recordable Incident Rate	WRI	World Resources Institute
SMV	Super Intendencia del Mercado de Valores	TRIFR	Tasa de Frecuencia Total de Lesiones Totales Registrables (Total Recordable Injury Frequency Rate)	WTP	Wastewater Treatment Plant
SNMPE	Sociedad Nacional de Minería, Petróleo y Energía del Perú (National Society of Mining, Petroleum and Energy of Peru)	UDHR	Universal Declaration of Human Rights	WWF BRF	World Wildlife Fund Biodiversity Risk Filter

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7.5 Annexes



Annexes for Our Approach

2.5 Stakeholder Engagement

Principal contributions to associations, by Division and country

US$

Division	Amount	Association
MIN DIV	$2,813,680.00	International Copper Association
	$338,402.22	International Molybdenum Association
	$227,668.22	Institute of Mining Engineers
SCC	$2,813,680.00	International Copper Association
	$338,402.22	International Molybdenum Association
	$227,668.22	Institute of Mining Engineers
MM (Mexico)	$1,658,216.00	International Copper Association
	$181,004.82	International Molybdenum Association
	$36,174.17	Mexican Chamber of Mines
SPCC (Peru)	$1,155,464.00	International Copper Association
	$227,668.22	Institute of Mining Engineers
	$157,397.40	International Molybdenum Association
ASARCO (USA)	$50,000.00	Arizona Mining Association
TRA DIV	**$407,770.00**	Association of American Railroads
	$184,448.00	Association of American Railroads
	$120,978.00	Mexican Intermodal Transport Association
Mexico	$407,770.00	Association of American Railroads
	$120,978.00	Mexican Intermodal Transport Association
	$59,300.00	National Association of Private Transportation AC
USA	$184,448.00	Association of American Railroads
	$19,125.00	Flager Center Owners Associat
	$4,675.00	Port Everglades Association In
INF DIV	**$40,641.73**	Mexican Association of Hydrocarbon Companies, A.C. (AMEXHI)
	$37,715.16	Mexican Energy Association AC
	$19,368.93	Mexican Association of Wind Energy AC
GM	**$2,813,680.00**	International Copper Association
		Association of American Railroads
	$338,402.22	International Molybdenum Association

Contributions by type of association

1) Grupo México

Dollar amounts

	Mexico	Peru	USA	Description of the participation/relationship
Mining Division	**$1,875,394.99**	**$1,673,511.70**	**$50,000.00**	
International mining associations	$1,839,220.82	$1,312,861.40	-	Annual participation in mining associations that seek to promote the benefits of mining products, such as copper, molybdenum, zinc, etc. Also, initiatives that help drive ongoing improvement in internal processes.
Mining associations and chambers	$36,174.17	$227,668.22	$50,000.00	Support for initiatives of mining assocaitions and/or chambers of commerce in the jurisdictions where we have active operations.
General trade associations/chambers	-	$132,982.08	-	Support for initiatives of general trade associations and/or chambers of commerce in the jurisdictions where we have active operations.
Transportation Division	**$651,917.00**		**$212,603.00**	
Railway industry associations	$528,748.00	-	$184,448.00	Support for initiatives of railway industry associations and/or chambers in the jurisdictions where we have active operations.
Associations of cargo transport (maritime)	$47,368.00	-	$9,030.00	Support for initiatives of maritime cargo transportation associations and/or chambers in the jurisdictions where we have active operations.
Associations of cargo transport (land, excluding railway)	$59,300.00	-	-	Support for initiatives of land cargo transportation (excluding railway) associations and/or chambers in the jurisdictions where we have active operations.
Industry associations/chambers of commerce	$16,501.00	-	$19,125.00	Annual participation in industry associations and/or chambers related to the materials and products we transport.
Infrastructure Division	**$124,662.43**			
Construction chambers	$12,933.28	-	-	Support for initiatives of associations and/or chambers related to the construction industry.
Oil and hydrocarbon associations/ chambers	$48,899.04	-	-	Coordination and execution of activities in support of associations and chambers related to oil and hydrocarbons.
Energy associations/chambers	$62,830.11	-	-	Support for initiatives of associations and/or chambers related to the energy sector.

2) Southern Copper Corporation

	Mexico	Peru	Description of the participation/relationship
Southern Copper Corporation	**$1,875,394.99**	**$1,673,511.70**	
International mining associations	$1,839,220.82	$1,312,861.40	Annual participation in mining associations that seek to promote the benefits of mining products, such as copper, molybdenum, zinc, etc. Also, initiatives that help drive ongoing improvement in internal processes.
Mining associations and chambers	$36,174.17	$227,668.22	Support for initiatives of mining assocaitions and/or chambers of commerce in the jurisdictions where we have active operations.
General trade associations/chambers	-	$132,982.08	Support for initiatives of general trade associations and/or chambers of commerce in the jurisdictions where we have active operations.

3.6 Investments in Sustainable Development

	Occupational Health and Safety											
	2020			2021			2022			2023		
	Operating costs	Investments	Total	Operating costs	Investments	Total	Operating costs	Investments	Total	Operating costs	Investments	Total
MIN DIV	53.2	3.8	57	72.3	9.5	81.8	28.4	80.6	109	39.3	94.5	133.8
SCC	50.1	0.6	50.7	66.5	3.4	69.9	23.5	80.4	103.9	32.4	94.5	126.9
MM (Mexico)	48.2	0.6	48.8	59.9	0	59.9	16.4	68.8	85.2	21.1	90	111.1
SPCC (Peru)	1.9	0	1.9	6.6	3.4	10	7.1	11.6	18.7	11.3	4.5	15.8
ASARCO (USA)	3.1	3.2	6.3	5.7	6.1	11.8	4.9	0.2	5.1	6.9	0	6.9
TRA DIV	13.7	0	13.7	0.6	2.6	3.2	2.8	3.3	6.1	10.8	0	10.8
INF DIV	3	7	10	2.1	0	2.1	2.4	2.6	5	3.4	0	3.4
GM	**69.9**	**10.8**	**80.7**	**75**	**12.1**	**87.1**	**33.6**	**86.5**	**120.1**	**53.5**	**94.5**	**148**

	Environmental Management											
	2020			2021			2022			2023		
	Operating costs	Investments	Total	Operating costs	Investments	Total	Operating costs	Investments	Total	Operating costs	Investments	Total
MIN DIV	104.3	59.2	163.5	95.6	108.1	203.7	174.6	59.3	233.9	278.4	41.9	320.3
SCC	92.3	52.1	144.4	87.9	90.5	178.4	157.6	56.2	213.8	256.5	34.2	290.7
MM (Mexico)	89.7	41.1	130.8	81.4	62.3	143.7	125	51	176	249.6	31.6	281.2
SPCC (Peru)	2.6	11	13.6	6.5	28.2	34.7	32.6	5.2	37.8	6.9	2.6	9.5
ASARCO (USA)	12	7.1	19.1	7.7	17.6	25.3	17	3.1	20.1	21.9	7.7	29.6
TRA DIV	0.1	0.3	0.4	1.1	23.5	24.6	0.6	19	19.6	2.3	21.7	24
INF DIV	3.9	127.8	131.7	1.2	65.2	66.4	2	12.7	14.7	2.2	0	2.2
GM	**108.3**	**187.2**	**295.6**	**97.9**	**196.8**	**294.7**	**177.2**	**91**	**268.2**	**282.9**	**63.6**	**346.5**

	Community Development															
	2020				2021				2022				2023			
	Operating costs	Management Expenses	Investments	Total	Operating costs	Management Expenses	Investments	Total	Operating costs	Management Expenses	Investments	Total	Operating costs	Management Expenses	Investments	Total
MIN DIV	22.6	1.4	11.4	35.4	20.1	4.1	41.9	66.1	25	3.6	42.1	70.7	32.7	5	58.7	96.4
SCC	22.4	1.4	11.4	35.2	20.1	3.9	41.9	65.9	24.9	3.4	42.1	70.4	32.7	4.7	58.7	96.1
MM (Mexico)	8.1	0.8	1	9.9	7.4	1.7	3.2	12.3	9.6	1.8	1.3	12.7	14.9	3.2	1.9	20
SPCC (Peru)	14.3	0.6	10.4	25.3	12.7	2.2	38.7	53.6	15.3	1.5	40.8	57.6	17.8	1.5	56.8	76.1
ASARCO (USA)	0.2	0	0	0.2	0	0.2	0	0.2	0.1	0.2	0	0.3	0	0.3	0	0.3
TRA DIV	0	0	3.1	3.1	0.9	0	0.4	1.3	0	0	72.5	72.5	0	0	57.4	57.4
INF DIV	0.3	0	0	0.3	0.3	0	0	0.3	0.2	0.2	0	0.4	0.6	0.6	0	1.2
GM	22.9	1.4	14.5	38.8	21.3	4.1	42.3	67.7	25.2	3.8	114.6	143.6	33.3	5.6	116.1	155

Annexes for Governance

4.1 Governance

Grupo México Board of Directors

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Board of Directors														
#	Member	Position	Indpendence	Gender	Age	Nationality	Country of Residence	Service (years)	Board Committees[1]	% Attendance (average)[2]	Background / Specialization	Current additional service[3]	Other Boards[4]	Other Corporate Governance roles[5]	Experience by sector[6]
1	Germán Larrea Mota Velasco	Chairman	Executive (CEO)	Male	70	Mexico	Mexico	43	Executive (Chairman)	100%	Business Administration	-	Chairman of the Boards of: SCC / Grupo México / Mining Division / Transportation Division / Infrastructure Division / AMC / Empresarios Industriales de México	CEO Grupo México/ Industriales de México	**Commodities:** Grupo México Executive President Grupo México (mining, transportation, infrastructure) (1994 - current) **Industrial:** Founder of Grupo Impresa (publishing house) (1978 - 1989) **Transportation:** Grupo Ferroviario Mexicano CEO (railroad) (1997 - current)
2	Xavier García de Quevedo Topete † [7]	Vice-Chairman	Executive	Male	76	Mexico	Mexico	41	-	75%	Chemical Engineering, Business Administration, Finance	-	Vice-Chairman of the Grupo México Board. Member of the Boards of Asarco / SCC / Infrastructure Division / Transportation Division / Mining Division	Vice-President Grupo México / AMC. President Infrastructure Division	**Commodities:** SCC President & CEO (mining) (2001), President & CEO AMC (mining) (2007) **Industrial:** President & CEO Infrastructure Division (2014) **Transportation:** Director Grupo Ferroviario Mexicano (railroad) (1997 - 1999)
3	Alfredo de Jesús Casar Pérez	Board Member	Executive	Male	69	Mexico	Mexico	28	-	75%	Economics	-	Member of the Boards of Grupo México / GFM / SCC / Transportation Division	President Transportation Division	**Commodities:** Director of Development Grupo México (mining, transportation, infrastructure) for two years **Industrial:** CEO Cía. Perforadora México, S.A. de C.V., (infrastructure), CEO México Cía. Constructora, S.A. de C.V. (infrastructure) for 7 years **Transportation:** Executive President GFM & Ferromex (railroad) (2008)
4	Luis Castelazo Morales	Board Member	Executive	Male	67	Mexico	Mexico	8	-	100%	Civil Engineering	-	Member of the Boards of Grupo México / SCC / Empresarios Industriales de México	CEO Empresarios Industriales de México	**Industrial:** CEO Desarrollo de Ingeniería, S.A. de C.V. (DISA) (engineering solutions) for more than 10 years **Finance:** Mexican Association of Securities Brokers (in Spanish, AMIB) certified Investment Strategy Advisor for the Mexican stock exchange
5	Oscar González Rocha	Board Member	Executive	Male	85	Mexico	Mexico / Peru	43	-	100%	Civil Engineering	-	Member of the Boards of Grupo México / MM / SCC	President SCC / Asarco / AMC	**Commodities:** President SCC (mining) (since 1999) and CEO SCC (since 2004), President & CEO Americas Mining Corporation (mining) (since 2014)
6	Fernando López Guerra Larrea	Board Member	Executive	Male	41	Mexico	Mexico	5	-	100%	Business Administration, Finance	-	GMXT Board Member	CEO Transportation Division	**Transportation:** CEO GMXT (railroad) (2018 - current) **Communications:** Vice-President Operations & Development Cinemex (movie theaters) (2009 - 2012)

Board of Directors

#	Member	Position	Indpendence	Gender	Age	Nationality	Country of Residence	Service (years)	Board Committees[1]	% Attendance (average)[2]	Background / Specialization	Current additional service[3]	Other Boards[4]	Other Corporate Governance roles[5]	Experience by sector[6]
7	Antonio del Valle Ruiz	Board Member	Independent	Male	86	Mexico	Mexico	8	-	100%	Accounting	4 or more	Member of the Boards of Grupo México / Mexichem / Telmex / EBC / Club de Industriales / others	Lifetime Honorary President Grupo Kaluz, Orbia, Elementia, BX+, etc.	**Finance:** Lifetime Honorary President Grupo Kaluz (financial services), BX+ (bank), **Commodities:** Lifetime Honorary President Grupo Orbia (chemical industry), Elementia (construction materials) **Industrial:** Lifetime Honorary President Grupo Orbia (construction, infrastructure, agriculture systems) **IT:** Lifetime Honorary President Grupo Orbia (connectivity solutions)
8	Emilio Carrillo Gamboa	Board Member	Independent	Male	85	Mexico	Mexico	21	A&CP	100%	Law	4 or more	Member of the Boards of Grupo México / Grupo Modelo / Grupo Nacional Provincial / Grupo Profuturo / Kimberly-Clark / The México Fund	Founding Partner of the Law Firm Carrillo Gamboa	**Consumer discretionary:** Founding Partner of the Law Firm Carrillo Gamboa (law firm) **Finance:** Income Tax Department of the Mexican Ministry of the Treasury and Finance (in Spanish, SHCP) (government) (1957 - 1958) **Communications:** Teléfonos de México: Head of the Financial Studies Department (1960), Deputy CEO (1967), CEO (1975-1987) **Diplomatic Relations:** Mexican Embassador to Canada (1987 - 1989)
9	Carlos Prieto Sierra	Board Member	Independent	Male	70	Mexico	Mexico	8	-	100%	Business Administration	0	Member of the Boards of Grupo México / BX+ / Hermes Corporativo / R202 / CityExpress / RUF / Editorial Banca y Comercio	Dean of the Escuela Bancaria y Comercial	**Consumer discretionary:** Dean of the Escuela Bancaria y Comercial (education), Hermes Corporativo (automotive), City Express (hotels) **Finance:** BX+ (bank) **IT:** RUF (electronics) **Real Estate:** R202
10	Carlos Rojas Mota Velasco	Board Member	Independent	Male	70	Mexico	Mexico	8	-	100%	Business Administration	4 (8)	Chairman of the Board Grupo Rotoplas / FUNED (foundation) Member of the Boards of Grupo México / Scribe / Nasoft / Universidad Centro / Grupo Lar	President & CEO Grupo Rotoplas	**Industrial:** Co-founder and Executive President Grupo Rotoplas (water solutions)
11	Claudio X. González Laporte	Board Member	Independent	Male	90	Mexico	Mexico	34	Executive	100%	Chemical Engineering	4 or more	Chairman of the Board of Kimberly-Clark Member of the Boards of Fondo México / Grupo Alfa / Grupo Carso / The Baker Institute for Public Policy (Houston, Texas) / The Salzburg Global Seminar (Washington D.C. & Salzburg, Austria) / The New York Philharmonic Director Emeritus General Electric		**Industrial:** Director Emeritus General Electric, Co (electrical equipment)
12	Fernando Ruiz Sahagún	Board Member	Independent	Male	80	Mexico	Mexico	20	A&CP	100%	Accounting / Law	4 or more	Member of the Boards of Grupo México / Banco Santander / Grupo Bolsa Mexicana de Valores / Grupo Cementos de Chihuahua / Fresnillo Ltd / Grupo Palacio de Hierro / GNP / Rassini / Arcelor Mittal de México	Founder and Managing Partner of the Law Firm Chevez, Ruiz, Zamarripa	**Consumer discretionary:** Founder and Managing Partner of the Law Firm Chevez, Ruiz, Zamarripa (law firm)

Board of Directors

#	Member	Position	Indpendence	Gender	Age	Nationality	Country of Residence	Service (years)	Board Committees [1]	% Attendance (average)[2]	Background / Specialization	Current additional service[3]	Other Boards[4]	Other Corporate Governance roles[5]	Experience by sector[6]
13	Rolando Vega Sáenz	Board Member	Independent	Male	75	Mexico	Mexico	14	A&CP (Chairman)	75%	Chartered Accountant	4 or more	Chairman of the Board of Seguros Atlas Chairman of the Board of Fianzas y Cauciones Atlas / Corporación Financiera Atlas, S.A. / Agroservicios Financieros Atlas, S.A. / Cremería Americana / Acasa Perinorte / Atradius Seguros de Crédito Member of the Boards of Grupo México / Consejo Mexicano de Negocios, A.C. / Consejo Coordinador Empresarial / Asociación Mexicana de Instituciones de Seguros Board member for industrial, commercial and financial sector companies	CEO Seguros Atlas Chairman of the Supervisory Committee, Club de Banqueros de México / Patrono / Fundación Alberto y Dolores Andrade I.A.P. / Fundación Para Ancianos Concepción Beistegui, I.A.P. / Fundación Francisca Campero de Pasquel, I.A.P	**Finance:** CEO Seguros Atlas, S.A (insurance)

[1] The Board of Directors has two Committees: (i) Executive, and (ii) Audit and Company Practices (A&CP).
[2] % Attendance, average: refers to the average annual attendance at the meetings of the Board of Directors.
[3] Applicable only to independent board members. Refers to the number of positions or roles on the Boards or as CEOs of other companies. The additional service with other Boards considers private sector companies and does not include participation on the boards of foundations, academic institutions and nonprofits.
[4] Details of additional board roles at other companies in 2023.
[5] Details of other corporate governance roles in 2023.
[6] Experience by sector refers to the experience in executive positions or as employees in companies, based on sector classifications of the Global Industry Classification Standard (GICS®).
[7] We mourn the passing of Mr. Xavier García de Quevedo, who died in October 2023.
[8] The service of Carlos Rojas Mota Velasco considers only the private companies: Grupo Rotoplas, Scribe, Nasoft and Grupo Lar.

Board members[9]	13
Board members average service[10]	21.6 years
Porcentaje de mujeres en el Consejo	0
Percentage of women on the Board	53%
Percentage of independent board members [11]	94%
Average attendance at Board meetings	25% (minimum required by law)
Required independence on the Board	Mining Division (commodities):1 Infrastructure Division (industrial):2

[9] The Board of Directors had 12 members at 2023 close.
[10] The average length of service of the Board for the 12 members at 2023 close is 20 years.
[11] The percentage of independent board members at 2023 close was 58%.

Board of Directors Skills & Expertise
GRI 2-17

Area	Details	GERMÁN LARREA MOTA VELASCO	XAVIER GARCÍA DE QUEVEDO TOPETE	ALFREDO CASAR PÉREZ	LUIS CASTELAZO MORALES	OSCAR GONZÁLEZ ROCHA	FERNANDO LÓPEZ GUERRA LARREA	ANTONIO DEL VALLE RUIZ	CARLOS PRIETO SIERRA	CARLOS ROJAS MOTA VELASCO	CLAUDIO X. GONZÁLEZ LAPORTE	EMILIO CARRILLO GAMBOA	FERNANDO RUIZ SAHAGÚN	ROLANDO VEGA SAENZ
Corporate Management														
Executive management	Experience in executive positions (C-suite) at companies or organizations of significant size or complexity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Boards of Directors	Experience in board positions at companies or organizations of significant size or complexity.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategy	Executive or board experience in the development, execution, analysis or supervision of corporate strategies.	✓	✓	✓		✓	✓							
Sector & Complementary Experience														
Financial experience	Experience in accounting, audits or financial advising or technical skills in financial statements, corporate finance, audits and internal controls.		✓				✓	✓	✓		✓	✓	✓	✓
Knowledge of the industry	Executive experience at an organization that operates in the same sectors as Grupo México (mining, transportation, infrastructure).	✓	✓	✓	✓	✓	✓		✓					
Experience in international business	Executive or board experience at organizations that operate in multiple jurisdictions with different political, cultural, regulatory and commercial aspects.	✓	✓			✓			✓		✓	✓		
Innovation & technology	Experience in technology development or applications, which may include emerging technologies, IT systems and/or cybersecurity.								✓					
Academy	Experience in the academic or research sector, or holding master's or doctorate degrees.			✓	✓		✓			✓	✓			✓
Experience in government / regulation	Regulatory experience with an organization that has relevant supervisory responsibility.											✓		
Sustainability														
Sustainability / ESG	Familiar with implementing strategies and sustainability programs at the corporate level, including environmental and social responsibility.	✓	✓						✓					✓

Mining Division Executive Leadership

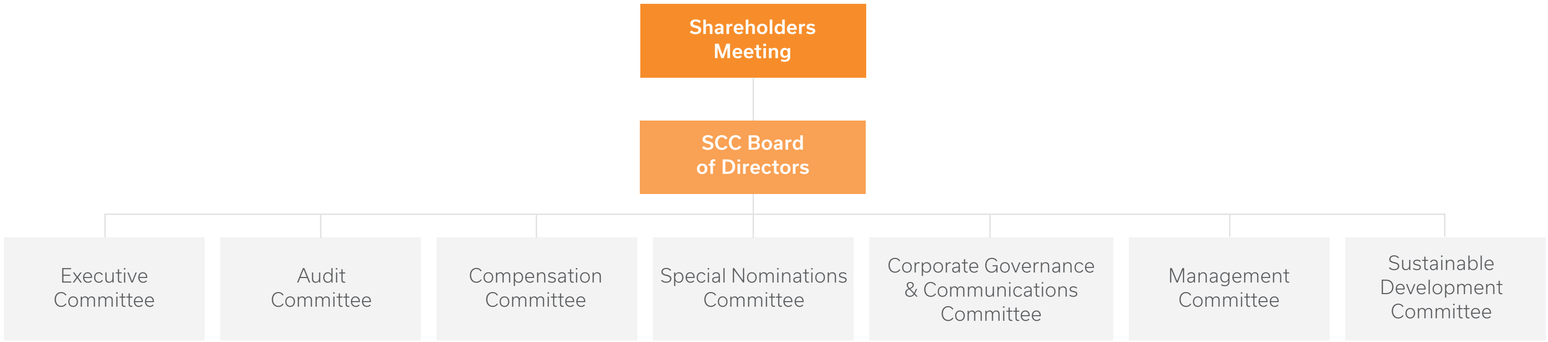
Mining Division Executive Leadership		
Germán Larrea Mota Velasco Chairman of the Board of Directors	**Oscar González Rocha** Executive President	**Xavier Garcia de Quevedo** Executive Vice-President
Leonardo Contreras Lerdo de Tejada Vice-President Administration and Finance	**Vidal Muhech Dip** Chairman Management Committee	**Daniel Chávez Carreón** COO
Francisco Domenech Fernández Vice-President Sales	**Martín Ugarteche Crosby** Supply Chain Director	**Manuel Hallivis Pérez** Lead Counsel and Chief Compliance Officer
Jorge Lazalde Psihas Lead Counsel	**Francisco López Guerra Larrea** Vice-President Sustainable Development	**Oscar González Barrón** Vice-President Administration and Finance
Federico Poo Mantecón Vice-President Human Resources	**Ernesto Ríos Patrón** Vice-President Engineering and Construction	**José Ramón González García** Chief IT Officer
Rafael Ríos García Chief Safety Officer		
Southern Peru		
Raúl Jacob Ruisanchez COO Southern Perú	**Jorge Meza Viveros** Vice-President Administration and Finance Southern Perú	
ASARCO		
Leonardo Contreras Lerdo de Tejada CEO ASARCO		
Industrial Minera México		
Alfonso Ventura Nevares CEO Industrial Minera México		

Southern Copper Corporation Corporate Governance

GRI 2-9

Southern Copper Corporation is an indirect subsidiary of Grupo México S.A.B. de C.V. ("Grupo México", majority shareholder). As of December 31, 2022, Grupo México, through its wholly owned subsidiary Americas Mining Corporation ("AMC"), holds 88.9% of SCC's common stock.

As a subsidiary that trades on the New York Stock Exchange (NYSE), Southern Copper Corporation is required to comply, and is in compliance with, the corporate governance directives set by the U.S. Securities and Exchange Commission (SEC), including establishing a Board of Directors charged with maximizing value for shareholders, in strict compliance with the laws of the jurisdictions where the company operates and in adherence of stringent ethical standards.



Board of Directors Southern Copper Corporation

Board of Directors															
#	Member	Position	Independence	Gender	Age	Nationality	Country of Residence	Assignment year	Service (years)	Board Committees	Experience by sector	Background / Specialization	Current additional service	Other Boards	Other Corporate Governance roles
1	Germán Larrea Mota Velasco	Chairman	Executive	M	70	Mexico	Mexico	1999	24	Chairman of the Board EC[12], CC[13], GNC[14]	Commodities, Industrial	Business Administration	-	Chairman of the Boards of: Grupo México / Grupo Ferroviario Mexicano / Empresarios Industriales de México / Fondo Inmobiliario	President & CEO Grupo México / Grupo Ferroviario Mexicano / Empresarios Industriales de México / Fondo Inmobiliario
2	Oscar González Rocha	Board Member	Executive	M	85	Mexico	Mexico	1999	24	Presidente Ejecutivo EC, CC, GNC, ADC[15]	Commodities, Industrial, Finance	Civil Engineering	-	Board Member Grupo México	President & CEO Southern Copper Corporation (SCC) and Americas Mining Corporation (AMC) CEO and Director Asarco LLC
3	Vicente Ariztegui Andreve	Board Member	Independent	M	70	Mexico	Mexico	2018	5	EC, AC[16]	Commodities, Industrial, Finance	Business Administration, Systems Engineering	4	Administrative Vice-President and President Aonia Holding Board Member InverCap Holding / Reim and Alvamex	Director Club Universitario en México / Member of the Audit Committee
4	Leonardo Contreras Lerdo de Tejada	Board Member	Executive	M	37	Mexico	Mexico	2021	3	-	Finance, Industrial	Industrial Engineering	-	-	President ASARCO Vice-President Sales and Supply Chain AMC President IMMSA Founder of Murano Capital (September 2015), private investment firm
5	Enrique Castillo Sánchez Mejorada	Board Member	Independent	M	66	Mexico	Mexico	2010	13	AC, CC	Finance, Consumer Staples, Healthcare	Business Administration	More than 4	Chairman of the Board of Banco Nacional de México (Citibanamex) Independent Board Member Grupo Herdez / Alfa / Médica Sur / Laboratorios Sanfer	Senior Advisor to General Atlantic in Mexico
6	Xavier García de Quevedo Topete †[12]	Board Member	Executive	M	76	Mexico	Mexico	1999	24	EC, CC, SNC[17]	Commodities, Industrial, Finance	Chemical Engineering, Finance	-	Vice-President Grupo México Board Member Grupo México	President Grupo México Infrastructure Division
7	Luis Miguel Palomino Bonilla	Board Member	Independent	M	64	Peru	Peru	2004	19	EC, AC, SNC	Finance, Healthcare	Economics, Finance	3	Board Member Laboratorios Portugal / Summa Capital S.A. / Mall Aventura, S.A. Audit Committee financial expert, as defined by the SEC	Director of the Master's in Finance program at the Universidad del Pacífico in Lima, Peru
8	Gilberto Perezalonso Cifuentes	Board Member	Independent	M	80	Mexico	Mexico	2002	21	-	Finance	Law, Business Administration, Finance	2	Board Member Gigante S.A. deC.V. (retail and property)	National Vice-President Mexican Red Cross Vice-President Blasky (hotel chain in Baja California, Mexico)
9	Carlos Ruiz Sacristán	Board Member	Independent	M	73	Mexico	Mexico	2004	19	AC, CC	Finance, Industrial	Business Administration	3	Board Member Constructora / Banco Ve por Mas, S.A.	"Owner and Managing Partner Proyectos Estratégicos Integrales Strategic Advisor Sempra Infrastructure

Board members average service	16.8 años
Percentage of women on the board	0%
Board members	9

Percentage of independent board members[15]	56%
Required independence on the Board[18]	At least three board members must be independent

[12] EC: Executive Committee
[13] CC: Compensation Committee
[14] RGC: Regulatory Governance Committee
[15] ADC: Administrative Committee
[16] AC: Audit Committee
[17] SNC: Special Nominating Committee
[18] The Board of Directors at the end of 2023 had an independence percentage of 63%.

Transportation Division Board of DirectorsTransporte

The corporate governance structure of Grupo México Transportes is defined according to the guidelines set in the company bylaws. Grupo México Transportes applies the same mechanisms for appointing board members and the members of the Executive Committee and the Audit and Company Practices Committee as Grupo México.

100%

Attendance by GMXT board members at the X meetings of the Board in 2023.

14

Members of the GMXT Board of Directors

Transportation Division Board of Directors

#	Member	Position	Gender (M/F)	Year appointed	Years in service	Experiencia en sector Industrial	Formación	Mandatos actuales adicionales	Otros Cargos de Gobierno Corporativo
1	Germán Larrea Mota Velasco	Chairman	M	2014	9	Transportes	Administración de Negocios	-	Presidente del consejo de Grupo México /Empresarios indiustriales / Cinemex /Banamex
2	Alfredo Casar Pérez	Board Member	M	2014	9	Transportes	Economia / Ingenieria industrial	-	Miembro del consejo de Grupo México
3	Fernando López Guerra Larrea	Board Member	M	2017	6	Transporte en ferrocarril / Infraestructura de vías ferreas	Administración de empresas / Negocios y Finanzas	-	Miembro del consejo de Grupo México/ Kimberly Clark de México
4	Xavier García de Quevedo Topete	Board Member	M	2017	6	Transportes	Ingeniería Quimico / Administración y finanzas	-	Miembro del consejo de Grupo México
5	Carlos Noriega Arias	Independent	M	2017	6	Transportes	Ingeniería Industrial /Mtro. Administración y Finanzas	Más de 4	Miembro del consejo coordinador empresarial /CESE /IMSS delegacion norte /IMNC /CANCAMIN /FUNDEMEX
6	Jaime Corredor Esnaola	Independent	M	2017	6	Transporte maritimo y terrestre	Economia	1	Miembro del consejo de Hipotecaria casa Mexicana /Grupo Financiero Monex /CINTRA /Comisíon Nacional de energía /Banco nacional de comercio exteriori
7	Roberto Slim Seade	Board Member	M	2014	9	Transportes	Administración / mercadotecnia y dirección empresarial	4	Miembro del consejo empresarial APEC /Turismo y gastronomia de la Universidad Anáhuac
8	Arturo Elías Ayub	Board Member	M	2016	7	Transportes	Administración /alta dirección de empresas	Más de 4	Miembro del consejo de Sitios Latinoamerica /Grupo Carso /Grupo Financiero Inbursa / Grupo Gigante / Grupo Kuo
9	Luis Roberto Frías Humphrey	Alternate	M	2017	6	Transportes	Ingeniería Industrial	Más de 4	Miembro del consejo de grupo financiero Inbursa /SOFOM
10	Daniel Hajj Slim	Alternate	M	2017	6	Transportes	Ingeniería Industrial	4	Miembro del consejo de Minera Frisco /sitios Latinoamerica/Eurotelesites
11	Eduardo Joaquín Gallástegui Armella	Independent	M	2017	6	Transportes	Licenciatura en derecho	1	---
12	Hugo Rafael Gómez Díaz	Board Member	M	2017	6	Transporte en ferrocarril / Infraestructura de vías ferreas	Ingenieria en mecanica industrial /Administración de Negocios	1	---
13	Isaac Franklin Unkind	Board Member	M	2021	3	Transporte en ferrocarril / Infraestructura de vías ferreas	Ingenieria industrial y de sistemas /Administración de empresas	1	---
14	Christian Lippert Helguera*	Secretary (non-member)	M	2017	6	Transportes	Licenciatura en derecho	Más de 4	Miembro del consejo de grupo vasconia/grupo ferroviario mexicano

Transporation Division Executive Leadership

Transportation Division Executive Leadership	
Germán Larrea Mota Velasco Chairman of the Board of Directors	**Xavier García de Quevedo** Executive President
Alfredo Casar Pérez Executive President	**Fernando López Guerra Larrea** Lead Counsel and Chief Compliance Officer
Alberto Vergara Perrilliat Vice-President Planning and Projects	**Hugo Rafael Gómez Díaz** COO
Isaac Franklin Unkind Vice-President Administration and Finance	**Jorge Manuel Márquez Abreu** Vice-President Sales

Infrastructure Division Executive Leadership

Infrastructure Division Executive Leadership	
Germán Larrea Mota Velasco Chairman of the Board of Directors	**Xavier García de Quevedo** Executive President
Francisco Zinser González CEO	**Mario Fernando Chávez Galas** Vice-President Administration and Finance
Ricardo Arce Castellanos Vice-President Oil, Construction and Engineering	**Javier Gómez Aguilar** Lead Counsel and Chief Compliance Officer
Julio Francisco Larrea Mena Vice-President Constructora México	**Gustavo Ortega Gómez** Vice-President Energy
Héctor Raúl Huerta Avendaño Vice-President Highways	**José Olaya Hernández** Vice-President Highways

4.2. Business Ethics and Integrity

Breakdown of the reports received by category at the Grupo México level, our three divisions and for Southern Copper Corporation (SCC).

Reports received (2023)								
	Mining Division					Transportation Division	Infrastructure Division	Grupo México
	Total Mining	SCC	Minera México	SPCC	ASARCO			
Human Resources-related	**160**	**152**	**121**	**31**	**8**	**118**	**56**	**334**
Discrimination	8	8	7	1	0	0	3	11
Abuse of authority	98	94	83	11	4	24	36	158
Improper or unsafe working conditions	5	5	4	1	0	6	0	11
Urban coexistence	0	0	0	0	0	55	0	55
Human rights violations	1	1	1	0	0	0	0	1
Other	48	44	26	18	4	33	17	98
Business Ethics-related	**116**	**114**	**66**	**48**	**2**	**34**	**10**	**160**
Conflicts of interest	37	37	14	23	0	0	1	38
Corruption	0	0	0	0	0	0	0	0
Customer data privacy	0	0	0	0	0	0	0	0
Money laundering / Use of privileged information	0	0	0	0	0	0	0	0
Other	79	77	52	25	2	34	9	122
Total	**276**	**266**	**187**	**79**	**10**	**152**	**66**	**494**

Annexes for Social

5.1 Workplace Health & Safety

Mining Division

a. Historic Safety Performance

GRI 403-8, 403-9, 403-10

Indicator	AMC						SCC					
	2018	2019	2020	2021	2022	2023	2018	2019	2020	2021	2022	2023
Fatalities	1	4	0	3	4	**4**	1	4	0	3	4	**4**
LTIFR - Employees[1]	3.59	4.16	2.38	4.84	2.53	**3.29**	4.74	4.11	2.44	4.85	2.49	**3.42**
LTIFR - Contractors	2.27	2.99	2.11	1.94	1.56	**1.76**	2.33	2.96	2.14	1.96	1.58	**1.82**
TRIFR - Employees[2]	4.83	5.33	3.23	5.56	4.06	**4.54**	6.47	5.35	3.35	5.61	3.86	**4.50**
TRIFR - Contractors	2.30	3.02	2.11	1.94	1.71	**2.35**	2.37	2.99	2.14	1.96	1.75	**2.37**
Process safety events[3]	0	1	0	1	1	**0**	0	1	0	1	1	**0**
Process safety events rate (employees)[4]	0.0	0.03	0.0	0.03	0.03	**0.0**	0.0	0.03	0.0	0.03	0.03	**0.0**
Process safety events rate (employees + contractors)	0.0	0.01	0.0	0.01	0.01	**0.0**	0.0	0.02	0.0	0.02	0.01	**0.0**

There were no incidents involving the safety of our processes, achieving our target of zero incidents of this type.

[1] Lost Time Injury Frequency Rate (LTIFR): Number of injuries resulting in time lost per 1,000,000 man hours worked.
[2] Total Recordable Injury Frequency Rate (TRIFR): Total number of recordable injuries per 1,000,000 man hours worked.
[3] Incidents that involve an unforeseen containment failure in a pipe system or a process that could result in a leak of hazardous substances, fire or explosion.
[4] Number of process safety events per 1,000,000 man hours worked.

b. Safety Performance

GRI 403-8, 403-9, 403-10

Indicator		AMC		SCC		Mexico	Peru	USA
		Total	Rate	Total	Rate	Total	Total	Total
I. Fatalities	a) Employees	3	0.07	3	0.08	1	2	0
	b) Contractors	1	0.03	1	0.03	1	0	0
	a + b	4	0.05	4	0.06	2	2	0
II. Permanent incapacitating injury	a) Employees	0	0.0	0	0.0	0	0	0
	b) Contractors	0	0.0	0	0.0	0	0	0
	a + b	0	0.0	0	0.0	0	0	0
III. Temporary incapacitating injury	a) Employees	134	0.66	130	0.68	107	23	4
	b) Contractors	59	0.35	59	0.36	37	22	0
	a + b	193	0.52	189	0.53	144	45	4
IV. Man hours worked	a) Employees	40,790,944		38,004,388		24,765,829	13,238,559	2,786,556
	b) Contractors	33,558,926	N/A	32,479,943	N/A	17,351,946	15,127,997	1,078,983
	a + b	74,349,870		70,484,331		42,117,775	28,366,556	3,865,539
V. Days lost due to incapaciting injury or fatalities	a) Employees	26,787		26,594		13,624	12,970	193
	b) Contractors	14,502	N/A	14,502	N/A	13,834	668	0
	a + b	41,289		41,096		27,458	13,638	193

Infrastructure Division

a. Safety Performance

GRI 403-8, 403-9, 403-10

		Energy	Oil	Construction	Highways	Engineering	Fuels	Real Estate	Administrative	Rates*
I. Fatalities	a) Employees	0	0	0	0	0	0	0	0	0.0
	b) Contractors	0	0	0	0	0	0	0	0	0.0
II. Permanent incapacitating injury	a) Employees	0	0	0	0	0	0	0	0	0.0
	b) Contractors	0	0	0	0	0	0	0	0	0.0
III. Temporary incapacitating injury	a) Employees	0	1	18	4	0	0	0	0	0.59
	b) Contractors	0	0	0	0	0	0	0	0	0.0
IV. Horas hombre trabajadas	a) Employees	255,978	1,693,192	2,654,928	803,232	1,298,061	18,243	577,413	478,341	N/A
	b) Contractors*	339,804	375,747	453,678	81,552	2,296,463	0	0	0	N/A

* Las HH trabajadas de contratistas no fueron verificadas.

Transportation Division

a. Safety Performance

GRI 403-8, 403-9, 403-10

Indicator		GMXT Mexico		GMXT USA		GMXT Global	
		Total	Rate	Total	Rate	Total	Rate
I. Fatalities	a) Employees	**4**	0.04	**0**	0.0	**4**	0.04
II. Permanent incapacitating injury	a) Employees	**0**	0.0	**0**	0.0	**0**	0.0
III. Temporary incapacitating injury	a) Employees	**218**	2.1	**18**	2.43	**236**	2.13
IV. Man hours worked	a) Employees	**20,720,058**	N/A	**1,481,521**	N/A	**22,201,579**	N/A

5.2 Our People

Labor Practices

Workforce by Nationality

Workforce by nationality	Mining Division				Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México
Total	**%**	%	%	%	**%**	%	%	**%**	%
Mexico	**68.5%**	68.3%	99.8%	0.2%	**92%**	100%	0.8%	**99.8%**	80.2%
Peru	**31.4%**	31.5%	0.06%	99.8%	**0%**	0%	0%	**0%**	16.7%
USA	**0.01%**	0%	0.01%	0.0%	**8.0%**	0%	99.2%	**0%**	3%
Other nationalities	**0.1%**	0.2%	0.14%	0.02%	**0%**	0%	0%	**0.2%**	0.1%

The Mining Division operations in the United States are not included in the total employees by nationality due to data privacy policies at these sites.

Management positions by nationality	Mining Division *		Transportation Division		Infrastructure Division
	Mexico	Peru	Mexico	USA	Mexico
Executive Leadership**	0.3%	0.2%	0.2%	1.2%	0.8%
Senior Management	2.1%	2.0%	2.5%	1.7%	5.4%
Middle Management	14.3%	9.0%	6.5%	10.8%	18.2%
All management positions	16.7%	11.2%	9.3%	13.7%	24.3%

* The Mining Division operations in the United States are not included in the total management positions by nationality due to data privacy policies at these sites.
**The category Executive Leadership includes all vice-presidents and above, Senior Management includes deputy directors, managers and superintendents, Middle Management covers deputy or assistant managers and supervisors.

Grupo México Workforce

GRI 2-30

Local Workforce[1]					
	Mining Division				Infrastructure Division
	Total Mining	SCC	Minera México (Mexico)	SPCC (Peru)	Total Infrastructure
Employees from local communities	**7,343**	7,317	6,445	898	**1,167**
% employees from local communities	**46.4%**	46.3%	59.4%	18.0%	**40.24%**
% upper management employees from local communities	**79.8%**	66.3%	85.8%	18.2%	**100%**

[1] Employees from local communities are people who were born in or are residents of communities near our operations.

Collective Bargaining Agreements

GRI 2-30

Collective Bargaining Agreements

	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México
Total employees covered by a collective bargaining agreement	**11,245**	**10,754**	**7,723**	**3,031**	**491**	**8,277**	**7,822**	**455**	**1,208**	**20,730**
Nationals	**11,238**	10,747	7,716	3,031	491	**8,277**	7,822	455	**1,208**	20,723
Women	**335**	272	183	89	63	**24**	17	7	**106**	465
Men	**10,903**	10,475	7,533	2,942	428	**8,253**	7,805	448	**1,102**	20,258
Foreigners	**7**	7	7	0	0	**0**	0	0	**0**	7
Women	**1**	1	1	0	0	**0**	0	0	**0**	1
Men	**6**	6	6	0	0	**0**	0	0	**0**	6
% Unionized	**65.1%**	68.0%	71.2%	60.9%	34.1%	**75.0%**	77.1%	51.2%	**41.7%**	66.5%
Total non-union employees	**6,019**	**5,056**	**3,123**	**1,948**	**948**	**2,752**	**2,318**	**434**	**1,692**	**10,463**
Nationals	**5,992**	5,034	3,108	1,936	948	**2,745**	2,318	427	**1,692**	10,429
Women	**1,185**	1,081	811	267	107	**562**	472	90	**487**	2,234
Men	**4,807**	3,953	2,297	1,669	841	**2,183**	1,846	337	**1,205**	8,195
Foreigners	**27**	22	15	12	0	**7**	0	7	**0**	34
Women	**6**	5	4	2	0	**0**	0	0	**0**	6
Men	**21**	17	11	10	0	**7**	0	7	**0**	28

Human Capital Development
Average Employee Training Hours

404-1

The following tables summarize the employee training hours by gender, category and age group.

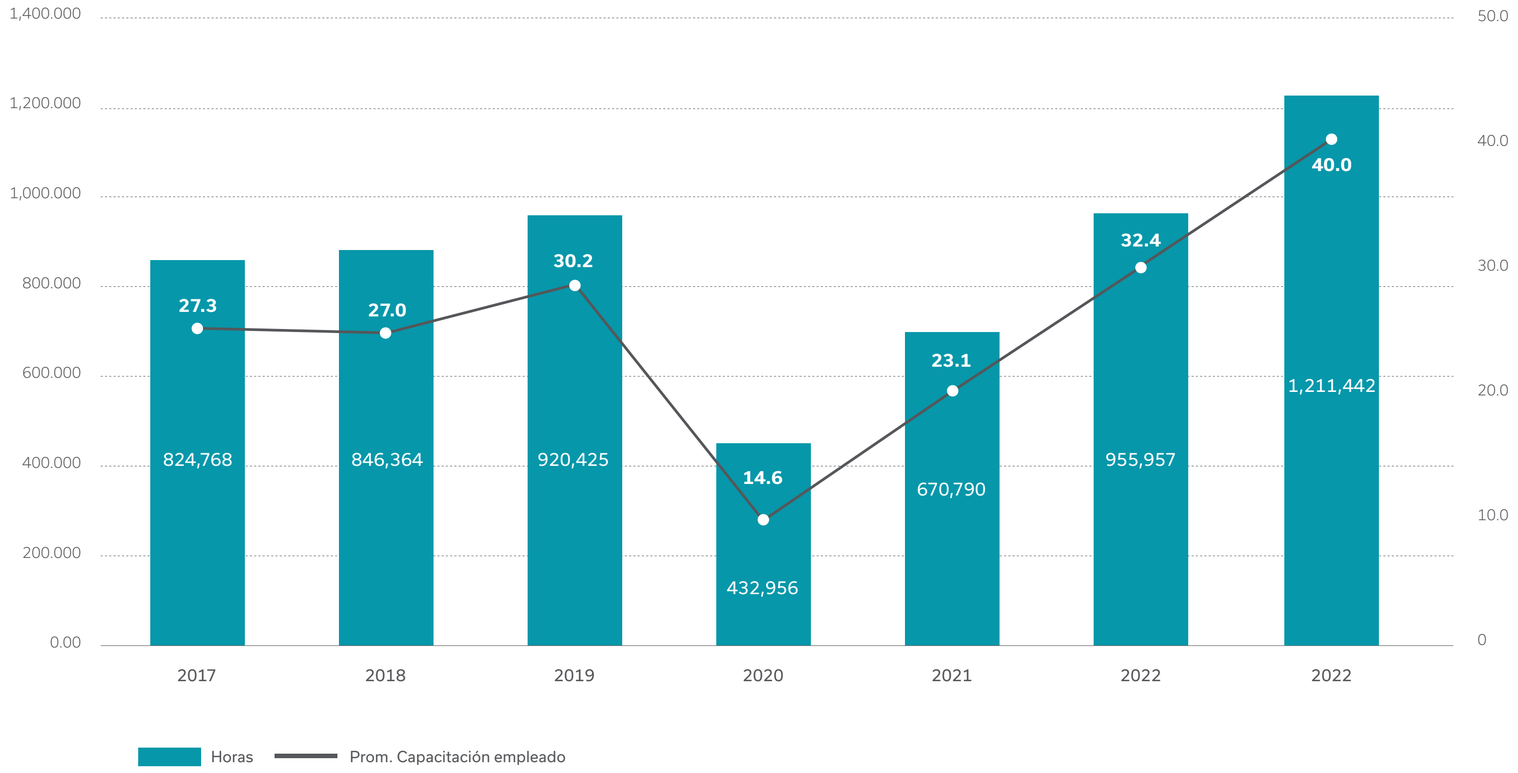
Average training hours per year	Mining Division										Transportation Division **						Infrastructure Division		Grupo México		
	Total Mining		SCC		Mexico		Peru		USA		Total Transportation		Mexico		USA		Total Infrastructure		Total Grupo México		Total
Category *	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	Total
Executive Leadership	**18.6**	**17.6**	N/A	30.1	2.5	7.3	N/A	56.7	29.3	8	**-**	**0.5**	-	0.5	-	-	**2**	**2.3**	9.7	10.7	10.6
Senior Management	**58.6**	**61.4**	66.1	69.9	67.1	67.1	38	75.2	37.4	18.5	**10.6**	**9.7**	10.6	9.7	-	-	**2.4**	**6.3**	26.6	35.1	33.6
Middle Management	**49.1**	**42.9**	50	44.8	51.7	43.2	43.3	50	35.5	20.6	**6.4**	**15.9**	6.4	15.9	-	-	**8.1**	**8.6**	29.7	32.9	32.4
Administrative / Operational	**32.4**	**30.5**	30.2	31	30	33.6	32	29.8	59	18	**5.6**	**5.6**	5.6	5.6	-	-	**17.3**	**90**	23.4	34.2	31.2
Union	**38.3**	**27.1**	26.6	22.7	33.7	22.9	12	22.4	74.8	75.1	**261.2**	**74.8**	261.2	74.8	-	-	**-**	**-**	37.7	43.9	43.8
Average training hours by gender	**37.8**	**30.1**	**34.5**	**27.4**	**36.7**	**27.2**	**28.9**	**27.8**	**63.2**	**60.9**	**15.1**	**62.3**	**15.1**	**62.3**	**-**	**-**	**11.1**	**28.3**	**27.5**	**41.2**	**40**
Average training hours by region	**30.8**		**28**		**28.1**		**27.9**		**61.2**		**60**		**60**		**-**		**24.8**				

Average training hours per year	Mining Division										Transportation Division						Infrastructure Division		Grupo México		
	Total Mining		SCC		Mexico		Peru		USA		Total Transportation		Mexico		USA		Total Infrastructure		Total Grupo México		Total
Age group	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	Total
< 30 years	**44.4**	**38.7**	42.7	39.6	43.1	40.7	40.2	28.9	74.8	30.4	**28.9**	**85.3**	28.9	85.3	-	-	**9.1**	**22.8**	34.3	53.7	51.2
30 - 50 years	**39.4**	**29.7**	34.1	26.5	35.6	25.5	30.7	28.6	78.3	75.2	**10.7**	**69.2**	10.7	69.2	-	-	**12.2**	**37.4**	26.5	43.7	42.3
> 50 years	**22.1**	**24.2**	19.0	19.9	17.7	15.3	20.2	25.7	33.8	59.3	**7.2**	**26.8**	7.2	26.8	-	-	**8.0**	**6.5**	17.9	23.9	23.6
Average training hours by gender	**37.8**	**30.1**	**34.5**	**27.4**	**36.7**	**27.2**	**28.9**	**27.8**	**63.2**	**60.9**	**15.1**	**62.3**	**15.1**	**62.3**	**-**	**-**	**11.1**	**28.3**	**27.5**	**41.2**	**40**

*The category Executive Leadership includes all vice-presidents and above, Senior Management includes deputy directors, managers and superintendents, Middle Management covers deputy or assistant managers and supervisors, Administrative / Operational is all non-union employees not covered in the previous categories, and Union refers to all active unionized personnel.
** The training hours for the US subsidiaries of the Transportation Division are not counted; therefore, the average training hours were calculated based on the subsidiaries in Mexico. We're working on disclosing complete information in future reports.

Grupo México Employee Training Hours

GRI 404-1



At the Grupo México level[2], the total cost of training was around US$5.5 million, while the average cost of training per employee was around US$272. For the Mining Division and our subsidiary SCC, the cost of training per employee was around US$288 and US$281, respectively, while for the Infrastructure Division, it was US$180.

[2] The Transportation Division is not included as this information is not available; however, we're working to include these figures in future reports.

Programs for upgrading employee skills and transition assistance programs

404-2

Mining Division	
Minera México (Mexico) Training	
Programs for upgrading employee skills 8,789 participants	**Programs to improve employee competencies 38,050 participants**
Leadership - 3,006 participants In 2023, we focused on training first line leaders (supervisors) and middle management to ensure good personnel management that is goal and result-oriented. This program uses leadership development materials like "Personnel Management Practices", a course developed by the company to mold the "DNA" of our leadership. We also bring in outside trainers, experts in leadership development. **Corporate Training Calendar - 4,208 participants** Focus on institutional competencies, as described in our Company Dictionary of Competencies. We develop soft skills for all non-union employee levels to ensure our goals consider the "how" we interact professionally in our workplaces. **Maintenance Programs - 1,575 participants** Develop skills that range from the basics of maintenance, like hydraulics, pneumatics, welding and electricity, to highly specialized maintenance to build these teams at our operations. This training ensures we have highly skilled teams, which directly influences the company's productivity.	**Support for Professional and Post-graduate Studies - 165 participants** Encouraging professional and continuing education, the company offers support for employees to comlete undergraduate and Master's degrees and post-graduate diploma courses, elevating their professionalization and specialization. Five people completed Master's degrees in 2023 with company support and 12 people joined this program. 159 people completed a post-graduate diploma course, noting topic areas such as Management Skills and Workplace Health & Safety for the Mining Industry. **IMPULSA - 700 participants** Certification for the different levels of basic education (elementary, middle school and high school). More than 700 people were enrolled in this program in 2023 and today they are examples for their coworkers, their families and their communities. The IMPULSA program opens possibilities to continue on in technical study programs or in professional studies. Better prepared personnel means better quality of work at our operations. **Specialized Mine Equipment Operation programs - 2,594 participants** Underground mine, open pit mine and processing plant personnel participate in these training programs that focus on operating mining equipment and machinery. Programs like these set Grupo México apart as a highly specialized company in mining operation. A Safe Operation component is included for our mines and plants. New hire and refresher training, certification and re-certification in equipment operation. **Health & Safety - 31,061 participants** Our specialized team of Industrial Safety trainers provide safety training to all company employees each year (basic, intermediate and specialized safety courses). The specialized trainings include Working at Height and Electricity Safety. We also have a performance-based safety program that focuses on the technical aspects of industrial mine safety, working on attitudes and responsibility to ensure the employee and their coworkers are safe. The number of participants considers the participation in each specific course. **Mexican (NOM) and International (ISO) Standards - 3,505 participants** The company holds Environmental, Safety and Quality certifications at the national level, reflecting our strong processes and compliance with obligations, accompanied by solid employee training programs. Includes Internal Audit courses and certifications. **Risk Prevention - 6 participants** To prevent accidents that would directly affect our risk levels. **5's Methodology applied at our Tiendas del Minero stores - 19 participants** Adquirir conciencia y aplicar los conocimientos de seguridad en el trabajo para evitar accidentes o enfermedades.

Mining Division

SPCC (Peru) Training

Programs for upgrading employee skills 2,001 participants	Programs to improve employee competencies 9,947 participants
Leadership Coaching - 1,236 participants Develop skills in self-leadership, emotional intelligence, and intra and interpersonal relationships to become an agent of change in SPCC. **Skills Development online - 448 participants** For supervisors to develop the soft skills they need to best manage the personnel under their charge. **SPCC Supervisor ABC - 317 participants** For supervisors to develp the skills and techniques they need to best manage their personnel to strengthen the workplace climate. **Young Professionals - Number of participants not counted as these are interns, not employees** Engineer Trainee Program (33 CTSM supervisors), Internship Program (109 university graduates), Technical Professionals Program (28 graduates from technical colleges) and interns children of employees, from the communities and other; preparation for joining the company in the future.	**Mining / Industrial Health & Safety Training (DS 0.24) - 4,948 participants** To strengthen our culture of preventive safety among all company personnel and to comply with current regulations. **New Hire Orientation: Code of Condut and Ethics - Asset Laundering - 4,516 participants** To ensure new hires are familiar with the corporate codes of conduct and ethics, and asset laundering. Includes new hires from job training programs. **Environmental Training Program - 355 participants** Compliance with current environmental regulations . OSHA HAZWOPER Certification Level IV / Hazardous Materials Specialist. **Interpretation and Implementation of ISO 9001, ISO 14001, ISO 45001 - 101 participants** **English Classes - 27 participants** To strengthen the English language skills of management personnel.

ASARCO (USA) Training

Programas for upgrading employee skills 187 participants	Programs to improve employee competencies 1,439 participants
Learning programs - 28 participants Dedicated training and preparation for employees to become certified in specific fields. **English courses for specialized business - 5 participants** English course for skill trade employees from Mexico. **Trade certification program at our Ray mine - 154 participants** Improving trade skills to earn a better salary, according to skill level.	**Mine Safety and Health Administration (MSHA) training for new miners - 349 participants** **MSHA Refresher Training - 1,090 participants**

Infrastructure Division	
Programs for upgrading employee skills **394 participants**	**Programs to improve employee competencies** **40 participants**
Productive Impact Program - 180 participants Efficient time management. **Honorable Impact Program - 180 participants** Improve feedback and respect with employees. **Well Drilling diploma course - 34 participants** Quality assurance and safety for specialized operations.	**Highway Training Center (in Spanish, CECAF) - 40 participants**

Transportation Division	
Programs for upgrading employee skills **920 participants**	**Programs to improve employee competencies** **5,954 participants**
The Power of Leadership - 548 participants Strengthen the competencies of GMXT leadership to face challenges, generating a positive impact and contributing value to the organization. **Transforming Leaders - 303 participants** Management and leadership skills, aligned with the mission, vision and values of GMXT. **Time Management - 69 participants** Employees learn time management skills to achieve the goals of their work plans.	**Selection and Use of PPE) - 1,392 participants** Employees are trained in the proper use of personal protective equipment. **Handling Hazardous Materials and Waste - 1,018 participants** **First Aid - 1,292 participants** Employees are trained to deliver first aid in the event of an emergency situation. **Use and Handling of Extinguishers - 1,073 participants** Employees are trained in how to respond in the event of an emergency situation. **Communicating Chemical Substance Risks - 1,179 participants** Employees are trained how to correctly disseminate information about chemical substances.

Percentage of Employees Participating in Performance Reviews

404-3

The percentages of employees that participated in a performance review in 2022 are summarized following, by category:

% Employees participating in performance reviews	Mining Division										Transportation Division		Infrastructure Division		Grupo México		
	Total Mining		SCC		Mexico		Peru		USA		Mexico*		Total Infrastructure		Total Grupo México		
Category*	W	M	W	M	W	M	W	M	W	M							
Executive Leadership	**25%**	**73.3%**	N/A	88.9%	50%	77.4%	N/A	80%	0.0%	25%	**66.7%**	**75%**	**100%**	**15%**	55.6%	60%	59.6%
Senior Management	**78%**	**75%**	84.6%	87.4%	83.3%	84.2%	100%	94.6%	28.6%	17.2%	**100%**	**100%**	**38.5%**	**69.8%**	73.9%	82.3%	80.8%
Middle Management	**89.4%**	**88.6%**	93.7%	92.6%	93.6%	91.5%	93.9%	95.7%	41.2%	38.3%	**100%**	**100%**	**38.2%**	**48.2%**	76.9%	84.8%	83.5%
Administrative / Operational	**87.4%**	**89.9%**	91.1%	94.1%	89.1%	91.6%	97.4%	98.1%	52%	45.6%	**86.4%**	**90.3%**	**51.9%**	**60.7%**	77.5%	82.6%	81.1%
Total	**87.2%**		**92.3%**		**90.4%**		**96.4%**		**38%**		**93.5%**		**54%**		**76.9%**	**83.2%**	**81.7%**

* Transportation Division performance reviews report only the subsidiaries in Mexico. We're working on disclosing complete information in future reports.

The following review is conducted at the Grupo México level:

Performance Review

The performance review covers goals and competencies, while also reviewing completion of training and compliance with company policies and ethical guidelines. All non-union personnel participate in these reviews, which are not applied to union personnel, temporary or project personnel, or personnel joining the company after July 31 each year.

% Employees reviewed in Calibration Sessions	Mining Division									
	Total Mining		SCC		Mexico		Peru		USA	
Category*		M	W	M	W	M	W	M	W	M
Executive Leadership		**63.2%**	N/A	65.9%	50%	61.3%	N/A	80%	0.0%	20.0%
Senior Management		**78.7%**	85.7%	87.8%	82.9%	83.9%	100%	94.6%	0.0%	3.3%
Middle Management		**89.2%**	93.7%	92.6%	93.6%	91.5%	93.9%	95.7%	0.0%	6.0%
Administrative / Operational		**89.5%**	90.9%	94.2%	88.5%	91.6%	98.3%	98.5%	0.0%	0.0%
Total			**92.0%**		**90.1%**		**96.6%**		**2.9%**	

The Mining Division and Southern Copper Corporation (SCC) conduct the following type of review:

Performance calibration - 15 boxes

We hold Performance and Potential Calibration sessions to rate employees in the same department or area. All non-union personnel participate in these sessions, which are held with leadership and managers, with guidance from Human Resources, defining the performance ranking on a scale from 1 to 5, and the potential on a scale from 1 to 3. The results produce a 15-box matrix and we identify performance and development actions for each quadrant. We also identify the High Performers and potential successors.

Talent Recruitment and Retention
New Hires

404-1

The following tables summarize our new hires by age group, gender and category.

New Hires	Mining Division										Transportation Division						Infrastructure Division		Grupo México		
	Total Mining		SCC		Mexico		Peru		USA		Total Transportation		Mexico		USA		Total Infrastructure		Total Grupo		Total
Age group	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	
< 30 years	**174**	**888**	149	721	135	685	14	36	25	167	**83**	**743**	81	690	2	53	**92**	**510**	349	2,141	2,490
30 - 50 years	**140**	**794**	105	638	78	456	27	183	35	155	**77**	**606**	47	500	30	106	**111**	**613**	328	2,013	2,341
> 50 years	**12**	**70**	3	25	1	13	2	12	9	45	**18**	**61**	0	19	18	42	**6**	**217**	36	348	384
Total new hires	**326**	**1,752**	**257**	**1,384**	**214**	**1,154**	**43**	**231**	**69**	**367**	**178**	**1,410**	**128**	**1,209**	**50**	**201**	**209**	**1,340**	**713**	**4,502**	**5,215**
Total new hires rate	**15.7%**	**84.3%**	**79%**		**65.8%**		**13.2%**		**21%**		**11.2%**	**88.8%**	**84.2%**		**15.8%**		**13.5%**	**86.5%**	**13.7%**	**86.3%**	**100%**

New Hires	Mining Division					Transportation Division			Infrastructure Division	Grupo México	
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México	%
Executive Leadership	**5**	2	2	1	2	**2**	1	1	**0**	7	0.1%
Senior Management	**25**	18	14	4	7	**2**	1	1	**7**	34	0.7%
Middle Management	**174**	159	137	22	15	**78**	54	24	**172**	424	8.1%
Administrative / Operational	**544**	481	257	224	63	**462**	311	151	**295**	1,301	24.9%
Union	**1,330**	981	958	23	349	**1,044**	970	74	**1,075**	3,449	66.1%
Total	**2,078**	**1,641**	**1,368**	**274**	**436**	**1,588**	**1,337**	**251**	**1,549**	**5,215**	**100%**

Inhouse Promotions

	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México
Total	**1,526**	1,498	1,432	67	27	**109**	105	4	**97**	1,732
% Vacancies filled by inhouse candidates (inhouse promotions)	**73.4%**	91.3%	104.7%	24.5%	6.2%	**6.9%**	7.9%	1.6%	**6.3%**	33.2%

Employee Turnover

The following tables summarize our employee turnover by gender, age group, category, and voluntary and involuntary.

Turnover	Mining Division										Transportation Division						Infrastructure Division		Grupo México	
	Total DMIN		SCC		México		Peru		USA		Total Transportation		Mexico		USA		Total Infrastructure		Total Grupo México	
Age group	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
< 30 years	**73**	**417**	59	323	58	309	1	14	14	94	**34**	**127**	33	112	1	15	**73**	**372**	180	916
30 - 50 years	**91**	**632**	73	513	60	410	13	106	18	116	**21**	**149**	9	98	12	51	**122**	**598**	234	1,379
> 50 years	**38**	**401**	26	327	9	187	17	142	12	72	**4**	**19**	0	3	4	16	**5**	**253**	47	673
Total turnover	**202**	**1,450**	**1,321**		**1,033**		**293**		**326**		**59**	**295**	**255**		**99**		**200**	**1,223**	**461**	**2,968**
Total turnover rate	**13.2%**	**9.2%**	**8.4%**		**9.5%**		**5.9%**		**22.7%**		**10.1%**	**2.8%**	**2.5%**		**11.1%**		**33.7%**	**53%**	**17%**	**10.4%**

The following table shows staff turnover by labor category and gender.

Turnover by category	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	% Total
Executive Leadership	**8.6%**	8.7%	8.1%	9.1%	10%	**0%**	0%	0%	**0%**	4.4%
Senior Management	**10.5%**	8.5%	10.4%	6.1%	18%	**0%**	0%	0%	**5.2%**	5.9%
Middle Management	**8.6%**	8.5%	9.2%	5.8%	9.9%	**2.2%**	1.8%	5.3%	**32.3%**	10.8%
Administrative / Operational	**10.1%**	9.2%	13.1%	5.6%	23.8%	**9.8%**	6.8%	22.7%	**35.8%**	14.6%
Union	**9.6%**	8.1%	9%	6%	24.8%	**2.1%**	1.9%	5.1%	**73.8%**	10.3%
Total	**9.6%**	**8.4%**	**9.5%**	**5.9%**	**22.7%**	**3.2%**	**2.5%**	**11.1%**	**49.1%**	**11%**

The following table shows voluntary and involuntary turnover by gender.

Turnover	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	% Total
Voluntary turnover	**7%**	**6.2%**	**8.3%**	**1.9%**	**14.9%**	**1.6%**	**1.2%**	**5.7%**	**12.3%**	**5.6%**
Women	**9.6%**	8.5%	10.6%	2.8%	18.2%	**6.1%**	5.3%	10.3%	**17.7%**	10.6%
Men	**6.7%**	6%	8%	1.8%	14.5%	**1.3%**	1%	5.2%	**10.9%**	5.1%
Involuntary turnover	**2.6%**	**2.1%**	**1.3%**	**4%**	**7.7%**	**1.6%**	**1.3%**	**5.4%**	**36.8%**	**5.4%**
Women	**3.6%**	3.1%	2.1%	5.9%	7.6%	**3.9%**	3.3%	7.2%	**16%**	6.4%
Men	**2.5%**	2%	1.2%	3.9%	7.7%	**1.5%**	1.2%	5.2%	**42.1%**	5.3%
Total	**9.6%**	**8.4%**	**9.5%**	**5.9%**	**22.7%**	**3.2%**	**2.5%**	**11.1%**	**49.1%**	**11%**

Parental Leave

401-3

This information is summarized in the table below by gender.

Parental leave	Mining Division										Transportation Division		Infrastructure Division		Grupo México	
	Total Mining		SCC		Minera México		Peru		USA		Mexico		Total Infrastructure		Total Grupo México	
	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M
Total employees (entitled to parental leave)"	**1,529**	**15,720**	1,359	14,451	999	9,847	358	4,621	170	1,269	489	9,651	**593**	**2,307**	2,611	27,678
Employees that took parental leave	**49**	**566**	47	564	40	417	7	147	2	2	7	165	**1**	**0**	57	731
Employees that returned to work after parental leave	**44**	**566**	43	564	37	417	6	147	1	2	7	165	**1**	**0**	52	731
Employees continuing on payroll at 2023 close	**44**	**551**	37	549	37	409	6	140	1	2	7	165	**1**	**0**	52	716
Return to work rate (%)	**89.8%**	**100%**	**91.5%**	**100%**	**92.5%**	**100%**	**85.7%**	**100%**	**50%**	**100%**	**100%**	**100%**	**100%**	**N/A**	**91.2%**	**100%**
Employee retention rate (%)	**100%**	**97.3%**	**86%**	**97.3%**	**100%**	**98.1%**	**100%**	**95.2%**	**100%**	**100%**	**100%**	**100%**	**100%**	**N/A**	**100%**	**98%**

Workplace Climate

Results for the Mining Division - "ECO" Employee Survey

ECO Results	Mining Division		SCC		Minera México (Mexico)		SPCC (Peru)		ASARCO (USA)	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
% Employees actively committed to or satisfied with the company	**83%**	**83%**	83%	83%	85%	85%	82%	78%	74%	76%
% total employees participating	**85%**		85%		88%		79%		69%	
2023 Target	**60%**		60%		60%		60%		60%	

14%

of respondents identify as having one of the following disabilities:

- Visual
- Mobility
- Hearing
- Intellectual
- Psychosocial

Employees participating in the survey	Mining Division		SCC		Minera México (Mexico)		SPCC (Peru)		ASARCO (USA)	
Type of employee / gender	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
Union	**250**	**8,906**	250	8,906	162	6,189	88	2,717	-	-
Non-Union	**836**	**3,174**	786	2,966	598	2,088	188	878	50	208
Total	**1,086**	**12,080**	**1,036**	**11,872**	**760**	**8,277**	**276**	**3,595**	**50**	**208**

Employees participating in the survey	Mining Division		SCC		Minera México (Mexico)		SPCC (Peru)		ASARCO (USA)	
Age group / gender	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
18 - 24 years	**171**	**1,229**	169	1,223	136	1,145	33	78	2	6
25 - 40 years	**578**	**6,136**	563	6,072	469	4,493	94	1,579	15	64
41 - 57 years	**260**	**3,747**	234	3,644	133	2,299	101	1,345	26	103
≥ 58 years	**77**	**968**	70	933	22	340	48	593	7	35
Total	**1,086**	**12,080**	**1,036**	**11,872**	**760**	**8,277**	**276**	**3,595**	**50**	**208**

Ethnic Identity



0% Middle Eastern
0% Asian
1% African descent
3% European descent / white
6% Indigenous
54% Latino / Hispanic
37% Other

Living Wage at Grupo México

En Grupo México En Grupo México estamos comprometidos con ofrecer a todos nuestros colaboradores un salario vital que les permita cubrir sus necesidades básicas y las de su familia.[3] Es por ello que hemos desarrollado una metodología para comparar los salarios de nuestros colaboradores contra el salario vital en su localidad, definido por fuentes externas con reconocimiento internacional (*Wage Indicator Foundation y el Massachusetts Institute of Technology*), y en caso de estar por debajo de éste, hacer los ajustes correspondientes. La empresa se compromete a llevar a cabo este análisis de manera anual para asegurarse de que nuestros colaboradores cuenten con un salario vital.

La metodología que utilizamos consiste, primero, en identificar el salario base más bajo en las unidades de negocio en los tres países donde opera la División Minera y en las empresas que componen tanto a la División Infraestructura como a la de Transportes. El salario base de los trabajadores de Grupo México representa tan solo una parte del ingreso del trabajador. Además del salario base, mensualmente todos los trabajadores reciben prestaciones superiores a lo que marca la ley en las tres divisiones (como vales de despensa, fondo de ahorro, etc). Adicionalmente, éstos reciben una compensación variable a través del reparto de utilidades, la cual puede representar un alto porcentaje del ingreso anual del trabajador. Es relevante mencionar que el análisis que se llevó a cabo para determinar un salario vital no considera estas otras prestaciones, adicionales al salario base.

Una vez que identificamos estos salarios base, los comparamos contra el salario vital (calculados por reconocidos terceros) a nivel nacional para las operaciones en México y Perú de la División Minera, para la División Infraestructura y para las operaciones en México de la División Transportes. Para las empresas de la División Transportes y División Minera que operan en Estados Unidos, comparamos los salarios base contra el salario vital estatal.[4]

Aplicamos esta metodología en todas nuestras operaciones y oficinas corporativas de la División Minera en México, Perú y Estados Unidos, en todas las operaciones de la División Infraestructura y en las operaciones en México de la División Transportes (lo que representa el 92% de la plantilla de esta División). La aplicación de esta metodología nos permite identificar casos donde el salario base de algún colaborador se encuentre por debajo del salario vital de su localidad, y tomar las medidas correspondientes.

Además, incluimos en el estudio los salarios base más bajos de nuestros contratistas de la División Minera México y Perú, y los comparamos contra el salario vital nacional. En Minera México contamos con 332 contratistas, de los cuales analizamos a 297 (el 89.5%).[5] En Perú de los 190 contratistas permanentes analizamos a 120 (el 63.2%), pues el resto tiene una compensación variable.

[3] According to the Global Living Wage Coalition, an internationally recognized source on this topic, basic needs include (but are not limited to) food, clothing, housing, healthcare and education.
[4] For the United States, we used as a reference the living wage for a single adult with no children for the state level and for a two-parent family with 2 children and 2 earners for the national level, provided by MIT. For Mexico, we used as a reference the living wage for a two-parent family with 2.2 children and 1.6 earners, and for Peru, we used as the reference, the living wage for a two-parent family with 2.3 children and 1.7 earners, provided by the Wage Indicator Foundation.
[5] Con frecuencia una misma empresa contratista ofrece sus servicios a distintas unidades de negocio, por lo que la base del análisis no fue el número de contratistas sino el número de prestaciones de servicio. En México se contabilizaron 481 prestaciones de servicios, de las cuales se analizaron a 423 (el 88% de las prestaciones de servicio).

5.3 Diversity and Inclusion

Employee Diversity by Category

405-1

This table shows the distribution by labor category and gender of our workforce.

	Mining Division												Transportation Division								Infrastructure Division				Grupo México				
	Total Mining Division				SCC		Mexico		Peru		USA		Total Transportation Division				Mexico		USA		Total Infrastructure Division				Total Grupo México				Total
Category	%M	Total	%H	Total	M	H	M	H	M	H	M	H	%M	Total	%H	Total	M	H	M	H	%M	Total	%H	Total	%M	Total	%H	Total	
Executive Leadership	**0.3%**	**5**	**0.3%**	**53**	0%	0.2%	0.2%	0.4%	0%	0.2%	1.8%	0.6%	**0.5%**	**3**	**0.3%**	**31**	0.6%	0.2%	0%	1.4%	**0.3%**	**2**	**0.9%**	**20**	0.4%	10	0.4%	104	0.4%
Senior Management	**3.4%**	**52**	**2.1%**	**330**	3%	1.8%	3.7%	1.9%	2.2%	2.0%	4.1%	4.3%	**8.4%**	**49**	**2.1%**	**222**	9.2%	2.2%	4.1%	1.4%	**6.6%**	**39**	**5.0%**	**116**	5.2%	140	2.3%	668	2.6%
Middle Management	**19%**	**290**	**11.9%**	**1,867**	20%	11.9%	21.8%	13.5%	15.1%	8.5%	10.6%	11.3%	**23.4%**	**137**	**6%**	**622**	23.7%	5.7%	21.6%	9.3%	**22.9%**	**136**	**16.9%**	**390**	20.8%	563	10.1%	2,879	11%
Administrative / Operational	**53.7%**	**820**	**13.1%**	**2,058**	56.9%	13.5%	55.9%	7.7%	57.8%	25.6%	32.4%	9.2%	**63.7%**	**373**	**12.6%**	**1,315**	63.0%	11.1%	67%	31.3%	**52.3%**	**310**	**29.4%**	**679**	55.5%	1,503	14.2%	4,052	17.8%
Union	**23.6%**	**360**	**72.6%**	**11,429**	20.1%	72.5%	18.4%	76.6%	24.9%	63.7%	51.2%	74.7%	**4.1%**	**24**	**79%**	**8,253**	3.5%	80.9%	7.2%	56.6%	**17.9%**	**106**	**47.8%**	**1102**	18.1%	490	73.0%	20,784	68.2%

Women in Management Positions

Women in Management Positions CSA	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México
Top Management	**10.6%**	0.0%	5.4%	0.0%	30.0%	**8.8%**	13.0%	0.0%	**9.1%**	9.7%
All Management positions	**13.4%**	13.5%	14.2%	11.1%	12.1%	**17.8%**	17.4%	20.7%	**25.2%**	16.3%
Junior Management positions	**13.4%**	13.6%	14.1%	12.1%	11.2%	**18.1%**	17.5%	22.1%	**25.9%**	16.4%
Revenue-Generating Management Positions[6]	**44.3%**	53.7%	59.5%	0.0%	36.0%	**43%**	46.6%	20.0%	**46.2%**	43.7%

[6] The percentage was calculated based on the total number of women in the Management category.

Breakdown of our workforce by age group and gender

Diversity by age group	Mining Division										Transportation Division						Infrastructure Division		Grupo México	
	Total Mining Division		SCC		Mexico		Peru		USA		Total Transportation Division		Mexico		USA		Total Infrastructure Division		Total Grupo México	
Age group	%M	%H	M	H	M	H	M	H	M	H	%M	%H	M	H	M	H	%M	%H	%M	%H
< 30 years	**30.5%**	**17.7%**	32.5%	17.4%	38.1%	23.3%	16.8%	4.9%	14.1%	21.2%	**23.5%**	**18.4%**	26.6%	18.8%	8.2%	13.5%	**26.5%**	**21.8%**	28.1%	18.3%
30 - 50 years	**51.7%**	**60.3%**	51.9%	61.4%	52.1%	59.2%	50.3%	65.9%	52.9%	48.5%	**59.2%**	**57.1%**	59.9%	58%	55.7%	50.3%	**65.9%**	**59%**	56.5%	59%
> 50 years	**17.8%**	**22%**	15.7%	21.2%	9.8%	17.5%	33.0%	29.2%	32.9%	30.3%	**17.2%**	**24.4%**	13.5%	23.5%	36.1%	36.2%	**7.6%**	**19.2%**	15.4%	22.7%

Women in STEM positions

Women in STEM positions[7]	Mining Division					Transportation Division			Infrastructure Division	Grupo México
	Total Mining	SCC	Mexico	Peru	USA	Total Transportation	Mexico	USA	Total Infrastructure	Total Grupo México
%	**34.9%**	31.4%	31.6%	31%	62.4%	**3.1%**	2.9%	4.1%	**19.2%**	24.6%

[2] The percentage is calculated from the total women at the Grupo México level and for each subsidiary and region.

5.4 Human Rights

Human rights-related risks identified through participative diagnostics/CCS and prevention/mitigation actions

Participative diagnostics

The following table summarizes the principal human rights-related risks that we identified proactively through participative diagnostics. Of note is that in many cases, the risks are not directly associated with our operations, however they could impact our communities. In response, we implement mitigation plans to address these risks, in collaboration with the different levels of government in Mexico and Peru.

Participative diagnostics

Division	Operation	Principal human rights-related risks perceived by the communities and identified through the participative diagnostics	Preventive/mitigation/remediation actions taken
Southern Peru	Toquepala	Access to water (location in the Atacama desert) *** Access to decent work (lack of technical skills training) **	• Locumba River water studies and water infrastructure projects (dams, canals, steppe recovery and technical studies to improve the supply of drinking water). • *Forjando Futuro* program (job skills training)
	Ilo	Environment (air and water)**	• Ilo smelter upgrade (2006) and environmental monitoring • Construction of the Ilo wastewater treatment plant (2022-2024)
	Cuajone	Environment (air)*	• Dust capturing and monitoring program and farming support programs
		Limited access to healthcare***	• Improve the equipment at the Torata Health Clinic, through the program Impulsa Torata • Comprehensive medical campaigns attending 5+ specializations each year
		Access to decent work (lack of sources of employment)***	• *Forjando Futuro* (job skills training), employment for skilled and unskilled labor
	Los Chancas	Limited economic development Access to healthcare***	• *Forjando Futuro* (job skills training), temporary employment program and Bienestar en tu Comunidad program (health campaigns)
	Tia Maria	Access to water (location near farmlands) ** Food security (farming crisis due to climate change) Access to decent work (lack of sources of employment)***	• Mine designed with desalinated water; comprehensive drinking water project studies for the Islay province • Agricultural technification program • *Trabajo Digno* program (job creation program with all legally mandated benefits)
	Michiquillay	Limited economic development Access to healthcare***	• *Bienestar en tu Comunidad* (specialized health campaigns, particularly focusing on the elderly)
		Environment (air, water)*	• Participative air and water environmental monitoring program with representatives from public agencies and community committees
		Limited economic development***	• *Forjando Futuro* (job skills training) and temporary employment program

Participative diagnostics			
Division	Operation	Principal human rights-related risks perceived by the communities and identified through the participative diagnostics	Preventive/mitigation/remediation actions taken
Minera México	La Caridad	Environment (liabilities of other mining companies) Access to water***	• Moctezuma Mining Company tailings remediation program
	Esqueda	Free transit and safety (railroad crossings)**	• Urban improvement project for spaces near the rail lines and safe railroad crossings 2022- 2023
	Cananea	Access to water***	• Comprehensive Plan for Cananea, with the federal, state and municipal governments, to ensure water availability for the community
		Access to economic spillover generated by company operations**	• Programr to strengthen local suppliers
	El Arco	Access to decent work (lack of sources of employment)***	• *Forjando Futuro* (high school equivalency program)
	Santa Barbara	Environment Safe and healthy workplace (illegal mining)**	• *Santa Bárbara Próspero* program ("We are Santa Barbara, we are responsible, we are respectful, we are honest" media campaign at and outside the company site
	Nueva Rosita	Environment (operation in closure stage)**	• We have been working on remediation, providing maintenance for La Chimenea park
	Charcas	Job security (contractors)*	• Training for suppliers and contractors focusing on commitments and responsibilities
	San Luis Potosí	Environment (air and soil)*	• Bicentennial park, tree nursery, educational nursery
	San Martin	Environment (tailings dust)*	• Dust mitigation plan for the operational areas; regular campaigns to clean streams and the community
		Job security (local suppliers)*	• *Forjando Futuro* (trade skills training)
	Angangueo (project)	Environment (former tailings dam)*	• Tailings dam remediation

*Risks related to our operations.
** Riesks partially related to our operations.
*** Risks in the community, unrelated to our operations.

Participative diagnostics			
Division	Operation	Principal human rights-related risks perceived by the communities and identified through the participative diagnostics	Preventive/mitigation/remediation actions taken
Infrastructure Division	Highways	Gender equality***	• Culture of peace and healthy coexistence; linkage with the Human Rights Agency in the state of Guanajuato
	El Retiro	Protections for the Zapotec culture (indigenous communities)**	• Preservation of th eZapotec culture through language courses, embroidery workshops, cultural activities and regional hairstyling workshops • Raising awareness on the indigenous rights through participation in the International Community Development Conference • Community services in Zapotec
	Fenicias	Citizen safety***	• Schools without Violence workshops and initiatives to foster a culture of peace
	Drilling	Environment (water and marine life)**	• Comprehensive environmental strategy covering 5 areas: 1) Training and awareness on caring for the environment; 2) Promoting the protection of marine species (sea turtles); 3) Strategic linkages; 4) Implementing green technologies (rainwater capture systems, and 5) Environmental conservation and restoration initiatives (Healing the Cove)

Community Care Service (CCS)

As with the participative diagnostics, the Community Care Service (CCS) provides a tool for identifying and addressing human rights-related risks in our communities. Of the 52 reports received through the CCS in 2023, 73% were classified into 2 categories: a) suppliers and contractors, and b) the environment. The 24 reports involving our business partners had to do with delayed payments by contractors to third parties (where we corroborated that we had no debt pending), mine access system issues, and problems caused by contractors on private property. To address these cases, we provided information to support the user in identifying the reason for the delay and supported the processing of these payments. We also held meetings with strategic areas, like Procurement, to consider this information in the supplier review process and to inform a strategic project to strengthen local suppliers with trainings (on environmental, social and governance aspects), the design of a service office and a procedure to improve payment times.

We received 14 reports involving environment-related issues. In all cases, we verified the situation and, where necessary, we took action in accordance with our Environmental Management Systems, such as watering unpaved roads, cleaning pools, and a project to repair pipes.
The remaining 27% of the reports received involved matters of community relations, safety, and land issues. In response, we carried out actions, such as field visits, linkage with strategic players to open a dialogue between the parties involved, and actions in coordination with local governments to improve accesses, install signage and conduct property cleaning and maintenance actions.

*Risks related to our operations.
** Riesks partially related to our operations.
*** Risks in the community, unrelated to our operations.

5.5 Local Communities

Annexes

SDG Materiality of the Community Development Model

Model	Materiality	Performance indicators	SCC			Mining Division	Infrastructure Division (Mexico)
			Mexico	Peru	Total		
Responsible Coexistence	**Transformation of the Environment**						
	We promote caring for the environment in farming and urban communities through actions, campaigns, workshops, training and studies to improve infrastructure.	Activities	79	127	206	206	86
		Volunteers	389	265	654	654	68
		People benefited	2,226	3,521	5,747	5,747	1,780
		Linkages	31	171	202	202	10
	Citizen Engagement and Development						
	We foster active involvement and co-responsibility with programs that put the community at the center of their development.	Activities	625	212	837	837	567
		Volunteers	1,349	595	1,944	1,944	826
		People benefited	18,757	9,823	28,580	28,580	10,977
		Linkages	110	181	291	291	48
	Impact and Transformation						
	We disseminate information and participate in partnerships, associations and forums to expand the vision and maximize the generation of shared value with stakeholders.	Activities	69	466	535	535	4
		Volunteers	31	595	626	626	17
		People benefited	1,432	10,998	12,430	12,430	151
		Linkages	1	181	182	182	8
	Sustainable Water Usage						
	We promote the efficient and responsible use of water and reducing wastage, excessive consumption and the water footprint from human activities.	Activities	4	1	5	5	35
		Volunteers	0	1	1	1	8
		People benefited	94	78	172	172	1,481
		Linkages	0	2	2	2	7
Economic Development	**Productive Skills**						
	We promote skills development to improve opportunities to earn income, whether through paid work or entrepreneurship, providing services or producing products.	Activities	1,053	3,924	4,977	4,977	20
		Volunteers	89	120	209	209	5
		People benefited	2,972	28,645	31,617	31,617	107
		Linkages	32	641	673	673	0

SDG Materiality of the Community Development Model

Model	Materiality	Performance indicators	SCC			Mining Division	Infrastructure Division (Mexico)
			Mexico	Peru	Total		
	**Work and Economic Growth**						
	We promote specialized training for individuals and businesses to join the mining production chain as employees or suppliers, in addition to funding entrepreneurial endeavors through invitations to submit proposals.	Activities	353	111	464	464	31
		Volunteers	89	360	449	449	2
		People benefited	4,014	2,118	6,132	6,132	124
		Linkages	32	198	230	230	12
Human Development	**Social Wellbeing and Quality of Life**						
	We support the development of artistic and cultural skills with workshops and courses, as well as initiatives that contribute to human and personal development.	Activities	1,548	1,674	3,222	3,222	749
		Volunteers	1,860	218	2,078	2,078	438
		People benefited	34,469	33,093	67,562	67,562	6,953
		Linkages	352	140	492	492	51
	Education						
	We support the development of extracurricular educational competencies, with distance learning, English and computer classes, and also reading rooms.	Activities	442	1,568	2,010	2,010	407
		Volunteers	133	30	163	163	89
		People benefited	3,844	35,946	39,790	39,790	4,789
		Linkages	20	303	323	323	49
	Prevention and Safety						
	We foster the development of a healthy culture through campaigns, events and workshops on physical exercise, healthy eating, first aid and disease prevention.	Activities	1,977	887	2,864	2,864	551
		Volunteers	621	218	839	839	269
		People benefited	28,365	10,678	39,043	39,043	4,911
		Linkages	249	140	389	389	66
	Gender Equality and Empowerment						
	We support empowering women as agents of change offering workshops and courses from different perspectives.	Activities	18	0	18	18	46
		Volunteers	10	0	10	10	10
		People benefited	922	0	922	922	584
		Linkages	15	0	15	15	10

Annexes for Environment

6.1 Climate Change

2023 Scope 2 Emisions (tCO_2e)

Division / Subsidiary	Market-Based					Location-Based				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Mining Division	**820,773**	**1,023,193**	**810,686**	**1,111,191**	**1,272,934**	**1,979,510**	**1,976,503**	**1,139,331**	**1,279,967**	**1,501,644**
SCC	458,699	610,324	430,507	607,377	604,965	1,691,774	1,644,120	810,382	887,733	934,376
Transportation Division	**10,739**	**11,157**	**16,100**	**10,864**	**15,497**	**15,726**	**15,793**	**20,373**	**18,516**	**20,639**
Infrastruture Division	**1,788**	**1,497**	**924**	**928**	**483**	**1,788**	**1,497**	**924**	**928**	**984**
Total Grupo México	**833,300**	**1,035,847**	**827,710**	**1,122,983**	**1,288,914**	**1,997,024**	**1,993,793**	**1,160,628**	**1,299,411**	**1,523,267**

2023 Scope 3 Emisions (tCO_2e)

Category	Mining Division					Transportation Division			Infrastructure Division	Grupo México	
	Total	SCC	Mexico	Peru	USA	Total	Mexico	USA	Total	Total Grupo México	%
1. Purchased goods and services	**1,985,550**	1,685,328	1,017,563	667,765	300,222	**286,371**	283,538	2,834	**101,641**	2,373,562	29%
2. Capital goods	**411,954**	387,725	267,068	120,656	24,229	**30,628**	30,628	-	**33,741**	476,324	6%
3. Fuel and energy usage (WTT)	**719,981**	590,506	310,256	280,250	129,475	**329,854**	303,205	26,650	**224,702**	1,274,537	16%
4. Upstream transportation and distribution	**973,565**	226,356	224,127	2,228	747,210	**-**	-	-	**7,068**	980,634	12%
5. Waste	**121,094**	118,959	117,943	1016*	2,136	**298**	268	30	**83**	121,475	1%
6. Business travel (flights)	**3,155**	3,009	1,887	1122*	145	**1,449**	1,449	-	**961**	5,565	0.07%
7. Employee commuting	**12,448**	184	184	-	12,264	**3,082**	3,032	50*	**1,063**	16,593	0.20%
9. Downstream transportation and distribution	**422,786**	415,462	375,048	40,415	7,323	**-**	-	-	**-**	422,786	5%
10. Processing of products sold	**2,438,338**	2,073,374	1,363,326	710,047	364,964	**-**	-	-	**-**	2,438,338	30%
13. Downstream leased asssets	**-**	-	-	-	-	**-**	-	-	**55,164**	55,164	1%
Total	**7,088,871**	**5,500,902**	**3,677,403**	**1,823,500**	**1,587,968**	**651,683**	**622,120**	**29,563**	**424,423**	**8,164,977**	**100%**

*These numbers are based on 2022 published data. They will be revised during 2024, once we update the data process.

Southern Copper Corporation (SCC) Emissions Reductions Targets

Target year	SCC Targets	Principal initiatives to achieve the target
2027	8%	• Operate the Fenicias wind farm in Mexico • Develop energy efficiency projects in Peru
2035	40%	• Increase the consumption of renewable energy in Peru • Favor renewable electricity for new mine projects • Start the electrification of mine trucks • Continue developing energy efficiency projects at our operations
2050	Net zero emissions	• All mine trucks electrically powered or using clean fuels • Favor renewable electricity for all SCC mine projects

2023 NOx and SOx Emissions - Mining Division

GRI 305-7 | SASBEM-MM-120a.1.

	NOx emissions (metric tons)	SOx emissions (metric tons)
DMIN	**23,475**	**38,105**
SCC	23,432	38,100
MM	11,486	10,519
SPCC	11,946	27,581
ASARCO	43	5

*Todas las metas de reducción son con respecto a las emisiones "business as usual" y 2018 como año base.

6.2 Water and Effluents

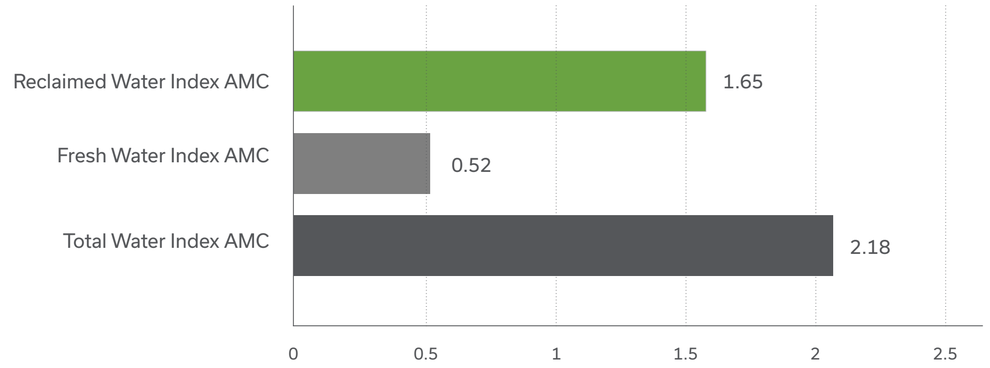
Annexes

GRI 303-3, 303-4, 303-5

Fresh water and reclaimed water consumption by Americas Mining Corporation concentrator plants

	Crushed Ore AMC		
DMT	196,880,000		
	Total Water AMC	Fresh Water AMC	Reclaimed Water AMC
%	100	24	74
M^3	424,322,486	101,778,350	322,544,136
	Total Water Index AMC	Fresh Water Index AMC	Reclaimed Water Index AMC
M^3/DMT	2.18	0.52	1.65

Water used in Crushed Ore AMC (M^3/DMT)



Grupo México Historic Water Consumption

GRI 303-3, 303-4, 303-5

		Total Grupo México						Mining Division																Transportation Division												Infrastructure Division					
								SCC						Mexico						Peru						Total Transportation						Mexico						USA						Total Infrastructure					
		2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018	2023	2022	2021	2020	2019	2018
GRI 303-3 Fresh water withdrawn in Megaliters (ML)	Surface water	38,827	33,270	36,499	37,454	34,064	39,687	38,824	33,240	36,494	37,348	33,982	39,630	23,897	18,836	21,099	21,537	18,408	24,414	14,927	14,404	15,395	15,810	15,574	15,216	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3	30	5	106	82	57
	Groundwater	75,762	75,116	79,582	79,559	79,272	80,806	72,650	71,794	75,780	75,405	75,129	76,483	37,017	38,057	39,008	39,409	38,648	39,978	35,633	33,737	36,772	35,996	36,481	36,506	205	156	164	220	226	151	205	156	164	209	215	151	0	0	0	11	11	0	2,907	3,165	3,637	3,932	3,917	4,172
	Sea water	1,043	112	99	105	168	58	931	0	0	0	0	0	0	0	0	0	0	0	931	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	112	112	99	105	168	58
	Water produced	769	1,615	942	691	627	843	769	1,615	942	691	627	843	769	822	168	0	0	0	0	793	774	691	627	843	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	From third parties	213	208	171	678	1,908	774	17	65	65	67	1,494	23	17	16	16	24	15	12	0	49	49	43	10	10	180	143	106	109	183	53	153	78	99	108	181	53	27	65	7	1	2	0	0	0	0	418	231	698
	Total water withdrawn in ML	116,614	110,321	117,293	118,487	116,039	122,168	113,191	106,715	113,281	113,511	111,232	116,979	61,700	57,732	60,291	60,970	57,071	64,404	51,491	48,983	52,990	52,540	52,692	52,575	386	299	270	329	409	204	359	234	263	317	396	204	27	65	7	12	13	0	3,022	3,359	3,756	4,561	4,398	4,985
GRI 303-4 Water discharges in Megaliters (ML)	Surface water	505	506	587	613	840	699	243	227	50	40	59	0	243	227	50	40	59	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	505	506	537	573	781	699
	Groundwater	0	0	166	156	141	0	0	0	166	156	141	0	0	0	166	156	141	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sea water	1,494	1,303	1,556	1,030	1,506	61	1,453	1,263	1,510	983	1,368	0	0	0	0	0	0	0	1452.75	1,263	1,510	983	1,368	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	41	40	46	47	138	61
	From third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	386	NA	0	0	0	0	359	0	0	0	0	0	27	0	0	0	0	0	0	0	0	0	0	0	0
	Total water discharged in ML	2,242	2,036	2,309	1,799	2,487	760	1,696	1,490	1,726	1,179	1,568	0	243	227	216	196	200	0	1452.75	1,263	1,510	983	1,368	0	386	0	0	0	0	0	359	0	0	0	0	0	27	0	0	0	0	0	546	546	583	620	919	760
Consumption of recycled or reused water in Megaliters (ML)		302,462	307,316	328,661	322,583	312,282	263,077	302,415	307,267	328,646	322,583	312,282	263,077	172,132	188,880	201,536	197,576	191,170	164,997	130,283	118,387	127,110	125,007	121,113	98,080	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	47	49	15	0	0	0
GRI 303-5 Total water consumption in Megaliters (ML)		416,834	415,601	443,645	439,271	425,834	384,485	413,910	412,492	440,201	434,915	421,946	380,056	233,589	246,384	261,611	258,350	249,510	229,401	180,322	166,107	178,590	176,564	172,437	150,655	0	299	270	329	409	204	354	234	263	317	396	204	0	65	7	12	13	0	2,476	2,810	3,173	3,942	3,479	4,225

The total water consumption is the sum of the water withdrawn plus the water recycled less the discharges.

Water Consumption (water stress sources) 2023

GRI 303-3, 303-4, 303-5

	Grupo México		Mining Division						Transportation Division						Infrastructure Division	
	Total Grupo México		SCC		Mexico		Peru		Total Transportation		Mexico		USA		Total Infrastructure	
	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones	All zones	Water stress zones
GRI 303-3 Fresh water withdrawn in Megaliters (ML)																
Surface water+B10:V16	38,827	38,824	38,824	38,824	23,897	23,897	14,927	14,927	0	0	0	0	0	0	3	0
Groundwater	75,762	72,650	72,650	72,650	37,017	37,017	35,633	35,633	205	0	205	0	0	0	2,907	0
Sea water	1,043	0	931	0	0	0	931	0	0	0	0	0	0	0	112	0
Water produced	769	0	769	0	769	0	0	0	0	0	0	0	0	0	0	0
From third parties	213	17	17	17	17	17	0	0	149	0	149	0	0	0	47	0
Total water withdrawn in ML	**116,614**	**111,491**	**113,191**	**111,491**	**61,700**	**60,931**	**51,491**	**50,560**	**354**	**0**	**354**	**0**	**0**	**0**	**3,069**	**0**
GRI 303-4 Water discharged in Megaliters (ML)																
Surface water	748	0	243	0	243	0	0	0	0	0	0	0	0	0	505	0
Groundwater	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sea water	1,494	1,453	1,453	1,453	0	0	1,453	1,453	0	0	0	0	0	0	41	0
From third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total water discharged in ML	**2,242**	**1,453**	**1,696**	**1,453**	**243**	**0**	**1,453**	**1,453**	**0**	**0**	**0**	**0**	**0**	**0**	**546**	**0**
Consumption of recycled or reused water in Megaliters (ML)	302,462		302,415		172,132		130,283		0		0		0		47	
GRI 303-5 Total water consumption in Megaliters (ML)	**416,834**		**413,910**		**233,589**		**180,322**		**354**		**354**		**0**		**2,843**	

6.3 Biodiversity

Annex

IUCN red list threatened species and national conservation list species with habitats in areas affected by operations

GRI 304-4

Mexico

Ariocarpus retusus, Brahea berlandieri, Coryphanta villarensis, Coryphatha delicata, Dasylirion acrotriche, Echinocactus platyacanthus, Ferocactus histrix, Ferocactus pilosus, Mammillaria bocasana, Mammillaria haageana, Mammillaria longiflora, Mammillaria miegiana, Mammillaria moelleriana, Pinus cembroides, Accipiter cooperi, Accipiter Gentilis, Accipiter striatus, Aguila chrysaetos, Aimophila ruficeps, Ambystoma rosaceum, Amphispiza bilineata, Anas diazi, Aquila chrysaetos, Aspidoscelis communis, Boa constrictor, Bubo virginianus, Buteo albonotatus, Buteo jamaicensis, Buteo regalis, Buteo swainsoni, Buteogallus anthracinus, Calidris mauri, Cardinalis, Carduelis pinus, Carpodacus mexicanus , Cnemidophorus tigris, Colaptes auratus, Colaptes chrysoides, Coleonyx variegatus, Coluber flagellum, Columbina passerina, Contopus sordidulus, Crotalus aquilus, Crotalus atrox, crotalus molossus, Crotalus willardi, Crotalus basiliscus, Crotalus lepidus, Crotalus molossus, Crotalus scutulatus, Crotalus tigris, Crotalus willardi, Crotaphytus collaris, Ctenosaura hemilopha , Cynanthus latirostris, Cyrtonyx montezumae, Dendroica coronata, Elgaria kingii, Empidonax difficilis, Empidonax traillii, Falco mexicanus, Falco peregrinus, Gastrophryne olivacea, Geothlypis tolmiei, Glaucidium gnoma, Gopherus agassizii, Haliaeetus leucocephalus, Heloderma suspectum, Heterodon nasicus, Holbrookia maculata, Hyla eximia , Hypsiglena chlorophaea, Hypsiglena jani, Hypsiglena torquata, Icterus pustulatus, Ictinia mississippiensis, Junco hyemalis, Junco phaeonotus, Kinosternon integrum, Kinosternon sonoriense, Lampropeltis getula, Lampropeltis pyromelana, Lampropeltis triangulum, Leptonycteris nivalis, Leptotila verreauxi, Lepus californicus, Lithobates berlandieri, Lithobates montezumae, Lithobates pustulosus, Masticophis flagellum, Megascops asio, Melanerpes formicivorus, Melospiza melodia, Micrathene whitneyi, Micruroides euryxanthus, Nasua narica, Notiosorex crawfordi , Oporornis tolmiei, Parabuteo unicinctus, Passerina ciris, Patagioenas fasciata, Phrynosoma orbiculare, Picoides stricklandi, Pipilo maculatus, Pituophis deppei, Quiscalus mexicanus, Regulus calendula, Salpinctes obsoletus, Salvadora bairdi, Sceloporus goldmani, Sceloporus grammicus, Sciurus arizonensis, Spilogale putorius, Spizella wortheni, Strix occidentalis, Tachybaptus dominicus, Taxidea taxus, Terrapene ornata, Terrapene ornata, Thamnophis cyrtopsis, Thamnophis eques, Thryomanes bewickii, Toxostoma bendirei, Trachemys scripta, Trachemys yaquia, Trimorphodon biscutatus , Trimorphodon vilkinsonii, Troglodytes aedon, Uma notata, Ursus americanus, Uta stansburiana, Vireo bellii, Vireo cassinii, Vireo gilvus y Vireo huttoni.

Peru

Azorella compacta, Azorella diapensioides, Junellia arequipense, Kageneckia lanceolata, Kageneckia lanceolata Ruiz & Pav., Lobivia pampana Britton & Rose, Opuntia sphaerica, Parastrephia lepidophylla, Polylepis besseri, Senecio nutans Sch. Bip, Arctocephalus australis, Ctenomys peruanus, Lama guanicoe, Larosterna inca, Leopardus jacobitus, Liolaemus tacnae, Lontra felina, Microlophus quadrivittatus, Otaria flavescens, Pelecanus thagus, Phalacrocorax gaimardi, Platalina genovensium, Procellaria aequinoctialis, Procellaria aequinoctialis, Rhea pennata, Rhea pennata, Sula variegata, Telmatobius peruvianus, Telmatobius peruvianus, Theristicus melanopis, Vultur gryphus, Vultur gryphus, Xenospingus concolor y Xenospingus concolor.

USA

Southwestern Willow Flycatcher, Yellow Bill Cuckoo y Pima Pineapple Cactus.

6.4 Waste

Active tailings dams

SASB EM-MM-540a.1

Mine	Official name of the tailings dam	Type of dam	Company	Coordinates of the dam (latitute, longitude)	Start date of operations	Volume stored (m3)	Anticipated maximum storage volume (in 5 years)
La Caridad	Tailings Dam No. 7	Downstream	OMINA	12 R 648789.49 m E 3354427.16 m N	1984	667,743,000	1,106,177,000
Cuajone - Toquepala	Quebrada Honda	Downstream	SPCC	19 K 307600.00 m E 8067200.00 m S	1996	562,493,622	774,493,622
Buenavista del Cobre	Tailings Dam No. 3	Downstream	OMIMSA	12 R 573180.00 m E 3425146.00 m N	+100 years	480,000,000	690,000,000
Mission	#4	Upstream	ASARCO	12 S 499186.52 m E 3538988.63 m N	1997	128,502,676	339,802,159
Ray	Elder Gulck	Upstream	ASARCO	12 S 504119.67 m E 3666038.52 m N	1992	121,860,000	147,521,000
Buenavista del Cobre	New tailings dam	Upstream	OMIMSA	12 R 567204.00 m E 3412867.00 m N	2015	82,000,000	1,700,000,000
Hayden	D	Upstream	ASARCO	12 S 516759.34 m E 3649980.49 m N	1982	81,880,040	96,823,147
San Martín	Tailings Dam 5-7	Upstream	IMMSA	13 Q 628323.35 m E 2618299.05 m N	1980	15,000,000	18,000,000
San Martín	Tailings Dam 6	Upstream	IMMSA	13 Q 628017.65 m E 2619828.23 m N	1970		
Santa Bárbara	Noriega	Upstream	IMMSA	13 R 422458.60 m E 2967653.28 m N	2007	13,500,000	14,500,000
Charcas	Tailings Dam (No. 6)	Upstream	IMMSA	14 Q 279241.31 m E 2560943.96 m N	+100 years	6,800,000	7,250,000