

2022  
RESULTS



# SUSTAINABLE DEVELOPMENT

**ACTING RESPONSIBLY AND WITH TRANSPARENCY**





Fenicias Wind Farm with a production capacity of 168MW in Nuevo Leon, Mexico.

2022

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SUSTAINABLE DEVELOPMENT

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# 01 OUR APPROACH

Our sustainable development strategy is guided by an ongoing analysis of the economic, social and environmental topics we have identified as priorities for our organization, our stakeholders and the countries where we operate.

## GROW

We invest responsibly to generate opportunities and prosperity for the generations of both today and tomorrow.

## PROMOTE

We strive to improve the quality of life of our people and the communities where we operate.





## PROTECT

We are committed to caring for and preserving the environment.

### STEADY PROGRESS IN:

- CLIMATE CHANGE STRATEGY
- EFFICIENT MANAGEMENT OF WATER RESOURCES
- ETHICS IN BUSINESS
- QUALIFIED HUMAN RESOURCES
- COMMITMENT TO HUMAN RIGHTS
- RESPONSIBLE SOCIAL AND ENVIRONMENTAL MANAGEMENT
- COMMUNITY DEVELOPMENT

## RESULTS OF OUR COMMITMENTS RECOGNITIONS AND CERTIFICATIONS

	<p>Both Grupo México and Grupo México Transportes were <b>selected for inclusion in the 2022 S&amp;P Global BMV, Dow Jones Sustainability Index</b>. Southern Copper Corporation (subsidiary of Grupo México) <b>was listed in the S&amp;P/BVL General Peru ESG index</b> for their outstanding performance in the sustainability assessment.</p>
	<p>Grupo México was included in the S&amp;P Global Sustainability Yearbook for the second year in a row. The Yearbook <b>recognizes the top 15% of companies</b> in the mining and metals industry <b>for their sustainability practices</b>.</p>
	<p>Our La Caridad mine and Processing Plant in Sonora, Mexico, <b>received The Copper Mark certification</b> for our commitment to transparency and best practices in responsible production.</p>
	<p><b>Grupo México received a “B” rating on the CDP Climate and CDP Water Security assessments</b> for our transparency in disclosures and our commitment to reducing our impact on the environment, positioning Grupo México above the average for the sector.</p>

## 02 GROW

Our value chain generates well-being for our employees, their families, and the communities where we operate. Since 2011, we have been building Tamosura Park for the benefit, enjoyment, and care of the population in Cananea, Sonora. It includes a specialized hospital, a business center, a gym with a semi-Olympic pool, a cinema, a hotel, a supermarket, and recreational areas.



Tamosura recreational and community services park in Cananea, Mexico.

## RESULTS OF OUR COMMITMENTS

SUSTAINABILITY INVESTMENT IN THE LAST 4 YEARS	ECONOMIC CONTRIBUTION IN 2022
<p>We have invested over <b>US\$445 million in safety and occupational health</b>, strengthening work environments through training, education, and personal protective equipment.</p> <p>We allocated <b>US\$1,150 million to environmental investments</b>, highlighted by the Fenicias Wind Park in Nuevo León, biodiversity conservation efforts, and tailings ponds maintenance.</p> <p><b>For the communities, we have made investments exceeding US\$290 million</b>, including water infrastructure projects, educational initiatives, and human development programs.</p> <p>Additionally, <b>we have committed US\$88 million to programs like Dr. Vagón and Mexicanos Sembrando</b> and providing support during the COVID-19 pandemic.</p>	<p><b>The Economic Value Distributed by the company in 2022 increased 17% over 2021 to US\$11.925 million.</b></p>
	EMPLOYMENT
	<p>We contributed <b>over US\$3,522 million through salaries and benefits</b> in the last four years.</p> <p><b>We generated more than 30,000 direct jobs and 150,000 indirect jobs.</b></p> <p><b>The economic impact on suppliers in 2022 exceeded US\$4,540 million.</b></p>
	FISCAL CONTRIBUTION
	<p><b>We are among the top two tax contributors in Mexico and Peru.</b></p>
	COMMUNITIES
	<p><b>Our investments in community projects and programs reached US\$144 million</b>, including initiatives like Youth Orchestras, the Mobile Documentary Cinema Workshop and urban mobility projects by the Transport Division.</p> <p>In Mexico and Peru, the neighboring populations of our operations achieved Human Development Indexes higher than the national average.</p>

Since 2019, we have invested approximately **US\$380 million in financing social and educational projects**, including those dedicated to the **development of communities near our operations** which contribute to the United Nations Sustainable Development Goals. These projects are classified as follows:

**COMMUNITY DEVELOPMENT 48%  
US\$182 MILLION**

- Community centers
- Operation of Educational Centers
- Development of local suppliers
- Grupo México Foundation programs

**SOCIAL INFRASTRUCTURE 52%  
US\$198 MILLION**

- Urban, cultural, and mobility infrastructure
- Water, health, and educational infrastructure and equipment
- Signaling for safe railway crossings



Heroic city of Nacozari, Sonora, Mexico.

CONTRIBUTIONS TO THE SUSTAINABLE DEVELOPMENT GOALS



**Climate Change**

More than 25% of Minera Mexico's electricity consumption comes from renewable sources

**Water**

76% of the water we use is recycled.  
100% of the operations at the Electrowinning Zinc Refinery in San Luis Potosi, Mexico, use wastewater.  
Since 2016, we have invested US\$80 million in projects to improve the quality and volume of water for human consumption and productive activities in neighboring communities.

**Social**

In 2022, 1,950 people in Mexico and Peru benefited from training in trades, entrepreneurship, and business development.

**Education**

We have four educational centers in Mexico and seven in Peru, providing education from preschool to high school levels. Over the past years, 100% of the schools have achieved results above the national level in mathematics and Spanish evaluations.

**Biodiversity**

Buenavista del Cobre is part of the binational program (Mexico-USA) for the recovery of the Mexican gray wolf. Over 50 specimens have been released into the wild.

## 03 PROMOTE

### OCCUPATIONAL HEALTH AND SAFETY

Safety at work is non-negotiable,  
it's everyone's responsibility.

We focus on:

1. Maintaining safe and healthy workplaces
2. Fostering our culture of prevention in occupational health and safety
3. Identifying and effectively controlling our critical risks



Ferromex infrastructure personnel in a General Electric locomotive with 4,400 horsepower.

### RESULTS OF OUR COMMITMENTS IN OCCUPATIONAL HEALTH AND SAFETY

→ **13% reduction in our lost time injury frequency rate** compared with last year, at the Grupo México level.

→ **100% of the Mining Division's work centers are certified with the ISO 45001 standard** focused on occupational health and safety.

→ We **doubled the training hours in occupational health and safety** this year.

→ We **obtained the ELSSA Program in six units of the Mining Division in Mexico.**

→ The Mexican Mining Chamber and the National Council on Job Skill Standardization and Certification **recognized the "Coyotes" and "Nahuales" Rescue Squads** at our Santa Barbara mine in Chihuahua and at our Charcas mine in San Luis Potosi, Mexico, **in the category "Underground Rescue"**.

→ We received the **National Safety Award** from the Peruvian Mine Safety Institute in the category of smelters and refineries for the **outstanding performance of our Ilo operations in 2022.**



Operating personnel at Buenavista del Cobre mine, Sonora, México.

## MINE SAFETY FORUM

### GOOD PRACTICES

For the tenth year in a row, we held a company forum for innovations in safety. Our safety cells or teams were invited to present their initiatives to improve safety and working conditions. The winning projects receive funding so they can be implemented.

Safety cells are multidisciplinary teams of employees in the same area that work together to reduce or eliminate risks in the workplace



Employees at the Lime Plant in Agua Prieta, Sonora, Mexico.



WATCH THE VIDEO  
10th Safety Cells Forum, 2022.



Laboratory personnel at Taller Central in Parral, Chihuahua, México.

## SAFETY CELLS

- ➔ We have received and supported more than 260 mine safety improvement projects since 2011

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- ➔ The assessment criteria are:
  - Risk control and reduction
  - Ongoing improvement in processes, infrastructure and technical equipment

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- ➔ The judges are representatives from the Mexican Ministry of Labor and Social Welfare, the Mexican Social Security Institute, the Mexican Mining Chamber, and the company

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- ➔ These forums have strengthened our culture of prevention, achievement that is backed by the 37 Casco de Plata safety awards given by the Mexican Mining Chamber (CAMIMEX) to various Grupo México mines



## 2022 WINNING PROJECT

The Charcas Mine in San Luis Potosi, Mexico, has two elevators (known as “malacates” or winches) that move between the different levels of the La Aurora and Rey-Reina mines. These elevators operate on a system of cables and pulleys and help to remove the ore. They also provide an alternate evacuation route in the event of an emergency. Therefore, the lubrication of the cables is essential.

**The task of lubricating the cables was performed manually by four employees at a speed of 20 feet per minute, taking approximately four hours to complete.** This activity also presented a certain degree of risk to the physical safety of these employees.

**The members of the Charcas Mine Safety Cell came up with a solution: use an automated capsule, called “La Bala” -“The Bullet”-, that attaches to the guide wire and injects a compressed lubricant completing the maintenance task while removing the human element.**

**This project has:**

Reduced the risk  
by 98%

Reduced the time  
to complete the task

Improved the quality of the cable  
lubrication, extending the useful life



“La Bala”  
(The Bullet) lubricator.

**WATCH THE VIDEO**

Get to know the projects that have been presented throughout the 10 editions of Safety Cells.

## COMMUNITY DEVELOPMENT

It's important to Grupo México to be a good neighbor in the places where we operate. Together, community, government and company can make great strides in social and economic development.

We have developed 32 Community Centers in Mexico, Peru and the United States.

The pillars of our Community Development Model are:

- Promote a responsible coexistence with the community
- Generate shared economic development
- Foster human development



Reading workshop for children.



**WATCH THE VIDEO**  
See how our Community Development model strengthens the company's operations.

## PERMANENT DIALOGUE



“ This workshop has allowed us to create a team of filmmakers in each of the communities where it has been present, giving us the tools to make the stories of our people transcend to other frontiers. ”

**SANTIAGO GARCÍA**

Student of the workshop in Nacoziari de García, Sonora Documentary Film Workshop Project

“ In the three years that I have been in the orchestra I have learned values that have made me responsible, helping me to grow as a person. ”

**IVANNA VALERIO**

Student from the Cananea, Sonora, Mexico Youth Orchestras and Choirs Project



“ The summer course is a space where we can learn to be better people, but also where I am taught different artistic activities, sports or the history of my community. ”

**LIZETH SOLANO**

Participant from Ciudad del Carmen, Mexico Summer Courses Project



## RESULTS OF OUR COMMITMENTS IN COMMUNITY DEVELOPMENT

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- ① In 2022, we carried out more than **7,000 community activities** in which **352,000 people participated**.
- 
- ① **65% of the people trained in job and productive skills are women.**
- 
- ① **We provide education to more than 2,000 students at 11 company schools in Mexico and Peru**, where the academic average is above the national average in Mathematics and Spanish, according to the educational standards of each country.
- 
- ① **The Mobile Documentary Film Workshop has reached seven locations and has benefited more than 600 students**, with whom more than 180 audiovisual productions have been made and more than three thousand photographs have been recorded.
- 
- ① In 2015, the **swimming school** in Cananea, Sonora, Mexico, was born as a seedbed for swimmers. During seven years more than **50 young people have been integrated into state competitions** and four of them have managed to participate in national competitions representing the state of Sonora.
- 



Swimming school in Cananea, Sonora, Mexico.

# EQUAL OPPORTUNITY

At Grupo Mexico we ensure that there are equal opportunities, as well as equal treatment, status and position between men and women.

## STORIES THAT CHANGE STEREOTYPES



**—FIRST WOMAN TO OPERATE A MECHANICAL SHOVEL IN MEXICO—**

“ I am very proud to be the first, because that was a milestone for women in the handling of heavy machinery.... It's a matter of decision and accepting the challenge, because there are more opportunities every day. ”

**NEIDA MADRID VILLA**  
Buenavista del Cobre mine employee  
Cananea, Sonora, Mexico



**WATCH THE VIDEO**

“ In the energy industry, women STEAM (Science, Technology, Engineering, Arts, Mathematics), we have been positioning ourselves, being able to transform challenges into opportunities. ”

**ING. AYLIN CLÍMACO SÁNCHEZ**  
Wind Farm Operator  
El Retiro, Oaxaca, Mexico



**WATCH THE VIDEO**



“ I always wanted to be an engineer and so I studied Geological Engineering. Working in a mine was one of my dreams and getting here was incredible. I saw the pit for the first time and it was a dream come true. ”

**ING. ASTRID FLORES**  
Geologist at Cuajone mine,  
Moquegua, Peru



**WATCH THE VIDEO**

“ Safety is everyone's responsibility, we are doing it equally women and men.... I am proud to be part of a team where the common good is the priority. ”

**ING. MARIANA VARGAS**  
Safety Manager  
Transportation Division



**WATCH THE VIDEO**



## RESULTS OF OUR COMMITMENTS IN EQUAL OPPORTUNITIES

- ➔ 31% of Grupo Mexico's women are employed in STEAM positions (*Science, Technology, Engineering, Arts, Mathematics*).
- ➔ In the last year, the Mining Division in Mexico and Peru significantly increased the number of women.
- ➔ The Metallurgical Complex in Sonora, Mexico was recognized in 2022 within the "Top 10 Best Places to Work for Women" ranking.
- ➔ We have equitable tabulators that do not distinguish between the genders, which that reward the talents of women and men in equal circumstances.



Operating personnel of the Charcas Mining Unit, San Luis Potosi, Mexico.



La Caridad Symphony Orchestra, Nacozari, Sonora, Mexico.

## CERTIFICATIONS

- **ISO 9001:2015**

We received ISO 9001:2015 certification for Southern Perú for excellence in our Community Development Management processes at our mine operations and projects.

- **Exceptional Companies**

We received Exceptional Company recognition from the Business Coordinating Council, the Quality Institute, and the Communications Council for our Community Development model in our Mining and Infrastructure divisions.

- **Vite Picazo Award**

The Mexican Association of Mining Engineers, Metallurgists and Geologists, together with Alfonso Durazo, Sonora State Governor, gave Grupo México the Vite Picazo Award in recognition of being the company having the greatest social impact in the state of Sonora, Mexico.

# 04 PROTECT

## ENVIRONMENTAL COMMITMENTS

At Grupo México, sustainable development is an essential part of our business model. We prioritize the protection of natural resources through their efficient use, thus reaffirming our commitment to future generations.

## GOOD CORPORATE PRACTICES

Responsible management of mining waste is essential to our Sustainable Development strategy. We focus on reducing waste generation and promoting its utilization.

**We ensure that the design, construction, operation, and closure comply with current environmental regulations in each country and in accordance with the best international practices for the responsible management and disposal of waste to prevent environmental impacts.**



Nursery in San Martín Unit, Zacatecas, Mexico.



### WATCH THE VIDEO

We contribute to the productive capacity of trees in Mexico with our 7 nurseries, with an average production of 6 million plants per year.



### WATCH THE VIDEO

Remediation of the former mining waste deposit at the Toquepala mine in the Tacna Region, Peru, known as the Ite wetlands, which host more than 45,000 birds.

## RESPONSIBLE CLOSURES

### REMEDIATION OF TAILINGS DEPOSITS IN NACOZARI DE GARCIA, SONORA, MEXICO

Control of dust dispersion from this deposit, which belongs to Moctezuma Copper Company, began in 2020. It involves slope containment, vegetal soil covering, and reforestation.

- Containment and reforestation on 9 platforms.
- Construction of accesses and parking lots to recreational areas.
- Improvement of the urban image by restoring the space to the natural landscape of the surroundings.

### REMEDIATION AT MISSION COMPLEX IN TUCSON, ARIZONA, UNITED STATES

The responsible closure of three mining waste deposits and two waste and rock disposal areas, totaling 1,214 hectares remediated.

- Overburden, erosion prevention controls, and operation and maintenance mechanisms for the closure of spaces such as active and inactive pits and tailings dams.
- We contributed a wide variety of native plants adapted to the arid climate, planting nearly 6,000 acres (2,400 hectares).



Old former tailings deposit at the Mission complex in Tucson, Arizona, USA.

### DAM CLOSURE IN TAXCO, GUERRERO, MEXICO

We remediated the mining waste dams: La Guadalupana, El Fraile I and II, Foster Vieja, Foster K, La Concha 1 and 2, Guerrero I and II, and Los Remedios.

- Perform technical studies that provide the course of action.
- Consistent maintenance to address soil erosion.
- Slope covering with rocks, gravel, and vegetal soil.
- Reforestation of 100% of the slopes.

### REMEDIATION OF FORMER INDUSTRIAL LANDS IN SAN LUIS POTOSI, MEXICO

Remediation of the site of the former Copper plant in San Luis Potosí, Mexico. Construction of natural and artificial impermeable structures to ensure the isolation of residual materials resulting from various industrial processes.

- These clean lands can be reintegrated into urban development.
- The interiors of the enclosures are impermeabilized with clayey silt to prevent water leakage.
- The exteriors are covered with rounded stones (river stones) for weather protection.



The soil remediation of the former plant in San Luis Potosí was carried out in accordance with the parameters set by the environmental authorities, and the Federal Commission for the Protection against Sanitary Risks (Cofepris) approved the containment plan, as per the regulations of the Ministry of Environment and Natural Resources (SEMARNAT).






Remediation in progress of the old former Moctezuma Copper Company tailings deposit in Nacozari de Garcia, Sonora, Mexico.

## RESULTS OF OUR ENVIRONMENTAL COMMITMENTS


### GRUPO MÉXICO

-  At Grupo México, **20% of the energy we consume comes from renewable sources.**


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-  In 2022, **we reforested 1,750 hectares**, seven times more than in 2021.


### MINING DIVISION

-  In 2022, **we reused 80% of the water consumed** in our operations.

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-  **90% of our operational units** have **zero discharge of wastewater.**

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-  **100% of our units** have **ISO 14001 certification** for environmental management systems.

**GRUPO MÉXICO INTEGRATES THE FOLLOWING  
SUSTAINABILITY INDEXES:**

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



**Sustainability Yearbook**  
Member 2022  
**S&P Global**

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