

Sustainable Development Summary 2023

COMMITMENT REFLECTED IN RESULTS





Our US subsidiary ASARCO (American Smelting & Refining Company) celebrates 125 years in operation. H.H. Rogers and Leonard Lewisohn spearheaded a consolidation of 17 commercial enterprises and a company with smelters, refineries and various small mines to create ASARCO.

CONTENTS

SUSTAINABLE DEVELOPMENT POLICY 04

ECONOMIC SPILLOVER 06

COMMUNITY DEVELOPMENT 12

WORKPLACE CLIMATE 16

HEALTH & SAFETY 20

THE ENVIRONMENT 26

COVER PHOTO

Nursery employees tending endemic species at our San Martín nursery in Zacatecas.

SUSTAINABLE DEVELOPMENT POLICY

Our sustainable development strategy supports the health and safety of our personnel, continually improving our care for the environment and driving economic and human development in the countries where we work.



Our summer day camps in Ciudad del Carmen, Campeche, promote a culture of reforestation.

OUR STRATEGY:



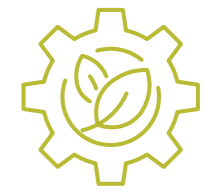
GROW

We invest responsibly to drive economic growth and well-paid job opportunities.



PROMOTE

We strive to improve the quality of life of our people and that of our communities.



PROTECT

We are strongly committed to caring for, and preserving, the environment.

RATINGS AGENCIES IN SUSTAINABLE DEVELOPMENT

S&P Global Sustainability Yearbook Member

We are included in the Sustainability Yearbook as one of the best rated companies for the third year in a row.

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

Grupo México and our subsidiary Southern Copper Corporation are the only mining sector companies included in the DJSI Mercado Integrado Latinoamericano (MILA) index.



FTSE4Good

Grupo México is included in the sustainability index of this highly respected agency.

ECONOMIC SPILLOVER

Our value chain generates opportunities and prosperity for the communities where we operate.



Copper cathode ready for shipping, Buenavista del Cobre, Cananea, Sonora.



Jobs

US\$1.2 billion paid out in salaries, benefits and employee profit-sharing in 2023

+30,000 direct jobs

+110,000 indirect jobs

89% of our suppliers are local



Social investment

More than US\$167 million invested in community projects in 2023



Environmental Investments

US\$345 million invested in 2023 to improve water efficiency, reduce GHG emissions, properly handle waste and to conserve biodiversity.

**Major taxpayer:
We are one of the top two taxpayers in Mexico and Peru.**

WORKS FOR TAXES

WE HAVE BEEN PARTICIPATING IN THE WORKS FOR TAXES PROGRAM IN PERU SINCE 2012.

This investment modality optimizes the use of the taxes generated by mining to build educational infrastructure, healthcare facilities, and also road and water infrastructure projects.



We built the Chilina bridge, the largest in Peru, benefiting the one million inhabitants of Arequipa.

Tangible benefits for the community

- **Facilitate** the execution of high-impact projects for the community.
- **Contribute** to creating local jobs.
- **Direct** and transparent processes.
- **Optimize** the use of the taxes generated by mining.
- **Support** needed projects for the community.

Grupo México is a leader in infrastructure works for taxes in Peru.

Over the last 12 years, we have been a major driver of this investment model in Peru.

We have invested over **US\$360 million** in works for taxes.

2 million people benefited

5,000 direct jobs
45,000 indirect jobs

31 projects completed in four regions in Peru

We were recognized by the Peruvian state agency ProlInversión (promoting private investment), awarding our clean water and rural sanitation project in the community of Yacango, Moquegua, the "Unidos" national prize given to the most outstanding companies in driving sustainable development.

Projects completed:



HIGH PERFORMANCE SCHOOLS

Through the Works for Taxes program, we focused on building educational infrastructure in Peru in 2023.

“On behalf of all my classmates, I want to say that we’re committed to looking after and respecting this space, which will be our second home.”

Marizabel, Fe y Alegría student in Ilo, Peru

The five High-Performance Schools in this program serve more than 1,500 outstanding students. We are the leading private contributor to the education sector in Peru.

85% of the labor was local from the region.



Fe y Alegría school in Ilo serving more than 1,100 students.

COMMUNITY DEVELOPMENT

Our commitment is to improve the quality of life of the residents in our communities.



Grupo México orchestras y choirs in concert with the Mining Symphony Orchestra at the Sala Nezahualc6yotl in Mexico City.

The communities near our operations in Mexico and Peru, thanks to our collective efforts, now boast a higher Human Development Index than the national average in education, health, and income, which shows the positive change we are bringing.

RESULTS OF OUR COMMITMENTS

We have 33 community centers in Mexico, Peru and the United States.

Our 3,000 social programs have benefited nearly 300,000 people.

8,000 volunteers support our educational, artistic, sports and environmental activities in benefit of their communities.

Our students spend 384 hours each year on extracurricular and sports programs.



Scan the code to watch the video.

DR. VAGÓN, THE HEALTH TRAIN

18 RAILCARS EQUIPPED TO DELIVE FREE MEDICAL SERVICES AND MEDICATIONS TO THE MOST UNDERPRIVILEGED COMMUNITIES IN MEXICO.

Our three lines of action:

- Disease prevention
- Early detection
- Timely treatment



Scan the code to watch the video.



Dr. Vagón performed 204,286 lab tests for more than 61,000 patients in 2023.

10 years delivering free medical services

84 routes
in 23 Mexican states

more than 2.5 million
medical services delivered

65 healthcare
professionals on board on each route

1,000,000
prescription medications delivered
free of charge

80,000
prescription eyeglasses
delivered

4,000
hearing aids fitted

120,000+ people
watched one of the 800 films
screened by our Cine Vagón

+19 free medical services:

- General medicine
- Pediatrics
- Ophthalmology
- Diabetes clinic
- Dentistry
- Lab
- Optometry
- Nutrition
- Ear, nose and throat
- Pharmacy
- Internal medicine
- Gynecology
- Geriatrics
- Women's health
- Radiology
- Chiropractic and physical therapy
- Audiology
- Family planning
- Surgical suite

WORKPLACE CLIMATE

OUR EMPLOYEES ARE THE CORNERSTONE OF GRUPO MÉXICO, THE BASE FOR OUR COMMITMENT TO AN ENVIRONMENT OF WELLBEING.

We listen to and address the concerns of our employees through organizational mechanisms, like the Reporting Line and workplace climate surveys.



Fenicias wind farm employees.

+30,000
direct jobs.

22% increase
in women employees.

33%
vacancies filled inhouse,
supporting the growth of
our employees.

45%
of our personnel
are from the communities
near our operations.

IMPULSA PROGRAM

WE ENCOURAGE OUR EMPLOYEES TO COMPLETE THEIR EDUCATION.

THE PROGRAM SUPPORTS OUR EMPLOYEES TO COMPLETE THEIR ELEMENTARY, MIDDLE SCHOOL AND HIGH SCHOOL EDUCATION, WITH POSSIBILITY TO CONTINUE TECHNICAL STUDY PROGRAMS AND/OR PROFESSIONAL STUDIES.

WE CONGRATULATE OUR PERSONNEL FOR ACHIEVING THEIR EDUCATIONAL GOALS AND RECOGNIZE THEIR EFFORTS WITH A 5% SALARY INCREASE WHEN THEY HIT EACH OF THEIR GOALS.



First graduating class with 40 Charcas mine employees, certified through our Impulsa program.

4,000 employees
on track to complete their high school diploma

20% progress
in the first year

8 sites
in Mexico are participating in this program

16 tutors

HUGO ENRIQUE UGARTE ENRÍQUEZ

SPECIAL ELECTRO-MECHANIC OPERATOR,
LA CARIDAD MINE - 16 YEARS

"The IMPULSA program has been a great experience and an excellent opportunity to finish high school."

JOSE GUADALUPE CORONADO TREJO

WAREHOUSE OFFICE EMPLOYEE,
CHARCAS MINE - 14 YEARS

"It means a lot to me to receive the support of my family, the help of my teachers, coworkers and supervisors; without doubt, my studies have given me tools to improve my work performance, in both the technical and leadership skills."

MIGUEL ÁNGEL CANO MARTÍNEZ

MELTING AND MOLDING OPERATOR,
ZINC PLANT - 15 YEARS

"I had always wanted to finish high school; I feel good about that."



La Caridad mine employees at the graduation ceremony for our Technical Training program.

HEALTH & SAFETY

Workplace health and safety is our priority.

By promoting a culture of risk identification and prevention, we reduce their impact and continually improve.



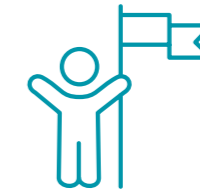
We have locomotive simulators in Torreon, Guadalajara and Veracruz to train our operators.

PREVENTION MANAGEMENT:



IDENTIFY

detect and control risks



LEAD

a culture of health and safety



EVALUATE

our performance through incentives and penalties

32% reduction in our incapacitating accident rate over the last 8 years.

+29% hours safety training.

100% of our 16 Mining Division sites are ISO 45001 certified.

-13% accident rate in the Transportation Division over the last 3 years.



400-ton truck operators at our Cuajone mine in Moquegua, Peru.

ARTURO SALAZAR

SMELTER PROCESS EQUIPMENT SUPERVISOR,
16 YEARS

"I'm very proud to say that we work hard to maintain zero accidents. We know the importance of safety in achieving this goal."

MÓNICA MATOS

SAFETY OFFICER,
5 YEARS

"The safety trainings and certifications the company provides strengthen one's own day-to-day work and that of our coworkers."

CARLOS KOC

MINERAL DRESSER,
15 YEARS

"We have a tool for preventive safety management that monitors what we do, so we need to be proactive and always promote safe work and self-care."

MOBILE DOCUMENTARY FILMMAKING WORKSHOP

THIS WORKSHOP OFFERS COURSES, PROVIDING THE EQUIPMENT TO LEARN HOW TO MAKE SHORT FILMS AND DOCUMENTARIES WITH SOCIAL CONTENT.



The short film "Nita la Minita" won the MICE BIER prize in the under-12 age category at the 7th International Educational Film Festival in Valencia, Spain.



Achievements

800 students
aged 9 to 60

94 short films
featuring subjects like mining identity, social programs, culture, sports and stories from the community.

19 entries in short
and documentary film festivals



90 youth from Chihuahua and Sonora, Mexico, participated in creating four short films for children in the summer of 2023.



Scan the code to watch the video.

THE ENVIRONMENT

Restoring our open pit mines, tailings dams and natural areas is part of our day-to-day.



Grupo México remediated a former tailings dam in Ite Bay and created one of the most important wetlands areas in the Americas, home to more than 45,000 birds.

Results of our commitments:

77% of the water at our operations is reused.

We reforested 3,706 acres (1,500 hectares) at our operations in 2023 as part of our environmental commitments.

83% of our sites have zero wastewater discharges.

100% of our sites are ISO 14001 (environmental management systems) certified.

33% of the energy we consume comes from renewable sources and we're ready to bring another wind farm online to increase this number to 51%.



We're committed to responsible metal and mineral production.

- The Zinc refinery received The Zinc Mark responsible production certification in 2023.
- Adding to our The Copper Mark and The Molybdenum Mark certifications for our La Caridad mine, and The Copper Mark and The Zinc Mark certifications for our processing plant, METCO.

NURSERIES

TREES PLAY AN IMPORTANT ROLE IN NATURAL WATER CYCLES. THEY COLLECT MOISTURE AND REGULATE CLIMATE AND AIR QUALITY. TREES ALSO CAPTURE CARBON DIOXIDE, WHICH HELPS TO REDUCE THE EFFECTS OF GLOBAL WARMING.

DEFORESTATION IS THE SECOND LEADING CAUSE OF CLIMATE CHANGE. WE SUPPORT THE FIGHT AGAINST CLIMATE CHANGE THROUGH OUR NINE NURSERIES.

We have 7 nurseries in Mexico and 2 in Peru.

We donated more than 3.2 million trees in 2023 to reforest 7,400 acres (3,000 hectares) plus the 3,706 acres (1,500 hectares) we reforested at our operations.

5.6 million trees produced of 90 species.

Our "Vagón Verde" project has delivered 6 million trees to 39 communities since 2015

Our Community Gardens workshop has reached 20 communities. More than 3,000 families have learned composting techniques, seed collection and vegetable production by participating in this program.



We have been producing trees in benefit of our neighbor communities for 39 years.

Benefits of reforestation:

- Restore habitats
- Regulate climate and air quality
- Reconnect fragmented or isolated habitats to help species move and migrate
- Improve water quality
- Encourage pollination
- Protect against natural disasters



Scan the code to watch the video.

CLEAN ENERGY

We embarked on clean energy projects 10 years ago with our El Retiro wind farm and the Combined Cycle power plants.



Construction of Fenicias Wind Farm was completed in 2022. We have all the operating permits in place and are waiting for the CFE to install the connection to be able to deliver clean energy and self-supply Grupo México operations.

01. El Retiro Wind Farm, Oaxaca

Over US\$150 million
invested

2,000 direct and indirect
jobs during construction; 200 jobs in operation

37 wind turbines

74 MW
installed capacity

02. Fenicias Wind Farm, Nuevo Leon

Over US\$256 million
invested

800 direct
3,200 indirect
jobs during construction

42 wind turbines

168 MW
installed capacity

03. Combined Cycle Power Plants, La Caridad, Sonora

Over US\$640 million
invested

1,500 direct
jobs during construction

2 steam and gas
combined cycle power plants

520 MW
installed capacity

Uses natural gas,
the fossil fuel with the lowest carbon footprint



Scan the code to
watch the video.

