



# **SOUTHERN COPPER CORPORATION SUPPLEMENT**

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**SUSTAINABLE  
DEVELOPMENT  
REPORT  
2023**

**Southern Copper**



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## SOUTHERN COPPER CORPORATION SUPPLEMENT 2023

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# 1 Introduction

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# 1.1

## About this Supplement

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

This supplement provides detailed information about the environmental, social and governance management and indicators for Southern Copper Corporation (SCC) for 2023, information that is also included in the Grupo México Sustainable Development Report.

Southern Copper Corporation is part of the Grupo México Mining Division and comprises the mining operations in Mexico (Minera México) and Peru (Southern Peru Copper Corporation). SCC is the principal subsidiary of Grupo México, representing 69% of Grupo México sales and 71% of the EBITDA. SCC trades on the New York and Lima Stock Exchanges.

Although the Grupo México Sustainable Development Report provides tables that detail the indicators by division and country, from which those corresponding to SCC can be drawn, this Supplement provides indicators that are specific to SCC, along with details of their management in terms of sustainability, following the same sequence as the Grupo México Sustainable Development Report.

Unless noted otherwise, the sustainability management of SCC is the same as that implemented in the Mining Division of Grupo México.

This Supplement has been prepared according to the Global Reporting Initiative (GRI) Standards “Core” option, as well as the “Mining and Metals” sector supplement.

For more information about this Supplement, please contact [desarrollo.sustentable@mm.gmexico.com](mailto:desarrollo.sustentable@mm.gmexico.com)

About this Supplement

Letter from the Sustainable Development Committee of SCC



Buenavista del Cobre operation, Cananea, Sonora, Mexico



# 1.2

## Letter from the Sustainable Development Committee of SCC

GRI 2-22

Southern Copper Corporation Sustainable Development Committee assists the Board of Directors by overseeing the management of sustainability-related risks and opportunities, targets, goals, and strategies, as well as the performance of environmental, social and governance (ESG) aspects of the organization. Our main function is to ensure the goals are met for Southern Copper Corporation to be a leader in sustainable mining. We understand sustainability as the capacity to meet present needs, including the production of goods and services, drawing on resources (natural, energy, financial, etc.), over time, without compromising the ability of future generations to meet their own needs, and without depleting these resources or harming the environment.

We oversee the company’s practices and performance in terms of occupational health and safety, environment -including climate change-, community development, human rights, governance, and sustainability in general. Our work includes understanding the company’s sustainability performance in a global context and aligning it with best sustainability practices, facilitating the resources and processes necessary to prevent and minimize the risks, and to maximize the opportunities.

To achieve this, and based on the company’s materiality analysis, we monitor the implementation of SCC’s sustainability strategy and assist with strengthening capacities -and their development where necessary- to comply with it. We oversee that operations generate a positive impact on their surroundings and in the communities, they coexist with daily.

The Committee met quarterly in 2023 and maintained constant communication with the sustainability teams. At these meetings, we received detailed reports on different topics, including occupational health and safety, environment, water resources, climate change, community development, human resources, and sustainability.

We support a preventive approach to safety and environmental issues. We focus on analyzing the challenges and opportunities to improve the Critical Risk Registry, monitoring its compliance level, and promoting visibility of these risk at all levels of the organization so that they may be addressed effectively and in a timely manner. For example, in terms of safety, slope instability and fire inside underground mines, or for the environment matters, the risk of tailings dam failure, among others.

About this Supplement

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Buenavista del Cobre mine, Cananea, Sonora, Mexico



Regarding behavioral safety, we have paid special attention to the development and implementation of a system that penalizes omissions in procedures and acknowledges safe practices in the workplace.

In addition to employee safety, climate management is one of the company’s top priorities. That’s why we review SCC’s climate policy, strategy, goals, and targets, including the new requirements from the Securities and Exchange Commission (SEC) regarding climate change.

This issue extends to other aspects relevant to company’s performance: biodiversity conservation and access to the water necessary for operations. We have followed closely the company’s progress towards achieving net zero deforestation and promoting greater biological diversity around mining operations. We also review water management at both operational and community level, emphasizing the importance of reducing freshwater consumption through processes optimization and the use of alternative sources, such as harnessing wastewaters from nearby communities, a solution where everyone wins.

We acknowledge that engaging with communities is essential for the sustainable development of mining activity, and that communities tend to be especially vulnerable to the effects of climate variability. With this in mind, we pay special attention to opportunities to add value through cooperation projects that reduce risks, develop, and enhance capacities and contribute to the wellbeing of the communities.

We address the company’s corporate strategy and policy on Diversity and Inclusion as key elements in the construction and maintenance of an organizational culture that nurtures talent and fosters respect among company personnel.

We also discuss the progress and challenges on ESG issues at our quarterly meetings, including those related to governance, and the gaps and opportunities identified by ESG rating agencies.

It’s important for us that the sustainability actions the company takes be verified and endorsed by third parties, providing reassurance and transparency for stakeholders. Environmental management systems and occupational health and safety, certified in accordance with ISO 14001 and 45001 standards, play an essential role in this. We have followed closely the progress the company has made in obtaining The Copper Mark certification for mining and metallurgical operations at La Caridad and the Metallurgical Complex in Sonora, accrediting responsible copper production.

For the Sustainable Development Committee, SCC’s sustainability strategy is crucial to preventing and reducing the risks inherent to mining operations, as well as those related with external factors such as climate change. With this, it is possible to maximize opportunities to increase the value of the company and address responsibly the social concerns associated with mining activity.

We are aware of the challenges, opportunities, and the responsibility the company has in facing the challenges of a green transition. Therefore, we promote climate action, responsible production certification, and adopting sector best practices.

VICENTE ARIZTEGUI, SCC INDEPENDENT BOARD MEMBER

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Buenavista del Cobre, Cananea, Sonora, México



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# 2 Our Approach

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## 2.1 Sustainability as the axis of our transformation

GRI 2-25

Acting in a responsible and transparent manner in social, economic and environmental aspects is essential to achieving sustainable development. At Southern Copper Corporation, 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 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, generating maximum value for our shareholders and society. 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 company employees, suppliers and contractors:

- [Sustainable Development Policy](#)
- [Workplace 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](#)
- [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



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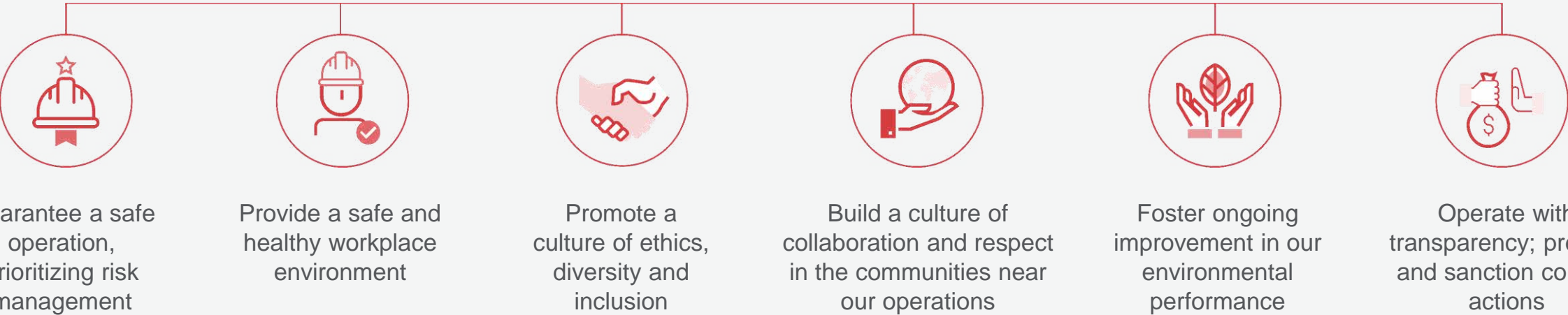
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Additionally, the Mining Division of Grupo México (including Southern Copper Corporation) is held to:

- [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:



Concentrator at La Caridad, Nacozari de Garcia, Sonora, Mexico



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

|  |  |
|--|--|
| <b>GROW</b><br>Create and share value                          | <p><b>We invest to generate opportunities and prosperity, making us an engine for positive change for the economies in which we operate.</b></p> <ul style="list-style-type: none"><li>• 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.</li><li>• We strive to engage communities in growth by promoting employment and local supply.</li><li>• We develop different initiatives that support the United Nations Sustainable Development Goals (SDGs). See <a href="#">Contributions to the Sustainable Development Goals (SDGs)</a> 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.</li></ul>  |
| <b>PROMOTE</b><br>Foster wellbeing and safety                  | <p><b>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.</b></p> <ul style="list-style-type: none"><li>• We create safe working environments for our employees, and we operate to the highest standards of occupational health and safety.</li><li>• 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.</li><li>• We work to contribute to the common good of our neighbor communities, promoting active listening, collaboration and dialogue.</li><li>• We respect and promote the human rights of our employees and the communities in which we operate.</li><li>• We are allies of communities and local governments in emergency situations.</li><li>• We promote and support a more sustainable society, together with our business partners.</li></ul> |
| <b>PROTECT</b><br>Care for, preserve and renew the environment | <p><b>We believe that leaving a positive environmental footprint is the foundation of sustainable development.</b></p> <ul style="list-style-type: none"><li>• We provide products and services that accelerate the transition to inclusive, low-carbon economies.</li><li>• We operate responsibly and with a preventive approach.</li><li>• We have adopted national and international environmental goals.</li><li>• We have ongoing improvement processes to minimize our risks and ensure efficiency and the responsible use of raw materials, energy and water.</li><li>• We contribute to the protection and conservation of the biodiversity in the environments where we operate.</li></ul>   |



Ite wetlands



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the axis of our  
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Zinc electrolyte refinery employees, San Luis Potosi, Mexico

Our sustainability management is built on the following principles:

|   |   |
|---|---|
|  <p>Transparency</p> | <p>We hold as a priority, transparency in our sustainability performance and management. This Supplement to the 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).</p> <p> We support the Extractive Industries Transparency Initiative (EITI). For more information, see <a href="#">Economic Contributions</a>.</p> <p>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 <a href="#">Corporate Sustainable Development Goals</a>.</p> |
|  <p>Prevention</p> | <p>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 <a href="#">Risk Management</a>). 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.</p> <p>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 <a href="#">Workplace Health &amp; Safety</a>).</p>                                  |



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La Caridad, 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. This Supplement to the Sustainable Development Report reports the detailed information verified in the independent assurance report as relevant to Southern Copper Corporation.

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 Southern Copper Corporation

GRI 3-1, 3-2

Identifying, analyzing and prioritizing the material topics for Southern Copper Corporation 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)<sup>1</sup> and the Sustainability Accounting Standards Board (SASB)<sup>2</sup>.

The materiality analysis process was revised in 2023 to reflect in the materiality matrix for SCC the most recent changes in the global context and in the markets where we operate. This revision followed the same process as the Mining Division of Grupo México, where we invited inhouse and outside stakeholders to complete a survey and evaluate the importance of 18 environmental, social and governance material topics.



















For more information about the analysis methodology, see [Material Topics for the Three Divisions of Grupo México](#) in the Grupo México 2023 Sustainable Development Report.

<sup>1</sup> The definition we apply is that provided by GRI 3 as “those topics that would represent an organization’s most significant impacts on the economy, environment and people, including impacts on their human rights.”.

<sup>2</sup> The SASB defines material sustainability topics as environmental, social, economic and institutional risks with potential economic effects on an organization.

### Southern Copper Corporation materiality matrix

Our 2023 materiality analysis considered two axis to define the importance of our environmental, social and governance (ESG) aspects: Horizontal – Importance of the ESG topics for SCC; Vertical – Importance of the ESG aspects for stakeholders. The analysis produced a materiality matrix marking 18 ESG topics:

| Environmental  | Social  | Governance   |
|--|---|--|
|  Water                     |  Communities                |  Responsible value chain |
|  Biodiversity             |  Human rights              |  Taxes                  |
|  Air quality              |  Diversity and inclusion   |  Closure of operations  |
|  Climate change           |  Our people                |  Business ethics        |
|  Environmental compliance |  Workplace Health & Safety |  Corporate governance   |
|  Waste                    |   |  Shared value           |
|  Mine waste               |   |  |



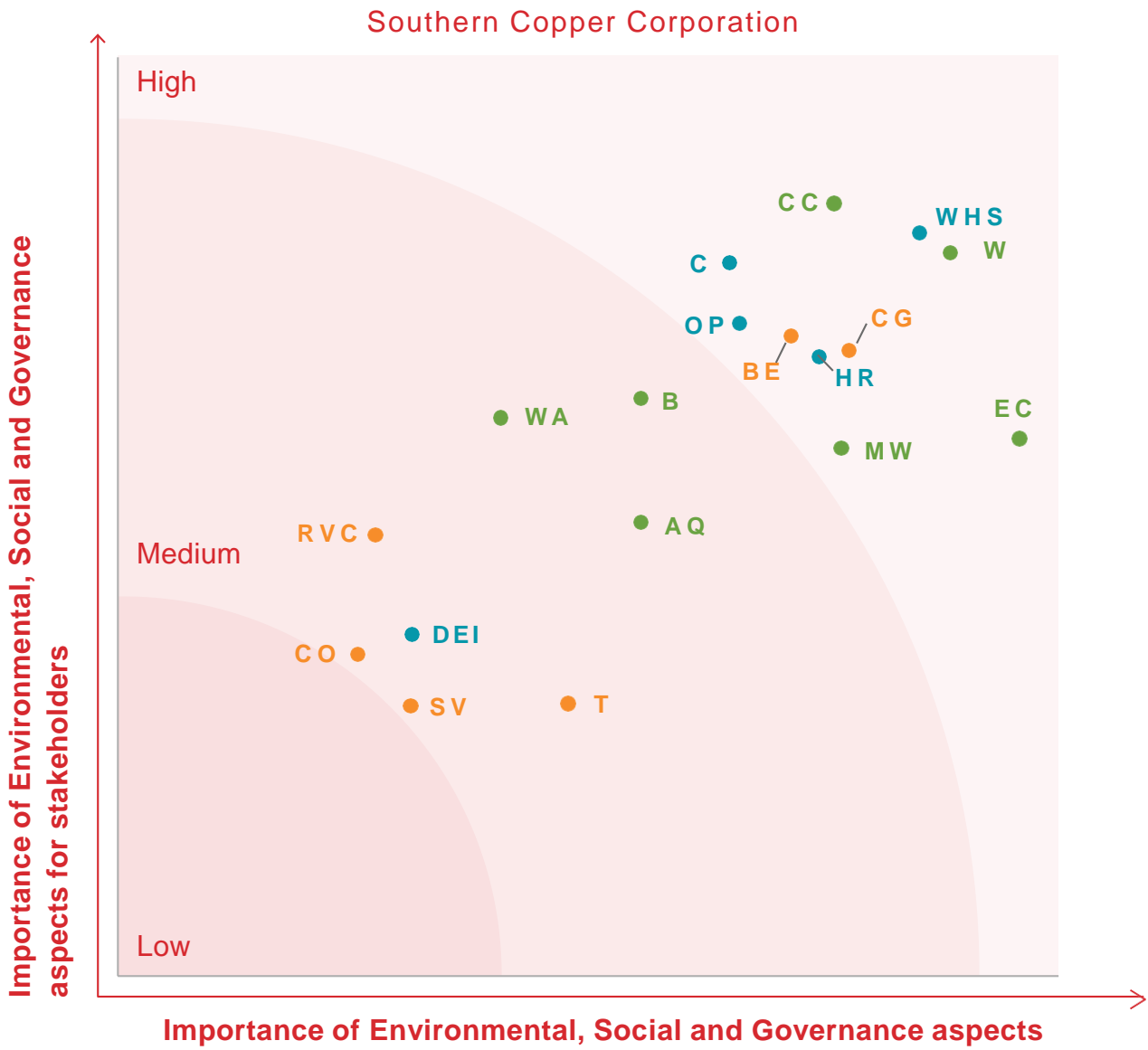
Priority material topics for SCC in 2023

The priority material topics for Southern Copper Corporation are the same as those for the Grupo México Mining Division, as follows:

- Workplace Health & Safety
- Climate Change
- Local Communities
- Environmental Compliance
- Water

The results of our materiality analysis inform our ESG risk management systems and help us to set corporate goals and targets that drive significant change in our principal material topics.

For more information about our progress and the gaps for our principal ESG material topics, see [Corporate Sustainable Development Goals](#).



| Environmental                  | Social                        | Governance                               |
|--------------------------------|-------------------------------|--|
| W Water <sup>3</sup>           | C Communities <sup>5</sup>    | RVC Responsible Value Chain <sup>7</sup> |
| B Biodiversity                 | HR Human Rights               | T Taxes*                                 |
| AQ Air Quality                 | DEI Diversity and Inclusion*  | CO Closure of Operations                 |
| CC Climate Change <sup>4</sup> | OP Our People <sup>6</sup>    | BE Business Ethics <sup>8</sup>          |
| EC Environmental Compliance    | WHS Workplace Health & Safety | CG Corporate Governance                  |
| WA Waste                       |                               | SV Shared Value* <sup>9</sup>            |
| MW Mine Waste                  |                               |  |

\*New material topics considered during the 2023 revision.

<sup>3</sup> Includes subtopics: (i) Water, (ii) Effluents.  
<sup>4</sup> Includes subtopics: (i) Emissions; (ii) Energy/Renewable energies.  
<sup>5</sup> Includes subtopics: (i) Local communities, (ii) Rights of indigenous peoples, (iii) Physical safety. (iv) Local employment.  
<sup>6</sup> Includes subtopics: (i) Labor practices, (ii) Human capital development, (iii) Recruitment and retention.  
<sup>7</sup> Includes subtopics: (i) Supply chain management, (ii) Responsible production.  
<sup>8</sup> Includes subtopics: (i) Regulatory compliance, (ii) Anti-corruption and anti-bribery, (iii) Anti-trust, and (iv) Political influence.  
<sup>9</sup> Includes subtopics: (i) Investments and charitable contributions, (ii) Indirect economic impacts (refers to creating benefits in the regions where we operate, for example, job opportunities, infrastructure development, etc.).



2.3  
Risk Management

GRI 3-3

At Southern Copper Corporation, 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 risk management is built on a preventive and structured approach to manage the uncertainty associated with potential threats, while 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.

With operations in Mexico and Peru, Southern Copper Corporation is exposed to a wide range of physical, financial, operational, geographic, socioeconomic and political risks that could affect people, communities and the environment.<sup>1</sup>

In environmental, social and governance (ESG) aspects, effective, and particularly timely, risk management is essential to guaranteeing the long-term sustainability of the company 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 chapters of this Supplement, including internal and external risks, with special attention to respecting human rights and the environment.

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 Southern Copper Corporation operational structure clearly defines the different roles and responsibilities, aligning these with our identified risks and formalized through procedures, which are regularly reviewed.

The SCC Board of Directors is the highest governing body and is charged with the oversight of the principal risks to which SCC is exposed. The Board delegates this responsibility to the Audit Committee, which reports back to the Board on the risk management reports received from Internal Audit and the Risk Committee. For more information on the roles and responsibilities of the Audit Committee in terms of risk management, see the Risk Oversight Process in the 2024 Proxy Statement, and the [Audit Committee Charter](#).

<sup>1</sup> For more information about our principal risks, see the [SCC 2023 10-K](#).



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Our Risk Committee meets quarterly and its members are from the SCC Executive Leadership. This committee is a support body to the Executive Leadership, charged with assisting the SCC Board in the fulfillment of their duties of oversight related to risk management. Its tasks include reporting to the SCC Executive Leadership and Audit Committee on the committee’s activities, and regular assessments and analyses of our risk management, including, among others:

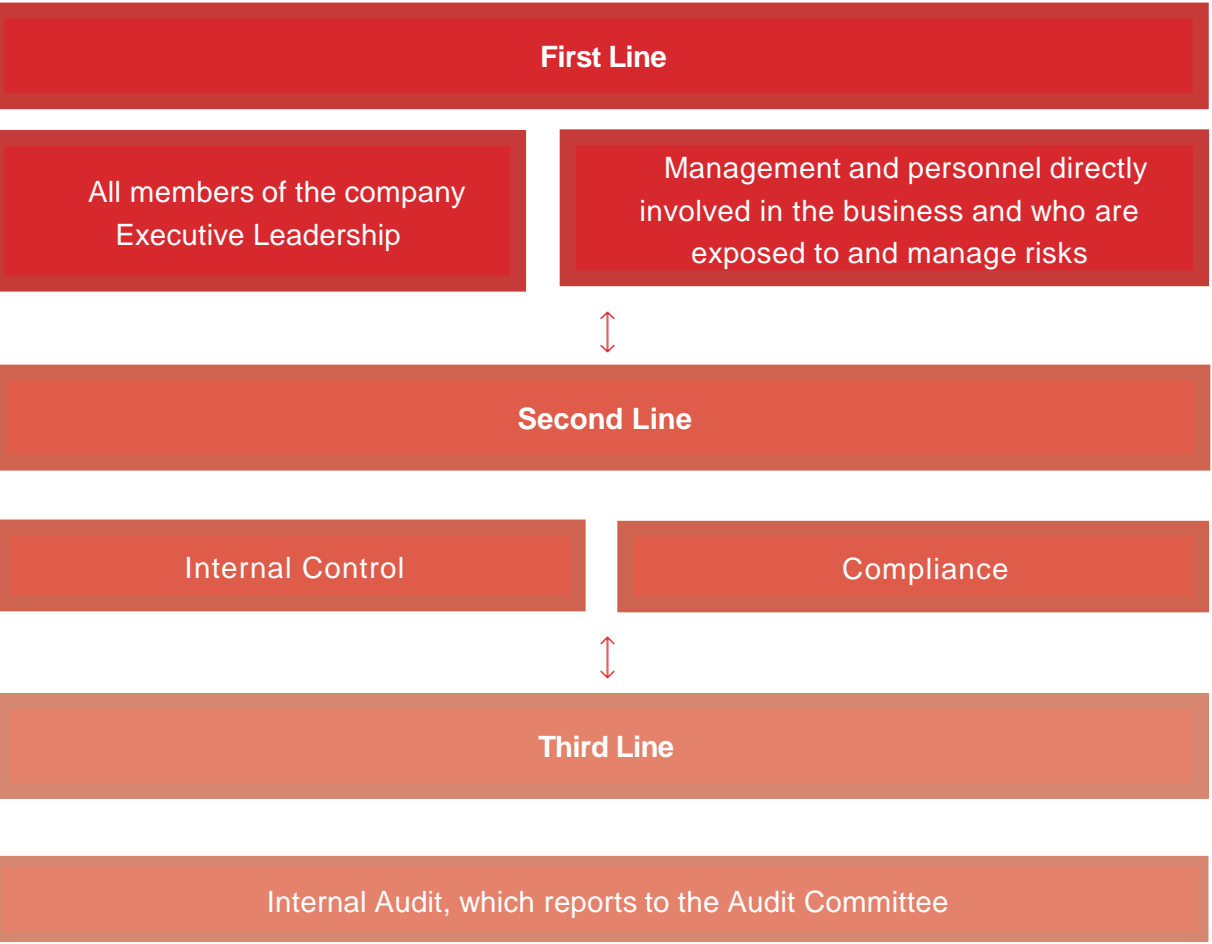
- Methodologies, tools and advanced models to improve the implementation of the Risk Control and Management system
- Principal risk indicators.
- Level of risk exposure relative to the established limits (risk appetite).
- Effectiveness and efficiency of the risk control and response mechanisms.
- Risk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

We follow a three-line model to comprehensively mitigate the company’s risks, also 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.

**Risk management governance structure**



**Three-line model**



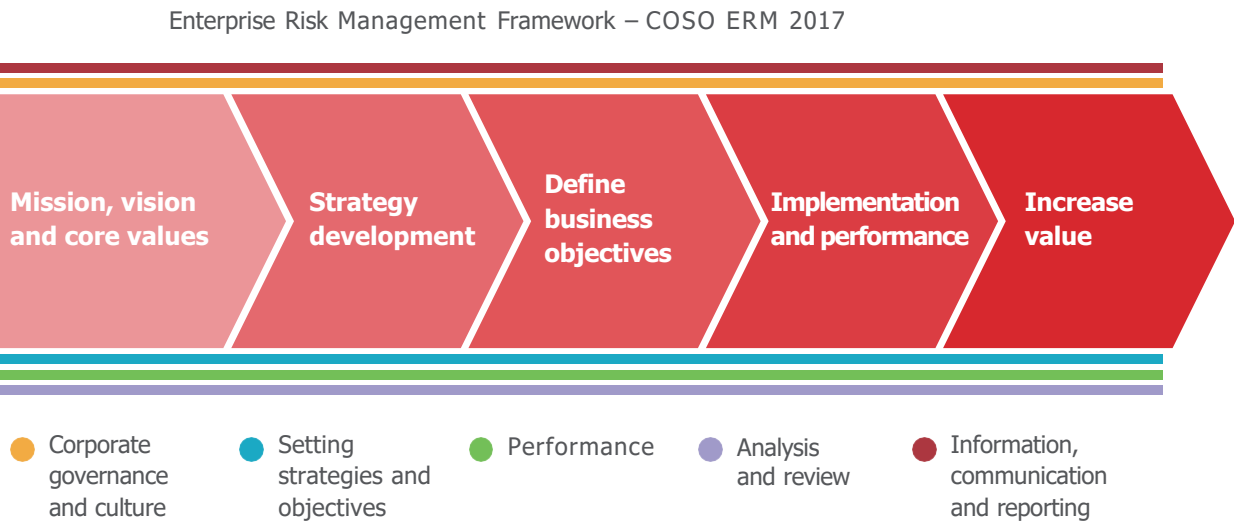


2.3.2

Risk Strategy and Management

GRI 2-24

Our risk management framework considers the guidance of the U.S. Securities and Exchange Commission (SEC) and the COSO<sup>2</sup> 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.



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.

Additionally, our materiality matrix prioritizes and classifies risks according to the importance of their economic, environmental and social impacts, and also their influence on the assessments and decisions of stakeholders.

<sup>2</sup> 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 impact.



Buenavista del Cobre employees, Cananea, Sonora, México



Process for Internal Audit planning, execution and presentation of results

Southern Copper Corporation is 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 2004.

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.

The Internal Audit Plan is a comprehensive risk-based process. This planning begins with understanding the mission, vision and values of Southern Copper Corporation (SCC), which provide the framework for setting our strategic goals and objectives. In turn, these objectives are exposed to a variety of risks, such as strategic risks, those reported in our 10-K, and industry risks, among others

Risk assessment is a key process in our internal audit methodology, helping us to identify and prioritize the processes that present the highest risk for SCC. Based on this approach, Internal Audit prepares an audit plan that focuses on the highest risk areas, evaluating the design and effectiveness of the controls that aim to prevent risks from materializing that could affect the attainment of our strategic objectives.

The SCC Audit Committee approves the risk-based Internal Audit Plan annually, ensuring the principal risks are addressed, and the audit resources are used efficiently and effectively.

Internal Audit reports the progress on the plan and significant findings to the SCC Audit Committee quarterly.



San Martín unit employees, Sombrerete, Zacatecas, México

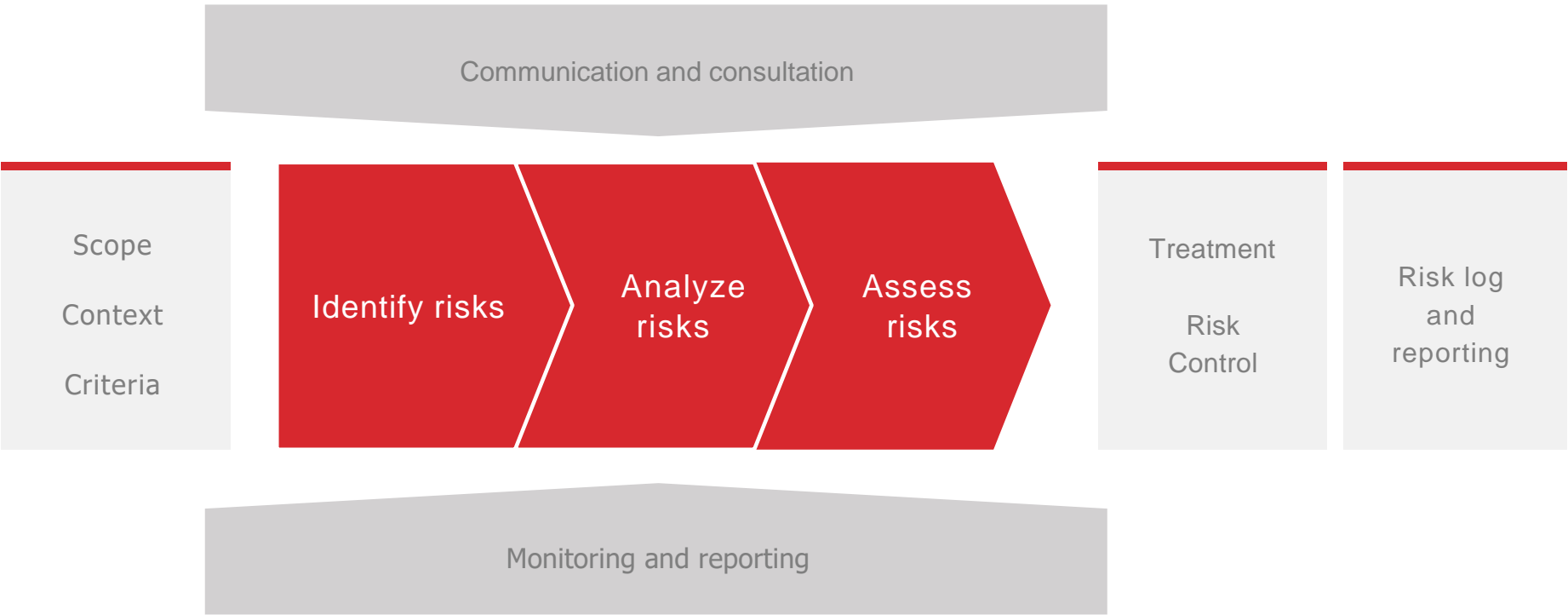


ESG Risk Management

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 our environmental, social and governance risks and opportunities.

These tools also help us to select and implement controls, 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 and Peru, 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.

Our environmental management and workplace health and safety systems 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, Nacozari de Garcia, Sonora Mexico

## Critical Risk Log

Our Sustainable Development Policy commits us to guaranteeing 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 Log 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 ICMC.

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.

| Critical Risk Log   |                                   |  |   |   |
|---------------------|-----------------------------------|--|---|---|
| Environmental Risks |                                   |  |   |   |
| AA1                 | Release of chemical substances    |  |  |  |
| AA2                 | Release of acid drainage          |  |  |  |
| AA3                 | Contamination from fugitive dusts |  |  |  |
| AA4                 | Handling mine waste               |  |  |  |
|                     |                                   |  |   |   |

| Critical Risk Log               |  |   |   |   |
|---------------------------------|--|---|---|---|
| Workplace Health & 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 (applying the policies and processes of the Security Department). For more information, see [Human Rights](#).



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 Supplement 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 chapters of this Supplement.

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 Log procedure.

2.3.3  
Goals and Targets

GRI 2-24

Our 2025 targets are:

- a. Enhance our sensitivity analyses and stress tests on 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. Develop and systematically maintain a risk management training program for the members of the SCC Board



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# 2.4 Corporate Goals & Targets

TCFD MYO-C

✓Target achieved

↗In progress

→Target not yet achieved

| #   | 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 or contractors  | 2020      | Annual      | 0        | →      | 0%         | Regrettably, there were 3 fatal accidents involving company personnel and one involving a contractor in 2023.<br>Company personnel: 1 at the La Caridad mine (Mexico), 1 at Toquepala (Peru) and 1 at Ilo (Peru).<br>Contractor: 1 at the Charcas underground mine (Mexico).<br>For more information, see <a href="#">Workplace Health &amp; Safety</a> .   |
| 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.<br>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 implemented and points fulfilled / improvement actions identified  | 2023      | 2030        | 69%      | ✓      | 100%       | All our operations in Mexico and Peru are ISO 45001 certified.  |
| 1.4 | Reduce lost-time work-related injuries (company personnel and contractors).                  | # work-related injuries  | 2023      | 2030        | 193      | ↗      | 193        | # incidents – employees: 133, contractors: 60.<br>Sanction and recognition procedures.<br>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 company sites. | # employees with health issues this year - # employees with health issues in the base year / # employees with health issues in the base 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 cases of pneumoconiosis and 9 cases of hypoacusis, while in 2022 there were 9 cases and pneumoconiosis and 9 of hypoacusis.<br>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 SCC operations in Mexico.             | Healthy personnel / total personnel registered in our <i>Bienestar</i> program   | 2022      | Annual      | 35%      | ↗      | 40%        | With health organizations, we ran campaigns at all our operations in Mexico with employees and their families to promote healthy lifestyles, in which 1,894 employees participated.<br>SPCC is structuring a new operational platform. Minera México reported a 5% increase. The target is 80% of company personnel in good health.   |
| 1.7 | Update our Emergency Response Plans.   | Emergency response plans reviewed and/or evaluated   | 2023      | 2024        | 90%      | ↗      | 90%        | We revised the emergency response plans at various Minera México operations. In 2024, we plan to involve our SPCC subsidiary, and in Minera México, the La Caridad emergency plan will be updated to include risks of explosives and liquified gas.   |



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| #   | 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 SPCC contractors.  |
| 1.9 | Safety and hygiene personnel certified in Comprehensive Safety and Risk Prevention.   | Total safety personnel certified / Total safety personnel | 2023      | 2030        | 66%      | ↗      | 66%        | 28 Industrial Hygiene certificates, 13 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        | 7.3%     | ↗      | 92%        | The number of women in the workforce increased 1.3% from 7.6% in 2022 to 8.8% in 2023, representing a 24.2% increase in the total number of women in SCC.  |
| 2   | Community Development   |   |           |             |          |        |            |  |
| 3.1 | Increase the local workforce by 10%.  | % local personnel   | 2021      | 2030        | 8,112    | ↗      | -10%       | There were 7,317 local employees in 2023, representing a 10% decrease compared with 2021.<br><br>In Mexico and Peru, 529 people received training in mining-related trades, 31% of whom are now working at the company or with contractors.  |
| 3.2 | Increase the local supply by 20%.   | % local suppliers   | 2021      | 2030        | 357      | ✓      | 122%       | 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.<br>(In 2024, we will be reassessing the target to measure the % of local suppliers receiving training.)                     |
| 3.3 | Formalize and implement at least six mechanisms for community participation, engagement and communication at all our sites: <ul style="list-style-type: none"><li>Community Care Service</li><li>Participative diagnostics</li><li>Transparent communication during the different operational stages</li><li>Collaborative environmental community committees</li><li>Perception studies</li><li>Multisector regional development plans</li></ul> | # mechanisms implemented / total target mechanisms        | 2023      | 2030        | 0%       | ↗      | 11%        | Each of the 6 tools will undergo a formalization process to ensure unified implementation at all operations.<br><br>The Community Care Service procedure was formalized in 2023. This mechanism is operating at 13 sites in Mexico and 6 in Peru.<br><br>The planning, objectives and scope of the mechanisms are being designed for implementation by site and country. |



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| #   | 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%         | <ul style="list-style-type: none"><li>70% completion on works projects to upgrade the clean water system in Cananea to guarantee water supply 24 hrs a day for entire community of nearly 40,000 inhabitants.</li><li>Capture system and pipeline for the clean water system in the Huanuara and Quilihuani districts, Tacna region, Peru.</li><li>Clean water pipe upgrade in the Torata Alta sector, Torata district.</li></ul> |
| 3.5 | Position our 11 company-sponsored schools in the top quintile nationally for mathematics and Spanish.             | # schools positioned in the top quintile   | 2023      | 2030        | tbd             | ↗      | -           | <ul style="list-style-type: none"><li>The international standardized tool Map Growth was selected in 2023 to assess and compare schools.</li><li>Teacher training and investment in infrastructure to apply the tool.</li><li>The baseline for the tool will be generated in June 2024 with 1,530 students participating in the pilot project in Mexico.</li></ul>  |
| 4   | Climate Change  |  |           |             |                 |        |             |   |
| 4.1 | Reduce operational GHG emissions (Scope 1 and 2) 10%.   | tCO <sub>2</sub> e   | 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 ) 40%.  | tCO <sub>2</sub> e   | 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.   | tCO <sub>2</sub> e   | 2018      | 2050        | In progress     | ↗      | In progress | In progress   |
| 4.4 | At least 25% electricity from renewable sources.  | %  | 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.  | %  | 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%.  | %  | 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%.  | %  | 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.   | Plans implemented / total vulnerable sites                                       | 2023      | 2025        | In progress     | ↗      | In progress | In progress   |



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| #   | Goal / Target  | Metric   | Base year | Target year | Baseline       | Status | % progress | Observations  |
|-----|--|--|-----------|-------------|----------------|--------|------------|---|
| 5   | Biodiversity   |  |           |             |                |        |            |   |
| 5.1 | Restore an area greater than that affected by SCC operations each year.  | Area restored / Area affected  | 2020      | Anual       | 1              | ✓      | 100%       | SCC reforested an area 2.8 times greater than that impacted with our operations in 2023 (3,484 vs 1,225 acres / 1,410 ha vs 496 ha).  |
| 5.2 | Identify the biodiversity status of the areas around our operations located in high biodiversity value areas.  | # 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 assess the integrity of the associated ecosystems. Our operations in Peru are not located in areas with high biodiversity value.                                |
| 5.3 | Biodiversity management plans at our operations located in high biodiversity value areas.  | # operations with biodiversity management plans / total operations in biodiversity-relevant areas              | 2021      | 2023        | 0/5            | ✓      | 100%       | 5 operations are located in areas with high biodiversity value: Buenvaista del Cobre, METCO, La Caridad, Lime Plant, Charcas, all of which have biodiversity management plans.  |
| 5.4 | Reverse the net biodiversity loss and achieve a net positive impact for SCC.   | # operations with improved ecological integrity / # operations located in areas with high biodiversity value   | 2022      | 2030        | 0/5            | ↗      | 0%         | The results of the ecological integrity studies are expected in 2025 and will provide information about the net gain or loss in biodiversity around our operations located in high biodiversity value areas.  |
| 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 de m³)). | m³ water infiltrated through works and reforestation   | 2022      | 2028        | 2.8 million m³ | ↗      | 68%        | Progress: 502 million gallons (1.9 million m³). 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 communities 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 in Nacozari, Mexico use surface water.   |
| 6.5 | Reduce fresh water consumption per production unit by 5%, compared with 2022.  | m³ / ton crushed ore   | 2022      | 2030        | 0.53           | ↗      | 2%         | Fresh water consumption decreased from 0.53 in 2022 to 0.52 in 2023.  |



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| #   | 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%        | We increased reuse from 74% in 2022 to 76% in 2023.   |
| 6.7 | 10% treated wastewater use in our operations (of our total fresh water 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%      | ↗      | 49.6%      | 11 active tailings facilities considered. Principal gaps: A work plan was prepared for La Caridad, Buenavista del Cobre (2), Mexico and Toquepala, Peru to close the identified gaps with the global standard.  |
| 7.2 | Updated closure plans at all our active tailings facilities.                               | # active tailings facilities with updated closure plans / # active tailings facilities | 2022      | 2025        | 22%      | ↗      | 45%        | The closure plans 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        | 54%      | ↗      | 0%         | 13 of our 24 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.              |



# 2.5 Stakeholder Engagement

GRI 2-28, 2-29

**Southern Copper Corporation has active operations in Mexico and Peru, and given the nature of our industry, 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.

We map our stakeholders according to our industries to gain an accurate understanding of the stakeholders with which we interact and to 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 Southern Copper Corporation’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 communications channels, such as our Annual Report, Sustainable Development Report, Annual Financials, Proxy Statement, 10-K, Community Committees, forums, interviews, social media, community development centers, Community Care Service, 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](#).

Regarding our relations with political organizations and causes:

- Southern Copper Corporation does not make financial contributions 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 Corporation 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, SCC 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, Annual Financials, 10-K and newsletters. We also share relevant messages and information for our stakeholders and the 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.

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.

In parallel, our Community Development department prepares 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 Human Resources.

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](#)). Also, company employees are encouraged to use the Reporting Line to report incidents (for more information, see [Business Ethics and Integrity](#)). Southern Copper Corporation listens and welcomes discussion about concerns related to the company, and our channels of communication are always open.

SCC defines 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.

Our Investor Relations department classifies our stakeholders through selection mechanisms, while our Institutional Relations and Media department has a team of specialists to identify the priority stakeholders and the best way to communicate with them.





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

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

| STAKEHOLDERS                         | Customers | Company personnel | Trade unions | Investors | Suppliers | Contractors | Communities | Opinion Leaders<br>Civil Society<br>Media | Financial Institutions<br>Government<br>Agencies<br>Academic Institutions<br>Rating Agencies |
|--------------------------------------|-----------|-------------------|--------------|-----------|-----------|-------------|-------------|---|--|
| COMMUNICATION CHANNELS OR MECHANISMS |           |                   |              |           |           |             |             |   |  |
| Website                              | ●         | ●                 | ●            | ●         | ●         | ●           | ●           | ●   | ●  |
| Intranet                             |           | ●                 |              |           |           |             |             |   |  |
| Sustainable Development Report       | ●         | ●                 | ●            | ●         | ●         | ●           | ●           | ●   | ●  |
| SCC Supplement                       | ●         | ●                 | ●            | ●         | ●         | ●           | ●           | ●   | ●  |
| Annual Financials                    |           |                   |              | ●         |           |             |             | ●   | ●  |
| 10-K Report                          |           |                   |              | ●         |           |             |             | ●   | ●  |
| Newsletters                          |           |                   |              |           |           |             | ●           | ●   | ●  |
| Inhouse publications                 |           | ●                 | ●            |           |           |             |             |   |  |
| Publication of relevant events       |           |                   |              | ●         |           |             |             |   | ●  |
| Press releases                       |           |                   |              |           |           |             |             | ●   |  |
| Proxy Statement                      |           |                   |              | ●         |           |             |             |   |  |
| In-person meetings                   |           |                   | ●            |           |           |             |             |   | ●  |
| CBA reviews                          |           |                   | ●            |           |           |             |             |   |  |
| Diagnostic studies                   |           |                   |              |           |           |             |             | ●   |  |
| Interviews                           |           |                   |              |           |           |             |             | ●   |  |
| Surveys                              | ●         |                   |              |           |           |             |             | ●   |  |
| Workplace climate survey             |           | ●                 |              |           |           |             |             |   |  |
| Consultations by phone               | ●         |                   |              | ●         | ●         | ●           |             | ●   | ●  |
| 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



Sustainability as the axis of our transformation

Material Topics for Southern Copper Corporation

Risk Management

Cross-Division Goals & Targets

Stakeholder Engagement

Investments in Sustainable Development

Contributions to the ODS

ASG Assessments and Recognitions

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

Mining Division:

• International Copper Association (ICA)

• *Confederación Intersectorial de Empresas Privadas (CONFIEP)*

• International Molybdenum Association (IMOA)

• *Sociedad de Comercio Exterior del Perú (COMEX |SINIA)*

• *Cámara Minera de México (CAMIMEX)*

• Extractive Industries Transparency Initiative (EITI)

• *Sociedad Minera de México (SMM)*

• *Instituto de Ingenieros de Minas del Perú (IIMP)*

• *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)*

These stakeholders include associations in which Southern Copper Corporation regularly participates, ensuring we remain at the Forefront of market trends and demands, while also providing opportunities to share our contributions to society in the area of sustainable development.

| US\$ 000    |       |       |       |
|-------------|-------|-------|-------|
|             | 2021  | 2022  | 2023  |
| SCC         | 3,460 | 3,476 | 3,549 |
| MM (Mexico) | 1,916 | 1,929 | 1,875 |
| SPCC (Peru) | 1,543 | 1,547 | 1,674 |

The table above reports the membership fees paid to associations in which SCC participates, including organizations in foreign countries, such as the International Copper Association. The associations representing our highest payment amounts in 2023 are:

- International Copper Association – US\$2,813,680
- International Molybdenum Association - US\$338,402
- *Instituto de Ingenieros de Minas* - US\$227,668

For more information, see [Annexes - Our Approach - Contributions](#).



## 2.6 Investments in Sustainable Development

SCC 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.

We also make donations to support 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 employee 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 SCC 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

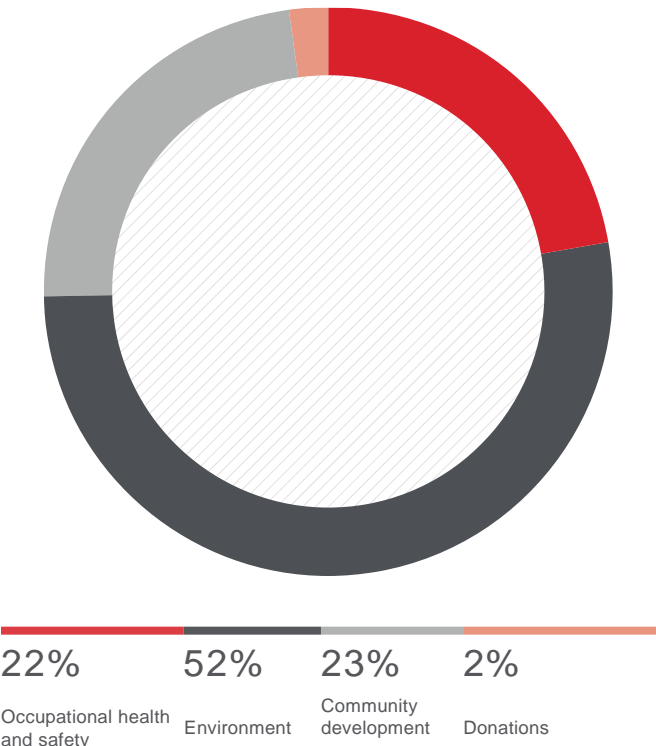
### Donations and philanthropic programs

- Support, donations and disaster relief
- Environmental programs
- Development of institutions and associations



a) Investments and spending in sustainable development 2023

| US\$ millones                   |      |      |      |
|---------------------------------|------|------|------|
|                                 | 2023 | 2022 | 2021 |
| Type of spending and investment | 518  | 390  | 319  |
| Occupational health and safety  | 127  | 104  | 70   |
| Environment                     | 291  | 214  | 178  |
| Community development           | 96   | 70   | 66   |
| Donations                       | 3.7  | 1.7  | 4.6  |



b) Investments and spending in sustainable development 2023

| Spending and investments in sustainable development 2023 |                                |             |                       |           |       |
|--|--------------------------------|-------------|-----------------------|-----------|-------|
|  | Occupational health and safety | Environment | Community development | Donations | Total |
| 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 |

Our investments and operational expenses are detailed in the [Annexes](#).

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 systems 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.

A little more than half our investments in sustainable development are allocated to environmental aspects. We continued to invest in maintenance at our mine waste facilities in Mexico in 2023, including backup tanks for the tailings dams 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 SCC to increase our investments allocated to community development.





Youth baseball tournament, Sonora, Mexico

## 2.7 Contributions to the SDG

Since our last reporting, we have started to communicate our contributions to the SDG 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 Social 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 Sustainable Development Report](#).

Our 2023 progress on our contributions to the SDG considers:

- a. Redefining the material topic 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 chapter of this Supplement outlines the considerations and results of our 2023 materiality analysis and process, which led us to identify and prioritize the topics with the greatest 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:

↑ Positive impact      ↓ Reduced risk

| Workplace health and safety   |   | Raw materials | Logistics and warehousing | Workforce | Company operations | Relationship with the environment and communities |
|---|---|---------------|---------------------------|-----------|--------------------|---|
| The economic sectors in which we 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 strategies          |               |                           |           | ↑                  | ↑   |
|   | 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 coexistence                         |                           |           |                    | ↑   |
|  | 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 have 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 SCC sustainability strategy:

| Priority topic              | SDG related   | SDG goal   | 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.   | <ul style="list-style-type: none"><li>• Publication of our Workplace Health and Safety policy</li><li>• ISO 45001 certification for our operations</li><li>• Non-occupational health risk factor detection and prevention programs</li></ul>   | <ul style="list-style-type: none"><li>• Strengthen our preventive health programs at company operations</li></ul>   |
|                             |   | 8.8 Protect labor rights and promote safe and secure working environments for all workers.   | <ul style="list-style-type: none"><li>• Publication of our Human Rights and our Diversity, Inclusion and Non-Discrimination policies</li><li>• Creation of Diversity and Inclusion task force</li><li>• Lost time injury frequency rate reduced across the organization</li><li>• Performance-based Safety System</li></ul>  | <ul style="list-style-type: none"><li>• Maintain the goal of zero serious accidents or fatalities</li><li>• Update our Emergency Response Plans</li></ul> |
| Climate change              |  | 7.2 Increase substantially the share of renewable energy in the global energy mix<br>7.3 Double the global rate of improvement in energy efficiency  | <ul style="list-style-type: none"><li>• Investments in renewable energy generation projects</li></ul>  | <ul style="list-style-type: none"><li>• Increase to 50% our consumption of renewable electrical energy by 2035</li></ul>                                  |
|                             |  | 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.<br>13.2 Integrate climate change measures into national policies, strategies and planning.             | <ul style="list-style-type: none"><li>• Publication of our Climate Change policy</li><li>• Strengthening our organizational structure to include climate management</li><li>• Updated climate-related risks and opportunities analysis, aligned to TCFD recommendations</li></ul>  | <ul style="list-style-type: none"><li>• Implement climate risk adaptive plans at our operations</li></ul>   |
| Local communities           |  | 8.5 Achieve full and productive employment and decent work for all women and men (...)   | <ul style="list-style-type: none"><li>• Publication of our Community Outreach and Respect for the Rights of Indigenous Peoples and Communities policies</li><li>• Strategies to incorporate local suppliers into our supply chains</li><li>• Skills training and certification programs in our communities</li><li>• Community Care Service to receive and respond to grievances from outside stakeholders near our operations</li></ul> | <ul style="list-style-type: none"><li>• Boost and strengthen the local workforce and suppliers at our operations</li></ul>                                |
|                             |  | 11.1 Ensure access for all to adequate, safe and affordable housing and basic services (...)<br>11.2 Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety (...) | <ul style="list-style-type: none"><li>• Development of school, environmental, cultural, water and urban transport infrastructure in communities</li></ul>  | <ul style="list-style-type: none"><li>• Promote sustainable infrastructure for the development of our communities</li></ul>                               |



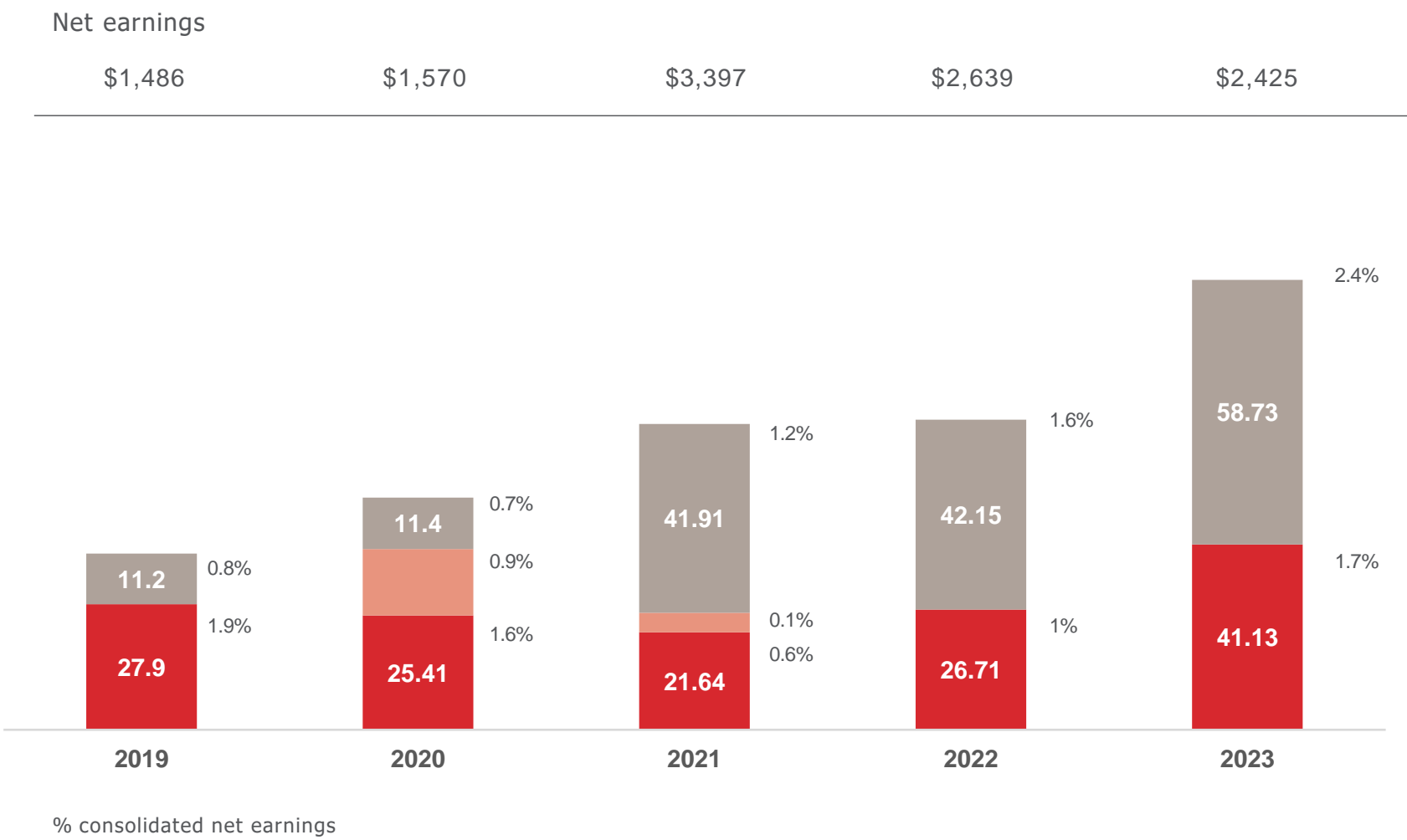
| Priority topic           | SDG related   | SDG goal  | Major advancements (2018-2023)  | Goals and targets to achieve   |
|--------------------------|---|---|---|--|
| Environmental compliance |    | 6.3 Improve water quality (...) halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.<br>6.4 Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity (...)<br>6.5 Implement integrated water resources management (...)   | <ul style="list-style-type: none"><li>• Publication of our Sustainable Water Management protocol</li><li>• Strengthened organizational structure to manage water resources</li></ul>  | <ul style="list-style-type: none"><li>• Contribute to recharging the aquifers in the watersheds where our operations are located, through works and reforestation</li><li>• Achieve our freshwater reduction and reuse of process water targets</li><li>• Prioritize investments that would increase water availability in our communities</li></ul> |
|                          |    | 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.<br>12.5 Substantially reduce waste generation through prevention, reduction, recycling and reuse.<br>12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.  | <ul style="list-style-type: none"><li>• Publication of our Environmental policy, Tailings Systems policy and Closure of Operations protocol</li><li>• ISO 14001 certification for our operations</li><li>• Standardized operating, maintenance and monitoring manuals for our mine waste facilities</li></ul> | <ul style="list-style-type: none"><li>• Compliance with and ongoing improvement of our Tailings Systems policy</li><li>• Prepare closure plans for all active tailings dams</li><li>• Closure of inactive tailings dams, waste rock piles and slag heaps, in adherence of best practices.</li></ul>  |
|                          |  | 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.<br>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.<br>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. | <ul style="list-style-type: none"><li>• Publication of our Biodiversity Management protocol</li><li>• Strengthened organizational structure in terms of biodiversity management</li><li>• Biodiversity management plans aligned to the ICMM Good Practice Guide</li></ul>                                     | <ul style="list-style-type: none"><li>• Revert net biodiversity loss and achieve a net positive impact</li></ul>   |

For more information on the progress towards our corporate goals and targets, see the corresponding [chapter](#) of this Supplement. With this overview, we will define a monitoring and reporting framework in 2024 for our priority corporate SDG goals and targets.



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:



Since 2019, we have allocated approximately US\$327.2 million to fund social and philanthropic projects that support the SDGs in the communities near our operations. In 2023, we allocated US\$99.8 million, representing 4.1% of our net earnings.

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

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

Philanthropy

| Benefits identified  | Investments   | US\$ million |       |       |       |
|--|---|--------------|-------|-------|-------|
|  |   | 2021         | 2022  | 2023  | Total |
| Promote health and sports, including supports and donations  | Supports and donations (health)   | 0.06         | 0.10  | 0.03  | 8.25  |
|  | Supports and donations (sports)   | -            | 0.23  | 0.13  |       |
|  | Supports and donations (safety)   | -            | 0.01  | 1.35  |       |
|  | COVID-19: supports and donations  | 4.36         | -     | -     |       |
|  | Social programs (health and safety)   | 0.29         | 0.28  | 0.37  |       |
|  | Social programs (sports)  | 0.16         | 0.53  | 0.35  |       |
| Access to basic education and technical and professional skill development with youth and adults             | Social programs (education)   | 0.45         | 0.81  | 0.62  | 26.4  |
|  | Operating costs for company-sponsored schools   | 2.65         | 3     | 7.91  |       |
|  | Supports and donations (education and related infrastructure)                         | 0.03         | 0.05  | 0.14  |       |
| Access to clean water by engaging local communities in improving water management and treatment              | Supports and donations (water)  | 0.06         | 0.42  | 0.13  | 0.61  |
| Access to employment and opportunities, including developing productive activities and entrepreneurship      | Social programs (economic development)  | 0.57         | 0.6   | 1.47  | 3.36  |
|  | Development of local suppliers  | 0.09         | 0.34  | 0.29  |       |
| Strengthen social inclusion in the communities   | Social programs (culture and inclusion)   | 1.04         | 1.41  | 1.55  | 16.01 |
|  | Community programs  | 3.91         | 3.42  | 4.68  |       |
|  | Supports and donations (culture)  | 0.01         | 0.18  | 0.08  |       |
| Access to housing and basic services, including the development of sustainable infrastructure in urban areas | Operating costs for SCC neighborhoods   | 11.61        | 13.8  | 19.38 | 44.84 |
|  | Supports and donations (infrastructure, works, equipment and services in communities) | 0.05         | -     | -     |       |
| Strengthen sustainable management and efficient use of natural resources                                     | Supports and donations (environmental protection)                                     | -            | 0.46  | 1.44  | 1.9   |
| Combine efforts for the conservation and sustainable management of forests and terrestrial ecosystems        | Social programs (environmental)   | 0.09         | 0.16  | 0.13  | 0.38  |
| Promote volunteerism, inclusion, human rights and citizen engagement   | Social programs (volunteering and citizen engagement)                                 | 0.54         | 0.63  | 0.65  | 2.56  |
|  | Supports and donations (volunteering and citizen engagement)                          | 0.03         | 0.28  | 0.43  |       |
| Total  |   | 26           | 26.71 | 41.13 | 93.57 |



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

Investments

| Benefits identified  | Investments                         | US\$ million |       |       |        |
|--|-------------------------------------|--------------|-------|-------|--------|
|  |                                     | 2021         | 2022  | 2023  | Total  |
| Support to develop healthcare infrastructure in comuniites   | Healthcare infrastructure           | -            | 0.53  | 1.25  | 1.78   |
| Construction and upgrades for schools to provide safe learning environments, including company-sponsored schools | School infrastructure               | -            | 24.95 | 41.35 | 66.3   |
| Support for the withdrawal, treatment and distribution of clean water in the local communities                   | Water infrastructure                | 0.36         | 8.08  | 9.91  | 18.35  |
| Development of regional infrastructure in support of the economic development and wellbeing of communities       | Regional infrastructure             | 38.62        | 5.15  | 4.68  | 48.45  |
| Development of sustainable infrastructure in urban areas, including cultural and natural heritage protections    | Urban and cultural infrastructure   | 1.88         | 3.13  | 0.82  | 6.23   |
| Infrastructure for the preservation and sustainable management of terrestrial ecosystems                         | Infrastructure in SCC neighborhoods | 0.96         | -     | 0.72  | 1.68   |
| Total  |                                     | 41.91        | 42.15 | 58.73 | 142.79 |

## 2.8 ESG Assessments and Recognitions

GRI 2-28, 2-29

|  |   |
|--|---|
|                       | <p>Southern Copper Corporation ranked among the <b>top 10% of mining sector companies</b> in the 2023 S&amp;P Global Corporate Sustainability Assessment (CSA), 18th position (out of 200). We also received some of the highest scores in the sector in areas such as occupational health and safety, closure of operations, and human capital development.</p>  |
| <p>Member of<br/><b>Dow Jones<br/>Sustainability Indices</b><br/>Powered by the S&amp;P Global CSA</p> | <p>Southern Copper Corporation has been included in the Dow Jones Sustainability Index MILA<sup>13</sup> since 2019. In 2023, SCC remains <b>one of the only two Mining and Metals sector companies in the region</b> in the index. Our inclusion in this index reflects our ongoing improvement efforts in our environmental, social and governance (ESG) performance and disclosures in our company reports.</p>                                    |
|                      | <p>For the third year in a row, Southern Copper Corporation is included in the Sustainability Yearbook 2024<sup>14</sup>, which lists the <b>top 15% of companies in the Mining and Metals industry</b> based on their Corporate Sustainability Assessment (CSA) results.</p>   |
|                     | <p>We continue to make progress on obtaining responsible production certification. We hold The Copper Mark , The Zinc Mark and T he Molybdeunm Mark<sup>15</sup> responsible production seals for our La Caridad Mine, Sonora Processing Plant (METCO) and the San Luis Potosi Zinc Refinery. We have started the certification process for our Buenavista del Cobre mine in Sonora and for our three mines in Peru (Cuajone, Toquepala and Ilo).</p> |

<sup>13</sup> MILA – Latin American Integrated Market: Includes companies from Pacific Alliance member countries with the best performance in the CSA assessment.

<sup>14</sup> The S&P Global Sustainability Yearbook 2024 lists the top 15% of companies in their industry scoring within 30 points of the company with the best performance in their industry.

<sup>15</sup> 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.



Sustainability as the axis of our transformation

Material Topics for Southern Copper Corporation

Risk Management

Cross-Division Goals & Targets

Stakeholder Engagement






Investments in Sustainable Development

Contributions to the ODS

ASG Assessments and Recognitions

Southern Copper Corporation was listed for the second time in 2023 in the **S&P/BMV General Peru ESG** index.

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 have actively participated in the Sustainalytics annual Mining and Metals assessment for the ESG Risk Ratings Report since 2020. In 2023, we improved our rating for Southern Copper Corporation 16%, compared with 2021.  |
|    | In <b>occupational safety</b> , 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.   |
|   | In <b>biodiversity</b> , 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.   |
|  | In the <b>labor aspect</b> , our Processing Plant in Sonora, our smelter and refinery for ore mined in the region, received Great Place to Work certification to rank out 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.   |
|  | In the <b>social aspect</b> , 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, <i>Radio Programas del Perú</i> and the Frieda Association, for our contributions to irrigation infrastructure with the Cularjahuira dam and our steppe farming project in Candarave, Tacna. |

Certifications



ISO 14001 and 45001 certifications

Our environmental management and health and safety systems are another key way that Southern Copper Corporation 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.



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# 3 Shared Value

**3.1  
Economic  
Contributions**



**3.2  
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# 3.1 Economic Contributions

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3.1.4  
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3.1.5  
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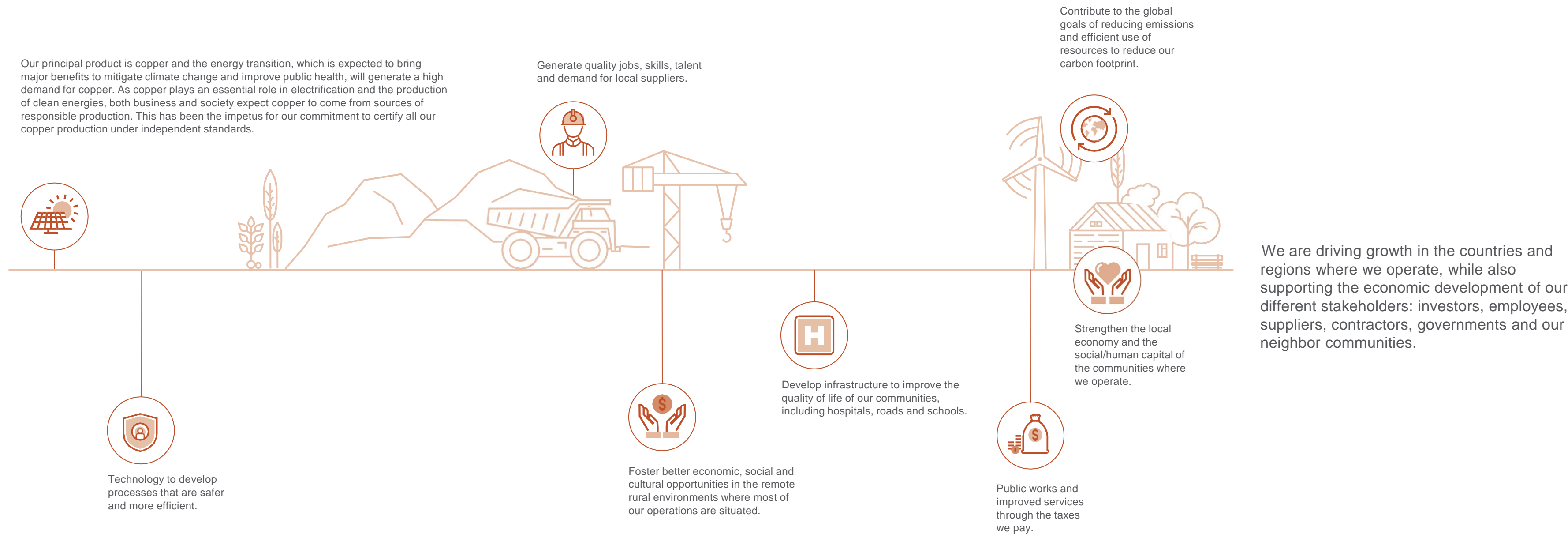
# Shared Value

## Looking to the future

At SCC, 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.





## 3.1 Economic Contributions

### 3.1.1 Highlights

**US\$ 7,935 bn**

economic value distributed to our stakeholders, mainly through operating costs, financing, suppliers, salaries, wages and employee benefits

**+15,000**

direct jobs at SCC

**US\$100 M**

invested in social projects and donations for our communities, including infrastructure projects

### 3.1.2 Tax 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.

- Comply 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<br>(SCC and subsidiaries)                                | Commitments   |
|---|---|
| <a href="#">Anti-Corruption Policy</a>                                    | <ul style="list-style-type: none"><li>• 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.</li><li>• Define the procedures, controls and standards of conduct to manage the related risks and conduct business with integrity.</li></ul>   |
| <a href="#">Risk Management and Control Policy</a>                        | <ul style="list-style-type: none"><li>• 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.</li><li>• Implement a risk management and control system to define and implement the methodology, criteria and activities necessary to manage and control the risks identified.</li></ul>   |
| <a href="#">Policy on Economic Competition</a>                            | <ul style="list-style-type: none"><li>• Promote an open and competitive internal market that fosters free competition.</li><li>• Ensure equal opportunities in the market, where success in business is determined by capacity, effort and innovation.</li><li>• Define guidelines for ethical conduct during business processes and participations in business and professional associations and forums.</li></ul>   |
| <a href="#">Anti-Money Laundering and Anti-Terrorism Financing Policy</a> | <ul style="list-style-type: none"><li>• Establish guidelines and mechanisms to detect, mitigate, prevent and report acts and/or transactions that could potentially involve resources obtained by illegal means.</li><li>• Promote compliance with anti-money laundering and anti-terrorist financing laws and regulations.</li><li>• 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.</li></ul> |
| <a href="#">Conflict of Interest Policy</a>                               | <ul style="list-style-type: none"><li>• Identify, avoid and report conflicts of interest to prevent illegal actions and promote a culture of business ethics.</li></ul>   |
| <a href="#">Data Privacy and Management Policy</a>                        | <ul style="list-style-type: none"><li>• Guarantee the right to data privacy and protection for all persons who provide personal information as part of their dealings with AMC and subsidiaries.</li></ul>  |



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



AMC Fraud Prevention Program  
(applicable at SCC)

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 the 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 way 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 are regularly supervised with:

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

This program supports Southern Copper 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 those funds.

Southern Perú 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>



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 our Administration and Finance departments.

The second level of oversight is provided by the Administration and Finance departments, while the Administration and Control department reviews and validates our compliance with these aspects.

Meanwhile, the SCC Corporate Audit department reviews 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 our defined policies and are committed to completing the 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 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 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, see Investment 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.

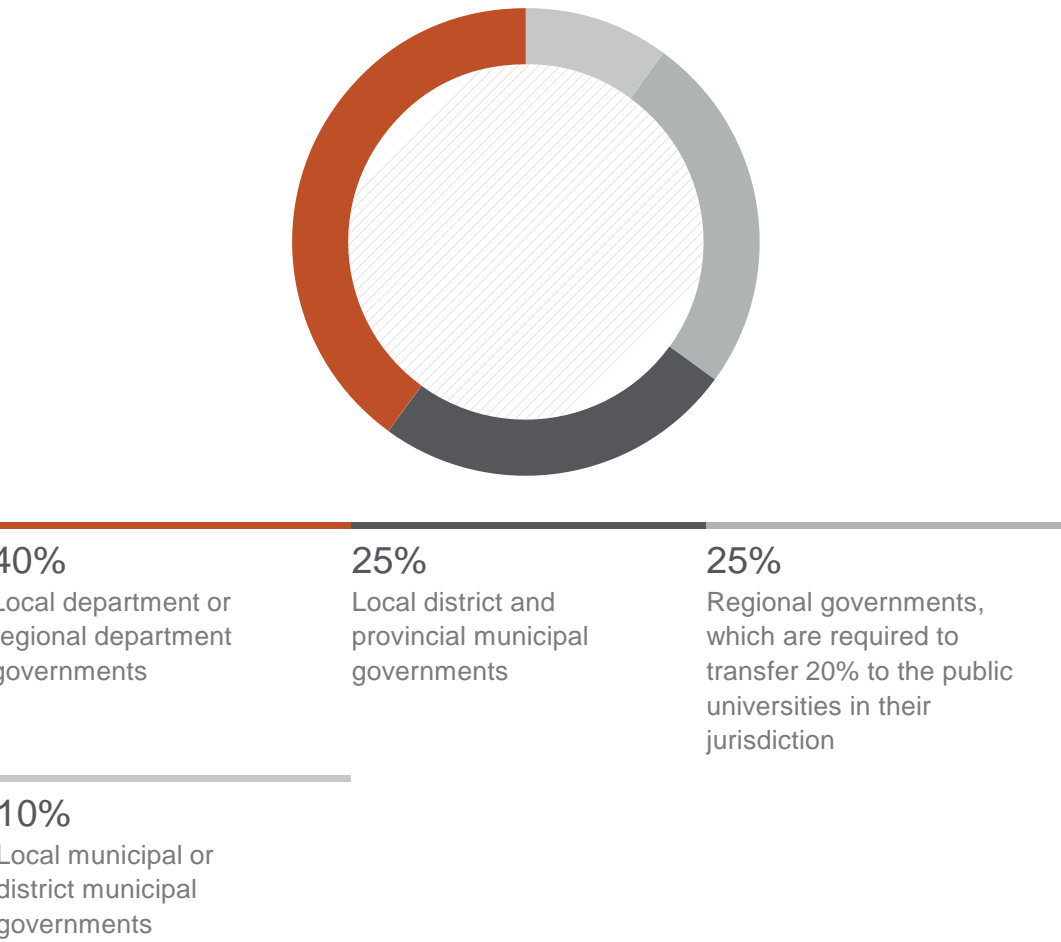
Today, the government distributes the resources collected from the Special, Additional and Extraordinary Mining Rights to different entities, including the Ministry of Education and the Ministry of Health to invest in projects to improve schools, the services and infrastructure of the healthcare sector, 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).

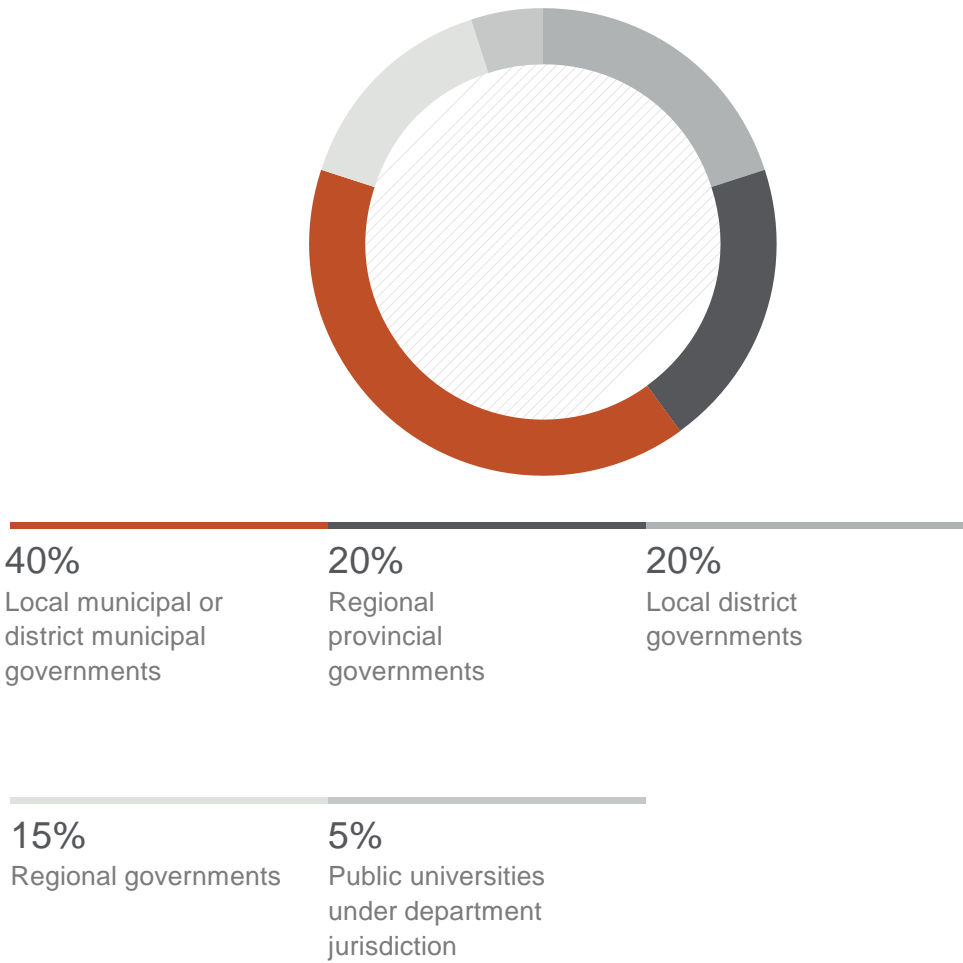
The Ministry of the Economy and Finance set the criteria for distributing the Mining Fund resources to the regional and local governments, considering aspects such as population and requirements of basic needs.

The distribution is detailed following:



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:





### 3.1.5

#### Metrics and Indicators

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)

### a) Economic Value Generated & Distributed

GRI 201-1

The distribution by country is summarized in the table following<sup>2</sup>:

| Economic Value Generated (EVG) |             |        | Valor Económico Distribuido (VED) |  |           |       |                       |                           |           | US\$ million            |
|--------------------------------|-------------|--------|-----------------------------------|--|-----------|-------|-----------------------|---------------------------|-----------|-------------------------|
|                                | # Employees | Sales  | Operating costs <sup>3</sup>      | Salaries, wages and employee benefits <sup>3</sup> | Financing | Taxes | Community investments | Donations + GM Foundation | Total EVD | Economic Value Retained |
| SCC                            | 15,810      | 10,157 | 4,878                             | 483  | 330       | 1,603 | 96                    | 4                         | 7,395     | 2,762                   |
| Mexico (MM)                    | 10,846      | 6,219  | 2,882                             | 247  | 38        | 945   | 20                    | 3                         | 4,134     | 2,084                   |
| Peru (SPCC)                    | 4,979       | 3,972  | 2,075                             | 225  | 289       | 658   | 76                    | 1                         | 3,324     | 649                     |
|                                |             |        |                                   |  |           |       |                       |                           |           |                         |
| 2022                           | 16,316      | 10,968 | 4,749                             | 538  | 378       | 2,494 | 71                    | 2                         | 8,230     | 2,738                   |
| 2021                           | 14,755      | 10,903 | 3,622                             | 421  | 380       | 2,177 | 66                    | 6                         | 6,673     | 4,231                   |

- SCC operations generated a total economic value of US\$10.157 billion in 2023.
- 73% (US\$7.395 billion) of this amount was distributed to our stakeholders, mainly through operating costs, taxes, financing, salaries, wages and employee benefits.

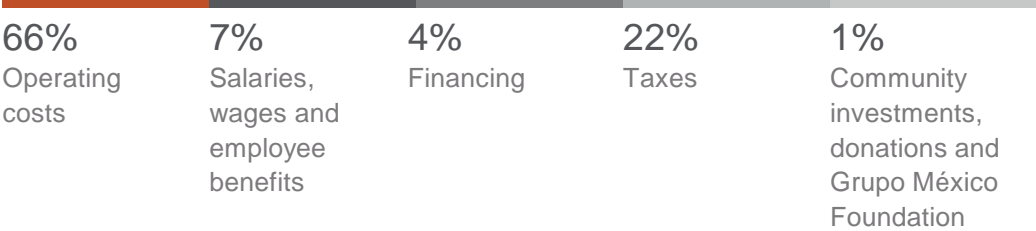
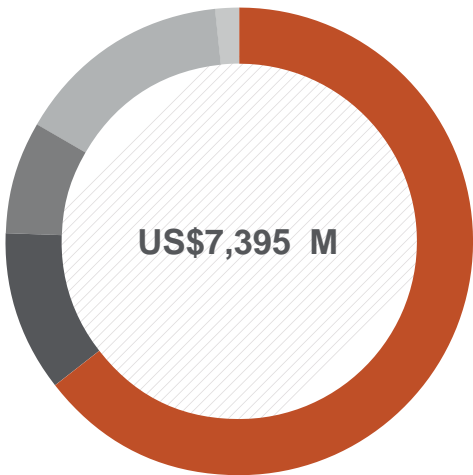
<sup>1</sup> Includes mining rights, concession rights and other taxes.

<sup>2</sup> 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.

<sup>3</sup> The total Operating Costs and Salaries, Wages and Employee Benefits include eliminations between companies.

SCC

2023 Economic Value Distributed



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 country:

| US\$ 000  | Mexico    | Peru      |
|---|-----------|-----------|
| Revenue from sales to third parties                                   | 5,977,415 | 3,854,335 |
| Revenue from intra-group transactions with other fiscal jurisdictions | 82,107    | 0         |
| Earnings before taxes   | 2,786,574 | 1,473,357 |
| Tangible assets other than cash and cash equivalents                  | 7,351,921 | 3,855,209 |
| Corporate income tax paid on a cash basis                             | 834,218   | 610,549   |
| Corporate income tax accrued on profit (loss)                         | 883,008   | 615,228   |

b.2) Revenue and taxes by country

GRI 207-4

|                                | US\$ million |         |
|--------------------------------|--------------|---------|
| Revenue                        | Mexico       | Peru    |
| Revenue from unrelated parties | 5,977        | 3,854   |
| Revenue from related parties   | 82           | -       |
| Taxes paid / (refunded)        |              |         |
| Corporate tax                  | 679.1        | 456.6   |
| Other taxes                    | 155.1        | 153.9   |
| Total supported taxes          | 834.2        | 610.5   |
| Additional information         |              |         |
| Number of employees            | 10,696       | 4,488   |
| Tangible assets (US\$ million) | 7,351.9      | 3,855.2 |

b.3) Tax expense and tax rates

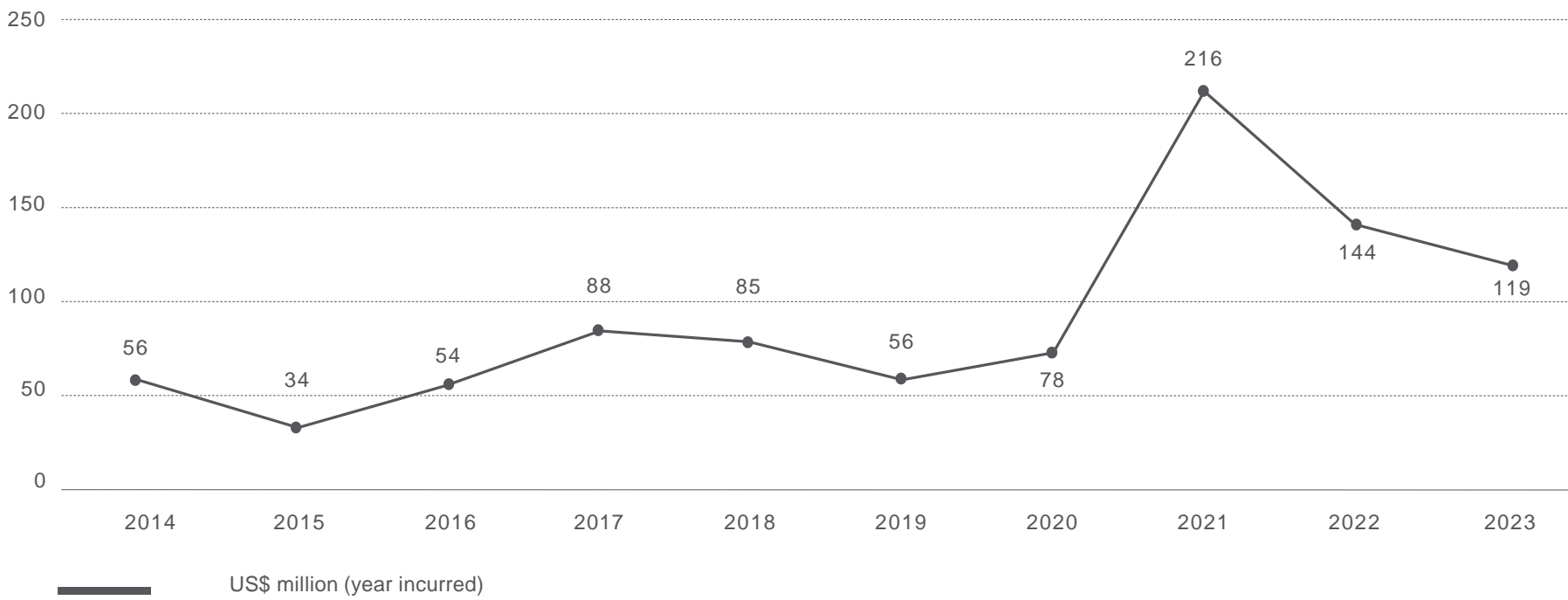
GRI 207-4

|   | US\$ million |         |
|---|--------------|---------|
| Revenue                                     | México       | Perú    |
| Earnings (loss) before taxes (US\$ million) | 2,786.6      | 1,473.4 |
| Income tax on earnings (US\$ million)       | 883.0        | 615.2   |
| Tax rate on financial statements            | 31.7%        | 41.8%   |
| Statutory tax rate                          | 30.0%        | 29.5%   |

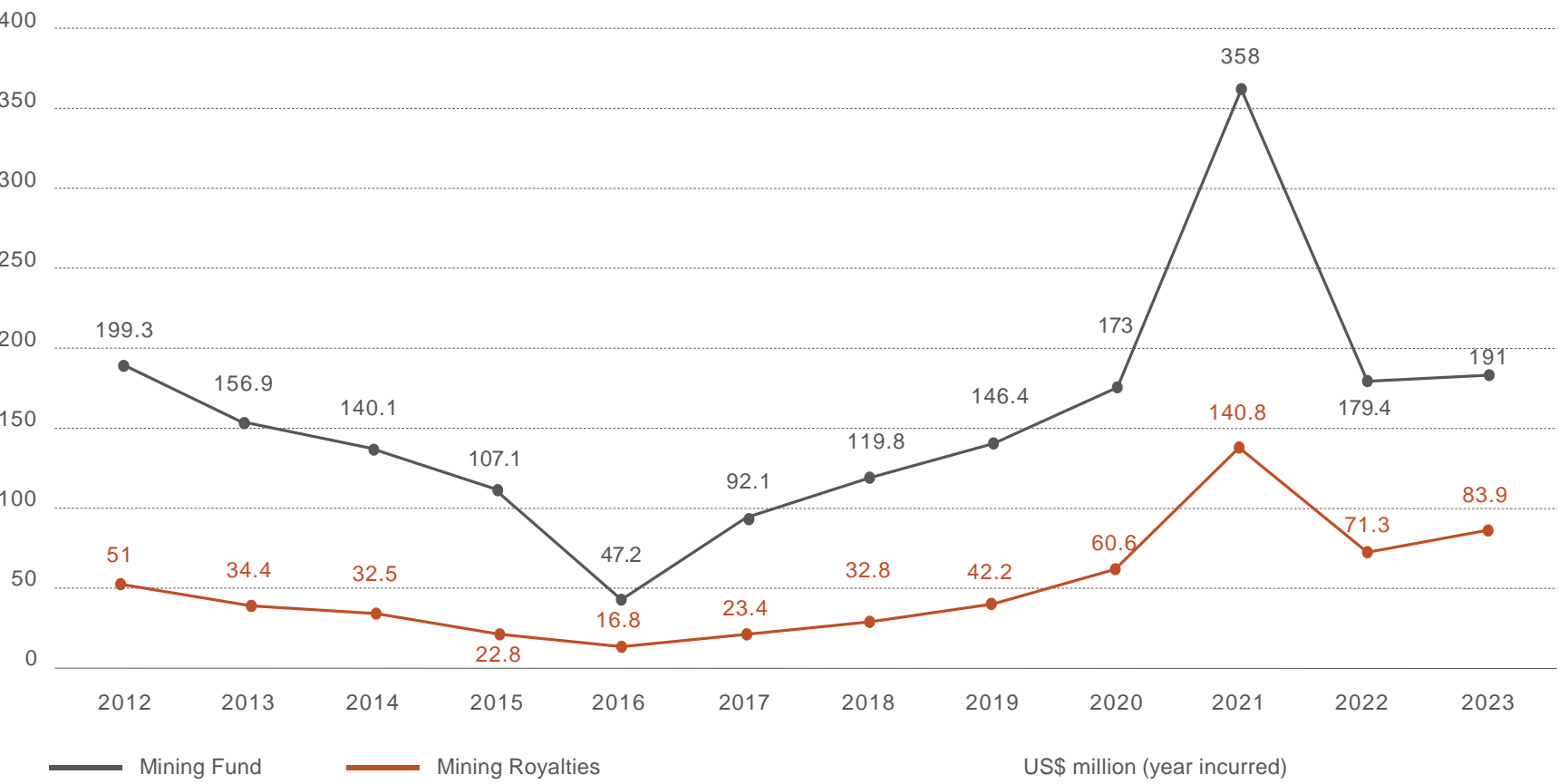


C) Payments to governments

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



c.2) Mining Fund and Royalties (Peru)



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# 3.2 Supply Chain Management

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3.2.3  
Management



3.2.4  
Strategy



3.2.5  
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3.2.6  
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Indicators





## 3.2 Supply Chain Management

At SCC, 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

5,626

suppliers in Mexico and Peru

US\$2,412 bn

spent on goods and services

90%

of our spending on suppliers was with local<sup>1</sup> and national<sup>2</sup> suppliers

US\$2,165 bn

invested in local and national supply, with a total 4,452 suppliers

592

suppliers identified as critical<sup>3</sup>, representing **11%** of our total suppliers this year

### 3.2.2 Governance

Our Procurement departments develop and implement management frameworks for our supply processes, while the Sustainable Development department advise on ongoing improvement and best practices for the environment, social and governance aspects through the value chain, including assessment and certification processes.



Visit the Grupo México Sustainability website for more information.

<sup>1</sup> The term 'local supplier' refers to suppliers that operate their goods or services in the same state as where our operations are located.  
<sup>2</sup> Refers to a supplier that is in the same country where they provide the goods or services. Local suppliers are not included in the count of national suppliers.  
<sup>3</sup> See Critical Suppliers.

### 3.2.3 Management

GRI 2-6, 204-1

With operations in Mexico and Peru, we have extensive experience in the mining sector, where SCC is a world leader in copper production.

The services we provide include the following, as classified by the Global Industry Classification Standard (GICS):








|     | Sector         | Industry Group  | Industry                 | Sub-industry      |
|-----|----------------|-----------------|--------------------------|-------------------|
| SCC | 15 – Materials | 1510- Materials | 151040 – Metals & Mining | 15104025 - Copper |

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 wellbeing of the communities where we operate. These policies apply to everyone involved in SCC, requiring all to act in accordance with our [Code of Ethics](#).

The SCC [Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners](#) formalizes 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 Suppliers, Contractors and Relevant Business or Commercial Partners.
- **02**  
Accept our Code of Ethics.
- **03**  
Adhere to our [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



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### 3.2.4 Strategy

The principal goals of our procurement departments are to:

- Optimize quality
- Reduce supply costs
- Follow up on agreed discounts
- Prepare and executive 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.

### ESG Approach

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

- a) Selection
- b) Review
- 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 presence of potential suppliers.

#### Selection process

The selection process for suppliers is integral to SCC’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** 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 Proposals (RFP)**, where we share the list of products that SCC 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%  |
| <ul style="list-style-type: none"><li>• Production plants and offices</li><li>• Production plant locations</li><li>• Production capacity and warehousing</li><li>• Delivery times</li><li>• Quality of logistics</li><li>• Supply chain risks</li><li>• Incoterms</li><li>• Countries where the principal raw materials are produced</li></ul> | <ul style="list-style-type: none"><li>• Recorded sales</li><li>• EBITDA</li><li>• EBITDA margin</li><li>• Income statements</li><li>• Complete, current and audited information</li></ul> | <ul style="list-style-type: none"><li>• Mission, vision and values statements</li><li>• Code of Ethics and Conduct</li><li>• Policies</li><li>• Year founded</li><li>• HQ location</li><li>• Principal customers</li></ul> | <ul style="list-style-type: none"><li>• Quality</li><li>• Security</li><li>• Customer service</li><li>• Technical support</li></ul> | <ul style="list-style-type: none"><li>• Environmental policies</li><li>• Relevant certifications</li></ul> |



Filtering and Monitoring

The SCC 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 been 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 at SCC 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.



Metallurgical Complex employee, Esqueda, Sonora, México

b) Review

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 reviews 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 reviews 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 on previously determined criteria:

- ✓ 100 >70 = approved, reliable
- ✗ 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.

We apply sustainability criteria in our 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)



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

We have procedures in place for conducting 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 reviews and audits 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, SCC 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 Major 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.

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:** 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 SCC to receive grievances and/or concerns from the community, including suppliers.
- **Provee:** Company program that develops local supply and offers training, operating at our Mexican and Peruvian operations. Includes developing the ESG capacities of local suppliers.



La Caridad employee, Nacozari de García, Sonora, México

**Provee: Developing local suppliers**

The *Provee* program (formerly known as *Forjando Futuro* (Forging Futures)) contributes 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 SCC, 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, SCC 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 Business or Commercial 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<sup>4</sup>, 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 our Procurement and Contract Operations Control Procedure for our operations in Mexico.

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 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 in the medium term.

#### 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.

<sup>4</sup> List of companies or suppliers interested in participating in bidding processes or in offering their services to provide specific goods or services.

3.2.6

Metrics and Indicators

GRI 2-6, 204-1

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

- a. Spending with suppliers
  - Spending with 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 (major) critical suppliers
- d. ESG program - Review
  - Annual goal of suppliers reviewed
  - Number of suppliers reviewed
- e. EDG program - Development and support services
  - Training for local suppliers - *Provee*

a) Spending on Suppliers

GRI 204-1

Distribution of spending on suppliers

US\$ million

|             | Total spending | Total suppliers | Local suppliers |         | National suppliers |         | International suppliers |         |
|-------------|----------------|-----------------|-----------------|---------|--------------------|---------|-------------------------|---------|
|             |                |                 | Total spending  | Total # | Total spending     | Total # | Total spending          | Total # |
| 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     |

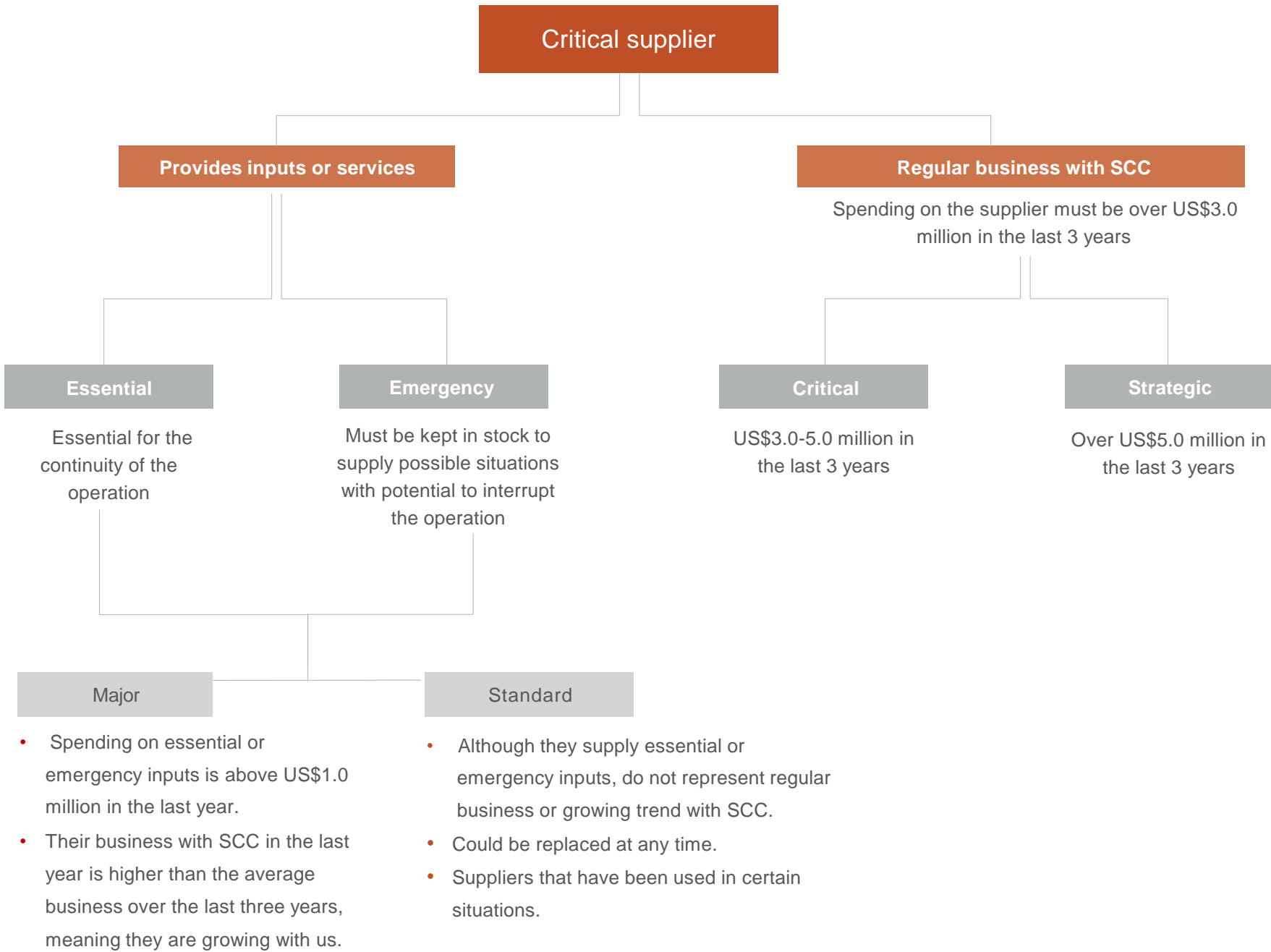
- We spent US\$6.226 billion on purchases of goods and services in 2023, representing a 37% year-over-year increase.



b) Critical Suppliers

Identification of critical suppliers

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



Spending on critical suppliers

- In terms of total spending, we identified 592 critical suppliers for SCC, representing 86% of our spending.

|             |                 | US\$ million                |                    |                   |                                      |                  |
|-------------|-----------------|-----------------------------|--------------------|-------------------|--------------------------------------|------------------|
|             | Total suppliers | Total spending on suppliers | Critical suppliers | % total suppliers | Total spending on critical suppliers | % total spending |
| 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%              |

c) ESG Program – Selection

Identification of Tier 1 (direct) suppliers and Tier 1 (major) critical suppliers

|             | Direct suppliers<br>(Tier 1) | Critical suppliers<br>(Tier 1-Major) | % total<br>suppliers |
|-------------|------------------------------|--------------------------------------|----------------------|
| SCC         | 5,626                        | 592                                  | 11%                  |
| Mexico (MM) | 3,200                        | 349                                  | 11%                  |
| Peru (SPCC) | 2,426                        | 243                                  | 10%                  |

- En 2023, la adquisición de productos y servicios generó la derrama económica de US\$6,226 millones, destacando el incremento de 37% con respecto al año anterior.

Filtering 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 according to 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 SCC 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 Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

At 2023 close, we are using the tool to monitor suppliers that meet the selection criterion of active business relationship valued in excess of US\$1.0 million in the last 5-6 years. We will apply the S&M process for these suppliers in 2024.



d) ESG Program – Review

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

|             | Onsite inspections |
|-------------|--------------------|
| Mexico (MM) | 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 spending, 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:

|                           | # 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 14001/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 of opportunity were not considered sufficiently relevant to cancel our business relationships with these suppliers.
- Continual monitoring was initiated through the Dow Jones Risk platform.

e) ESG Program – Development and support services

Training for local small suppliers – Provee

With the collaboration of our Procurement department, Community Development 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 Chamber and the Instituto Tecnológico de Cananea, training 74 local small businesses on various topics, including environmental, 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.



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# 4 Governance

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# 4 Corporate Governance

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**4.1.2  
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**4.1.3  
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**4.1.4  
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**4.1.5  
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**4.1.6  
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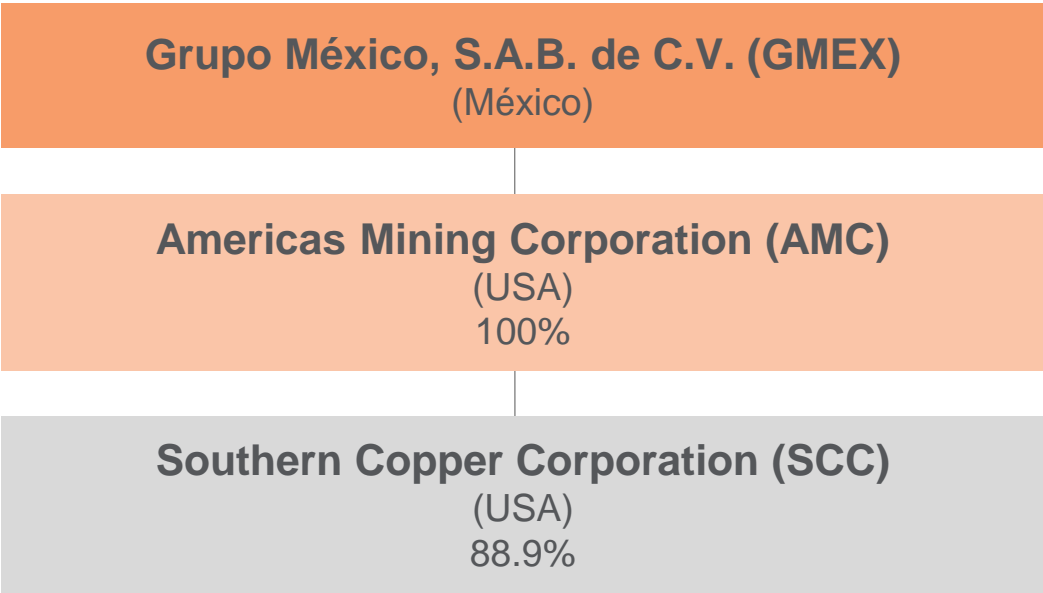


# 4.1 Corporate Governance

GRI 3-3

Southern Copper Corporation (SCC) is a leading company in copper mining. 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.

SCC is an indirect subsidiary of our majority shareholder, Grupo México S.A.B. de C.V. (“Grupo México”). As of December 31, 2023, Grupo México, through its wholly owned subsidiary Americas Mining Corporation (“AMC”), holds 88.9% of SCC’s common stock. Grupo México is the parent company to other mining and processing companies, also engaging in the purchase and sale of minerals and other products, and delivering railroad and other related services.



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

**Minera México (MM), includes:**

- Mexicana de Cobre, S.A. (La Caridad mine)
- Operadora de Minas e Instalaciones Mineras, S.A. de C.V. (Buenavista del Cobre mine)
- Industrial Minera México (IMMSA sites)

**Southern Peru Copper Corporation (SPCC), includes:**

- Operations in Peru

**Minera El Pilar:**

- Mine project in Mexico:

SCC trades on the New York and Lima Stock Exchanges (NYSE, BVL) and is regulated by the U.S. Securities and Exchange Commission (SEC) and the Peruvian Superintendency of Securities Market (SMV).



Buenavista del Cobre, Cananea, Sonora, México



4.1.1  
Governance Structure

GRI 2- 9

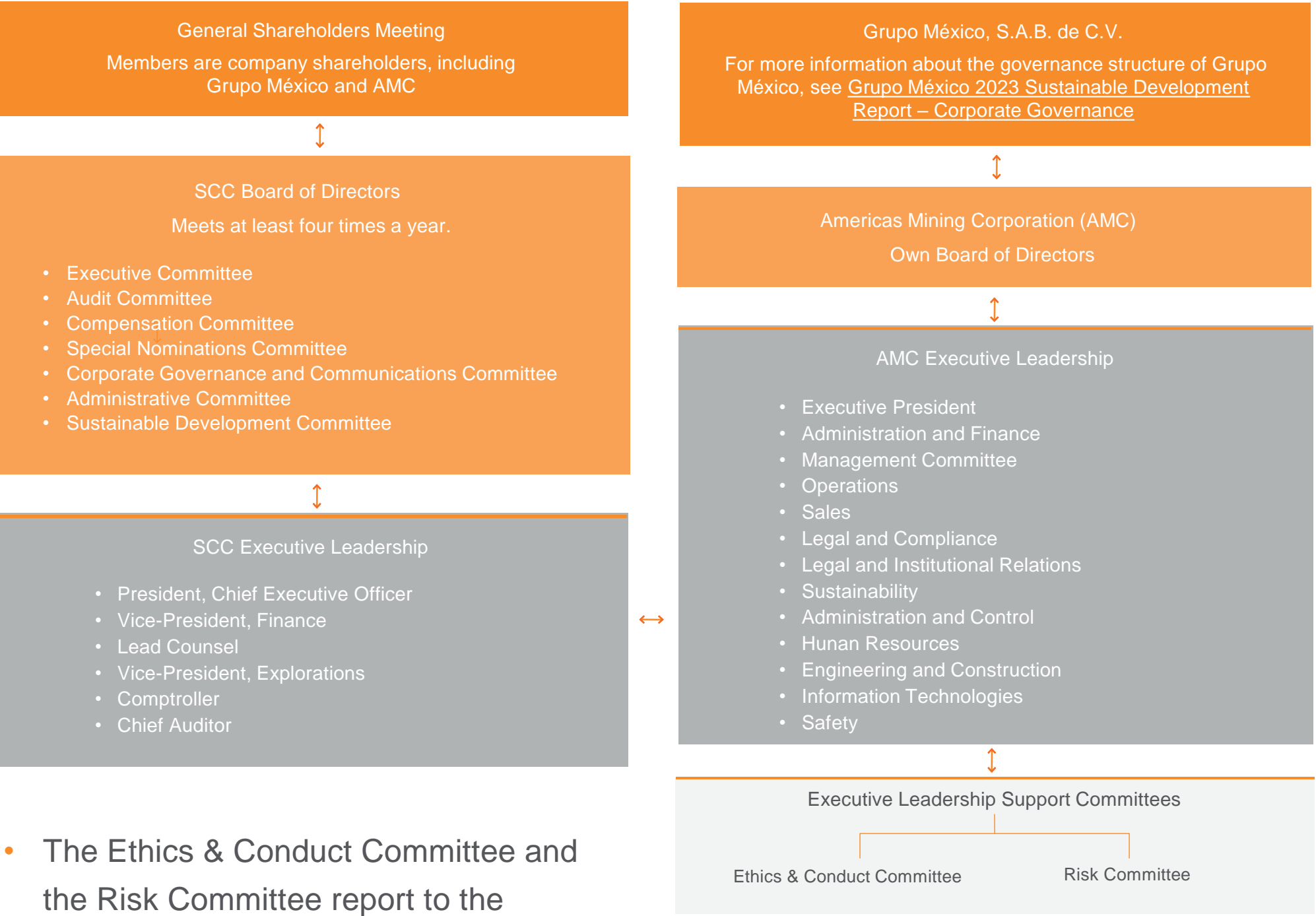
Our corporate governance structure incorporates international good practices and supports an environment of trust, transparency and accountability.

The General Shareholders Meeting is the supreme governing body of Southern Copper Corporation. This body reviews and approves the management reports submitted to it by the Board of Directors. Meanwhile, the Southern Copper Corporation 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 seven support committees:

- A. Executive Committee
- B. Audit Committee
- C. Compensation Committee
- D. Special Nominations Committee
- E. Corporate Governance and Communications Committee
- F. Administrative Committee
- G. Sustainable Development Committee

The corporate and organizational management of Southern Copper Corporation is part of the general management of the Grupo México Mining Division (Americas Mining Corporation), which includes SCC’s operations in Mexico and Peru, and also the operations of the AMC independent subsidiary in the United States, ASARCO. The Executive Leadership of SCC reports directly to the company president and vice-president, and also regularly reports the company’s performance to the Board of Directors.

SCC governing bodies and their relationship to Grupo México and Americas Mining Corporation (AMC)



- The Ethics & Conduct Committee and the Risk Committee report to the Executive Leadership.

4.1.2  
Board of Directors

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

Members

GRI 2-11, 2-17

The Southern Copper Corporation Board of Directors has 9 members, appointed by the General Shareholders Meeting. Decisions are made by a majority vote of the members present. The overall annual average attendance at Board meetings in 2023 was 97%.

| SCC Board Members in 2023  |   |
|--|---|
| <b>Germán Larrea Mota Velasco</b><br>Chairman                        | <b>Xavier García de Quevedo Topete</b> <sup>†</sup><br>Board Member       |
| <b>Oscar González Rocha</b><br>Board Member                          | <b>Luis Miguel Palomino Bonilla</b><br>Special Independent Board Member   |
| <b>Vicente Ariztegui Andreve</b><br>Independent Board Member         | <b>Gilberto Perezalonso Cifuentes</b><br>Special Independent Board Member |
| <b>Enrique Castillo Sánchez Mejorada</b><br>Independent Board Member | <b>Carlos Ruiz Sacristán</b><br>Special Independent Board Member          |
| <b>Leonardo Contreras Lerdo de Tejada</b><br>Board Member            |   |

For more information about the members of the Board of Directors, including their background, experience, and corporate governance roles, see the SCC Board of Directors table in the [Corporate Governance annexes](#) to this supplement.

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 businesspeople with extensive experience in their industries, which benefits the management of our SCC business. Bringing together experience from different sectors, and also complementary skills and expertise, provides a broad perspective for our line of business, and a variety of viewpoints on the current trends in our sector 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.

Southern Copper Corporation 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 the criteria set by the U.S. Securities and Exchange Commission (SEC), while also considering their 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 by a simple majority vote of company shares, serve for one year, and may be re-elected or removed at any time.

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.

Board members are deemed independent when they have no material relationship with the company. The Board adheres to the requirements and criteria set by the Securities Exchange Commission and the New York Stock Exchange to determine whether a board member is independent.

56% of our board members are independents.

<sup>4</sup> We mourn the passing of Mr. Xavier García de Quevedo, who died in October 2023.



## Performance Review

GRI 2-18

Under our [Corporate Governance Guidelines](#), the members of the Board of Directors participate in a self-assessment process each year to review the efficiency and effectiveness of the board and its committees.

### 4.1.3 Executive Leadership

The Southern Copper Corporation [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.

- Oscar González Rocha → President, Chief Executive Officer and Board Member
- Xavier García de Quevedo†<sup>6</sup> → Executive Vice-President
- Raúl Jacob Ruisánchez → Vice-President of Finance and Chief Financial Officer
- Andrés Carlos Ferrero Ghislieri → Lead Counsel
- Edgard Corrales Aguilar → Vice-President of Explorations
- Julián Jorge Lazalde Psihas → Secretary
- Lina Vingerhoets Vilca → Comptroller
- Raúl Vaca Castro → Chief Auditor

The Executive Leadership prepares and presents the financial statements and the financial, administrative, economic and legal information required by the U.S. Securities and Exchange Commission, which is 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.



Buena Vista del Cobre, Cananea, Sonora, México

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 areas and levels of the organization to ensure the risks and opportunities associated with our material topics<sup>7</sup> are considered in our strategic decision-making processes.

All areas of the company are involved in the management and monitoring of our sustainable development aspects. The Southern Copper Corporation Board of Directors Sustainable Development Committee reviews the reports prepared by the Corporate Sustainable Development Department on our management of risks and opportunities quarterly. Additionally, SCC’s sustainability management is part of the general management of Grupo México’s Mining Division in this area.

Sustainable Development Committee – Southern Copper Corporation Board of Directors

Principal roles and responsibilities

- Support the Board in:
- Risk management, program implementation, and monitoring 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.



<sup>7</sup> Includes occupational health and safety, water and waste management, biodiversity, climate change, human rights, business ethics, and our neighbor communities, among others.



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, next steps)
- Community development
- Diversity and inclusion (strategy, update our Diversity and Inclusion policy, awareness campaigns)
- Water management
- Critical risk management
- Corporate governance
- Progress on ISO 14001 and ISO 45001 certifications
- Publication of the 2022 Sustainable Development Report
- Mine waste
- Workplace health and safety

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 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 areas of the company to compile this report. Their roles and responsibilities include:

Our 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](#).

Roles and Responsibilities of the Corporate Sustainable Development Department



Align the vision and sustainable development targets with our strategic priorities.



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.

4.1.5  
Compliance

The Southern Copper Corporation Compliance department executes our Compliance program, which aims to foster among company employees and stakeholders compliance with SCC codes, local and federal legislation, and international industry best practices.

Our Compliance program addresses:

- Anti-Corruption
- Anti-Money Laundering and Anti-Terrorist Financing
- Personal Data Protection and Free Competition

Southern Copper Corporation’s commitment to ethical business practices and integrity throughout the company is seen in the implementation of our Compliance Programs, for which we have produced various policies on integrity based on our Code of Ethics. Also, personnel are continuous exposed to our policies through training programs and awareness materials, and our Reporting Line provides instruments and mechanisms for prevention, accountability and improvement actions.

Our commitment to taking actions and measures to prevent corruption is affirmed by the inclusion of the Grupo México Mining Division (including SCC) in the Business Integrity 500 index (IC500), which scores companies on their anti-corruption commitments.

4.1.6  
Cybersecurity

Governance

The Audit Committee assists the Board of Directors in supervising the company’s strategy on cybersecurity.

The Committee Chairman reports the cybersecurity performance to the SCC Board of Directors. Progress on the cybersecurity plan for the company is reviewed quarterly, while the implementation of the strategy and organizational priorities are reviewed twice a year.

Our Chief Information Technology and Security Officer (CITSO) and our Information Security Officer (ISO) steer the SCC information security strategy, supported by the Grupo México Chief Information Security Officer (CISO).

The SCC CITSO periodically reports to the Audit Committee on the assessments of the risks associated with cybersecurity and the actions to mitigate cybersecurity and antifraud risks, and also the status of projects to strengthen our security systems and improve our preparation against incidents, existing and emerging threats, and the results of third-party testing and assessments. The Audit Committee then presents its conclusions to the Board of Directors.

Culture of information security

Our Corporate Information Security Policy aligns the expectations associated with this topic area with our institutional approach. This policy is publicly available and communicated internally to all company personnel through our intranet portals and email campaigns.

We provide training on information security for all employees, including online workshops, periodical articles and inhouse 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 test 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.

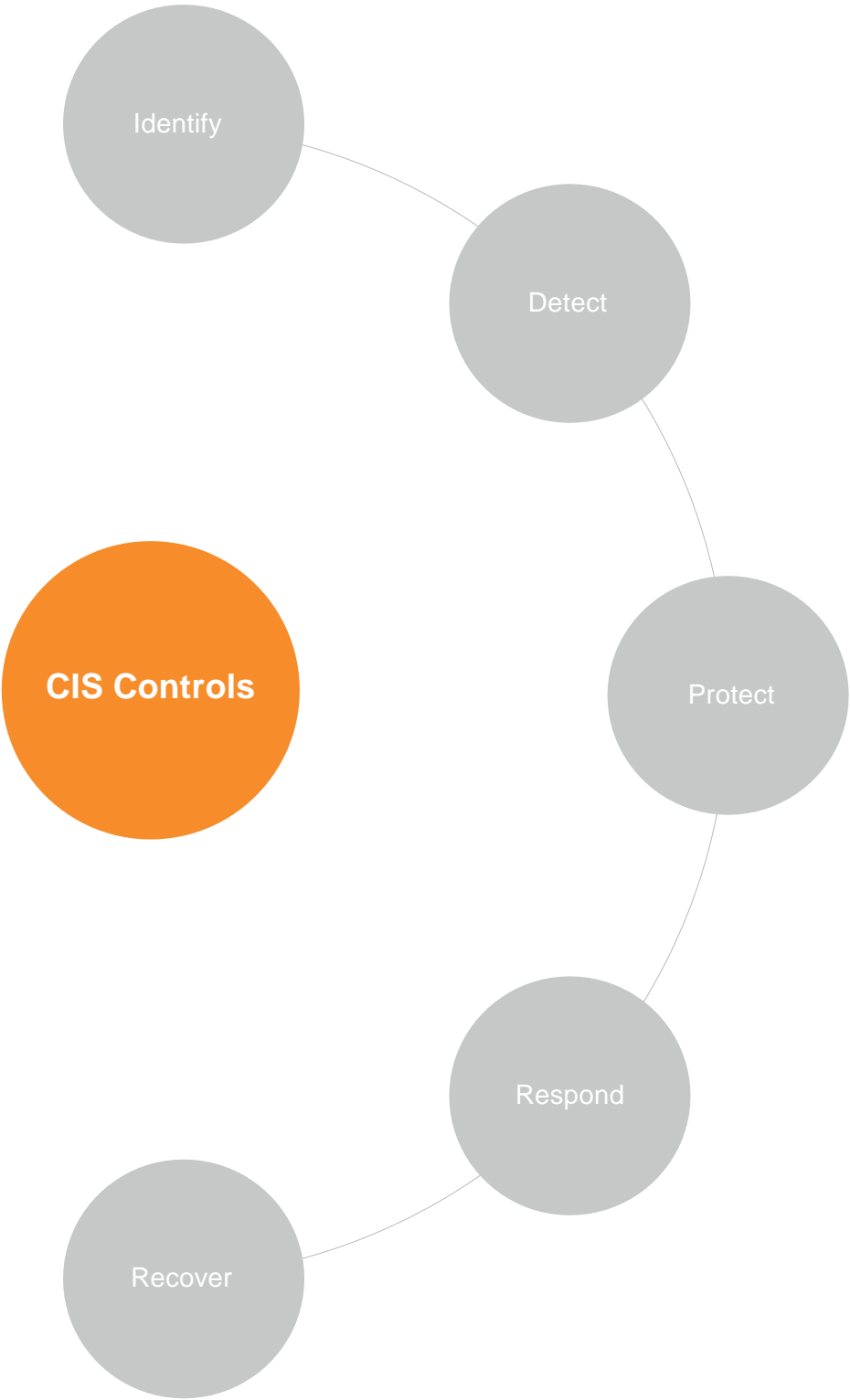


All employees have access to procedures that outline what to do if they detect a suspicious event, and also a direct line to Information Security personnel if an event requires priority attention.

Information security management systems

We have information security policies, processes, controls and systems in place, the design and architecture of which is based on the National Institute for Standards and Technology (NIST) benchmark and ISO27000 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, problema solving, and alignment to regulatory frameworks and international standards. These controls systematically monitor the implementation of improvement plans in terms of the following aspects:



Zinc electrolyte refinery employees, San Luis Potosí, México



Categories of controls monitored at Southern Copper Corporation:

- 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 Committee.

The internal audit department, with the Chief Information and Technology Officer and the Grupo México Corporate CISO, supervise the security management systems and controls to ensure these are operating according to the defined charts. Also, an outside consultant verifies compliance with regulatory requirements annually.

SCC hires specialized third-party firms for the following activities:

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

We 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.



Buena Vista del Cobre employee, Cananea, Sonora, México



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# 4.2 Business Ethics & 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 Southern Copper Corporation (SCC), we have implemented various accountability, process tracking and risk assessment measures. The COSO<sup>1</sup> framework provides 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 include:



We completed a significant transition in 2023 changing our Reporting Line provider 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.



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.



Compliance with the Mexican Law for the Prevention and Identification of Operations involving Resources of Illicit Origin is a priority for us. Our 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 on general information for third parties, and employee training.

<sup>1</sup> 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 Southern Copper Corporation, 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<sub>2</sub> 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 company 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.

We are held to the following publicly available policies:

| Policies  |
|---|
| <a href="#">Sustainable Development Policy</a>  |
| <a href="#">Workplace Health and Safety Policy</a>  |
| <a href="#">Environmental Policy</a>  |
| <a href="#">Anti-Money Laundering and Anti-Terrorist Financing Policy</a>                               |
| <a href="#">Human Rights Policy</a>   |
| <a href="#">Community Development Policy</a>  |
| <a href="#">Climate Change Policy</a>   |
| <a href="#">Tailings System Policy</a>  |
| <a href="#">Policy on Diversity, Inclusion and Non-Discrimination</a>                                   |
| <a href="#">Anti-Corruption Policy</a>  |
| <a href="#">Policy of Respect for the Rights of Indigenous Peoples and Communities</a>                  |
| <a href="#">Personal Data Protection Policy</a>   |
| <a href="#">Code of Ethics</a>  |
| <a href="#">Risk Control and Management Policy</a>  |
| <a href="#">Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners</a> |
| <a href="#">Policy on Conflicts of Interest</a>   |
| <a href="#">Policy on Donations and Sponsorships</a>  |
| <a href="#">Policy on Hospitalities, Gift and Business Courtesies</a>                                   |

Corporate Governance

Business Ethics and Integrity

### 4.2.2

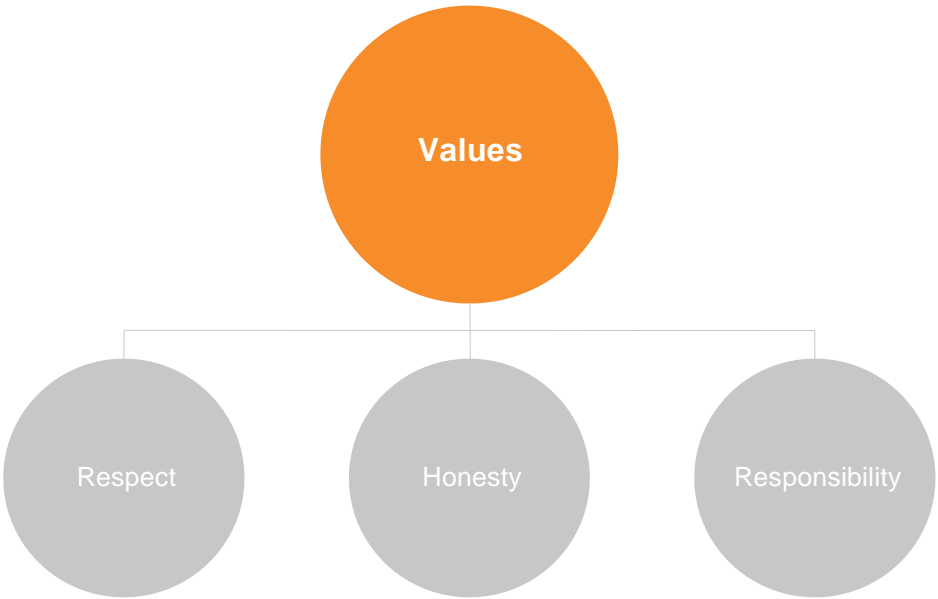
## Code of Ethics

### Values, principles and ethics

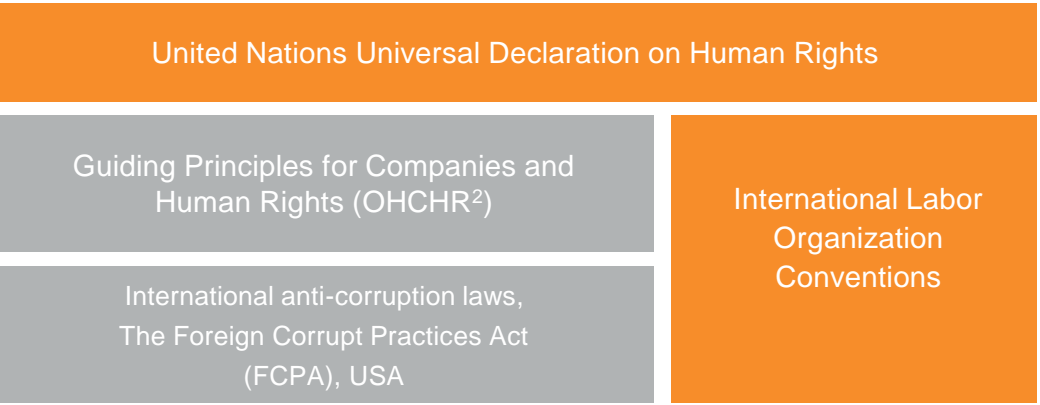
GRI 2-23

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 the company. We share our Code of Ethics with our value chain and our stakeholders to communicate our principles and how we conduct our relationships.



At Southern Copper Corporation, 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.



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, including 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 SCC, 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 Southern Copper Corporation 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.

SCC 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 500 internal reviews in 2023, and also remediation plans for operational, financial and non-financial issues.

<sup>2</sup> Office of the United Nations High Commissioner for Human Rights (OHCHR).



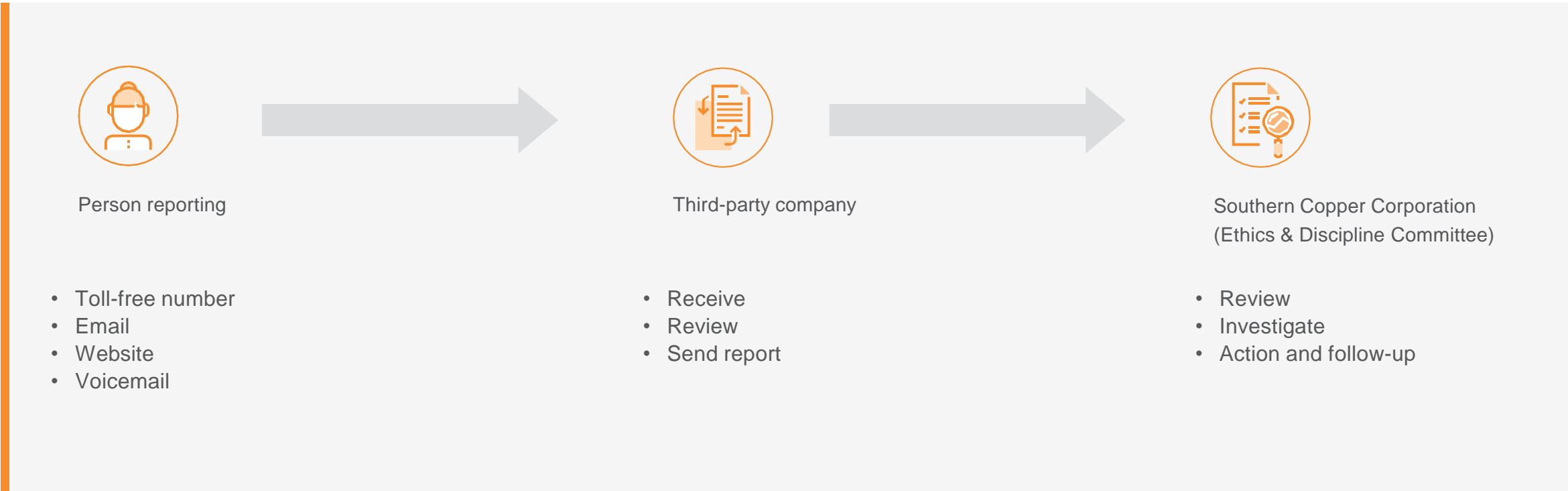
### 4.2.2 Reporting Line

#### Comprehensive Reporting System

GRI 2-25, 2-26

Southern Copper Corporation is committed to transparency and honesty. 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 SCC person has direct access to any information, and the records cannot be altered or deleted, and there is no access tracking.

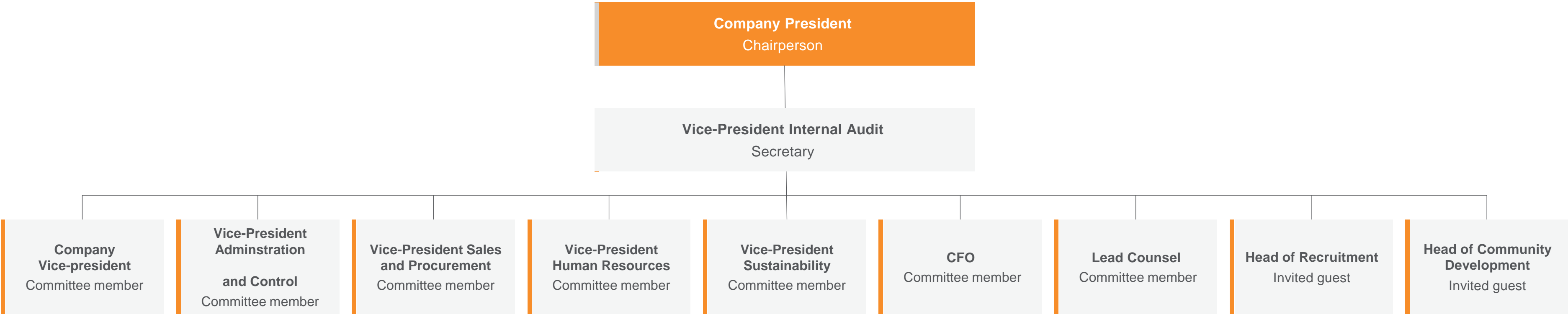


| Company                                 | Website   | Email  | Phone         |
|---|---|--|---------------|
| Minera México (Mexico)                  | <a href="https://gmm.lineadedenuncia.net/">https://gmm.lineadedenuncia.net/</a>   | <a href="mailto:gmm@lineadedenuncia.net">gmm@lineadedenuncia.net</a>   | 800 10 88 869 |
| Southern Peru Copper Corporation (Peru) | <a href="https://spcc.lineadedenuncia.net/">https://spcc.lineadedenuncia.net/</a> | <a href="mailto:spcc@lineadedenuncia.net">spcc@lineadedenuncia.net</a> | 080 078 258   |

Members of the Ethics and Discipline Committee

The Ethics and Discipline Committee 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 with the following:

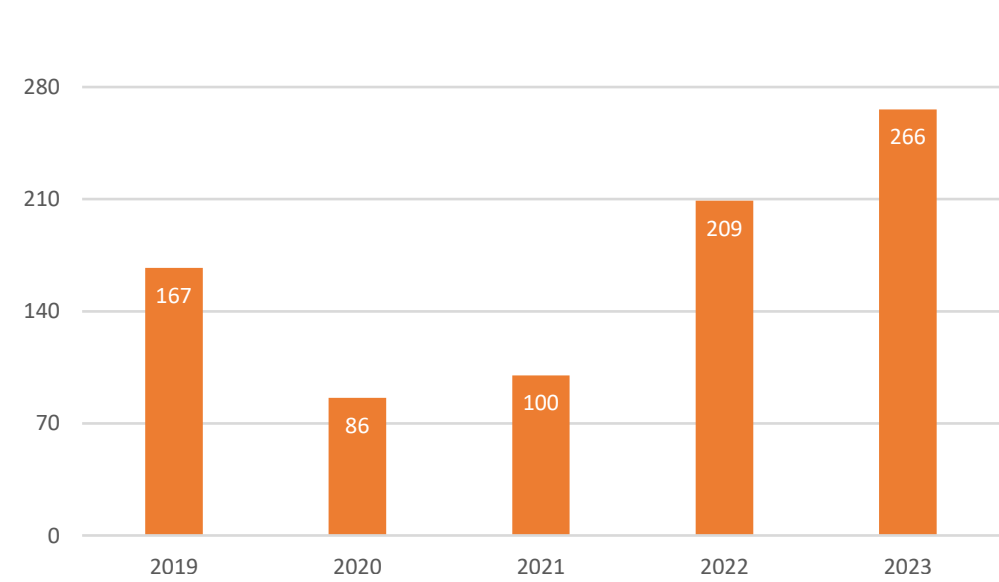




Reports received

We received 266 reports in 2023, a 21% increase over 2022. The principal grievance was abuse of authority, receiving 94 reports.

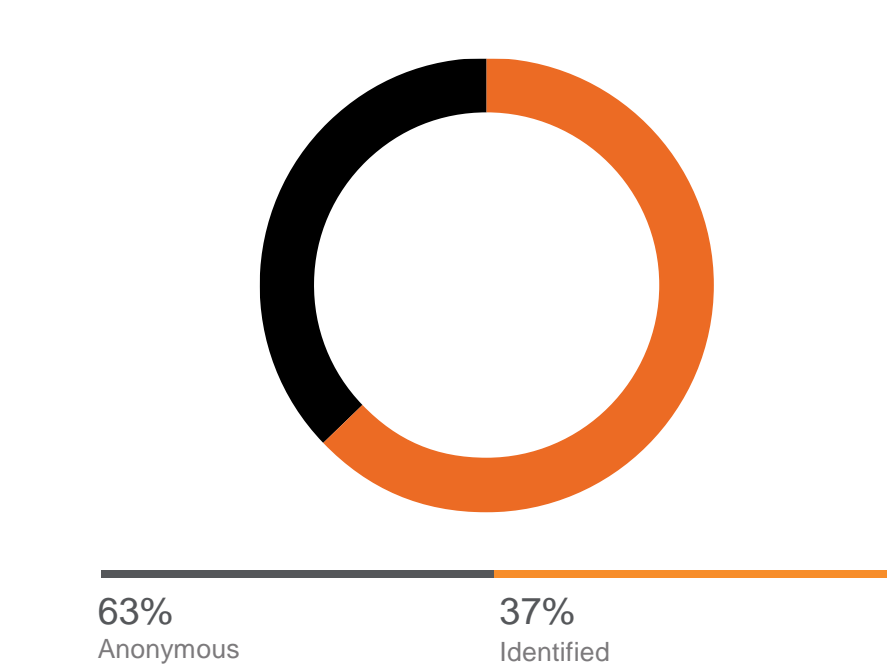
Total Reports Received 2019-2023



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.

Protecting the identity of the persons reporting

Categories of persons reporting2023



Of the 266 reports received, 63% were submitted anonymously, while a name and contact information were provided for the other 37%.

Principal reports by type (2023)

- 94 abuse of authority
- 37 conflicts of interest

| Reports Received (2023)                          |           |             |               |
|--|-----------|-------------|---------------|
|  | Total SCC | SPCC (Peru) | Minera Mexico |
| Human Resources-related                          | 152       | 121         | 31            |
| Discrimination                                   | 8         | 7           | 1             |
| Abuse of authority                               | 94        | 83          | 11            |
| Improper or unsafe working conditions            | 5         | 4           | 1             |
| Urban coexistence                                | 0         | 0           | 0             |
| Human rights violations                          | 1         | 1           | 0             |
| Other  | 44        | 26          | 18            |
| Business Ethics-related                          | 114       | 66          | 48            |
| Conflicts of interest                            | 37        | 14          | 23            |
| Corruption                                       | 0         | 0           | 0             |
| Customer data privacy                            | 0         | 0           | 0             |
| Money laundering / Use of privileged information | 0         | 0           | 0             |
| Other  | 77        | 52          | 25            |
| Total  | 266       | 187         | 79            |

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<sup>5</sup>, in any of its variants. The Reporting Line is available to company personnel, outside stakeholders, the government, communities and the general public.

4.2.6

Channels to promote professional ethics

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

Training

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

It is essential to SCC 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, we conducted our 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.

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



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| Code of Ethics training<br>(includes anti-corruption topics) |               |      |
|--|---------------|------|
|  | Minera México | SPCC |
| Executive Leadership   | 98%           | 91%  |
| Senior Management  | 98%           | 100% |
| Middle Management  | 98%           | 100% |
| Administrative / Operational personnel                       | 98%           | 49%  |
| 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.

\*\*Unionized personnel receive this training every two years, therefore the numbers are expected to be higher in 2024.

| Compliance training<br>(anti-corruption, anti-money laundering, forced labor, conflicts of interest) |               |      |
|--|---------------|------|
| SCC  | 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

SCC 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<sup>6</sup> in 2023. Additionally, SCC has received no report of corruption in the last 5 years.

## 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 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, Southern Copper Corporation does 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.

<sup>6</sup> Per the FCPA, acts of bribery, extortion or solicitation, trading influences and unauthorized facilitation payments, where government operations are involved.

|                    |
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## Legal actions for anti-competitive behavior anti-trust and monopoly practices

GRI 206-1

SCC was not subject to legal action involving anti-competitive behavior, anti-trust or monopoly practices in 2023. As a preventive action, the company 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.

Corporate Governance

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## Non-compliance with environmental laws and regulations

GRI 2-27, 307-1

Our 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. This taskforce meets quarterly and operates according to their Environmental Legal Compliance Policy, Environmental Legal Steering Committee Charter, and a Compliance Model and Manual.

We received six fines in 2023, totaling US\$351,667, which our Legal Department is reviewing and may challenge.

Number of environmental fines in the last 4 years<sup>7</sup>:

|      | Fines | US\$    |
|------|-------|---------|
| 2020 | 2     | 52,489  |
| 2021 | 10    | 781,780 |
| 2022 | 3     | 195,841 |
| 2023 | 6     | 351,667 |

<sup>7</sup> 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.



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# 5 Social

**5.1  
Workplace Health  
& Safety**



**5.2  
Our  
People**



**5.3  
Diversity  
& Inclusion**



**5.4  
Human  
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**5.5  
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**5.6  
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# 5.1 Workplace Health & Safety

5.1.1  
Highlights



5.1.2  
Governance



5.1.3  
Management



5.1.4  
Strategy



5.1.5  
Next Steps



5.1.6  
Metrics





## 5.1 Workplace Health and Safety

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

-24%

Reduction in our Lost Time Injury Frequency Rate (LTIFR) over the last 8 years.

+66%

Increase in safety training hours at our Southern Copper Corporation operations.

US\$127M

Invested in health and safety.

100%

Of our Southern Copper Corporation operations (13 sites) are ISO 45001 certified.

### Casco de plata

Award given by the Mexican Mining Chamber (CAMIMEX) to our Metalúrgica del Cobre copper refinery (for the third year in a row).

### Safe & Healthy Workplaces

Recognition given by the Mexican government (through the IMSS social security agency) to 8 Southern Copper Corporation operations in Mexico.

### 5.1.2 Governance

GRI 403-8

Our sites report their workplace health and safety management to our Southern Copper Corporation governing bodies. The Board of Directors, for example, monitors and follows up on this performance as described in the section [Corporate Governance – Sustainable Development Management](#).



Visit the Grupo México Sustainability website for more information.

### 5.1.3 Management

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

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.
1. Workplace Safety Analysis: We analyze the risks associated with the current conditions at our operations and prepare control actions.
2. 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.
3. 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.

As part of our commitment to the ongoing improvement of our management, we continued to implement a Critical Risk Log 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 Log:

- 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 below.

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



### 3. Ongoing evaluation of our performance

We have implemented various mechanisms for the ongoing improvement of our performance in 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 are divided into the following 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.



Visit the Grupo México Sustainability website for more information.



Buenavista del Cobre employee, Cananea, Sonora, México



5.1.4

Strategy

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

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, 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.

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 and health and safety personnel who have been trained to respond to emergency situations quickly.

We have 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.

Contractors

We expanded our Contractor Safety procedure 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 a health and safety folder that addresses the strategic elements defined by SCC prior to the briefing.



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 SCC 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

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

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 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.

5.1.5

Next Steps

GRI 403-6

As part of our ongoing improvement processes, we involve and encourage 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 2023 Targets, see [Our Approach – Corporate Goals](#).



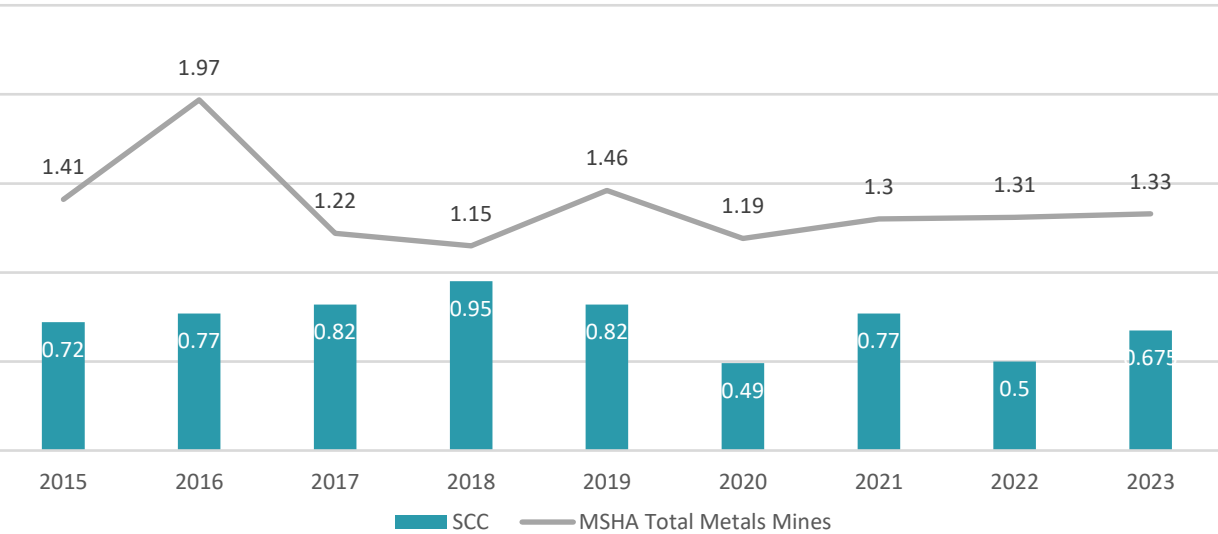
5.1.6  
Metrics

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

- a) Lost Time Injury Frequency Rate (LTIFR)
- b) Fatality Rate (FR)
- c) Trainings
- d) Certifications
- e) Occupational diseases

a) Lost Time Injury Frequency Rate (LTIFR)  
GRI 403-9

Southern Copper Corporation (2015-2022)



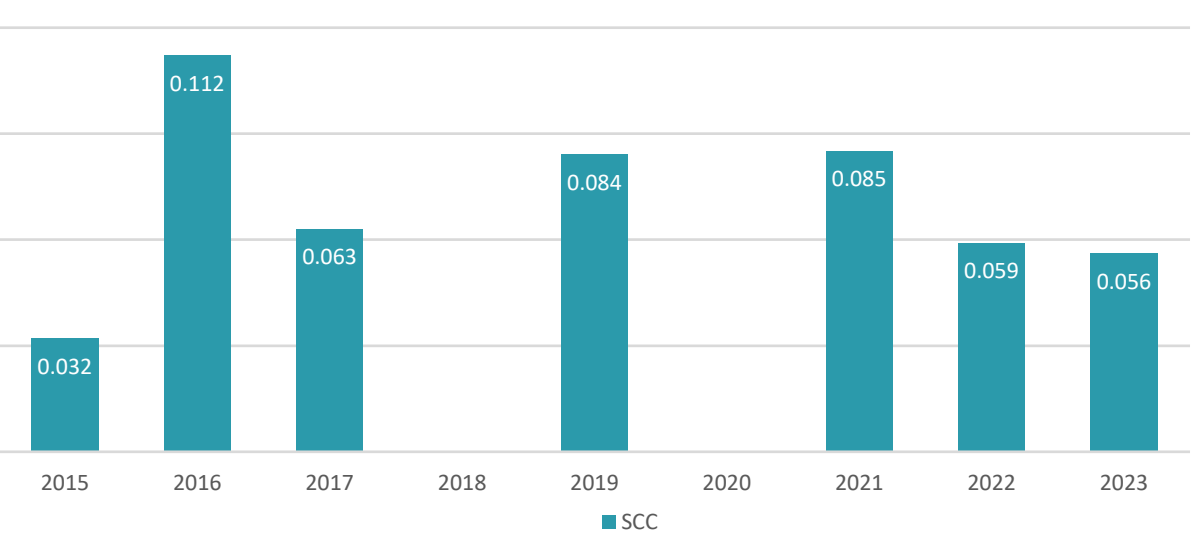
Lost Time Injury Frequency Rate (LTIFR) = 
$$\frac{(\# \text{ lost time injuries} \times 200,000)}{(\text{total man hours worked})}$$

The above table presents a comparison of the lost time injury frequency rate (LTIFR) for Southern Copper Corporation company personnel occurring per 200,000 man hours worked with the industry 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.

b) Fatality Rate (FR)  
GRI 403-9

Southern Copper Corporation (2015-2022)



Fatality Rate (FR) = 
$$\frac{(\# \text{ fatal accidents} \times 100,000)}{(\text{total man hours worked})}$$

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.

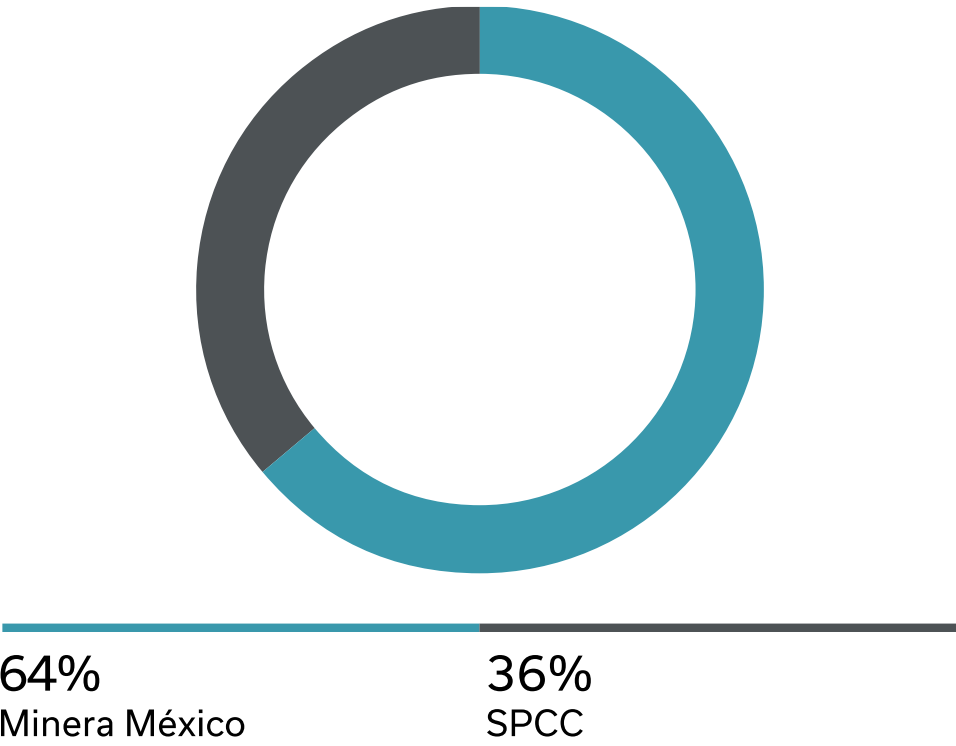
Following these events, we strengthened our control measures to upgrade our standards, prepare reports, increase media campaigns and instructional materials for personnel, and reinforced the application of corrective procedures and certifications for equipment operators by the supplier, accordingly

c) Training

GRI 403-5

Southern Copper Corporation delivered a total 242,978 training hours on workplace safety in 2023.

Safety training hours



We delivered basic and preventive safety training for a total 54,994 participants, both new and old hires (company and contractors), 20,892 hours of which were dedicated to training our contractor personnel.

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

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

All our 13 operations (100%) are ISO 45001 certified.

Operations certified:

- La Caridad
- Processing Plant (METCO)
- Lime Plant
- Guaymas Terminal
- Buenavista del Cobre
- Zinc Plant
- Charcas
- Santa Barbara
- Ilo
- San Martin
- Toquepala
- Central Repair Shop
- Cuajone



Charcas mine employee, San Luis Potosi, Mexico



e) Occupational Diseases

GRI 403-10

| Indicator   |                | SCC   | Mexico | Peru  |
|---|----------------|-------|--------|-------|
| I. Fatalities resulting from occupational diseases or illnesses | a) Employees   | 0     | 0      | 0     |
|   | b) Contractors | 0     | 0      | 0     |
| II. Recorded occupational diseases or illnesses                 | a) Employees   | 12    | 11     | 1     |
|   | b) Contractors | 0     | 0      | 0     |
| III. Occupational disease rate*                                 | a) Employees   | 0.062 | 0.089  | 0.015 |

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

The principal indicators in Health are:

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

The principal occupational diseases identified at Southern Copper Corporation 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.



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# 5.2 Our People

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5.2.3  
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5.2.4  
Next Steps



5.2.5  
Metrics







5.2.3  
Management and Strategy

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:

- [Code of Ethics](#)
- [Policy on Our People](#)
- [Human Rights Policy](#)
- [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

Southern Copper Corporation 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, Southern Copper Corporation 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](#).

### 5.2.5 Metrics and Indicators

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<sup>5</sup>**

- 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

**Atracción y retención de talento  
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

<sup>5</sup> The data reported here covers 100% of our workforce.

a) Workforce

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

At Southern Copper Corporation, 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](#).

96.2% of our employees are under permanent contract.

| Workforce <sup>11</sup> |        |        |       |            |
|-------------------------|--------|--------|-------|------------|
|                         | SCC    | México | Perú  | Sudamérica |
| Employees               | 15,810 | 10,802 | 4,979 | 29         |
| Women                   | 1,359  | 992    | 358   | 9          |
| Men                     | 14,451 | 9,810  | 4,621 | 20         |
| Permanent contracts     | 15,212 | 10,695 | 4,488 | 29         |
| W Full-time             | 1,297  | 978    | 310   | 9          |
| M Full-time             | 13,915 | 9,717  | 4,178 | 20         |
| M Full-time             | 598    | 107    | 491   | 0          |
| Women                   | 62     | 14     | 48    | 0          |
| Men                     | 536    | 93     | 443   | 0          |
| Contractors             | 13,066 | 7,359  | 5,707 | -          |

<sup>11</sup> Includes the breakdown of our workforce by type of employment contract, gender and region.



Charcas mine employee, San Luis Potosi Mexico



➤ 46.3% of Southern Copper Corporation employees are hired from our local communities.

 16 collective bargaining agreements  
Mexico: 10  
Peru: 6

➤ 68% of Southern Copper Corporation employees are covered by collective bargaining agreements.

b) 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.

Southern Copper Corporation 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 company employees, suppliers and contractors have access to a reporting line where they can report any violation of these rights.

We have received no penalty in Mexico or Peru for breach of applicable regulations or for violating the rights of freedom of association or collective bargaining of our employees.

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

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

G4 – MM4

In 2023, there were no additional strikes or lockouts<sup>14</sup> recognized as such by the authorities that affected the operations of any of our Southern Copper Corporation subsidiaries.

d) Minimum notification periods for operational changes

GRI 402-1

**SCC** 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.

**SCC** 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.

<sup>14</sup> 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


Southern Copper corporation 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. Our activities 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).
- Post-graduate 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

Southern Copper Corporation provided an average 28 hours of training per employee in 2023.

e) SCC training 2023



442,000

training hours



\$4.4 M

total cost of training



8.2%

increase in training hours,  
compared with 2022

The total cost of training for SCC was around US\$4.4 million, while the average cost of training per employee was around US\$281.

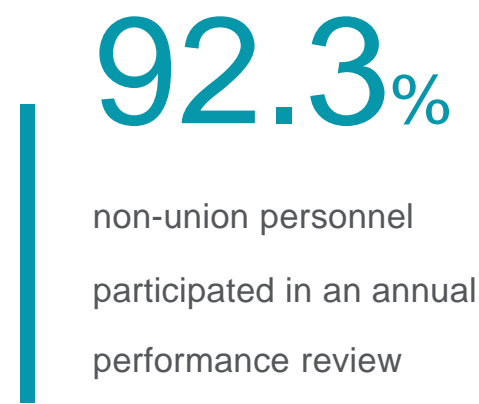
f) Performance Reviews

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.

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



Ongoing Feedback

Our Performance Management and improvement process includes an annual 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.



Metallurgical Complex employee, Esqueda, Sonora, México



g) Training Programs

GRI 404-2

We delivered more than 19 programs in 2023 to upgrade the skills and competencies of our 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:

SCC

Leadership Coaching (1,236 participants in Peru)

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 in Mexico)

LEADERSHIP PROGRAMS: A success case in 2023 was at our Underground Mining Subdivision - IMMSA (Mexico), where we ran four specific programs: Supervisor ABC, IMMSA Leadership Development Program, Management Skills Development, and Human Resources Skills Development. The business benefits of our Leadership Development programs are that participants are able to apply, in a very practical way, tools that help them improve their performance within the organization, as well as that of their work teams, promoting satisfactory 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 relationship s, 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 Supervisor ABC program, developed inhouse ,focuses on our operations and real situations experienced at our mines and plants, comprising 10 modules 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 sub division, generating a culture of collaboration and open and participative communication



Southern Perú employee

| Training programs and participants <sup>17</sup> |        |        |        |
|--|--------|--------|--------|
|  | SCC    | Mexico | Peru   |
| Programs to upgrade skills                       | 7      | 3      | 4      |
| Participants                                     | 10,790 | 8,789  | 2,001  |
| Programs to upgrade competencies                 | 12     | 7      | 5      |
| Participants                                     | 47,997 | 38,050 | 9,947  |
| Total programs                                   | 19     | 10     | 9      |
| Total participants                               | 58,787 | 46,839 | 11,948 |

> We provided more than 12 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.

h) Career transition and retirement programs

SCC has a retirement plan for our employees, which offers benefits in addition to the pensions required by law.

Talent Recruitment and Retention

GRI 401-1

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.

<sup>17</sup> For the description and scope of each program, see the [Annexes](#).



i) New hires and turnover

GRI 401-1

The turnover rate for Southern Copper Corporation was 8.4% in 2023.

| New Hires |        |
|-----------|--------|
|           | SCC    |
| Women     | 15.66% |
| Men       | 84.34% |

| New hires   | Inhouse promotions                             |
|---|--|
| There were 1,641 new hires in 2023, representing an 18.6% increase over 2022. | 91.3% of vacant positions were filled inhouse. |

The average cost per hire was around US\$1,200.

| Turnover Rate    |       |
|------------------|-------|
|                  | SCC   |
| Women            | 11.6% |
| Men              | 8%    |
| % Total Turnover | 8.4%  |

| Total turnover rate |
|---------------------|
|---------------------|

The turnover rate decreased 4.2%, compared with 2022.

j) 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                                      |           |
|--|-----------|
|  | SCC       |
| Salary-related   | Full-time |
| Life insurance   | X         |
| Medical insurance                                      | X         |
| Family protection insurance                            | X         |
| Disability coverage                                    | X         |
| Pension plan   | X         |
| Savings fund   | X         |
| Grocery vouchers                                       | X         |
| Productivity bonus                                     | X         |
| Interest-free personal loans, up to one month’s salary | X         |
| Stock options  | X         |
| Employee cafeteria                                     | X         |
| Employee transportation                                | X         |
| Rent support – housing assignment                      | X         |
| Lactation rooms  | X         |

Hybrid workplace model

We 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 appropriate areas, considering that our mine and plant operations, because of the business of the extractive industry, require operators and their supervisors to be onsite.

k) Parental Leave

GRI 401-3

Southern Copper Corporation encourages families spending time together and we adhere to the government guidelines that support parents to achieve a work-family balance.

Parental leave

- 47 women and 564 men took parental leave, with a 99.3% return to work rate for both men and women.

Lactation rooms

- Southern Copper Corporation supports 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.

Ratio of starting base salary by gender compared to local minimum wage

GRI 202-1

We're committed to offering salaries above the minimum wage 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 |     |                        |      |
|---|-----|------------------------|------|
|   | SCC | Minera México (Mexico) | Peru |
| Women   | 5:1 | 3:1                    | 17:1 |
| Men   | 5:1 | 3:1                    | 17:1 |



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# 5.3 Diversity & Inclusion

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5.3.3  
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5.3.4  
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5.3.5  
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## 5.3 Diversity and Inclusion

GRI 3-3

At SCC, 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 job and productive skill training through our *Forjando Futuro* (Forging Futures) program.
- 8,421

Employees received training on diversity, inclusion and human rights.
- 24.2%

Increase in the total number of women in SCC vs 2022; 31.4% of our women employees hold STEM positions (science, technology, engineering, mathematics).

- Our Sonora Processing Plant received Great Place to Work for Women certification for the second time.
  - As part of our [Code of Ethics](#) training, all Minera México union and non-union employees were shown a video on what diversity and inclusion means and why SCC promotes it.

### 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) Taskforce, coordinated by the Sustainable Development Department.



Visit the Grupo México Sustainability website for more information.



5.3.3  
Management and Strategy

Our [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 SCC, 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.

These diagnostics identified the principal barriers to entry and growth for women, people with disabilities, and members of the LGBT+ community.



Santa Barbara mine employee, Chihuahua, Mexico

Diversity and Inclusion (DEI) Strategic Plan

Our actions to promote diversity and inclusion at SCC are laid out in the 2020-2024 DEI Strategic Plan, which will be updated in 2024. The principal lines of action 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. Defined processes on sexual and workplace harassment awareness, prevention and incident response.



- 5. Promote 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. (For more information, 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.





Community programs

Of our SCC 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 SCC 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, SCC promotes the value of diversity and inclusion through regular talks and activities at our schools.

Training for women

The SCC programs *Forjando Futuro* (Forging Futures) and *Proveen* (Provide) contribute to local economic development by strengthening the skills of individuals and local businesses to benefit from the economic value that SCC generates through jobs and contracting suppliers.

These programs include training, local job skills, productive skills and business training for local residents.

For more information about our progress in this area, see Metrics and Indicators.



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 SCC 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.

- Reinforcing the implementation of inhouse mechanisms to prevent, address, take action and remediate situations of workplace or sexual harassment.
- Continuing our awareness campaigns at SCC.
- Continuing and reinforcing our human resources processes to promote not only the hiring but the retention and development of women.

At SCC, we’re committed to increasing the number of women in our total workforce by 2% each year from 2022 to 2025.



For more information about our targets and goals, and our progress, visit the Grupo México 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 our 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

8,017 SCC employees participated in Code of Ethics and human rights trainings in 2023.

Training:

Minera México

98% of non-union Minera México personnel (2,797 people) received Code of Ethics training, where we explain using the Reporting Line and our commitments under the Human Rights Policy, and we discuss 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.

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 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          | 371.6           | 58         |



a) Progress on the DEI Strategic Plan

a.i) Training and communication

Communication:

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, while the participation of women in our *Cobresur* social media was 48%.

a) Progress on the DEI Strategic Plan

a.ii) Incorporation of the DEI approach in our human resources policies and procedures

13,282 SCC employees participated in the biannual Opinion Survey in 2023, which includes diversity and inclusion aspects. Responses 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 applied in our three divisions and helps us to better understand the specific reasons why women leave the company.

a) Progress on the DEI Strategic Plan

a.ii) Incorporation of the DEI approach in our human resources policies and procedures

*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 and lactation rooms at our processing plants, 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 were installed in Toquepala and 2 in Cuajone. We also made progress on making modifications to our sports facilities with a DEI approach.

a.iv) Promote diversity and equal opportunities in our neighbor communities

**Social programs:**

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:**

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*:**

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:** 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.





c) Women in the workforce

| Women employees 2021- 2023 |                      |            |                                     |
|----------------------------|----------------------|------------|-------------------------------------|
|                            | % Increase in hiring | % Turnover | % Total increase in women employees |
| SCC                        | -3.0%                | 11.6%      | 24.2%                               |

d) Salary gap

GRI 405-2

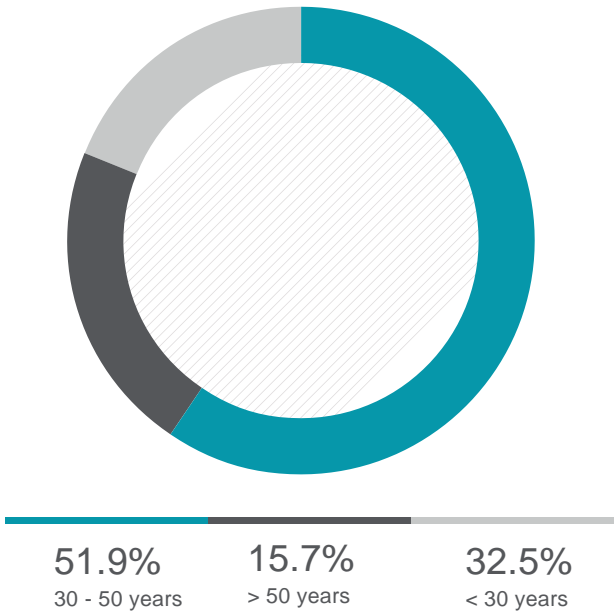
At SCC, we promote equal opportunities in salary and professional development for both men and women. An example of this is our salary tables, which make no distinction for gender and remunerate talent under equal conditions.

| Ratio of base salary, women to men <sup>5</sup> |      |
|---|------|
| Category <sup>6</sup>                           | SCC  |
| Executive Leadership                            | N/A  |
| Senior Management                               | 0.94 |
| Middle Management                               | 0.92 |
| Administrative / Operational                    | 0.97 |
| Union   | 1.00 |
| Total   | 0.95 |

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                    | SCC   |
| < 30 years             | 32.5% |
| 30 - 50 years          | 51.9% |
| > 50 years             | 15.7% |



f) 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.

<sup>5</sup> This table is built from salary information for men and women in the same category across all SCC operations, including only those categories where women hold positions and for which we have a comparative salary to obtain these averages.

<sup>6</sup> 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 unionized employees



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# 5.4 Human Rights

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## 5.4 Human Rights

GRI 3-3

At SCC, 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.

### 5.4.1 Highlights

100%

SCC operations have current social diagnostics.

531

Cases received through the Community Care Service in 2023, 100% of which were addressed within an average 4.5 days.

11,116

Human rights training hours provided by SCC.

### 5.4.2 Management

GRI 2-23, 2-24

Our human rights management strives to prevent, mitigate, and where necessary, remediate potential impacts. Our [Human Rights Policy](#) provides the foundation for our corporate strategy and articulates the commitments outlined in our [Code of Ethics](#). All employees of Southern Copper Corporate and our 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](#)<sup>2</sup> 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.

<sup>2</sup> 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 area (described in the corresponding sections of this report).

| Types of risk identified     |  |  |  |   |
|------------------------------|--|--|--|---|
| Human rights-related         |  | Relevant principle of the Global Compact <sup>15</sup> |  | Company department                                    |
| Environmental                | Right to clean water and sanitation <sup>3</sup>   | 7  | Precautionary approach to environmental challenges.                            | Environmental Affairs<br>Water                        |
|                              | Right to a healthy environment that supports development and wellbeing <sup>4</sup>                      | 8  | Initiatives to promote greater environmental responsibility.                   |   |
|                              |  | 9  | Development and diffusion of environmentally friendly technologies.            |   |
| Labor                        | Right of freedom of association and collective bargaining <sup>5</sup>                                   | 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 <sup>6</sup>                              | 4  | Elimination of forced or compulsory labor.                                     |   |
|                              | Right to fair and decent work conditions <sup>7</sup>  | 5  | Abolition of child labor.  |   |
|                              | Right to no discrimination in the workplace <sup>8</sup>   | 6  | Elimination of workplace discrimination.                                       |   |
| Social                       | Right of Indigenous Peoples to self-determination and to free, advance and informed consent <sup>9</sup> | 1  | Support and respect the protection of internationally proclaimed human rights. | Community Development                                 |
|                              | Right to participate in cultural life <sup>10</sup>  | 2  | Not complicit in human rights abuses.  |   |
|                              | Right to land (no forced eviction; privacy and property) <sup>11</sup>                                   |  |  |   |
| Occupational Health & Safety | Right to healthy and safe work conditions <sup>12</sup>  | 1  | Support and respect the protection of internationally proclaimed human rights. | Occupational Health & Safety                          |
|                              | Right to health <sup>13</sup>  | 2  | Not complicit in human rights abuses.  |   |
|                              | Right to life <sup>14</sup>  |  |  |   |
| Security                     | Right to life  | 2  | Not complicit in human rights abuses   | Security  |

International benchmarks

<sup>3</sup> United Nations General Assembly Resolution A/RES/64/292, 2010 and Resolution A/RES/70/169, 2015

<sup>4</sup> Mexican Constitution, Article 4, paragraph 5.

<sup>5</sup> 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)

<sup>6</sup> UDHR, ICCPR, ICESCR, ILOC

<sup>7</sup> UDHR, ICESCR

<sup>8</sup> UDHR, ICCPR, ICESCR, ILOC

<sup>9</sup> UDHR, ICCPR

<sup>10</sup> UDHR, ICCPR, ICESCR, ILOC

<sup>11</sup> UDHR, ICCPR, ICESCR

<sup>12</sup> ICESCR

<sup>13</sup> ICESCR

<sup>14</sup> UDHR

<sup>15</sup> 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.

In addition to the risk management described above, SCC applies a human rights due diligence process for the communities where we operate throughout the life of each project (exploration, construction, operation and closure). We 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 has impacts on communities. SCC 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 SCC operations 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

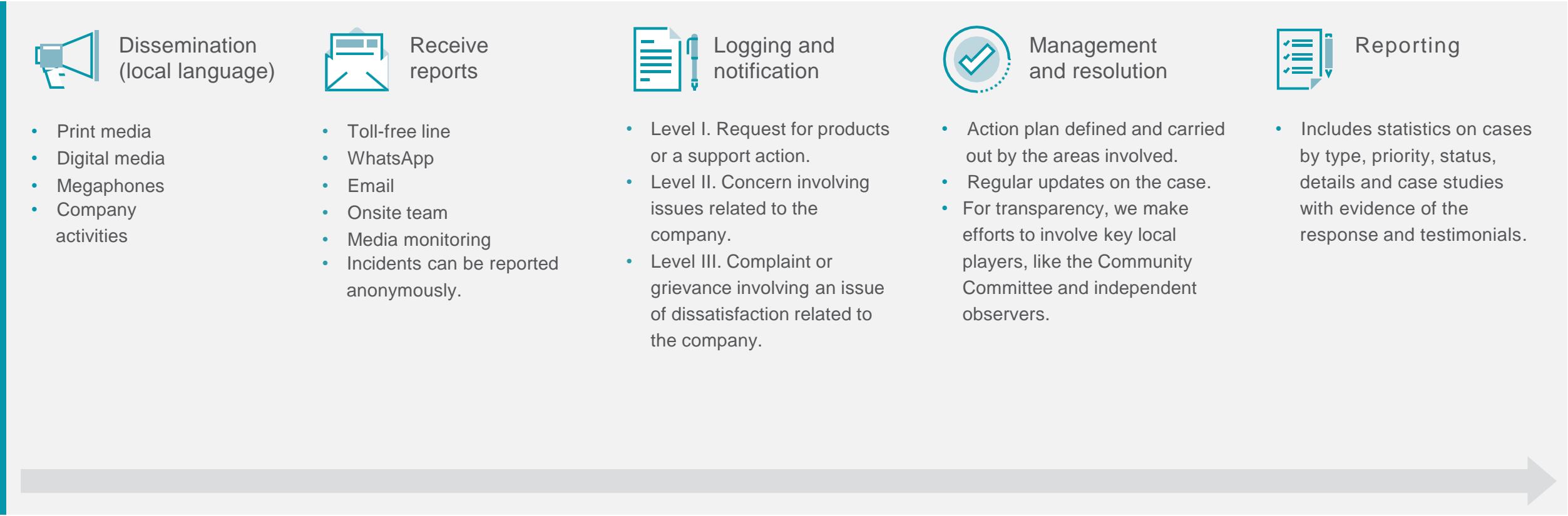
The **Community Care Service (CCS)** is an open and permanent mechanism for the community to quickly communicate their concerns and grievances to the company, particularly when their human rights are involved.

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 20 SCC sites in Mexico and Peru.

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.

Stages of the incident response process





Charcas mine employees, San Luis Potosi, Mexico

II) Due diligence processes with company personnel

Our human rights due diligence process for SCC 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.

SCC conducts this 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.
- Reward programs.

b) Comprehensive Reporting System

The Reporting Line is an essential component of our human rights due diligence process, 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.





IV) Due diligence process with security officers

GRI 410-1

Voluntary Principles on Security and Human Rights  
SASB EM-MM-210<sup>a</sup>.3

SCC 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, based on the Voluntary Principles on Security and Human Rights:

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<sup>17</sup> to ensure the safety of our employees and to protect SCC assets.  
These services are provided fully respecting human rights.
- None of our operations in Mexico are guarded by police forces.

3. Interactions between the company and private security

- Contract private security to protect our operations.
- Security officers operate only within the property limits and have no contact with the community, which eliminates the risk of potential human rights violations.
- Our Code of Conduct for Suppliers, Contractors and Relevant Business 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.

5.4.5  
Metrics and Indicators

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. Certifications
- 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

<sup>17</sup> 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.



I.a) Participative social diagnostic processes

100%

SCC operations have active diagnostics in 2023

I.b) Community 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](#).

46

Grievances

531

Cases received; 100% addressed

485

Requests and concerns

4.5DAYS

Average resolution time

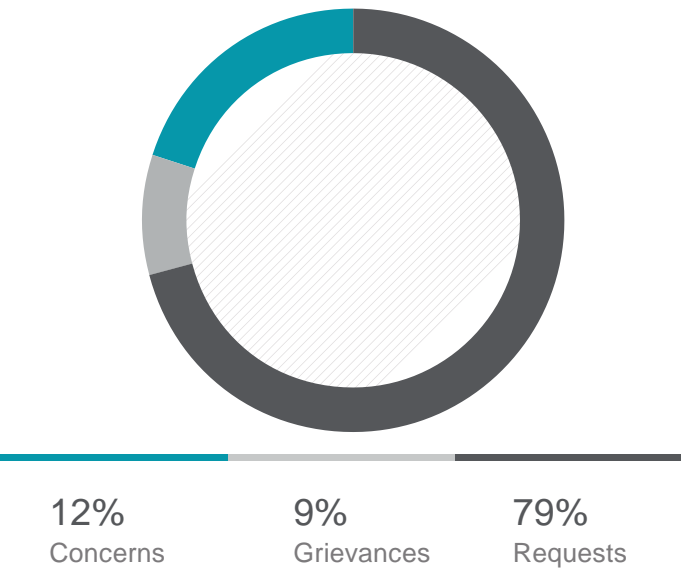
I.c) Addressing concerns and grievances

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.

| 2023 Reports received, by country |                 |                  |                     |       |
|-----------------------------------|-----------------|------------------|---------------------|-------|
|                                   | Level I Request | Level II Concern | Level III Grievance | Total |
| Mexico                            | 130             | 10               | 24                  | 164   |
| Peru                              | 288             | 57               | 22                  | 367   |
| Total SCC                         | 418             | 67               | 46                  | 531   |

| 2023 Issues raised                               |                    |           |       |
|--|--------------------|-----------|-------|
|  | Request or concern | Grievance | Total |
| Environment                                      | 4                  | 8         | 12    |
| Health and safety                                | 7                  | 4         | 11    |
| Land-related                                     | 2                  | 2         | 4     |
| Business partners (suppliers and contractors)    | 181                | 25        | 206   |
| Community relations                              | 143                | 6         | 149   |
| Job-related                                      | 148                | 0         | 148   |
| Private property                                 | 0                  | 0         | 0     |
| Channeled to the Ethics and Discipline Committee | 0                  | 1         | 1     |
| Indigenous Communities                           | 0                  | 0         | 0     |
| Total  | 485                | 46        | 531   |

Reports by type



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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

Southern Copper Corporation

12,908 employees participated in the new version of the **Opinion Survey** in 2023, representing a response rate of 79%. Of note are the following responses related to human rights:

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

Of note in 2023 is our Metalúrgica de Cobre, S.A. de C.V. (METCO) processing plant receiving "Great Place to Work 2023" certification, which reflects our good performance in aspects such as respect and fairness, and values that are related to human rights. We also ranked 6th in the "Best Workplaces for Women Mexico 2023".

Great Place to Work certification is recognized in more than 60 countries and is awarded to companies that accredit their workplaces as high-trust, high-performance environments through research methodologies, employee surveys and organizational climate audits.

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

| SCC | We updated the diagnostics at 5 mining operations and 4 exploration projects in Mexico and Peru in 2023. With this, 16 SCC operations and projects have a current diagnostic. |
|-----|---|

100%

of our operations in Mexico and Peru have participative social diagnostics.

II.f) Employee human rights training

GRI 412-2

| Human rights trainings* |     |                 |                   |                         |       |
|-------------------------|-----|-----------------|-------------------|-------------------------|-------|
|                         |     | Course duration | Type of personnel | Employees participating | %     |
| SCC                     | SCC | 1.4 h           | Union             | -                       | -     |
|                         |     |                 | Union             | 3,854                   | 35.8% |
|                         |     |                 | Non-union         | 4,163                   | 82.3% |

All new hires at SCC, 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](#).

Each year, company personnel recertify their knowledge of and adherence to our Code of Ethics, which outlines the principles and conducts for harmonious workplace relationships among our personnel, inhouse and outside suppliers, customers, authorities and our communities, while respecting our sustainable development and the human rights of all. All non-union personnel participated in the 2023 Code of Ethics and Reporting Line training, which also included our commitments outlined in the Human Rights Policy and the topics of diversity and inclusion, prevention of workplace or sexual harassment and how these cases are handled. We use six videos to reinforce these principles, one of which is dedicated to the topic of diversity and inclusion.

Over 98% of our company personnel completed their certification in 2023, giving the training a 95% satisfaction rating.

At Minera México, 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 every non-union employees every year. Union employees will receive Code of Ethics training in 2024. 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 om 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, harassment and diversity and inclusion in both Mexico and Peru, 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

**5.5.1  
Highlights**



**5.5.2  
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**5.5.3  
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**5.5.4  
Local communities  
in other divisions**



**5.5.5  
Next Steps**



**5.5.6  
Metrics and  
Indicators**





## 5.5 Local Communities

GRI 3-3 | SASB EM-MM- 210b.1.

At SCC, 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 supports this commitment. We use linkage mechanisms, participation and transparent communication with stakeholders to identify and anticipate the potential environmental and social risks associated with the different stages of our operations and projects.

We also use these tools to define prevention and mitigation actions, and to create services in benefit of our communities.

### 5.5.1 Highlights

Principal social performance results in Mexico and Peru:

1,904 Programs with 15,138 activities

231,995 Participants

6,193 Volunteers

185,790 Volunteer hours

2,799 Institutional linkages

Social investment

- **US \$12.3 M** in community development programs, social linkage and productive projects
- **US \$27.3 M** in operating costs for schools and company neighborhoods
- **US \$56.8 M** in 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 our company-sponsored school model
- Companies that Transform Peru 2023

A highlight this year was our participation in the 12 United Nations Forum on Business and Huan Rights in Geneva, Switzerland.

For more information about these projects, see Metrics.

### 5.5.2 Governance

SCC is structured to address the management of our community engagement at each operation, supervised by the Community Development Department.



Visit the Grupo México Sustainability website for more information.

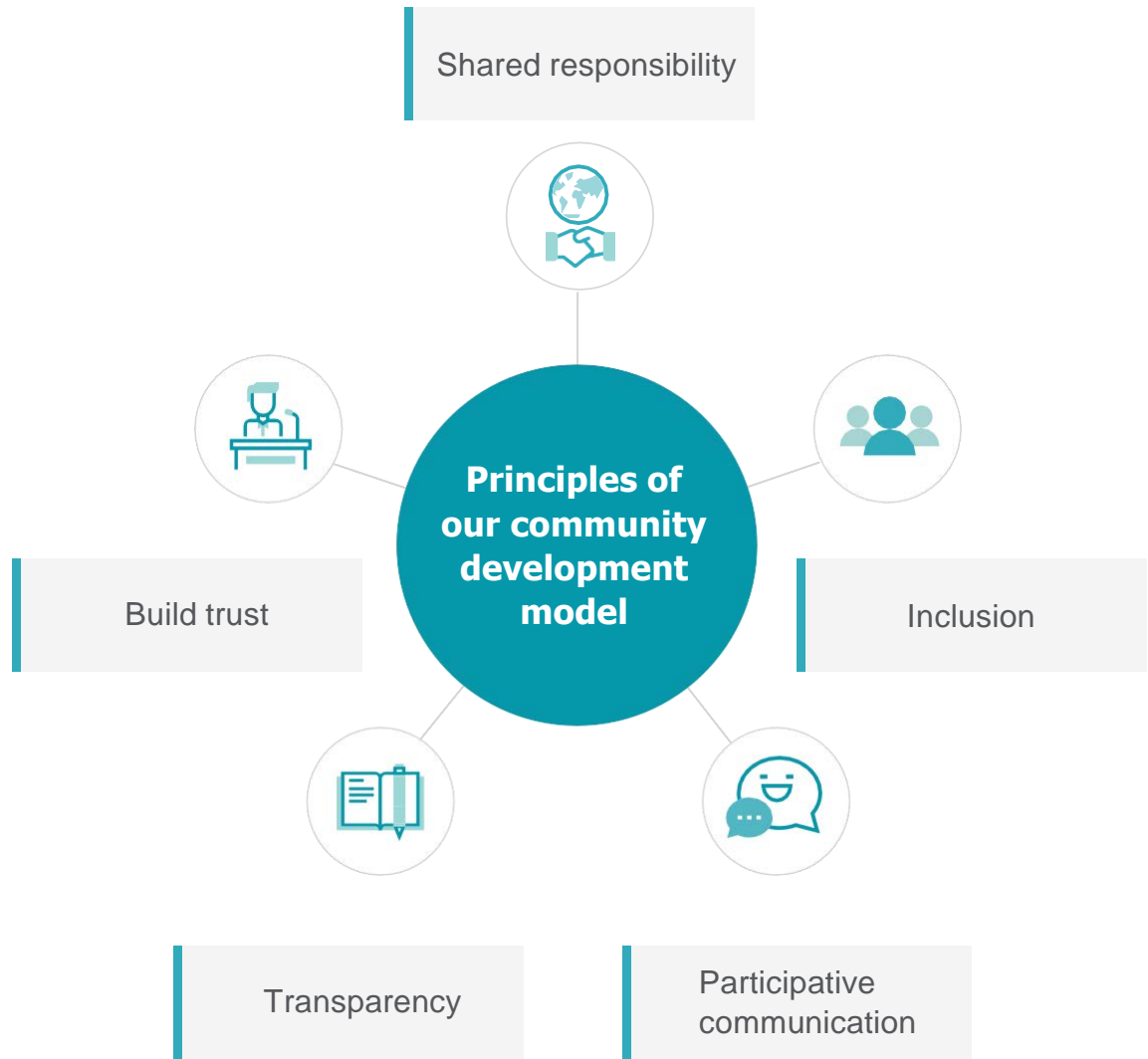


5.5.3  
Management and Strategy

GRI 203-1, 203-2, 413-1

All Southern Copper Corporation 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.



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) Shared responsibility

The basis of our Community Development Model is ensuring a harmonious and long-lasting relationship with the communities near our operations. In support of this, we use open and accessible communication tools to listen to the concerns and needs of the community and to respond appropriately.

**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 20 locations: 14 in Mexico, 6 in Peru. See [Human Rights](#).

**3. Disaster relief:** 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:** These projects arise from proposals submitted by members of the community to start or bolster an activity that would contribute to the household income. The Community Committee reviews the proposals and the company provides in-kind support for those that are selected.

**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 tac 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:** 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.

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), serving more than 3,000 students.

The 2023 highlights are included in the Metrics section below.



Visit the Grupo México Sustainability website for more information about our schools.



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 our 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.
- 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.
- Complete the social gap analysis and plan development in the most vulnerable communities where the company has operations.

For more information about our 2030 targets, see [Corporate Goals](#).



Minerva Institute, Cananea, Sonora, México



5.5.6  
Metrics and Indicators

GRI 203-1, 203-2, 413-1, 413-2, G4-MM6, G4-MM7, G4- MM8

Our community development model outlines the following performance indicators:

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. Academic performance of the students at our company-sponsored schools.



Students in Sombrerete, Zacatecas, Mexico



|                    |
|--------------------|
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a) Operations with local community engagement, impact assessments and develop programs

GRI 413-1

All SCC operations in Mexico and Peru 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 SCC Community Development Model, adjusted to the particulars of each site and built with the participation of the community. All our sites in Mexico and Peru have development programs.

| GRI 413-1   | 2023   |            |
|---|--------|------------|
|   | Number | Porcentaje |
| Sites with social impact assessments                                | 23     | 100%       |
| Sites with Community Development plans                              | 23     | 100%       |
| Sites with active Community Development plans                       | 23     | 100%       |
| Current production assets that have required community consultation | 17     | 100%       |
| Projects in development that have required community consultation   | 6      | 100%       |
| Projects in development 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)<sup>1</sup> 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 6% of our total 18 sites in Mexico and Peru<sup>2</sup>.

This artisanal mining is focused on mining turquoise, which they extract by tunneling into the hills (different from our open pit mining). The mining activity is currently being conducted outside of company property and represents no risk to our site. The Mexican Mining Law recognizes turquoise as a precious stone and, therefore, the land from which turquoise is extracted must be concessioned by the federal government and the people who engage in this activity must observe all labor, environmental and other relevant laws.

ASSM miners are known to not be fully compliant with the law and create risks to both themselves and to communities from accidents and contamination, which makes interacting with them difficult. We will continue to improve our diagnostic to better understand this activity and its underlying forms, to determine our way forward.

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.

|                               | Southern Copper Corporation |
|-------------------------------|-----------------------------|
| Total sites                   | 18                          |
| Operations with ASSM presence | 1                           |
| Percentage                    | 6%                          |

<sup>1</sup> 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.

<sup>2</sup> 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 directives laid out in GRI G4 MM8.



c) Operations with significant actual or potential negative impacts on local communities

GRI 413-2 | SASB EM-MM-210b.1

Our operations in Mexico and Peru 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 engagement

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.

e) Number and description of significant disputes related to land use, customary rights of local communities and indigenous peoples

GRI G4-MM6

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

SCC 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).



## g) Economic diversification – Forjando Futuro

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 and certification in different trades for **833 program participants**, 67% of which had started working in the mining or other commercial sectors by the end of 2023. These trades include 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 supply

- Strengthen the capacities of local micro, small and medium suppliers.
- Skills certification in Administration and Finance, Marketing, Procedures, Sales and Legal; and also processes and procedures for the mining sector.
- 100 local businesses with **109 program participants** in 2023.

### Regional production

- 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

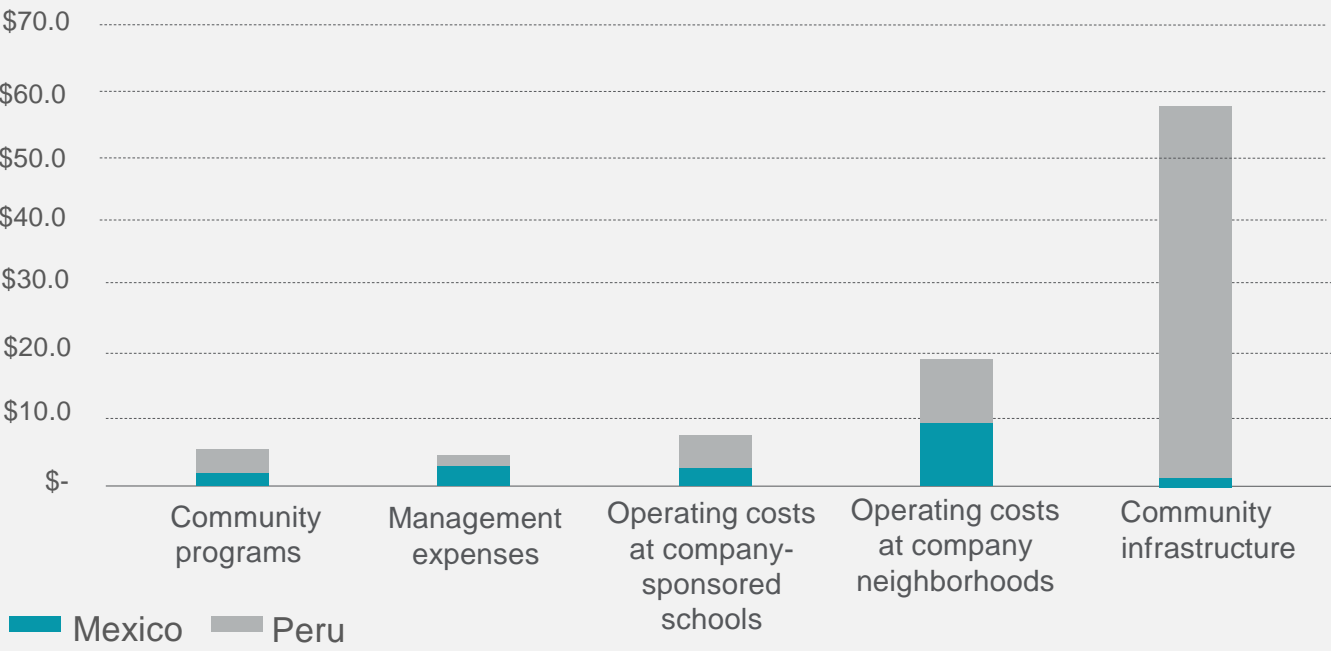


h) Social investment

GRI 302-1

|  | SCC    |        |        |
|--|--------|--------|--------|
|  | Mexico | Peru   | Total  |
| Community programs                           | \$3.7  | \$3.2  | \$6.9  |
| Management expenses                          | \$1.7  | \$1.5  | \$3.2  |
| Operating costs at company-sponsored schools | \$2.9  | \$5.0  | \$7.9  |
| Operating costs at company 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



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. This project benefits 2,362 families. 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, benefiting 6,000 students.
- **Wastewater treatment plant in Ilo, Peru**, representing an investment of US\$26.4 million for the construction of a 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 Agustin 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%.

i) Investment in infrastructure and supported services, and significant indirect economic impacts

GRI 203-1 y 203-2

Mexico

US\$130.1  
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 paid into the Mining Fund

Mexico y 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

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 Company

For the second year, we received Exceptional Company recognition from the Business Coordinating Council for the successful practice of our company-sponsored schools. For more information about this project, see the case study on our Schools on the [Grupo México Sustainability website](#) and for the 2023 results for this project, see Metrics below.

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 Cularjahuira 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.



k) Social programs

6,193

Volunteers

109

Seed capital projects  
approved in 2023

286,254

Participants and  
people benefited

Sports clinics (swimming,  
soccer, cycling, baseball)

| Mobile Documentary Filmmaking and Photography Workshop  | Naranjeros-Grupo México Baseball Academy   | Invitations to Submit Proposals  |
|---|--|--|
| <p>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.</p> <p>Four original short films were selected at major film festivals in Mexico this year, noting:</p> <ul style="list-style-type: none"><li>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.</li><li>Monterrey International Film Festival: “Raíces de mi Tierra” (Charcas, San Luis Potosi) competed in the category best student documentary.</li></ul> | <p>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.</p> <p>2023 results:</p> <ul style="list-style-type: none"><li>27 students were selected to represent Zone 8 in the Baseball State Championships organized by the Sonora State Sports Commission.</li><li>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.</li><li>77 students were scouted by Naranjeros coaches to advance in the 11-16 year olds category.</li></ul> | <p>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.</p> <p>We have financed 1,250 projects in Mexico and Peru since 2009, representing a total investment of US\$8.07 million.</p> <p>These projects have focused on areas such as education, culture, health, environment, sports and civil protection, while also providing project leaders opportunities for growth, promoting self-managed participation in the community.</p> |

I) Schools

2,091

Students (Mexico)

1,327

Students (Peru)

136

Teachers (Mexico)

168

Teachers (Peru)

4

Schools (Mexico)

7

Schools (Peru)

| Schools   | Academic achievement  | Bilingual education   |
|---|---|---|
| <p>We operate 11 company-sponsored schools, 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.</p> <p>Services provided</p> <p>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.</p> <p>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.</p> | <p>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.</p> <p>In Mexico, 2nd and 9th grade students participated in standardized testing; 77% obtained satisfactory or higher results in Spanish and mathematics.</p> <p>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.</p> | <p>In 2023, 45% of our students completed their basic education, graduating with an intermediate or higher level in English.</p> <p>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.</p> |



I) Schools

| Health promotion   | Students with learning barriers   |
|--|---|
| <p>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.</p> <p>At 2023 close, 69% of students are at their ideal weight.</p> <p>15 physical education teachers lead healthcare and physical development activities with the students, like exercise breaks, conscious eating campaigns and healthy cooking workshops.</p> | <p>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.</p> <p>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.</p> |



Students at our La Caridad School, Nacozari de Garcia, Sonora, Mexico

I) Schools

Location of our schools

Mexico





I) Schools

Peru

- 01

Santa Rosa de Lima

Location: Moquegua/Mariscal Nieto/Torata

Founded in 1977

72 students

6 teachers

Preschool
- 02

Daniel Alcides Carrión

Location: Moquegua/Mariscal Nieto/Torata

Founded in 1977

277 students

34 teachers

Elementary, middle school
- 03

Juan Vélez Córdova

Location: Moquegua/Mariscal Nieto/Torata

Founded in 1982

143 students

28 teachers

Preschool, elementary, middle school
- 04

Enrique Meiggs

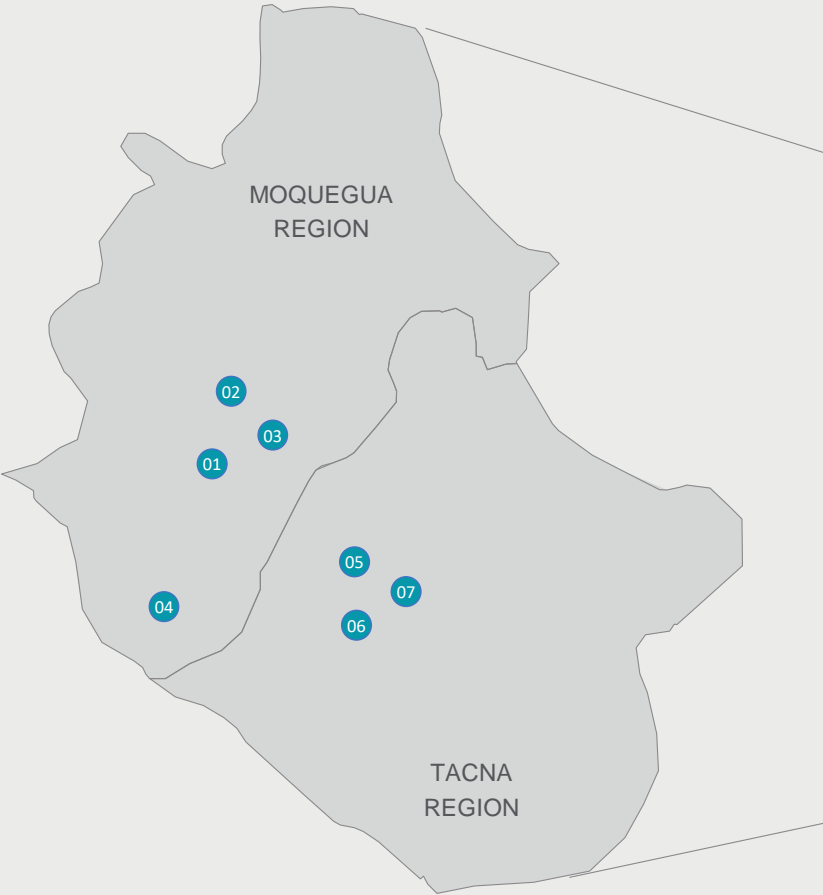
Location: Moquegua/Ilo/Pacocha

Founded in 1984

256 students

29 teachers

Preschool, elementary, middle school



- 05

School 2677

Location: Tacna/Jorge Basadre/Ilabaya

Founded in 1986

138 students

11 teachers

Preschool
- 06

Toquepala

Location: Tacna/Jorge Basadre/Ilabaya

Founded in 1999

436 students

47 teachers

Elementary, middle school
- 07

Mariscal Ramón Castilla

Location: Tacna/Jorge Basadre/Ilabaya

Founded in 1984

155 students

29 teachers

Preschool, elementary, middle school





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# 5.6 Indigenous Peoples

5.6.1  
Highlights



5.6.2  
Strategy &  
Management



5.6.3  
Next Steps



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 Southern Copper Corporation, we respect and foster cultural diversity to build long-term relationships with the communities where we operate, as outlined in our 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 two of our mining operations and one mine project in Peru.
- Community projects that **support economic recovery and promote indigenous culture.**
- 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 Peru to **boost employment.**
- **Supporting the Contisuyo 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 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.

5.6.2  
Management and Strategy  
SASB EM-MM-210a.3.

Due diligence in the human rights of indigenous peoples

The Southern Copper Corporation 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.

Our due diligence processes on human rights include social viability, prefeasibility and community mapping studies for each project and operation. Also, 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.

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.

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.





5.6.3  
Next Steps

With our policy and protocol on engagement with indigenous communities in place, we will continue to strengthen these relationships in 2024 focusing on three actions:

- Continuing our social management programs and agreements with indigenous communities.
- Complete our anthropological mapping of farming communities in the areas of influence around the Toquepala and Cuajone mines and the Los Chancas project.



Consult our targets and goals, and also our progress, by visiting the Grupo México Sustainability website.

5.6.4  
Metrics and Indicators  
GRI 411-1, G4-MM5

Our performance indicators in this area include:

- a. Operations on or adjacent to indigenous lands and operations with formal agreements with indigenous communities.
- b. Formal grievance or reporting mechanisms.
- c. Incidents of violations involving the rights of indigenous peoples.
- d. Investment in community programs and projects.
- e. Engagement with indigenous communities by country (highlighted initiatives).



Building cultural services in Camilaca, Tacna, Peru



b) Operations on or adjacent to indigenous lands and operations that have formal agreements with indigenous communities

GRI G4-MM5

Southern Copper Corporation has:



Of our total operations, three are adjacent to or in some manner have presence with rural farming communities in Peru.



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.



Visit the Grupo México Sustainability website for more information.

We received a total 17 reports (requests, questions and concerns) in 2023 from the communities near our operations where we have identified an indigenous population. We addressed 3 concerns and 2 requests in Asana, Torata, 6 concerns and 4 requests in Candarave, Tacna, and 2 concerns in Tapairuhua, Apurimac.

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 Southern Copper Corporation received no reports of violations of the rights of indigenous peoples in Mexico or Peru, through our Community Care Service, the Community Development Centers, third parties or other media.

e) Investment in social programs and projects

US\$ 740<sub>k</sub>

We invested more than US\$740,000 in social programs and projects in 2023 involving rural farming communities in Peru.

f) Actions with indigenous communities by country (principal initiatives)

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.



Reservoir in Candarave, Peru



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# 6 Environment

**6.1  
Climate  
Change**



**6.2  
Water and  
Effluents**



**6.3  
Biodiversity**



**6.4  
Mine  
Waste**



**6.5  
Closure of  
Operations**





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# 6.1 Climate Change

**6.1.1  
Highlights**



**6.1.2  
Governance**



**6.1.3  
Management**



**6.1.4  
Strategy**



**6.1.5  
Targets  
& Goals**



**6.1.6  
Next Steps**



**6.1.7  
Metrics**





## 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. Our materiality analysis identifies climate change as one of the most relevant issues for Southern Copper Corporation (SCC), 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 SCC 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.

### Climate Change

### Water and Effluents

### Biodiversity

### Waste

### Closure of Operations

#### 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<sup>1</sup> emissions, using 2022 at 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 25% for BAU emissions, using 2022 as the base year, although we aspire to reach the 60% target set by the International Copper Association (ICA).

<sup>1</sup> “business as usual”

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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 and also actions that could be taken to succeed in this effort.

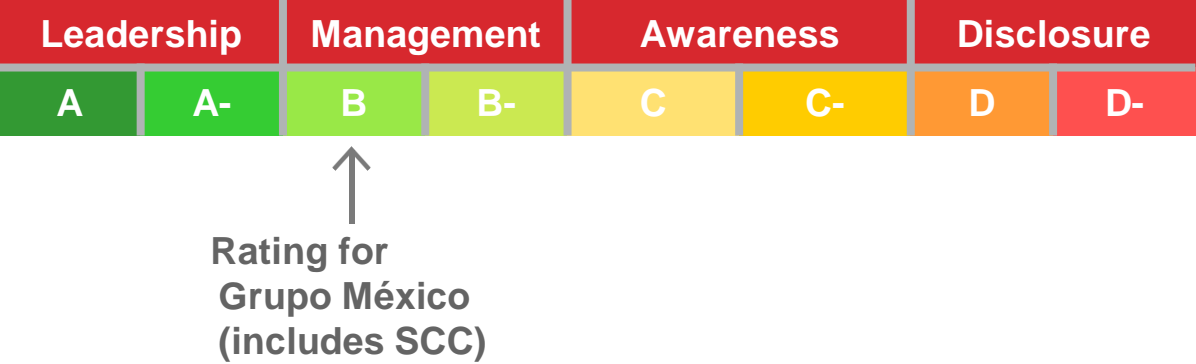
We have also started a preliminary mapping of the capital expenditures that will be needed to develop the energy efficiency and renewable energy projects identified as part of our Scope 1 and 2 emissions reduction roadmap in 2022. ([See Goals & Targets.](#))

The Audit and Company Practices Committee of Grupo México (including SCC) has been reviewing strategic opportunities in GHG emissions reduction since third quarter 2023, and also 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 community development actions with international good practices and benchmarks in this area.

We have made significant progress in recent years in our performance, management and transparency on issues related to climate change:

- Each year, we complete the 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 maintaining our “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. These results of these new analyses will inform our calculations of potential material financial impacts for SCC and for our value chain in the medium and long term.



### 6.1.2 Governance

TCFD GOB-A, GOB-B,

At SCC, 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.

Our climate strategy, performance and management of related risks and opportunities are presented to this committee, which then shares these issues with the Board 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). The committee also reviews the performance of key indicators, including electricity and fuel consumption and GHG emissions.

#### Corporate governance mechanism:

| Body   | Function   |
|--|--|
| <b>Southern Copper Corporation Board Sustainable Development Committee</b> | <ul style="list-style-type: none"><li>Made up of independent board members.</li><li>The SCC Executive Vice-President, who is also the Executive Vice-President of Grupo México, participates on this committee. For more information, see <a href="#">Corporate Governance</a>.</li><li>Supervises the management of the risks and opportunities associated with climate change.</li></ul> |

- >

The Sustainable Development department supervises the implementation of our SCC climate strategy, coordinating the related aspects across the organization. This department regularly reports to the Grupo México Audit and Company Practices Committee and also to the SCC Executive Vice-President and Sustainable Development Committee.
- >

A Climate Change office was created 2022 to coordinate the strategy and the management of related risks and opportunities across our organization, and to align our climate change vision and targets.

Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

Some examples of our actions in 2023 are described following:

| Event  | Topic  | Place  |
|--|--|--|
| 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   |
| 35 <sup>th</sup> 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-related issues” | Panel: The responsibility of the Board and the Audit Committee in managing environmental and social-related issues.                  | Mexico   |

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), Sonora Miners Association, International Copper Association, Mexican Energy Association, Mexican Wind Power Association, Mexican Solar Energy Association, Mexican Association of Hydrocarbon Companies, Mexican Construction Industry Chamber, Arizona Mining Association, Business and Industry Chambers in Moquegua, Tacna, Ilo, Mollendo, Arequipa and Cajamarca in Peru, and also the National Mining, Oil and Energy Association in Peru.



6.1.3

Management

GRI 201-2

Policies and Protocols

TCFD GDR-B

|                                |  |
|--------------------------------|--|
| 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          | <p>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.</p> <p>SCC 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.</p>  |
| SCC                            | <ul style="list-style-type: none"><li>• Critical Risk Log, 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.)</li><li>• Heat Stress Prevention Protocols that include how to recognize signs and symptoms, and first aid techniques at our underground mines.</li><li>• For some sites in Peru, an emergency response protocol for landslides caused by rainfall, and also a slope stability program.</li><li>• Implementation of water retention ponds and side channels to redirect water flows at our mines.</li><li>• Construction of safety infrastructure at tailings facilities, like overflow channels.</li></ul> |



El Retiro wind farm, Juchitan, Oaxaca, Mexico

Process for identifying risks and opportunities

TCFD GDR-A, GDR-B, GDR-C

At SCC, 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. 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.

Line of defense for risk management



> 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.

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. The results of these new analyses, and the resulting adaptation and mitigation plans, will be incorporated into the three lines of defense model described here 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. Additionally, the SCC Risk Committee will also be looking at these topics, reporting their performance to the Board of Directors.

> Systematizing the management of climate-related risks and opportunities as work of the SCC Sustainable Development Committee 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 relevant 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 and Peru where we have strategic projects in the planning or exploration stage.



Granularity

Review of the corporate mechanisms currently in place.

Scenarios considered in the physical risk analysis<sup>2</sup>

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.



Humedales de bahía de Ite, Perú

<sup>2</sup> 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.







| Climate Change                        |   |  |  |   | Water and Effluents   | Biodiversity | Waste | Closure of Operations |
|---------------------------------------|---|--|--|---|---|--------------|-------|-----------------------|
| 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   | <ul style="list-style-type: none"><li>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).</li><li>Effects on worker health from heat stress.</li><li>Increased energy consumption.</li><li>Potential decrease in power production by the wind farms due to decreased air density caused by high temperatures, which can also overheat the nacelles.</li><li>The Grupo México combined cycle power plants 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%. This could affect SCC's electricity consumption.</li><li>Increased water loss from evaporation at tailings heaps and dams, also reducing capacity to recycle water.</li></ul> |  |  | <ul style="list-style-type: none"><li>Interruptions or delays in the supply of key inputs and raw materials, particularly electricity, increasing power demands.</li><li>Overland transportation and distribution routes may be affected by overheated asphalt.</li></ul> | <ul style="list-style-type: none"><li>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.</li></ul>   |              |       |                       |
| Droughts                              | <ul style="list-style-type: none"><li>Potential decrease in the water supply, which could affect our mine operations:</li><li>Limitations on usage for reducing dust emissions.</li><li>Limitations on operations, like leaching.</li><li>Increased water demand to compensate increased evaporation.</li><li>Additional investments to treat water at mines situated in water stress areas.</li></ul>  |  |  | <ul style="list-style-type: none"><li>Competition for water resources could raise water costs or increase the frequency and complexity of community conflicts.</li></ul>  | SCC has taken important actions to address this risk. For more information, see <a href="#">Interaction with Water as a Shared Resources</a> .  |              |       |                       |
| Extreme rainfall                      | <ul style="list-style-type: none"><li>Damages to the infrastructure and facilities at our sites and communication routes, particularly in the event of flooding.</li><li>Production interruptions at some sites.</li><li>In conjunction with other factors, there could be landslides, which would threaten worker safety and the infrastructure of some mines.</li><li>Overflows at mine waste facilities.</li></ul>   |  |  | <ul style="list-style-type: none"><li>Interruptions or delays in the supply of key inputs and raw materials.</li><li>Transportation and distribution routes may be affected by damages to highways and rail lines.</li></ul>  | <ul style="list-style-type: none"><li>Some of our 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.</li><li>Implementation of water retention ponds and side channels to redirect water flows at our mines.</li><li>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.</li></ul> |              |       |                       |



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| Climate Change                        |  |  |  |  | Water and Effluents | Biodiversity | Waste | Closure of Operations |
|---------------------------------------|--|--|--|--|---------------------|--------------|-------|-----------------------|
| Results of the physical risk analysis |  |  |  |  |                     |              |       |                       |
| Threat                                |  | Potential impacts on operations  | Potential impacts on the value chain   | Examples of existing initiatives   |                     |              |       |                       |
| Flooding                              |  | <ul style="list-style-type: none"><li>Potential damage to the infrastructure and facilities at some sites.</li><li>Production interruptions at some sites.</li><li>Slope erosion at tailings dams.</li></ul> | <ul style="list-style-type: none"><li>Interruptions or delays in the supply of key inputs and raw materials.</li><li>Transportation and distribution routes may be affected by damages to highways and rail lines.</li></ul>             | <ul style="list-style-type: none"><li>The same mitigation measures as noted for extreme rainfall.</li><li>Protective works to prevent overflows.</li></ul> |                     |              |       |                       |
| Tropical cyclones                     |  | <ul style="list-style-type: none"><li>Overflows at mine waste facilities or tailings dams.</li></ul>   | <ul style="list-style-type: none"><li>Interruptions or delays in the supply of key inputs and raw materials.</li><li>Transportation and distribution routes may be affected by damages to highways in coastal areas and ports.</li></ul> | <ul style="list-style-type: none"><li>The same mitigation measures as noted for extreme rainfall.</li></ul>  |                     |              |       |                       |

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| Climate Change  |                                     |   |   |  | Water and Effluents | Biodiversity | Waste                    | Closure of Operations |
|---|-------------------------------------|---|---|--|---------------------|--------------|--------------------------|-----------------------|
| 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 <sup>3</sup> |                       |
|      | Increased maximum high temperatures | Days with temperatures > 95°F (35°C).   | In some regions, like 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 increase in droughts <sup>4</sup> in northwest Mexico and southern Peru under the RCP 8.5 scenario.  |  |                     |              | High                     |                       |
|      | Extreme rainfall                    | Changes in the frequency and intensity of extreme rain events, with a return period <sup>5</sup> of 30 years. | The return period would change so that extreme rainfall events would be more acute and frequent in Mexico and Peru. 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 magnitude of flooding with a return period of 100 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, METCO).  |  |                     |              | 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. 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. 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 and Veracruz. 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                     |                       |

<sup>4</sup> 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).

<sup>5</sup> 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.

<sup>6</sup> 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



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| Closure of Operations  |                          |                     |                 |   |   |   |   |                   |   |
| Physical risks associated with climate change as identified under the RCP 8.5 scenario, long term (2050-2080), for SCC and other Grupo México sites with an end-of-life or concession after 2050 6 |                          |                     |                 |   |   |   |   |                   |   |
| Country  | Site                     | Type                | Location        | Types of risk   |   |   |   |                   |   |
|  |                          |                     |                 | Increased maximum high temperatures   | Droughts  | Extreme rainfall  | Flooding  | Tropical cyclones | Extreme sea levels  |
| Mexico   | Anganguero               | Future mine project | Michoacán       |    |   |    |   |                   |   |
|  | Buenavista del Cobre     | Mine and plant      | Sonora          |    |    |    |   |                   |   |
|  | Buenavista Zinc          | Future mine project | Sonora          |    |    |    |  |                   |   |
|  | Chalchihuites            | Future mine project | Zacatecas       |    |    |    |   |                   |   |
|  | Processing Plant (METCO) | Plant               | Sonora          |    |    |    |   |                   |   |
|  | El Arco                  | Future project      | Baja California |    |    |    |  |                   |   |
|  | El Pilar                 | Future project      | Sonora          |    |    |    |   |                   |   |
|  | La Caridad               | Mine and plant      | Sonora          |    |    |    |   |                   |   |
|  | Pilares                  | Future project      | Sonora          |   |   |   |   |                   |   |
|  | Lime Plant               | Mine and plant      | Sonora          |  |  |  |   |                   |   |
|  | Central Repair Shop      | Plant               | Chihuahua       |  |  |  |   |                   |   |
|  | Terminal Guaymas         | Plant               | Sonora          |  |  |  |   |                   |   |
|  | Zinc Refinery            | Plant               | San Luis Potosí |  |  |  |   |                   |  |
| Peru   | Tantahuatay              | Gold mine           | Cajamarca       |   |   |  |   |                   |   |
|  | Los Chancas              | Future project      | Apurímac        |   |   |  |   |                   |   |
|  | Tia Maria                | Future project      | Arequipa        |   |  |  |   |                   |   |
|  | Cuajone                  | Copper mine         | Moquegua        |   |  |  |   |                   |   |
|  | Toquepala                | Mine and plant      | Tacna           |   |  |  |   |                   |   |
|  | Ilo                      | Plant               | Ilo             |   |  |  |   |                   |   |

<sup>7</sup> Active or future operations for which risks have not been identified or with an end-of-life prior to 2050 are omitted.

Summary of operational physical risks resulting from the analysis of climate change scenarios and their impact on the business, strategy and financial planning

GRI 201-2



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.



|  | Climate Change   | Water and Effluents  | Biodiversity | Waste | Closure of Operations |
|--|--|--|--------------|-------|-----------------------|
| <h2>Analysis of transition risks and opportunities associated with climate change</h2> <p>GRI 201-2<br/>TCFD EST-A, EST-B, EST-C, GDR-A</p> <div>Analysis of transition risks and opportunities associated with climate change</div> <div><div><h3>Opportunities associated with climate change</h3><ul style="list-style-type: none"><li>Increased revenue</li><li>Increased competitiveness in electricity costs</li><li>Reduced emissions from our operations by fostering a low-emission supply chain</li></ul></div><div><h3>Transition risks associated with climate change</h3><ul style="list-style-type: none"><li>Analysis of current regulations on carbon pricing mechanisms</li><li>Carbon pricing analysis based on global decarbonization scenarios (2025-2040)</li></ul></div></div> | <h2>Opportunities associated with climate change</h2> <p>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.</p> <div><div><p><b>Increased revenue.</b> 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 SCC sales.</p></div><div><p><b>Increased competitiveness in electricity costs.</b> 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.</p></div></div> | <div><p><b>Reduced emissions from our operations by fostering a low-emission supply chain.</b> 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).</p></div> |              |       |                       |

Energy transition: Zinc Refinery

The transition to renewable energy sources is key to reducing emissions worldwide, and at SCC, 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 in Peru, for which we are preparing the groundwork for feasibility studies for these operations.

Climate Change

Water and Effluents

Biodiversity

Waste

Closure of 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% |



| Climate Change  |  | Water and Effluents  | Biodiversity | Waste | Closure of Operations |
|---|--|--|--------------|-------|-----------------------|
| <h2>Transition risks associated with climate change</h2> <p>At SCC, 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 <a href="#">Risk Management</a>, concluding that these risks have not had a material impact on the company’s economic performance, but this could change in the future.</p> <p>Therefore, we will continue to measure and report the impact that these risks could generate, to inform the development of appropriate mitigation measures.</p> <p>The costs of greenhouse gas emissions associated with SCC 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:</p> |  |  |              |       |                       |
|    |  |   |              |       |                       |
| Analysis of current applicable regulations <sup>7</sup>   |  | Análisis de los posibles costos futuros al carbono   |              |       |                       |
| Identify relevant carbon pricing mechanisms (including carbon taxes and emissions trading systems), present in the countries where we have operations and projects.   |  | Calculate the potential financial impacts of carbon pricing mechanisms for the period 2025-2040, based on three global decarbonization scenarios. <sup>8</sup>   |              |       |                       |
|   |  | <div><div>&gt;</div><div>At SCC, 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.</div></div> |              |       |                       |

<sup>7</sup> Regulations in effect at the beginning of 2021.

<sup>8</sup> 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.

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| <div>06</div> <div>Environment</div>           | <div>Measures aimed at reducing the use of fossil fuels and GHG emissions:</div> <ul style="list-style-type: none"> <li>Consume energy from renewable sources supplied by two hydroelectric plants for our operations in Peru.</li> <li>Use clean electricity soon to be supplied by the Fenicias wind farm.</li> <li>Improve, redesign, convert and retrofit equipment, rational use of resources, and environmental training for personnel.</li> <li>Operate water recovery systems that help to conserve water and minimize the impact on nearby streams.</li> <li>Operate a desalination plant for our operations in Ilo, Peru.</li> </ul> | <div>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.</div> <div>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 &amp; Goals). We will continue this project in 2024 as part of the revision of our analysis of risks and opportunities.</div> <div>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. SCC 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. .</div> | <div>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.</div> <div>Changes in regulations related to climate change in Mexico 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.</div> <div>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).</div> <div>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.</div> |  |
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## Analysis of current carbon pricing systems

| Mexico   |
|--|
| <b>Federal and state fossil fuel taxes, and an emissions trading system in pilot phase.</b>  |
| <p>Tax rates range from US\$2.5/tCO<sub>2</sub> to US\$12.5/tCO<sub>2</sub>, approximately<sup>9</sup>. The relevant tax rates for SCC include a federal tax and state taxes for Baja California, Zacatecas and San Luis Potosi.</p> <p>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.</p> <p>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.</p> |

| Peru   |
|--|
| <b>No carbon pricing mechanism.</b>  |
| <p>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.</p> |



















<sup>10</sup> Tasas aproximadas estimadas obtenidas de <https://www.statista>.

### 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 SCC 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<sup>10</sup>. 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) <sup>11</sup><br>Considers the energy and carbon pricing regulations currently in effect. | Scenario aligned with the Sustainable Development Goals (1.75°C) <sup>12</sup><br>Ambition aligned with the IEA United Nations Sustainability Goals. | IPCC 1.5°C scenarios <sup>13</sup><br>Most ambitious scenario with the highest carbon pricing.             |
|---|--|--|--|
| SCC emissions – SBT<br>(aligned with ‘below 2°C’) |  Emissions: Reduced                                 |  Emissions: Reduced   |  Emissions: Reduced   |
|   |  Prices: Lowest                                     |  Prices: Moderate   |  Prices: High         |
|   |  Impact: Minimum                                    |  Impact: Minor  |  Impact: Medium       |
| SCC 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 SCC, 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 the regions where we operate will remain in their early stages.

> The financial implications for SCC 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.

<sup>10</sup> Implies a 2.5% annual reduction in GHG emissions, in terms of the base year.  
<sup>11</sup> More information available at: <https://www.iea.org/reports/world-energy-model/stated-policies-scenario>  
<sup>12</sup> More information available at: <https://www.iea.org/reports/world-energy-model/sustainable-development-scenario>  
<sup>13</sup> More information available at: <https://data.ene.iiasa.ac.at/iamc-1.5c-explorer/#/about>



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| 01<br>Introduction | Climate Change  | Water and Effluents | Biodiversity | Waste | Closure of Operations |
| 02<br>Our Approach | <h3>Adaptation and mitigation projects</h3> <p>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:</p> <ul style="list-style-type: none"><li>Increasing efficiency in the usage of fresh water.</li><li>Strengthening infrastructure and facilities to increase their resilience to adverse weather conditions.</li><li>Engineering works to improve rainwater management and to channel excess water.</li><li>Modernizing and improving ventilation systems in underground chambers.</li></ul> |                     |              |       |                       |
| 03<br>Shared value | <p>SCC 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 Cularjahuira 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.</p>   |                     |              |       |                       |
| 04<br>Governance   | <p>&gt; 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.</p>  |                     |              |       |                       |
| 05<br>Social       |   |                     |              |       |                       |
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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.



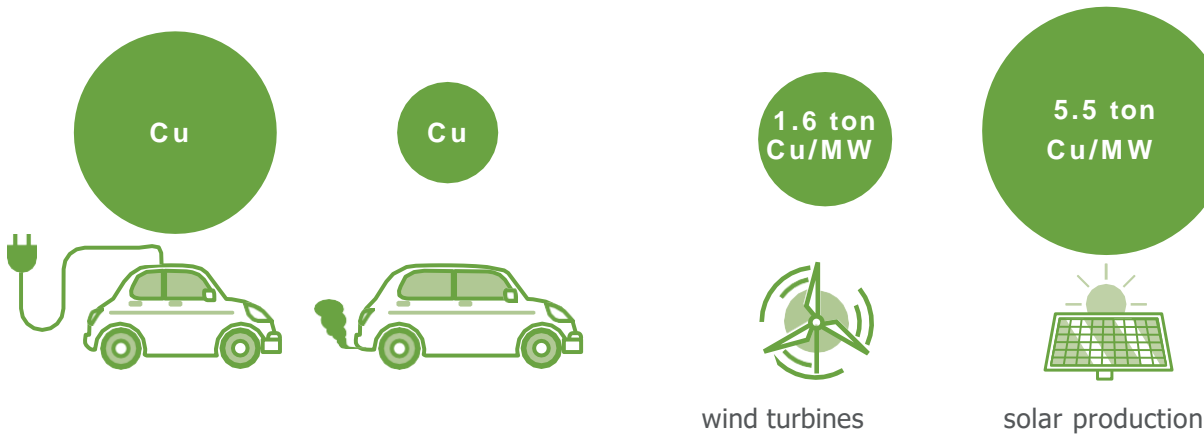
Align our organizational management with international best practices.



Deliver products and services that support the transition to low-carbon economies

Our activities at SCC promote and facilitate the transition to inclusive low-carbon economies.

We primarily produce 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 ton Cu/MW and solar production systems use about 5.5 ton cu/MW<sup>14</sup>. Also, as a 100% recyclable metal that does not lose its properties when recycled, copper facilitates the circular economy and helps preserve the environment.



In addition, our capital investment program in copper (which we see as a climate solution) and other mineral projects for this decade exceeds US\$15 billion including investments in the Buenavista Zinc, Pilares, El Pilar and El Arco projects in Mexico, and Tia Maria, Los Chancas, and Michiquillay in Peru. This investment plan includes several infrastructure investments, including key investments to boost the competitiveness of the El Arco project (see page 4 of this financial quarterly report [https://www.gmexico.com/GMDocs/ReportesFinancieros/ING/2023/RF\\_EN\\_2023\\_4Q.pdf](https://www.gmexico.com/GMDocs/ReportesFinancieros/ING/2023/RF_EN_2023_4Q.pdf)).

Moreover, we have mapped until 2032 board approved and other copper and mineral production projects with estimated investments or capital expenditures, in page 15 of the following webpage [https://www.gmexico.com/GMDocs/ReportesFinancieros/Presentaciones/4Q23\\_GM\\_Presentation\\_Results.pdf](https://www.gmexico.com/GMDocs/ReportesFinancieros/Presentaciones/4Q23_GM_Presentation_Results.pdf) Since these intended investments have been mapped to the future and made public, we interpret these disclosures as a public target.

<sup>14</sup> Estimate based on one 3MW wind turbine containing nearly 4.7 ton cu.



Reduce our carbon footprint, across the organization

At SCC, 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 energy



- 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 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.
- We have 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 to identify further energy efficiency projects.

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 SCC on request.
- Also, we have 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.



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## 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 SCC 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).

| Climate Change  | Water and Effluents | Biodiversity | Waste   | Closure of Operations |
|---|---------------------|--------------|---|-----------------------|
| <p>The scenarios were selected based on the 2017 guidelines of the TCFD<sup>14</sup>, 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 SCC operates.</p> <p>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.</p> |                     |              |   |                       |
|   |                     |              | <p>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.</p> <p>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.</p> |                       |
| <p><sup>16</sup> In particular, the 2017 technical supplement on the use of scenarios for disclosures on climate-related risks and opportunities.</p>   |                     |              |   |                       |

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 (including SCC) 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 (including SCC), 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 SCC, we understand “just transition to a low-carbon economy” as an ongoing and collective effort of adaptation and resilience to climate change, which must include all the key players in our value chain, including our employees, stakeholders and our neighbor communities, to avoid or minimize any negative impact that may result from our decarbonization actions. We recognize that these actions could lead to a significant shift in the labor market and in the communities where we operate, and we seek to follow a just and inclusive path.

A first step in this process is the corporate policies that guide our adopting of urgent measures to combat climate change ([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](#), [Human Rights Policy](#), [Policy on Community Relations](#) and [Policy on Respect and the Wellbeing of our People](#), among others). Compliance with these policies is mandatory for across the SCC organization.

We take a holistic approach to the International Labor Organization (ILO) Guidelines for a Just Transition towards Environmentally Sustainable Economies and Societies for All.

As a second step, we have identified four primary factors that will play an important role in being able to continue producing transition metals and to decarbonize our operations, though there could be significant impacts on our value chain if these factors are not addressed taking into consideration a just transition: adopting new technologies, the development and operation of new mine projects, closure of operations, and nature-based solutions.

Following, we offer more details about the actions we are taking to address each of these factors:

1. **Adopting new technologies:**  
Our emissions reduction roadmap includes actions that would mean a shift in the technologies we currently use. For example, adopting autonomous trucks or zero emissions trucks in the near future. This will mean rethinking the current configurations of our operations and upskilling for our personnel, which could have both positive and negative impacts on our value chain. Our Community Development model encourages people to drive their own development, while our due diligence process helps us to identify and prevent negative impacts. With the advent of new technologies that could affect our personnel, we are taking the following strategic actions to prevent impacts on our workforce:



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|---------------------------------------|--|---|---|--|
| <div>01</div> <div>Introduction</div> |  |   |   |  |
| <div>02</div> <div>Our Approach</div> | <ul style="list-style-type: none"> <li>• Risk analyses. These analyses place particular emphasis on the human rights of our employees and our communities that could be affected by our operations, such as the right to work, profession, industry or commerce.</li> </ul>  |   |   |  |
| <div>03</div> <div>Shared value</div> | <ul style="list-style-type: none"> <li>• Participative social diagnostics. We conduct a widespread consultation with the community every 2 years using different qualitative and quantitative methods, helping us to identify, prevent and mitigate any concern about the aspects of the operation and the perceptions of the community, and to prepare better resilience and change management strategies.</li> </ul> |   |   |  |
| <div>04</div> <div>Governance</div>   | <ul style="list-style-type: none"> <li>• Social management plans. The participative diagnostics inform the development of programs and initiatives to address preventive aspects, such as training personnel in new trades, empowering people with courses on finances, and seed projects to promote entrepreneurship, among others.</li> </ul>  |   |   |  |
| <div>05</div> <div>Social</div>       |  |   |   |  |
| <div>06</div> <div>Environment</div>  |  | <div>2. Development and operation of new projects:</div> <p>Our community development model is based on transparency and trust, building lasting, long-term relationships with our neighbor communities. As part of the just transition, we have been working to strengthen the skills and capacities of our communities through our “<i>Fojando Futuro</i>” (Forging Futures) program for both job skills training and productive skills, and for the development of local small and medium suppliers.</p> <p>We use ongoing consultation tools and mechanisms with the community during the development and operation of new projects to ensure a just transition, maximizing the opportunities for social, economic and human development in the local communities. Our Participative Diagnostics provide a way to dialogue with and listen to the community. These diagnostics help us to identify the perceived needs of local residents, to detect risks and opportunities for engagement, and to develop a work plan in collaboration with the community (as a sign of consent) to maximize the social value. We promote shared responsibility, empowerment and respect for human rights. We’re committed to replicating these consultation tools and activities for any other decarbonization project we may undertake in the future.</p> | <p>Of note is that the Grupo México Mining Division has a robust portfolio of future mine projects that will allow the company to continue producing transition metals that will contribute to the decarbonization of the economy. We currently have programs in place, and we are developing additional actions, to mitigate negative social impacts and to maximize the positive impacts that may result from these new projects. An example is the following case study.</p> |  |
| <div>07</div> <div>Annexes</div>      |  |   |   |  |
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Michiquillay project, Peru

### Case Study: Citizen Consultation for the Michiquillay Project in Peru

We conducted an inclusive public consultation process in 2020 (during the covid-19 pandemic) as part of the environmental impact assessment for our future gold and copper project in Michiquillay, Peru. This process included a connectivity analysis, which found that over 75% of the local communities use the radio as their primary means of communication.

The plan went through various working phases before it was approved, including pre-production, production and implementation. Our Community Care Service (CCS) was launched here specifically for this consultation process, setting up a toll-free line, an email address, WhatsApp account and SMS number, as well as preparing a form to aid in documenting questions and concerns received via the different platforms, and preparing announcements. We then installed receiving antennas for the radio link and other technical components to broadcast an uninterrupted 7-hour workshop where we presented the project, the environmental and social baselines, the impacts identified and considered, and the environmental management strategy.

The result was an innovative consultation process, where the live broadcast reached more than 10,000 listeners, in addition to receiving 262 inquiries via WhatsApp and 48 phone calls during the broadcast, and 250 people used the CCS.



## Case Study for Social Closure: Nueva Rosita, Coahuila - Coal Mine

A strategy was designed 18 years ago to address the needs associated with the closure of the operation at Nueva Rosita, as part of our commitment to the community, noting:

- Meetings with stakeholders to share the closure strategy and provide clear, transparent and timely information.
- Site visits to prepare bailments, agreements and to prevent social liabilities.
- Linkages with local institutions like the State Institute for Adult Education (in Spanish, IEEA), the Coahuila State Ministry of the Economy, universities and nonprofits to identify job opportunities and trainings available.
- Consultants to work on business incubation projects with workers and their families.
- Training for the Community Development team, in collaboration with Human Resources, Health and Safety and Legal, on handling the administrative closure.

Throughout the closure process, we also considered aspects related to the community, such as future employment, seeking the greatest participation possible in the preparation for the closure, ensuring the availability of resources for socioeconomic aspects, alternative uses for the company facilities, supporting emblematic productive projects, like “*Órale... Líderes por Nueva Rosita*”, which promoted citizen participation.

The responsible closure of the coke plant at the mine included the following actions:

- **Campaña de comunicación previa**
  - Local government authorities received notification.
  - Campaigns on the Nueva Rosita Casa Grande social media featuring positive actions.
  - Ongoing communication with key players, like the mayor.
- **Community actions for job searching and self-employment**
  - Job fairs.
  - 5 workshops on personal finances.
  - Trade certification and training.
  - 17 projects supported with business incubation.
  - 245 workers supported during the administrative closure.
- **Dissemination of our closure actions**
  - 5 social media outlets.
  - Close communication with local business groups and nonprofits.



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 SCC, we know that there are various operational risks and impacts associated with climate change, including those that would affect our neighbor communities, employees, value chain and stakeholders, which is why it is essential that we reinforce our strategy to limit these aspects as we move forward with the just transition. Considering this, we will be working on the following next steps:

- Define the internal principles of just transition.
- Prepare a detailed short, medium and long term plan.
- Raise awareness about the impacts and risks associated with our operations.
- Continue our social dialogues and programs, and engagement with communities and stakeholders.

Of note is that the transition is different in each country where we operate. Therefore, we aim to continually adapt our approach considering the regulations of each country, to expand our engagement with stakeholders and communities, and to build alliances with key players.



Combined cycle power plant, Nacozari de Garcia, Sonora Mexico



6.1.5  
Targets & Goals

Short, medium and long term emissions  
reduction targets

TCFD MYO-C

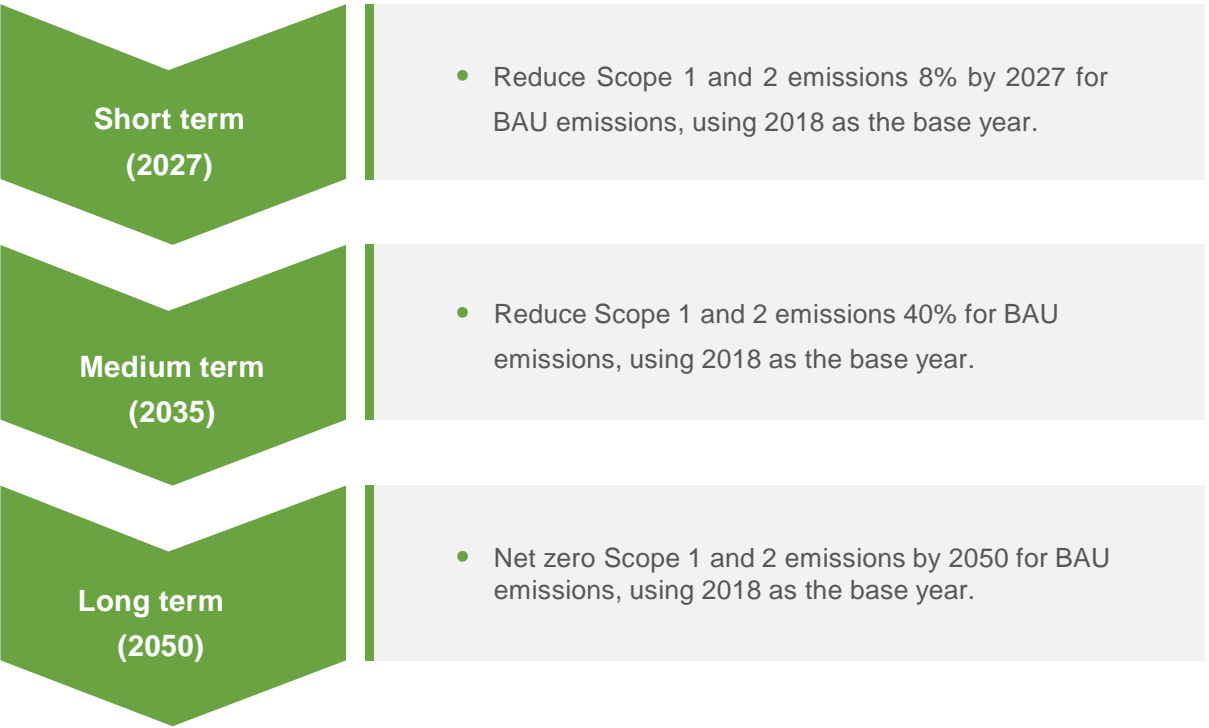
We prepared a Scope 1 and 2 emissions reduction roadmap for SCC in 2022 to define our new short, medium and long term targets.

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.

- Climate Change
- Water and Effluents
- Biodiversity
- Waste
- Closure of Operations
- In 2022, we 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).



|  | Climate Change  | Water and Effluents | Biodiversity | Waste | Closure of Operations |  |
|--|---|---------------------|--------------|-------|-----------------------|--|
|  | <div><div>Energy efficiency:</div><div><div><div>■ We are developing the following fuel substitution projects for our mines in Mexico, which will produce reductions of approximately 1.25 ktCO<sub>2</sub>eq when they start operations before 2027.</div><div>» 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 the first quarter 2024 and may be replicated at other sites.</div><div>» 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).</div></div><div><div>■ For our mines in Peru, we are developing three projects that will produce reductions of approximately 39-43 ktCO<sub>2</sub>eq starting in 2024:</div><div>» Power cogeneration using the residual furnace heat at the Ilo Smelter to generate steam-based electricity.</div><div>» Substituting fuel oil and diesel for natural gas at the Ilo Smelter, by using dry natural gas in plant equipment processes.</div><div>» 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).</div></div></div></div> |                     |              |       |                       |  |
|  | <div><div>Short term (2027)</div><div><div>Reduce our Scope 1 and 2 emissions 8% by 2027 against BAU emissions (4,097,842 tons CO2e), using 2018 as the base year. The Grupo México Mining Division (including SCC) has set an emissions intensity reduction target of 20% by 2027, compared to 2018, 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.</div><div><div>Actions to achieve our targets:</div><div><div><div>• <b>Invest in renewable electricity.</b> 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 ktCO<sub>2</sub>eq 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 our wind farms in Mexico. The first success case is the Tamosura Business Center, where we implemented this distributed generation model, producing a reduction of approximately 130 tCO<sub>2</sub>eq.</div></div></div></div></div></div>   |                     |              |       |                       |  |
|  | <div><div><div><div><div></div><div></div></div><div>Click here for more information on how these reduction actions are contributing to the emissions intensity reduction targets.</div></div></div></div>  |                     |              |       |                       |  |



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Capex

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 ton CO <sub>2</sub> e 000 | Status and start of operations |
|---------------------------------------|---|---------------------|-------------------------------------|--------------------------------|
| 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              |
| SX/EW La Caridad                      | Solar thermal system (energy efficiency)  | 938                 | 0.1                                 | Construction/April 2024        |
| SX/EW 3 BVC                           | Heat pumps (energy efficiency)            | 3,000               | 1.15                                | Concept phase/tbd              |
| Medium voltage distributed generation | Solar panels (renewable energies)         | 800                 | 0.48                                | Concept phase/tbd              |



Fenicias wind farm, Nuevo Leon, Mexico

|                    | Climate Change   | Water and Effluents  | Biodiversity | Waste | Closure of Operations |
|--------------------|--|--|--------------|-------|-----------------------|
| Medium term (2035) | <p>Reduce our Scope 1 and 2 emissions 40% by 2025 against BAU emissions (4,727,127 tons CO2e), using 2018 as the base year. For the Grupo México Mining Division (which includes SCC), we have set an emissions intensity reduction target of 50% by 2035, compared to 2018, 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.</p> | <p>Actions to achieve our targets:</p> <ul style="list-style-type: none"><li>• <b>Electrically powered mine trucks.</b> 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. Grupo México (including SCC) has 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<sub>2</sub>eq.</li><li>• <b>Continue investing in renewable electricity for existing projects.</b> We assume that after 2027, our operations in Peru will be able to 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 projects. This would translate into a reduction of approximately 486 ktCO<sub>2</sub>eq. 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 37-107 MW, depending on the availability of land. We are also analyzing the feasibility of another solar project in Moquegua with a 300 MW capacity.</li></ul> |              |       |                       |
|                    |  | <ul style="list-style-type: none"><li>• <b>Invest in renewable energies for new mine projects.</b> We estimate Grupo México will have new projects in operation by 2035. If we consider that all new SCC 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<sub>2</sub>eq</li><li>• <b>Additional energy efficiency projects.</b> 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<sub>2</sub>eq by 2035.</li></ul> <p>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 (sites that are currently in operation).</p> <p>We are estimating an investment of US\$40-100 million, depending on the installed capacity.</p>   |              |       |                       |



Click here for more information on how these reduction actions are contributing to the emissions intensity reduction targets.



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**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:

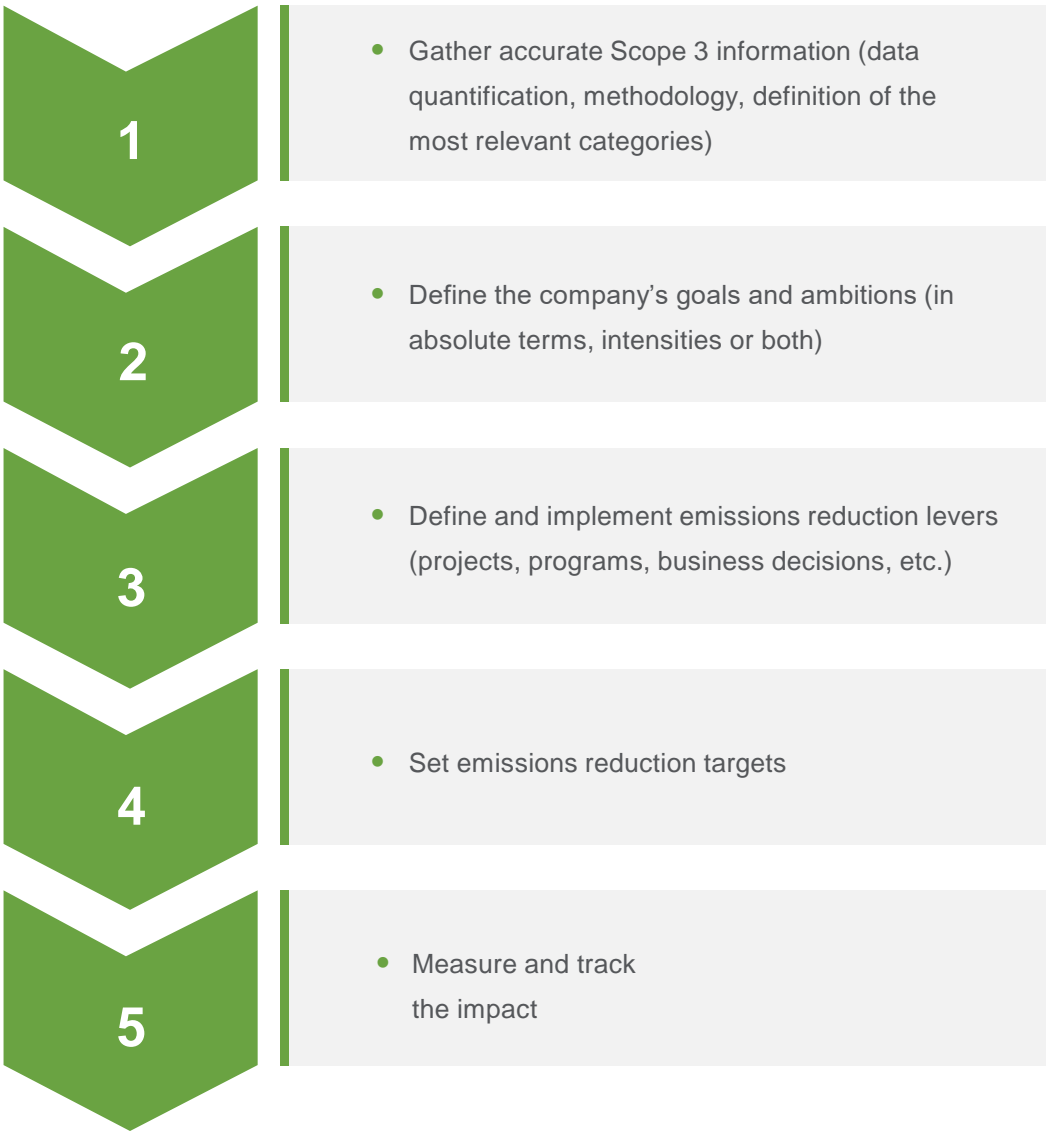
- **Electrically powered mine trucks.** We expect 100% of our current fleet of mine trucks to be electrically powered by 2050, as we estimate that by then all our current trucks will have reached the end of their useful life, therefore there will be an opportunity to invest in new electrically powered trucks. We believe that having a 100% electric fleet by 2050 is crucial to achieving our target of net zero emissions.
- **Continue investing in renewable energies for new mine projects.** We have set as a target that by 2050, all our operations (including new projects) will be operating on renewable energies, which will significantly reduce our Scope 2 emissions.
- **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. 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 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.

Emissions reduction in our value chain

One of our strategic priorities at SCC 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 ICMC 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. Define SCC goals:** Our process for setting targets and goals is built on a methodology that helps us to quantify potential increases in our emissions 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 targets:** 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 our [Code of Conduct for Customers and Suppliers](#) and [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.



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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, USA



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Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

Emissions reductions block #1  
(suppliers, customers, capital goods and products)

Scope 3 categories

Category 1 (purchased goods and services)

Category 10 (capital goods)

Category 2 (processing of products sold)


High priority

Most relevant emissions reduction levers

- Implement low carbon procurement policies
- Collaborate 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.
- Create 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.
- Collaborate and follow up with suppliers in terms of their emissions reduction initiatives.



Toquepala Unit, Peru





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|---------------------------------------|---|--|---|--|
| <div>01</div> <div>Introduction</div> | <div>With this strategy, we plan to reduce our emissions according to the following targets:</div>  | <div>Climate Change</div> <div>Water and Effluents</div> <div>Biodiversity</div> <div>Waste</div> <div>Closure of Operations</div>   |   |  |
| <div>02</div> <div>Our Approach</div> | <div> <div> <div> <div>CO<sub>2</sub></div> <div>-10%</div> </div> <div> <b>Short term (2027):</b> Reduce our Scope 3 absolute emissions by 10% for BAU emissions, using 2022 as the base year. </div> </div> </div>  | <div>We want to highlight that at SCC, 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.</div> | <div>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.</div> |  |
| <div>03</div> <div>Shared value</div> |   |  |   |  |
| <div>04</div> <div>Governance</div>   | <div> <div> <div> <div>CO<sub>2</sub></div> <div>-20%</div> </div> <div> <b>Medium term (2035):</b> Reduce our Scope 3 absolute emissions by 20% for BAU emissions, using 2022 as the base year. </div> </div> </div>   | <div>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.</div>   |   |  |
| <div>05</div> <div>Social</div>       |   |  |   |  |
| <div>06</div> <div>Environment</div>  | <div> <div> <div> <div>CO<sub>2</sub></div> <div>-30%</div> </div> <div> <b>Long term (2050):</b> Reduce our Scope 3 absolute emissions by 30% for BAU emissions, using 2022 as the base year, although we aspire to reach the 60% proposed by the International Copper Association. </div> </div> </div> |  |   |  |
| <div>07</div> <div>Annexes</div>      |   |  |   |  |
| <div>&lt; 204 &gt;</div>              |   |  |   |  |



### 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 Métrics

GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-5, 305-7 | TCFD MYO-A, TCFD MYO-B

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 (pie)
- 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 country and type of fuel (bar)
- b. Total fuel consumptions (GJ)
- c. Year fuel consumptions by country and type of fuel (GJ)
- d. SCC emissions from fuel consumption in mobile combustion sources by type of gas
- e. SCC emissions from fuel consumption in fixed combustion sources by type of gas

Biodiversity

Waste

Closure of Operations

#### Electricity

- a. Historic electricity consumption, by country
- b. 2023 Electricity consumption by source (MWh)
- c. SCC grid energy consumption
- d. RENEWABLE ENERGY CONSUMPTION TABLE

#### Scope 3 emissions

- a. Scope 3
  - Scope 3 emissions by category
  - Emissions by category (pie)

#### Summary of the corporate footprint

- a. Scope 1, 2, 3 total emissions
- b. Total emissions MtCO<sub>2</sub>e
- c. Year operational emissions MtCO<sub>2</sub>e
- d. Total emissions by scope, subsidiary and country (ktCO<sub>2</sub>e)
- e. Emissions reduction
- f. Scope 1 and 2 emissions intensity charts
- g. Scope 3 emissions intensity charts

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  |            |            |            |            |            |                    |
|   | 2023       | 2022       | 2021       | 2020       | 2019       | Δ % (2023 vs 2022) |
| SCC   | 46,927,913 | 46,971,120 | 44,609,792 | 43,244,904 | 43,208,095 | -0.09%             |
| Mexico (MM)   | 29,145,440 | 29,274,794 | 27,343,238 | 26,743,178 | 26,450,947 | -0.44%             |
| Peru (SPCC)   | 17,782,473 | 17,696,326 | 17,266,554 | 16,501,726 | 16,757,148 | 0.49%              |

SCC reduced its consumption of fuels and electricity because of atypical operating conditions at some of our sites in Mexico.

 49 %

of the energy we consume is electricity purchased or self-generated, while the remainder is associated with fuels.

 2023

total energy consumption was 46,927,914 GJ



Fenicias Park, Nuevo León, México



|  | Climate Change   | Water and Effluents  | Biodiversity | Waste | Closure of Operations |         |         |         |   |  |  |
|--|--|--|--------------|-------|-----------------------|---------|---------|---------|---|--|--|
| <h2>Greenhouse gas emissions (GHG)</h2> <p>GRI 305-1, 305-2, 305-4, 305-5, TCFD MYO-A, MYO-B</p> <p>We report the GHG emissions resulting from our activities (Scope 1 and 2) and for the fourth year, we also report the GHG emissions associated with our value chain (Scope 3).</p> <table><tr><th>Scope 1</th><th>Scope 2</th><th>Scope 3</th></tr><tr><td><p>All emissions generated from the use of fossil fuels by fixed and mobile sources, and also emissions from chemical and physical processes, as emitted during the lime production process.<sup>16</sup></p></td><td><p>Indirect emissions from the consumption of electricity produced by third parties and the La Caridad combined cycle power plant.</p></td><td><p>All other indirect emissions associated with the company’s activities, upstream and downstream.</p><p>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 SCC operations.</p></td></tr></table> <p>The 2022 GHG emissions inventory was prepared according to the guidelines of the Greenhouse Gas Protocol<sup>17</sup>, with a corporate focus that considers the multiple synergies between the three divisions of Grupo México (including SCC) to avoid a double accounting of the GHG emissions.</p> <p>The emissions accounting followed an operational control approach that includes all material operations of the three divisions of Grupo México (including SCC). Also, and in alignment with the GHG Protocol guidelines, Scope 2 emissions were calculated using the ‘market-based’ approach and the ‘location-based’ approach. The Scope 2 emissions reported here refer to the ‘market-based’ approach, unless otherwise indicated.</p> <p>Estimates were used to calculate the Scope 1 emissions from fuel consumption by 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 emissions reported.</p> |  |  |              |       |                       | Scope 1 | Scope 2 | Scope 3 | <p>All emissions generated from the use of fossil fuels by fixed and mobile sources, and also emissions from chemical and physical processes, as emitted during the lime production process.<sup>16</sup></p> | <p>Indirect emissions from the consumption of electricity produced by third parties and the La Caridad combined cycle power plant.</p> | <p>All other indirect emissions associated with the company’s activities, upstream and downstream.</p> <p>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 SCC operations.</p> |
| Scope 1  | Scope 2  | Scope 3  |              |       |                       |         |         |         |   |  |  |
| <p>All emissions generated from the use of fossil fuels by fixed and mobile sources, and also emissions from chemical and physical processes, as emitted during the lime production process.<sup>16</sup></p>  | <p>Indirect emissions from the consumption of electricity produced by third parties and the La Caridad combined cycle power plant.</p> | <p>All other indirect emissions associated with the company’s activities, upstream and downstream.</p> <p>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 SCC operations.</p> |              |       |                       |         |         |         |   |  |  |
| <p><sup>17</sup> Fugitive emissions associated with the use of cooling and air conditioning equipment are included for SCC. “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).</p> <p><sup>18</sup> Market-based calculations consider contractual instruments for renewable energies 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.</p>  |  |  |              |       |                       |         |         |         |   |  |  |

Operational emissions include Scope 1 and 2 emissions. In the particular case of SCC, operational emissions are those produced by the use of fuels in fixed and mobile sources, electricity purchased from third parties, and process emissions during lime production (CO<sub>2</sub> emissions produced during the transformation of limestone to lime). Additionally, comparing the emissions reported in the Grupo México 2023 Sustainable Development Report, the emissions reported here for SCC are higher as we are reporting with an operational focus, meaning the total Scope 2 emissions for SCC include the emissions produced from the consumption of electricity produced by the La Caridad combined cycle power plant (which at the Grupo México level are reported as Scope 1 for the Infrastructure Division).

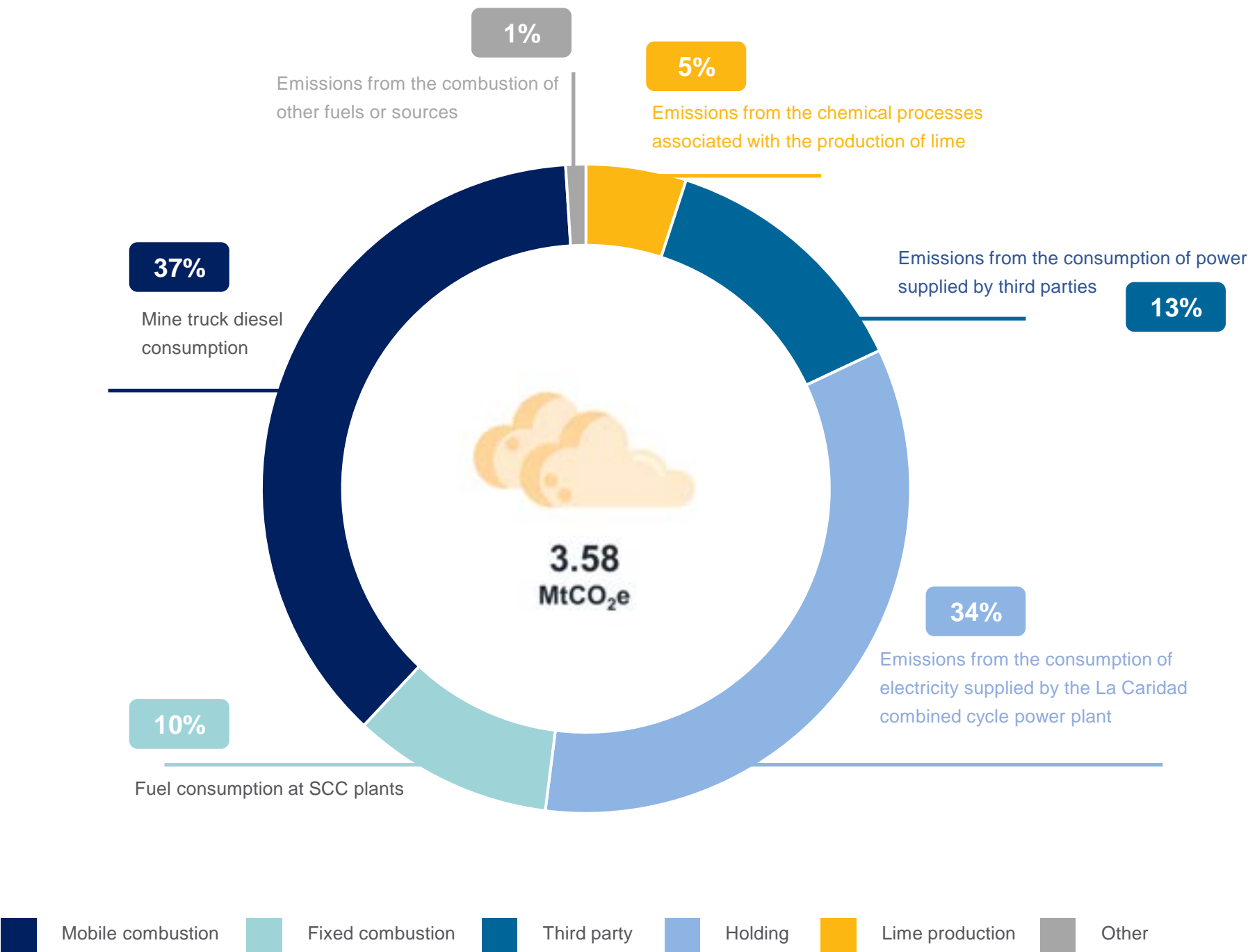
Considering the two countries where we operate, SCC’s total operational emissions were 3,579 ktCO<sub>2</sub>e in 2023. The most relevant source of emissions is the consumption of fuels in mobile sources (representing 37% of the total operational emissions).

Operational Emissions – Scope 1 and 2

SASB EM-MM-110a.1

TR-RA-110a.1, IF-EU-110a.1, TCFD MYO-B

2023 Greenhouse Gas Operational Emissions







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| Climate Change                       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
|--------------------------------------|----------------------------|---------|-------|----------------------------|---------|-------|----------------------------|---------|-------|----------------------------|---------|-------|----------------------------|---------|-------|------------------------|
| Water and Effluents                  |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
| Biodiversity                         |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
| Waste                                |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
| Closure of Operations                |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
| Operational emissions                |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
| GRI 305-1, 305-2   SASB EM-MM-110a.1 |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                            |         |       |                        |
|                                      | 2023 (MtCO <sub>2</sub> e) |         |       | 2022 (MtCO <sub>2</sub> e) |         |       | 2021 (MtCO <sub>2</sub> e) |         |       | 2020 (MtCO <sub>2</sub> e) |         |       | 2019 (MtCO <sub>2</sub> e) |         |       | Variance 2022-2021 (%) |
|                                      | 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 |                        |
| SCC                                  | 1.92                       | 1.65    | 3.58  | 2.00                       | 1.87    | 3.87  | 1.81                       | 1.70    | 3.51  | 1.64                       | 1.96    | 3.60  | 1.74                       | 1.96    | 3.70  | -7.5%                  |
| Mexico (MM)                          | 1.21                       | 1.65    | 2.87  | 1.28                       | 1.70    | 2.98  | 1.13                       | 1.53    | 2.66  | 1.01                       | 1.79    | 2.8   | 1.04                       | 1.79    | 2.83  | -3.8%                  |
| 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                        | 0.17    | 0.87  | -19.8%                 |

SCC’s total fuel consumption in 2023 was 23,780,550 GJ, representing a 0.2% decrease compared with 2022.

| Total fuel consumption (GJ)          |            |            |            |            |            |                        |
|--------------------------------------|------------|------------|------------|------------|------------|------------------------|
| GRI 302-1 y 302-4  SASB EM-MM-130a.1 |            |            |            |            |            |                        |
|                                      | 2023       | 2022       | 2021       | 2020       | 2019       | Variance 2022-2021 (%) |
| SCC                                  | 23,780,550 | 23,823,553 | 22,298,456 | 19,948,887 | 20,615,271 | -0.2%                  |
| Mexico (MM)                          | 14,428,339 | 14,319,810 | 13,341,052 | 11,668,361 | 11,841,271 | 0.8%                   |
| Peru (SPCC)                          | 9,352,211  | 9,503,744  | 8,957,404  | 8,280,526  | 8,774,000  | -1.6%                  |

| Emission intensity             |      |      |      |      |      |
|--------------------------------|------|------|------|------|------|
| GRI 305-4                      |      |      |      |      |      |
|                                | 2023 | 2022 | 2021 | 2020 | 2019 |
| Emission intensity (tCo2e/tCu) | 3.6  | 3.7  | 3.5  | 3.4  | 3.7  |



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Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

| 2023 Fuel consumption by country and type of fuel (GJ)<br>GRI 302-1 |           |           |            |          |             |         |          |
|---|-----------|-----------|------------|----------|-------------|---------|----------|
|   | Spent oil | Fuel oil  | Diesel     | Gasoline | Natural gas | LP gas  | Kerosene |
| SCC   | 94,656    | 1,204,640 | 18,274,877 | 188,349  | 3,782,196   | 225,958 | 9,875    |
| Mexico (MM)   | 94,656    | 51,000    | 10,138,690 | 185,432  | 3,782,196   | 166,490 | 9,875    |
| Peru (SPCC)   | -         | 1,153,639 | 8,136,187  | 2,917    |             | 59,468  |          |

Diesel and natural gas are the most used fuels in the organization, representing 77% and 16% of our total fuel consumption, respectively. In terms of total GHG emissions from the use of fuels, diesel represented 38%, while natural gas, being a cleaner fuel, accounted for 6%.

Diesel consumption at our mines increased because of the greater hauling distances at our open pit sites.



Mine truck at Cananea, Sonora, México



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Mine truck at La Caridad, Nacozari de Garcia, Sonora, Mexico

| SCC emissions from fuel consumption in mobile combustion sources by type of gas<br>SASB SASB EM-MM-110a.1 |                    |                    |                 |                  |
|---|--------------------|--------------------|-----------------|------------------|
|   | tCO <sub>2</sub> e | tCO <sub>2</sub> e |                 |                  |
|   |                    | CO <sub>2</sub>    | CH <sub>4</sub> | N <sub>2</sub> O |
| SCC   | 1,345,034          | 1,323,725          | 2,067           | 19,242           |
| Mexico (MM)   | 753,406            | 741,328            | 1,207           | 10,870           |
| Peru (SPCC)   | 591,629            | 582,397            | 860             | 8,372            |

| SCC emissions from fuel consumption in fixed combustion sources by type of gas<br>SASB SASB EM-MM-110a.1 |                    |                    |                 |                  |
|--|--------------------|--------------------|-----------------|------------------|
|  | tCO <sub>2</sub> e | tCO <sub>2</sub> e |                 |                  |
|  |                    | CO <sub>2</sub>    | CH <sub>4</sub> | N <sub>2</sub> O |
| SCC  | 372,325            | 371,241            | 374             | 710              |
| Mexico (MM)  | 257,864            | 257,500            | 143             | 221              |
| Peru (SPCC)  | 114,461            | 113,741            | 231             | 490              |



Electricity

GRI 302-1, 302-4 TCFD MYO-A

| Electricity consumption by country 2019-2023 |           |            |           |            |           |            |           |            |           |            |                           |
|--|-----------|------------|-----------|------------|-----------|------------|-----------|------------|-----------|------------|---------------------------|
| GRI 302-1                                    |           |            |           |            |           |            |           |            |           |            |                           |
|  | 2023      |            | 2022      |            | 2021      |            | 2020      |            | 2019      |            | Variance<br>2023-2022 (%) |
|  | MWh       | GJ         | MWh       | GJ         | MWh       | GJ         | MWh       | GJ         | MWh       | GJ         |                           |
| SCC  | 6,429,823 | 23,147,363 | 6,429,880 | 23,147,567 | 6,197,593 | 22,311,336 | 6,471,116 | 23,296,017 | 6,275,785 | 22,592,824 | 0.0%                      |
| Mexico (MM)                                  | 4,088,084 | 14,717,101 | 4,154,162 | 14,954,985 | 3,889,496 | 14,002,186 | 4,187,449 | 15,074,817 | 4,058,243 | 14,609,676 | -1.6%                     |
| 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%                      |

Electricity consumption in 2023 was 6,429,823 MWh (23,147,363 GJ), maintaining the 2022 level.

| Climate Change  |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
|---|----------------------|--|--|----------------------------------|--------------------------------------|-----------------------|---|--|---------------------------------------|---|--|
| Water and Effluents   |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
| Biodiversity  |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
| Waste   |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
| Closure of Operations   |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
| 2023 Electricity consumption by source (MWh)<br>GRI 302-1 SASB EM-MM-130a.1 |                      |  |  |                                  |                                      |                       |   |  |                                       |   |  |
|   | Renewable sources    |  |  |                                  |                                      | Non-renewable sources |   |  |                                       |   | Total<br>(renewable +<br>non-renewable<br>sources) |
|   | Generated on<br>site | Supplied by the<br>Infrastructure<br>Division (EI<br>Retiro) | Supplied by the<br>grid (unrelated<br>third parties) | Subtotal<br>renewable<br>sources | Subtotal<br>renewable<br>sources (%) | Generated on<br>site  | Supplied by the<br>Infrastructure<br>Division | Supplied by the<br>grid (unrelated<br>third parties) | Subtotal non-<br>renewable<br>sources | Subtotal non-<br>renewable<br>sources (%) |  |
| SCC   | 19,629               | 11,369   | 2,322,110  | 2,353,109                        | 36.6%                                | 41,511                | 2,954,173                                     | 1,081,031  | 4,076,714                             | 63%                                       | 6,429,823  |
| Mexico  | 0                    | 11,369   | 0  | 11,369                           | 0.28%                                | 41,511                | 2,954,173                                     | 1,081,031  | 4,076,714                             | 99.72%                                    | 4,088,084  |
| Peru (SPCC)   | 19,629               | 0  | 2,322,110  | 2,341,739                        | 100%                                 | 0                     | 0   | 0  | 0                                     | 0%  | 2,341,739  |
| Total SCC (%)   | 0.31%                | 0.18%  | 36.11%   | 36.6%                            |                                      | 0.65%                 | 45.94%  | 16.81%   | 63.4%                                 |   |  |

As the Mining Division accounted for 99.3% of the total electricity consumed by Grupo México (including SCC) in 2023, the following table details consumption by source for SCC and its subsidiaries. 36.6% of the electricity consumed by SCC came from renewable sources. All electricity consumed by our operations in Peru comes from renewable sources (100%). The target for the Grupo México Mining Division is for at least 25% of its total energy consumption to come from renewable sources by 2027 and 50% by 2035.

| SCC grid power<br>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%                               |

|                                     | 2019 | 2020 | 2021 | 2022 | 2023 | 2027 Target  | 2035 Target |
|-------------------------------------|------|------|------|------|------|--------------|-------------|
| Consumption of renewable energy (%) | 18.6 | 19.8 | 22.6 | 19.8 | 36   | At least 25% | 50%         |



## Scope 3 Emissions

GRI 305-3 TCFD MYO-B

The total Scope 3 emissions in 2023 were 5.84 million tCO<sub>2</sub>e. The three main categories for SCC are purchased goods and services, processing of products sold, and fuel and energy usage.

The emissions associated with processing of products sold are relevant to SCC, as Southern Copper Corporation 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.

## SCC Corporate Footprint

TCFD MYO-B

| Total emissions by scope and country (million tCO2e)<br>GRI 305 |                               |  |   |                 |
|---|-------------------------------|--|---|-----------------|
| División / Subsidiaria  | Direct emissions<br>(Scope 1) | Indirect emissions from<br>electricity consumed<br>(Scope 2) | Emissions produced by the<br>value chain (Scope3) | Total emissions |
| SCC   | 1.92                          | 1.65   | 5.84  | 9.42            |
| México (MM)   | 1.21                          | 1.65   | 4.01  | 6.88            |
| Perú (SPCC)   | 0.71                          | -  | 1.83  | 2.54            |

Considering the three scopes, our mine operations in Mexico remain the principal source of our emissions at 72%, with our operations in Peru accounting for the remaining 28%.



Lime plant, Agua Prieta, Sonora, Mexico

|                    |
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## Emissions Reduction

GRI 305-5

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.

|                                      | Project                       | Type   | <u>Avoided consumption (MWh/year)</u> | Avoided emissions * (ktCO <sub>2</sub> e/year) |
|--------------------------------------|-------------------------------|--|---------------------------------------|--|
| Projects implemented in prior years  |                               |  |                                       |  |
| SPCC (AMC)                           | Power purchased from the grid | <a href="#">Renewable hydroelectric power</a>                | 2,341,739                             | 1221   |
| MM (AMC)                             | METCO                         | Cogeneration (reusing smelter gases to generate electricity) | 41,511                                | **   |
| Grupo México                         | El Retiro                     | Wind power   | 22,608                                | 9.90   |
|                                      |                               |  |                                       |  |
| Total (ktCO <sub>2</sub> e/year)     |                               |  |                                       | 1231   |
| Grupo México Infrastructure Division | Fenicias                      | Renewable energy - 168 MW 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<sub>2</sub>eq/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 & Effluents

**6.2.1  
Highlights**



**6.2.2  
Governance**



**6.2.3  
Management  
& Strategy**



**6.2.4  
Water and effluents  
in our other divisions**



**6.2.5  
Metrics and  
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| <div>02</div> <div>Our Approach</div> | <div>6.2</div> <div>Water and Effluents</div> <div>GRI 3-3</div> <div> <p>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.</p> <p>Responsible water management, from a comprehensive perspective and preventive approach, is one of the pillars in the SCC sustainable development strategy, aligning with United Nations Sustainable Development Goal 6, which calls for the efficient and sustainable use, recycling and reuse of water.</p> <p>We recognize the importance and the challenges of the sustainable management of this resource. In this regard, SCC 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.</p> </div> | <div> <p>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.</p> <p>According to the <a href="#">World Resources Institute Aqueduct: Water Risk Tool</a>, 74% of our mines are situated in high water stress zones, representing 95% of mining sales.</p> <p>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.</p> </div> | <div> <p>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.</p> <p>Grupo México has 18 active mine operations in the United States, Mexico and Peru, which together account for 99% of the company’s total water consumption.</p> </div> |  |
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Map of the basins and watersheds where SCC has presence

Site

Basin or watershed





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 Southern Copper Corporation supports efficient water management at our operations.



Visit the **Grupo México Sustainability website** for more information.



Guaymas Terminal, Sonora, Mexico



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| <div>03</div> <div>Shared value</div> | <p>Our <a href="#">Environmental Policy</a> 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, SCC 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.</p> | <p>Our <a href="#">Sustainable Water Management Protocol</a> commits and encourages us to:</p> <ul style="list-style-type: none"> <li>Reduce our water footprint and minimize our wastewater discharges, maximizing reuse practices.</li> </ul>  | <ul style="list-style-type: none"> <li>Use environmental performance indicators that contribute to improving this performance through a process of ongoing improvement based on recognized best practices.</li> </ul>   |
| <div>04</div> <div>Governance</div>   | <p>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:</p>  | <ul style="list-style-type: none"> <li>Regularly update the water balances for each of our operations.</li> </ul>  | <ul style="list-style-type: none"> <li>Contribute to protecting the environmental services that ecosystems provide, through water harvesting projects and reforestation in the river basins and watersheds where we operate.</li> </ul>   |
| <div>05</div> <div>Social</div>       | <ol style="list-style-type: none"> <li>Preventive management of the risks associated with water usage at our operations.</li> <li>Ongoing improvement in efficient water usage at our operations.</li> </ol>   | <ul style="list-style-type: none"> <li>Review and regularly update our analysis of risks and opportunities to address these in a timely manner.</li> </ul>   | <ul style="list-style-type: none"> <li>Incorporate sector best practices on reporting and engagement with stakeholders and to ensure regulatory compliance.</li> </ul>  |
| <div>06</div> <div>Environment</div>  | <ol style="list-style-type: none"> <li>Assurance that the water we return to the environment is good quality.</li> <li>Collaboration with other players in the management of the river basins and watersheds where we work.</li> <li>Generation of value added in water management.</li> </ol>   | <ul style="list-style-type: none"> <li>Regularly monitor the water tables and meteorological variables associated with our operations.</li> <li>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.</li> </ul> | <ul style="list-style-type: none"> <li>Collaborate with other stakeholders, particularly in the management of the river basins and watersheds where we work, to protect and preserve this shared resource.</li> </ul> <p>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.</p> |
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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 company participate in this permanent process, particularly the Water Resources and Corporate Environmental Affairs departments, and our operations.

Short, medium and long term risks and opportunities

We have 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 San Martin, Zacatecas, Mexico

| Climate Change   |  | Water and Effluents   |  | Biodiversity |  | Waste |  | Closure of Operations |  |
|--|--|---|--|--------------|--|-------|--|-----------------------|--|
| Short, medium and long term risks and opportunities  |  |   |  |              |  |       |  |                       |  |
| Type of impact   |  | Actions on related opportunities  |  |              |  |       |  |                       |  |
| <div></div> <div>Legal</div>  |  | <ul style="list-style-type: none"><li>Compliance with water extraction and usage permits for groundwaters and surface waters.</li></ul>   |  |              |  |       |  |                       |  |
| <div></div> <div>Water availability</div>   |  | <ul style="list-style-type: none"><li>Monitor the water systems at our operations to determine water availability, volume and quality, and to identify and mitigate the risks associated with water management. .</li><li>Improve water efficiency in our processes.</li><li>Improve efficiency in reclaiming water.</li><li>Diversify supply sources.</li><li>Reduce competition for this resource.</li><li>Works to increase water harvesting and conservation.</li></ul> |  |              |  |       |  |                       |  |
| <div></div> <div>Water quality</div>   |  | <ul style="list-style-type: none"><li>Monitor water quality.</li><li>Contamination prevention.</li></ul>  |  |              |  |       |  |                       |  |
| <div></div> <div>Impacts on infrastructure and facilities from weather events</div> |  | <ul style="list-style-type: none"><li>Design (storm seasons).</li><li>Auxiliary facilities (overflow canals, rainwater diversions, contingency systems, etc.).</li><li>Preventive weather monitoring.</li><li>Incorporate international good practices, like the International Council on Mining and Metals (ICMM) Water Stewardship Framework.</li></ul>   |  |              |  |       |  |                       |  |
| <div></div> <div>Reputational</div>   |  | <ul style="list-style-type: none"><li>Diversify supply sources (wastewater).</li><li>Social responsibility.</li><li>River basin and watershed projects (water capture, soil erosion prevention).</li><li>Involve other relevant players in water management.</li><li>Publish information.</li></ul>   |  |              |  |       |  |                       |  |

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## 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.

- Climate Change
- Water and Effluents
- “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<sup>1</sup>, CONAGUA<sup>2</sup>, SENACE<sup>3</sup> and ANA<sup>4</sup>) 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<sup>5</sup> and PROFEPA<sup>6</sup>) monitor compliance with these obligations in terms of their effectiveness and timeliness.

The communities are 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.

<sup>1</sup> Ministry of the Environment and Natural Resources (Mexico)  
<sup>2</sup> National Water Board (Mexico)  
<sup>3</sup> National Environmental Certification Service for Sustainable Investments (Peru)  
<sup>4</sup> National Water Board (Peru)

<sup>5</sup> Environmental Assessment and Inspection Agency (Peru)  
<sup>6</sup> Environmental Protection Agency (Mexico)



6.2.4

Metrics and Indicators

GRI 303-3, 303-4, 303-5

Our performance indicators in this area are:

- a. Consumption of fresh water and reclaimed water
- b. Water used in crushed ore (m³/DMT)
- c. Specific actions

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.

|     | SCC crushed ore |
|-----|-----------------|
| DMT | 176,691,820     |

|    | Total water SCC | Fresh water SCC | Reclaimed water SCC |
|----|-----------------|-----------------|---------------------|
| %  | 100             | 26              | 74                  |
| m³ | 391,982,000     | 89,566,918      | 302,415,082         |

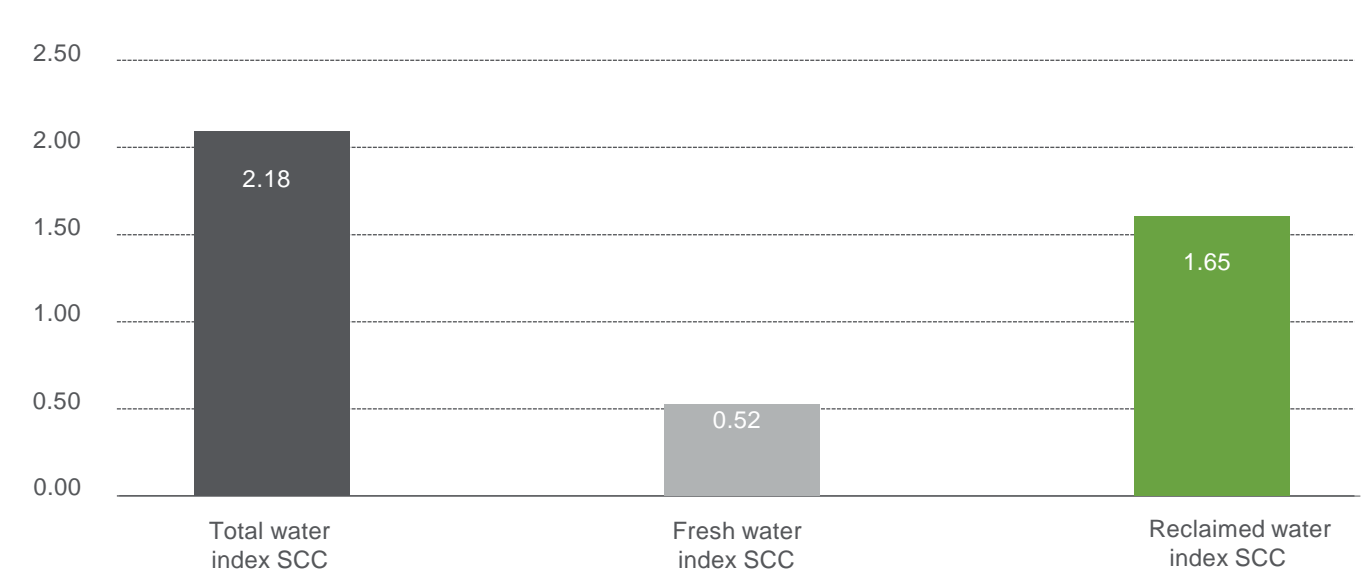
|          | Total water index SCC | Fresh water index SCC | Reclaimed water index SCC |
|----------|-----------------------|-----------------------|---------------------------|
| m³ / TMS | 2.22                  | 0.51                  | 1.71                      |



74%  
Reclaimed water

26%  
Fresh water

b) Water used in crushed ore (m³/DMT)



DMT: Dry Metric Tons

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| <div>02</div> <div>Our Approach</div> | <div>c) Specific actions</div>   |  |  |
| <div>03</div> <div>Shared value</div> | <div>Southern Copper Corporation consumption of fresh water and reclaimed water at concentrators</div> <div>Mexico</div> <div>\$20 million pesos invested in Nacozari, Mexico to ensure the supply of clean water to the community (14,369 inhabitants). 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.</div> | <div>Peru</div> <div>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.</div>   |  |
| <div>04</div> <div>Governance</div>   | <div>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.</div>  | <div>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 1347 lightweight outhouses with self-cleaning biodigesters as the homes are spread over moderately rugged terrain. This project will serve 414 residents.</div>  | <div>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 efficiency 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.</div> |
| <div>05</div> <div>Social</div>       |  | <div>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.</div> | <div>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.</div>  |
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# 6.3 Biodiversity

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## 6.3 Biodiversity

GRI 3-3

At SCC, 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.

Our [materiality analysis](#) identifies biodiversity as a relevant topic for SCC. 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<sup>1</sup>, 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.

<sup>1</sup> 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.

Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

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.

### 6.3.1 Highlights

At SCC, 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](#), 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.




In 2023, SCC reforested an area 2.8 times greater than that impacted by our operations (3,484 vs 1,225 acres (1,410 vs 496 hectares)).




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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<sup>2</sup>.




We continued to design and manage the biodiversity at our operations according to the designated biological and ecological value of the area (protected areas<sup>3</sup> and high biodiversity value areas<sup>4</sup>). Our five operations in Mexico located in high biodiversity value areas have biodiversity management plans that address this designation. 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, 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.



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, nonprofits 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.

<sup>2</sup> Precisely delineated areas with outstanding universal value from the point of view of science, conservation or natural beauty (World Heritage Convention, 1972).

<sup>3</sup> Biosphere reserves designated by the UNESCO and protected areas declared by national legislation

<sup>4</sup> 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).

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| <div>02</div> <div>Our Approach</div> | <div>6.3.2 Governance</div> <div> <p>The organizational structure of Southern Copper Corporation supports efficient biodiversity management at the local level, at each site, which is supervised by our Environmental Affairs departments in each country.</p> </div> | <div>6.3.3 Strategy and Management</div> <div>GRI 304-1, 304-2, 304-4</div> <div> <p>Our <a href="#">Environmental Policy</a> 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.</p> </div>  | <div> <p>Our actions seek to:</p> <ul style="list-style-type: none"> <li>Gradually reduce the areas impacted with actions to restore more land area than we alter, contributing to our net zero deforestation target.</li> </ul> </div>   |
| <div>03</div> <div>Shared value</div> | <div> <div>  <div> Visit the Biodiversity section on the Grupo México Sustainability website for more information. </div> </div> </div>   | <div> <p>Our <a href="#">Biodiversity Management Protocol</a> 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.</p> </div>   | <div> <ul style="list-style-type: none"> <li>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 net zero biodiversity loss target.</li> </ul> </div> |
| <div>04</div> <div>Governance</div>   |  | <div> <p>Our <a href="#">Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners</a> 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.</p> </div> | <div> <ul style="list-style-type: none"> <li>Develop and support wildlife conservation projects with impacts beyond our operations, contributing to our net positive impact target.</li> <li>Prevent the contamination of water and the ecosystems.</li> </ul> </div>                                   |
| <div>05</div> <div>Social</div>       |  |   | <div> <ul style="list-style-type: none"> <li>Achieve a harmonious coexistence with protected natural areas and those with high biodiversity value.</li> <li>Involve the local communities, environmental authorities, research institutions and nonprofits in all the above actions.</li> </ul> </div>  |
| <div>06</div> <div>Environment</div>  |  |   | <div> <p>Additionally, our <a href="#">Community Care Service</a> follows a detailed procedure to receive and address complaints and/or grievances. For more information, see <a href="#">Human Rights - Community Care Service</a>.</p> </div>   |
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## 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<sup>5</sup>, LEAP approach (Locate, Evaluate, Assess and Prepare), Global Canopy ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) de Global Canopy, UNEP FI<sup>6</sup>, UNEP-WCMC<sup>7</sup>, and WWF<sup>8</sup> Biodiversity Risk Filter (WWF BRF) to better assess our impacts, risks and opportunities in terms of biodiversity.



La Churea grounds, Cananea, Sonora, México

<sup>5</sup> Taskforce on Nature-related Financial Disclosures  
<sup>6</sup> The UN Environment Programme Finance Initiative (UNEP FI).  
<sup>7</sup> The UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC).  
<sup>8</sup> 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<sup>9</sup>:

- 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 for reforestation

<sup>9</sup> 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.



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| Actions on related opportunities                        |  |                      |         |            |       |            |            |               |         |     |           |
|---|--|----------------------|---------|------------|-------|------------|------------|---------------|---------|-----|-----------|
| Type of Impact / risk                                   | Potential measures and opportunities *   | Mexico               |         |            |       |            |            | Peru          |         |     |           |
|   |  | Buenavista del Cobre | Charcas | La Caridad | Metco | Lime Plant | San Martin | Santa Barbara | Cuajone | Ilo | Toquepala |
| Habitats and ecosystems affected by land transformation | Prevention:  |                      |         |            |       |            |            |               |         |     |           |
|   | <ul style="list-style-type: none"><li>Wherever possible, use areas already impacted, like existing communication routes or sites that are in the closure process.</li></ul>                            | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓         |
|   | <ul style="list-style-type: none"><li>Avoid affecting areas through negligence.</li></ul>  | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓         |
|   | <ul style="list-style-type: none"><li>Designate reserve areas with high biological / ecological value and promote ecological conservation areas.</li></ul>   | ✓                    | ✗       | ✗          | ✗     | ✗          | ✗          | ✗             | ✗       | ✗   | ✓         |
|   | Mitigation:  |                      |         |            |       |            |            |               |         |     |           |
|   | <ul style="list-style-type: none"><li>Recover resources like soil and plant matter to use in restoration projects.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✗       | ✓   | ✗         |
|   | <ul style="list-style-type: none"><li>Rescue specimens of flora and fauna species with conservation value.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | —       | —   | —         |
|   | <ul style="list-style-type: none"><li>Take early remediation actions, during the operational stage, for areas affected by our operations (concurrent remediation).</li></ul>                           | ➡                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✗             | ✗       | ✓   | ✓         |
|   | <ul style="list-style-type: none"><li>Implement dust reduction measures.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓         |
|   | Restoration:   |                      |         |            |       |            |            |               |         |     |           |
|   | <ul style="list-style-type: none"><li>Soil restoration and works projects to divert and capture water to recover flora and fauna habitats.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✓       | ✗   | ✓         |
|   | <ul style="list-style-type: none"><li>Develop closure plans that include restoring the landscape and the functional conditions of the ecosystems affected.</li></ul>                                   | ✗                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✓       | ✓   | ✓         |
|   | Offsetting:  |                      |         |            |       |            |            |               |         |     |           |
|   | <ul style="list-style-type: none"><li>Reforest impacted areas outside of our operations.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✓       | ✗   | ✓         |
|   | <ul style="list-style-type: none"><li>Soil recovery projects and water and wind erosion projects.</li></ul>  | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✓       | ✓   | ✓         |
|   | <ul style="list-style-type: none"><li>Water harvesting projects.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✓             | ✗       | ✗   | ✗         |
|   | 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 on related opportunities   |   |                      |         |            |       |            |            |               |         |     |           |
|--|---|----------------------|---------|------------|-------|------------|------------|---------------|---------|-----|-----------|
| Type of Impact / risk  | Potential measures and opportunities *  | Mexico               |         |            |       |            | Peru       |               |         |     |           |
|  |   | Buenavista del Cobre | Charcas | La Caridad | Metco | Lime Plant | San Martin | Santa Barbara | Cuajone | Ilo | Toquepala |
| Reduction of species populations with high biological / ecological value | Prevention:   |                      |         |            |       |            |            |               |         |     |           |
|  | <ul style="list-style-type: none"><li>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 .</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓         |
|  | <ul style="list-style-type: none"><li>Monitor the status of the biodiversity and populations of relevant species to take prompt action where necessary.</li></ul>   | ➡                    | ➡       | ✓          | ✓     | ✗          | ➡          | ➡             | ✓       | ✓   | ✓         |
|  | Mitigation:   |                      |         |            |       |            |            |               |         |     |           |
|  | <ul style="list-style-type: none"><li>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.</li></ul> | ✓                    | ✗       | ✓          | ✓     | ✗          | ✓          | ✗             | —       | —   | —         |
|  | <ul style="list-style-type: none"><li>Monitor the status of specimens and their evolution in translocation sites.</li></ul>   | ✓                    | ✗       | ✓          | ✓     | ✗          | ✓          | ✗             | ✗       | ✗   | ✗         |
|  | Restoration:  |                      |         |            |       |            |            |               |         |     |           |
|  | <ul style="list-style-type: none"><li>Recover ecosystems, habitats and vital ecosystem services for the populations of emblematic species affected or with high conservation value.</li></ul>   | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✗             | ✗       | ✗   | ✓         |
|  | <ul style="list-style-type: none"><li>Carry out actions for captive breeding and the repopulation of areas affected by our operations.</li></ul>  | ✓                    | ✗       | ✗          | ✗     | ✗          | ✗          | ✗             | ✗       | ✗   | ✗         |
|  | Offsetting:   |                      |         |            |       |            |            |               |         |     |           |
|  | <ul style="list-style-type: none"><li>Recover ecosystems, habitats and vital ecosystem services for populations of threatened species.</li></ul>  | ✓                    | ✓       | ✓          | ✓     | ✗          | ✓          | ✗             | ✗       | ✗   | ✓         |
|  | <ul style="list-style-type: none"><li>Captive breeding and reintroduction of threatened species into the wild in original population distribution areas.</li></ul>  | ✓                    | ✗       | ✗          | ✗     | ✗          | ✗          | ✗             | ✗       | ✗   | ✗         |
|  | 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.  | ✓                    | ✗       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓         |



| Climate Change  |   |  |  |  |  |  |  |  |  | Water and Effluents |                      |         |            |       |            |            |               |         |     | Biodiversity |  |  |  |  |  |  |  |  |  | Waste |  |  |  |  |  |  |  |  |  | Closure of Operations |  |  |  |  |  |  |  |  |  |
|---|---|--|--|--|--|--|--|--|--|---------------------|----------------------|---------|------------|-------|------------|------------|---------------|---------|-----|--------------|--|--|--|--|--|--|--|--|--|-------|--|--|--|--|--|--|--|--|--|-----------------------|--|--|--|--|--|--|--|--|--|
| Actions on related opportunities  |   |  |  |  |  |  |  |  |  |                     |                      |         |            |       |            |            |               |         |     |              |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
| Type of Impact / risk   | Potential measures and opportunities *  |  |  |  |  |  |  |  |  |                     | Mexico               |         |            |       |            |            |               | Peru    |     |              |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   |   |  |  |  |  |  |  |  |  |                     | Buenavista del Cobre | Charcas | La Caridad | Metco | Lime Plant | San Martin | Santa Barbara | Cuajone | Ilo | Toquepala    |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
| Contamination of waterbodies and ecosystems from dust, emissions, discharges or accidents | Prevention:   |  |  |  |  |  |  |  |  |                     |                      |         |            |       |            |            |               |         |     |              |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | <ul style="list-style-type: none"><li>Monitor and control the solution management systems to avoid contingencies.</li></ul>   |  |  |  |  |  |  |  |  |                     | ✓                    | ✓       | ✓          | ✓     | —          | ✓          | ✓             | ✓       | ✓   | ✓            |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | <ul style="list-style-type: none"><li>Reduce the release of dust from our tailings dams and access roads.</li></ul>   |  |  |  |  |  |  |  |  |                     | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓            |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | Mitigation:   |  |  |  |  |  |  |  |  |                     |                      |         |            |       |            |            |               |         |     |              |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | <ul style="list-style-type: none"><li>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.</li></ul> |  |  |  |  |  |  |  |  |                     | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓            |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | <ul style="list-style-type: none"><li>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.</li></ul>   |  |  |  |  |  |  |  |  |                     | ✓                    | ✓       | ✓          | ✓     | ✓          | ✓          | ✓             | ✓       | ✓   | ✓            |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | Restoration:  |  |  |  |  |  |  |  |  |                     |                      |         |            |       |            |            |               |         |     |              |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | <ul style="list-style-type: none"><li>Remediate sites impacted by our operations to recover the existing conditions prior to the impact.</li></ul>  |  |  |  |  |  |  |  |  |                     | →                    | ✓       | ✓          | ✓     | ✗          | ✗          | ✗             | ✗       | ✓   | ✓            |  |  |  |  |  |  |  |  |  |       |  |  |  |  |  |  |  |  |  |                       |  |  |  |  |  |  |  |  |  |
|   | 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 and Zinc refinery operations are located in urban areas.

✓

Completed

→

Implementation in progress

—

Not applicable

✗

Not considered

| Operational sites in or adjacent to protected areas or areas of high biodiversity value (GRI 304-1)* |  |  |   |   |  |
|--|--|--|---|---|--|
|  | MM (Mexico)  |  |   |   |  |
|  | Buenavista del Cobre   | Charcas                                      | La Caridad  | Metalúrgica del Cobre   | Lime Plant   |
| Inside high biodiversity or protected areas  | Ramsar <sup>10</sup> No. 2044 Ajos-Bavispe ecosystem, San Pedro River Basin area of influence<br><br>RTP <sup>11</sup> -41 Cananea-San Pedro<br><br>AICA <sup>12</sup> No. 126, Western Sierra Madre systems<br><br>KBA <sup>13</sup> Western Sierra Madre mountain system | KBA Sierra Catorce                           | RTP-44 Bavispe-El Tigre<br><br>AICA No. 126, Western Sierra Madre systems<br><br>KBA Western Sierra Madre mountain system | RTP-44 Bavispe-El Tigre<br><br>AICA No. 126, Western Sierra Madre systems<br><br>KBA Western Sierra Madre mountain system | AICA No. 38 Western Sierra Madre mountain system<br><br>KBA Western Sierra Madre mountain system |
| Adjacent to high biodiversity or protected areas (1.25 mi / 2 km)                                    | No   | No   | ANP <sup>14</sup> Bavispe flora and fauna protection area   | RTP-42 Sierras Los Ajos – Buenos Aires – La Púrica  | No   |
| 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   |

\* 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.

<sup>10</sup>Wetlands of international importance under the Ramsar Convention, Iran, 1971.  
<sup>11</sup>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.  
<sup>12</sup>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.  
<sup>13</sup>Key biodiversity areas (KBAs) determined by the KBA Partnership.  
<sup>14</sup>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<br>(GRI 304-4)* |                       |         |            |       |               |            |               |                                       |         |     |           |           |
|---|-----------------------|---------|------------|-------|---------------|------------|---------------|---------------------------------------|---------|-----|-----------|-----------|
| Southern Copper Corporation   |                       |         |            |       |               |            |               |                                       |         |     |           |           |
| IUCN Red List (IUCN Classification)   | Mexico                |         |            |       |               |            |               | Peru                                  |         |     |           | Total SCC |
|   | Buenavista del Cobre  | Charcas | La Caridad | Metco | Planta de cal | San Martín | Santa Bárbara | IUCN Classification                   | Cuajone | Ilo | Toquepala |           |
| Vulnerable  | 3                     | 0       | 1          | 1     | 0             | 0          | 0             | Vulnerable                            | 2       | 1   | 1         | 9         |
| Endangered  | 0                     | 2       | 0          | 1     | 0             | 0          | 0             | Endangered                            | 0       | 1   | 2         | 6         |
| Critically Endangered   | 0                     | 0       | 0          | 0     | 0             | 0          | 0             | Critically Endangered                 | 0       | 0   | 0         | 0         |
| Extinct in the Wild   | 0                     | 0       | 0          | 0     | 0             | 0          | 0             | Extinct in the Wild                   | 0       | 0   | 0         | 0         |
| National Lists  | NOM-059-SEMARNAT-2010 |         |            |       |               |            |               | Supreme Decrees 004-2014 and 046-2006 |         |     |           | SCC       |
| Threatened  | 23                    | 12      | 5          | 8     | 3             | 7          | 6             | Endangered                            | 1       | 6   | 4         | 75        |
| In danger of extinction   | 7                     | 2       | 2          | 2     | 0             | 0          | 0             | Critically Endangered                 | 2       | 0   | 3         | 18        |
| Probably extinct in the wild  | 7                     | 0       | 0          | 0     | 0             | 0          | 0             | Extinct in the Wild                   | 0       | 0   | 0         | 7         |
| Subject to special protection   | 40                    | 26      | 9          | 9     | 6             | 14         | 11            | Vulnerable                            | 7       | 5   | 6         | 133       |

\* Our conservation projects are currently focused on some of these species, including the Darwin's Rhea, Mexican wolf, free-tail bat, bobcat, birds of prey and migratory birds. For more information about these efforts, see Specific Actions.

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| Climate ChangeWater and EffluentsBiodiversityWasteClosure of Operations |                         |  |                         |   |  |  |                                    |   |  |  |  |
|---|-------------------------|--|-------------------------|---|--|--|------------------------------------|---|--|--|--|
| Biodiversity management by operational siteGRI G4-MM2                   |                         |  |                         |   |  |  |                                    |   |  |  |  |
| Southern Copper Corporation   |                         |  |                         |   |  |  |                                    |   |  |  |  |
| Site  | Biodiversity diagnostic | Biodiversity management plan (ICMM <sup>16</sup> ) | Biodiversity monitoring | Potential risk                                  | Water stress (WRI Aqueduct Water Risk Atlas) | Restoration / Reforestation  | Conserv ation 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.<br><br>244 acres (99 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.<br><br>Publicly report the status of the biodiversity near our relevant Minera México sites.   |
| San Martin Sombrerete, Zacatecas, Mexico                                | ✓                       | 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.<br><br>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.<br><br>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                               | -  | Conservati on of bat population s. | UNAM Ecology Institute<br><br>Community | Develop an ecological integrity monitoring model for adjacent ecosystems.<br><br>Bat population conservation projects. | We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems.<br><br>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).<br><br>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.<br><br>Publicly report the status of the biodiversity near our relevant Minera México sites.<br><br>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. |

<sup>16</sup> ICMM - Good Practice Guide for Mining and Biodiversity.



| Climate ChangeWater and EffluentsBiodiversityWasteClosure of Operations |                         |  |   |   |  |  |   |   |   |  |  |
|---|-------------------------|--|---|---|--|--|---|---|---|--|--|
| Biodiversity management by operational site                             |                         |  |   |   |  |  |   |   |   |  |  |
| GRI G4-MM2  |                         |  |   |   |  |  |   |   |   |  |  |
| Southern Copper Corporation   |                         |  |   |   |  |  |   |   |   |  |  |
| Site  | Biodiversity diagnostic | Biodiversity management plan (ICMM <sup>16</sup> ) | 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   |
| 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.<br><br>1,922 acres (778 ha) reforested in 2023 with 857,087 plants. | Buenavista del Cobre Wildlife Conservation Management Center<br><br>Rescue and relocation of 264 specimens of fauna and 1,489 specimens of flora. | US Fish & Wildlife Service / Semarnat / Conanp<br><br>Mexico-USA Binational Committee for the Mexican Gray Wolf Conservation Program<br><br>Universidad de Querétaro<br><br>UNAM Faculty of Geology | Develop an ecological integrity monitoring model for adjacent ecosystems.<br><br>Collaborate with the Binational Conservation Program for the Mexican Wolf ( <i>Canis lupus bayleyi</i> )               | 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 ( <i>Canis lupus bayleyi</i> ), 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.<br><br>Publicly report the status of the biodiversity near our relevant Minera México sites.<br><br>Collaborate with the Binational Conservation Program for the Mexican Wolf ( <i>Canis lupus bayleyi</i> ).<br><br>Prepare a study to create a wildlife corridor by voluntarily designating for conservation an area in Sonora, Mexico.<br><br>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.<br><br>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.<br><br>Continue to monitor birds of prey.<br><br>Continue to monitor felines, with emphasis on bobcats ( <i>Lynx rufus</i> ). | We gathered information in 2023 as groundwork for an ecological integrity assessment for adjacent ecosystems.<br><br>Wildlife monitoring with camera traps and treks through 52 mi <sup>2</sup> (134 km <sup>2</sup> ) 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 ( <i>Lynx Rufus</i> ) (65 individuals), Puma ( <i>Puma concolor</i> ) (20 individuals), Common black hawk ( <i>Buteogallus anthracinus</i> ) (4 individuals) and Red-tailed hawk ( <i>Buteo jamaicensis</i> ) (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.<br><br>Continue to monitor birds of prey.<br><br>Continue to monitor felines, focusing on bobcats ( <i>Lynx Rufus</i> ).   |

| Climate ChangeWater and EffluentsBiodiversityWasteClosure of Operations |                         |  |  |                             |  |  |  |   |   |  |   |
|---|-------------------------|--|--|-----------------------------|--|--|--|---|---|--|---|
| Biodiversity management by operational site                             |                         |  |  |                             |  |  |  |   |   |  |   |
| GRI G4-MM2  |                         |  |  |                             |  |  |  |   |   |  |   |
| Southern Copper Corporation   |                         |  |  |                             |  |  |  |   |   |  |   |
| Site  | Biodiversity diagnostic | Biodiversity management plan (ICMM <sup>16</sup> ) | 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  |
| Metalúrgica de Cobre (METCO) Nacozari de Garcia, Sonora, Mexico         | ✔                       | Prepared in 2021, implementation in progress       | Diversity of species and use of the birds of prey habitat.<br><br>Diversity of species of birds and mammals. | Contamination of ecosystems | Low / Extremely high                         | Nursery with production capacity of 1,800,000 plants/year.<br><br>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.<br><br>Monitoring of large and medium felines.<br><br>Monitoring of songbirds and grassland birds.<br><br>Monitoring of birds of prey.<br><br>Monitoring of reptiles. | Aviario Sonorense para la Protección de Especies Silvestres A. C. | Monitoring large and medium felines.<br><br>Monitoring of songbirds and grassland birds.<br><br>Monitoring of birds of prey.<br><br>Monitoring of reptiles. | Wildlife monitoring with camera traps and treks through 52 mi² (134 km²) 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 ( <i>Lynx Rufus</i> ) (65 individuals), Puma ( <i>Puma concolor</i> ) (20 individuals), Common black hawk ( <i>Buteogallus anthracinus</i> ) (4 individuals) and Red-tailed hawk ( <i>Buteo jamaicensis</i> ) (13 individuals). | Develop an ecological integrity monitoring model for adjacent ecosystems.<br><br>Monitoring of large and medium felines.<br><br>Monitoring of songbirds and grassland birds.<br><br>Monitoring of birds of prey.<br><br>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                               | Si   | No   |   | Not applicable, urban area  | Not applicable, urban area   | Not applicable, urban area  |
| Toquepala Tecna, Peru   | ✔                       | In developme nt                                    | Not carried out in 2023  | Contamination of ecosystems | High   | 1,807 plants produced in 2023.<br><br>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                                  |  |                         |  |                         |                             |   |  |   |  |  |   |  |   |
| Southern Copper Corporation                 |  |                         |  |                         |                             |   |  |   |  |  |   |  |   |
| Site  |  | Biodiversity diagnostic | Biodiversity management plan (ICMM <sup>16</sup> ) | Biodiversity monitoring | Potential risk              | <u>Water stress</u> (WRI Aqueduct Water Risk Atlas) | Restoration / Reforestation  | Conservation projects   | Involvement of others                          |  | 2023 Targets  | Status of the 2023 targets   | 2024 Targets  |
| Cuajone<br>Moquegua, Peru                   |  | ✔                       | In development                                     | Not carried out in 2023 | Contamination of ecosystems | Extremely high                                      | 1,524 plants produced in 2023<br><br>0.7 acres (0.3 ha) reforested in 2023 with 113 plants | Conservation of the Darwin's Rhea ( <i>ñandú andino</i> or <i>Rhea pennata</i> ). | 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 ( <i>ñandú andino</i> or <i>Rhea pennata</i> ).<br><br>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 ( <i>ñandú andino</i> or <i>Rhea pennata</i> ).<br><br>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 ( <i>ñandú andino</i> or <i>Rhea pennata</i> ).<br><br>Prepare a biodiversity management plan. |

Description of real and potential impacts

GRI 304-2

The principal negative environmental impact caused by 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 altered 1,225 acres (496 hectares) in 2023, principally affecting secondary oak forest shrub vegetation<sup>17</sup>, natural grassland and microphyllous desert scrub in Mexico and desert scrub in Peru. These alterations 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 2.8 times more land than we altered 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 altering 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 [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 employee at Buenavista del Cobre, Cananea, Sonora, Mexico

<sup>17</sup> 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.

Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

It is important to highlight that our SCC biodiversity management considers the interaction of our operations with priority conservation areas, as determined by the Ramsar Convention<sup>18</sup> 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

<sup>18</sup> Convention on wetlands of international importance, specifically waterbird habitats, Ramsar, Iran, 1971.



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## 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 SCC 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<sup>19</sup>. 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.

<sup>19</sup> Los Cirios Valley flora and fauna protection area in Baja California and the Alamos Sierra-Cuchuaqui River flora and fauna protection area in Sonora, Mexico.



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.



6.3.5  
Metrics and Indicators

GRI 304-2, 304-3, 304-4, G4-MM1

Our quantitative performance indicators in this area are:

- a. Significant impacts of our activities on biodiversity
- b. Area impacted and area restored
- c. Habitats restored or protected
- 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)



Flora monitoring in the Charcas mining unit, San Luis Potosí, México





b) Area impacted and rehabilitated (hectares)

GRI G4-MM1

|   | MM (Mexico)          |         |            |                       |            |            |               | SPCC (Peru) |           |     | Total SCC |
|---|----------------------|---------|------------|-----------------------|------------|------------|---------------|-------------|-----------|-----|-----------|
|   | Buenavista del Cobre | Charcas | La Caridad | Metalúrgica del Cobre | Lime Plant | San Martin | Santa Barbara | Cuajone     | Toquepala | Ilo |           |
| Total area impacted not yet rehabilitated at 2022 close (A)       | 10,065               | 194     | 4,120      | 414                   | 155        | 132        | 305           | 2,971       | 12,362    | 872 | 31,588    |
| Total area impacted in 2023 (B)                                   | 225                  | 9       | 195        | 0                     | 0          | 1          | 0             | 26          | 40        | 0   | 496       |
| Total area rehabilitated in 2023 (C)                              | 0                    | 0       | 0          | 0                     | 0          | 0          | 0             | 0           | 2         | 0   | 2         |
| Total area impacted not yet rehabilitated at 2023 close (D=A+B-C) | 10,290               | 203     | 4,315      | 414                   | 155        | 133        | 305           | 2,996       | 12,400    | 872 | 32,082    |

The cumulative total area impacted at 2023 close is 79,281 acres (32,084 ha), while the total area impacted not yet rehabilitated is 79,276 acres (32,082 ha) and the total area restored is 4.9 acres (2 ha).



c) Habitats restored or protected

GRI 304-3

|   | MM (Mexico)   |  |  |   |  | SPCC (Peru)   |   |
|---|---|--|--|---|--|---|---|
|   | Buenavista del Cobre  | La Caridad   | Metalúrgica del Cobre (METCO)  | San Martin  | Charcas  | Toquepala   | Cuajone   |
| Name of the high biodiversity or protected area | Inside: <ul style="list-style-type: none"><li>Ramsar Site No. 2044 Ajos-Bavispe ecosystem, area of influence San Pedro River Basin</li><li>RTP-41 Cananea-San Pedro</li><li>AICA No. 126, Western Sierra Madre systems</li><li>KBA Western Sierra Madre mountain system</li></ul> | Inside: <ul style="list-style-type: none"><li>RTP-44 Bavispe-El Tigre</li><li>AICA No. 126, Western Sierra Madre systems</li><li>KBA Western Sierra Madre mountain system</li></ul> Adjacent: <ul style="list-style-type: none"><li>ANP Bavispe flora and fauna protected area</li></ul> | Inside: <ul style="list-style-type: none"><li>RTP-44 Bavispe-El Tigre</li><li>AICA No. 126, Western Sierra Madre systems</li><li>KBA Western Sierra Madre mountain system</li></ul> Adjacent: <ul style="list-style-type: none"><li>RTP-42 Sierras Los Ajos – Buenos Aires – La Purica</li></ul> | Not located in or adjacent to high biodiversity or protected areas. | Inside: <ul style="list-style-type: none"><li>KBA Sierra Catorce</li></ul> | Not located in or adjacent to high biodiversity or protected areas. | Not located in or adjacent to high biodiversity or protected areas. |
| Total area reforested (hectares)                | 778   | 529  | 1  | 1.4   | 99   | 1.6   | 0.3   |
| Total area impacted (hectares)                  | 225   | 195  |  | 1   | 9  | 40  | 26  |
| Total specimens reforested                      | 857,087   | 555,417  | 5,140  | 1,574   | 51,012   | 1,021   | 113   |
| Net gain (areas restored / areas impacted)      | 3.5   | 2.7  | 1  | 1   | 11   | 0.04  | 0.01  |

Reforestation is one of our emblematic programs. SCC reforested 2.8 times more land that we impacted with our operations in 2023 (3,484 vs 1,225 acres (1,410 vs 496 hectares)) . With this and other actions, we are making progress towards our 2030 target of net zero deforestation and net positive impact on biodiversity.

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Other indicators

| Performance indicators           |                            |           |
|----------------------------------|----------------------------|-----------|
| Indicator                        | Site                       | 2023      |
| d) Plant production              | # plants                   | 5,647,409 |
| e) Reforestation                 | # trees planted            | 1,471,364 |
|                                  | Area reforested (hectares) | 1,410     |
| f) Area restored/ area impacted* | Hectares                   | 1,410/496 |
|                                  | Rate                       | 2.8       |

Reforestation is one of our 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.



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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 (resident 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.



Flamingos in the Ite wetland, Bahía de Ite, Tacna, 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.

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.



Mexican gray wolf at our Wildlife Conservation Center in 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 3,30 square miles (7,850 km2) or even greater.



Colony of free-tailed bats in the vicinity of the Santa Eulalia underground mine, Chihuahua, Mexico.





Plants produced in the 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 CO<sub>2</sub> 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 our 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.

SCC reforested 2.8 times more land we impacted with our operations in 2023 (3,484 vs 1,225 acres (1,410 vs 496 hectares). 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, 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<sup>3</sup>) of rainwater. [Liga hacia la página de Fundación.](#)



**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.



Landscape of the La Cabellera property, Cananea, Sonora, Mexico



Buenavista del Cobre Wildlife Conservation 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.



Mexican wolf at the Wildlife Conservation Center in Buenavista del Cobre, 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 functions 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 condition 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, Conabio), the National Forestry Commission (in Spanish, Conafor) and the National Commission on Protected Natural Areas (in Spanish, Conanp).



Employee monitoring fauna, Mexico





Fox captured by our phototrap in the Nacozari mountain range, Sonora, México

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 bobcats (*Lynx 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:

- Crew training.
- Presence to deter wildlife
- Rescue and relocation of slow-moving species
- Relocation of bird nests



Family of badgers in the vicinity of the operations in La Caridad, Sonora, México





La Caridad employees relocating rescued flora

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:

- Crew training.
- 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



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# 6.4 Mine Waste

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**6.4.4  
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# 6.4 Mine Waste

GRI 3-3

Responsible waste management is an essential part of our sustainable development strategy. Southern Copper Corporation 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<sup>1</sup> 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.

<sup>1</sup> 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.



We updated our [Tailings Systems Policy](#) in 2023 to include commitments to plan, design, construct, operate and close our Tailings Systems facilities responsibly and to align with the ICMG 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.




Tailings dam at Buenavista del Cobre, Cananea, Sonora, Mexico



### 6.4.2 Governance

SCC 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.



Visit the Grupo México Sustainability website for more information.

### 6.4.3 Management and Strategy

GRI 301-1, 306-1, 306-2, 306-3, 306-4, 306-5, G4-MM3

The SCC [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 missions to minimize our impact on the soil, and to reduce our waste, discharges and emissions.

Our [Tailings Systems Policy](#) 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 SCC personnel and also to our suppliers, contractors and partners, in all countries where we have operations. For more

information, the codes of conduct for our suppliers, contractors and partners are available on our website.

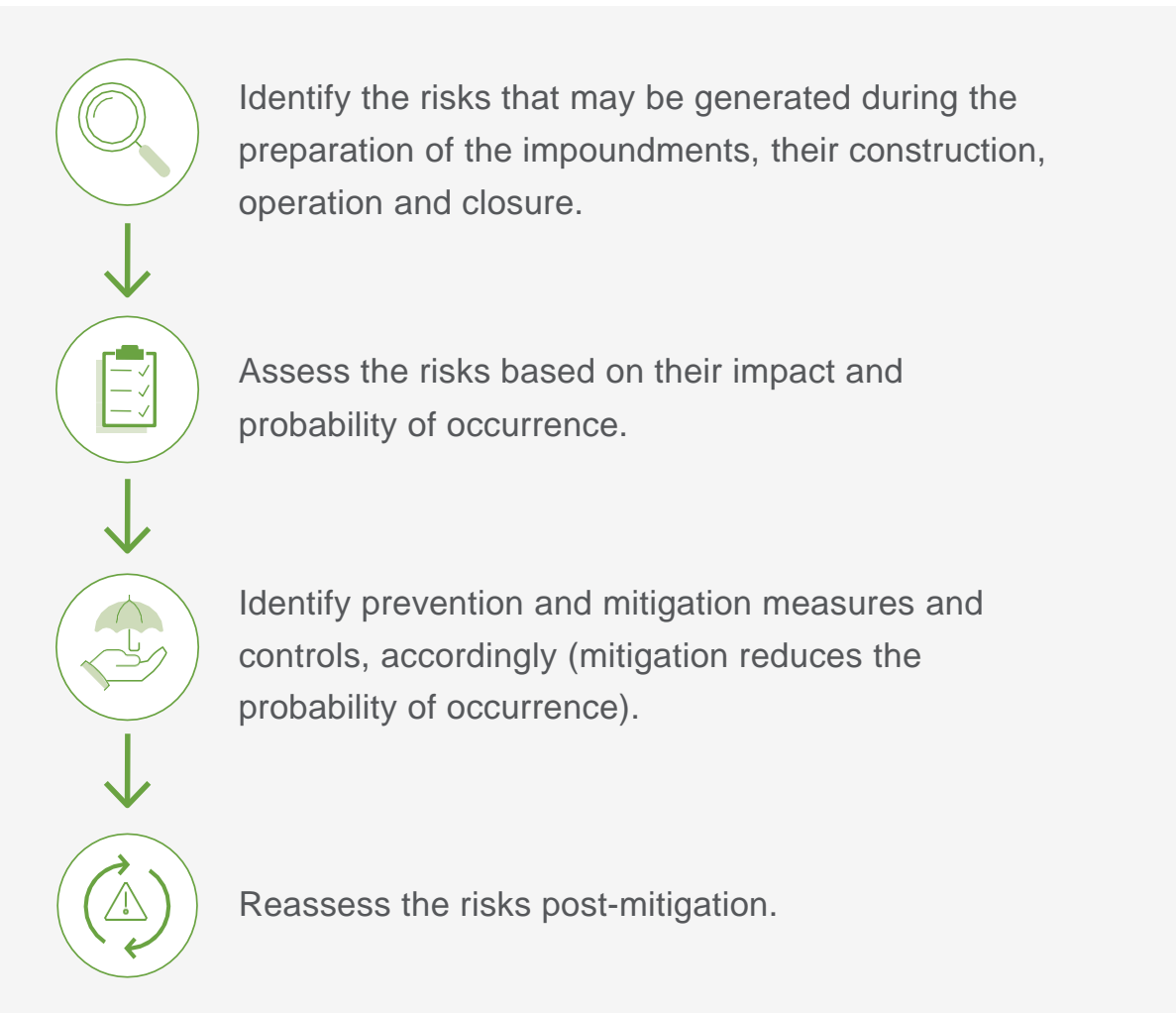
Our strategy follows the waste management hierarchy and seeks to:

- **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.

## Process for identifying risks and opportunities

We identify the risks and impacts associated with mine waste management from before starting our projects through environmental impact assessments, which we update whenever there is a significant change at an operation. These diagnostic tools inform different actions to prevent risks and potential impacts on people and ecosystems.

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 [Our Approach - Sustainability Risk Management](#).)



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



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| <div>02</div> <div>Our Approach</div> | <div> <div>There are different risks and opportunities related to waste management, including legal and regulatory, health and safety, environmental, social, financial and reputational aspects.</div> </div>  |   |   |
| <div>03</div> <div>Shared value</div> | <div> <div>Legal and regulatory</div> <div> <div>Risk:</div> <div>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.</div> </div> </div> | <div> <div>Health and safety</div> <div> <div>Risk:</div> <div>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.</div> </div> </div> | <div> <div>Social</div> <div> <div>Risk:</div> <div>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.</div> <div> <div>Opportunity:</div> <div>Proper waste management contributes to maintaining a social license and facilitates the operation and closure of facilities.</div> </div> </div> </div> |
| <div>04</div> <div>Governance</div>   |   | <div> <div>Opportunity:</div> <div>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.</div> </div>   | <div> <div>Financial</div> <div> <div>Risk:</div> <div>All the above risks carry financial consequences for our operations.</div> </div> </div>   |
| <div>05</div> <div>Social</div>       | <div> <div>Opportunity:</div> <div>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.</div> </div>  | <div> <div>Environmental</div> <div> <div>Risk:</div> <div>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.</div> </div> </div>   | <div> <div>Reputational</div> <div> <div>Risk:</div> <div>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.</div> </div> </div>   |
| <div>06</div> <div>Environment</div>  |   | <div> <div>Opportunity:</div> <div>Proper waste management avoids compensation for damages and reduces ecological restoration costs.</div> </div>   | <div> <div>Opportunity:</div> <div>To counter, safe and preventive waste management that applies the waste hierarchy is a reputational strength.</div> </div>   |
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| Description of the short, medium and long term risks and opportunities identified for the material topic                     |   |
|--|---|
| Type of impact   | Actions on related opportunities  |
| <div></div> <div>Legal and regulatory</div> | <ul style="list-style-type: none"><li>• Full and timely compliance with all legal and regulatory obligations.</li><li>• Training to ensure familiarity with obligations, how to meet compliance and the consequences of not doing so.</li></ul>   |
| <div></div> <div>Health and safety</div>    | <ul style="list-style-type: none"><li>• Training to ensure familiarity with the measures to prevent accidents.</li><li>• Monitoring and control of company safety regulations.</li><li>• Monitoring contractor performance.</li></ul>   |
| <div></div> <div>Environmental</div>        | <ul style="list-style-type: none"><li>• Implementation of preventive measures to reduce impacts on air, soil, water and ecosystems.</li><li>• Restoration of the natural landscape, taking into consideration the type of ecosystem and continuity of the ecosystem functions.</li><li>• Reintroduction of native species or species with a protection classification.</li><li>• Restoration of environmental services, like water capture.</li></ul> |
| <div></div> <div>Social</div>             | <ul style="list-style-type: none"><li>• Strengthen community relations.</li><li>• Provide information to the neighbor communities.</li><li>• Address the concerns of the communities.</li><li>• Strengthen the community infrastructure.</li><li>• Strengthen the social weave through sports and cultural activities.</li></ul>  |
| <div></div> <div>Financial</div>          | <ul style="list-style-type: none"><li>• Undertake closure activities prior to the end of the life of our mine waste facilities.</li><li>• Hold in reserve the resources necessary to ensure we meet our closure obligations and closure plan expectations.</li></ul>  |
| <div></div> <div>Reputational</div>       | <ul style="list-style-type: none"><li>• Planning and follow-up for a safe closure, with value added.</li><li>• Leave a positive legacy at the site.</li></ul>   |

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

GRI 306-1

We have identified the nature of the significant impacts from our handling of mine waste.

1.

**Alteration 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 1,225 acres (496 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.
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 SCC operations in 2023.



Mine waste facility in Santa Barbara, Chihuahua, Mexico



## Measures to address and manage negative impacts

GRI 306-1

As outlined in our strategy, the measures we use to address impacts include:

- Prevent, 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 sent 767,396 tons of tailings to fill underground mines, avoiding 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 at Metalúrgica de Cobre in Sonora, Mexico, is currently being evaluated.

We take our responsibility to prevent acid drainage releasing 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 waste management.

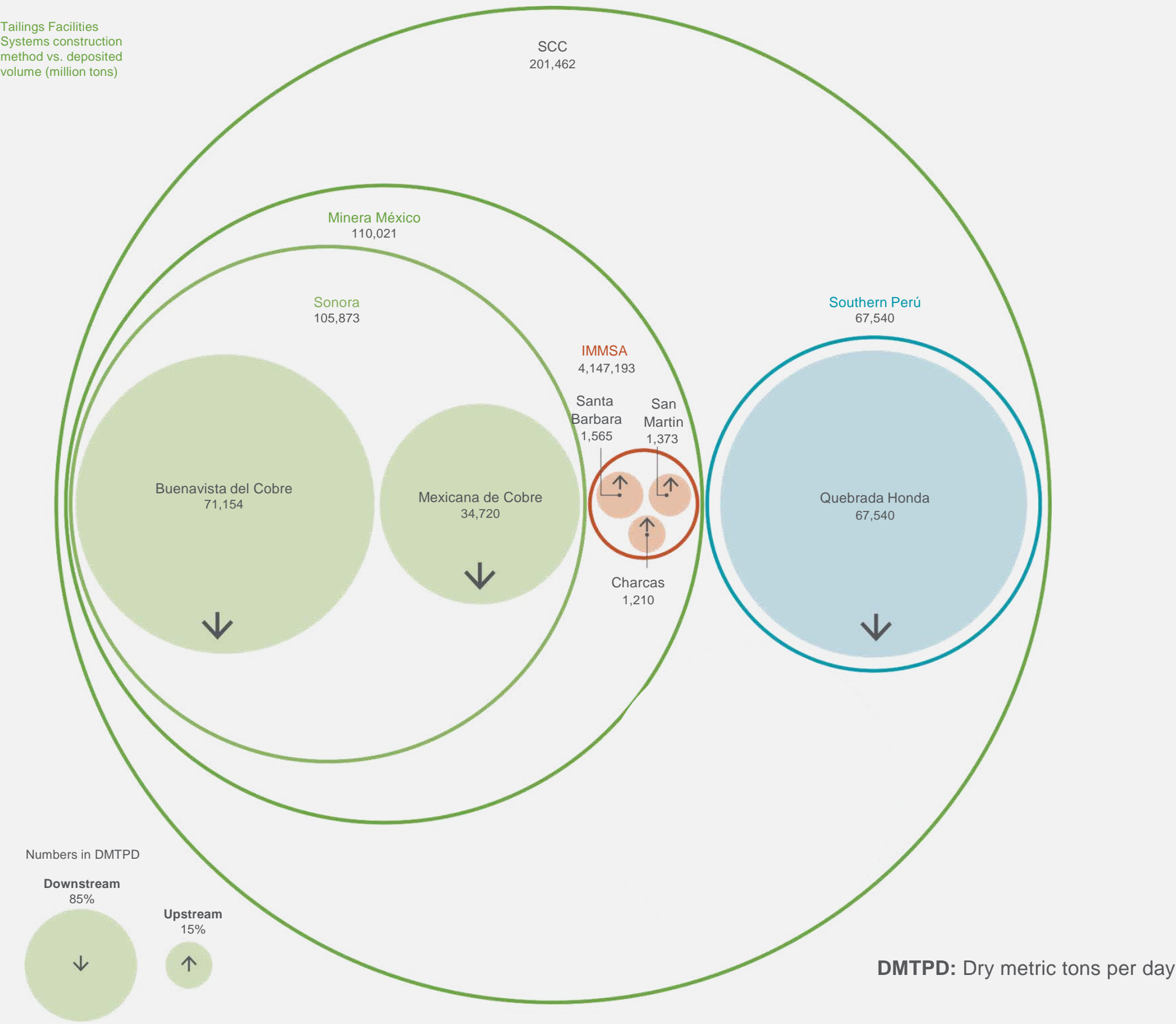
The design and operation of our future tailings dams considers the best practices available and seeks to ensure the safe and responsible management of this waste in the long term. We recently designed a facility in Mexico for semi-dry tailings, and we’re designing two more, also in Mexico. None of these 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 Tailings Systems Policy.

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 Tailings Systems Policy, 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<sup>2</sup> 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.

<sup>2</sup> Global navigation satellite system.







The regulatory authorities (Semarnat<sup>1</sup> and SENACE<sup>2</sup>) 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<sup>9</sup> and Prolepa<sup>10</sup>) monitor compliance with these obligations in terms of 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](#).)

<sup>2</sup> National Environmental Certification Service for Sustainable Investments (Peru)

<sup>3</sup> Environmental Assessment and Inspection (Peru)

<sup>4</sup> Environmental Protection Agency (Mexico)

Environmental Protection Agency (Mexico)



6.4.4  
Next Steps

Southern Copper Corporation 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.

To prevent 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



### 6.4.5

#### Metrics and Indicators

GRI 301-1, 306-1, 306-2, 306-3, 306-4, 306-5, G4-MM3

Our performance and management indicators are constantly monitored and reviewed, and include the following components:

- 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 for disposal.
- f. Acceptable safety factors\* for active tailings dams.
- g. Percentage of compliance with our Tailings Systems Policy 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.

#### a) Mine waste produced

GRI 301-1, 306-3, G4-MM3

| Mine waste produced                            |             |             |             |             |                        |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | SCC         |             |             |             | Minera México (Mexico) |             |             |             | SPCC (Peru) |             |             |             |
|  | 2023        | 2022        | 2021        | 2020        | 2023                   | 2022        | 2021        | 2020        | 2023        | 2022        | 2021        | 2020        |
| Slag and other smelter or refinery waste (ton) | 1,711,534   | 1,716,589   | 1,562,781   | 1,696,791   | 726,081                | 663,905     | 697,855     | 759,970     | 985,453     | 1,052,684   | 864,926     | 936,821     |
| Rock waste or overburden (ton)                 | 459,374,267 | 421,956,829 | 369,191,458 | 262,016,100 | 202,226,713            | 182,218,777 | 143,322,030 | 87,742,100  | 257,147,554 | 239,738,052 | 225,869,428 | 174,274,000 |
| Tailings (ton)                                 | 177,560,692 | 174,278,833 | 179,797,989 | 178,462,310 | 110,020,632            | 110,248,245 | 109,970,100 | 110,021,747 | 67,540,060  | 64,030,588  | 69,827,889  | 68,440,563  |
| Total mine waste (ton)                         | 638,646,493 | 597,952,251 | 550,552,228 | 442,175,201 | 312,973,426            | 293,130,927 | 253,989,985 | 198,523,817 | 325,673,067 | 304,821,324 | 296,562,243 | 243,651,384 |

We generated 638,646,493 tons of mine waste in 2023, 72% of which was rock waste.



b) Areas impacted by mine waste facilities (tailings and overburden)

GRI 306-1

| Areas impacted by mine waste facilities (tailings and overburden) 2023 |                      |            |         |           |       |
|--|----------------------|------------|---------|-----------|-------|
| Site   | Buenavista del Cobre | La Caridad | Cuajone | Toquepala | Total |
| Tailings (hectares)  | 0                    | 65         | 133     |           | 198   |
| Overburden (hectares)  | 0                    | 85         | 38      | 36        | 159   |

c) Produced rock volume capable of creating acid drainage

GRI 302-2, G4-MM3

| Site                      | Produced rock volume capable of creating acid drainage (ton) |
|---------------------------|--|
| Mexico                    |  |
| Buenavista de Cobre (BVC) | 140,916,671  |
| OMINA (La Caridad)        | 42,039,843   |
| Peru                      |  |
| Toquepala                 | 100,379,235  |
| Cuajone                   | 94,777,706   |
| Total                     | 378,113,455  |



Mine waste facility at Buenavista del Cobre, Cananea, Sonora, México

d) Waste diverted from disposal, and e) Waste directed for disposal

GRI 306-2, 306-3, 306-4, 306-5

|   | SCC           |           | Mexico        |           | Peru          |           |
|---|---------------|-----------|---------------|-----------|---------------|-----------|
|   | Non-hazardous | Hazardous | Non-hazardous | Hazardous | Non-hazardous | Hazardous |
| GRI 306-2 Waste by type and disposal method (ton) |               |           |               |           |               |           |
| Waste sent for recovery                           |               |           |               |           |               |           |
| Reuse   | 191           | 799       | 191           | 38        | 0             | 761       |
| Recycling   | 5,635         | 3,414     | 5,481         | 1,050     | 154           | 2,364     |
| Composting  | 932           | 0         | 636           | 0         | 296           | 0         |
| Repurposing or restoration                        | 0             | 0         | 0             | 0         | 0             | 0         |
| Sale  | 19,200        | 790       | 740           | 0         | 18,460        | 790       |
| Other* (co-processing, leaching heaps)            | 3,333         | 2,069     | 3,279         | 2,069     | 54            | 0         |
| Total waste for recovery (ton)                    | 29,291        | 7,073     | 10,327        | 3,157     | 18,964        | 3,916     |
|   |               |           |               |           |               |           |
| Waste directed for disposal                       |               |           |               |           |               |           |
| Incineration with energy recovery                 | 0             | 0         | 0             | 0         | 0             | 0         |
| Incineration without energy recovery              | 0             | 12        | 0             | 12        | 0             | 0         |
| Sent to disposal sites or impoundments            | 27,997        | 3,969     | 17,281        | 1,759     | 10,716        | 2,210     |
| Sent to controlled landfills                      | 3,368         | 0         | 239           | 0         | 3,129         | 0         |
| Well injection                                    | 0             | 0         | 0             | 0         | 0             | 0         |
| Other (disposal en situ, uncontrolled landfills)  | 50            | 0         | 50            | 0         | 0             | 0         |
| Total waste sent for final disposal               | 31,415        | 3,981     | 17,570        | 1,771     | 13,845        | 2,210     |
| Total waste (ton)                                 | 60,706        | 11,054    | 27,897        | 4,928     | 32,809        | 6,126     |



f) Acceptable safety factors\* for our active tailings dams

We use as the reference the safety 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 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 facilities 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

87%  
We have identified 8 environment-related critical risks; for 7 of which we have operational controls in place.

i) Percentage of remediation at inactive tailings dams

65%  
15 of our 23 inactive facilities are remediated.



Mine waste facility at Quebrada Honda, Toquepala, Peru



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# 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  
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| <div>02</div> <div>Our Approach</div> | <div>6.5</div> <div>Closure of Operations</div> <div>GRI 3-3</div> <div>At SCC, 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.</div>   | <div>6.5.1</div> <div>Highlights</div> <div>SCC’s 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.</div>     |   |
| <div>03</div> <div>Shared value</div> | <div>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.</div>   | <div>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.</div> | <div>SCC 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 60% of our sites.</div> |
| <div>04</div> <div>Governance</div>   |   |  |   |
| <div>05</div> <div>Social</div>       | <div>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.</div> | <div>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.</div>   |   |
| <div>06</div> <div>Environment</div>  |   |  |   |
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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.



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.



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.



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 - Specific Actions](#).



Exploring alternatives for economic diversification in the communities where we operate. For more information, see [Local Communities](#).



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.

Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

### 6.5.2 Governance

Our organizational structure supports managing the efficient closure of our operations.



Visit the **Grupo México Sustainability website** for more information.



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| <div>03</div> <div>Shared value</div> | <p>Our <a href="#">Environmental Policy</a> 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.</p>   | <p>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.</p>  | <p>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:</p> <ul style="list-style-type: none"> <li>Integrating closure planning into the lifecycle of the operation.</li> </ul>   |
| <div>04</div> <div>Governance</div>   | <p>Our <a href="#">Community Development Policy</a> 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.</p>   | <p>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.</p>  | <ul style="list-style-type: none"> <li>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.</li> </ul>  |
| <div>05</div> <div>Social</div>       | <p>Lastly, we have a <a href="#">Closure of Operations Protocol</a> 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.</p> | <p>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 <a href="#">report</a> these figures to the financial authorities.</p> | <ul style="list-style-type: none"> <li>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.</li> <li>Identifying the environmental and social risks inherent to the closure process.</li> </ul>  |
| <div>06</div> <div>Environment</div>  | <p>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.</p>  | <p>Our strategy considers the guidance of the International Council on Mining and Metals (ICMM)<sup>1</sup> and the Economic Commission for Latin America and the Caribbean (ECLAC)<sup>2</sup> 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.</p>  | <ul style="list-style-type: none"> <li>Reviewing and regularly updating the risks and opportunities analysis to address these in a timely manner.</li> <li>Identifying the actions for each stage of a site’s lifecycle and defining a plan for the execution of these actions.</li> </ul>  |
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## Identifying risks and opportunities

- 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.
- 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.

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.



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 - Impacts](#).

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

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| Measures to address risks and opportunities  |  |                     |              |       |                       |
| Type of risk   | Actions on related opportunities   |                     |              |       |                       |
|  Legal and regulatory | <ul style="list-style-type: none"><li>• Full and timely compliance with all legal and regulatory obligations.</li><li>• Training to ensure familiarity with obligations, how to meet compliance and the consequences of not doing so.</li></ul>  |                     |              |       |                       |
|  Health and safety    | <ul style="list-style-type: none"><li>• Training to ensure familiarity with the measures to prevent accidents and occupational diseases.</li><li>• Monitoring and control of company safety regulations and related legislation.</li><li>• Monitoring contractor performance.</li></ul>  |                     |              |       |                       |
|  Environmental        | <ul style="list-style-type: none"><li>• Implementation of preventive measures to reduce impacts on air, soil, water and ecosystems.</li><li>• Restoration of the natural landscape, taking into consideration the type of ecosystem and continuity of the ecosystem functions.</li><li>• Reintroduction of native species or species with a protection classification.</li><li>• Restoration of environmental services, like water capture.</li></ul>  |                     |              |       |                       |
|  Social             | <ul style="list-style-type: none"><li>• Supporting the diversification of economic activities in the area of influence of the operation.</li><li>• Promoting the integration of company employees into the economic activities of the community.</li><li>• Fostering micro and small businesses, certifications with technical institutes, job fairs.</li><li>• Generating value added during the transition in the change of land use.</li><li>• Strengthening the community infrastructure.</li><li>• Community Committees to follow up on closure plan programs.</li><li>• Strengthening the social weave through sports and cultural activities.</li></ul> |                     |              |       |                       |
|  Financial          | <ul style="list-style-type: none"><li>• Closure activities prior to the end of the operational life of our sites.</li><li>• Holding in reserve the resources necessary to ensure we meet our closure obligations and expectations of our closure plans.</li></ul>  |                     |              |       |                       |
|  Reputational       | <ul style="list-style-type: none"><li>• Planning and follow-up for a safe closure, with value added.</li><li>• Leaving a positive legacy at the site.</li></ul>  |                     |              |       |                       |
|  Labor              | <ul style="list-style-type: none"><li>• Building an inventory of talent.</li><li>• Relations and collaborations with chambers and similar industries.</li><li>• Accompaniment of eligible personnel in processing their retirement.</li><li>• Outplacement training.</li></ul>   |                     |              |       |                       |

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 Futures), taking into account the local industries and sustainability.



## Other specific actions

- Acid drainage diagnostic and design of long-term solutions for prevention and control. For more information, 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 reforestation and restoration. For more information, 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<sup>3</sup> and SENACE<sup>4</sup>) 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<sup>5</sup> and Profepa<sup>6</sup>) 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 SCC 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.

<sup>3</sup> Ministry of the Environment and Natural Resources (Mexico)  
<sup>4</sup> National Environmental Certification Service for Sustainable Investments (Peru)  
<sup>5</sup> Environmental Assessment and Inspection Agency (Peru)  
<sup>6</sup> Environmental Protection Agency (Mexico)

| Climate Change   | Water and Effluents | Biodiversity  | Waste | Closure of Operations |
|--|---------------------|---|-------|-----------------------|
| <div>6.5.4</div> <div>Next Steps</div> <div>Effectiveness of our processes, measures and targets</div> <p>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.</p> <p>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.</p> |                     | <div>6.5.5</div> <div>Metrics and Indicators</div> <div>GRI G4-MM1, G4-MM10</div> <p>Our efforts in 2024 will be aimed at:</p> <ul style="list-style-type: none"><li>Identifying gaps in information that should be covered with the knowledge base for each operation.</li><li>Continuing to update our closure plans.</li><li>Continuing to explore alternatives to protect the resources of the communities and develop economic alternatives in relation to the closure of operations.</li><li>Developing improved capacities for the closure of operations (soils, plant production, labs, studies, surveys, training, governance).</li></ul> <div><div><b>For more information about our targets and goals, and our progress, visit the Grupo México Sustainability website.</b></div></div> <p>Our aim at SCC 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.</p> <p>SCC 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.</p> <p>We use the following metrics to measure our performance:</p> <ul style="list-style-type: none"><li>a. Percentage of sites with closure plans</li><li>b. Area restored / area impacted</li><li>c. Deforestation rate</li></ul> |       |                       |



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Climate Change

Water and Effluents

Biodiversity

Waste

Closure of Operations

a) Percentage of sites with closure plans

GRI G4-MM1

| Performance Indicators     |      |      |      |      |
|----------------------------|------|------|------|------|
|                            | 2023 | 2022 | 2021 | 2020 |
| % sites with closure plans | 60%  | 40%  | 25%  | 15%  |

Closure plans are being prepared for Buenavista del Cobre, Santa Eulalia, Guaymas, Central Repair Shop, and Lime Plant.

b) Area restored / Area impacted

GRI G4-MM10

| Performance Indicators                   |           |             |           |           |
|--|-----------|-------------|-----------|-----------|
|  | 2023      | 2022        | 2021      | 2020      |
| Area restored / Area impacted (hectares) | 1,410/496 | 1,772 / 231 | 252 / 204 | 333 / 550 |

c) Deforestation rate

| Performance Indicators |      |      |      |      |
|------------------------|------|------|------|------|
|                        | 2023 | 2022 | 2021 | 2020 |
| Deforestation rate     | 2.8  | 7.7  | 1.24 | 0.6  |



Tailings dam, Santa Barbara, Chihuahua, Mexico



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# 7.1 GRI Indicator





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| GRI 2: GENERAL DISCLOSURES 2021              |       |   |                           |  |                  |
| The organization and its reporting practices | 2-1   | Organizational details  |                           | 1.3 About the Company  |                  |
|  | 2-2   | Entities included in the organization’s sustainability reporting            |                           | 1.4 Our Presence, 1.5 Corporate Structure  |                  |
|  | 2-3   | Reporting period, frequency and point of contact                            |                           | 1.1 About this Supplement  |                  |
|  | 2-4   | Restatements of information   |                           | 1.1 About this Supplement  |                  |
|  | 2-5   | Independent or external assurance   |                           | 1.1 About this Supplement  |                  |
| Activities and workers                       | 2-6   | Activities, value chain and other business relationships                    |                           | 1.3 About the Company, 3.2 Supply Chain Management, 3.2.3 Management, 3.2.6 Metrics and Indicators   |                  |
|  | 2-7   | Employees   |                           | 5.2 Our People, 5.2.3 Management and strategy, 5.2.5 a. Labor practices, 5.2.5 Metrics and indicators – Talent recruitment and retention                       |                  |
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| Governance                                   | 2-9   | Governance structure and composition  |                           | 4.1 Corporate Governance, 4.1.1 Governance structure, Annexes - Governance   |                  |
|  | 2-10  | Nomination and selection of the highest governance body                     |                           | 4.1 Corporate Governance, 4.1.2 Selection and Independence   |                  |
|  | 2-11  | Chair of the highest governance body  |                           | 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           | <a href="#">Corporate Governance Manual</a> , 2.1 Governing body and responsibilities p.1 4.1 Corporate Governance, 4.1.4 Sustainable development management   |                  |
|  | 2-13  | Delegation of responsibility for managing impacts                           |                           | 4.1 Corporate Governance, 4.1.4 Sustainable Development department   |                  |
|  | 2-14  | Role of the highest governance body in sustainability reporting             |                           | 4.1 Corporate Governance, 4.1.4 Sustainable development management   |                  |
|  | 2-15  | Conflicts of interest   |                           | <a href="#">Proxy Statement 2024</a> , Corporate Governance Manual, Committee Protocols and Code of Ethics p. 53   |                  |

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| Area                             | GRI # | Disclosure   | Global Compact Principles | Chapter / Response   | Additional Notes  |                       |  |         |  |                              |  |
| GRI 2: GENERAL DISCLOSURES 2021  |       |  |                           |  |   |                       |  |         |  |                              |  |
| Governance                       | 2-16  | Communication of critical concerns                           | Principles 1, 2, 10       | 4.1 Corporate Governance, 4.1.4 Sustainable development management   | Omitted: We do not currently disclose the number or nature of critical concerns communicated to the Board of Directors.<br><br>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          |                           | 4.1 Corporate Governance, 4.1.2 Board members, Annexes - Governance  |   |                       |  |         |  |                              |  |
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|                                  | 2-19  | Remuneration policies  |                           |  | Omitted: Our remuneration policy is not public.   |                       |  |         |  |                              |  |
|                                  | 2-20  | Process to determine remuneration                            |                           | <a href="#">Proxy Statement 2024</a> , Compensation Committee Report p. 24-40  |   |                       |  |         |  |                              |  |
|                                  | 2-21  | Annual total compensation ratio                              |                           | <a href="#">Proxy Statement 2024</a> , Disclosure on the salary ratio p. 44-45   |   |                       |  |         |  |                              |  |
| Strategy, policies and practices | 2-22  | Statement on sustainable development strategy                |                           | 1.2 Letter from the Chairman of the Board, Letter from the Chairman of the Sustainable Development Committee   |   |                       |  |         |  |                              |  |
|                                  | 2-23  | Policy commitments   | Principles 1, 2           | 4.2 Business Ethics, 4.2.2 Code of Ethics<br><br>5.4 Human Rights, 5.4.2 Management, 5.4.3 Due diligence processes<br><br>Policies: <a href="#">Human Rights Policy</a> , <a href="#">Policy on Respect for Indigenous Peoples and Communities</a> , <a href="#">Policy on Diversity, Inclusion and Non-Discrimination</a> , <a href="#">Code of Conduct for Business Partners</a> , <a href="#">Code of Ethics and Business Conduct</a> | All company policies are validated by our Executive Leadership.   |                       |  |         |  |                              |  |

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|                                  | 2-25                   | Processes to remediate negative impacts            |                                    | 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                | 4.2 Business Ethics, 4.2.4 Reporting line<br>5.4 Human Rights, 5.4.3 Due diligence processes<br><a href="#">Reporting Line</a>   |  |
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| Disclosures on material topics   | 3-1                    | Process to determine material topics               |                                    | SCC Material topics  |  |
|                                  | 3-2                    | List of material topics                            |                                    | SCC Material topics  |  |

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| Material Topic       | Standard                      | GRI #           | Disclosure  | Global Compact Principles | Chapter / Response   |         |                |
| Water and Effluents  | 3: Material topics 2021       | 3-3             | Management of material topics   | Principles 7, 8, 9        | 6.2 Water and Effluents, 6.2.3 Management and strategy<br><br>Policies: <a href="#">Environmental Policy</a> , <a href="#">Sustainable Water Management Protocol</a>   |         |                |
|                      | 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        | 6.2 Water and Effluents, 6.2.3 Management and strategy – Measures to address and manage negative impacts<br><br><a href="#">Sustainable Water Management Protocol</a> , VI. Performance indicators, VII. Knowledge base, X. Implementation |         |                |
|                      |                               |                 |   |                           |  |         |                |
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|                      |                               | 303-3           | Water withdrawal  | Principle 8               | 6.2 Water and Effluents, 6.2.5 Metrics and indicators, Annexes – Water and Effluents – Water consumption (historic)  |         |                |
|                      | 303-4                         | Water discharge | Principles 8, 9   |                           |  |         |                |
| 303-5                | Water consumption             | Principle 8     |   |                           |  |         |                |
| Biodiversity         | 3: Material topics 2021       | 3-3             | Management of material topics   |                           | 6.3 Biodiversity<br><br>Policies: <a href="#">Environmental Policy</a> , <a href="#">Biodiversity Management Protocol</a> , <a href="#">Code of Conduct for Business Partners</a>  |         |                |
|                      | 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               | 6.3 Biodiversity, 6.3.3 Strategy and Management - Operations in or adjacent to protected areas or areas of high biodiversity value   |         |                |
|                      |                               | 304-2           | Significant impacts of activities, products and services on biodiversity  | Principle 8               | 6.3 Biodiversity, 6.3.3 Strategy and Management, 6.3.6 Metrics and indicators: a. Significant impacts of biodiversity actions  |         |                |

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| Material Topic       | Standard                            | GRI #  | Disclosure   | Global Compact Principles | Chapter / Response  |         |                              |
| Biodiversity         |                                     | 304-3  | Habitats protected or restored   |                           | 6.3 Biodiversity, 6.3.5 Metrics and indicators – c. 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                             |                           | 6.3 Biodiversity, 6.3.3 Strategy and Management, 6.3.5 Metrics and indicators b. IUCN Red List species and national conservation list species with habitats in areas affected by operations<br><br>Annexes – Biodiversity   |         |                              |
|                      | Mining and Metals Sector Supplement | G4-MM1 | Area impacted or rehabilitated   | Principle 8               | 6.3 Biodiversity, 6.3.6 Metrics and indicators – 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               | 6.3 Biodiversity, 6.3.3 Strategy and Management – Biodiversity management by operation  |         |                              |
| Climate Change       | 3: Material topics2021              | 3-3    | Management of material topics  | Principles 7, 8           | 6.1 Climate Change<br><br>Policies: <a href="#">Sustainable Development Policy</a> , <a href="#">Environmental Policy</a> , <a href="#">Climate Change Policy</a>   |         |                              |
|                      | 201: Economic performance 2016      | 201-2  | Financial implications and other risks and opportunities due to climate change   | Principles 7, 8, 9        | 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               | 6.1 Climate Change, 6.1.7 Metrics – Energy consumption, Fuels, Electricity  |         |                              |
|                      |                                     | 302-2  | Energy consumption outside the organization  |                           | Omitted: Information not available.   |         |                              |



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| Material Topic        | Standard                            | GRI #   | Disclosure  | Global Compact Principles | Chapter / Response   |         |                              |
| Climate Change        | 302: Energy 2016                    | 302-3   | Energy intensity  | Principle 8               | 6.1 Climate Change, 6.1.7 Metrics – Energy consumption   |         |                              |
|                       |                                     | 302-4   | Reduction of energy consumption   |                           | 6.1 Climate Change, 6.1.7 Metrics – Energy consumption   |         |                              |
|                       |                                     | 302-5   | Reductions in energy requirements of products and services                      |                           | Omitted: Information not available.  |         |                              |
|                       | 305: Emissions 2016                 | 305-1   | Direct (Scope 1) GHG emissions  | Principles 8, 9           | 6.1 Climate Change, 6.1.7 Metrics – GHG emissions  |         |                              |
|                       |                                     | 305-2   | Energy indirect (Scope 3) GHG emissions   | Principles 8, 9           | 6.1 Climate Change, 6.1.7 Metrics – GHG emissions  |         |                              |
|                       |                                     | 305-3   | Other indirect (Scope 3) GHG emissions  |                           | 6.1 Climate Change, 6.1.7 Metrics – Scope 3 emissions  |         |                              |
|                       |                                     | 305-4   | GHG emissions intensity   | Principles 8, 9           | 6.1 Climate Change, 6.1.7 Metrics – Scope 1 and 2 emission intensity   |         |                              |
|                       |                                     | 305-5   | Reduction of GHG emissions  | Principles 8, 9           | 6.1 Climate Change, 6.1.7 Metrics – Emissions reduction  |         |                              |
|                       |                                     | 305-6   | Emissions of ozone-depleting substances (ODS)                                   |                           | Omitted: N/A. We do not generate ozone emissions   |         |                              |
|                       |                                     | 305-7   | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Principles 8, 9           | Annexes – Climate Change – NOx and SOx emissions   |         |                              |
| Closure of Operations | 3: Material topics 2021             | 3-3     | Management of material topics   |                           | 6.5 Closure of Operations<br>Policies: <a href="#">Community Development Policy</a> , <a href="#">Closure of Operations Protocol</a> |         |                              |
|                       | Mining and Metals Sector Supplement | G4-MM1  | Area impacted or rehabilitated  |                           | 6.5 Closure of Operations, 6.5.5 Metrics and indicators – a. Percentage of sites with closure plans                                  |         |                              |
|                       |                                     | G4-MM10 | Number and percentage of operations with closure plans                          |                           | 6.5 Closure of Operations, 6.5.5 Metrics and indicators – b. Area restored / Area impacted   |         |                              |

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| Material Topic       | Standard                            | GRI #  | Disclosure  | Global Compact Principles | Chapter / Response   |         |                              |
| Local Communities    | 3: Material topics 2021             | 3-3    | Management of material topics   | Principles 1, 2           | 5.5 Local Communities<br><br>Policies: <a href="#">Community Development Policy</a> , <a href="#">Policy on Respect for Indigenous Peoples and Communities</a>   |         |                              |
|                      | 203: Indirect economic impacts 2016 | 203-1  | Infrastructure investments and services supported   | Principle 6               | 5.5 Local Communities, 5.5.3 Strategy and Management – b) Economic development, 5.5.6 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  |                           | 5.5 Local Communities, 5.5.3 Strategy and Management, 5.5.5 Engagement and coexistence with communities, 5.5.6 Metrics and targets – a. Operations with local community participation  |         |                              |
|                      |                                     | 413-2  | Operations with significant actual and potential negative impacts on local communities  | Principles 2, 8           | 5.5 Local Communities, 5.5.6 Metrics and targets –c. Operations with negative actual or potential negative impacts on local communities  |         |                              |
|                      | Mining and Metals Supplement        | G4-MM6 | Number and description of significant disputes relating to land use, customary rights of local communities and indigenous peoples   | Principles 1, 2           | 5.5 Local Communities, 5.5.6 Metrics and targets – e. Number and description of significant disputes related to land use and customary rights of local communities and indigenous peoples  |         |                              |
|                      |                                     | 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           | 5.5 Local Communities, 5.3.6 Metrics and targets – f. Use of grievance mechanisms to resolve disputes to land use and customary rights of local communities and indigenous peoples, and the outcomes                               |         |                              |



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| Material Topic       | Standard   | GRI #  | Disclosure   |  | Global Compact Principles | Chapter / Response   |                       |                       |         |                              |
| Communities          | Mining and Metals Supplement                               | G4-MM8 | Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the stie, the associated risks and the actions taken to manage and mitigate these risks. |  | Principios 1, 2           | 5.5 Local Communities, 5.5.6 Metrics and targets – 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.  |  | Principios 1, 2           | Omitted: Information not available.  |                       |                       |         |                              |
| Human Rights         | 3: Material topics 2021                                    | 3-3    | Management of material topics  |  | Principios 1, 2, 6        | 5.4 Human Rights<br>Policies: <a href="#">Human Rights Policy</a> , <a href="#">Policy of Respect for the Rights of Indigenous Peoples and Communities</a> , <a href="#">Policy on Diversity, Inclusion and Non-Discrimination</a> , <a href="#">Code of Conduct for Business Partners</a> , and <a href="#">Code of Ethics and Business Conduct</a> |                       |                       |         |                              |
|                      | 406: No discrimination 2016                                | 406-1  | Incidents of discrimination and corrective actions taken   |  | Principios 1, 2, 6        | 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   |  |                           | 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  |  |                           | 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   |  |                           | 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   |  | Principios 1, 2           | 5.4 Human Rights, 5.4.3 Due diligence processes - Due diligence process with security officers   |                       |                       |         |                              |
|                      |  |        |  |  |                           |  |                       |                       |         |                              |

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| Material Topic          | Standard                                  | GRI # | Disclosure   | Global Compact Principles | Chapter / Response   |         |                              |
| Human Rights            | 412: Human rights assessment 2016         | 412-1 | Operations that have been subject to human rights reviews or impact assessments  | Principles 1, 2           | 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        | 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           | Omitted: Information not available   |         |                              |
| Diversity and Inclusion | 3: Material topics 2021                   | 3-3   | Management of material topics  |                           | 3.5 Diversity and Inclusion<br>Policies: <a href="#">Human Rights Policy</a> , <a href="#">Policy on Diversity, Inclusion and Non-Discrimination</a> , <a href="#">Code of Ethics and Business Conduct</a> |         |                              |
|                         | 405: Diversity and equal opportunity 2016 | 405-1 | Diversity of governance bodies and employees   | Principles 1, 6           | 5.3 Diversity and Inclusion, 5.3.5 Metrics and indicators  |         |                              |
|                         |   | 405-2 | Ratio of basic salary and remuneration of women to men   |                           | 5.3 Diversity and Inclusion, 5.3.5 Metrics and indicators – d. Salary gap  |         |                              |
| Business Ethics         | 3: Material topics 2021                   | 3-3   | Management of material topics  |                           | 4.2 Business Ethics and Integrity<br>Policies: <a href="#">Our Policies</a>  |         |                              |
|                         | 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                                      |         |                              |



| GRI Indicators Index    |                                    |       | SASB Indicators Index  | TCFD Indicators Index       | Glossary and Acronyms   | Annexes | External Verification Letter |
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| Material Topic          | Standard                           | GRI # | Disclosure   | Global Compact Principles   | Chapter / Response  |         |                              |
| 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 environmental 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                          |                             | 3.1 Economic Contributions, 3.1.5 Metrics and indicators- a. Economic value generated and distributed   |         |                              |
|                         | 207: Tax                           | 207-1 | Approach to tax  |                             | 3.1 Economic Contributions, 3.1.2 Tax management and compliance   |         |                              |
|                         |                                    | 207-2 | Tax governance, control and risk management                              |                             | 3.1 Economic Contributions, 3.1.3 Governance  |         |                              |
|                         |                                    | 207-3 | Stakeholder engagement and management of concerns related to tax         |                             | Omitted: Information not available  |         |                              |
|                         |                                    | 207-4 | Country-by-country reporting   |                             | 3.1 Economic Contributions, 3.1.5 Metrics and indicators- b. Revue and tax payments   |         |                              |
| Supply Chain Management | 204: Procurement practices 2016    | 204-1 | Proportion of spending on local workers                                  | Principle 1                 | 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 | 5.2 Our People<br>Policies: <a href="#">Code of Ethics</a> , <a href="#">Human Rights Policy</a> , <a href="#">Policy on Diversity, Inclusion and Non-Discrimination and Zero Tolerance for Workplace or Sexual Harassment</a> , <a href="#">Workplace Health and Safety Policy</a> |         |                              |

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| Material Topic       | Standard                             | GRI #  | Disclosure   |  | Global Compact Principles | Chapter / Response   |                       |                       |         |                              |
| Our People           | 202: Market presence 2016            | 202-1  | Ratio of standard entry level wage by gender compared to local minimum wage                        |  |                           | 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<br><br>Annexes - Our People – Living wage |                       |                       |         |                              |
|                      |                                      | 202-2  | Proportion of senior management hired from the local community                                     |  | Principle 6               | 5.2 Our People, 5.2.1 Highlights<br>Annexes - Our People- Workforce  |                       |                       |         |                              |
|                      | 401: Employment 2016                 | 401-1  | New employee hires and employee turnover   |  | Principle 6               | 5.2 Our People, 5.2.5 Metrics and indicators – c. Talent recruitment and retention: New hires and turnover<br><br>Annexes - Our People – 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               | 5.2 Our People, 5.2.5 Metrics and indicators – c. Talent recruitment and retention: Employee benefits  |                       |                       |         |                              |
|                      |                                      | 401-3  | Parent leave   |  | Principle 6               | 5.2 Our People, 5.2.5 Metrics and indicators – c. Talent recruitment and retention: Parental leave<br><br>Annexes - Our People – Parental leave  |                       |                       |         |                              |
|                      | 402: Labor/Management relations 2016 | 402-1  | Minimum notice periods regarding operational changes   |  |                           | 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 | Average hours of training per year per employee  |  |                           | 5.2 Our People, 5.2.5 Metrics and indicators – Human capital development: Professional training<br><br>Annexes - Our People – Human capital development: Average employee training hours             |                       |                       |         |                              |
|                      |                                      |        |  |  |                           |  |                       |                       |         |                              |





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| Material Topic | Standard                            | GRI #                   | Disclosure  | Global Compact Principles     | Chapter / Response  |
|----------------|-------------------------------------|-------------------------|---|-------------------------------|---|
| Waste          | 3: Material topics 2021             | 3-3                     | Management of material topics   |                               | 6.4 Mine Waste<br>Policies: <a href="#">Environmental Policy</a> , <a href="#">Tailings Systems Policy</a>  |
|                | 301: Materials 2016                 | 301-1                   | Materials used by weight or volume  |                               | 6.4 Mine Waste, 6.4.3 Management and strategy, 6.4.5 Metrics and indicators - a) Mine waste generated   |
|                | 306: Waste 2020                     | 306-1                   | Waste generation and significant waste-related impacts                              |                               | 6.4 Mine Waste, 6.4.3 Management and strategy, 6.4.5 Metrics and indicators :<br>a) Mine waste generated, b) Areas impacted by mine waste facilities (tailings and heaps), f) Percentage of risks |
|                |                                     | 306-2                   | Waste by type and disposal method   | Principle 8                   | 6.4 Mine Waste, 6.4.3 Management and strategy, 6.4.5 Metrics and indicators:<br>a) Mine waste generated, d) Waste diverted from 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                   | 6.4 Mine Waste, 6.4.3 Management and strategy, 6.4.5 Metrics and indicators:<br>a) Mine waste generated, c) Volume of rock that could cause acid drainage, Annexes - Waste                        |
|                | Occupational Health & Safety        | 3: Material topics 2021 | 3-3   | Management of material topics | Principle 1   |

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| GRI Indicators Index         |  |        |  |                           |  | SASB Indicators Index | TCFD Indicators Index | Glossary and Acronyms | Annexes | External Verification Letter |
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| Material Topic               | Standard                                 | GRI #  | Disclosure   | Global Compact Principles | Chapter / Response   |                       |                       |                       |         |                              |
| Occupational Health & Safety | 403: Occupational health and safety 2018 | 403-1  | Occupational health and safety management system                                       | Principles 1, 2           | 5.1 Workplace Health & 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           | 5.1 Workplace Health & Safety, 5.1.3 Management, 5.1.4 Strategy  |                       |                       |                       |         |                              |
|                              |  | 403-3  | Occupational health services   | Principles 1, 2           | 5.1 Workplace Health & Safety, 5.1.3 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     | 5.1 Workplace Health & Safety, 5.1.3 Management, 5.1.4 Strategy – Health programs and tools  |                       |                       |                       |         |                              |
|                              |  | 403-5  | Worker training on occupational health and safety                                      | Principles 1, 2, 6        | 5.1 Workplace Health & Safety, 5.1.6 Metrics – c) Training   |                       |                       |                       |         |                              |
|                              |  | 403-6  | Promotion of worker health   | Principles 1, 2           | 5.1 Workplace Health & Safety, 5.1.5 Next steps  |                       |                       |                       |         |                              |
|                              |  | 403-8  | Workers covered by an occupational health and safety management system                 | Principles 1, 2           | 5.1 Workplace Health & Safety, 5.1.2 Governance, 5.1.3 Management, 5.1.4 Strategy<br>Annexes - Workplace Health & Safety – a) Safety performance (historical), b) Safety performance                             |                       |                       |                       |         |                              |
|                              |  | 403-9  | Work-related injuries  | Principles 1, 2           | 5.1 Workplace Health & Safety, 5.1.6 Metrics – a) Lost-time injury frequency rate (LTIFR), Fatality rate (FR)<br>Annexes - Workplace Health & Safety – a) Safety performance (historical), b) Safety performance |                       |                       |                       |         |                              |
|                              |  | 403-10 | Work-related ill health  | Principles 1, 2           | 5.1 Workplace Health & Safety, 5.1.6 Metrics – e) Occupational diseases<br>Annexes - Workplace Health & Safety – a) Safety performance (historical), b)Safety performance  |                       |                       |                       |         |                              |
|                              |  |        |  |                           |  |                       |                       |                       |         |                              |



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# 7.2 SASB Indicators





| SASB Standard: Metals and Mining 2023 |              |  |                                   |                               |                |  |
|---------------------------------------|--------------|--|-----------------------------------|-------------------------------|----------------|--|
| SASB Topic                            | Code         | Disclosure   | Unit of Measure                   | Omissions and/or restatements | Chapter        | Additional Notes   |
| Párametros de actividad               |              |  |                                   |                               |                |  |
| 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.<br>The consolidated figures for the Grupo México Mining Division are provided in the financial report at: <a href="https://www.gmexico.com/Pages/reportesfinancieros.aspx">https://www.gmexico.com/Pages/reportesfinancieros.aspx</a>   |
|                                       |              | Production of finished metal products  | Metric tons (t) saleable          |                               |                |  |
|                                       | EM-MM-000.B  | Total number of employees, percentage contractors  | Number, percentage (%)            |                               | Our People     | SCC personnel in 2023:<br>Employees: 15,810 (55% of the total)<br>Contractors: 13,066 (45% of the total)<br>Total personnel (employees + contractors): 28,876  |
| Accounting Metrics                    |              |  |                                   |                               |                |  |
| Greenhouse gas emissions              | EM-MM-110a.1 | Gross global Scope 1 emissions   | Metric tons (t) CO <sub>2</sub> e |                               | Climate Change | Scope 1 emissions:<br>1.91 MtCO <sub>2</sub> e   |
|                                       |              | Percentage of Scope 1 emissions covered under emissions-limiting regulations (metric tons) (t) CO <sub>2</sub> e)  | Percentage (%)                    |                               | Climate Change | Southern Copper Corporation has mines and plants in Mexico and Peru.<br>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 <sub>2</sub> e, only from fixed sources. Only two Southern Copper Corporation operations exceed this threshold. The ETS is still in its test period.<br>Peru does not have an emissions trading system or regulatory caps.<br>The assets in Chile and Ecuador are projects and 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. <ul style="list-style-type: none"><li>Short term (2027), reduce our Scope 1 and Scope 2 absolute emissions by 8%, BAU emissions, with 2018 as the base year.</li><li>Medium term (2035), reduce our Scope 1 and 2 absolute emissions by 40%, BAU emissions, with 2018 as the base year.</li><li>Long term (2050), net zero Scope 1 and 2 emissions, BAU emissions, with 2018 as the base year.</li></ul>  |

| SASB Standard: Metals and Mining 2023 |              |  |                 |                               |                |   |
|---------------------------------------|--------------|--|-----------------|-------------------------------|----------------|---|
| SASB Topic                            | Code         | Disclosure   | Unit of Measure | Omissions and/or restatements | Chapter        | Additional Notes  |
| Accounting Metrics                    |              |  |                 |                               |                |   |
| 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 | Our analysis indicates that Southern Copper Corporation operational emissions in 2023 were 7.5% lower than in 2022. This decrease is largely due to: <ul style="list-style-type: none"><li>Reduced production at the lime plant due to atypical operating conditions (31% emissions reduction, compared with 2022).</li><li>Reduced consumption of third party electricity (25% emissions reduction, compared with 2022), due to atypical operating conditions at some sites.</li><li>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 ton CO<sub>2</sub>e).</li></ul> |
|                                       |              |  |                 |                               |                |   |
| Air quality                           | EM-MM-120a.1 | CO emissions   | Metric tons (t) |                               |                | Scope 1 and 2: 458,699 t<br>Scope 3: 5,500,902 t  |
|                                       |              | NOx emissions (exclusive of N <sub>2</sub> O)  | Metric tons (t) |                               | Annexes        | 155,942 t   |
|                                       |              | SOx emissions  | Metric tons (t) |                               | Annexes        | 26,880 t  |
|                                       |              | Particulate matter emissions (PM10)  | Metric tons (t) |                               |                | We are in the process of standardizing our calculation methodology.   |
|                                       |              | 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.   |
| Energy management                     | EM-MM-130a.1 | Total energy consumed  | Gigajoules (GJ) |                               | Climate Change | 45,606,967 GJ   |
|                                       |              | Percentage grid electricity  | Percentage (%)  |                               | Climate Change | 21,998,867 GJ, 55.67%   |
|                                       |              | Percentage renewable (GJ)  | Percentage (%)  |                               | Climate Change | SCC: 8,471, 192 GJ, 37%   |



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| SASB Standard: Metals and Mining 2023    |              |   |                   |                                   |                     |  |
|--|--------------|---|-------------------|-----------------------------------|---------------------|--|
| SASB Topic                               | Code         | Disclosure  | Unit of Measure   | Omissions and/or restatements     | Chapter             | Additional Notes   |
| Accounting Metrics                       |              |   |                   |                                   |                     |  |
| Water management                         | EM-MM-140a.1 | Total fresh water withdrawn   | Cubic meters (m³) |                                   | Water and Effluents | 112,243,000 m³ total fresh water withdrawn for SCC (931,000 m³ sea water)          |
|  |              | Total fresh water consumed  | Cubic meters (m³) |                                   | Water and Effluents | 413,023,000 m³ total fresh water consumed for SCC (includes reused water).         |
|  |              | Percentage of water withdrawn in high or extremely high water stress zones (thousand cubic meters (m³)) | Percentage (%)    |                                   | Water and Effluents | Water withdrawn in water stress zones, as percentage of total water withdrawn: 98% |
|  |              | Percentage of water consumed in high or extremely high water stress zones (thousand cubic meters (m³))  | Percentage (%)    |                                   | Water and Effluents | Water consumed in water stress zones, as percentage of total water consumed: 26%   |
|  | 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   | Metric tons (t)   | Hazardous and non-hazardous waste | Annexes - Waste     | 71,760 tons  |
|  | EM-MM-150a.5 | Total weight of tailings produced   | Metric tons (t)   |                                   | Annexes - Waste     | 177,560,692 tons   |
|  | EM-MM-150a.6 | Total weight of waste rock produced   | Metric tons (t)   |                                   | Annexes - Waste     | 459,374,267 tons   |
|  | EM-MM-150a.7 | Total weight of hazardous waste generated   | Metric tons (t)   |                                   | Annexes - Waste     | 11,054 tons  |
|  | EM-MM-150a.8 | Total weight of hazardous waste recycled  | Metric tons (t)   |                                   |                     | 3,414 tons   |
|  | EM-MM-150a.9 | Number of significant incidents associated with hazardous materials and waste management                | Number            |                                   |                     | No incidents in 2023.  |

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| SASB Standard: Metals and Mining 2023    |               |  |                 |                               |              |  |
|--|---------------|--|-----------------|-------------------------------|--------------|--|
| SASB Topic                               | Code          | Disclosure   | Unit of Measure | Omissions and/or restatements | Chapter      | Additional Notes   |
| Accounting Metrics                       |               |  |                 |                               |              |  |
| 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             |                               |              | Our <a href="#">Environmental Policy</a> outlines our commitment to minimizing the impact of the waste we generate.<br><br>Our 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 | <p>Our <a href="#">Environmental Policy</a> 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.</p> <p>Our Biodiversity Management Protocol is mandatory for all our mine operations as of 2023. This Protocol defines roles and responsibilities –including for our suppliers- and commits us to:</p> <ul style="list-style-type: none"><li>Contribute to biodiversity conservation through the protection and recovery of species, their habitats and ecosystems.</li><li>Not explore or develop new projects at declared Natural World Heritage sites.</li><li>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 biodiversity high value areas.</li><li>Achieve net zero deforestation and a net positive impact on the biodiversity.</li><li>Assess and prevent significant risks and impacts to the biodiversity and ecosystem services at our operations.</li><li>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.</li><li>Ongoing improvement of our performance in biodiversity management.</li><li>Involve the local communities, environmental authorities, research institutions, nonprofits and our business partners in our biodiversity actions, where appropriate and insofar as possible.</li><li>Promote the adoption of best practices in biodiversity management with our business partners.</li></ul> |
|  | EM-MM-160a.2  | Percentage of mine sites where acid rock drainage is predicted   | Percentage (%)  |                               |              | 100% of our mines in Peru and Mexico.  |
|  | EM-MM-160a.2  | Percentage of mine sites where acid rock drainage is actively mitigated  | Percentage (%)  |                               |              | 100% of our mines in Peru and Mexico.  |
|  | EM-MM-160a.2  | Percentage of mine sites where acid rock drainage is under treatment or remediation  | Percentage (%)  |                               |              | 100% of our mines in Peru and Mexico.  |
|  | 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 | Chapter                            | Additional Notes  |
| 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 (%)  | n/a                           |                                    | 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                 | <b>El Arco</b> , 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%.  |
|   | 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<br>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             |                               |                                    | <p>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.</p> <p>SCC 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 the Report and corresponding annex on the human rights-related risks identified through participative diagnostics/CCS, and our prevention/mitigation actions.</p> <p>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 the Report.</p> <p>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 our Community Care Service (CCS) program. 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.</p> |
|   | EM-MM-210b.2 | Number and duration of non-technical delays (days, hours)   | Number, days    |                               |                                    |   |

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| SASB Estándar: Metales y minería 2023 |              |   |                          |                               |                             |   |
|---------------------------------------|--------------|---|--------------------------|-------------------------------|-----------------------------|---|
| SASB Topic                            | Code         | Disclosure  | Unit of Measure          | Omissions and/or restatements | Chapter                     | Additional Notes  |
| Accounting Metrics                    |              |   |                          |                               |                             |   |
| Labor relations                       | EM-MM-310a.1 | Percentage of active workforce covered under collective bargaining agreements, by national and non-national employees   | Percentage (%)           |                               | Our People                  | 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).<br>The rate is calculated per 200,000 man hours.  |
|                                       | EM-MM-320a.1 | Work-related fatality rate  | Various                  |                               | Workplace Health and Safety | Fatality rate - 0.016 (employees), 0.006 (contractors).<br>The rate is calculated per 200,000 man hours.  |
|                                       | EM-MM-320a.1 | Near miss frequency rate (NMFR)   | Various                  |                               |                             | NMFR - 4.45 (employees), 0.82 (contractors).<br>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 - 4.42, contractors - 1.8<br>(calculated as 242, 978 training hours divided by 54, 994 employees, and 20, 892 training hours divided by 11,603 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 |                               |                             | SCC has operations in Mexico and Peru only, with projects in Chile, Argentina and Ecuador. None of these countries are ranked in the 20 lowest positions in the Transparency International Corruption Perception Index. |



|                    |
|--------------------|
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| SASB Standard: Metals and Mining2023   |              |   |                 |                               |         |   |
|--|--------------|---|-----------------|-------------------------------|---------|---|
| SASB Topic                             | Code         | Disclosure  | Unit of Measure | Omissions and/or restatements | Chapter | Additional Notes  |
| Accounting Metrics                     |              |   |                 |                               |         |   |
| Tailings storage facilities management | EM-MM-540a.1 | <p>Tailings storage facility inventory table:</p> <p>(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</p> | Various         |                               |         | We have 11 active tailings dams. For more information, see the 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             |                               |         | <p>The organizational structure of Southern Copper Corporation supports efficient mine waste management at our operations.</p> <p>We 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.</p> |
|  | 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.   |

## Production

### SASB EM-MM-000.A

Southern Copper Corporation’s production is summarized below, with a report for each mineral detailing the quantities produced of the different products, by subsidiary and region: Minera México (Mexico) and SPCC (Peru).

The consolidated production of SCC is also provided in our 10-K report.

| Copper (tons)                 |               |           |           |               |           |           |               |           |           |
|-------------------------------|---------------|-----------|-----------|---------------|-----------|-----------|---------------|-----------|-----------|
| Distribution                  | 2021          |           |           | 2022          |           |           | 2023          |           |           |
|                               | Minera México | SPCC      | Total     | Minera México | SPCC      | Total     | Minera México | SPCC      | Total     |
| Concentrates (DMT)            | 1,954,090     | 1,455,742 | 3,409,832 | 1,903,432     | 1,251,406 | 3,154,838 | 1,886,647     | 1,388,349 | 3,274,996 |
| Content in concentrates       | 452,612       | 372,614   | 825,226   | 456,824       | 312,852   | 769,676   | 426,330       | 348,884   | 775,214   |
| SX/EW Content (cathode)       | 107,220       | 25,754    | 132,974   | 116,612       | 26,380    | 142,992   | 110,547       | 25,253    | 135,800   |
| Total mined content           | 559,832       | 398,368   | 958,200   | 573,436       | 339,232   | 912,668   | 536,877       | 374,137   | 911,014   |
| Smelter content               | 374,571       | 321,964   | 696,535   | -             | -         | -         | -             | -         | -         |
| 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   | 635,818   | 362,284       | 315,767   | 678,051   | 329,111       | 314,916   | 644,027   |
| Refined, converted into Rod   | 150,124       | -         | 150,124   | 156,448       | -         | 156,448   | 154,307       | -         | 154,307   |
| Refined, converted into Sheet | -             | -         | -         | -             | -         | -         | -             | -         | -         |

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| Silver (ounces)                  |               |           |            |               |           |            |               |           |            |
|----------------------------------|---------------|-----------|------------|---------------|-----------|------------|---------------|-----------|------------|
| Distribution                     | 2021          |           |            | 2022          |           |            | 2023          |           |            |
|                                  | Minera México | SPCC      | Total      | Minera México | SPCC      | Total      | Minera México | SPCC      | Total      |
| Content in concentrates (ounces) | 13,589,068    | 5,373,332 | 18,962,400 | 5,475,078     | 777,211   | 6,252,289  | 5,999,982     | 1,444,227 | 7,444,209  |
| 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   | Total  | Minera México | SPCC   | Total  | Minera México | SPCC   | Total  |
| Content in concentrates | 15,430        | 14,831 | 30,261 | 14,966        | 10,557 | 25,523 | 30,302        | 17,173 | 47,475 |

| Other products |               |           |           |               |           |           |               |           |           |
|----------------|---------------|-----------|-----------|---------------|-----------|-----------|---------------|-----------|-----------|
| Distribution   | 2021          |           |           | 2022          |           |           | 2023          |           |           |
|                | Minera México | SPCC      | Total     | Minera México | SPCC      | Total     | Minera México | SPCC      | Total     |
| Coal           | 0             | 0         | 0         | 0             | 0         | 0         | 0             | 0         | 0         |
| Coke           | 0             | 0         | 0         | 0             | 0         | 0         | 0             | 0         | 0         |
| Sulfuric acid  | 1,162,454     | 1,066,472 | 2,228,926 | 1,181,386     | 1,210,181 | 2,391,567 | 1,112,532     | 1,282,000 | 2,394,532 |
| Cadmium        | 526           | 0         | 526       | 671           | 0         | 671       | 513           | 0         | 513       |
| Lime           | 274,403       | 0         | 274,403   | 346,066       | 0         | 346,066   | 240,000       | 0         | 240,000   |



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# 7.3 TCFD Indicators









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# 7.4 Annexes

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### 3.6 Investments in Sustainability

|             | Occupational Health and Safety |       |       |                 |       |       |                 |       |       |                 |       |       |
|-------------|--------------------------------|-------|-------|-----------------|-------|-------|-----------------|-------|-------|-----------------|-------|-------|
|             | 2020                           |       |       | 2021            |       |       | 2022            |       |       | 2023            |       |       |
|             | Operating Costs                | Capex | Total | Operating Costs | Capex | Total | Operating Costs | Capex | Total | Operating Costs | Capex | Total |
| 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  |

|             | Environment-Related |       |       |                 |       |       |                 |       |       |                 |       |       |
|-------------|---------------------|-------|-------|-----------------|-------|-------|-----------------|-------|-------|-----------------|-------|-------|
|             | 2020                |       |       | 2021            |       |       | 2022            |       |       | 2023            |       |       |
|             | Operating Costs     | Capex | Total | Operating Costs | Capex | Total | Operating Costs | Capex | Total | Operating Costs | Capex | Total |
| 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   |

|             | Community Development |                  |       |       |                 |                  |       |       |                 |                  |       |       |                 |                  |       |       |
|-------------|-----------------------|------------------|-------|-------|-----------------|------------------|-------|-------|-----------------|------------------|-------|-------|-----------------|------------------|-------|-------|
|             | 2020                  |                  |       |       | 2021            |                  |       |       | 2022            |                  |       |       | 2023            |                  |       |       |
|             | Operating Costs       | Management costs | Capex | Total | Operating Costs | Management costs | Capex | Total | Operating Costs | Management costs | Capex | Total | Operating Costs | Management costs | Capex | Total |
| 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  |

# Governance Annexes

## 4.1 Corporate Governance

### Southern Copper Corporation Board of Directors

GRI 2-9

| # Member  | Position      | Independence | Gender | Age | Nationality | Country of Residence | Start of Service (year) | Service (years) | Board Committees  | Experience by Sector                  | % Attendance (average2) | Background / Specialization                  | Current Additional Service | Other Boards   | Other Corporate Governance Roles  |
|---|---------------|--------------|--------|-----|-------------|----------------------|-------------------------|-----------------|---|---------------------------------------|-------------------------|--|----------------------------|--|---|
| 1 Germán Larrea Mota Velasco                      | Chairman      | Executive    | Male   | 70  | Mexico      | Mexico               | 1999                    | 24              | Chairman of the Board EC <sup>12</sup> , CC <sup>13</sup> , GRC <sup>14</sup> | Commoditie, Industrial                | 100%                    | Business Administration                      | -                          | Chairman of the Board 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    | Male   | 86  | Mexico      | Mexico               | 1999                    | 24              | Executive President EC, CC, GRC, ADC <sup>15</sup>                            | Commodities, Industrial, Finance      | 100%                    | Civil Engineering                            | -                          | 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  | Male   | 70  | Mexico      | Mexico               | 2018                    | 5               | EC, AC <sup>16</sup> , SDC <sup>17</sup>                                      | Commodities, Industrial, Finance      | 100%                    | Business Administration, Systems Engineering | 4                          | Administrative Vice-President and President Aonia Holding, Board Member InverCap Holding / Reim and Alvamex.                                 | Director Club Universitario in Mexico / Member of the Audit Committee   |
| 4 Leonardo Contreras Lerdo de Tejada              | Board Member  | Executive    | Male   | 37  | Mexico      | Mexico               | 2021                    | 3               | GRC, SNC <sup>18</sup> , EC   | Finance, Industrial                   | 100%                    | Industrial Engineering                       | -                          | -  | President ASARCO / Vice-President Sales and Supply Chain AMC / President IMMSA / Founder Murano Capital (September 2015), private investment firm |
| 5 Enrique Castillo Sánchez Mejorada               | Board Members | Independent  | Male   | 67  | Mexico      | Mexico               | 2010                    | 13              | AC, CC, SDC   | Finance, Consumer Staples, Healthcare | 100%                    | Business Administration                      | More than 4                | Chairman of the Board 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 † <sup>12</sup> | Board Member  | Executive    | Male   | 76  | Mexico      | Mexico               | 1999                    | 24              | EC, CC, SNC   | Commodities, Industrial, Finance      | 100%                    | Chemical Engineering, Finance                | -                          | Vice-President Grupo México, Board Member Grupo México   | President Grupo México Infrastructure Division  |
| 7 Luis Miguel Palomino Bonilla                    | Board Member  | Independent  | Male   | 64  | Peru        | Peru                 | 2004                    | 19              | EC, AC, SNC, SDC  | Finance, Healthcare                   | 100%                    | Economics, Finance                           | 3                          | Board Member Laboratorios Portugal/ Summa Capital S.A. / Mall Aventura, S.A. “Audit Committee financial expert”, as defined by the SEC       | Chairman of the Master's in Finance program at the Universidad del Pacífico in lima, Peru, Associate Instituto Franklin Delano Roosevelt          |



| Composición del Consejo de Administración |                                |              |             |      |             |                      |                         |                 |                  |                      |                                      |                             |                                       |              |  |  |
|---|--------------------------------|--------------|-------------|------|-------------|----------------------|-------------------------|-----------------|------------------|----------------------|--------------------------------------|-----------------------------|---------------------------------------|--------------|--|--|
| # Member                                  | Position                       | Independence | Gender      | Age  | Nationality | Country of Residence | Start of Service (year) | Service (years) | Board Committees | Experience by Sector | % Attendance (average <sup>2</sup> ) | Background / Specialization | Current Additional Service            | Other Boards | Other Corporate Governance Roles   |  |
| 8   | Gilberto Perezalonso Cifuentes | Board Member | Independent | Male | 81          | Mexico               | Mexico                  | 2002            | 21               | -                    | Finance                              | 75%                         | Law, Business Administration, Finance | 2            | Board Member Gigante S.A. de C.V. (retail and property), Blasky (hotels)                                 | National Vice-President Mexican Red Cross  |
| 9   | Carlos Ruiz Sacristán          | Board Member | Independent | Male | 74          | Mexico               | Mexico                  | 2004            | 19               | SNC                  | Finance, Industrial                  | 100%                        | Business Administration               | 4            | Board Member Constructora y Perforadora Latina S.A. de C.V. / Banco Ve por Mas, S.A., and Byline Bancorp | Owner and Managing Partner Proyectos Estratégicos Integrales, Strategic Advisor Semptra Infrastructure |

<sup>2</sup> % average attendance, refers to the annual average attendance at meetings of the Board of Directors.

<sup>2</sup> EC: Executive Committee

<sup>3</sup> CC: Compensation Committee

<sup>4</sup> GRC: Governance and Compliance Committee

<sup>5</sup> ADC: Administrative Committee

<sup>6</sup> SDC: Sustainable Development Committee

<sup>7</sup> AC: Audit Committee

<sup>8</sup> SNC: Special Nominations Committee

<sup>9</sup> Applies only to independent members of the Board and refers to the number of positions held on Boards of Directors or CEO of other companies, and considers private sector companies, excluding participation on the boards of foundations, academic institutions and nonprofits.

<sup>10</sup> Additional roles or positions on the Boards of Directors of other companies in 2023.

<sup>11</sup> Other corporate governance roles or positions held in 2023.

<sup>12†</sup> We mourn the passing of Mr. Xavier García de Quevedo, who died in October 2023.

|   |  |
|---|--|
| Board members average service <sup>18</sup>           | 16.8 years                                       |
| Percentage of women on the Board                      | 0%   |
| Board members   | 9  |
| Average Board attendance <sup>15</sup>                | 97.2%  |
| Percentage of independent board members <sup>11</sup> | 56%  |
| Required independence on the Board <sup>18</sup>      | At least three board members must be independent |

<sup>9</sup> There were 8 board members at 2023 close.

<sup>10</sup> The average length of service for board members at 2023 close, considering the 8 members, is 16 years.

<sup>11</sup> The percentage of independent board members at 2023 close is 63%.











|                    |  |  |  |  |  |                      |                       |                       |                       |         |                              |
|--------------------|--|--|--|--|--|----------------------|-----------------------|-----------------------|-----------------------|---------|------------------------------|
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| 02<br>Our Approach |  |  |  |  |  |                      |                       |                       |                       |         |                              |
| 03<br>Shared value |  |  |  |  |  |                      |                       |                       |                       |         |                              |
| 04<br>Governance   |  |  |  |  |  |                      |                       |                       |                       |         |                              |
| 05<br>Social       |  |  |  |  |  |                      |                       |                       |                       |         |                              |
| 06<br>Environment  |  |  |  |  |  |                      |                       |                       |                       |         |                              |
| 07<br>Annexes      |  |  |  |  |  |                      |                       |                       |                       |         |                              |

## b. Safety performance

GRI 403-8, 403-9, 403-10

| Indicator  |                | SCC        |      | Mexico     | Peru       |
|--|----------------|------------|------|------------|------------|
|  |                | Total      | Rate | Total      | Total      |
| I. Fatalities  | a) Employees   | 3          | 0.08 | 1          | 2          |
|  | b) Contractors | 1          | 0.03 | 1          | 0          |
|  | a + b          | 4          | 0.06 | 2          | 2          |
| II. Permanent incapacitating injury                        | a) Employees   | 0          | 0.0  | 0          | 0          |
|  | b) Contractors | 0          | 0.0  | 0          | 0          |
|  | a + b          | 0          | 0.0  | 0          | 0          |
| III. Temporary incapacitating injury                       | a) Employees   | 130        | 0.67 | 107        | 23         |
|  | b) Contractors | 59         | 0.36 | 37         | 22         |
|  | a + b          | 189        | 0.53 | 144        | 45         |
| IV. Man hours  | a) Employees   | 38,542,130 | N/A  | 24,765,829 | 13,776,301 |
|  | b) Contractors | 32,931,982 |      | 17,351,946 | 15,580,036 |
|  | a + b          | 71,474,112 |      | 42,117,775 | 29,356,337 |
| V. Días perdidos por lesiones incapacitantes y fatalidades | a) Employees   | 26,594     | N/A  | 13,624     | 12,970     |
|  | b) Contractors | 14,502     |      | 13,834     | 668        |
|  | a + b          | 41,096     |      | 27,458     | 13,638     |

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## 5.2 Our People

### Labor Practices Workforce by nationality

|                     | Southern Copper Corporation |        |       |
|---------------------|-----------------------------|--------|-------|
|                     | SCC                         | Mexico | Peru  |
| Total               | %                           | %      | %     |
| Mexico              | 68.3%                       | 99.8%  | 0.2%  |
| Peru                | 31.5%                       | 0.06%  | 99.8% |
| USA                 | 0%                          | 0.01%  | 0.0%  |
| Other nationalities | 0.2%                        | 0.14%  | 0.02% |

| Management positions by nationality** | Southern Copper Corporation |       |
|---------------------------------------|-----------------------------|-------|
|                                       | Mexico                      | Peru  |
| Executive Leadership                  | 0.3%                        | 0.2%  |
| Senior Management                     | 2.1%                        | 2.0%  |
| Middle Management                     | 14.3%                       | 9.0%  |
| All management positions              | 16.7%                       | 11.2% |

\*\*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.

### Local Workforce GRI 2-30

| Local Workforce <sup>1</sup>                        |                             |
|---|-----------------------------|
|   | Southern Copper Corporation |
| Employees from local communities                    | 7,317                       |
| % employees from local communities                  | 46.3%                       |
| % upper management employees from local communities | 66.3%                       |

<sup>1</sup> 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                             |        |
|--|--------|
|  | SCC    |
| Total employees covered by a collective bargaining agreement | 10,754 |
| Women  | 272    |
| Men  | 10,475 |
| Foreigners   | 7      |
| Women  | 1      |
| Men  | 6      |
| % Unionized  | 68.0%  |
| Total non-union employees                                    | 5,056  |
| Nationals  | 5,034  |
| Women  | 1,081  |
| Men  | 3,953  |
| Foreigners   | 22     |
| Women  | 5      |
| Men  | 17     |

## Human Capital Development Average employee training hours

GRI 404-3

The following tables summarize employee training hours by gender, category and age group.

| Average training hours during the year | SCC  |      |
|--|------|------|
| Category *                             | W    | M    |
| Executive Leadership                   | N/A  | 30.1 |
| Senior Management                      | 66.1 | 69.9 |
| Middle Management                      | 50   | 44.8 |
| Administrative / Operational           | 30.2 | 31   |
| Union                                  | 26.6 | 22.7 |
| Average training hours by gender       | 34.5 | 27.4 |
| Average training hours by region       | 28   |      |

| Average training hours this year | SCC  |      |
|----------------------------------|------|------|
|                                  | W    | M    |
| Age group                        | 42.7 | 39.6 |
| < 30 years                       | 34.1 | 26.5 |
| 30 - 50 years                    | 19.0 | 19.9 |
| > 50 years                       | 34.5 | 27.4 |

\*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.

Programs for upgrading employee skills and transition assistance programs

GRI 404-2

| Southern Copper Corporation  |  |
|--|--|
| Minera México (Mexico)   |  |
| Programs for upgrading employee skills 8,789 participant   | Programs to improve employee competencies 38,050 participants  |
| <p><b>Leadership - 3,006 participants</b></p> <p>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.</p> <p><b>Corporate Training Calendar - 4,208 participants</b></p> <p>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.</p> <p><b>Maintenance Programs - 1,575 participants</b></p> <p>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.</p> | <p><b>Support for professional and post-graduate studies - 165 participants</b></p> <p>Encouraging professional and continuing education, the company offers support for employees to complete 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 &amp; Hygiene for the Mining Industry.</p> <p><b>IMPULSA - 700 participants</b></p> <p>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.</p> <p><b>Specialized Mine Equipment Operation programs - 2,594 participants</b></p> <p>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 SCC 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.</p> <p><b>Health &amp; Safety - 31,061 participants</b></p> <p>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.</p> <p><b>Risk Prevention - 6 participants</b></p> <p>To prevent accidents that would directly affect our risk levels.</p> <p><b>Mexican (NOM) and International (ISO) Standards - 3,505 participants</b></p> <p>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.</p> <p><b>5's Methodology applied at our Tiendas del Minero stores - 19 participants</b></p> <p>Awareness and knowledge in workplace safety to prevent accidents and related diseases.</p> |



| Southern Copper Corporation   |   |
|---|---|
| SPCC (Peru)   |   |
| Programs for upgrading employee skills<br>2,001 participants  | Programs to improve employee competencies<br>9,947 participants   |
| <p><b>Leadership Coaching - 1,236 participants</b><br/>Develop skills in self-leadership, emotional intelligence, and intra and interpersonal relationships to become an agent of change in SPCC.</p> <p><b>Skills Development online - 448 participants</b><br/>For supervisors to develop the soft skills they need to best manage the personnel under their charge.</p> <p><b>SPCC Supervisor ABC - 317 participants</b><br/>For supervisors to develop the skills and techniques they need to best manage their personnel to strengthen the workplace climate.</p> <p><b>Young Professionals – Number of participants not counted as these are interns, not employees</b><br/>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.</p> | <p><b>Mining / Industrial Health &amp; Safety Training (DS 0.24) - 4,948 participants</b><br/>To strengthen our culture of preventive safety among all company personnel and to comply with current regulations.</p> <p><b>New Hire Orientation: Code of Conduct and Ethics - Asset Laundering - 4,516 participants</b><br/>To ensure new hires are familiar with the corporate codes of conduct and ethics, and asset laundering. Includes new hires from job training programs.</p> <p><b>Environmental Training Program - 355 participants</b><br/>Compliance with current environmental regulations. OSHA HAZWOPER Certification Level IV / Hazardous Materials Specialist.</p> <p><b>Interpretation and Implementation of ISO 9001, ISO 14001, ISO 45001 - 101 participants</b></p> <p><b>English classes - 27 participants</b><br/>To strengthen the English language skills of management personnel.</p> |













## Living Wage at SCC

At SCC, we’re committed to offering all company personnel a living wage that supports them to cover their basic needs and those of their families.<sup>3</sup> In this regard, we have developed a methodology to compare the salaries of our employees against the living wage for where they live, as defined by internationally recognized independent sources (Wage Indicator Foundation) and if our salaries fall below this threshold, we make the necessary adjustments. The company is committed to conducting this analysis annually to ensure our employees are earning a living wage.

The first step in this methodology is to identify the lowest base salary at our sites in the two countries where SCC operates. The SCC base salary represents only a portion of an employee’s income. In addition to the base salary, all employees receive monthly benefits above those required by law in Mexico and Peru (including grocery vouchers, savings fund, etc.). Also, employees receive variable compensation through profit sharing, which can represent a high percentage of an employee’s annual income. It is relevant to note that our analysis to determine living wage does not consider these other benefits above the base salary.

After identifying these base salaries, we compared them against the living wage (calculated by recognized third parties) at the national level for our operations in Mexico and Peru.<sup>4</sup>

We apply this methodology for all our operations and corporate offices. This methodology identifies cases where the base salary for an employee would fall below the living wage for where they live, to then take the corresponding actions to make adjustments.

We also include in this exercise, the lowest base salaries of our SCC contractors, comparing these against the national living wage. We analyzed 297 of the 332 Minera México contractors (89.5%)<sup>5</sup>, while in Peru, we analyzed 120 of our 190 permanent contractors (63.2%), noting that those not considered receive variable compensation.

<sup>3</sup> 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.

<sup>4</sup> 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.

<sup>5</sup> The same contractor company will often provide service to different operations or sites, therefore the baseline for the analysis was not the number of contractors, but rather the number of services. In Mexico, there were 481 services, 423 of which were analyzed (88% of the services).















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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 |              |   |  |
|---------------------------|--------------|---|--|
| Company                   | Operation    | Principal human rights-related risks perceived by the communities and identified through the participative diagnostics  | Acciones implementadas de prevención /mitigación/remediación   |
| Southern Peru             | Toquepala    |  Access to water (location in the Atacama desert) ***  | <ul style="list-style-type: none"><li>• Locumba River water studies and water infrastructure projects (dams, canals, steppe recovery and technical studies to improve the supply of drinking water).</li><li>• Forjando Futuro program (job skills training)</li></ul> |
|                           |              |  Access to decent work (lack of technical skills training) **  |  |
|                           | Ilo          |  Environment (air and water) **  | <ul style="list-style-type: none"><li>• Ilo smelter upgrade (2006) and environmental monitoring</li><li>• Construction of the Ilo wastewater treatment plant (2022-2024)</li></ul>   |
|                           |              |  Environment (air)*   |  |
|                           | Cuajone      |  Limited access to healthcare***   | <ul style="list-style-type: none"><li>• Improve the equipment at the Torata Health Clinic, through the program Impulsa Torata</li><li>• Comprehensive medical campaigns attending 5+ specializations each year</li></ul>   |
|                           |              |  Access to decent work (lack of sources of employment)***  |  |
|                           | Los Chancas  |  Limited economic development<br>Access to healthcare***   | <ul style="list-style-type: none"><li>• Forjando Futuro program (job skills training), temporary employment program and Bienestar en tu Comunidad program (health campaigns)</li></ul>   |
|                           |              |  Access to water (location near farmlands) **<br> Food security (farming crisis due to climate change) Access to decent work (lack of sources of employment)*** |  |
|                           | Tia Maria    |  Limited economic development<br>Access to healthcare***   | <ul style="list-style-type: none"><li>• Bienestar en tu Comunidad program (specialized health campaigns, particularly focusing on the elderly)</li></ul>   |
|                           |              |  Environment (air, water)*   |  |
|                           | Michiquillay |  Limited economic development***   | <ul style="list-style-type: none"><li>• Forjando Futuro program (job skills training) and temporary employment program</li></ul>   |
|                           |              |   |  |



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| Participative Diagnostics   |                      |  |  |
|---|----------------------|--|--|
| Company   | Operation            | Principal human rights-related risks perceived by the communities and identified through the participative diagnostics   | Acciones implementadas de prevención /mitigación/remediación   |
| Minera Mexico   | La Caridad           | <div><div></div><div>Environment (liabilities of other mining companies)</div></div> <div>Access to water***</div> | <div><div></div><div>Moctezuma Mining Company tailings remediation program</div></div>   |
|   | Esqueda              | <div><div></div><div>Free transit and safety (railroad crossings)**</div></div>   | <div><div></div><div>Urban improvement project for spaces near the rail lines and safe railroad crossings 2022- 2023</div></div>   |
|   | Cananea              | <div><div></div><div>Access to water***</div></div>   | <div><div></div><div>Comprehensive Plan for Cananea, with the federal, state and municipal governments, to ensure water availability for the community</div></div>                           |
|   |                      | <div><div></div><div>Access to economic spillover generated by company operations**</div></div>   | <div><div></div><div>Program to strengthen local suppliers</div></div>   |
|   | El Arco              | <div><div></div><div>Access to decent work (lack of sources of employment)***</div></div>   | <div><div></div><div>Forjando Futuro program (high school equivalency program)</div></div>   |
|   | Santa Barbara        | <div><div><div></div><div>Environment<br/>Safe and healthy workplace (illegal mining)**</div></div></div>      | <div><div></div><div>Santa Barbara Próspero program, “We are Santa Barbara, we are responsible, we are respectful, we are honest” media campaign at and outside the company site</div></div> |
|   | Nueva Rosita         | <div><div></div><div>Environment (operation in closure stage)**</div></div>   | <div><div></div><div>We have been working on remediation, providing maintenance for La Chimenea park.</div></div>  |
|   | Charcas              | <div><div></div><div>Job security (contractors)*</div></div>  | <div><div></div><div>Training for suppliers and contractors focusing on commitments and responsibilities</div></div>   |
|   | San Luis Potosí      | <div><div></div><div>Environment (air, soil) *</div></div>  | <div><div></div><div>Bicentennial park, tree nursery, educational nursery</div></div>  |
|   | San Martín           | <div><div></div><div>Environment (tailings dust)*</div></div>   | <div><div></div><div>Dust mitigation plan for the operational areas; regular campaigns to clean streams and the community</div></div>  |
| <div><div></div><div>Job security (local suppliers)*</div></div> |                      | <div><div></div><div>Forjando Futuro program (trade skills training)</div></div>   |  |
|   | Anganguero (project) | <div><div></div><div>Environment (former tailings dam)*</div></div>   | <div><div></div><div>Tailings dam remediation</div></div>  |

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|--------------------|--|-----------------------|-----------------------|-----------------------|----------------|------------------------------|
| 01<br>Introduction | GRI Indicators Index   | SASB Indicators Index | TCFD Indicators Index | Glossary and Acronyms | <b>Annexes</b> | External Verification Letter |
| 02<br>Our Approach | <h2>Community Care Service (CCS)</h2> <p>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 46 reports received through the CCS in 2023, 71% were classified into 3 categories: suppliers and contractors, the environment and community relations. The 25 reports involving our business partners involved 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 improvement payment times.</p> <p>We received 8 reports involving environment-related issues. In all cases, we verified the situation and, where necessary, we took action in accordance with our Environmental Management System, such as watering unpaved roads, cleaning pools, and a project to repair pipes.</p> <p>The remaining 29% 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.</p> |                       |                       |                       |                |                              |
| 03<br>Shared value |  |                       |                       |                       |                |                              |
| 04<br>Governance   |  |                       |                       |                       |                |                              |
| 05<br>Social       |  |                       |                       |                       |                |                              |
| 06<br>Environment  |  |                       |                       |                       |                |                              |
| 07<br>Annexes      |  |                       |                       |                       |                |                              |
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5.5 Local communities

| Community Development   |   |                        |        |        |          |       |
|---|---|------------------------|--------|--------|----------|-------|
| Materiality   |   | Performance indicators |        | Mexico | SCC Peru | Total |
| <div>Responsible Coexistence</div> <div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>6</div><div>CLEAN WATER AND SANITATION</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>11</div><div>SUSTAINABLE CITIES AND COMMUNITIES</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div><div><div>15</div><div>LIFE ON LAND</div><div></div></div><div><div>16</div><div>PEACE, JUSTICE AND STRONG INSTITUTIONS</div><div></div></div><div><div>17</div><div>PARTNERSHIPS FOR THE GOALS</div><div></div></div></div> | 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      |       |
|   |   | volunteers             | 389    | 265    | 654      |       |
|   |   | people benefited       | 2,226  | 3,521  | 5,747    |       |
|   |   | linkages               | 31     | 171    | 202      |       |
|   | Citizen Engagement and Development  |                        |        |        |          |       |
|   | We foster active involvement and shared responsibility with programs that put the community at the center of their development.   | activities             | 625    | 212    | 837      |       |
|   |   | volunteers             | 1,349  | 595    | 1,944    |       |
|   |   | people benefited       | 18,757 | 9,823  | 28,580   |       |
|   |   | linkages               | 110    | 181    | 291      |       |
|   | 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      |       |
|   |   | volunteers             | 31     | 595    | 626      |       |
|   |   | people benefited       | 1,432  | 10,998 | 12,430   |       |
|   |   | linkages               | 1      | 181    | 182      |       |
| 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      |          |       |
|   | volunteers  | 0                      | 1      | 1      |          |       |
|   | people benefited  | 94                     | 78     | 172    |          |       |
|   | linkages  | 0                      | 2      | 2      |          |       |
| <div>Economic Development</div> <div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div></div>   | 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    |       |
|   |   | volunteers             | 89     | 120    | 209      |       |
|   |   | people benefited       | 2,972  | 28,645 | 31,617   |       |
|   |   | linkages               | 32     | 641    | 673      |       |

| Community Development  |   |                        |        |          |        |
|--|---|------------------------|--------|----------|--------|
| Materiality  |   | Performance indicators | Mexico | SCC Peru | Total  |
| <div>Economic Development</div> <div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div></div>  | 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    |
|  |   | volunteers             | 89     | 360      | 449    |
|  |   | people benefited       | 4,014  | 2,118    | 6,132  |
|  |   | benefited linkages     | 32     | 198      | 230    |
| <div>Human Development</div> <div><div><div>1</div><div>NO POVERTY</div><div></div></div><div><div>2</div><div>ZERO HUNGER</div><div></div></div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>5</div><div>GENDER EQUALITY</div><div></div></div><div><div>7</div><div>AFFORDABLE AND CLEAN ENERGY</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div> | 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  |
|  |   | volunteers             | 1,860  | 218      | 2,078  |
|  |   | people benefited       | 34,469 | 33,093   | 67,562 |
|  |   | linkages               | 352    | 140      | 492    |
|  | 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  |
|  |   | volunteers             | 133    | 30       | 163    |
|  |   | people benefited       | 3,844  | 35,946   | 39,790 |
|  |   | linkages               | 20     | 303      | 323    |
|  | 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  |
|  |   | volunteers             | 621    | 218      | 839    |
|  |   | people benefited       | 28,365 | 10,678   | 39,043 |
|  |   | linkages               | 249    | 140      | 389    |
|  | Gender Equality and Empowerment   |                        |        |          |        |
|  | We support empowering women as agents of change offering workshops and courses from different perspectives.   | activities             | 18     | 0        | 18     |
|  |   | volunteers             | 10     | 0        | 10     |
|  |   | people benefited       | 922    | 0        | 922    |
|  |   | linkages               | 15     | 0        | 15     |



# Environment Annexes

## 6.1 Climate Change

### 2023 Scope 2 emissions (tCO<sub>2</sub>e)

|     | Market-based |         |         |         |         | Location-based |           |         |         |         |
|-----|--------------|---------|---------|---------|---------|----------------|-----------|---------|---------|---------|
|     | 2023         | 2022    | 2021    | 2020    | 2019    | 2023           | 2022      | 2021    | 2020    | 2019    |
| SCC | 460,789      | 610,324 | 430,507 | 607,377 | 604,965 | 1,699,454      | 1,644,120 | 810,382 | 887,733 | 934,376 |

### 2023 Scope 3 emissions (tCO<sub>2</sub>e)

| Category                                      | Total SCC | Mexico    | Peru      |
|---|-----------|-----------|-----------|
| 1. Purchased goods and services               | 1,685,328 | 1,017,563 | 667,765   |
| 2. Capital goods                              | 387,725   | 267,068   | 120,656   |
| 3. Fuel and energy usage (WTT)                | 590,506   | 310,256   | 280,250   |
| 4. Upstream transportation and distribution   | 226,356   | 224,127   | 2,228     |
| 5. Waste                                      | 9,953     | 3,914     | 3,024     |
| 6. Business travel (flights)                  | 1,887     | 1,887     | -         |
| 7. Employee commuting                         | 184       | 184       | -         |
| 9. Downstream transportation and distribution | 415,462   | 375,048   | 40,415    |
| 10. Processing of products sold               | 2,524,915 | 1,814,286 | 710,630   |
| 13. Downstream leased assets                  | -         | -         | -         |
| Total   | 5,842,316 | 4,014,333 | 1,827,983 |

\*Numbers based on figures published in 2022; will be reviewed in 2024 after updating the data process.

## Southern Copper Corporation (SCC) Emissions Reduction Targets

| Target year | SCC Targets*       | Principal initiatives to achieve the target  |
|-------------|--------------------|--|
| 2027        | 8%                 | <ul style="list-style-type: none"><li>• Operate the Fenicias wind farm in Mexico</li><li>• Develop energy efficiency projects in Peru</li></ul>  |
| 2035        | 40%                | <ul style="list-style-type: none"><li>• Increase the consumption of renewable energy in Peru</li><li>• Favor renewable electricity for new mine projects</li><li>• Start the electrification of mine trucks</li><li>• Continue developing energy efficiency projects at our operations</li></ul> |
| 2050        | Net zero emissions | <ul style="list-style-type: none"><li>• All mine trucks electrically powered or using clean fuels</li><li>• Favor renewable electricity for all SCC mine projects</li></ul>  |

## 2023 NOx and SOx Emissions

GRI 305-7 | SASBEM-MM-120a.1.

|      | NOx emissions (metric tons) | SOx emissions (metric tons) |
|------|-----------------------------|-----------------------------|
| SCC  | 155,942                     | 26,880                      |
| MM   | 144,161                     | 27                          |
| SPCC | 11,782                      | 26,853                      |

\*All reduction targets are for BAU with 2018 as the base year.

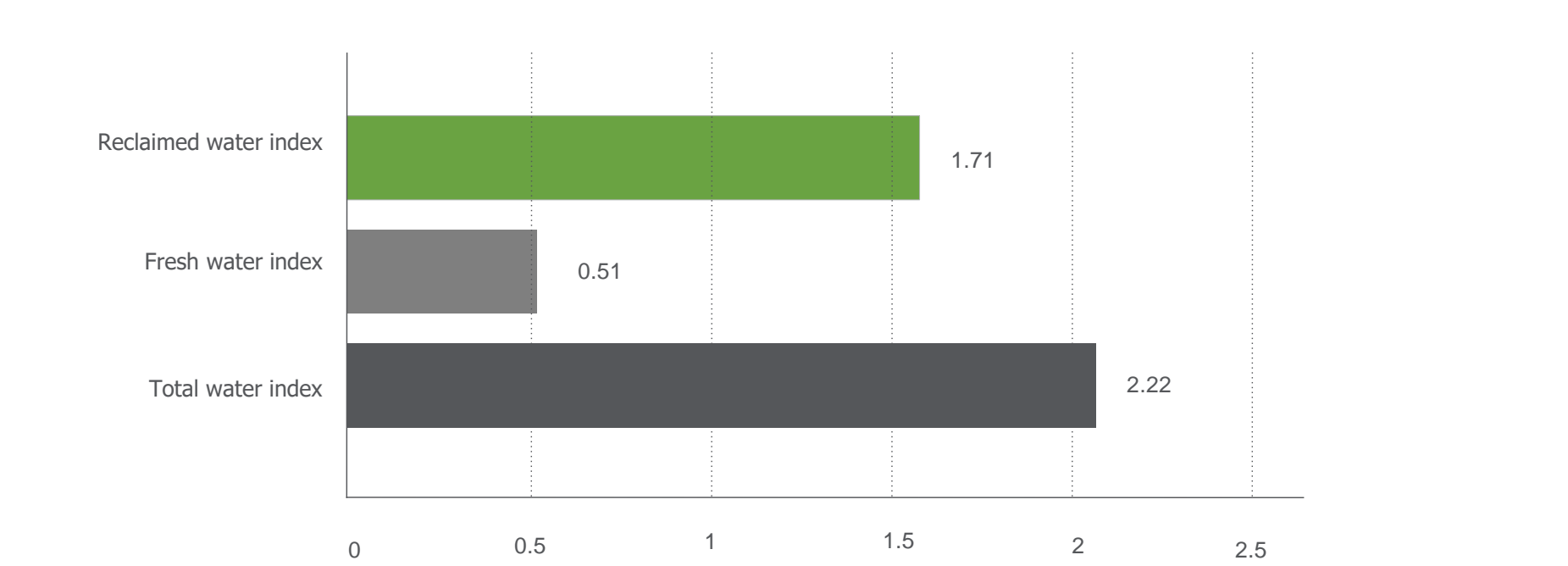


## 6.2 Water and Effluents Annexes

### Fresh water and reclaimed water consumption at SCC concentrators

|        |                   |                   |                         |
|--------|-------------------|-------------------|-------------------------|
|        | Crushed ore       |                   |                         |
| DMT    | 176,691,820       |                   |                         |
|        | Total Water       | Fresh Water       | Reclaimed Water         |
| %      | 100               | 23                | 77                      |
| M³     | 391,982,000       | 89,566,918        | 302,415,082             |
|        | Total Water Index | Fresh Water Index | C Reclaimed Water Index |
| M³/DMT | 2.22              | 0.51              | 1.71                    |

### Water used in crushed ore (m³/DMT)



## SCC Historic Water Consumption

GRI 303-3, 303-4, 303-5

|  |                              | Total SCC |         |         |         |         |         | Mexico  |         |         |         |         |         | Peru    |         |         |         |         |         |
|--|------------------------------|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  |                              | 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                | 38,824    | 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  |
|  | Groundwater                  | 72,651    | 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  |
|  | Sea water                    | 931       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 931     | 0       | 0       | 0       | 0       | 0       |
|  | Water produced               | 769       | 1,615   | 942     | 691     | 627     | 843     | 769     | 822     | 168     | 0       | 0       | 0       | 0       | 793     | 774     | 691     | 627     | 843     |
|  | From third parties           | 61        | 65      | 65      | 67      | 1,494   | 23      | 17      | 16      | 16      | 24      | 15      | 12      | 44      | 49      | 49      | 43      | 10      | 10      |
|  | Total water withdrawn in ML  | 113,236   | 106,715 | 113,281 | 113,511 | 111,232 | 116,979 | 61,700  | 57,732  | 60,291  | 60,970  | 57,071  | 64,404  | 51,535  | 48,983  | 52,990  | 52,540  | 52,692  | 52,575  |
| GRI 303-4 Water discharged in Megaliters (ML)              | Surface water                | 243       | 227     | 50      | 40      | 59      | 0       | 243     | 227     | 50      | 40      | 59      | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
|  | Groundwater                  | 0         | 0       | 166     | 156     | 141     | 0       | 0       | 0       | 166     | 156     | 141     | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
|  | Sea water                    | 1,453     | 1,263   | 1,510   | 983     | 1,368   | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 1453    | 1,263   | 1,510   | 983     | 1,368   | 0       |
|  | From third parties           | 0         | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
|  | Total water discharged in ML | 1,696     | 1,490   | 1,726   | 1,179   | 1,568   | 0       | 243     | 227     | 216     | 196     | 200     | 0       | 1453    | 1,263   | 1,510   | 983     | 1,368   | 0       |
| Consumption of recycled or reused water in Megaliters (ML) |                              | 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 | 118,289 | 127,110 | 125,007 | 121,113 | 98,080  |
| GRI 303-5 Total water consumption in Megaliters (ML)       |                              | 413,955   | 412,492 | 440,201 | 434,915 | 421,946 | 380,056 | 233,589 | 246,384 | 261,611 | 258,350 | 249,510 | 229,401 | 180,366 | 166,009 | 178,590 | 176,564 | 172,437 | 150,655 |

The total water consumption is the sum of the water withdrawn plus the water recycled less the discharges.









