

Safety and health

The safety, health, and well-being of our employees and contractors are fundamental to the success of our operations. We are committed to embedding a love of life in our safety culture and demonstrating this with discipline through our **High Potential Management strategy**, based on our zero-harm mentality.

Governance

The ESG Committee (see section *ESG Governance*) is responsible for assessing the organization's safety and health performance. The operational committees review both safety performance and strategic progress.

Our sustainability policy sets out our commitment to running a safe operation, based on a culture of prevention, hazard elimination, and risk reduction. The Safety, Health, and Environment Department prepares the strategy and guidelines for its implementation to eliminate fatalities, serious injuries, and occupational diseases in the workplace. It is jointly responsible with the Operations, Project, and Exploration Departments for developing critical controls and high potential programs, and the leadership of these areas is responsible for compliance with safety and health standards and procedures.

Strategy

High Potential Management strategy

We are continually and systematically working to reduce high potential and catastrophic incidents that have a significant impact on health or even fatalities. Our strategy is to focus on three processes that must be continuously improved—which strengthen each other and are supported by visible leadership:



High Potential Management Strategy



Our high potential and critical risk strategy aims for a goal of **zero harm** in our activities.

Our high potential management strategy's journey to maturity

- **2021 to 2023 - Safety:** The average fatality rate between 2018 and 2020 was 6.3, impressing upon us the urgency to develop and deploy a High-Potential Management strategy. To do this, we first identified the critical risks at each site (approximately 30 sites between Peñoles and Fresnillo plc). We then performed what are called bow-tie analyses to establish barriers and preventive and mitigating controls. Finally, we defined critical controls and performance standards for each risk. We began by managing the five or six most critical risks. For each, we perform a self-diagnosis of current compliance with critical controls to establish action plans to close the gap. Field verification of critical controls has been a main focus of visible leadership, and in addition, one of the main preventive performance indicators. Along with critical risk management, we developed an **incident management process**. All this succeeded in reducing the average number of fatalities by 58%, from 6.3 to 2.6.
- **2024 to 2026 - Safety:** We will continue dealing with and controlling the remaining critical risks at all sites. In 2024, one of our central concerns will be defining a safety, occupational health, and environmental management standard for contractors. We will also standardize emergency preparedness and response.
- **2024 to 2026 - Occupational health and environment:** We will define critical hazards and develop critical controls and performance standards for occupational noise exposure, dust exposure, vibration exposure, extreme temperature exposure, spills, emissions, and loss of permit validity. Additionally, we will align incident management with visible leadership.
- **2027 to 2028 - Occupational health and environment:** We will continue the process of addressing and controlling all critical occupational health and environmental risks.
- **2029 and beyond:** We will continue to improve steadily through best practices, technology, and new processes.

Main critical risks

Due to the nature of our operations (exploration, projects, mines–open pit and underground–metallurgy, smelting, chemicals, logistics, and others), we have identified a group of around 30 critical risks. The 15 most significant are:

1. Rock fall
2. Interaction between equipment, vehicles, and people
3. Loss of control of equipment and vehicles
4. Fire
5. Contact with electrical energy
6. Uncontrolled release of energy
7. Contact with molten materials
8. Loss of balance in working at heights
9. Loss of control in hoisting maneuvers
10. Entrapment by moving parts
11. Contact with hazardous substances
12. Loss of control in the handling of explosives and blasting
13. Falling objects
14. Landslide/fault slippage
15. Loss of control when entering confined spaces.

Safety impact and risk management

Critical risk management and controls

Managing risks that could result in a fatality or serious injury remains our highest priority. Our High-Potential Accident Management Strategy has enabled us to identify and prioritize the critical safety risks to which staff may be exposed in our operations, and to determine the critical controls for each risk. Leadership has been key to fostering a preventive culture among our own staff and contractors; it has enabled us to ensure continuous monitoring of the critical controls for identified risks.

Guaranteeing critical controls and assessing their effectiveness is part of our work, involving recognition and accountability at all levels of the company. We continually check our progress on this strategy and conduct in-depth reviews of the critical risks that have the greatest impact on our operations.

We work as a team with the members of the Health and Safety Commissions to reinforce our strategic actions through certification according to CONOCER 0391.01 standard and training on critical risks and controls,



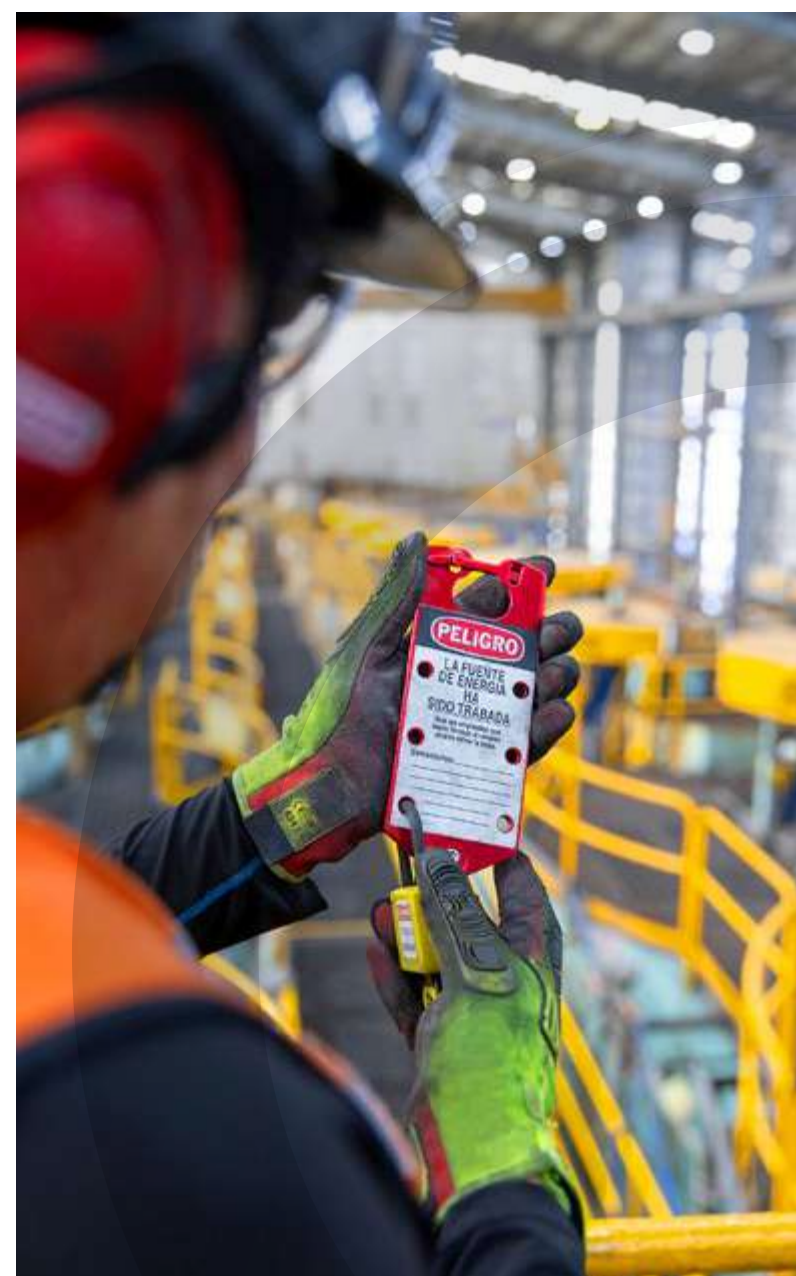
as well as monthly walkthroughs that support the company's efforts to eradicate fatalities.

We have adopted a balanced approach to preventing and managing risks, according to these categories:

Category	Scope	Action
High potential	Fatalities and high-impact incidents	<ul style="list-style-type: none"> • Learning • Assurance of critical controls • Performance and competence • Change management
Catastrophic events	Mass death, contamination, or major damage to infrastructure and equipment	<ul style="list-style-type: none"> • Culture of safety and environmental care • Fire fighting • Rescue • Process administration • Safe design for projects
Low potential	Injuries/minor impacts	<ul style="list-style-type: none"> • Hazard and risk awareness • Safe workplaces • Psychology • Ergonomics • Contractor management

Behavioral management

At Industrias Peñoles, we consider it an ethical and moral obligation to eliminate conditions that leave people and property open to harm. To do so, we have pledged to build and foster a culture of prevention in occupational safety and health through transformational, adaptive, powerful, and decisive visible leadership **whose priority is love for life.**



Visible leadership by our leaders—in the form of *implementation, verification, and continuous improvement*—will allow us to guide and encourage our people's commitment to do their jobs according to our company's values.

We have made strengthening our preventive culture a priority, supported by the **Safety, Occupational Health and Environment Leadership Standard**, which guides us in protecting our people and their environment—reinforcing the importance and value of human life, well-being, and dignity.

We work to strengthen leadership through the presence of our leaders in the field, interacting openly and frank-

ly with their workers and detecting areas for improvement. This leads to safer work and sets an example for workers to follow—inspiring greater commitment and conviction.

At our eleventh annual Safety Symposium, we discussed leadership practices and underscored each employee's **Right to Say No**, which are **preventive** elements of our **High-Potential Management** strategy and the empowerment of our staff.

We will continue to raise awareness of occupational health risks to strengthen our preventive culture, and we will extend the lessons from 2023 on critical safety risks to critical occupational health risks.

Incident management

This dimension of our strategy enables us to maintain a culture of preventive reporting by managing high-potential near misses, which give us the opportunity to detect missing or failed critical controls that could lead to high-potential accidents. All employees are empowered to say **NO** when an activity does not meet the safety standards expected of our leaders. This builds commitment and contributes to a more mature preventive safety and occupational health culture at the company.

The benefits of preventive reporting are:

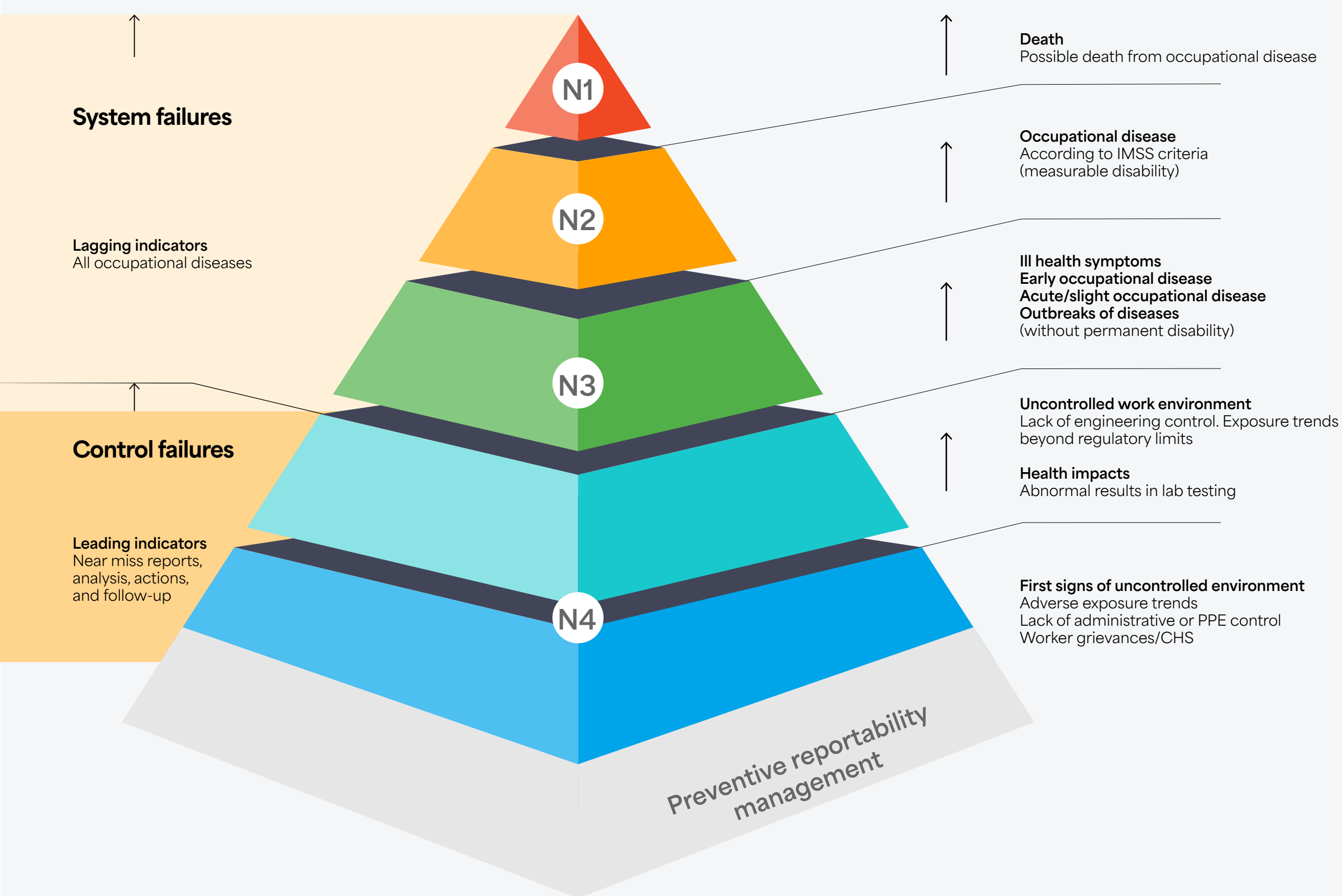
- Protecting your life and that of your co-workers
- Anticipating risk as an early warning system
- Supporting your team and your company
- Actively participating in risk management
- Assessing the appropriate level of implementation for critical controls in the field.

In incident management, learning from failures and mistakes is fundamental to avoid a repetition, building a stronger culture of prevention in safety and occupational health; hence, the importance of quality research, timely communication, reflection on lessons

learned, and implementation, verification, and evaluation of actions.

When a significant event occurs, our investigation procedure begins with a root cause analysis (RCA) method. Subsequently, to learn from the incident, we use the High-Potential methodology, based on the incident-cause-analysis-method (ICAM). Staff from the various divisions has been prepared to act as trainers and facilitators in this method. Additionally, workshops for leaders have been held throughout the company to reinforce their commitment and responsibility for incident investigation and compliance, as well as for follow-up and control of the recommendations stemming from each investigation.

Health Risk Management Model



Health impact and risk management

In 2023, we devised a plan of ongoing hygiene studies to update risk maps and redefine our classification of groups with similar exposures, while reinforcing the occupational health-monitoring program with

a battery of studies on specific risks through the mainstream standard of oversight. This strengthens our preventive approach to safety by focusing on controlling the work environment (levels N3 and N4 of the health risk management model).

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Case study - BAL Safety Week 2023

“Love for life” is a maxim we live by, both within and outside of our operations. Day by day, we dedicate ourselves to achieving a workplace that is orderly, safe, and free from fatalities and occupational diseases.

The Grupo BAL’s chairman introduced Safety Week as an initiative to strengthen our preventive culture in safety, occupational health, and the environment. This year, a new Leadership Standard was introduced to inspire commitment from senior management to employees and business partners.

This initiative began with a message from Grupo BAL’s chairman of the board, Alejandro Baillères, with more than 600 people connected live and another 2,900 who subsequently viewed it. Each CEO conveyed the message to their leadership team and requested their support and commitment in implementing this standard.

The message was clear and concise: “Life is a miracle and a wonderful gift, which is why our business group’s strategy is the moral duty to prioritize love for life, for our people, our co-workers, and their families.”

This activity will become an annual practice, and starting in 2024, it will include the presentation of the Annual Safety Award, recognizing outstanding work by individuals and teams, their leadership performance, and promotion of our prevention and safety culture. In the future, it will be extended to matters of occupational health and the environment, inviting learning and replication of best practices and initiatives within our company.



Health monitoring

Non-occupational health monitoring was resumed **fully** in 2023, with our personnel's health assessment. With this, we encourage self-care for health through prevention, early detection, and prompt treatment.

This year—as part of our non-occupational health-monitoring program—we provided checkups to **70.8%** of Peñoles employees and gynecological exams to **94.5%** of women employees. At Fresnillo plc, **99%** of employees received checkups, and **30.6%** of women employees received gynecological exams.



Mental health

We continued to strengthen our strategy of supporting our employees' mental health, working through various mainstream actions:

- Psychological first aid workshops
- Managing post-traumatic stress
- One-on-one psychological sessions
- Group anti-stress workshops.

We also resumed strategies focused on health lifestyles like eating well and getting physically active.

Our preventive health program was brought to the workplace through campaigns on hygiene, early breast and prostate cancer detection, and monitoring patients with chronic degenerative disease and employees who are pregnant or nursing.

For this last group, we underscored our support for a healthy work/life/family balance by introducing a maternity and nursing standard in addition to the existing nursing rooms. This is intended to retain women employees in mining work. At the close of the year, we had 10 nursing rooms operating.

In 2023, we updated the requirements for certifying an area as heart-healthy and smoke-free, and now have:

- **5 heart-healthy** areas
- **15 smoke-free** areas.

COVID-19

We continued our preventive measures against COVID-19 while stressing the importance of vaccination against other infectious diseases like the flu. We are keeping an eye on the constantly changing characteristics of various COVID strains, so we can take steps to anticipate needs and maintain business continuity.

Safety and health certifications

We have made progress in the company's internal and external commitments to achieving **ISO 45001**, standard as part of our continuous improvement of operational management systems. To date, we are 35% of the way toward obtaining certification of our operational units.

Performance and metrics

We are deeply grieved to note that there were four fatal accidents in our group during the year: three in Saucito and one in Fresnillo plc Explorations. We conducted a detailed investigation into each and shared the lessons

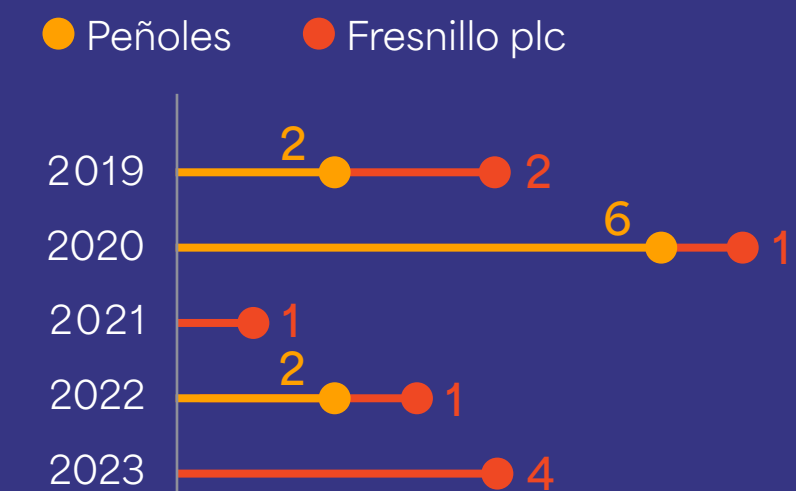
learned with all Peñoles and Fresnillo plc business units—in addition to implementing corrective actions derived from the investigation to minimize the potential for similar incidents and prevent them from recurring.

Average hours of safety and health training

	Training hours	Average hours of training
Non-unionized employees	53,638	10.15
Unionized employees	261,071	24.09
Contractors	370,785	20.98



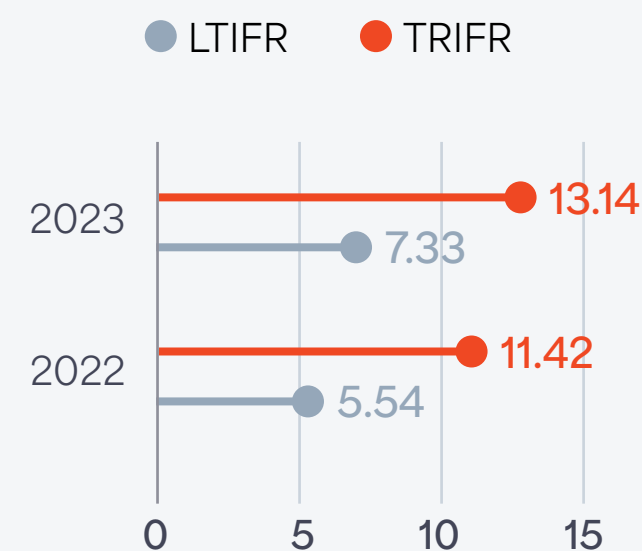
Fatalities



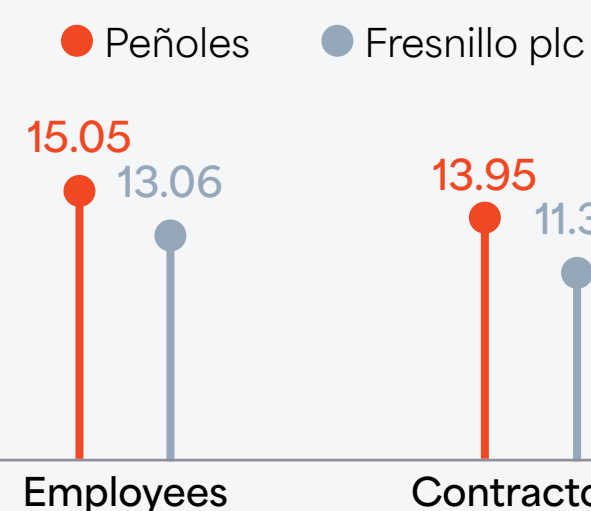
Lost time injury frequency rate (LTIFR) and total recordable injury frequency rate (TRIFR)

Safety metrics	Total	Peñoles			Fresnillo plc		
		Total	Employees	Contractors	Total	Employees	Contractors
Hours of risk exposure	83,948,544	34,864,744	21,461,558	13,403,186	49,083,800	18,066,400	31,017,400
Lost-time injuries	615	252	159	93	363	157	206
Total recordable	1,103	510	323	187	593	236	357
TRIFR	13.14	14.63	15.05	13.95	12.08	13.06	11.51
LTIFR	7.33	7.23	7.41	6.94	7.40	8.69	6.64

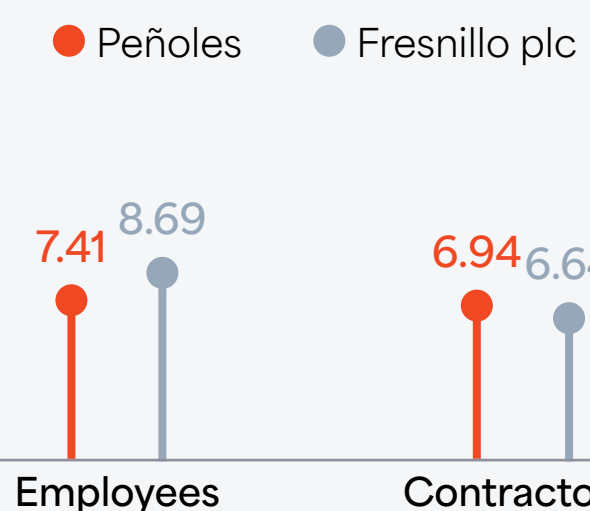
Total recordable injury frequency rate (TRIFR), lost time injury frequency rate (LTIFR)



TRIFR employees and contractors

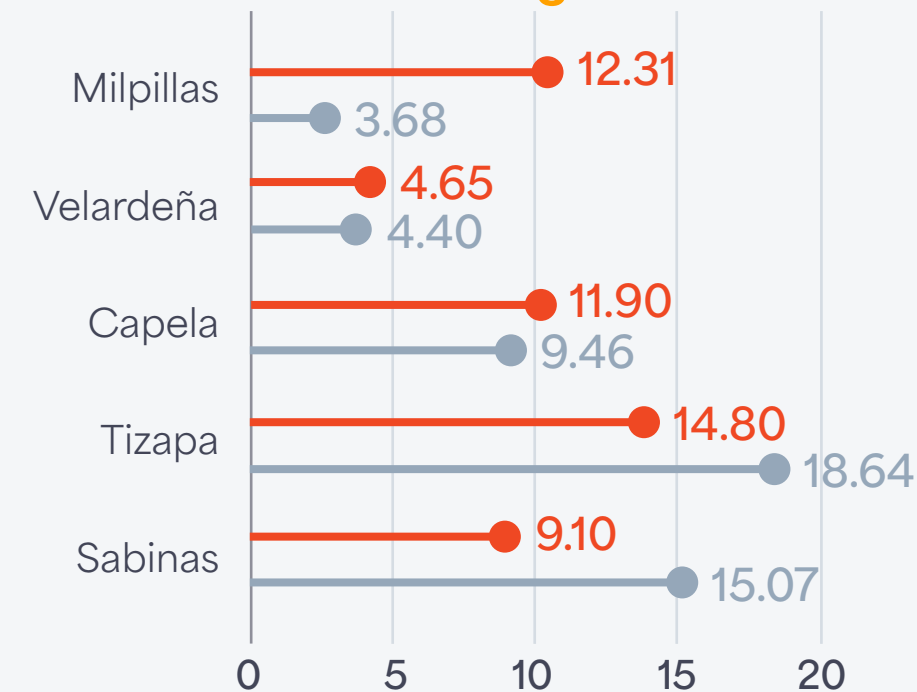


LTIFR employees and contractors

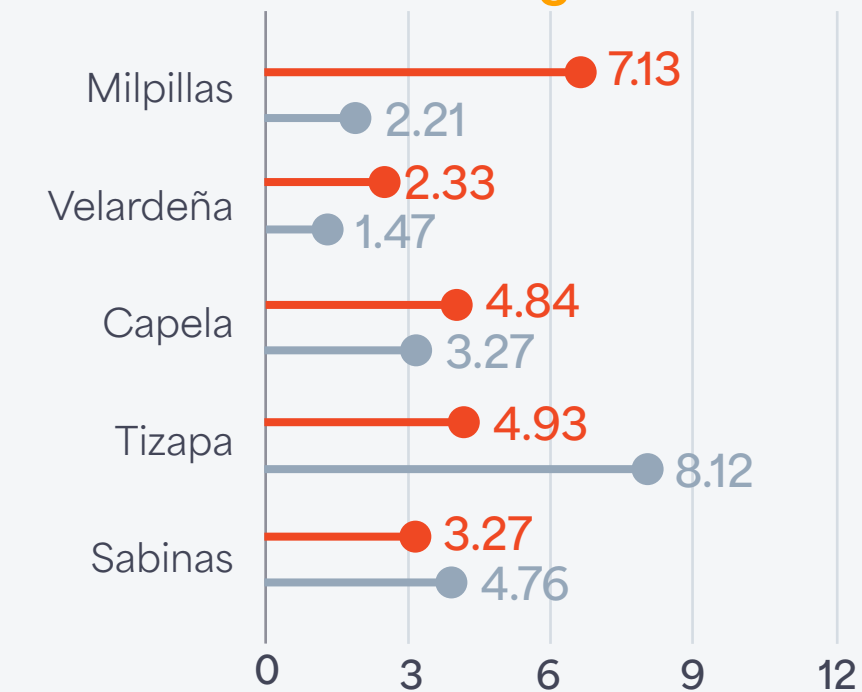


Lost time injury frequency rate (LTIFR) and total recordable injury frequency rate (TRIFR) 2022-2023 by business unit

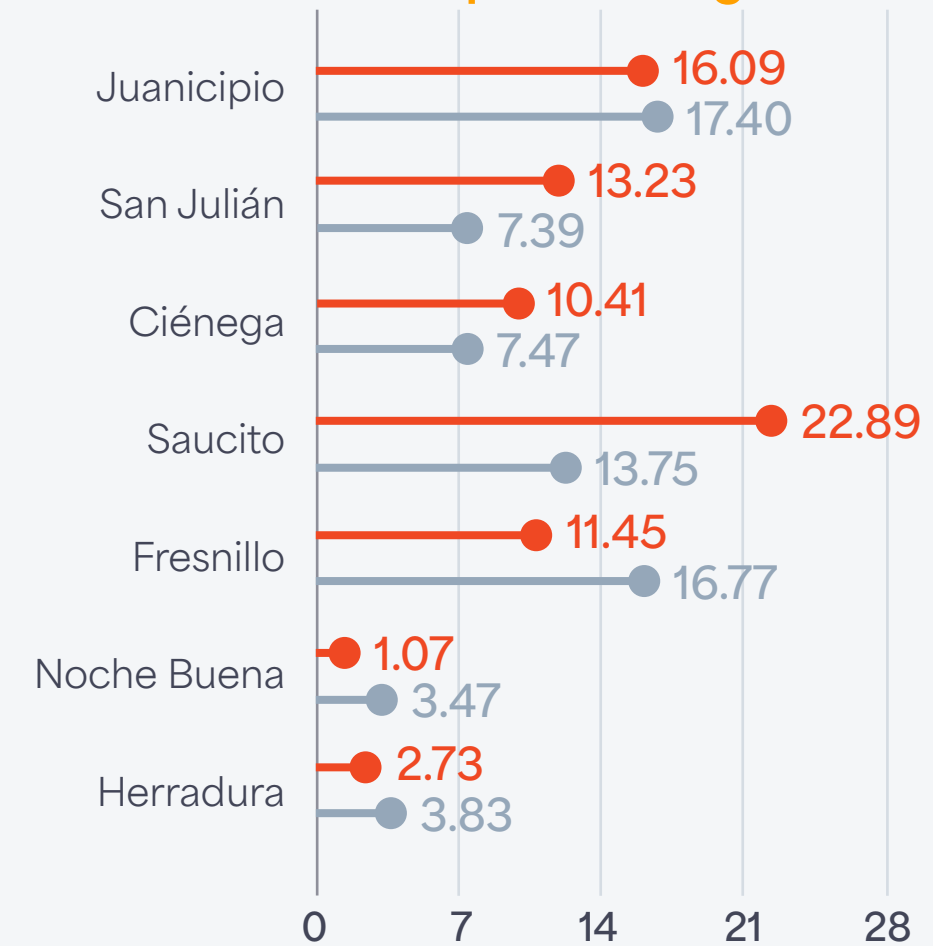
TRIFR Peñoles Mining Division



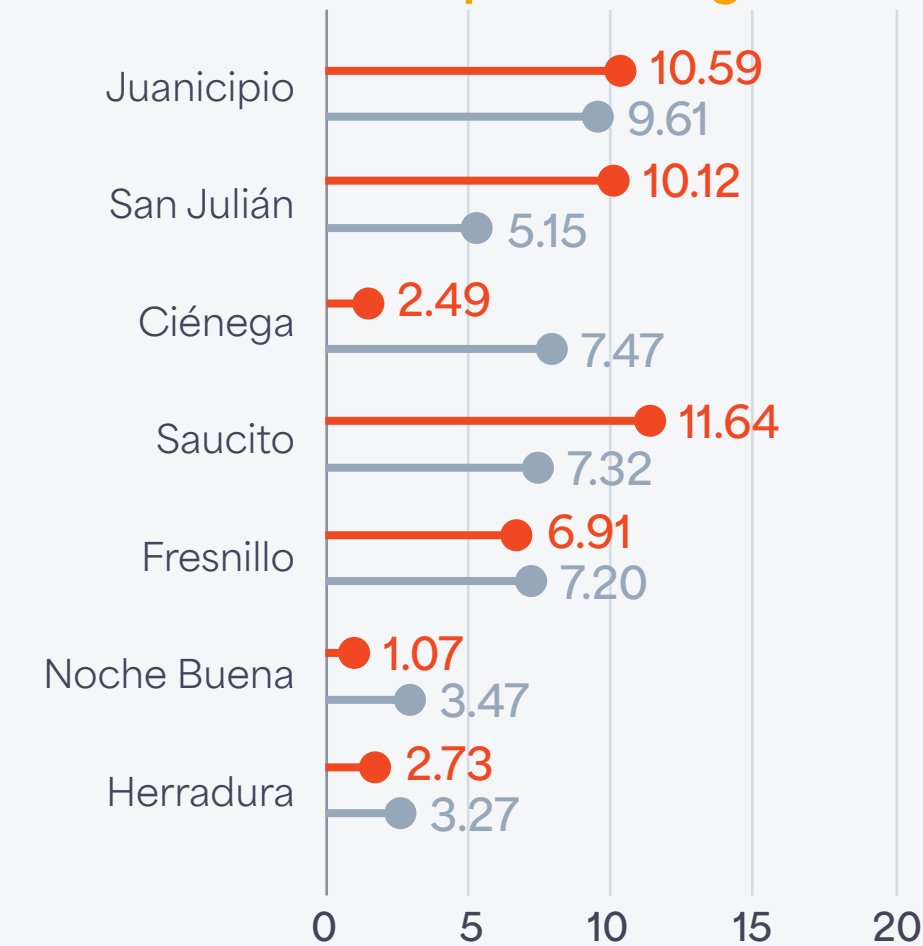
LTIFR Peñoles Mining Division



TRIFR Fresnillo plc Mining Division



LTIFR Fresnillo plc Mining Division

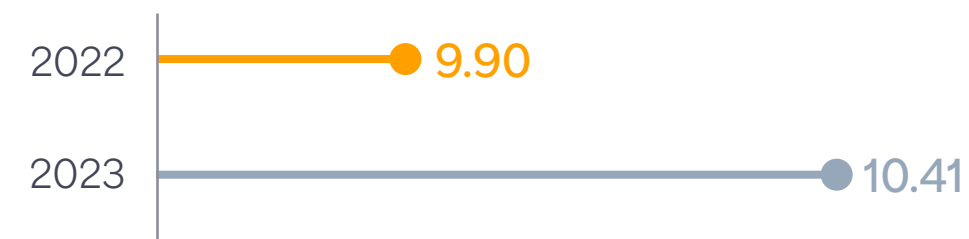


Lost time injury frequency rate (LTIFR): Number of lost-time injuries per 1,000,000 hours worked.
 Total recordable injury frequency rate: Fatal accidents + lost-time injuries + restricted work injuries + medically treated injuries per 1,000,000 hours worked.

High Potential Accident Rate

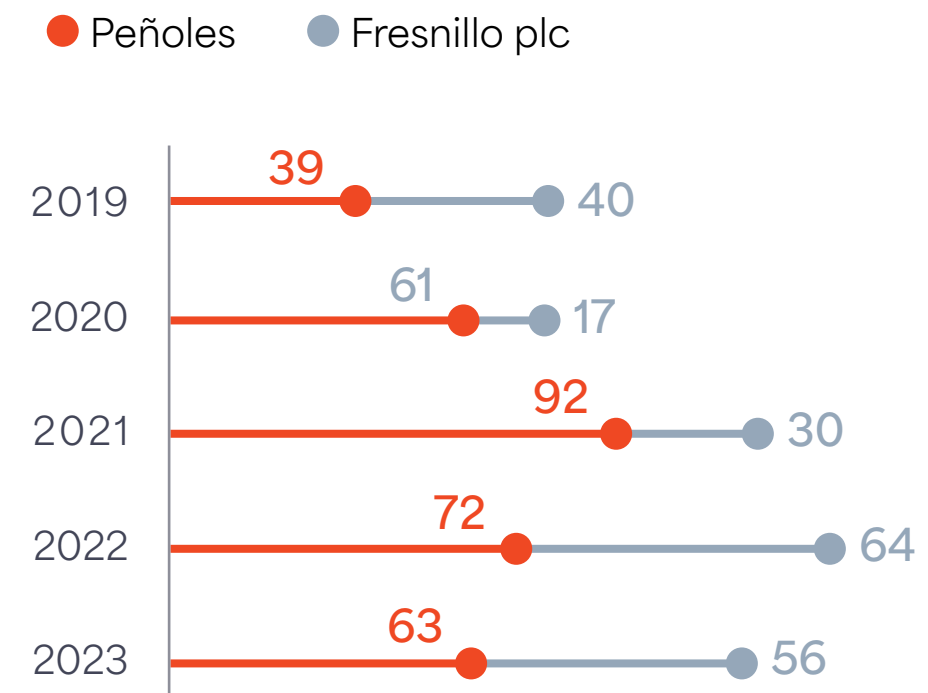
Hours of risk exposure	83,948,544
High potential accidents	874
High Potential Accident Rate	10.41

High Potential Accident Rate



High Potential Accident Rate: Number of high potential accidents per 1,000,000 hours worked.

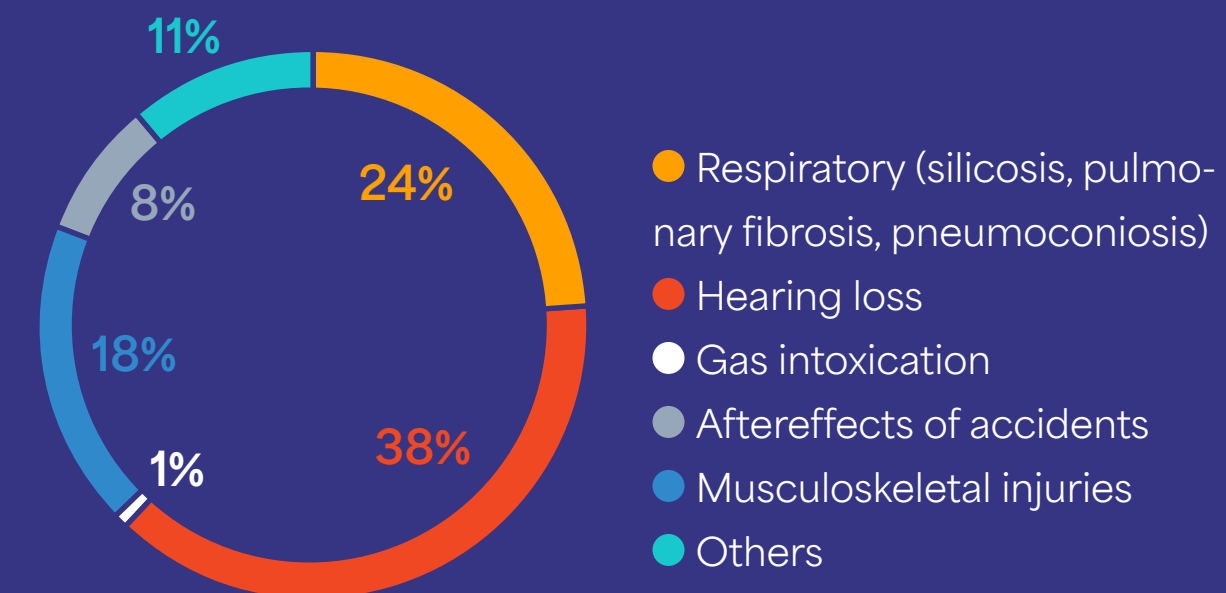
Occupational Diseases



In 2023, there were no deaths resulting from occupational diseases.



Breakdown of occupational diseases



Breakdown of occupational diseases

