

Impact, Risk, and Opportunity Management

Our approach to managing impacts, risks, and opportunities draws on our Human Rights Due Diligence framework and comprises key implementation components: governance, policies and guidelines, training, compliance, monitoring and reporting, and engagement with other organizations.

Governance	Policies and Guidelines
Training	Compliance
Monitoring and Reporting	Engagement with Other Organizations

Risk Management

A multidisciplinary team with good knowledge of our operations in the field participated in the identification of potential impacts and evaluation of the salient risks.

The following table identifies the most relevant potential human rights risks and the sections of the report that document the measures we implement to manage impacts, risks, and opportunities—both in our own activities and in our value chain.

Salient risks	Section of the report
Health and safety	Health and safety Water stewardship Biodiversity conservation
Water and environmental management	Mining-metallurgical waste management Hazardous and special handling waste Air quality Mine closure
Equality and nondiscrimination	Our people Value chain Culture
Work conditions and rights	Our people Value chain
Indigenous peoples	Indigenous peoples
Communities	Communities Mine closure
Security	Presented in this section



Potential Impacts

Life, health, and social security

Access to safe water and healthy environment

Equality and freedom from discrimination

Labor rights and obligations

Respect for indigenous peoples and communities

Education and culture

Modern slavery and child labor

Risks

- Placing our employees' lives in jeopardy due to hazardous or unsafe conditions in the workplace
- Exposing employees to temporary or permanent injury due to hazardous or unsafe conditions in the workplace and/or occupational diseases due to unhealthy conditions
- Establishing labor relations (employees) with salaries and benefits below the standards of the law
- Establishing business relationships with third parties (suppliers and/or service providers) close to the locations where we operate that do not offer their community workers compensation that covers a living wage
- Engaging in pressure or intimidation against people who hold positions contrary to those of the company
- Depleting the quality of the ecosystems (soil, water, and air) on which the health and well-being of communities near our operations depend
- Infringing on personal freedom, limiting opportunities for development and/or discriminating for any reason
- Engaging in or allowing physical disciplinary abuse, harsh treatment, sexual or verbal harassment or any other form of intimidation
- Establishing business relations with other parties that violate guarantees and obligations regarding employment conditions
- Operating without the prior, free, and informed consent of indigenous peoples and/or denying them access to land
- Limiting access to education or opposing the values, customs, cultural traditions, and other aspects of human development in the communities where we operate
- Allowing working conditions where people are forced to work against their will (modern slavery) and/or where human trafficking is present
- Permitting child labor in our value chain

Security

Collaboration, trust, and respect among our stakeholders are essential elements of our physical security strategy, which emphasizes a culture of prevention, self-care, and the protection of people and assets. Our top priority is to safeguard the physical integrity of our personnel while upholding the human rights of all stakeholders. Our security practices are aligned with the Voluntary Principles on Security and Human Rights.

> Risk Assessment

Understanding the broader environment and its security and social dynamics is critical for preventing risks and responsibly managing human rights impacts. We use two complementary approaches to risk assessment: strategic-level external assessments within our Enterprise Risk Management

(ERM) framework, and asset-level assessments that account for the specific context of each facility. This alignment helps us monitor and mitigate risks across strategic, tactical, and operational levels.

> Interaction with Private Security Forces

Peñoles contracts unarmed private security providers that operate exclusively within our facilities and focus on prevention. This approach minimizes the risk of violent confrontations that could endanger our workers or nearby communities.

As part of our due diligence, we assess the background of each contractor, including any human rights concerns. These companies are required to comply with our Third-Party Code of Conduct and to implement internal mechanisms for managing risks associated with their personnel.

We also support their ongoing development by offering regular training in our expectations around human rights, as defined in the Third-Party Code of Conduct. Our comprehensive oversight includes periodic evaluations and regular meetings with these providers.

In 2024, no human rights complaints related to private security companies were received through our grievance mechanisms.

> Interaction with Public Security Forces

We have formal agreements with the Federal Protection Service of Mexico and the Protection Service of the State of Chihuahua for the Fresnillo, Penmont, and San Julián mines. These public security forces work exclusively within our facilities, following a preventive approach and receiving training on human rights. We periodically review these agreements to ensure continued alignment with our standards, particularly in terms of human rights performance.

In addition to these formal agreements, we maintain an institutional engagement program with public security authorities, aligned with our internal protocols and Code of Conduct.

In 2024, no human rights violations involving the Federal or State Protection Services were reported through our grievance mechanisms.

> Grievance Mechanisms

Peñoles offers stakeholders multiple channels to raise concerns, including a dedicated grievance mechanism for communities and the [Línea Correcta](#), whistleblower channel, which covers the conduct of both the company and its partners throughout the value chain.





Respect for other positions and opinions

We maintain a firm stance against any form of attack, harassment, or discrimination against individuals whose views or positions differ from ours. Likewise, we do not tolerate threats, intimidation, or efforts to gain illicit business advantages.

Performance and metrics

Training

We regularly conduct workshops and training sessions on human rights and related topics, including environmental protection, occupational health, industrial safety, cultural evolution, diversity and inclusion, data privacy, and our Codes of Conduct.

All members of the Federal Protection Service receive human rights training, focusing on the relationship between their duties and the need to promote, protect, and respect human rights in daily operations.

Compliance and performance verification

Peñoles's [Línea Correcta](#) hotline is in the process of being strengthened with a broader mandate and greater authority. We rely on our existing protocols to investigate and address potential violations and to protect the psychosocial well-being of our people.

In 2024, no complaints about human rights violations against communities by the Federal Protection Services, the Chihuahua State Police, or private security companies were recorded in our reporting mechanisms.

Engagement with other organizations

To share and strengthen best practices, we actively participate in the Mexican Mining Chamber's Commission for Community Development and Human Rights. Within this commission, we contribute to the Working Group on Companies and Human Rights. We also engage with programs, strategies, and training platforms recommended by the OECD.

We participate in dialogues with investors from the Principles for Responsible Investment (PRI) 'Advance' initiative to share and learn best practices in human rights within the private sector.