

# Health and safety

At Peñoles, we believe that nothing is more important than the safety and health of our people. We are committed to fostering a *Love for Life* culture—demonstrated daily through the safe behaviors of our employees and contractors. Above any operational or financial outcome, our top priority is to prevent high-potential events that could lead to serious injuries, fatalities, or occupational diseases. To address this imperative, we have established a comprehensive roadmap to strengthen and deepen our *High Potential Strategy*.

From their first day and throughout their careers at Peñoles, employees and contractors receive ongoing safety training and are expected to remain



*“In our operations, the life and safety of each of our workers is a serious responsibility, the most serious responsibility we all have at Peñoles and Fresnillo, far greater than any financial result.”*

**Alejandro Baillères**

*Chairman of the Board of Directors,  
Health Week speech*

constantly aware of operational risks. All personnel have the right to say “NO” when a task does not meet established safety standards. Our leadership teams regularly engage with employees in the field—reinforcing safe behaviors, identifying risks, and evaluating critical controls. When incidents occur, we conduct rigorous investigations and implement corrective measures to avoid recurrence.

## Governance

Health and safety performance is a matter of strategic oversight. The Chairman of the Board, Mr. Alejandro Baillères Gual, along with Directors Arturo Manuel Fernández Pérez and Jaime Lomelín Guillén, maintain active engagement with the CEO, divisional COOs, and the Vice President of Safety, Occupational Health and Environment to evaluate safety performance and monitor the implementation of our High Potential Strategy.

Progress in the implementation of our High Potential Strategy in health and safety is directly linked to the performance evaluations of the CEO, divisional COOs, and other senior executives in our Metals, Mining, and Chemical divisions.

Our policies, standards, and procedures apply to all our employees and contractors, clearly outlining our expectations regarding leadership, accountability, requirements, and controls to manage the safety and health risks of our activities.

## Industry context and strategic considerations

Strong safety and health performance is essential to gaining and maintaining the trust of our people, safeguarding operational continuity, and ensuring long-term value creation. Over the past decade, the mining and metals industry has significantly advanced its commitment to reducing safety and health hazards and risks. Operational improvements have led to better safety outcomes and performance, with risk management, leadership, safety culture, and incident investigation now seen as core competencies among leading companies.

Unlike safety incidents, which often have immediate consequences, health risks can take years of exposure to manifest the first symptoms. This underscores the importance of occupational health



and hygiene practices to identify and mitigate both short- and long-term risks. The industry has made meaningful progress in understanding and controlling exposure to physical and chemical agents—such as gases, dust, and noise—and in implementing health monitoring programs.

Still, high-potential events continue to occur, resulting in injuries, fatalities and occupational diseases. Incident and accident investigations across the industry frequently point to deficiencies in the implementation known risk controls. The International Council of Mining and Metals<sup>5</sup> (ICMM) has promoted Critical Control Management as a best practice to focus resources on managing the most significant risks.

In many mining operations, contractors make up a substantial portion of the workforce—sometimes even outnumbering employees. Industry leaders are implementing comprehensive systems to ensure contractor safety. Best safety and health practices include contractors’ prequalification, onboarding, incident reporting, and regular performance evaluations.

### Impact and risk management

#### The right to say no

Safe working conditions are a human right. We actively promote awareness of each person’s right to refuse or stop work that does not meet the expected safety standards. We encourage our people—employees and contractors alike—to speak up when they observe unsafe behaviors or conditions.

#### Love for Life safety culture

We are building a preventive safety culture that places people at the center of everything we do. Love for Life is a core value that defines everything we do, who we are and what we stand for as an organization. It inspires our collective commitment to creating a work environment that is safe, orderly, and free from fatalities and occupational diseases—delivered through the implementation of our High Potential Strategy.

“Love for your life, love for the lives of your colleagues, and love for your family who loves you and for whom you are irreplaceable, just as you are for your friends and coworkers”.

**Alejandro Baillères**

*Chairman of the Board of Directors,  
Health Week speech*



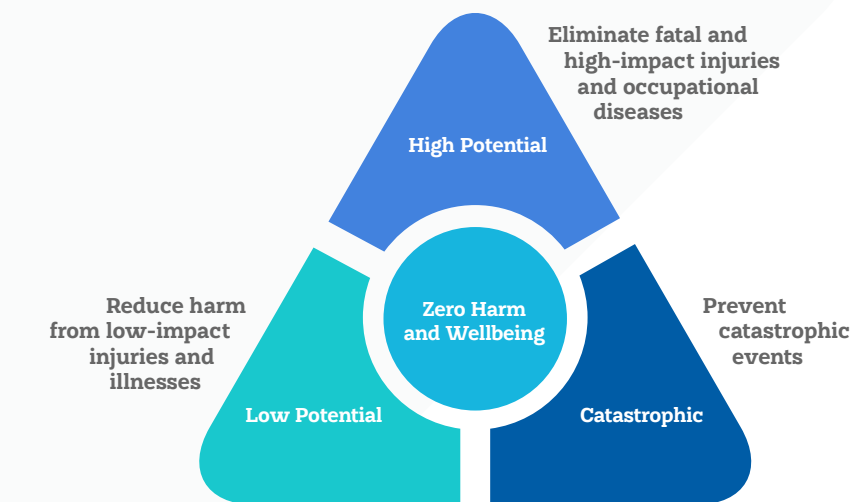
In 2024, our commitment to safety and health was reinforced at the highest levels of leadership. Grupo BAL’s Chairman of the Board delivered a clear and direct message at the opening of Safety Week, setting the tone for renewed urgency across our organization. The CEOs of Fresnillo and Peñoles followed by urging their leadership teams to demonstrate visible commitment and actively promote a culture of safety in the field.

At the core of our High Potential Strategy is the belief that visible leadership—through direct field engagement—is essential to building and sustaining safety culture between our leadership teams, employees, and contractors in key activities such as risk identification and critical control assessment. Our love for life culture defines clear expectations for visible leadership, as expressed in our leadership standard.

<sup>5</sup> <https://www.icmm.com/en-gb/our-work/innovation-for-sustainability/health-and-safety>

### Safety strategy

Our strategy addresses the prevention of catastrophic, high potential, and low potential events. In response to an unacceptable decline in safety performance in 2024, Peñoles and Fresnillo strengthened their safety strategy with a focused commitment to eliminate fatalities, serious injuries, and occupational diseases.



### Incidents Classification

Incident	Impacts	Objective	Approach
<b>Low Potential</b>	Injuries and minor impacts	Reduce harm from low-impact injuries and illnesses	<ul style="list-style-type: none"> <li>Hazard and risk awareness</li> <li>Safe and healthy workplaces</li> <li>Preventive culture</li> <li>Ergonomics</li> <li>Contractor management</li> </ul>
<b>High Potential</b>	Fatal and high-impact injuries and occupational diseases	Eliminate fatal and high-impact injuries and occupational diseases	<ul style="list-style-type: none"> <li>Learning from every HP incident</li> <li>Assurance and improvement of critical controls</li> <li>Performance and competency of our people</li> <li>Change management</li> </ul>
<b>Catastrophic</b>	Mass fatality incidents, natural and anthropogenic environmental incidents, and major damage to infrastructure and equipment	Prevent catastrophic events	<ul style="list-style-type: none"> <li>Stewardship of metallurgical and chemical processes</li> <li>Prevention of massive rockfall and fires in underground mines</li> <li>Monitoring of slope instability in open pit mines</li> <li>Tailings storage facility stewardship</li> <li>Emergency preparedness and response</li> <li>Safety processes administration</li> <li>Safety and ergonomics in project design</li> </ul>

### High Potential Strategy

Our strategy concentrates resources and attention on managing the most critical controls that minimize the probability and impacts of high-potential events in safety, occupational health, and the environment. The goal is to build a shared understanding of high-potential risks and to implement controls effectively in the field. To deliver on this goal, we have set concrete expectations on visible leadership and clear accountability for the implementation and evaluation of critical controls. Our approach is guided by best practices for safety and health critical control management and implementation—including those from the International Council of Mining and Metals (ICMM)<sup>6</sup>.



<sup>6</sup> <https://www.icmm.com/en-gb/guidance/health-safety/2015/ccm-good-practice-guide>

### High Potential Management Strategy

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



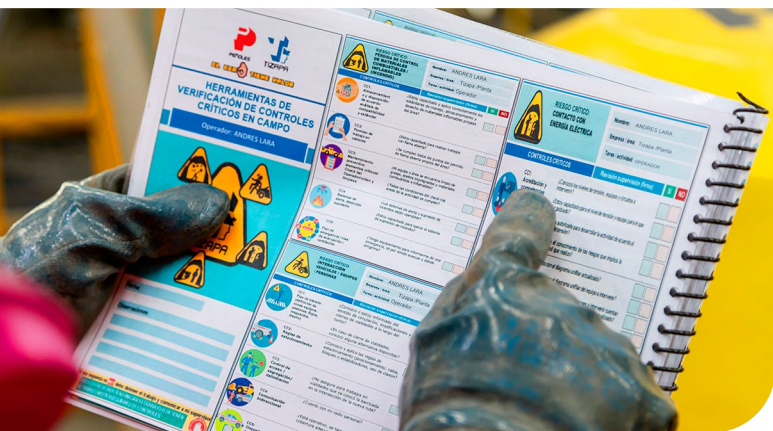
### Strengthening and Deepening of Our High Potential Strategy

#### Objectives:

- Consolidate a portfolio of critical risks and controls, setting the minimal requirements to manage risks and designing controls at the occupational level
- Set performance standards and verification tools in the field for the critical controls, prioritizing those associated with our fatal injuries and occupational diseases
- Develop implementation, monitoring, and follow-up plans using leading indicators to evaluate the quality of implementation and lagging indicators to validate performance
- Ensure visible leadership through the adoption of leadership practices and effective communication to foster changes in processes and behaviors
- Strengthen the learning process and continuous improvement by reinforcing preventive reporting and the quality of investigations and evaluating the effectiveness of our plans

### > Critical risk management

In all our business units, we engage our people to identify critical risks that need to be managed. We use historical data and our people's experience to identify prior and foreseeable high-potential events. Further insights are gained by field observations of these critical risks. The existing and potential controls are analyzed using bow-tie methodologies to identify those that are critical to prevent or mitigate the consequences of a high-potential event.



Business units must set clear objectives for critical controls and define performance and reporting requirements. Critical controls must have clear accountability and verification tools for their implementation in the field.

### Critical risks based on our historical data and our people's experience

The main critical safety risks in our portfolio include risks identified throughout the different operations (explorations, projects, open-pit and underground mines, metallurgy, smelting, chemicals, and logistics, among others):

Rock fall (underground)	Loss of control of vehicles and equipment	Interaction between equipment, vehicles, and people	Uncontrolled release of energy	Entrapment by moving parts
Contact with or exposure to hazardous substances	Contact with electrical energy	Loss of control in the handling of explosives/ blasting	Fire	Entry into confined spaces
Work at heights	Hoisting maneuvers	Falling objects	Contact with molten materials	Landslide/ slippage

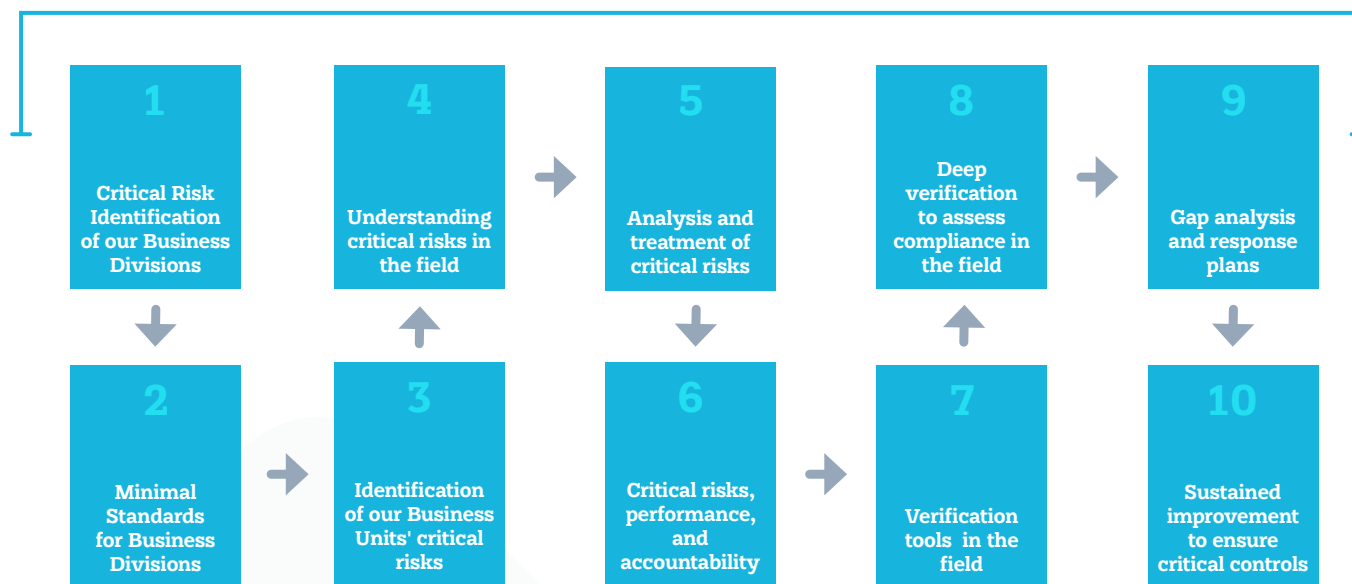
Our business divisions have determined minimum standards, including, but not limited to 1) role-focused safety training and work certification, 2) fitness-for-duty evaluations, and 3) administrative authorization. Our business di-

visions and units develop plans for the implementation of critical controls in the field. We implement verification activities in the field, effectiveness reviews, and preparation of response plans to address the gaps.

### In-depth Verifications and Safety and Health Committees

Progress on our strategy is continuously monitored, and in-depth verifications are conducted on critical risks with the greatest impact on our operations. We work as a team with the members of the Safety and Health Committees to reinforce our strategy's actions through certifications in the CONOCER 0391.01 standard and training in critical risks and controls, in addition to conducting monthly walk-ins that support the company in its efforts to eradicate fatalities.

### High Potential Roadmap



Eliminating high-impact events and their consequences is a continuous journey that requires sustained and concerted efforts. Our High Potential Roadmap aims to focus our efforts, strengthen leadership and accountability to consistently deliver on our zero-harm vision.

*Progress on our strategy is continuously monitored, and in-depth verifications are conducted on critical risks with the greatest impact on our operations.*



## > Behavioral management

In 2023, the Chairman of the Board, Mr. Alejandro Baillères, addressed the organization to raise awareness of our shared responsibility and commitment to eradicate serious and fatal injuries. Our “Love for Life” culture and “Leadership Standard” were introduced to inspire commitment and accountability from senior management to our employees and business partners.

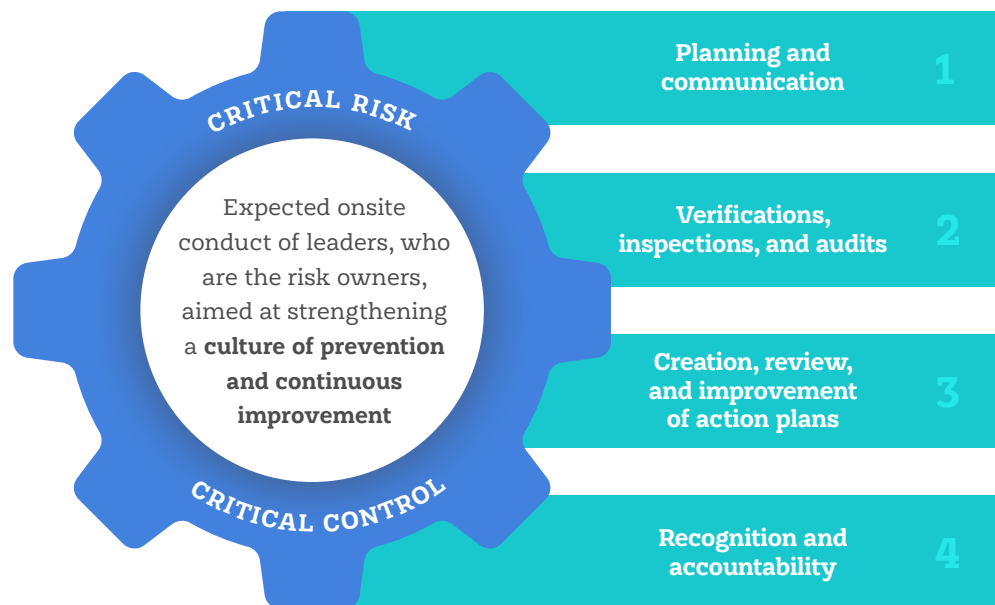


### Leadership practices

We cultivate transformational, adaptive, and decisive *visible leadership*—anchored in our Love for Life culture. The presence of our leaders in the field, openly and frankly interacting with our workers, is fundamental

for detecting areas for improvement, ensuring the effectiveness of our High Potential Strategy, and building a safety culture. This interaction leads to a safer workplace, serving as an example for our workers to follow—inspiring greater commitment and conviction.

Our Leadership Standard outlines the expectations for risk owners to demonstrate visible leadership in the field on safety, occupational health, and the environment. This expectation takes the form of leadership practices to verify critical controls in the field, engaging and empowering workers to be stewards of a preventive safety culture.



### Jorge Rangel Zamorano Award - Silver Helmet

In 2024, the Fertirey operation received the “Jorge Rangel Zamorano - Silver Helmet” award, granted by Mexico’s mining chamber (CAMIMEX) to recognize the business units with the best safety performance. CAMIMEX introduced the Silver Helmet award to recognize and reinforce the mining industry’s safety culture.



### Participation and accountability

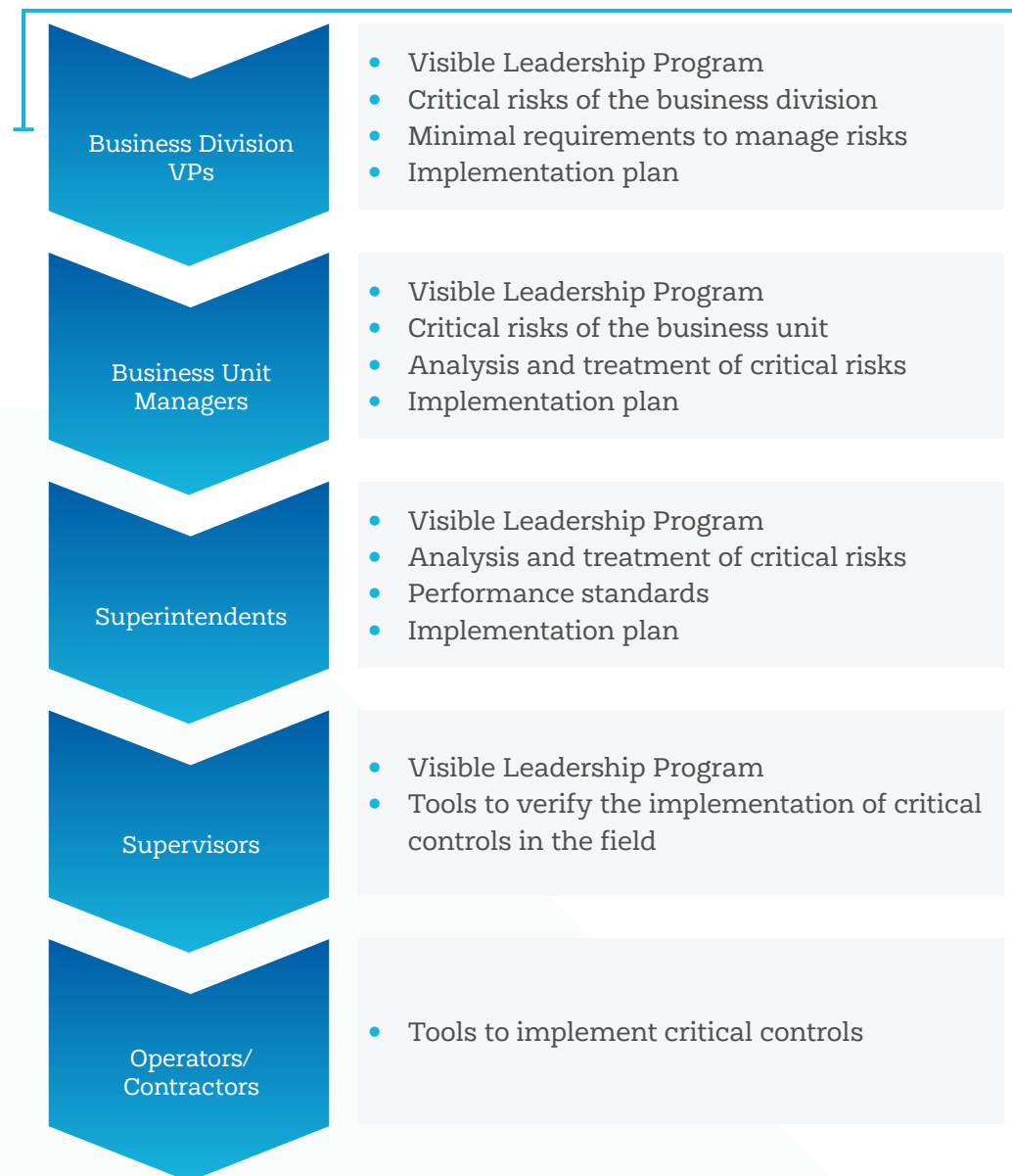
Our High Potential Strategy's success depends on the participation and ownership of both employees and contractors. Accountability has been clearly defined and communicated across the organization to ensure the implementation of critical controls, visible leadership practices, evaluations, and corrective measures, and empowerment of the right to say NO.

#### > Incident management

We review every incident to learn from failures and mistakes and as a critical tool to avoid repetition. Quality research, timely communication, reflection on lessons learned, and the implementation, verification, and evaluation of actions are all critical factors in strengthening our culture of prevention in safety, occupational health, and the environment.

When a significant event occurs, our investigation procedure begins with a root cause analysis (RCA). 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 have 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.

### Accountability of Our High Potential Strategy



Our approach to incident management includes reporting quasi accidents, that allows us to detect missing or failed critical controls that could lead to high potential events in safety, occupational health, and environment.

and safety, occupational health and environmental plans. Moreover, the standard sets clear accountability and controls for our own corporate functions and operations to manage the lifecycle of contractors.

*Our contractor standard specifies the requirements for contractors, notably their accreditation.*

### Engaging our people in responsibility and benefits preventive reporting. 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

### What we expect from our contractor standard

- Establish a formal performance-based pre-qualification process
- Manage contracts based on the level of risk of exposure
- Certify that the company's minimum requirements are met by contractors
- Require formal safety and health plans and verify their compliance
- Evaluate performance to inform remediation and improvement plans
- Manage incentives and sanctions formally and systematically

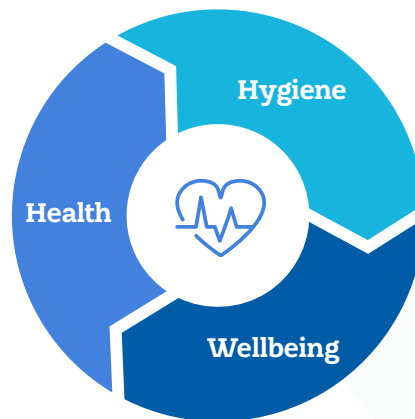


### Contractors

We have conducted a thorough review of our approach to contractor management, deepening and strengthening the safety, occupational health, and environmental considerations that are essential to effective implementation of our High Potential Strategy. Our contractor standard specifies the requirements for contractors, notably their accreditation, adoption of critical controls,

and safety, occupational health and environmental plans. Moreover, the standard sets clear accountability and controls for our own corporate functions and operations to manage the lifecycle of contractors.





### Health impact and risk management

While safety incidents often have immediate impacts, occupational health impacts are typically cumulative and develop over time through repeated exposure. Our business units implement comprehensive safety and health plans that address both short- and long-term exposures, including hygiene and occupational health. Our High Potential Strategy efforts focus on the critical health risks and controls. The health teams in our business units oversee the recovery of personnel who have suffered accidents and the management of cases with accident after-effects.

We also promote total wellbeing, recognizing that health is not just the absence of disease, but includes physical, mental, and social dimensions. Our efforts in safety and health work in synergy with our program to address psychosocial risks in the workplace, wellbeing, healthy lifestyle campaigns, and community health initiatives.

### > Occupational hygiene

Our occupational hygiene efforts aim to reduce exposure to hazardous agents in the workplace, with activities that include the identification, evaluation, control, and monitoring of sources of gases, dust, and noise. Our most recent action plan for our business units to address dust and noise focuses on critical areas and on evaluating sources directly in the field. The measures to address these critical risks include occupational hygiene standards, medical surveillance, and case management guidelines. Critical controls include a combination of fitness-for-duty assessments, engineering controls (i.e., dust suppression), personal protective equipment (i.e., respirator masks), and administrative measures (i.e., prescribed work cycles) to limit exposure.

### > Occupational health

Our occupational health programs anticipate, detect, address, and monitor the symptoms that lead to occupational diseases with a role-based focus. We implement a medical surveillance program to determine fitness for duty and to identify early symptoms that could be aggravated by exposure to hazardous agents, ergonomic factors, and other conditions present in the workplace. Similarly, these check-ups allow us to identify risk factors and health conditions that could make someone more vulnerable in the workplace. The medical surveillance program informs case management, training, and industrial hygiene controls. We engage our people on preventive health and hygiene through their training and communication campaigns.

### > Accident recovery

A safe and effective return to work requires a recovery process that addresses the physical and mental aspects of an accident. Our health teams monitor the recovery process to promptly detect and address setbacks in physical rehabilitation and psychological support needs. Health teams also play a key role in defining and monitoring return-to-work plans. This includes identifying a job role compatible with the worker's capacities, which may have been temporarily or permanently affected, and corresponding restrictions such as working hours, the physical demands of critical tasks, and others.

### > Non-occupational health

We implement a non-occupational health surveillance program through medical check-ups and gynecological examinations. This allows for the early identification of non-occupational illnesses and the issuance of recommendations. Moreover, it is key to identifying risk factors relevant to maintaining and improving the health of our people. To address breast and cervical cancer, we engage our people with initiatives that include communication campaigns, prevention talks, detection campaigns, and photography contests, among others. We follow a similar approach to raise awareness of and prevent prostate cancer. We support our people in monitoring chronic-degenerative illnesses and provide special follow-up during pregnancy and breastfeeding.

### > Wellbeing

We promote healthy lifestyles, such as eating well and staying physically active, through communication campaigns, sporting events, and facilities. Capitalizing on learnings from the COVID-19 pandemic, in recent years we have piloted various initiatives, including psychological first aid workshops, post-traumatic stress management, one-on-one psychological sessions, and group anti-stress workshops. We have a dozen nursing rooms in our operations that enhance work-life compatibility and support the retention of women.



### Management systems and certifications

We have made significant progress in our business units to certify the safety and health management systems in the ISO 45001 standard. In 2024, we earned third-party ISO 45001 certification for our metallurgical complex MetMex and Aleazin, joining Magnelec, Velardeña, Sabinas, and Fresnillo plc.

### Emergency preparedness and response

We have emergency response plans and teams in place across our operations and projects. These plans are supported by local teams through capacity building, training, and drills. Our emergency response teams include members trained as emergency medical responders. We also collaborate with municipal, state, and federal authorities to ensure coordinated emergency responses.

Mexico's mining chamber (CAMIMEX) organizes an underground rescue competition to strengthen the competencies of emergency response teams and foster collaboration among mining companies, equipment suppliers, and government authorities. This competition serves as a valuable benchmark for certifying crew members under the Underground Mine Rescue Competency Standard. In 2024, the Fresnillo mine hosted the XVII competition.

*We have made significant progress in our business units to certify the safety and health management systems in the ISO 45001 standard.*

## Performance and metrics

We are deeply grieved to report eight fatal accidents in our group during the year: two in our metallurgical operations, two in our mining divisions, two in our exploration projects, and two in Fresnillo plc. We conducted detailed investigations of these accidents and shared the lessons learned with all the business units across our group. These investigations were followed by the implementation of corrective actions to prevent the recurrence of similar accidents in our operations.

## Average hours of safety and health training

Segment	Training hours	Average hours of training
Non-union employees	68,212	13.37
Unionized employees	287,972	26.90
Contractors	426,103	25.87

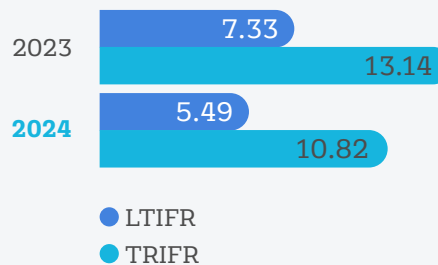
## Lost time injury frequency rate (LTIFR), total recordable injury frequency rate (TRIFR) and fatality rate

Industrias Peñoles Consolidated	2024	2023
Work exposure hours	77,278,508	83,948,544
Lost time injuries	424	615
Total recordable injuries	836	1,103
TRIFR	10.82	13.14
LTIFR	5.49	7.33
Fatality rate	0.10	0.05

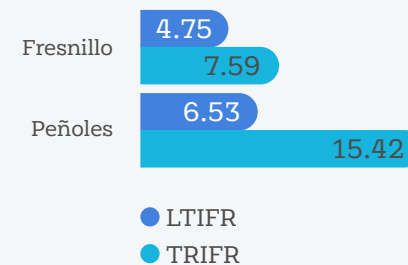
### Fatalities



### Injury Frequency Rates Industria Peñoles



### Injury Frequency Rates by company



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

Human rights

Our people

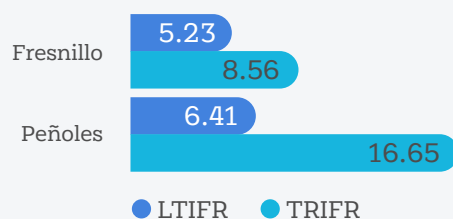
Health and safety

Indigenous Peoples

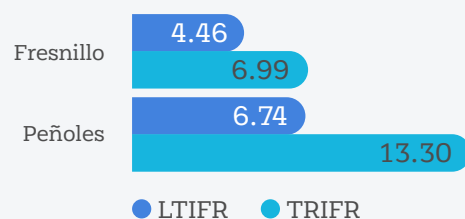
Communities

### LTIFR and TRIFR of employees and contractors

#### Injury Frequency Rates – Employees

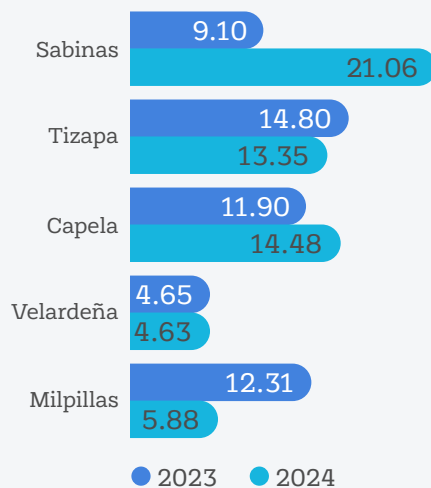


#### Injury Frequency Rates – Contractors

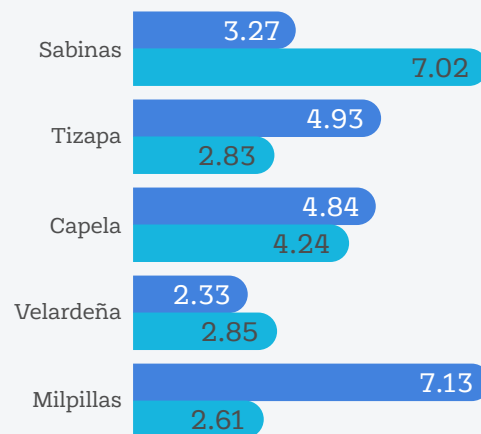


### LTIFR and TRIFR by division

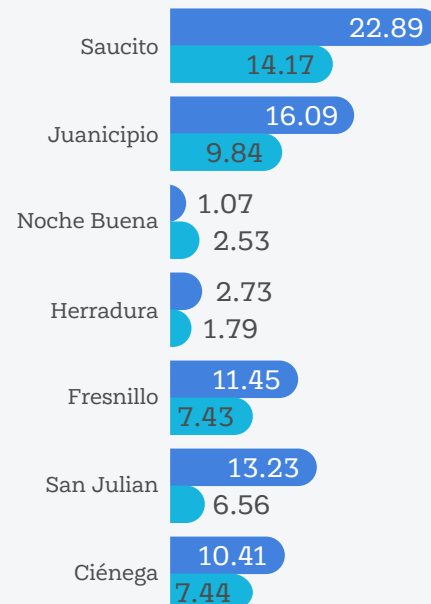
#### TRIFR – Peñoles Mines



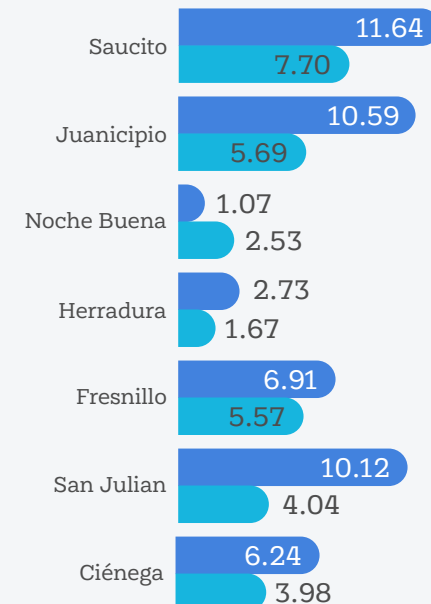
#### LTIFR – Peñoles Mines



#### TRIFR – Fresnillo plc Mines

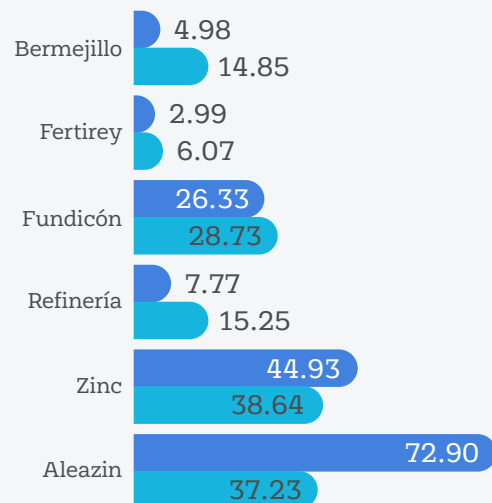


#### LTIFR – Fresnillo plc Mines

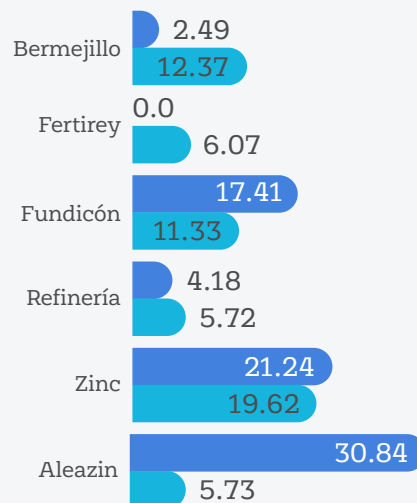


### LTIFR and TRIFR by division

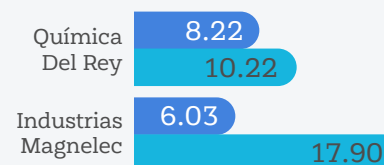
#### TRIFR – Metals



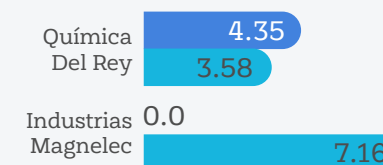
#### LTIFR – Metals



#### TRIFR – Chemicals



#### LTIFR – Chemicals



● 2023 ● 2024



#### Near misses

Near misses result from a critical control of a high-potential risk being absent or out of standard, detected during field leadership practices.

Peñoles	2024
Near misses frequency rate - NMFR	1,334.04

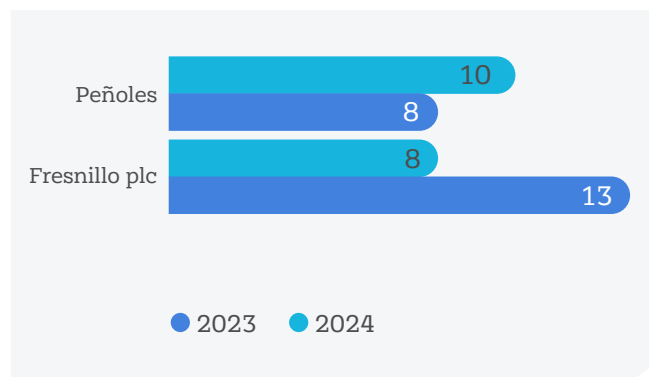
Fresnillo is not included in this statistic  
Calculated for every 1,000,000 hours worked

### Occupational Diseases

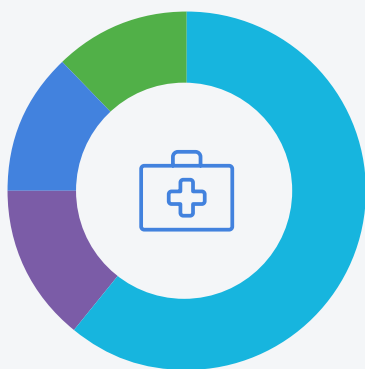
Occupational Diseases	Peñoles		Fresnillo plc	
	2023	2024	2023	2024
● Hearing impairment	27	83	18	25
● Respiratory (silicosis, pulmonary fibrosis, pneumoconiosis)	17	7	12	18
● Musculoskeletal injuries and ergonomic	10	20	0	2
● Others	1	21	13	1
<b>TOTAL</b>	<b>55</b>	<b>131</b>	<b>43</b>	<b>46</b>

The accident aftereffects were recorded in a separate category from occupational diseases for the years reported, because the consequences of accidents, by their nature, require separate medical follow-up than occupational diseases (see Accident recovery section). Contractors are not included.

### Accident aftereffects

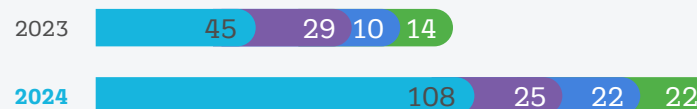


### Occupational Diseases Breakdown



- 61% Hearing impairment
- 14% Respiratory
- 13% Musculoskeletal injuries and ergonomic
- 12% Others

### Occupational Diseases Industrias Peñoles



### Occupational Diseases Breakdown by company

