



MATERIALITY:

SUSTAINABILITY ACTIONS 2025

Sustainability Actions 2025: Materiality¹

Materiality Analysis for External Stakeholders

Grupo México recognizes the influence that its business operations, products/services, and supply chain have on the communities and environments surrounding its facilities. To effectively understand, manage, and mitigate potential negative impacts, while enhancing positive contributions, Grupo México conducts an annual materiality analysis specifically focused on external stakeholders.

This analysis is based on participatory social assessments conducted comprehensively across all communities located near our operations. This inclusive approach ensures a direct and genuine understanding of local perspectives and concerns. The data for these assessments is systematically collected through a combination of:

- **Surveys:** Standardized questionnaires distributed to community members to obtain both quantitative and qualitative information on a variety of socio-environmental topics.
- **Focus Groups:** Facilitated discussions with smaller, representative community groups to explore specific topics in depth, capture nuances, and gather diverse perspectives.
- **Community Meetings:** Open forums designed to encourage dialogue, allow community members to voice their concerns directly, and collectively identify key challenges and opportunities.

The information obtained from these assessments is essential for shaping Grupo México's social management plans. These plans are dynamic frameworks designed to address the main impacts and issues identified for each operational site. They represent our commitment to proactive engagement and responsible corporate citizenship, ensuring that our social and environmental performance remains continuously aligned with the expectations of external stakeholders and local needs.

Methodology for Defining Materiality Criteria

The methodology for defining materiality criteria for external stakeholders at Grupo México focuses on identifying issues that significantly affect communities and the environment, as determined through our participatory social assessments. The criteria are structured to evaluate both the level of impact and its relevance to stakeholders.

2.1. Identification of potential impacts:

Based on our understanding of our operations and supply chain, we compile a preliminary list of potential positive and negative impacts. This list is then cross-referenced with global sustainability frameworks, industry best practices, and relevant regulatory requirements.

¹The actions described in this document are fully applicable to our subsidiary Southern Copper Corporation.

2.2. Defining the level of impact:

In line with the methodology established by the Mexican Ministry of Energy (SENER) for Social Impact Assessments (EVIS), we identify and characterize the social impacts associated with operations. Each identified impact is assessed considering the following key dimensions:

- **Reversibility:** The extent to which the negative (or positive) effects generated by the operation can be fully or partially reversed, meaning whether it is possible to restore the social conditions that existed prior to the impact
 - Reversible: The impact can be fully eliminated or corrected through mitigation actions or overtime.
 - Irreversible: The impact cannot be effectively eliminated or mitigated; effects persist in the long term or permanently.
- **Spatial Scope:** The dimension used to assess the geographic reach of the social impact — in other words, the extent of the territory or population affected by a given impact resulting from the operation.
 - Core Area: The physical zone where the main project or facility is located.
 - Direct Area of Influence: An area outside the core that receives direct effects from the operation's activities.
 - Indirect Area of Influence: An area receiving secondary or cumulative impacts, not necessarily immediate.
 - Regional Area: A set of communities or municipalities with functional, economic, social, or cultural ties that could be affected by the operation.
 - National Area: Impacts that go beyond the local scope and influence public policies, supply chains, or key national infrastructure.
 - International Area: In exceptional cases, the social impact may extend beyond national borders.
- **Quality:** Indicates whether the social impact is positive (+) or negative (–), i.e., how the project affects living conditions, social dynamics, access to services, well-being, or community cohesion.
 - Positive: The effect of the operation improves the social, economic, cultural, or environmental conditions of the population.
 - Negative: The effect of the project deteriorates or undermines aspects of the social environment or quality of life.
- **Social Significance:** Assesses the magnitude of the perceived social impact, considering its relevance to the affected population and the degree of collective impact.
 - Slight: Impact perceived as almost irrelevant, with marginal or isolated effects.
 - Minor: Limited impact, partially affecting individuals or specific activities.
 - Moderate: Evident impact on specific groups, with some sustained effect.

- Major: Significant impact on the community, with notable social consequences.
- Very High: Structural impact, broadly and deeply affecting the social fabric.
- Maximum: Critical impact that may cause a social crisis or compromise fundamental rights.
- **Probability/Frequency:** The likelihood that a social impact will occur as a result of operational activities.
 - Unlikely: There is little chance of the impact occurring; an atypical scenario.
 - Possible: The impact could occur under certain conditions or specific scenarios.
 - Probable: The impact is highly likely to occur if preventive measures are not implemented.
 - Certain: The impact will inevitably occur as a direct consequence of the operation.
- **Temporality (Duration/Persistence):** The persistence of the impact over time, including both short- and long-term consequences.
 - Short Term: Impacts resolved within one year.
 - Medium Term: Impacts lasting from 1 to 5 years.
 - Long Term: Impacts lasting more than 5 years, potentially intergenerational.
 - Permanent: Impacts that persist over time without the possibility of reversal, even after the operational activities have ended.

Each of these dimensions has a corresponding measurement and impact scale, presented below:

Scale				
Temporality	Reversibility	Spatial scope	Quality: + Positive /- Negative: Social Significance (+) / Severity (-)	Probability/Frequency
Short term=1; Medium term=2; Long term=3; Permanent=4	Reversible=1; Irreversible=2	Core area=1; Direct=2; Indirect=3; Regional=4; National=5; International=6	Slight=1; Minor=2; Moderate=3; Major=4; Very high=5; Maximum=6	Unlikely=1; Possible=2; Probable=3; Certain=4

Valuation	+	-
5 to 9 – Low		
10 to 14 – Medium		
15 to 18 – High		
19 to 22 – Very high		

List of Material Topics with Their Respective Impact Level

Below are examples of material topics with their conceptual impact levels for external stakeholders:

Impact Identification		Impact Assessment						
Material topic	Cause of Impact (Examples)	Type	Temporality	Reversibility	Spatiality	Social Significance	Probability/Frequency	TOTAL
Air Quality and Dust Management	Mining operations (blasting, hauling), material transport, industrial processes	-	4	1	1	4	4	14
Water Resource Management and Quality	Water abstraction for operations, wastewater discharge, tailings management	-	3	2	2	5	2	14
Biodiversity and Land Use Change	Development of mining sites, infrastructure construction, habitat alteration	-	4	1	3	2	3	13
Noise and Vibration	Blasting, operation of heavy machinery, rail transport	-	4	1	1	3	4	13
Community Health and Safety	Proximity to operations, increased traffic, access to emergency services	-	3	1	2	5	3	14
Local Economic Development and Employment	Job creation, local procurement, community investments	+	3	1	4	5	3	16
Cultural Heritage and Indigenous Rights	Operations near sensitive cultural sites, land access	-	3	1	5	3	2	13
Community Infrastructure and Services	Increased demand for local services, road improvements, housing impacts	+	3	2	2	5	3	15
Waste Management (non-hazardous / hazardous)	Generation of operational waste, safe disposal	-	4	1	3	3	3	14
Social Investment and Community Programs	Education, health, infrastructure projects	+	3	1	2	5	3	14

Impact Assessment of ESG Material Topics for External Stakeholders

ESG Dimension	Input Metrics (Resources/Efforts)	Activities	Output Metrics (Direct Results)	Outcome / Impact Metrics (Effect on External Stakeholders)
Environmental	-Investment in dust control (USD) -Water consumed (m³) -Biodiversity indexes	-Road watering for dust control -Monitoring on water consumption and wastewater discharges -Biodiversity monitoring (camera trapping, field visits)	-% reduction in particulate emissions -m³ of treated wastewater discharged -Status of flora and fauna	-Air quality within the maximum permissible limits according to local legislation -Water quality within the maximum permissible limits according to local legislation -Conservation of ecosystem services
Social	- Investment in community programs (USD) - Number of community engagement staff - Training hours for local workforce	- Community health, education, cultural and sports programs - Local employment and procurement initiatives - Implementation of grievance mechanisms	- Number of beneficiaries of health, education, cultural, and sports programs - % of students at ideal weight - Number of students with educational needs receiving follow-up - hours of class per student of the orchestra program - Number of local people trained for work - Number of small local businesses trained - Reduction in administrative process and payment times for small local businesses - Number of grievances resolved in a timely manner	- % of participants in cultural and sports programs improving academic performance % of students with intermediate or higher English proficiency - % of <i>Forjando Futuro</i> graduates obtaining formal employment - % of trained companies integrated into Grupo México's supply chain - % of small local companies that become part of Grupo México's supply chain. - % reduction in community grievances related to operations - Number of students selected to participate in established sports leagues - Number of short films that participate and or win in established festivals
Governance	- Training hours in ethics - Investment in compliance systems (USD)	- Anti-corruption training - Stakeholder dialogue platforms - Regular compliance audits	- Number of employees trained in ethics - Number of meetings with stakeholders - Number of non-compliance incidents	- Trust and Transparency: % increase in community trust in operations - Equity: % reduction in perceived unfair treatment or corruption

Material Impact 1: Local Economic Development and Employment (Capacity Building and Local Supply)

Material Topic for External Stakeholders: Strengthening the skills of individuals (*Forjando Futuro* program) and small local businesses (*Provee* program) for employment and integration into Grupo México's value chain, respectively, promoting sustainable economic development and regional diversification in communities near operations.

Cause of impact:

- **Operations:** The presence of Grupo México's mining operations generates demand for skilled labor and goods/services. The *Forjando Futuro* and *Provee* programs are direct initiatives of the Mining Division designed to address these needs while fostering local development by increasing local participation in economic spillover.
- The assessment covers the implementation of the *Provee* program at Grupo México's Mining Division sites, including the initial locations in Cananea, Sonora and San Martín, Zacatecas (Mexico), with expansion plans to Nacozari (Mexico), Tía María (Peru), and ASARCO (United States). Interconnections with operational needs and regional development priorities are considered.
- The implementation of the *Forjando Futuro* program in Mexico includes the sites in Cananea, Son.; Nacozari, Son.; Esqueda, Son.; Guerrero Negro, B.C.S.; San Luis Potosí, SLP; Charcas, SLP; and San Martín, Zac. In Peru, the sites are Moquegua, La Encañada, and Jorge Basadre.

External Stakeholders / Area(s) of Impact Evaluated:

- **Community members:** For the *Forjando Futuro* program, beneficiaries include local community members (individuals seeking employment, people wanting to certify skills, upper-secondary/university students seeking internships, and adults completing secondary education). For the *Provee* program, beneficiaries include local entrepreneurs and small businesses (up to 50 employees and/or annual sales of US\$500,000) within the operational areas of influence. Artisanal and small-scale mining groups operating legally are also considered.

Relevance of the Topic for External Stakeholders: Capacity building and employment are crucial for improving quality of life and economic resilience in communities. By training individuals in in-demand trades and facilitating the integration of local businesses as suppliers, Grupo México not only meets its operational needs but also creates a more robust and diversified economic ecosystem. This reduces dependence on a single economic source (the mining operation) and prepares communities for a more sustainable future, even in the event of eventual closure.

Type of Impact: Positive

Output Metric 2025	Impact Assessment	Impact Metric
• 829 Number of beneficiaries trained in various trades • 390 people trained in regional economic diversification. • 328 Number of small local businesses participating in the Provee program. • 30 – 120 Training hours provided by beneficiary to local companies. • 52% reduction in administrative process times for local suppliers (registration, bidding, contracts, and estimations). • Up to 50% reduction in payment times for local suppliers.	The assessment evaluates the increase in employability and entrepreneurship opportunities for community members, the improvement in competitiveness and sustainability of local small businesses, and the diversification of regional economies. It considers how these skills and relationships strengthen the economic resilience of communities beyond the presence of mining operations.	• 77% participants in the Forjando Futuro program who obtain formal employment. • 39% of trained companies that become part of Grupo México's supply chain. • 10% of small local companies that become part of Grupo México's supply chain.

Material Impact 2: Education

Material Topic for External Stakeholders: Provision of quality basic education and implementation of complementary social programs for the families of employees and nearby communities, with the aim of promoting the integral development of children and youth, improving local educational standards, and fostering healthy habits and bilingual skills.

Social Flagship Programs

- **Youth Orchestras and Choirs:** A cultural and artistic program aimed at fostering the integral development of children and young people through music education, providing spaces for well-being and protection.
- **Traveling Documentary Film Workshop:** Designed to develop cinematography and photography skills in the communities where the company operates.
- **Baseball, Swimming, and Cycling Academies:** Sports programs that promote physical activity among children and youth, serving as a driver of well-being and values-based training.

Cause of impact:

- **Operations:** Grupo México's Mining Division, through its investment in social infrastructure, operates and maintains basic education schools in mining camps and surrounding communities, addressing the need to provide educational opportunities for employees' families and the broader community.
- The evaluation covers the Mining Division's educational centers located in 7 of its operations and offices in Mexico and Peru, spanning various levels of basic education — preschool, primary, and secondary.
- Grupo México's Youth Orchestras and Choirs program began seven years ago in the community of Nacozari de García, Sonora, benefiting 1,963 students aged 5 to 22 across 16 communities in Mexico and Peru by 2025. This initiative, using music as a tool for social transformation, is carried out in collaboration with the renowned Minería Symphony Orchestra and tenor Juan Diego Flórez through his association *Sinfonía por el Perú*.
- Grupo México's Traveling Documentary Film Workshop is a free initiative for communities neighboring our operations that uses filmmaking and photography to strengthen cultural identity, preserve local heritage and foster community participation. In 2025, the program reached 1,444 participants through 47 workshops, resulting in 89 short films, two community film showcases, 31 official film festival selections, five photography exhibitions and eight national and international awards.
- The Naranjeros–Grupo México Baseball Academy aims to promote and develop the formal practice of baseball among children and youth aged 4 to 17 in the communities of Cananea, Nacozari, and Esqueda, in Sonora, Mexico. The program is delivered through a strategic alliance with the Mexican Pacific League, the Naranjeros de Hermosillo baseball club, and the Sonora State Sports Commission (CODESON).

External Stakeholders / Impact Areas Assessed:

Society: Students (children and youth aged 3 to 16) from nearby communities and employees' families. This also includes parents and guardians (benefiting from services such as free transportation, health counseling, or psycho-pedagogical support), as well as surrounding communities that benefit from human capital development and an improved educational environment

Relevance of the Topic for External Stakeholders:

Education is essential for the human and social development of communities. By providing access to quality basic education, complementary services (transportation, extracurricular activities, psycho-pedagogical and nutritional support), and focusing on bilingualism, inclusion, and the holistic formation of children and youth through its flagship social programs, Grupo México significantly improves life opportunities for young people. This contributes to better academic performance, greater future employability, the promotion of healthy habits, and the reduction of learning barriers, positively impacting individuals' long-term well-being and the social progress of communities.

Type of Impact: Positive

Output Metric 2025	Impact Assessment	Impact Metric
3,271 students served - Number of teaching and multidisciplinary staff (272 teachers, 17 psychologists, 34 workshop instructors). 70% of students at ideal weight 428 students with special educational needs receiving follow-up. - In Mexico, 710 students are distributed across seven orchestral centers located in Nacozari, Cananea, and Esqueda, Sonora; Charcas, San Luis Potosí; Santa Bárbara, Chihuahua; Nueva Rosita, Coahuila; and La Ventosa, Oaxaca. - In Peru, through three orchestral centers and four choral modules, 1,253 children and youth are served in southern regions neighboring our operations. - Each student in the orchestra program received 540 class hours in 2025. - Through the Traveling Documentary Film Workshop, Grupo México promotes cultural preservation through productions such as Toka: The Game Must Go On, created in collaboration with the Tohono O'odham community in Tucson, Arizona. The documentary preserves an ancestral tradition and was selected for the Nogales	The assessment evaluates the increase in human capital (knowledge, skills, physical and mental well-being) of students, translating into improved educational and employment prospects, a higher quality of life, and healthier, more resilient communities. It considers the impact on reducing educational gaps and promoting a more inclusive society.	- Percentage improvement in official or standardized academic evaluation results (in Spanish and mathematics) that reflect progress in mastering fundamental skills (62% in Mexico, 60% in Peru with satisfactory or higher results in 2025). 51% of students with intermediate or higher English proficiency - The Youth Orchestras and Choirs Program comprises 17 orchestral centers across Mexico and Peru and, over the past eight years, has benefited more than 2,000 children and young people between the ages of 5 and 22. In partnership with <i>Sinfonía por el Perú</i>, we published our first songbook, <i>Voices of Our Land</i>, featuring 11 original environmentally themed compositions created by 49 program participants from both countries. - The Traveling Documentary Film Workshop empowers communities to preserve their stories and cultural identity through audiovisual production. During the year, the program reached 1,444 participants through 47 workshops, produced 89 short films and two community film showcases, secured official selection for 31 productions at film festivals, presented five photography exhibitions, and earned eight awards, reflecting the quality and social impact of its work.

International Film Festival, helping to raise awareness of Indigenous peoples and foster cultural dialogue across the U.S.–Mexico border region.

- Sports academies have benefited over 1,527 students, 58% of whom are children of our employees.
-