



OUR PEOPLE:
SUSTAINABILITY ACTIONS 2024

Sustainability Actions 2024: Our People¹

Labor Practices Commitment

Grupo México, including its three divisions and its subsidiary Southern Copper Corporation, is committed to adopting the highest labor standards for its employees and contractors. We have key policies in place that ensure respect for fundamental labor rights, including the prohibition of child and forced labor, non-discrimination, freedom of association, and fair and safe working conditions. Some of these practices are described below:

1. Paying a living wage

At Grupo México, we're committed to offering all company personnel a living wage that supports them to cover their basic needs and those of their families². Here, 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 the Massachusetts Institute of Technology), and if our salaries fall below this threshold, we make the corresponding adjustments. The company is committed to conducting this analysis annually to ensure our employees are earning a living wage.

We reaffirm our commitment to suppliers, contractors, business partners, and other relevant parties by requiring that wages paid meet, at a minimum, the legal minimum wage in each country or the industry average wage when higher. Additionally, efforts must be made to ensure that workers' income is sufficient to cover their basic needs and those of their families, thereby promoting fair and sustainable working conditions.

2. Avoiding or reducing overtime or excessive working hours and Setting maximum working hours

For all labor-related matters, we adhere to the applicable local legislation. At Minera México, for example, contracts with non-unionized employees establish a maximum workweek of 48 hours per employee, and all workers are entitled to at least one day of rest per week. Overtime is governed by the local laws of each country in which we operate, must be voluntary, and is compensated in accordance with legal requirements. For unionized employees, working hours are defined in collective bargaining agreements, which are negotiated annually and always aligned with local labor legislation.

² 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

We expect our suppliers, contractors, business partners, and other relevant parties to respect regular working hours as established by local law, and to ensure that overtime is voluntary, exceptional, and legally compliant. They must also guarantee rest periods and vacation time in accordance with applicable laws. This commitment is formalized through direct contractual clauses or through adherence to our Code of Conduct.

3. Equal remuneration for men and women

At Grupo México, we promote equal opportunities in both salary and professional development for women and men. Our salary structures do not include gender-based distinctions and ensure fair compensation based on talent and performance, with the aim of rewarding individuals under equal conditions.

Ratio of base salary, women to men						
Category	Mining Division	SCC	Transportation Division	Intrastructure Division	Corporate GM	Grupo México
Top Management	1.02	0	0.75	0.91	1.21	0.98
Deputy Directorate and Management	1.02	1.00	1.03	0.86	0.89	0.98
Middle Management	0.91	0.91	0.94	0.84	NA	0.90
Administrative Operational	0.94	0.97	0.87	0.88	1.02	0.93
Union	0.96	1.01	0.95	0.88	NA	0.95
Total	0.97	0.97	0.92	0.87	1.08	0.95

Table 1: Description of the salary ratio between women and men

4. Paying workers for annual leave

We have a Vacation Policy, that, based in accordance with local legislation, specifies the number of vacation days each employee is entitled to, based on their years of service and in compliance with local law. The policy also outlines the conditions under which vacation can be taken, primarily after completing one year of employment with the company. It includes information on the expiration of unused vacation days, the request process, the payment of vacation bonuses as required by law, among other relevant topics. The company maintains accurate records of the vacation days taken by each employee and ensures payment timely.

Labor Practices Programs

Grupo México has established a series of structured labor programs designed to promote productive employment and decent work across all operations. These initiatives are aligned with international standards and best industry practices, covering key areas such as fair compensation, social protection, occupational health and safety, diversity and inclusion, employee engagement, and training for a just transition. Below are some of the key measures in place:

1. Ensure adequate wages at or above cost of living estimates or benchmarks and Routinely monitor the gender pay gap to achieve equal remuneration for men and women

Grupo México guarantees that all employees receive compensation at or above nationally defined living wage benchmarks, taking into account regional cost-of-living estimates to ensure fair and sufficient pay. The company's methodology to analyze the living wage takes into account only based salary, even though this constitutes only a portion for employees income.

Regular salary reviews are conducted to align compensation with inflation and basic household needs. Additionally, the company systematically monitors the gender pay gap using disaggregated data to compare compensation between men and women in similar roles. Where discrepancies are identified, action plans are implemented to close the gap, in alignment with international labor standards and internal equity goals.

Ratio of base salary by gender vs. the local minimum wage										
	Mining Division					Transportation Division			INF DIV	Grupo México
	Total MIN DIV	SCC	Minera México	SPCC	ASARCO	Total TRA DVI	Mexico	USA	Total	Total
Women	3:1	4:1	2:1	17:1	3:1	2:1	4:1	2:1	2:1	3:1
Men	4:1	4:1	2:1	17:1	3:1	2:1	4:1	2:1	2:1	3:1

Table 2: Ratio of starting base salary by gender compared to local minimum wage

2. Monitor working hours including overtime management and Ensure employees are paid for overtime work

In point 2 of labor practice commitment we included how the company ensures employees are paid for overtime work, when necessary. Additionally, we enforce a structured supplier oversight process that includes monitoring of working hours and overtime management. This involves document reviews and in-person interviews with contractor employees to verify compliance with legal work hour limits and proper overtime compensation. Any irregularities—such as unpaid overtime or excessive working hours—trigger immediate corrective actions. Failure to resolve these issues can result in suspended payments and removal from the approved supplier list. This process helps ensure that both direct and third-party workers are protected under fair labor standards.

3. Regularly engage with workers' representatives on working conditions

Grupo México maintains ongoing dialogue about working conditions with workers' representatives across its three main divisions: Mining, Infrastructure, and Transportation.

- In the Mining Division, including its subsidiary Southern Copper Corporation, permanent communication channels are maintained through the Human Resources department. Employees are informed of their rights and participate in free and secret ballot voting. U.S. operations comply with the National Labor Relations Act and the WARN Act, while in Peru, unions must be notified eight days in advance of any work schedule changes.
- The Infrastructure Division holds regular meetings with union representatives to communicate operational changes and discuss working conditions.
- In the Transportation Division, engagement practices are aligned with international standards and local labor laws, including advance notice for significant operational changes to ensure transparency and worker consultation.

During these sessions with union representatives, agreements are reached on matters such as working hours, rest days, overtime, and flexibility in the event of incidents that prevent workers from arriving on time. Grupo México, including its subsidiary SCC, always adheres to applicable local legal requirements.

4. Ensure employees are taking their paid annual leave entitlements

Within our Vacation Policy, the number of days leave each employee is entitled to is established in accordance with local law. These days are paid as required by law. The company keeps records of the vacation days taken by each employee and ensures timely payment.

5. Provide training or reskilling to mitigate negative effects of industrial or climate transition changes

In line with the ILO Guidelines for a Just Transition, Grupo México is committed to preparing its workforce for the challenges and opportunities arising from climate and industrial transitions. The company has identified four key pillars to support this process:

- Adoption of new technologies

Operational changes driven by innovation are accompanied by reskilling initiatives to minimize potential negative impacts on the workforce. Risk assessments, participatory diagnostics, and social management plans support this transition.

- Development and operation of new mining projects

Grupo México maintains mechanisms for ongoing community dialogue to ensure that new developments contribute to local human, social, and economic growth through fair and inclusive engagement.

- Closure of mining operations

Mine closure plans incorporate a social dimension, offering job training and economic diversification programs to support workers and surrounding communities beyond the life of the mine.

- Nature-based solutions (NbS)

The company integrates the conservation and restoration of ecosystems into its transition strategy, aligning national and international sustainability standards and creating new opportunities for employment and community participation.

Employee Development Programs

At Grupo México, we implement comprehensive programs to support both the development of leadership capabilities and the transition of employees into retirement or post-employment stages, reinforcing our commitment to employee well-being throughout the entire work cycle. Some of our programs are described below:

1. Teams and Networks

At Grupo México, including its subsidiary Southern Copper Corporation, we provide training in skills related to collaboration, teamwork, and the development of high-performance teams, addressing the identified needs in these areas. This training can be delivered either in-person or virtually. The latter allows us to bring together participants from different locations, areas, and functions, fostering the exchange of experiences, opinions, and the sharing of internal knowledge within Grupo México.

2. Leadership Development Programs

We offer a variety of leadership development initiatives tailored to different stages of career growth and leadership potential. In 2024, the following programs were implemented across our operations:

- **Leadership Coaching (1,110 participants):** This program focuses on building self-leadership, emotional intelligence, and both intra- and interpersonal communication skills. It empowers participants to become agents of change within the company.
- **The Power of Leadership (435 participants):** Designed to identify and strengthen internal talent, this program equips future leaders with the tools and mindset to tackle complex business challenges and grow into positions of greater responsibility.
- **Ideal Leadership (214 participants):** Based on our internal leadership model, this program aims to develop the core competencies required for effective leadership, contributing to high-performance teams and organizational growth.

3. Cultural Education

The company promotes awareness, understanding, and respect for different cultural backgrounds and practices as part of the Diversity and Inclusion training and inside the Diversity and Inclusion chapter of our Sustainability Report you can find information about these courses. Moreover, the annual Code of Conduct training includes a section about diversity, where employees are urged to respect each other's differences to promote a safe and respectful working environment.

4. Transition Programs for Retiring and Departing Employees

To ensure a smooth transition for employees nearing retirement or exiting the organization, we have tailored support programs across our business divisions:

- **Mining Division:** Offers a retirement plan that provides additional benefits beyond legally required pensions. At ASARCO, for example, employees have access to 401(k) plans and a company-sponsored savings program, allowing them to allocate pre-tax income toward their retirement goals.
- **Infrastructure Division:** Operates a dedicated transition program for employees completing project-based work. This includes pre-retirement planning, job placement services, and training for post-employment life. In 2024, ten employees participated in this program.
- **Transportation Division:** Provides a retirement plan that complements the national pension system, including bi-weekly contributions from both the employee and the company. This structure ensures that employees build solid retirement savings while benefiting from ongoing company support.

5. Digital transition program

We provide training in software, Microsoft Office, and other digital tools to all our employees from Minera México. Some Office courses are available online and accessible to all non-union personnel. Additionally, through the *External Course Request* process, departments and/or management teams may request training in specialized or more complex software for specific employees — for example, Power BI, DataMine, AutoCAD, among others.

Employee Support Programs

Since 2023, the Mining Division implemented a pilot program in Mexico 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.

In the Infrastructure Division, employees may work remotely during times of increased workloads and on the prior permission of management. Only the US-Phoenix Office (part of SCC) has arrangements in place to work from home, particularly at the close of accounting periods, due to distances and differences in time zones.

Type of Performance Appraisal

In the Mining Division, there are the following types of evaluation:

- "Evaluation of Individual Performance Objectives" The evaluation is based mainly on objectives and competencies, at the same time compliance with training, compliance with the company's policies and ethical guidelines is evaluated. The evaluation applies to 100% of non-unionized personnel, so said evaluation is not applied to unionized personnel, nor does it apply to temporary personnel or personnel who joined after July 31 of each year.
- "360° Evaluation" It is a process of Performance Evaluation for the Development of Technical Competences (which is an exercise independent of the Annual Evaluation of Performance by Objectives), said information obtained is used to determine the development gaps in the possible successors, defining turn the individual development plans that will lead them to comply with the organization's Replacement Tables. The immediate boss, a couple of subordinates and sometimes the evaluation of an external expert participate in this evaluation. The evaluation does not apply to all personnel, since it is focused on personnel nominated for the succession of strategic positions.
- Ongoing Feedback: Our Performance Management and Improvement process in the Mining Division includes an annual final 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.
- Performance Calibration - 15 boxes It is a type of performance and potential evaluation for the planning and development of employees. The evaluation is applied to 100% of the employees. Each year the results of each employee are reviewed in the company's talent management system. Human Resources, together with each area management, each year evaluates the potential and performance of each collaborator in order to plan the development of employees. At the end of the exercise, there is a talent map of the team of the evaluated area that allows comparing the results of the collaborators in each quadrant of the table. This evaluation allows identifying the current talent of each employee and possible potential leaders.