

# SUSTAINABLE DEVELOPMENT

REPORT

2022

SUPPLEMENT  
SOUTHERN COPPER  
CORPORATION





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## SOUTHERN COPPER CORPORATION SUPPLEMENT 2022

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01

Introduction

# 1 About this Supplement

This supplement provides detailed information about the environmental, social and governance management and indicators for Southern Copper Corporation (SCC) for 2022, information that is also included in the Grupo México Sustainable Development Report.

Southern Copper Corporation is part of the Grupo México Mining Division and comprises the mining operations in Mexico (Minera México) and Peru (Southern Peru Copper Corporation). SCC is the principal subsidiary of Grupo México, representing 70% of Grupo México sales and 75% of the EBITDA. SCC trades on the New York and Lima Stock Exchanges.

Although the Grupo México Sustainable Development Report provides tables that detail the indicators by division and country, from which those corresponding to SCC can be drawn, this Supplement provides indicators that are specific to SCC, along with details of their management in terms of sustainability, following the same sequence as the Grupo México Sustainable Development Report.

Unless noted otherwise, the sustainability management of SCC is the same as that implemented in the Mining Division of Grupo México.

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# 2 Shared Value





## 2 Generating Shared Value

### Looking to the future

Like Grupo México, at SCC we generate value in the places where we operate and we're committed to contributing to the Sustainable Development Goals, serving as an agent of change to build a more sustainable society.

Meeting our tax obligations provides governments with resources to allocate for community wellbeing, but more than that, we are transparent and leaders in this area. For example, Southern Copper Corporation played an essential role in the process that led to Peru becoming an EITI Compliant Country in 2012, actively participating on the Board and in the multidisciplinary group from 2005 to 2022.

Our operations create direct and indirect jobs, and our investments and business activities drive economic growth in the regions where we operate.

We favor local economic development by purchasing locally and we promote sustainable practices in our value chain.

We invest in the environment, safety and community development, and we align with the Sustainable Development Goals to achieve our sustainability targets.

For more details, consult the [Shared Value](#) section in the Grupo México 2022 Sustainable Development Report, where you will also find information about the management of the Mining Division supply chain that is directly applicable to SCC, noting that as part of AMC, SCC has a [Code of Conduct for Suppliers, Contractors and Relevant Business and Commercial Partners](#).

We received The Copper Mark certification for our La Caridad open pit mine and our Sonora Processing Plant (smelter and refinery). Both operations participated in an independent assurance assessment to demonstrate our responsible copper production and our alignment with the United Nations Sustainable Development Goals.

### 2.1 Economic Contributions

#### Economic value distributed

Region	# Employees	Economic Value Generated (EVG) Sales	Economic Value Distributed (EVD)							Economic Value Retained
			Operating costs <sup>3</sup>	Salaries, wages and employee benefits <sup>3</sup>	Financial Institutions & Shareholders	Taxes	Community Investments	Grupo México Foundation & Donations	Total EVD	
SCC	15,016	Sales	4,086	413	343	2,482	70	2	7,397	2,548
Mexico (MM)	10,050	6,301	2,538	197	43	1,530	13	1	4,323	1,978
Peru (SPCC)	4,947	3,909	1,810	206	300	952	58	0.4	3,325	583



2.2 Supply Chain Management

2.2 Supply Chain Management

SCC spending for each type of supplier

US\$ million

Region	Total spending	# total suppliers	Local Suppliers		National Suppliers		International Suppliers	
			Total spending	# total	Total spending	# total	Total spending	# total
SCC	1,484	23,271	333	518	936	1,791	214	962
México	830	1,797	327	413	369	759	133	625
Perú	654	1,474	6	105	567	1,032	81	337

SCC spending on critical suppliers

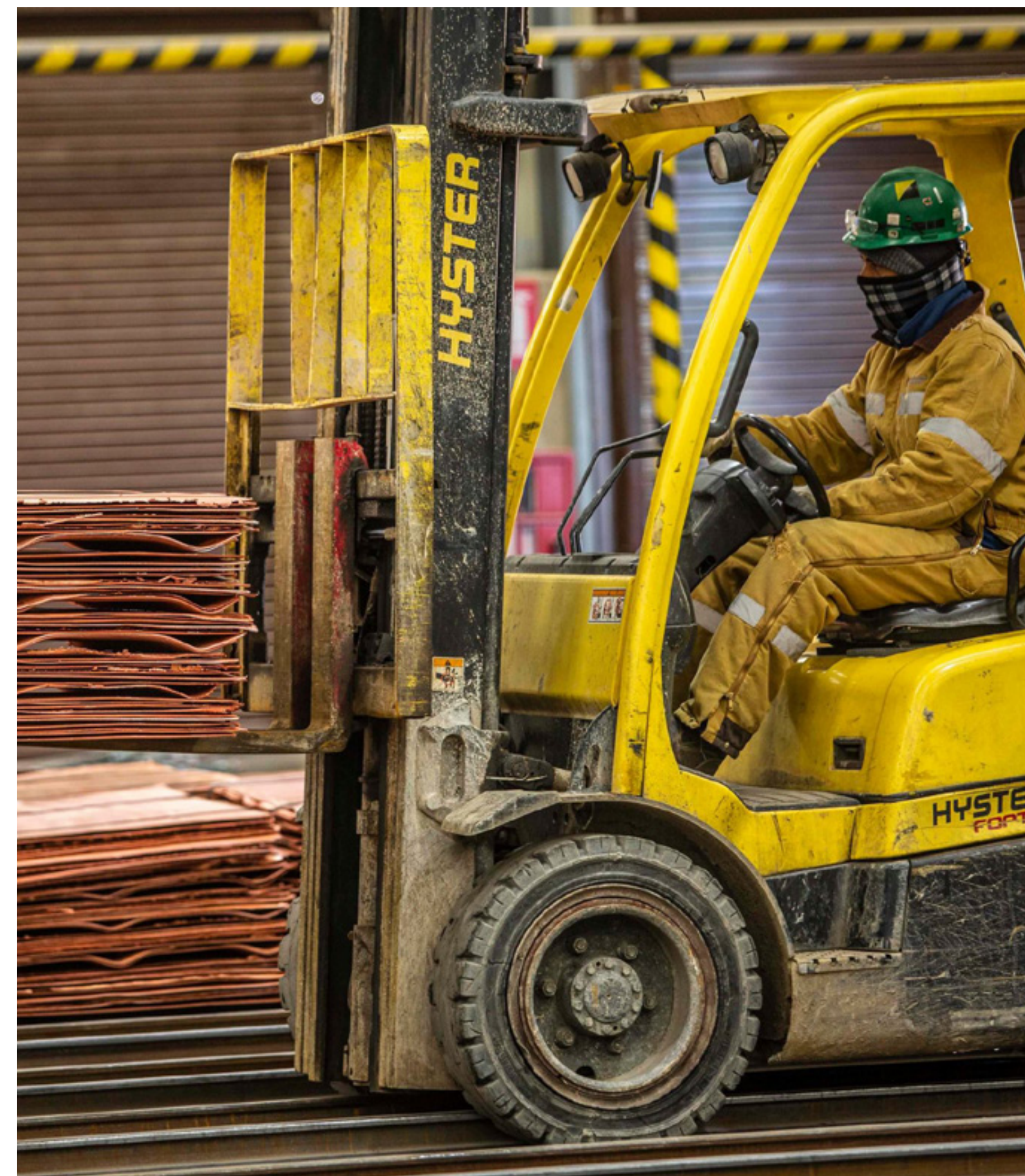
Region	Total spending on suppliers	# total suppliers	Total spending on critical suppliers (4 categories)	% total spending	Critical suppliers identified (4 categories)	% total suppliers
Mexico	\$ 1,226.24	1,412	\$ 773.10	63%	168	12%
Peru	\$ 965.33	1,074	\$ 768.48	80%	145	14%

2.3 Investments in Sustainable Development

SCC investments in 2022

US\$ million

Region	Occupational Health & Safety	Environment	Community Development	Donations	Total
SCC	46.3	213.8	70.4	1.8	332.2
MM (Mexico)	27.5	176	12.8	1.4	217.7
SPCC (Peru)	18.7	37.8	57.6	0.4	114.5



Copper cathodes, Sonora, Mexico



2.3 Investments in Sustainable Development

Economic Contributions

Supply Chain Management

Investments in Sustainable Development

Investments in sustainable development (2018-2022)

US\$ million

	Occupational Health & Safety														
	2018			2019			2020			2021			2022		
	Total			Total			Operating Costs	Capex	Total	Operating Costs	Capex	Total	Operating Costs	Capex	Total
<b>SCC</b>							50.1	0.6	50.7	66.5	3.4	69.9	33.2	13.1	46.3
<b>MM (Mexico)</b>	116.1			156.2			48.2	0.6	48.8	59.9	0	59.9	26.1	1.5	27.6
<b>SPCC (Peru)</b>							1.9	0	1.9	6.6	3.4	10	7.1	11.6	18.7

US\$ million

	Environment														
	2018			2019			2020			2021			2022		
	Total			Total			Operating Costs	Capex	Total	Operating Costs	Capex	Total	Operating Costs	Capex	Total
<b>SCC</b>							92.3	52.1	144.4	87.9	90.5	178.4	125	51	176
<b>MM (Mexico)</b>	263.5			221			89.7	41.1	130.8	81.4	62.3	143.7	32.6	5.2	37.8
<b>SPCC (Peru)</b>							2.6	11	13.6	6.5	28.2	34.7	32.6	5.2	37.8

US\$ million

	Community Development																	
	2018			2019			2020				2021				2022			
	Operating Costs	Capex	Total	Operating Costs	Capex	Total	Operating Costs	Admin Costs	Capex	Total	Operating Costs	Admin Costs	Capex	Total	Operating Costs	Admin Costs	Capex	Total
<b>SCC</b>				28.9	11.2	40.1	22.4	1.4	11.4	35.2	20.1	3.9	41.9	65.9	24.9	3.3	42.1	70.3
<b>MM (Mexico)</b>	31.1	26.4	57.5	13.1	1.1	14.2	8.1	0.8	1	9.9	7.4	1.7	3.2	12.3	9.6	1.8	1.3	12.7
<b>SPCC (Peru)</b>				15.8	10.1	25.9	14.3	0.6	10.4	25.3	12.7	2.2	38.7	53.6	15.3	1.5	40.8	57.6



## 2.3 Investments in Sustainable Development

Economic Contributions

Supply Chain Management

Investments in Sustainable Development

### Community and philanthropic investments, by area and item, according to CSA indicators

Area	Item	SCC	MM (Mexico)	SPCC (Peru)
Donations	Services (donations)	0.7	0.3	0.4
	GM Foundation programs	-	-	-
	<b>Subtotal</b>	<b>0.7</b>	<b>0.3</b>	<b>0.4</b>
Community Investments	Community programs	4.8	2.8	2
	Admin / Management costs	3.3	1.8	1.5
	SCC schools operating costs	6.2	2	4.2
	Infrastructure in communities	40.9	1.3	39.6
	Infrastructure for SCC schools	0.9	-	0.9
	Infrastructure (donations)	1	1	-
<b>Subtotal</b>	<b>57.2</b>	<b>8.9</b>	<b>48.2</b>	
Commercial Initiatives	SCC neighborhoods operating costs	13.8	4.8	9
	Infrastructure in SCC neighborhoods	0.3	-	0.3
	Railroad crossing signaling program	-	-	-
<b>Subtotal</b>	<b>14.1</b>	<b>4.8</b>	<b>9.3</b>	



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# 3 Our Approach





### 3 Our Approach

The mission of Southern Copper Corporation is aligned with the general mission of our parent company, Grupo México, which seeks to meet the needs of the markets in which we participate through large scale projects, without compromising the wellbeing of future generations.

The policies of Grupo México guide all our operations and our actions in environmental, social and governance (ESG) aspects.

Additionally, the Mining Division operates under the following policies, which are directly applicable to SCC:

- [General Tailings Systems Policy](#)
- [Biodiversity Management Protocol](#)
- [Sustainable Water Management Protocol](#)
- [Closure of Operations Protocol](#)
- [Code of Conduct for Suppliers, Contractors and Relevant Business and Commercial Partners](#)

The materiality analysis prepared for the Grupo México Mining Division is equally applicable to Southern Copper Corporation. This analysis is updated every two years and was last updated in 2021.

Our goals and targets are informed by the materiality analysis and are designed to drive significant change in our principal material topics.

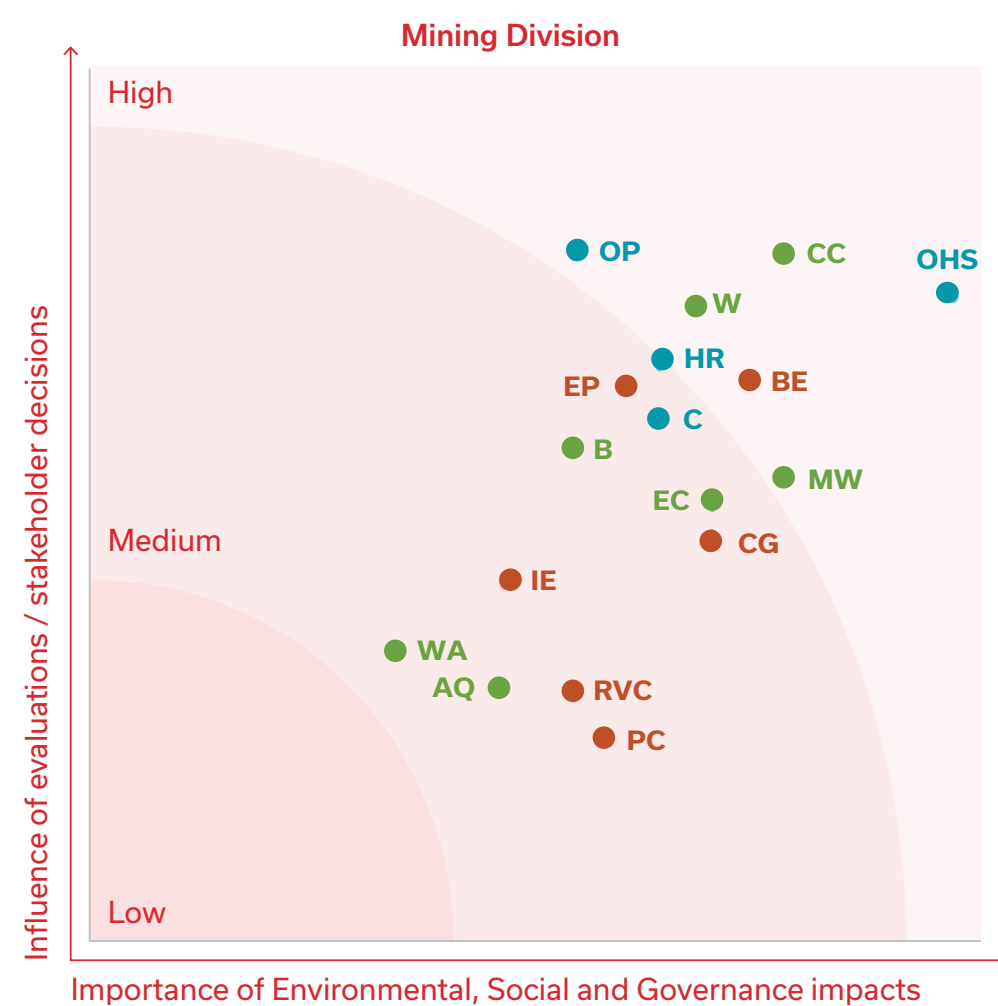
For more information, consult the [2022 Sustainable Development Report](#).

### 3.1 Stakeholder Engagement

#### SCC spending on association memberships

	US\$ 000		
	2020	2021	2022
SCC	2,406	3,460	3,476
Mexico (MM)	975	1,916	1,929
Peru (SPCC)	1,431	1,543	1,547

### 3.2 Material Topics



Environmental	Social	Governance and economic impact
AQ Air Quality	C Local Communities	BE Business Ethics
B Biodiversity	HR Human Rights	CG Corporate Governance
CC Climate Change	OHS Occupational Health & Safety	CP Closure Plans
EC Environmental Compliance	OP Our People	EP Economic Performance
MW Mining Waste		IE Indirect Economic Impacts
W Water		MP Market Presence
WA Waste		RVC Responsible Value Chain

Water includes subtopics: (i) water management, and (ii) effluents.  
 Local Communities includes subtopics: (i) local communities; (ii) rights of indigenous peoples, and (iii) physical safety.  
 Responsible Value Chain includes subtopics: (i) supply chain management, and (ii) responsible production, referring to the products we sell.  
 Market Presence refers to the development and presence of local collaborators and suppliers.  
 Our People includes subtopics: (i) diversity, inclusion and non-discrimination, (ii) development of human capital, (iii) labor practices, and (iv) recruitment and retaining talent.  
 Climate Change includes subtopics: (i) GHG emissions, and (ii) energy.  
 Business Ethics includes subtopics: (i) unfair competition, (ii) anti-corruption, and (iii) political influence.  
 Indirect economic impacts refers to creating benefits in the regions where the company operations (for example, job opportunities, infrastructure development, etc.); also includes subtopic: (i) market presence.



### 3.3 Sustainability Risk Management

### 3.3 Sustainability Risk Management

#### Identification and description of risks and opportunities related to the environment and personal safety

Our risk management at SCC is the same as that applied throughout the Grupo México Mining Division. For more information, consult the section on [sustainability risk management](#) in the 2022 Sustainable Development Report.

As in Grupo México, at SCC, we promote a culture and management with a focus on risk prevention. As part of this vision, we are committed to planning, designing, building and operating our operations responsibly, reducing to a minimum the risks to which our employees, the community and the environment may be exposed. We implemented a Critical Risk Log in 2022, informed by the International Council on Mining and Metals (ICMM) Good Practice Guide on Health and Safety Critical Control Management.

This publication includes disclosures on the risks associated with sustainability, aligned with the Sustainability Accounting Standards Board (SASB) reporting standard, which considers those ESG material topics with a potential to impact the company finances, our operational continuity, and the value of our assets. In this regard, we consider the aspects established in the SASB standard for mining, addressing the material topics and indicators according to our preventive approach to risks and their impact on the finances and stability of the company over time.

For more information, see [SASB Disclosures](#) in the annexes to the 2022 Sustainable Development Report.

Stakeholder Engagement

Material Topics

Sustainability Risk Management

Corporate Sustainable Development Goals

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Group	MM	SPCC
Significant impact on the ecosystem due to the uncontrolled release of chemical substances.	2	6
Serious impacts on the ecosystem due to the release of acid drainage from impoundments (tailings dams), slag piles.	4	4
Significant impact on air quality due to emissions of fugitive dusts or gases from mining operations.	9	3
Significant impact on the ecosystem from the release of mining waste.	16	6
<b>Total environmental</b>	<b>31</b>	<b>19</b>

Group	MM	SPCC
Serious injuries to personnel due to improper operation of mine vehicles	5	2
Serious injuries to personnel due to sliding slopes in the mine pit	2	2
Serious injuries to personnel due to contact with electricity	9	3
Serious injuries to personnel during handling and use of explosives	5	2
Serious injuries to personnel due to falls from height	9	3
Explosion with injury to personnel in pyrometallurgical processes	2	1
Explosion with injury to personnel from pressurized containers	9	3
Increase in the concentration of toxic gases and/or temperature due to deficient ventilation	3	0
Serious injuries to personnel due to falling rock inside the mine	3	0
Fire inside the mine	3	0
Total hygiene and safety	50	16
<b>Total</b>	<b>100</b>	<b>32</b>



### 3.4 Corporate Sustainable Development Goals

Stakeholder Engagement

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Sustainability Risk Management

Corporate Sustainable Development Goals

Certifications

### 3.4 Corporate Sustainable Development Goals

Our sustainable development goals are closely aligned with the United Nations Sustainable Development Goals (SDG), which help us to increase our positive contribution to society and the planet.

In addition to reporting the 27 targets and goals set in 2018 that we have met at both Grupo México and Southern Copper Corporation, we set new short, medium and long term goals and targets in 2022 for our principal material topics.

For more information, consult the [2022 Sustainable Development Report](#).

### New short, medium and long term goals

We present our new short, medium and long term goals for SCC concerning our principal material topics.

Mining Division				
#	Goal	Metric	Base year	Target year
<b>1</b>	<b>Occupational Health and Safety</b>			
1.1	Zero major or fatal accidents.	# major or fatal accidents incurred by employees and/or contractors	2020	Annual
1.2	Evaluate the job-related skills and competencies for all personnel, giving priority to personnel whose work is considered at high risk for potential incidents.	Personnel evaluated and approved / Personnel exposed to high risk for potential incidents	2023	2025
1.3	Maintain ISO 45001 certification at all our operations.	Improvement actions implemented and completed / improvement actions identified	2023	2030
1.4	Reduce work-related injuries by 70% para el personal propio expuesto.	# of work-related injuries	2023	2030
1.5	Reduce en un 70% el deterioro de la salud relacionada con el trabajo para el personal propio expuesto en las operaciones.	# of collaborators with work-related illnesses	2023	2030
1.6	Register all employees in health prevention programs at our SCC operations in Mexico.	Personnel at risk / total workforce vs Personnel registered in preventive programs / personnel at risk	2022	Annual
1.7	Update our Emergency Response Plans.	Plans reviewed / plans updated	2023	2024
1.8	Integrate all our contractor companies with high risk activities into our safety programs and management systems.	Companies integrated / total eligible companies	2023	2026
1.9	Safety and hygiene personnel certified in Comprehensive Safety and Risk prevention.	All safety personnel / all certified personnel	2023	2030
<b>2</b>	<b>Diversity and Inclusion</b>			
2.1	Increase the number of women in the total workforce by 2% each year from 2022 to 2025.	% women in the workforce	2022	2025



3.4 Corporate Sustainable Development Goals

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Corporate Sustainable Development Goals

Certifications

Mining Division				
#	Goal	Metric	Base year	Target year
<b>3</b>	<b>Community Development</b>			
3.1	Increase the local workforce by 10%.	% of local personnel hired	2021	2030
3.2	Increase the local suppliers by 20%.	% local suppliers	2021	2030
3.3	Implement at least six mechanisms for community participation, engagement and communication at all our sites (Community Care Service, participative consultation diagnostics, transparent communication at the different operational stages, collaborative citizen committees, perception studies, and regional multi-sector development plans).	# of mechanisms implemented / target total mechanisms	2022	2030
3.4	Reduce educational, health and infrastructure gaps, as well as increase the social capital of the communities where we operate.	% reduction in gaps	2022	2030
3.5	Position our 11 company schools in the top quintile nationally for mathematics and Spanish.	# position of our schools	2023	2030
<b>4</b>	<b>Climate Change</b>			
4.1	Reduce GHG operational emissions (Scope 1 and 2) by 8%.	tCO <sub>2</sub> e	2018	2027
4.2	Reduce GHG operational emissions (Scope 1 and 2) by 40% at the SCC level.	tCO <sub>2</sub> e	2018	2035
4.3	Zero net Scope 1 and 2 GHG emissions, at the SCC level.	tCO <sub>2</sub> e	2018	2050



3.4 Corporate Sustainable Development Goals

Stakeholder Engagement

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Sustainability Risk Management

Corporate Sustainable Development Goals

Certifications

Mining Division				
#	Goal	Metric	Base year	Target yet
<b>5</b>	<b>Biodiversity</b>			
5.1	Restore an area greater than that affected by our operations each year.	Area restored/ Area affected	2021	Annual
5.2	Assess the biodiversity status of the areas around our operations located in high biodiversity value zones.	# operations with biodiversity status assessments / # operations located in areas with high biodiversity value	2022	2025
5.3	Biodiversity management plans at all our operations.	# operations with biodiversity management plans / total operations in biodiversity-relevant areas	2021	2023
5.4	Offset the net biodiversity loss and achieve positive net impact.	# operations with improved ecological integrity / # operations located in areas with high biodiversity value	2022	2030
<b>6</b>	<b>Water and Effluents</b>			
6.1	Detailed water balances for each site, updated annually.	# balances / # sites	2022	2030
6.2	Contribute to recharging water tables at the river basins and watersheds where our operations are located, through works and reforestation (at least 2.8 million m <sup>3</sup> ).	m <sup>3</sup> infiltrated water through works and reforestation	2022	2028
6.3	Active participation in the governance of the river basins and watersheds where we operate.	River basin committees where we participate	2022	2025
6.4	Detailed monitoring of the conditions of priority watersheds where we operate.	Watersheds monitored / total watersheds	2022	2024
6.5	Reduce freshwater consumption per production unit by 5%, compared with 2022.	m <sup>3</sup> / ton crushed ore	2022	2030
6.6	Increase reuse of process water to 83%.	(Water recirculated / water consumed) x 100	2022	2030
6.7	Increase use of treated wastewater at our operations to 10% of our total freshwater consumption.	(Wastewater / water consumed) x 100	2022	2030



### 3.4 Corporate Sustainable Development Goals

Stakeholder Engagement

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Sustainability Risk Management

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Certifications

Mining Division				
#	Goal	Metric	Base year	Target year
<b>7</b>	<b>Mining Waste (tailings)</b>			
7.1	Full compliance with the General Tailings Systems Policy.	# tailings systems in full compliance with the policy / # total tailings systems	2022	2025
7.2	Updated closure plans at all our active tailings dams.	# active tailings dams with updated closure plans/ # active tailings dams	2022	2025
7.3	Closure of all inactive tailings dams, heaps and piles, according to best practices.	# inactive mine waste facilities closed / # inactive mine waste facilities	2022	2030
7.4	Global Industry Standard on Tailings Management implemented at all our tailings facilities.	# operations aligned with this standard / # total operations	2022	2030
<b>8</b>	<b>Supply Chain</b>			
8.1	Bureau Veritas certification of our procurement process.	Whether or not we have certification	2023	2024
8.2	Due diligence process for critical suppliers, including ESG criteria.	% critical suppliers that have a due diligence process	2023	2024
8.3	Include carbon footprint criteria in the decision criteria for main supplies and equipment.	Whether or not carbon footprint criteria are included	2023	2024

### 3.5 Certifications

#### ISO 45001



ISO 45001	
Certified	
SCC	77%
<b>Mexico</b>	90%
<b>Peru</b>	34%

#### ISO 14001



ISO 14001	
Certified	
SCC	85%
<b>Mexico</b>	90%
<b>Peru</b>	67%



# 4

# Governance

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# 4 Governance

Southern Copper Corporation is a subsidiary of Grupo México S.A.B. de C.V. ("Grupo México", majority shareholder). As of December 31, 2022, Grupo México, through its wholly owned subsidiary Americas Mining Corporation ("AMC"), holds 88.9% of SCC's common stock. As a subsidiary that trades on the New York Stock Exchange (NYSE), Southern Copper Corporation is required to comply, and is in compliance with, the corporate governance directives set by the U.S. Securities and Exchange Commission, including establishing a Board of Directors charged with maximizing value for shareholders, in strict compliance with the laws of the jurisdictions where the company operates and in adherence of stringent ethical standards.

For more information, consult the Southern Copper Corporation [Proxy Statement 2023](#).

## 4.1 Corporate Governance

### SCC governing body





## 4.1 Corporate Governance

Corporate Governance

Business Ethics

## Southern Copper Corporation Governing Bodies

Board of Directors																
#	Member	Position	Independence	Gender (M/F)	Age (years)	Nationality	Country of residence	Year joined	Service (years)	Board Committees	% Attendance (average)	Experience by sector	Background / Specialization	Current additional service	Other Boards	Other Corporate Governance roles
1	Germán Larrea Mota Velasco	Chairman	Executive	M	69	Mexican	Mexico	1999	23	Chairman of the Board EC <sup>13</sup> , CC <sup>14</sup> , GNC <sup>15</sup>	100%	Commodities, Industrial	Business Administration	-	Chairman of the Boards of : Grupo México / Grupo Ferroviario Mexicano / Empresarios Industriales de México / Fondo Inmobiliario	President and CEO of: Grupo México / Grupo Ferroviario Mexicano / Empresarios Industriales de México / Fondo Inmobiliario
2	Oscar González Rocha	Board Member	Executive	M	84	Mexican	Mexico	1999	23	Executive President EC, CC, GNC, ADC <sup>16</sup>	100%	Commodities, Industrial, Finance	Civil Engineering	-	Member of the Grupo México Board	President and CEO of Southern Copper Corporation (SCC) and Americas Mining Corporation (AMC) / CEO of Asarco LLC
3	Vicente Ariztegui Andreve	Board Member	Executive	M	68	Mexican	Mexico	2018	4	EC, AC <sup>17</sup>	100%	Finance, Commodities, Industrial	Business Administration, Systems Engineering	-	Administrative Vice-President and President of Aonia Holding / Director of: InverCap Holding / Reim and Alvamex.	Director of the Club Universitario en México / Member of the Audit Committee
4	Leonardo Contreras Lerdo de Tejada	Board Member	Executive	M	36	Mexican	Mexico	2021	1	-	100%	Finance, Industrial	Industrial Engineering	Mor then 4	-	President of ASARCO/ AMC Sales and Supply Chain Vice-President  / President of IMMSA / Founder of Murano Capital (September 2015), private investment firm
5	Enrique Castillo Sánchez Mejorada	Board Member	Executive	M	65	Mexican	Mexico	2010	12	AC, CC	100%	Finance, Consumer Staples, Healthcare	Business Administration	-	Chairman of the Board of Banco Nacional de México (Citibanamex). Independent director of: Grupo Herdez / Alfa / Médica Sur / Laboratorios Sanfer	Senior Advisor to General Atlantic in Mexico.



4.1 Corporate Governance

Board of Directors																
#	Member	Position	Independence	Gender (M/F)	Age (years)	Nationality	Country of residence	Year joined	Service (years)	Board Committees	% Attendance (average)	Experience by sector	Background / Specialization	Current additional service	Other Boards	Other Corporate Governance roles
6	Xavier García de Quevedo Topete	Board Member	Executive	M	75	Mexican	Mexico	1999	23	EC, CC, SNC <sup>18</sup>	100%	Commodities, Industrial, Finance	Chemical Engineering, Finance	3	Vice-President of Grupo México / Director of Grupo México.	President of the Grupo México Infrastructure Division
7	Luis Miguel Palomino Bonilla	Board Member	Independent	M	62	Peruvian	Peru	2004	18	EC, AC, SNC	100%	Finance, Healthcare	Economics, Finance	4 or more	Director of Laboratorios Portugal/ Summa Capital S.A. / Mall Aventura, S.A. "Audit Committee financial expert", as defined by the SEC.	Director of the Master's in Finance program at the Universidad del Pacífico in Lima, Peru
8	Gilberto Perezalonso Cifuentes	Board Member	Independent	M	79	Mexican	Mexico	2002	20	-	75%	Finance	Law, Business Administration, Finance	2	Board member of: Gigante S.A. de C.V. (retail and property)	National Vice-President of the Mexican Red Cross / Vice-President of Blasky (hotel chain in Baja California, Mexico)
9	Carlos Ruiz Sacristán	Board Member	Independent	M	72	Mexican	Mexico	2004	18	AC, CC	75%	Finance, Industrial	Business Administration	3	Member of the Boards of: Constructora / Banco Ve por Mas, S.A.	Owner and managing partner of Proyectos Estratégicos Integrales. Strategy advisor for Sempra Infrastructure

Board members average service	15.7 years
Percentage of women on the board <sup>d19</sup>	0%
Board members	9

Percentage of independent board members	56%
Average Board attendance <sup>20</sup>	97%
Required independence on the Board	At least three members of the Board must be independents



## 4.1 Corporate Governance

### 4.1.5 Management

#### Sustainable Development Management at SCC

GRI 2-14, 2-16 | TCFD GOB-A, GOB-B

We're committed to a comprehensive and cross-cutting management of our sustainable development across the different areas and levels of the organization to ensure the risks and opportunities associated with our material topics are considered in our strategic decision-making processes.

We formalized a Sustainable Development Committee under the Southern Copper Corporation Board of Directors in 2022. An independent board member chairs this committee, which meets quarterly to review our environmental, social and governance aspects.

#### Sustainable Development Committee - Southern Copper Corporation

##### Principal roles and responsibilities

##### Support the Board in:

- Risk management, program implementation, and monitoring economic, environmental and social performance.
- Validating ESG targets, accountability, budgets, deliverables, etc.
- Compliance with regulations and policies to develop standards and procedures to achieve the sustainable development strategic goals of the organization.

##### ESG material topics:

- Occupational health and safety
- Environmental issues (biodiversity, water, waste, climate change, closure plans)
- Community development
- Human rights
- Sociopolitical matters
- Corporate governance
- Responsible procurement

##### The SCC Sustainable Development Committee met twice in 2022 and reviewed the following aspects:

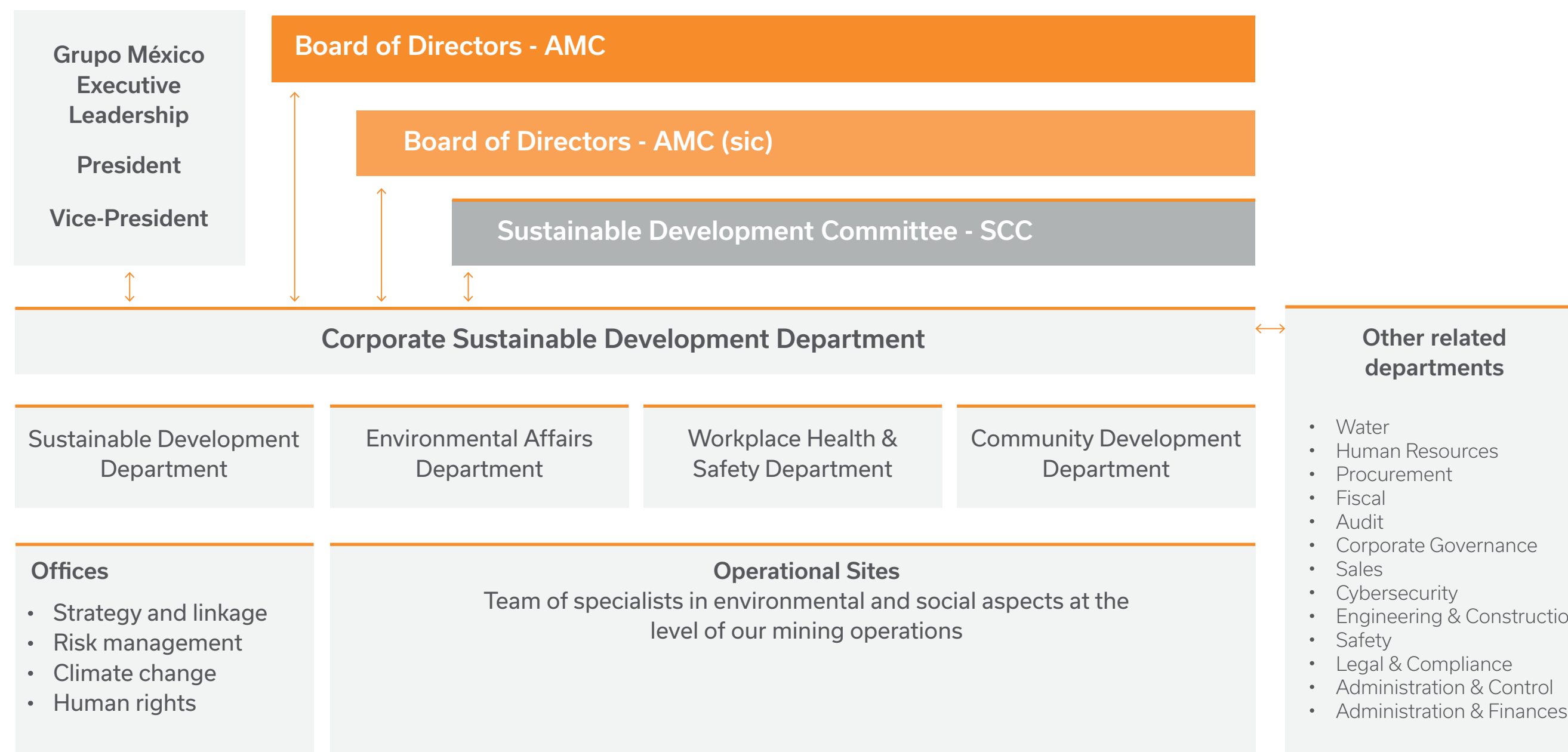
- Alignment with the UN Global Compact, The Copper Mark
- Progress and challenges in ESG performance
- Goals and targets
- ESG performance indicators
- Climate change (emissions reduction map and short, medium and long term reduction targets, [Climate Change Policy](#) and emissions reduction projects)
- Water management
- Risk management – tailings dams



### 4.1 Corporate Governance

In addition to reporting the ESG performance and other strategic recommendations for the Mining Division to the governing bodies, including Southern Copper Corporation, our Corporate Sustainable Development Department is responsible for implementing the general strategy of SCC in sustainable development, and also for managing specific material topics, such as Environmental Affairs, Occupational Health and Safety, and Community Development, principally in relation to our mining activities.

The Department created a Climate Change Office in 2022 to monitor the implementation of our climate strategy while contributing to aligning the vision and climate change targets for our three divisions. Additionally, the Department has taken the lead on our ESG reporting at the Grupo México level, including SCC's performance.





## 4.2 Business Ethics and Integrity

Southern Copper Corporation is held to the following Grupo México policies:

Policies
<a href="#">General Sustainable Development Policy</a>
<a href="#">Workplace Health and Safety Policy</a>
<a href="#">Environmental Policy</a>
<a href="#">Policy on the Prevention of Money Laundering and Terrorist Financing</a>
<a href="#">General Human Rights Policy</a>
<a href="#">Community Development Policy</a>
<a href="#">General Climate Change Policy</a>
<a href="#">General Tailings Systems Policy</a>
<a href="#">General Diversity, Inclusion and Non-Discrimination Policy</a>
<a href="#">Anti-Corruption Policy</a>
<a href="#">General Policy on Respect for the Rights of Indigenous Peoples and Communities</a>
<a href="#">Personal Data Protection Policy</a>
<a href="#">Code of Ethics</a>

### 4.2.1 Reporting Line

#### SCC contact information for reporting issues

Subsidiary	Operation	Website	Email	Phone
SCC	Minera México (Mexico)	<a href="https://www.lineadedenuncia.com/mineramexico">https://www.lineadedenuncia.com/mineramexico</a>	mineramexico@lineadedenuncia.com	800 062 2105
	Southern Peru Copper Corporation (Peru)	<a href="https://www.lineadedenuncia.com/scc">https://www.lineadedenuncia.com/scc</a>	scc@lineadedenuncia.com	0800 78258

#### Reports Received in 2022

	Reports received (2022)		
	SCC	Minera México	SPCC (Peru)
Human resources-related	100	73	27
Business ethics-related	83	48	35
Other	26	19	7
<b>Total</b>	<b>209</b>	<b>140</b>	<b>69</b>

#### SCC reports of corruption

	2018	2019	2020	2021	2022
SCC	9	-	-	-	-
Cases received via the Reporting Line 2022					SCC
Corruption					0
Bribery					4
Discrimination					4
Sexual harassment					5
Conflict of interest					16
Money laundering or insider trading					0
Data privacy					0



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# 5 Social





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# 5.1 Workplace Health and Safety





# 5 Social

## 5.1 Workplace Health and Safety

Personal health, safety and wellbeing is our priority both in and outside our operations. We provide a safe and healthy work environment for our employees, contractors and suppliers.

Our [Workplace Health and Safety Policy](#) provides the guidelines for promoting a culture of prevention and the ongoing improvement of the comprehensive health and safety management systems at our operations.

We received ELSSA safe and healthy workplace recognition for 6 SCC operations in Mexico in 2022 and the following awards from the Mexican Mining Chamber (CAMIMEX):

- Casco de Plata Award for our Metalúrgica del Cobre precious metals plant
- 1st place for our "Nahuales" and "Coyotes" rescue brigades at the 16th National Competition for Mine Rescue Teams

For more information, see the section on [Workplace Health & Safety](#), in the 2022 Sustainable Development Report, noting that the management systems in the Mining Division are the same as at SCC.

### SCC health indicators

Indicator		SCC	Mexico	Peru
<b>I. Fatalities resulting from occupational diseases or illnesses</b>	a) Employees	0	0	0
	b) Contractors	0	0	0
<b>II. Reportable occupational diseases or illnesses</b>	a) Employees	18	17	1
	b) Contractors	0	0	0
<b>III. Occupational disease rate*</b>	a) Employees	0.1	0.14	0.02

### Safety performance over the last five years

Indicator	SCC				
	2018	2019	2020	2021	2022
Fatalities	1	4	0	3	4
LTIFR - Employees <sup>1</sup>	4.74	4.11	2.44	4.85	2.49
LTIFR - Contractors	2.33	2.96	2.14	1.96	1.58
TRIFR - Employees <sup>2</sup>	6.47	5.35	3.35	5.61	3.86
TRIFR - Contractors	2.37	2.99	2.14	1.96	1.75
Safety process events <sup>3</sup>	0	1	0	1	1
Safety process events rate (employees) <sup>4</sup>	0.0	0.03	0.0	0.03	0.03
Safety process events rates (employees + contractors)	0.0	0.02	0.0	0.02	0.01

<sup>1</sup> **Lost Time Injury Frequency Rate (LTIFR):** Number of injuries resulting in time lost per 1,000,000 man hours worked.

<sup>2</sup> **Total Recordable Injury Frequency Rate (TRIFR):** Total number of recordable injuries per 1,000,000 man hours worked.

<sup>3</sup> Incidents that involve an unforeseen containment failure in a pipe system that could result in a leak of hazardous substances, fire or explosion.

<sup>4</sup> Number of safety process events per 1,000,000 man hours worked.



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Safety performance

Indicator		SCC		Mexico	Peru
		Total	Rate	Rate	Rate
I. Fatalities	a) Employees	2	0.05	2	0
	b) Contractors	2	0.06	2	0
	a + b	4	0.06	4	0
II. Permanent incapacitating injury	a) Employees	0	0	0	0
	b) Contractors	0	0	0	0
	a + b	0	0	0	0
III. Temporary incapacitating injury	a) Employees	93	0.50	79	14
	b) Contractors	49	0.32	30	19
	a + b	142	0.42	109	33
IV. Man hours	a) Employees	37,298,068	N/A	24,010,114	13,291,216
	b) Contractors	30,935,883		15,710,554	15,225,329
	a + b	68,233,951		39,720,667	28,516,545
V. Days lost due to incapacitating injuries and fatalities	a) Employees	21,201	N/A	20,113	1,088
	b) Contractors	14,330		13,268	1,062
	a + b	35,531		33,381	2,150



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# 5.2 Our People





5.2 Our People

5.2 Our People

Our people are the backbone of SCC and the foundation for fostering an environment of wellbeing for all company employees, based on the values of honesty, respect and responsibility.

All employees, contractors and suppliers that work with or on behalf of SCC are required to comply with our company policies and procedures.

We have corporate policies in place to manage and develop our labor practices in adherence of regulations in the regions where we operate. We also listen to and address the concerns of our employees through organization-wide tools and mechanisms, like the Reporting Line and workplace climate surveys.

SCC's human resources management is the same as that applied at the Grupo México Mining Division level. For more information, see the section [Our People](#) in the Grupo México 2022 Sustainable Development Report.

Labor practices

➤ 95.7% of employees are under permanent contract.

Workforce

Workforce <sup>3</sup>			
	SCC	Minera México (Mexico)	SPCC (Peru)
<b>Employees</b>	<b>15,016</b>	<b>10,050</b>	<b>4,947</b>
Women	1,094	763	331
Men	13,922	9,287	4,616
<b>Permanent contracts</b>	<b>14,374</b>	<b>9,989</b>	<b>4,375</b>
W Full-time	1,038	748	290
M Full-time	13,336	9,241	4,085
<b>Temporary contracts</b>	<b>642</b>	<b>61</b>	<b>572</b>
Women	56	15	41
Men	586	46	531
<b>Contractors<sup>4</sup></b>	<b>12,239</b>	<b>6,470</b>	<b>5,769</b>
Men	11,088	5,812	5,276
Women	1,151	658	493



5.2 Our People

Local workforce

➤ 43.4% of SCC employees are from local communities.

Local workforce <sup>5</sup>			
	SCC	Minera México (Mexico)	SPCC (Peru)
Employees from local communities	6,510	5,661	894
% employees from local communities	43.4%	56.3%	18.1%
Upper management from local communities	13	36	2
% upper management employees from local communities	61.9%	100%	20%

<sup>5</sup> Employees from local communities are people who were born in or are residents of communities near our operations.

Workforce by nationality

Workforce by nationality	SCC		Minera México (Mexico)		SPCC (Peru)	
		%		%		%
<b>Total</b>	14,952		10,050		4,947	
Mexico	10,001	66.9%	10,030	99.8%	10	0.2%
Peru	4,936	33%	5	0.05%	4,936	99.8%
USA	4	0%	4	0.04%	-	0%
Other Nationalities	11	0.1%	11	0.11%	1	0.02%

Collective bargaining agreements

➤ 73.4% of SCC employees are covered by collective bargaining agreements.

Collective bargaining agreements			
	SCC	Minera México (Mexico)	SPCC (Peru)
<b>Total employees covered by a collective bargaining agreement</b>	<b>11,024</b>	<b>7,242</b>	<b>3,782</b>
Nationals	11,018	7,236	3,782
Women	224	101	123
Men	10,794	7,135	3,659
Foreigners	6	6	-
Women	1	1	-
Men	5	5	-
<b>Total non-union employees</b>	<b>3,992</b>	<b>2,808</b>	<b>1,165</b>
Nationals	3,974	2,801	1,154
Women	864	658	206
Men	3,110	2,143	948
Foreigners	18	7	11
Women	5	3	2
Men	13	4	9
% union	73.4%	72.1%	76.5%



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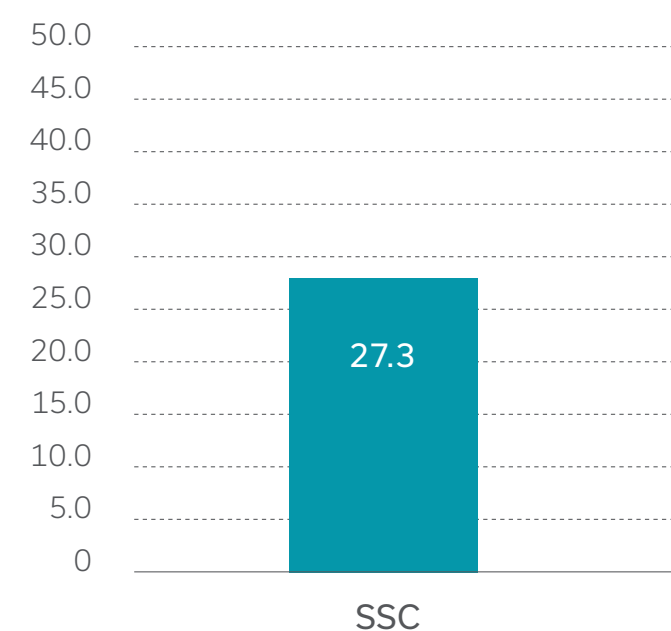
Local  
Communities

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Human Capital Development

- > 4,008 training hours
- > 48.9% increase in training hours at SCC, compared with 2021

SCC Training 2022



- > The total cost of training per SCC employee was US\$164.56

Employee training by gender, category and age group

Average training hours per year	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
<b>Category</b>						
Executive Leadership	N/A	26.7	5.3	10.3	N/A	20.9
Senior Management	19.4	28.4	15.2	18.8	28.2	42.6
Middle Management	44.5	39.6	48.7	41.4	29.5	33.8
Administrative / Operational	28	35	30.2	34.2	21.3	36.2
Union	21.4	24.4	32.7	28.4	11.9	16.6
<b>Average training hours by gender</b>	<b>29.6</b>	<b>27.2</b>	<b>33.9</b>	<b>30.4</b>	<b>19.2</b>	<b>20.5</b>
<b>Average training hours by region</b>	<b>27.3</b>		<b>30.6</b>		<b>20.4</b>	

Average training hours per year	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
<b>Age group</b>						
18 to 25 years	34.9	39.9	34.7	40.6	37.2	23.5
26 to 40 years	35.6	30.1	38.7	32.8	22.9	22.8
41 to 50 years	22.6	24.7	24.5	27.6	19.5	20.2
51 years	14.8	19.9	15.4	21.4	14	17.9
<b>Average training hours by gender</b>	<b>29.6</b>	<b>27.2</b>	<b>33.9</b>	<b>30.4</b>	<b>19.2</b>	<b>20.5</b>



## 5.2 Our People

### Training Programs

More than 17 programs were provided in 2022 with the participation of more than 10,565 employees to upgrade the skills and competencies of company personnel.

Number of training programs and participants <sup>14</sup>	
	SCC
Programs to upgrade competencies	8
Participants	8,192
Programs to upgrade skills	9
Participants	2,373
<b>Total programs</b>	<b>17</b>
<b>Total participants</b>	<b>10,565</b>

### Performance Review

96.4% of non-union personnel participated in an annual performance review in 2022.

#### Percentage employees participating in performance reviews

% Employees participating in performance reviews	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
Executive Leadership	N/A	100%	100%	100%	N/A	100%
Senior Management	88.6%	95%	93.9%	98.6%	66.7%	90%
Middle Management	94.4%	98.3%	100%	100%	80.4%	93.7%
Administrative / Operational	92.4%	96.2%	97.9%	98.5%	78.9%	92.6%
<b>Total</b>	<b>96.4%</b>		<b>99.2%</b>		<b>90.5%</b>	

### New Hires and Turnover

The following tables report our new hires by age group, gender and category

New hires		
	Mining Division	SCC
Women	17.8%	19.1%
Men	82.2%	80.9%

The average cost per hire for SCC was US\$1,246.

New Hires	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
<b>Age group</b>						
18-25	84	364	80	355	4	9
26-40	160	619	140	444	20	175
42-50	17	100	13	58	4	42
≥ 51	4	36	1	8	3	28
<b>Total new hires</b>	<b>265</b>	<b>1,119</b>	<b>234</b>	<b>865</b>	<b>31</b>	<b>254</b>
<b>Total new hire rate</b>	<b>76.8%</b>		<b>61%</b>		<b>15.8%</b>	

New Hires by Category	SCC	Minera México (Mexico)	SPCC (Peru)
Executive Leadership	-	-	-
Senior Management	40	21	19
Middle Management	197	148	49
Administrative / Operational	328	264	64
Union	819	666	153
<b>Total</b>	<b>1,384</b>	<b>1,099</b>	<b>285</b>

\* SCC reports both new hires and inhouse promotions.



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Total Turnover Rate

The following tables report employee turnover by gender, age group and category.

Total Turnover Rate	
	SCC
Women	12.3%
Men	8.2%
% Total	8.5%

Turnover	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
Age group						
18-25	17	111	17	106	-	5
26-40	77	541	58	387	20	154
42-50	13	132	12	91	2	41
≥ 51	27	350	17	191	10	162
<b>Total turnover</b>	<b>1,268</b>		<b>879</b>		<b>394</b>	
<b>Total turnover rate</b>	<b>8.5%</b>		<b>8.7%</b>		<b>8%</b>	

Turnover by category	SCC	Minera México (Mexico)	SPCC (Peru)
Executive Leadership	4.8%	13.9%	0%
Senior Management	10.9%	11.6%	8.2%
Middle Management	11.3%	12.7%	6.7%
Administrative / Operational	9.9%	11.8%	6.4%
Union	7.7%	7.4%	8.4%
<b>Total</b>	<b>8.5%</b>	<b>8.7%</b>	<b>8.0%</b>

Turnover	SCC	Minera México (Mexico)	SPCC (Peru)
<b>Voluntary Turnover</b>	<b>5.8%</b>	<b>7.6%</b>	<b>2.3%</b>
Women	9.1%	11.7%	3.9%
Men	5.6%	7.3%	2.2%
<b>Involuntary Turnover</b>	<b>2.6%</b>	<b>1.1%</b>	<b>5.7%</b>
Women	3.1%	2%	5.7%
Men	2.6%	1%	5.7%
<b>Total</b>	<b>8.4%</b>	<b>8.7%</b>	<b>8%</b>



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

Ratio of base salary to local minimum wage, by gender			
	SCC	Minera México (Mexico)	SPCC (Peru)
Women	9:1	5:1	23:1
Men	9:1	5:1	23:1

Parental Leave

Parental Leave	SCC		Minera México (Mexico)		SPCC (Peru)	
	W	M	W	M	W	M
<b>Total employees (entitled to parental leave)</b>	1094	13,903	763	9,287	331	4,616
Employees that took parental leave	29	469	20	325	9	144
Employees that returned to work after parental leave	28	469	19	325	9	144
Employees continuing on payroll at 2022 close	28	464	19	323	9	141
<b>Return to work rate (%)</b>	<b>96.6%</b>	<b>100%</b>	<b>95%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Employee retention rate (%)</b>	<b>100%</b>	<b>98.9%</b>	<b>100%</b>	<b>99.4%</b>	<b>100%</b>	<b>97.9%</b>

Employee Benefits

Employee benefits	
	SCC
Salary-related	Full-time
Life insurance	X
Medical insurance	X
Family protection insurance	X
Disability coverage	X
Pension plan	X
Savings fund	X
Grocery vouchers	X
Productivity bonus	X
Interest-free personal loans, up to one month's salary	X
Stock options	X
Employee cafeteria	X
Employee transportation	X



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Survey Results

ECO Survey Results	SCC		Minera México (Mexico)		SPCC (Peru)	
	Women	Men	Women	Men	Women	Men
% Employees actively committed to or satisfied with the company	90%	85%	93%	91%	82%	72%
2021 Goal	60%		60%		60%	

Employees Interviewed

Employees interviewed	SCC		Minera México (Mexico)		SPCC (Peru)	
	Women	Men	Women	Men	Women	Men
Type of employee and gender						
Non-Union	602	2,542	476	1,829	126	713
Union	128	7,913	53	5,720	75	2,193
<b>Total</b>	<b>730</b>	<b>10,455</b>	<b>529</b>	<b>7,549</b>	<b>201</b>	<b>2,906</b>

Employees interviewed

Employees interviewed	SCC		Minera México (Mexico)		SPCC (Peru)	
	Women	Men	Women	Men	Women	Men
Age group and gender						
18-24	37	674	28	598	9	76
25-40	405	5,305	328	4,032	77	1,273
41-57	198	3,428	132	2,417	66	1,011
≥ 58	90	1,048	41	502	49	546
<b>Total</b>	<b>730</b>	<b>10,455</b>	<b>529</b>	<b>7,549</b>	<b>201</b>	<b>2,906</b>



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# 5.3 Diversity & Inclusion





5.3 Diversity & Inclusion

5.3 Diversity and Inclusion

At Southern Copper Corporation, we incorporate into our organization the richness and plurality of each country and community that embraces us.

Valuing diversity and encouraging openness to different ways of thinking, and creating inclusive environments are essential to ensuring our workplaces support the optimal development of our employees and stakeholders.

In this regard, we're working to build diverse and inclusive teams, fostering respect among all employee, extending this culture to the communities where we operate.

SCC's management of diversity and inclusion is the same as that applied throughout the Grupo México Mining Division. For more information, see the [2022 Sustainable Development Report](#).

Workforce by category and gender

Diversity by category	SCC		Minera México (Mexico)		SPCC (Peru)	
Category	W	M	W	M	W	M
Executive Leadership	0%	0.2%	0.3%	0.4%	0%	0%
Senior Management	3.6%	1.8%	4.6%	1.9%	2.4%	1.9%
Middle Management	20%	11.8%	22.3%	13.4%	14.5%	8.6%
Administrative / Operational	55.7%	8.3%	59.5%	7.4%	45.9%	10%
Union	20.7%	77.9%	13.4%	76.9%	37.2%	79.3%

Women in management positions

Women in management positions CSA	SCC	Minera México (Mexico)	SPCC (Peru)	ASARCO (EEUU)
Top Management	N/A	5.6%	N/A	28.6%
All Management positions	11.8%	12.4%	10.1%	11.2%
Junior Management positions	11.7%	12.0%	10.8%	10.1%
Income-Generating Management positions <sup>1</sup>	30.8%	34.3%	N/A	85.7%

<sup>1</sup>Percentage calculated from the total women in the category Management.



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Workforce by age group and gender

Diversity by age group	SCC		Minera México (Mexico)		SPCC (Peru)	
Age group	% W	% M	% W	% M	% W	% M
18-25	9.9%	7%	12.8%	9.9%	3%	0.9%
26-40	55.9%	46.3%	64.1%	49.9%	36%	38.9%
42-50	15.3%	24.6%	12.1%	22.1%	23.6%	29.7%
≥ 51	18.8%	22.1%	11%	18.1%	37.5%	30.5%

Diversity by age group	SCC	Minera México (Mexico)	SPCC (Peru)
Age group			
< 30	23.5%	6%	18.9%
30-50	58.9%	63%	48.1%
> 50	17.5%	31%	33%

Workforce by nationality

Breakdown of the Labor Force: Nationality <sup>1</sup>	SCC		Minera México (Mexico)		SPCC (Peru)	
Total	14,952	%	10,050	%	4,947	%
Mexico	10,001	66.9%	10,030	99.8%	10	0.2%
Peru	4,936	33%	5	0.05%	4,936	99.8%
USA	4	0%	4	0.04%	-	0%
Other Nationalities	11	0.1%	11	0.11%	1	0.02%



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Women in STEM positions

STEM Women <sup>3</sup>	SCC	Minera México (Mexico)	SPCC (Peru)
<b>Total</b>	387	289	98
%	35.6%	37.9%	29.6%

The percentage is calculated from the total women at the Grupo México level and for each subsidiary and region.

Ratio of base salary, women to men

Ratio of base salary, women to men	
Category	SCC
Executive Leadership	N/A
Senior Management	0.95
Middle Management	0.94
Administrative / Operational	0.91
Union	1.00
<b>Total</b>	<b>0.94</b>



Women at our Charcas Mine, San Luis Potosi, Mexico



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# 5.4 Human Rights





5.4 Human Rights

5.4 Human Rights

We have a strong due diligence process at Southern Copper Corporation that seeks to prevent, mitigate and, as necessary, remediate potentially adverse impacts on human rights. This process includes various practical tools to protect the human rights of our neighbor communities, our employees and our suppliers/contractors, and also in adherence of the Voluntary Principles on Security and Human Rights.

Our corporate strategy in this area is guided by our [General Human Rights Policy](#). Other relevant policies include our [Policy on Respect for the Rights of Indigenous Peoples and Communities](#), and our [Policy on Diversity, Inclusion, Non-Discrimination, and Zero Tolerance for Workplace or Sexual Harassment](#).

The Mining Division published our [Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners](#), in 2022, which includes commitments directly related to human rights.

SCC's human rights management is the same as that applied throughout the Grupo México Mining Division. For more information, see the [2022 Sustainable Development Report](#).

Human Rights Training

Human rights training				
	Course duration	Type of personnel	Employee participants	%
Mexico	1.5 h	Union	7,039	97.2%
		Non-Union	2,910	100%
Peru	0.6 h	Union	3,740	98.2%
		Non-Union	1,108	95.1%
SCC	1.2 h	Union	10,799	97.8%
		Non-Union	4,018	100%



5.4 Human Rights

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Human rights risks identified through participative diagnostics / CCS, and preventive / mitigation actions

Participative diagnostics			
Subsidiary	Operation	Principal human rights-related risks perceived by the communities through the participative diagnostics	Preventive / mitigation / remediation actions taken
Southern Peru	Toquepala	 Access to water (location in the Atacama desert) ***	<ul style="list-style-type: none"> <li>• Locumba River water studies and water infrastructure projects (dams, canals, steppe recovery and technical studies to improve the supply of drinking water).</li> <li>• <i>Forjando Futuro</i> (Forging Futures) program (job skills training)</li> </ul>
		 Access to decent work (lack of technical skills training) **	
	Ilo	 Environment (air and water) **	<ul style="list-style-type: none"> <li>• Ilo smelter upgrade (2006) and environmental monitoring</li> <li>• Construction of the Ilo wastewater treatment plant (2022-2024)</li> </ul>
	Cuajone	 Environment (Air)*	<ul style="list-style-type: none"> <li>• Dust capturing and monitoring program and farming support programs</li> </ul>
	Los Chancas	 Limited economic development and Access to healthcare***	<ul style="list-style-type: none"> <li>• <i>Forjando Futuro</i> (Forging Futures) program (job skills training), temporary employment program and community wellbeing program (health campaigns)</li> </ul>
	Tía María	 Access to water (location near farmlands) **	<ul style="list-style-type: none"> <li>• Mine designed with desalinated water; comprehensive drinking water project studies for the province of Islay</li> <li>• <i>Forjando Futuro</i> (Forging Futures) program (job skills training)</li> </ul>
		 Access to decent work (lack of sources of employment)***	
Michiquillay	 Limited economic development***	<ul style="list-style-type: none"> <li>• <i>Forjando Futuro</i> (Forging Futures) program (job skills training) and temporary employment program</li> </ul>	

\* Risks related to our operations  
 \*\* Risks partially related to our operations  
 \*\*\* Risks in the community unrelated to our operations

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5.4 Human Rights

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Participative diagnostics			
Subsidiary	Operation	Principal human rights risks perceived by the communities through the participative diagnostics	Preventive / mitigation / remediation actions taken
Minera México	La Caridad	 Environment (liabilities of other mining companies) and Access to water***	<ul style="list-style-type: none"> <li>Minera Moctezuma tailings remediation program</li> <li>Technical consulting program and investment in water management projects</li> </ul>
	Esqueda	 Free transit and safety (railroad crossings)**	<ul style="list-style-type: none"> <li>Urban improvement project for spaces near the rail lines and safe railroad crossings 2022- 2023</li> </ul>
	Cananea	 Access to water***	<ul style="list-style-type: none"> <li>Comprehensive Plan for Cananea, with the federal, state and municipal governments, to ensure water availability for the community</li> </ul>
	El Arco	 Access to decent work (lack of sources of employment)***	<ul style="list-style-type: none"> <li><i>Forjando Futuro</i> (Forging Futures) program (job skills training)</li> </ul>
	Santa Barbara	 Environment and Safe and healthy workplace (illegal mining)**	<ul style="list-style-type: none"> <li>Community environmental brigade, Prosperous Santa Barbara program (job skills training, sports schools and improvements to public spaces)</li> </ul>
	Nueva Rosita	 Environment (operation in closure stage)**	<ul style="list-style-type: none"> <li>We have been working on remediation, providing maintenance for Chimenea Park and reforestation in the area</li> </ul>

\* Risks related to our operations  
 \*\* Risks partially related to our operations  
 \*\*\* Risks in the community unrelated to our operations



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# 5.5 Local Communities





### 5.5 Local Communities

## 5.5 Local Communities

We are committed to generating wellbeing in the communities where we operate to improve the quality of life of the local residents.

Our **Community Development Model** supports this commitment with linkage mechanisms and participation that is based on transparent communication with our stakeholders. Through these processes, we can identify and anticipate the potential environmental and social risks associated with our operation resulting from the different stages of our productive projects and implement actions to prevent or mitigate any negative effects, while also creating services in benefit of our communities.

SCC's management in the area of local communities is the same as that applied throughout the Grupo México Mining Division. For more information, see the [2022 Sustainable Development Report](#).

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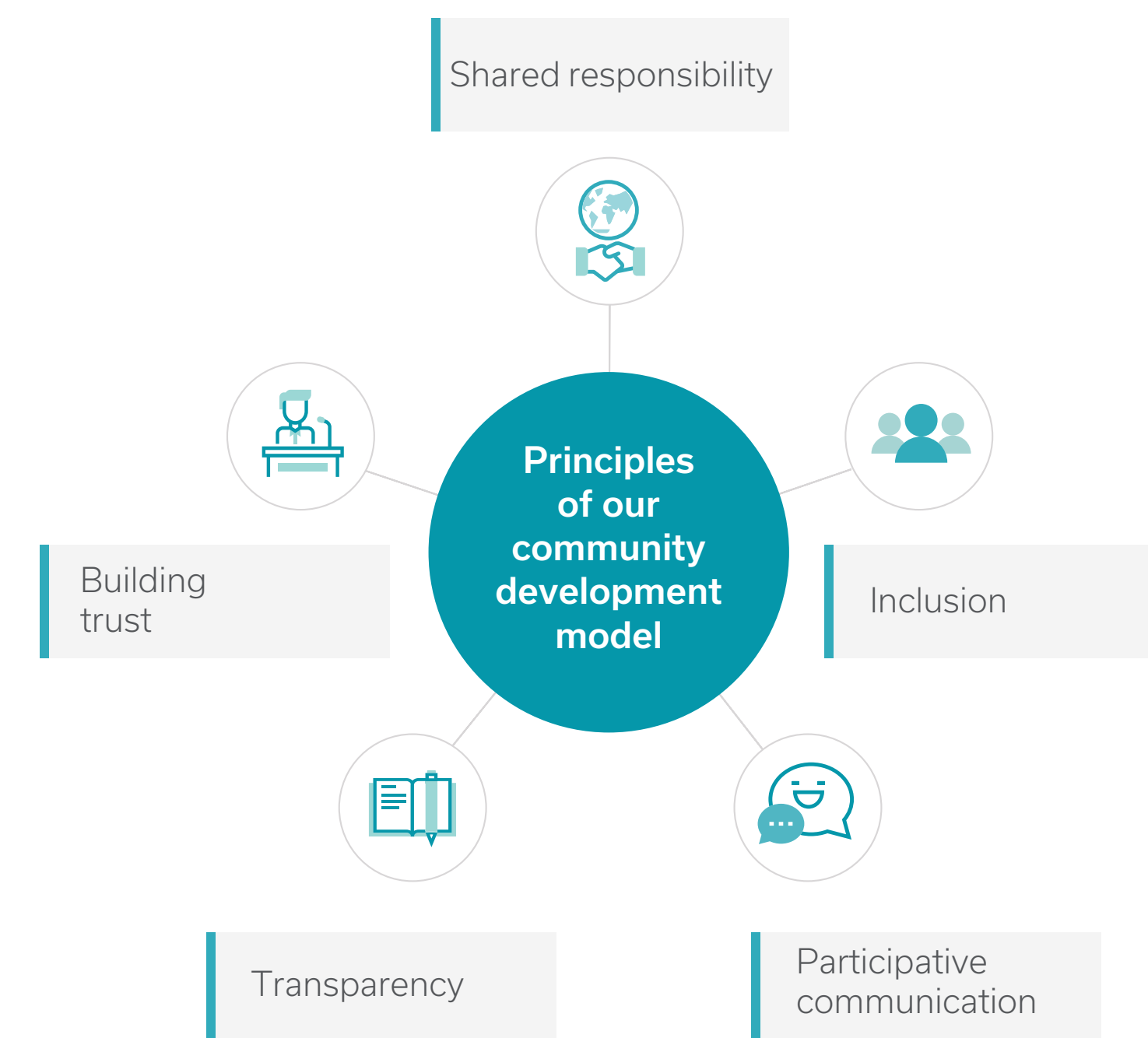
Local Communities

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### Community Development Model



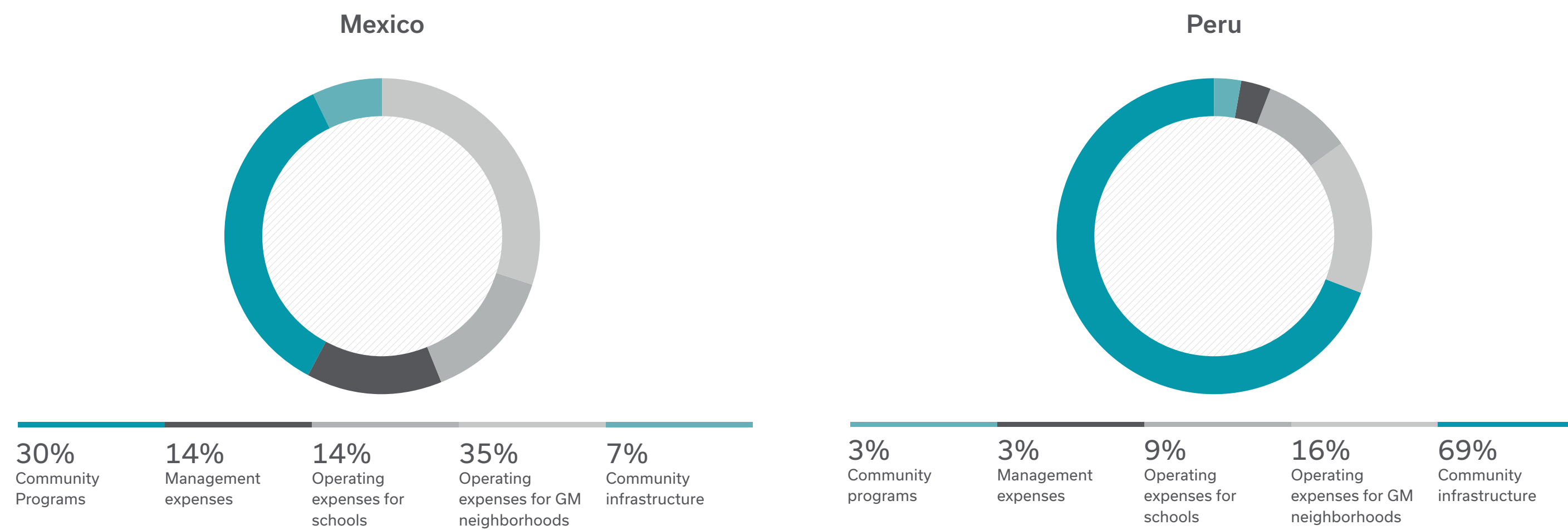
We create spaces to listen to the community and receive their questions, concerns, requests and grievances, helping us to identify the needs and issues to then bring solutions that foster **responsible coexistence** with our neighbor communities. We also have initiatives in place to generate **economic development** through job skills training and developing local supply, like our *Forjando Futuro* (Forging Futures) program. This and other activities and programs that promote training and learning in culture-related topics, education, health, sports, and the environment, among others, are part of our strategy to **boost human development**.





5.5 Local Communities

SCC Investments in Community Development (2022)



US\$12.8M

Invested in Mexico

US\$57.6M

Invested in Peru

Country	Item	Investment
Mexico	Mining rights	US\$ 214 M
	Mining royalties	US\$ 71.3 M
Peru	Water, educational, farming infrastructure (Oxi and FD)	US\$ 31 M
	Mining rights	US\$ 179.4 M
Mexico y Peru	Schools	US\$ 6.2 M



5.5 Local Communities

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Principal social infrastructure projects

Principal social infrastructure projects				
Country	Project	Goal	Investment	Impact
Mexico	Remodel the Casa Grande Community Centers in Charcas, San Luis Potosi and in Santa Barbara, Chihuahua	Offer a safe and suitable space, with the characteristics and spaces required for the Casa Grande programs	US\$3,030,788	Improve the quality of the Community Development Model programs and services provided to the community and double the number of users of these open spaces offered to the more than 11,000 and 14,000 residents of Santa Barbara, Chihuahua and Charcas, San Luis Potosi, respectively.
Mexico	Urban improvement of the former Moctezuma Copper Company tailings deposit in Nacozari, Sonora	Support the municipality in the remediation of an environmental liability left by the defunct Moctezuma Copper Company by improving slope stability, channeling rainwater, tree planting, creating walkways, and the construction of a megalithic sculpture to make this an iconic recreational public space.	US\$2,326,415 (cumulative investment in this project, phases 1 and 2)	Improve the air and water quality, and also general wellbeing to benefit the more than 14,000 inhabitants of Nacozari by containing the tailings and preventing their release into the air and water, while developing a space for physical, recreational and leisure activities, creating identity.
Peru	Cularjahuira Dam	Build a dam and irrigation channel with a storage capacity of 3.3 million yd <sup>3</sup> (2.5 million m <sup>3</sup> ) of water.	US\$ 3,889,597	Water infrastructure with a storage capacity of 3.3 million yd <sup>3</sup> (2.5 million m <sup>3</sup> ) of water during the rainy season to irrigate the fields during the rest of the year. This project will provide irrigation for 1,927 acres (780 hectares) of farmland to benefit 585 farmers.
Peru	Candarave Steppes	Recover 2,000 acres (810 hectares) of farmland through the rehabilitation of steppes to benefit farming in the province of Candarave.	US\$ 3,095,742	2,362 acres (956 hectares) of farmland recovered to benefit 2,367 farmers in the High Andean region of Candarave. This project will improve the efficiency of water management for irrigation, preventing the erosion of farmlands and increasing crop production and water availability.



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# 5.6

# Indigenous Peoples





5.6 Indigenous Communities

5.6 Indigenous Peoples

At Southern Copper Corporation, we respect and foster cultural diversity to build long-term relationships with the communities where we operate. We are aligned and committed to complying with national and local regulatory frameworks on indigenous peoples and communities.

The Grupo México (including SCC) Action Protocol with Indigenous Communities was designed in 2020 to raise awareness and provide training and orientation to company employees, contractors and suppliers, providing them with tools for engaging with indigenous communities near our operations, respecting the worldview, culture and identity of these communities.

The Protocol was built on a roadmap that outlines the steps to ensure respectful relationships with indigenous communities from the onset, the mechanisms for engagement, agreements and follow-up, and also a series of basic tools for consultation, forms and recommendations to act in a way that is culturally appropriate.

SCC's management in the area of indigenous communities is the same as that applied throughout the Grupo México Mining Division. For more information, see the [2022 Sustainable Development Report](#).

SCC Relations with Indigenous Communities

Country	Project	Description
Mexico	La Ventosa, Juchitan, Oaxaca	Wind farm located near a Zapotec indigenous community. We have lease agreements for the land and our bilingual Community Development Center here was opened in 2014.
Peru	Toquepala and Cuajone	Operations near rural farming communities. We have 6 Community Development Centers in these areas, where we offer activities that foster economic and human development. Additionally, we set up Radio Candarave in 2014, a radio station that provides information of interest to these High Andean communities and promotes the local culture.
Peru	Los Chancas	We invested in social projects in the area of influence of the Los Chancas project in 2022 focusing on healthcare, farming, training and infrastructure in the farming communities of Tiaparo and Tapayrihua, in the province of Aymaraes, Apurimac region. "Productive Routes" radio program broadcasting news and information in Quechua and Spanish.



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# 6.1 Climate Change





## 6.1 Climate Change

### 6.1 Climate Change

Under our risk management and prevention approach, at Southern Copper Corporation (SCC), we are working to ensure all our operations are safe and resilient to climate change, and to extend this resilience to our neighbor communities. Another focus area is mitigating the risks associated with the transition to low-carbon economies, positioning the company as a key player in contributing to the transition to a green economy. At Minera México and Southern Perú Copper Corporation, we deliver products and services that support this transition, and we are an agent of positive change in the mitigation of global greenhouse (GHG) emissions.

We worked on updating our SCC climate change strategy in 2022. This strategy is part of Grupo México's general strategy on climate change. This work informed our roadmap for GHG emissions reductions, setting new goals in our fight against climate change. We also developed a [Climate Change Policy](#) for the entire Grupo México organization, defining the guidelines to reduce our carbon footprint and manage our climate risks.

This supplement reports SCC's KPIs in climate change management for the period January to December 2022, representing an extract of the principal quantitative data from the Sustainable Development Report, reporting also the emissions reduction targets for SCC.

For more information, consult the [2022 Sustainable Development Report](#).

## Governance

### Corporate governance mechanisms:

Body	Function
<b>Audit and Company Practices Committee</b>	<ul style="list-style-type: none"> <li>The sustainability offices of each division present the environmental, social and governance strategy and management of related risks and opportunities to this Committee at extraordinary sessions</li> </ul>
<b>Sustainable Development Committee at the Board Level of Southern Copper Corporation (principal subsidiary of the Mining Division)</b>	<ul style="list-style-type: none"> <li>Made up of independent board members</li> <li>The SCC Executive Vice-President, who is also the Executive Vice-President of Grupo México participates on this Committee (for more information, consult the section on Corporate Governance)</li> <li>Supervises the management of risks and opportunities associated with climate change</li> </ul>

The Corporate Sustainable Development Department of the Mining Division (which includes SCC) is responsible for the implementation of the Grupo México climate strategy, coordinating the related aspects of the three divisions. This Department regularly reports to the Audit and Company Practices Committee and also to the Executive Vice-President.



6.1 Climate Change

Physical risk analysis



Preliminary analysis

Map and prioritize the relevant risks associated with our operations and our value chain, informed by pertinent scientific publications and the characteristics of the assets (including factors like type of operation, geographic location, historic climate impacts, contribution to earnings, among others)



Scenarios

Time horizons – The analysis under the different time horizons considered aspects such as the end of the useful life of our sites, as well as the contract periods and concessions for leased assets. Particular emphasis was placed on the long-term horizon as this would produce more extreme scenarios.

- Short term (2021-2025)
- Medium term (2025-2050)
- Long term (2050-2080)
- Climate change scenarios



Geography

Mexico, USA and Peru, and other countries or regions where we have strategic projects in the planning or exploration stage, like Spain, Ecuador and Chile



Granularity

Review of corporate mechanisms currently in place

Opportunities associated with climate change

- Increase revenue
- Increase competition in electricity cost
- Reduce emissions from our operations by fostering a low-emission supply chain.

Transition risks associated with climate change

- Analysis of current regulations on carbon pricing mechanisms
- Carbon pricing analysis based on global decarbonization scenarios (2025-2040)

One of the key actions to strengthen the resilience of the SCC business model is to identify and manage the risks and opportunities related to climate change by analyzing climate scenarios, which we have been doing since 2020, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). As a result, we are incorporating factors related to climate change into our business decisions involving either risks or opportunities. For more information about this analysis, consult the [2022 Sustainable Development Report](#).



6.1 Climate Change

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Waste

Metrics and Targets

Quantitative indicators

Energy consumption

GRI 302-1, TCFD MYO-A

The total SCC energy consumption in 2022 was 46,971,120 GJ, representing 49.5% of the total for Grupo México.

Our mining operations in Mexico are the main source of emissions (35.5%), followed by our operations in Peru (18.6%), while Southern Copper Corporation represents 54.2% of the total emissions produced by Grupo México.

Total energy consumption (fuels and electricity) by country and subsidiary (GJ)					
GRI 302-1   SASB EM-MM-130a.1					
Subsidiary	2022	2021	2020	2019	Variance 2022-2021 (%)
SCC	46,971,120	44,609,792	43,244,904	43,208,095	5.29%
Mexico (MM)	29,274,794	27,343,238	26,743,178	26,450,947	7.06%
Peru (SPCC)	17,696,326	17,266,554	16,501,726	16,757,148	2.49%

Operational Emissions													
GRI 302-3, 305-2   SASB EM-MM-110a.1; TR-TRA-110a.1													
Subsidiary	2022 (MtCO <sub>2</sub> e)			2021 (MtCO <sub>2</sub> e)			2020 (MtCO <sub>2</sub> e)			2019 (MtCO <sub>2</sub> e)			Variance 2022-2021 (%)
	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	Scope 1	Scope 2	Total	
SCC	2.00	0.61	2.61	1.81	0.43	2.24	1.64	0.6	2.25	1.73	0.6	2.34	16.51%
Mexico (MM)	1.28	0.44	1.72	1.13	0.26	1.39	1.01	0.43	1.45	1.04	0.43	1.46	23.68%
Peru (SPCC)	0.72	0.17	0.89	0.68	0.17	0.85	0.63	0.17	0.8	0.7	0.18	0.87	4.78%



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Fuel consumption

Total fuel consumption (GJ) GRI 302-1 y 302-4  SASB EM-MM-130a.1					
Subsidiary	2022	2021	2020	2019	Variance 2022-2021 (%)
SCC	23,823,553	22,298,456	19,948,887	20,615,271	6.8%
Mexico (MM)	14,319,810	13,341,052	11,668,361	11,841,271	7.3%
Peru (SPCC)	9,503,744	8,957,404	8,280,526	8,774,000	6.1%

2022 Fuel consumption by country and type of fuel (GJ) SASB TR-RA-110a.3							
Subsidiary	Spent oil	Fuel oil	Diesel	Gasoline	Natural gas	LP Gas	Kerosene
SCC	113,379	1,301,208	17,611,129	176,598	4,414,171	197,927	9,140
Mexico (MM)	113,379	38,605	9,435,833	172,931	4,414,171	135,750	9,140
Peru (SPCC)	-	1,262,603	8,175,296	3,667	-	62,177	-

The total fuel consumption of Grupo México was 68,385,244 GJ, with SCC representing 34.84% of this total.

SCC emissions from fuel consumption in mobile combustion sources by type of gas SASB SASB EM-MM-110a.1				
Subsidiary	tCO <sub>2</sub> e	tCO <sub>2</sub> e		
		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
SCC	1,256,487	1,237,099	1,932	17,456
Mexico (MM)	710,018	700,343	1,137	9,946
Peru (SPCC)	546,470	538,164	795	7,510



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SCC emissions from fuel consumption in fixed combustion sources by type of gas				
SASB SASB EM-MM-110a.1				
Subsidiary	tCO <sub>2</sub> e	tCO <sub>2</sub> e		
		CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O
SCC	452,196	450,431	459	1,305
Mexico (MM)	281,203	280,903	145	155
Peru (SPCC)	170,993	169,528	314	1,151

The total electricity consumption of Grupo México in 2022 was 7,333,790 MWh (26,401,643 GJ), with SCC representing 87.6% of this total.

Electricity

GRI 302-1, 302-4 | TCFD MYO-A

Electricity consumption by country, 2019-2022									
GRI 302-1									
Subsidiary	2022		2021		2020		2019		Variance 2022-2021 (%)
	MWh	GJ	MWh	GJ	MWh	GJ	MWh	GJ	
SCC	6,429,880	23,147,567	6,197,593	22,311,336	6,471,116	23,296,017	6,275,785	22,592,824	3.7%
Mexico (MM)	4,154,162	14,954,985	3,889,496	14,002,186	4,187,449	15,074,817	4,058,243	14,609,676	6.8%
Peru (SPCC)	2,275,717	8,192,582	2,308,097	8,309,150	2,283,667	8,221,200	2,217,541	7,983,148	-1.4%



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2022 Electricity consumption by source (in MWh)											
GRI 302-1 SASB EM-MM-130a.1											
Subsidiary	Renewable sources					Non-renewable sources					Totals (renewable + non-renewable sources)
	Generated on site	Supplied by the Infrastructure Division (El Retiro)	Supplied by the grid (unrelated third parties)	Subtotal renewable sources	Subtotal renewable sources (%)	Generated on site	Supplied by the Infrastructure Division	Supplied by the grid (unrelated third parties)	Subtotal non-renewable sources	Subtotal non-renewable sources (%)	
SCC	19,664	19,199	1,410,033	1,448,896	23%	50,372	3,051,926	1,878,686	4,980,984	77%	6,429,880
Mexico (MM)	0	19,199	0	19,199	0.46%	50,372	3,051,926	1,032,666	4,134,964	99.54%	4,154,162
Peru (SPCC)	19,664	0	1,410,033	1,429,697	63%	0	0	846,020	846,020	37%	2,275,717

23% of the electricity SCC consumes comes from renewable sources. The majority of the electricity consumed by our mine operations in Peru comes from renewable sources (63%).

SCC grid power		
SABS EM-MM-130a.1		
Subsidiary	% electricity supplied by the grid	% electricity supplied off the grid
SCC	51.15%	48.85%
Mexico (MM)	24.86%	75.14%
Peru (SPCC)	99.14%	0.86%

2022 NOx and SOx emissions - SCC

Subsidiary	NOx emissions (metric tons)	SOx emissions (metric tons) from the grid
SCC	23,432	38,100
MM	11,486	10,519
SPCC	11,946	27,581



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2022 Scope 2 Emissions (tCO<sub>2</sub>e)

Subsidiary	Market-Based				Location-Based			
	2022	2021	2020	2019	2022	2021	2020	2019
SCC	610,324	430,507	607,377	604,965	1,644,120	810,382	887,733	934,376

2022 Scope 3 Emissions (tCO<sub>2</sub>e)

Category	SCC	Mexico	Peru
1. Purchased goods and services	1,596,520	910,666	685,854
2. Capital goods	554,784	279,494	275,290
3. Fuel and energy usage (WTT)	847,996	571,304	276,691
4. Upstream transportation and distribution	191,274	189,391	1,883
5. Waste	65,324	64,308	1,016
6. Business travel (flights)	1,446	325	1,122
7. Employee commuting	146	146	-
9. Downstream transportation and distribution	374,328	321,443	52,885
10. Processing of products sold	1,896,669	1,278,697	617,972
13. Downstream leased assets	-	-	-
<b>Total</b>	<b>5,528,486</b>	<b>3,615,774</b>	<b>1,912,712</b>

The total Scope 3 emissions in 2022 were 5,528 ktCO<sub>2</sub>e. The three main categories for SCC are: processing of products sold, purchased goods and services, and fuel and energy usage, representing 34%, 29% and 15% of the total Scope 3 emissions, respectively.



6.1 Climate Change

SCC total emissions by scope, subsidiary and country (ktCO <sub>2</sub> e)				
GRI 305				
	Direct emissions (Scope 1)	Indirect emissions from electricity consumption (Scope2)	Emissions from our value chain (Scope 3)	Total emissions
SCC	1,999	610	5,528	8,138
Mexico (MM)	1,282	437	3,616	5,335
Peru (SPCC)	717	173	1,913	2,803

Considering the three scopes, SCC's mining operations in Mexico represent the primary source of our emissions (65.5%). Scope 3 emissions account for 68% of SCC's total emissions.

At Grupo México, we have been operating mitigation projects for several years, particularly related to energy. Initiatives in Mexico like the El Retiro Wind Farm in the state of Oaxaca and cogeneration at the Processing Plant in Nacozari have increased our consumption of renewable energy and reduced our emission intensity. Additionally, third parties supply renewable energy to our operations in Peru. These efforts have reduced our corporate carbon footprint by avoiding the emission of greenhouse gases (GHG) each year. These achievements are summarized in the following table, which includes the avoided emissions in 2022 (including mitigation projects implemented in prior years) and the emissions that will be reduced when the Fenicias Wind Farm starts operations.

Summary of avoided emissions in 2022 by mitigation and renewable energy measures				
Division	Project	Type	Avoided consumption (MWh/year)	Avoided emissions <sup>23</sup> (ktCO <sub>2</sub> e/year)
<b>Projects implemented in prior years</b>				
SPCC (AMC)	Power purchased from the grid	Renewable hydroelectric power	1,429,697	745.44
MM (AMC)	METCO	Cogeneration (reusing smelter gases to generate electricity)	50,372	*
Grupo México	El Retiro	Wind power	29,641	12.89
<b>Total (ktCO<sub>2</sub>e/year)</b>				<b>758.34</b>
Infraestructure	Fenicias	Renewable energy - 168 MW Wind Farm	.	250 (future)

The preliminary estimate of the emissions reduction is 21.91 ktCO<sub>2</sub>/year. We're working on a methodology to calculate and align the final reductions associated with this project to a specific reduction protocol developed and approved by expert institutions.

The scenarios established to estimate the emissions reduction were prepared by Grupo México from a conservative perspective and are currently not aligned to a specific protocol or guide. The projects presented have not undergone a verification process to validate the methodology, principles and assumptions used in the scenarios established to estimate the emissions reduction.



6.1 Climate Change

Southern Copper Corporation (SCC) emission reduction targets

Term	SCC Targets	Principal initiatives to achieve the target
2027	8%	<ul style="list-style-type: none"> <li>Operate the Fenicias Wind Farm in Mexico</li> <li>Develop energy efficiency projects in Peru</li> </ul>
2035	40%	<ul style="list-style-type: none"> <li>Increase the consumption of renewable energy in Peru</li> <li>Favor renewable electricity for new mine projects</li> <li>Start the electrification of mine trucks</li> <li>Continue developing energy efficiency projects at our operations</li> </ul>
2050	Zero net emissions	<ul style="list-style-type: none"> <li>All mine trucks electrically-powered or using clean fuels</li> <li>Favor renewable electricity for all SCC mine projects</li> </ul>

With others, we collaborated with the International Copper Association (ICA) to lay out a global roadmap to reduce emissions in our industry, known as the "Global Copper Decarbonization Roadmap." The results of this initiative have strengthened our own climate strategy and helped us to define an emissions reduction roadmap for SCC, aligned with Grupo México's work in this area. For more information about the roadmap, consult the [2022 Sustainable Development Report](#).



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# 6.2

## Water and Effluents





## 6.2 Water and Effluents

### 6.2 Water and Effluents

Water is an essential resource for sustainable development. Economic activities, ecosystems and humans depend on its availability and quality.

Water is so important to sustainability that the United Nations (UN) has explicitly recognized the human right to water and sanitation since 2010, affirming these are essential rights that underlie all other human rights.

SCC's management of water and effluents is the same as that applied throughout the Grupo México Mining Division. For more information, consult the 2022 Sustainable Development Report.



Ite Wetlands, Tacna, Peru



6.2 Water and Effluents

SCC Historic Water Consumption (withdrawal, discharges and consumption)

		SCC					Mexico					Peru				
		2022	2021	2020	2019	2018	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
GRI 303-3 Fresh water withdrawn in Megaliters (ML)	Surface water	33,239	36,494	37,348	33,982	39,630	18,835	21,099	21,537	18,408	24,414	14,404	15,395	15,810	15,574	15,216
	Groundwater	71,794	75,780	75,405	75,129	76,483	38,057	39,008	39,409	38,648	39,978	33,737	36,772	35,996	36,481	36,506
	Sea water	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Water produced	1,615	942	691	627	843	822	168	0	0	0	793	774	691	627	843
	From third parties	65	65	67	1,494	23	16	16	24	15	12	49	49	43	10	10
	Total water withdrawn in ML	106,714	113,281	113,511	111,232	116,979	57,731	60,291	60,970	57,071	64,404	48,983	52,990	52,540	52,692	52,575
GRI 303-4 Water discharged in Megaliters (ML)	Surface water	227	50	40	59	0	227	50	40	59	0	0	0	0	0	0
	Groundwater	0	166	156	141	0	0	166	156	141	0	0	0	0	0	0
	Sea water	1,263	1,510	983	1,368	0	0	0	0	0	0	1,263	1,510	983	1,368	0
	From third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total water discharged in ML	1,490	1,726	1,179	1,568	0	227	216	196	200	0	1,263	1,510	983	1,368	0
Consumption of recycled or reused water in Megaliters (ML)		307,169	328,646	322,583	312,282	263,077	188,880	201,536	197,576	191,170	164,997	118,289	127,110	125,007	121,113	98,080
GRI 305-5 Total water consumption in Megaliters (ML)		412,393	440,201	434,915	421,946	380,056	246,384	261,611	258,350	249,510	229,401	166,009	178,590	176,564	172,437	150,655

Climate change represents a threat to the stability of the water cycle and the availability of this resource, while increasing the vulnerability of our operations and the communities we interact with every day. Because of this, we take considerable care to understand, prevent and better address the risks associated with water management, both at our sites and for the basins and watersheds where we operate, involving various stakeholders, principally our communities.

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# 6.3 Biodiversity

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## 6.3 Biodiversity

### 6.3 Biodiversity

As part of Grupo México, at SCC we understand the importance of conserving and protecting the biodiversity and the ecosystems at and around our sites. We work responsibly to avoid, insofar as possible, impacting the biodiversity from our projects and operations. In support of these efforts, we have prepared a Biodiversity Management Protocol for the Mining Division, applicable also to SCC. This protocol sets roles and responsibilities to ensure the biodiversity related to our activities is properly managed.

The Grupo México materiality analysis identified the Mining Division, and by extension SCC, as being the most relevant of Grupo México's three divisions in terms of biodiversity. Mines tend to be in remote, and sometimes environmentally sensitive, areas. If mining activities are not conducted responsibly, they may cause long-term harm to the biodiversity. Our organizational structure supports efficient biodiversity management at the local level, at each site, which is supervised by the Environmental Affairs Department in each country.

Our Environmental Policy sets out our commitment to achieving a positive net impact on biodiversity, while our Code of Conduct for Suppliers, Contractors and Relevant Business or Commercial Partners involves our value chain in the management of this priority topic.

We identify the risks to biodiversity before embarking on a new project, through environmental impact assessments, and we have identified sensitive areas and species or with high biological

value around our mine operations. We have also identified threatened species, as classified by the IUCN Red List and national legislation, whose habitats lie within the areas of influence of our operations.

Our ISO 14001 certified environmental management systems help us to identify, prevent and, where necessary, mitigate the impacts our operations may cause, and we have seven biodiversity management plans at the sites where biodiversity management is most relevant. We are working on preparing plans for our operations in Peru by the end of 2023.

Our reforestation program is one of Grupo México's emblematic environmental programs, focusing primarily on SCC operations in Mexico. Our nurseries and greenhouses have an extensive plant production capacity. We produced 5,849,378 specimens in 2022 (18% more than in 2021).

We have set as a goal to reverse the net biodiversity and to be net positive by 2030, with our positive impacts outweighing the negatives.

We recently received Wildlife Habitat Council (WHC) certification for the conservation efforts of our Buenavista del Cobre Wildlife Conservation Center in the gene recovery, behavioral rehabilitation and reintroduction of the Mexican Gray Wolf (*Canis lupus baileyi*), as part of the Mexico-USA Binational Conservation Program for the Mexican Gray Wolf.

See pages 304-310 of the [2022 Sustainable Development Report](#) for more information about the next steps in this area, including the efficacy of our processes and measures, objectives, lessons learned and specific actions in:

- Ite Wetlands, Peru

- The Mexican wolf repopulating in the forests of Mexico and the Buenavista del Cobre Wildlife Conservation Center in Cananea, Mexico
- Conservation of bat populations in Chihuahua, Mexico
- Recovery of habitats and environmental services in Sonora, Mexico
- La Cabellera: voluntary conservation of nearly 9,900 acres (4,000 hectares) of ecosystems in Mexico.



6.3 Biodiversity

**IUCN red list threatened species and national conservation list species with habitats in areas affected by operations<sup>1</sup>**  
(GRI 304-4)

MM (MEXICO)					
Site	Buenavista del Cobre	Charcas	La Caridad	Metalúrgica del Cobre	Lime Plant
Inside high biodiversity or protected areas	Ramsar <sup>8</sup> No. 2044 Ajos-Bavispe ecosystem, area of influence San Pedro River Basin RTP <sup>9</sup> -41 Cananea-San Pedro AICA <sup>10</sup> No. 126, Western Sierra Madre systems KBA <sup>11</sup> Western Sierra Madre mountain system	KBA Sierra Catorce	RTP-44 Bavispe-El Tigre AICA No. 126, Western Sierra Madre systems KBA Western Sierra Madre mountain system	RTP-44 Bavispe-El Tigre AICA No. 126, Western Sierra Madre systems KBA Western Sierra Madre mountain system	AICA No. 38 Western Sierra Madre mountain system KBA Western Sierra Madre mountain system
Adjacent to high biodiversity or protected areas (1.25 mi / 2 km)	No	No	ANP <sup>12</sup> Bavispe flora and fauna protection area	RTP-42 Sierras Los Ajos – Buenos Aires – La Púrica	No

IUCN Red List (IUCN Classification)	Mexico							Peru				Total SCC
	Buenavista del Cobre	Charcas	La Caridad	Metalúrgica del Cobre	Lime Plant	San Martin	Santa Barbara	IUCN Classification	Cuajone	Ilo	Toquepala	
Vulnerable	3	0	1	1	0	0	0	Vulnerable	2	1	1	9
Endangered	0	2	0	1	0	0	0	Endangered	0	1	2	6
Critically Endangered	0	0	0	0	0	0	0	Critically Endangered	0	0	0	0
Extinct in the Wild	0	0	0	0	0	0	0	Extinct in the Wild	0	0	0	0
National Lists	NOM-059-SEMARNAT-2010							Supreme Decrees 004-2014 & 046-2006				SCC
Threatened	23	12	5	8	3	7	6	Endangered	1	6	4	75
In danger of extinction	7	2	2	2	0	0	0	Critically Endangered	2	0	3	18
Probably extinct in the wild	7	0	0	0	0	0	0	Extinct in the Wild	0	0	0	7
Subject to special protection	40	26	9	9	6	14	11	Vulnerable	7	5	6	133

<sup>1</sup> Consult the list of threatened species on our sustainability website.

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# 6.4 Waste

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6.4 Waste

6.4 Waste

Given the nature of our operations at Southern Copper Corporation, our mining activities generate the most waste. Mine waste is produced by the extraction and processing of ore and can potentially produce acid drainage and contain some metals in concentrations that would require special handling and disposal to prevent impacts on the environment. This waste tends to occupy significant tracts of land that need to be properly reintegrated into the natural landscape.

SCC's management of mine waste is the same as that applied throughout the Grupo México Mining Division. For more information, consult the [2022 Sustainable Development Report](#).

SCC Mine Waste

SCC mine waste produced			
	SCC		
	2022	2021	2020
Slag and other smelter and refinery waste (t)	1,716,589	1,562,781	1,696,791
Rock waste or overburden (t)	421,956,829	369,191,458	262,016,100
Tailings (t)	171,649,329	179,797,989	178,462,310
<b>Total mine waste (t)</b>	<b>595,322,747</b>	<b>550,552,228</b>	<b>442,175,201</b>

Assessment of the potential of SCC mine waste to generate acid drainage

Site:	Produced rock volume capable of creating ARD (t)
<b>Mexico</b>	
Buenavista de Cobre (BVC)	<b>140,916,671.00</b>
OMINA (La Caridad)	42,039,843.00
<b>Peru</b>	
Toquepala	100,379,235.00
Cuajone	94,777,706.00



6.4 Waste

Waste sent for recovery

SCC					
SCC		Mexico		Peru	
Non-hazardous	Hazardous	Non-hazardous	Hazardous	Non-hazardous	Hazardous

Responsible waste management is an essential part of our sustainable development strategy. Both Grupo México and SCC align with United Nations Sustainable Development Goal 12 to reduce the waste we produce and promote reuse and repurposing.

GRI 306-2 Waste by type and disposal method (Ton)

Waste sent for recovery

Reuse	3,969	453	3,969	54	0	399
Recycling	109,543	11,544	109,375	9,395	168	2,149
Composting	1,634	0	1,342	0	292	0
Repurposing or restoration	0	0	0	0	0	0
Sale	38,818	18,465	23,273	17,752	15,545	713
Other* (co-processing, leaching heaps)	5,450	254	5,450	254	0	0
<b>Total waste for recovery (Ton)</b>	<b>159,414</b>	<b>30,717</b>	<b>143,409</b>	<b>27,455</b>	<b>16,006</b>	<b>3,262</b>

Waste sent for final disposal

Incineration with energy recovery	0	2,058	0	2,058	0	0
Incineration without energy recovery	0	25	0	10	0	15
Sent to disposal sites or impoundments	2,772	3,515	562	1,336	2,210	2,179
Sent to controlled landfills	18,394	4	12,161	4	6,234	0
Well injection	0	0	0	0	0	0
Other (disposal en situ, uncontrolled landfills)	3,678	42,572	90	42,566	3,589	6
<b>Total waste sent for final disposal</b>	<b>24,844</b>	<b>48,175</b>	<b>12,812</b>	<b>45,974</b>	<b>12,032</b>	<b>2,200</b>
<b>Total waste (Ton)</b>	<b>184,258</b>	<b>78,891</b>	<b>156,221</b>	<b>73,429</b>	<b>28,038</b>	<b>5,462</b>