

# COMMUNITY ENGAGEMENT PROTOCOL

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## I. Introduction

For Grupo México, it is a priority to be a good neighbor in the communities where we operate. Together with the communities, we have the opportunity to collaborate in social and economic development towards common goals and support the achievement of the United Nations Sustainable Development Goals. Therefore, we believe that community development should be based on transparency and trust, promoting long-term relationships.<sup>1</sup>

## II. Objectives

Ensure the well-being of communities near our operations at each stage of our business, maintaining active engagement based on listening, communication, participation, and addressing grievances. Additionally, we aim to improve the quality of life of people by promoting economic and human development, with the community at the center of its own progress and fostering links with authorities and institutions.

## III. Scope

This protocol applies to all operational units, projects, personnel, and business partners of Grupo México's Mining Division, across all countries where it operates.

It encompasses the entire lifecycle of operations, from planning, design, exploration, project preparation, development, closure, and post-operation.

## IV. Principles

Our primary task is to strengthen the company's operations and enhance the quality of life in the communities where we operate, always recognizing that people drive development. We aim to prevent, mitigate, or remedy potential negative effects while maximizing positive impacts.

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<sup>1</sup> For more information, please refer to the General Sustainable Development Policy and the Community Development Policy.

Our values guide us as follows:

- **Trustworthy Relationships:** Empathizing and maintaining closeness.
- **Participative Communication:** Promoting open and transparent dialogue as the primary tool to identify common points of agreement that allow us to generate plans and programs for mutual benefit.
- **Inclusion:** Listening to the ideas and needs of different groups within a community, considering diversity in terms of age, gender, native language, and specific needs.
- **Shared Responsibility:** Recognizing each individual as a protagonist in their personal development and their environment. We believe positive transformations are possible when individuals contribute their skills, knowledge, and experiences to the community, with both the company and the community participating together.
- **Transparency:** Ensuring clear and accessible sharing of relevant information with stakeholders.

Our social management and community development model is divided into three stages:

- **Responsible Coexistence:** Establishing harmonious and lasting relationships with the communities where we operate through open communication and engagement tools to listen to and address the concerns and demands of the population ensuring timely responses and attention.
- **Economic Development:** Creating job opportunities, local sourcing and investments in social infrastructure (such as water and schools) to regenerate, strengthen, and build social fabric and improve the standard of living in the communities.
- **Human Development:** Creating spaces to strengthen social fabric, build trust, and enhance the quality of life in the communities where we are present.

## V. Commitments

1. Ensure that operations coexist sustainably with communities.
2. Continuously listen to and engage in dialogue with communities through diverse and transparent communication and consultation mechanisms.
3. Provide timely and adequate information to our stakeholders.
4. Promote projects based on shared responsibility that benefit the communities where we operate.
5. Develop voluntary initiatives that benefit people in communities near our operations.
6. Act as an ally to communities and local governments in emergency situations.
7. Promote economic and social development in the areas where we operate, fostering capacity building to promote local employment and sourcing. We work jointly with local stakeholders and authorities to address health, education, and urban development gaps, and we promote cultural and sports programs.
8. Respect the cultural and economic practices of the communities where we operate, promoting respect for human rights, with special attention to identification of indigenous groups, farmers, and artisanal and small-scale miners in accordance with applicable legislation.

9. Promote environmental and health care by collaborating with governments and civil society on strategies that contribute to these areas, focusing on water projects, sanitation, and waste management initiatives.

## VI. Tools

Among the management and community participation tools to be considered are:

- a. **Social diagnostics;**
- b. **Stakeholder maps;**
- c. **Social management plans;**
- d. **Indigenous community engagement protocols;**
- e. **Social risk matrix;**
- f. **Mechanisms for community engagement;**
- g. **Community development programs;**
- h. **Closure plans focusing on social aspects;**
- i. **Social impact assessments.**

## VII. Knowledge Bases

Each operational unit and project are responsible for maintaining a reliable and verifiable repository of information supported by a due diligence process<sup>2</sup> for effective management. This includes social diagnostics, stakeholder maps, and protocols for engaging with indigenous communities, which must encompass studies, data collection, and evidence of actions taken (results, photos, videos) as substantiation.

Knowledge bases will be updated biennially and made accessible for consultation.

### VIII-1. Participatory Social Diagnostics<sup>3</sup>

The Participatory Social Diagnosis involves analyzing the community context through documentary, observational, qualitative, statistical, and participatory research conducted jointly by the company and the community. It serves as the basis for outlining community engagement strategies, taking into account actions by local authorities in communities where we operate.

It covers various aspects for identifying community needs and issues such as water, biodiversity, education, social welfare, quality of life, health, safety, culture, sports, gender equality, economic development, and other relevant aspects.

### VIII-2. Stakeholder Map

The Stakeholder Map consolidates all official, non-governmental, and civil society institutions operating within the community. Its update serve as a primary source of information for defining institutional collaboration and engagement processes.

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<sup>2</sup> For more information, please refer to the General Human Rights Policy

<sup>3</sup> For more information, please refer to Internal Procedure 01 - Social Diagnostics

### VIII-3. Protocol for Engagement with Indigenous Communities<sup>4</sup>

The structure of the Protocol is based on a roadmap outlining the steps to establish a proper relationship with indigenous communities, starting from the initial approach, mechanisms for participation, agreements and follow-up procedures, as well as basic consultation tools, formats, and culturally appropriate recommendations.

The main objective of the Protocol is to raise awareness, train, and guide the actions of employees, contractors, and suppliers of the company, providing them with necessary tools for engaging with indigenous populations near operations while respecting their worldview, culture, and identity.

### VIII-4. Social Risk Matrix

Social risks are adverse and uncertain factors, both external and internal, present in the environment where the company operates, which can impact its operations and/or nearby communities. Therefore, it is crucial to identify and assess their likelihood and potential impact through a due diligence process.

This ongoing management process enables the identification, prevention, mitigation, and response to potential adverse impacts on human rights directly related to operations, as well as minimizes exposure to potential social risks.

To effectively manage these risks, a matrix is used to evaluate, classify, manage, and monitor them based on their likelihood, impact, and severity, in order to determine and prioritize actions for mitigation.<sup>5</sup>

## VIII. Plans and Programs

Taking into account the knowledge base and with the aim of establishing a shared responsibility relationship with the community, each operational unit must develop a **Social Management Plan**<sup>6</sup>, which includes the following elements:

### IX-1. Community Engagement Mechanisms

In compliance with the principles of human rights due diligence, the following communication and participation mechanisms should be implemented, tailored to the context of each community:

- a. Community Care Service<sup>7</sup>:** A mechanism for timely and effective guidance and assistance for community concerns, requests, and complaints regarding the

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<sup>4</sup> For more information, please refer to the General Policy on Respect for the Rights of Indigenous Peoples and Communities and the Internal Protocol for Grupo México's Engagement with Indigenous Communities

<sup>5</sup> If a project or operation involves resettlement actions, please consult the Corporate Resettlement Policy

<sup>6</sup> All engagement mechanisms, programs, and services outlined in the Social Management Plan, such as community service centers, job training programs, sports, culture, education, among others, are offered to the general community, including indigenous populations and those engaged in artisanal and small-scale mining (ASM)

<sup>7</sup> For more information, please refer to Internal Procedure 02 - Community Care Service

company's activities or properties. This serves to strengthen dialogue and trust based on respect for human rights and the principle of responsible coexistence.

**b. Community Committee<sup>8</sup>:** Groups comprised of representatives from health, education, business, youth, vulnerable groups, equity, and gender perspectives. Their main function is to serve as the citizen link between the community and the company, defining priority issues, participation mechanisms during social assessments and diagnostics, accountability, and evaluation of the company's social projects.

**c. Participatory Monitoring and Environmental Surveillance Committee (according to applicable legislation in each country):** Mechanisms of citizen participation composed of civil society leaders, authorities, and company representatives. In Peru, they actively participate in quarterly environmental monitoring established in the environmental impact studies of mining projects, in accordance with applicable legislation.

**d. Community Dialogues<sup>9</sup>:** A continuous program based on the due diligence criterion of "*community information needs*", implemented under the following conditions:

- The company is about to start a project or activity of common interest to various social sectors or that may impact the community.
- Due to operational processes, there are constant impacts on the community.
- There is a need to clarify information in the public opinion related to the company's activities, identified through media outlets, social networks, community logs, or recurring complaints and concerns.

This mechanism involves various actions and tools, such as visits and meetings with different authorities and/or stakeholders, and dissemination of information through local media (in coordination with the Communication and Outreach team of the Community Development Directorate).

The deployment of these mechanisms should consider, where applicable, the perspective of the following social groups, prioritizing the principles of diversity and inclusion:

**1. Indigenous populations:** Recognizing the multicultural and multilingual nature of the countries where we operate, our premise is to respect the human rights of indigenous populations in line with the United Nations Declaration on the Rights of Indigenous Peoples and International Labour Organization (ILO) Convention 169.

**2. Artisanal mining:** We acknowledge artisanal and small-scale mining (ASM) as any activity adhering to applicable legislation, complying with labor and environmental laws in the extractive sector. It is common for ASM practitioners to not fully comply with regulations, which can pose risks to themselves and

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<sup>8</sup> For more information, please refer to Internal Procedure 07 - Community Committee

<sup>9</sup> For more information, please refer to Internal Procedure 03 - Community Dialogues

communities through accidents and pollution. Therefore, our commitment is to strengthen our social diagnostics to better understand the underlying causes and forms of this activity, enabling us to design effective approaches to address them.

**3. Other minority groups** that may be applicable in specific cases.

## IX-2. Social Programs

Complementing the defined communication and participation mechanisms, the implementation of social programs should be considered, outlined below without being exhaustive, and defined according to the social diagnostics of each site:

**a. Social Programs<sup>10</sup>:** These are coordinated by the company in close collaboration with various public and civil society organizations, based on findings from knowledge bases and aligned with applicable operational axes and material themes. The catalog of social programs includes 11 social, environmental, and economic aspects defined through social diagnostics analysis. These aspects encompass environmental management and impact, water access and management, development of energy projects for domestic use, health impacts, improvement of basic education quality, civil security, disaster risk prevention, opportunities generation (employment/supply chain), community infrastructure development, gender equity, and training in regional economic vocations (agriculture, tourism, etc.).

**b. Forging Future:** This comprehensive program aims to contribute to economic development and inclusion of the economic benefits generated by the company in communities, strengthening local capacities of individuals and businesses through employment and supply chain opportunities. It consists of three main components, including specific modalities with a gender focus: employment, economic diversification, and supplier strengthening. The scope and offering of workshops and courses in each community are defined in collaboration with specialized institutions, considering identified needs from participatory diagnostics, perspectives of Community Committees, local associations and institutions, and specific profile and competency requirements from operational unit areas.

**c. Projects through Calls for Proposals<sup>11</sup>:** Social and/or productive projects funded through an investment fund provided by the company, aimed at promoting shared participation and responsibility that contributes to innovative alternatives for community development and well-being. These projects are evaluated and approved by the Community Committee and implemented jointly by the community and the company.

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<sup>10</sup> For more information, please refer to Internal Procedure 06 - Social Programs

<sup>11</sup> For more information, please refer to Internal Procedure 08 - Projects through Calls for Proposals

**IX-3. Closure Social Aspects<sup>12</sup>**

The social closure of operational units generally encompasses four stages:

- a. Temporary Suspension of Activities:** Occurs when there is a possibility of operational shutdown due to external factors (blockades, protests, strikes) or internal factors (operational, financial, or regulatory issues).
- b. Progressive Closure:** This scenario excludes contingencies during the production phase, requiring thorough planning to execute closure-related activities.
- c. Final Closure:** Initiates the dismantling process while ensuring the existence of a robust community capital, fostered by the continuity of the Social Management Plan, capable of addressing potential needs of the population and various stakeholders.
- d. Post-Closure Monitoring and Maintenance:** After completing dismantling and site abandonment processes, social programs focusing on capacity development, economic diversification, and community engagement mechanisms should continue for up to 10 years. This ensures the transfer of a sustainable social legacy to individuals, authorities, and social organizations.

For each scenario, the community participation mechanisms and social programs of the Social Management Plan should address four objectives with specific activities tailored to the context of each community:

Components of the Social Management Plan	Objective	Main Activities
Participation Mechanisms	Stakeholder engagement	<ul style="list-style-type: none"> <li>• Dialogues and engagement with community groups, institutions, authorities, and associations</li> <li>• Integration of Community Committee for Operation Closure</li> <li>• Monitoring of Community Care Service (CCS) for addressing complaints and concerns</li> <li>• Relationship with media</li> </ul>
Social Programs	Development and strengthening of capacities	<ul style="list-style-type: none"> <li>• Competency analysis for professional growth of staff</li> <li>• Educational and technical training programs</li> <li>• Certification of technical skills</li> </ul>
	Economic diversification	<ul style="list-style-type: none"> <li>• Programs for diversification of productive activities</li> <li>• Financial education program and business incubation</li> </ul>

<sup>12</sup> For additional information regarding environmental closure processes, please refer to the Operations Closure Protocol

		<ul style="list-style-type: none"> <li>• Entrepreneurship and micro-small business workshops</li> <li>• Promotion and strengthening of regional value chains</li> </ul>
	Reuse of infrastructure and materials	<ul style="list-style-type: none"> <li>• Inventory of unit spaces suitable for restoration for community use</li> <li>• Restoration projects</li> <li>• Local infrastructure works</li> <li>• Development of co-responsibility mechanisms for allocation of materials, equipment, and supplies</li> </ul>

The results of these activities must be documented and used as inputs for the periodic update of knowledge bases, in order to consider and monitor related risks and impacts, and to take into account the perspectives, needs, and concerns of different social groups.

**IX. Budget**

Each business unit will integrate an annual operational program containing the estimation of financial resources needed to implement actions that allow achieving the objectives and commitments outlined in our Community Development Policy and this community engagement protocol.

**X. Execution<sup>13</sup>**

For all operations and projects initiating community engagement, units will conduct due diligence processes identifying areas of influence and the risk matrix, as well as conducting a participatory social diagnosis.

Based on the integration of these knowledge bases, they will generate a social management plan which, as a starting point, aims to prevent and minimize significant adverse impacts on communities, with a focus on human rights, establishing mechanisms for open and participatory dialogue and listening to the population to address, remedy, and appropriately compensate in coordination with relevant internal areas, as applicable by their nature. The plan will also describe the economic and human development programs to be implemented in the neighboring community(ies).

Social management will be executed in full compliance with applicable legislation in each country, considering the best existing practices.

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<sup>13</sup> For more information, please refer to Internal Procedure 05 - Quality Management



### Key performance indicators<sup>14</sup>

Key performance indicator	Responsible
Timely updating of knowledge bases <sup>15</sup>	Site Coordination
Degree to which relationship mechanisms were used to address complaints and concerns	Site Coordination
Number and description of complaints and concerns received through relationship mechanisms	Site Coordination
Degree of implementation of community dialogues	Site Coordination
Performance of the annual social management plan - social programs	Site Coordination
Amounts of investment allocated to social programs and projects	Site Coordination / Community Development Director
Amounts of investment allocated to infrastructure and community projects	Site Coordination / Community Development Director
Timely update of the activities for social closure of operations	Site Coordination / Community Development Director
Certifications granted by national and international organizations	Site Coordination

## XI. General Supervision

The supervision of community engagement management is the responsibility of the Corporate Community Development Directorate of the Mining Division. This task will be carried out through reports on the progress of annual work programs and in accordance with the periodicity of updates outlined in this protocol.

Tool	Site Coordination	Unit Management	Regional Community Development Management	Community Development Director	Sustainable Development Director
<b>Social Diagnostics</b>	(E) Biennial	(V) Biennial	(A) Biennial	(A) Biennial	
<b>Stakeholder Map</b>	(E) Annual	(V) Annual	(A) Biennial	(A) Biennial	
<b>Indigenous Community Engagement</b>	(E) Biennial	(V) Biennial	(A) Biennial	(A) Biennial	
<b>Risk Matrix</b>	(E) Quarterly	(V) Quarterly	(V) Quarterly	(A) Annual	
<b>Social Management Plan:</b>					
<b>a) Engagement mechanisms</b>	(E) Annual	(V) Annual	(V) Annual		
<b>b) Social programs</b>	(E) Annual	(V) Annual	(V) Annual	(A) Annual	

<sup>14</sup> The performance indicators report should include a breakdown for indigenous populations and those engaged in artisanal and small-scale mining (ASM), as well as details of actions related to human rights, economic diversification, land use, customary rights, and significant risks and impacts.

<sup>15</sup> Knowledge bases are resources that contain relevant information about communities, including both quantitative and qualitative data. These bases are used to develop social projects.

<b>c) Closure related activities</b>	(E) Quinquennial		(V) Quinquennial	(A) Quinquennial	
<b>Budget</b>	(E) Monthly	(V) Quarterly	(E) Quarterly	(V) Annual	(A) Annual
<b>Performance report</b>	(E) Monthly	(V) Monthly	(V) Semi-annual	(V) Annual	(V) Annual
<b>Social Impact Assessments (in Peru)</b>	(E) Biennial	(A) Biennial	(V) Biennial		
<b>Certification / Verification Processes</b>			(E) Eventual	(V) Eventual	(V) Eventual

Execuon (E) / Verification (V) / Approval (A)

The results of operational and corporate supervision and validation should be considered for the continuous improvement of the tools and processes outlined in this Protocol.

## **XII. Report<sup>16</sup>**

The performance in community relationship management will be reported and reviewed in accordance with community development procedures. The Community Development Directorate must submit an annual report on its actions to the Sustainable Development Directorate, as well as periodically or upon request from internal and external governance bodies and stakeholder groups.

## **XIII. External Verification**

The successful implementation of community relationship plans and programs may be evaluated annually by an external auditor.

<sup>16</sup> For more information, please refer to Internal Procedures 10 - Operation of the Impact Management System / 11 - Evidence Management