



FIRST MAJESTIC
SILVER CORP.

2021 SUSTAINABILITY REPORT



THE POWER OF SUSTAINABILITY



Welcome to our 2021 Sustainability Report, in which we introduce 'The Power of Sustainability'.

Inside this publication you'll learn about our commitments and performance on the environmental, social and governance (ESG) issues our stakeholders care about the most. We highlight how First Majestic has the power to create positive value and achieve meaningful change through our sustainability efforts.

The data published in this report covers the period from January 1 to December 31, 2021, unless otherwise indicated.

A cautionary note about forward looking information and statements is presented at the end of this report. Unless noted otherwise, all dollars amounts are expressed in U.S. dollars.

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Indexes to this report are available on our website:
www.firstmajestic.com/corporate-social-responsibility/esg-report/

 This symbol acknowledges photos taken by our employees

*The Global Reporting Initiative (GRI) defines material topics as those that represent an organization's most significant impacts on the economy, environment, and people, including impacts to human rights. First Majestic uses the term material topics in alignment with GRI's definition throughout this report, which is structured around the most material topics to our stakeholders.



2021 Sustainability Highlights

EMPOWERING OUR PEOPLE



24.4
AVERAGE HOURS OF TRAINING PER EMPLOYEE



\$206M
PAID IN EMPLOYEE WAGES & BENEFITS

EXPANDED FOCUS ON
EQUITY, DIVERSITY & INCLUSION
THROUGH NEW EDI POLICY, EDI WORKING GROUP AND INVESTMENTS IN WORKPLACE AND COMMUNITY INITIATIVES

SAFEGUARDING HEALTH AND SAFETY



0.23
LOST TIME INJURY FREQUENCY RATE, A 26% DECREASE FROM 2020



0.93
TOTAL RECORDABLE INJURY FREQUENCY, A 2% DROP FROM 2020

LEADING SAFETY PERFORMANCE
AMONG MINING COMPANIES IN MEXICO, BASED ON RANKING COMPILED BY MEXICAN CHAMBER OF COMMERCE

DELIVERING RESPONSIBLE GOVERNANCE



43%
OF DIRECTORS ON OUR BOARD WERE WOMEN



100%
OF OUR MANAGERS COMPLETED ANNUAL ETHICS TRAINING

STRENGTHENING LOCAL COMMUNITIES



\$3M
TOTAL COMMUNITY INVESTMENTS IN MEXICO, UP 36.4% COMPARED TO 2020



\$38M
SPENT TO PURCHASE GOODS AND SERVICES FROM LOCAL BUSINESSES, WITH NEARLY 95% OF OUR PROCUREMENT IN MEXICO FROM WITHIN THE COUNTRY



68%
AVERAGE LOCAL EMPLOYMENT AT OUR MEXICAN AND U.S. OPERATIONS

SUPPORTING ENVIRONMENTAL SUSTAINABILITY



17%
REDUCTION IN TOTAL GHG EMISSIONS AND 10% DECREASE IN GHG EMISSIONS INTENSITY



75%
WATER RECYCLING RATE



100%
OF OUR TAILINGS STORAGE FACILITIES COMPLETED THIRD-PARTY INSPECTIONS



THE POWER OF SUSTAINABILITY

LETTER FROM OUR PRESIDENT AND CEO

“I am proud to introduce to you our 2021 Sustainability Report. On the ESG front, 2021 was another year of solid progress for First Majestic. We continued to demonstrate positive impact and strong sustainability performance.”

DEAR STAKEHOLDERS,

The spotlight on sustainability has reached new levels of prominence, with more companies, governments and communities recognizing that we are at a critical juncture in history. We know this is a time that requires greater resolve and collaboration to tackle the climate emergency, the degradation of ecosystems, persistent social and economic inequities, and escalating public health and safety risks, among other threats to a sustainable future.

For us at First Majestic, we are acutely aware of the need to do our part, to demonstrate our dedication to solving these serious, interconnected issues and driving more socially and environmentally responsible ways of doing business. I am proud to lead a company that has made sustainability a key priority – a guide for our major business decisions and capital allocation. Sustainability is one of our foundational values and a strategic imperative.

I strongly believe that our efforts in 2021 demonstrate our commitment and the *power of sustainability* to build business value, drive positive change for society and deliver long-term benefits for all First Majestic stakeholders.

THE POWER OF STEWARDSHIP

A healthy environment is not only a fundamental human right, it also provides a foundation for long-term, sustainable relationships with our community and government partners. As part of our environmental goals, we continue to reduce our fossil fuel consumption and carbon footprint. It is hard and expensive to do, but it is a crucial aspect of responsible mining, needed to support the world’s transition to a low-carbon future. We are not only delivering a critical metal, silver, for the energy transition, but also, we want to extract it with less environmental impact.

In 2021, we completed the transition from diesel fuel to clean-burning liquefied natural gas (LNG) at Santa Elena. This transition significantly reduced the Company’s annual greenhouse gas emissions (GHG) by 16.5% when compared to 2019. Today, our operations in Mexico are 40% powered by LNG, up from 16% five years ago. At San Dimas, over 50% of the power requirements come from clean, low-cost hydroelectric power, and at La Encantada our main energy source is LNG. In Nevada, the public utility system we rely on is mostly natural gas based, so we are looking at greener options, such as solar to power our recently acquired Jerritt Canyon mine.



Keith Neumeyer
PRESIDENT & CEO

We reported zero environmental incidents in 2021 related to mine tailings across all operational and non-operational mines, and no containment spills occurred. What differentiates First Majestic from many other mining companies is dry-stack tailings at each of our Mexican operations. Dry-stacking allows us to recirculate most of the water back through the process. It is both better for the environment and reduces the risk of catastrophic dam failures. For the recently acquired Jerritt Canyon mine, the Company is assessing different options for future tailings storage facilities, including dry-stacking.

THE POWER OF PEOPLE

Across our sites, facilities and offices, we continue to grow as an organization, for which I am most grateful. We take a lot of pride in our team, inclusive culture and open-door environment, and continually push ourselves to get better at what we do, supported by significant investments in our workforce.

In 2021, we achieved another consecutive year of improvements in our safety performance. For both employees and contractors, our Total Recordable Incident Frequency Rate (TRIFR) was reduced to 0.93, from 0.95 in



2020, and our Lost Time Injury Frequency Rate closed at 0.23 in 2021, compared with 0.31 the previous year.

Our commitments to job creation and local employment are always a priority, and 2021 was no different. Even through the ongoing COVID-19 pandemic, we maintained a similar total size of workforce. The expansion of the Santa Elena mine, and the ramp-up of its Ermitaño deposit, opened more than 500 new direct and indirect jobs, hiring mostly from local communities in Sonora. We also incorporated approximately 290 new direct employees, and 270 indirect employees, from the Jerritt Canyon acquisition.

Continuing our commitment to equity, diversity and inclusion across our workforce, 19% of our new hires were women, including leadership positions. Women now account for 12% of our full-time and direct employees, 43% of our Board of Directors, and 40% of our executive officers.

THE POWER OF COMMUNITY

I believe it is our corporate responsibility to be active within our host communities. We take immense pride in the many positive things our Company does, from transporting kids to school, to collecting local garbage and supporting municipal water and electricity infrastructure. If there is a water leak in town, we will usually get the phone call asking for help, and our team responds with the equipment to fix the problem.

In 2021, our total community investment reached US\$3 million, a 36.4% increase compared to 2020. Access to clean water, irrigation, health services, education programs, economic diversification and culture initiatives remained our local stakeholders' priorities, and we were pleased to support them.

An example of these initiatives is the organic egg farm we built in San Dimas, which has grown nicely for the community. A group of local women are managing the farm, with over 3,000 chickens producing 2,000+ eggs a day, which are being consumed in the immediate community and at our operation. The farm is a small business we are happy to support and also a 'seed experience' we want to expand across other host communities. You can learn more about this project in the Community section.

We also secured two important land access agreements in the past six months in Mexico. These are big wins for First Majestic and our land-owning partners because the agreements secure business continuity and economic development opportunities for our host communities. Land access is always a major challenge for mining firms and at the same time a signal of trust building. It is a constant effort to get permission from the land owners, whether to establish drilling programs or create venting systems for our underground mines. During the year, our engagement model reduced significant complaints by 39% and solved one legacy conflict with a communal landowner organization.

THE POWER OF SILVER

In the year ahead we plan to advance our sustainability strategy. This strategy is designed to guide our business decisions, daily activities and strategic ambitions over the next few years. The Board of Directors is also creating an environmental, social, health and safety committee of the board (the "ESHS Committee"). This new committee will provide more focused oversight of sustainability matters and help drive the type of progress we aspire to achieve, while further embedding sustainability into our Company.

With the launch of these and other planned initiatives, we will take important next steps to accelerate our sustainability journey. We understand that transformative change is required to ensure a livable world for everyone. First Majestic will play our part by integrating sustainability across all spheres of our business. This approach is essential to achieving our vision: to become the largest global primary silver producer, while improving lives and communities in our host regions and increasing shareholder value.

In the bigger picture, silver is essential for industry, especially for new technologies that can reduce GHG emissions, power the world and improve lives through clean water, medical advancements and countless innovations. Silver's utility will only increase in the years ahead. We have an outsized opportunity to supply this strategic metal to a world transitioning to a lower-carbon future.

In closing, I want to express my appreciation and thanks to our entire team – in Mexico, Nevada and Vancouver – for moving us closer to our vision. In this report, we share with you the power of sustainability in motion, as we navigate a path toward a stronger, more resilient tomorrow for our business and our stakeholders.



Keith Neumeyer
President and CEO



ABOUT FIRST MAJESTIC

Headquartered in Vancouver, BC, Canada, First Majestic Silver Corp. ("First Majestic") is a publicly-traded mining company focused on silver and gold production. The Company has grown from one small mine in 2004 to become Mexico's second largest primary silver producer today.

We presently own and operate four producing mines in Mexico and the United States and are one of the industry's fastest-growing silver producers. First Majestic employs more than 5,200 workers across our mines and ranks as one of Mexico's leading employers.



Mine Type	Underground
Employees/Contractors	1,245
Acquired	OCT 2015

SANTA ELENA SILVER / GOLD MINE
Sonora State

Mine Type	Underground
Employees/Contractors	2,031
Acquired	MAY 2018

SAN DIMAS SILVER / GOLD MINE
Sinaloa State

Mine Type	Underground
Employees/Contractors	64
Acquired	MAR 2004 - AUG 2005

DEL TORO SILVER MINE
Zacatecas State

SAN MARTIN SILVER MINE
Jalisco State

Mine Type	Underground
Employees/Contractors	71
Acquired	MAY 2006 - SEP 2006

Mine Type	Underground
Employees/Contractors	572
Acquired	APR 2021

JERRITT CANYON GOLD MINE
Nevada

LA ENCANTADA SILVER MINE
Coahuila State

Mine Type	Underground
Employees/Contractors	688
Acquired	NOV 2006 - MAR 2007

LA PARRILLA SILVER MINE
Durango & Sinaloa States

Mine Type	Underground
Employees/Contractors	58
Acquired	JAN 2004

LA GUITARRA SILVER MINE
Mexico State

Mine Type	Underground
Employees/Contractors	51
Acquired	JUL 2012

In addition to the producing mines and projects in care and maintenance, the Company owns two advanced-stage development silver projects, La Luz Silver Project in San Luis Potosi and La Joya Silver Project in the Durango State, as well as a number of exploration projects.



2021 PRODUCTION

2021 REVENUES (US\$)
\$584.1 MILLION

SILVER EQUIVALENT OUNCES PRODUCED
26,855,783

SILVER OUNCES PRODUCED
12,842,944

GOLD OUNCES PRODUCED
192,353

OUR CUSTOMERS AND PRODUCT MARKETS

The Company assigns silver and gold from its doré sales primarily to one major metal broker. The Company also has streaming obligations for gold and silver from its Santa Elena and San Dimas mines, respectively, which are settled directly with the streaming companies. The Company is a primary silver producer with approximately 52% of its revenue in 2021 from the sale of silver. The Company also maintains an e-commerce website from which it sells a small portion of its silver production directly to retail buyers (business to consumer) over the internet as high quality 0.999% fine silver rounds, ingots, bars and grains. More information included in our [Annual Information Form](#), available at First Majestic's website.

OUR VALUES

TRUST

Act and firmly believe in commitment and dedication to each other.

ACCOUNTABILITY

Take ownership of our responsibilities and meet our commitments.

HONESTY

Always tell the truth and have strong moral principles.

CREATIVITY

Turn new and imaginative ideas into better ways of doing things.

ATTITUDE

Maintain a strong, positive disposition and commit to learn and change.

SUSTAINABILITY

Work to improve the quality of life of the communities where we operate, while using the best practices.

LOYALTY

Be true to our values, and always look after the best interests of our co-workers and families.



OUR VISION

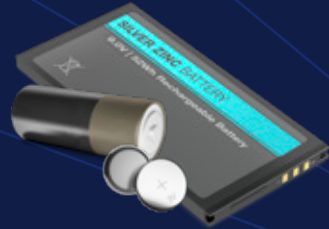
To become the world's largest primary silver producer while improving lives and communities in our host regions and increasing shareholder value.

OUR MISSION

To safely produce profitable ounces and to optimize and grow our mineral resources through ethical, innovative and sustainable practices, through an empowered work force that encourages continuous improvement and permanence of the organization.



BUILDINGS



SILVER OXIDE BATTERIES
USE SILVER OXIDE AS THE CATHODE MATERIAL



DEODORANTS & DETERGENTS
USE SILVER TO ELIMINATE BACTERIA



JET ENGINES AND HELICOPTERS USE SILVER BEARINGS



MEDICINE
SILVER HELPS FIGHT GERMS, AND HAS ANTIBIOTIC PROPERTIES



ELECTRONICS
SILVER SHOWS UP IN ALMOST EVERY ELECTRONIC DEVICE

50.7%
OF SILVER USED IS INDUSTRIAL

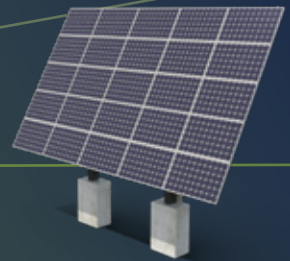


EV CARS USE SILVER FOR:

- Automatic Trunk
- Battery Management
- Braking (ABS, ESP)
- Climate Control
- Cooling Fans
- Engine Management
- Electronic Mirrors
- Electronic Power steering
- Electronic Seat Control
- Electric Sunroof
- Electric Windows
- Fuel Pump
- Headlights
- Heads Up Display
- Infotainment
- LiDAR
- Oil pump
- Starter Alternator
- Start-Stop
- Transmission
- Water Pump
- Wiper System
- Wireless Charging



SILVER IS ESSENTIAL TO GREEN TECHNOLOGY



PHOTOVOLTAIC SOLAR PANELS
CONTAIN UP TO 20G OF SILVER

17.8%
OF SILVER USED FOR JEWELLERY



24.5%
OF SILVER IS AN INVESTMENT



- World Bank Group, 2020, Minerals for Climate Action: The Mineral Intensity of the Clean Energy Transition. pubdocs.worldbank.org/en/961711588875536384/Minerals-for-Climate-Action-The-Mineral-Intensity-of-the-Clean-Energy-Transition.pdf
- International Energy Agency, 2020, Energy Technology Perspectives 2020. iea.blob.core.windows.net/assets/7f8aed40-89af-4348-be19-c8a67df0b9ea/Energy_Technology_Perspectives_2020_PDF.pdf
- International Energy Agency, 2019, Renewables 2019 Report. Analysis and Forecast to 2024. iea.blob.core.windows.net/assets/dc48c054-9c96-4783-9e77-462368d24397/Global_Energy_Review_2019.pdf
- Silver Report, Metal Focus. www.metalsfocus.com

SILVER PROPERTIES:



EFFICIENT ELECTRICAL & THERMAL CONDUCTIVITY



MALLEABLE & DUCTILE



ANTI-BACTERIAL



HIGH REFLECTIVE



2.0

Our Approach To Sustainability





2.1 BUILDING A SUSTAINABLE FUTURE

Q&A WITH OUR CHIEF OPERATING OFFICER

Q What sustainability trends are having an impact on First Majestic and the mining industry?

A 2021 reminded us, yet again, that we are living in times of immense change and challenges for all people, communities and businesses. The world faces growing socio-economic and environmental challenges, ranging from climate change and biodiversity loss, to economic and social inequality, and public health crises. We understand the increasing importance our stakeholders place on corporate action to positively address these issues and disclosures related to our performance.

To help create a just, inclusive and sustainable future, mining companies must mine and produce in the most responsible manner possible, while investing in initiatives that create a positive impact in the world. In 2021, First Majestic continued to advance our sustainability performance, community support and ESG reporting.

Q What is First Majestic's approach to sustainability?

A We believe that sustainable development is the best long-term approach to conducting business. Since the company's founding nearly two decades ago, First Majestic has built a strong sustainability mindset and culture. Strategic decisions have focused on keeping people safe, protecting the environment, generating meaningful employment and profitable business opportunities, and improving the quality of life for local people and the communities in which we operate.

Our team has learned and improved along the way. We listen to our employees and broader stakeholders on how to achieve an approach that reflects our profit-making mandate as well as our responsibilities to the environment and society. This approach is embedded in First Majestic's mission: to produce profitable silver ounces and to grow our mineral resources through ethical, innovative, and sustainable practices, implemented by an empowered workforce that fosters the permanence of the organization.

Q What inspires you in your role?

A I'm inspired by the positive culture and performance of the First Majestic team to further embed sustainability as an integral part of its processes and create sustainable value in new ways. My position allows me to work directly with the CEO, the leadership team and the Board, all of whom want to scale up sustainability work and impact across the company in the coming months and years. Work on refreshing our sustainability strategy is already underway. It's an exciting time for us because we're convinced that real sustainability action and leadership will positively influence our company's long-term success.

Steve Holmes

Chief Operating Officer



We believe that sustainable development is the best long-term approach to conducting business. Since the company's founding nearly two decades ago, First Majestic has built a strong sustainability mindset and culture.



2.2 OUR SUSTAINABILITY FRAMEWORK

From exploration to reclamation, our sustainability framework aims to increase shared value for our stakeholders over the long-term while reducing risk through all stages of our operations. The framework is guided by international industry best practices and ensures First Majestic follows a structured, effective approach to sustainable development across our operations.

A MULTI-LAYERED APPROACH

Anchored to our vision and mission, First Majestic’s sustainability framework encompasses a number of components, including:

- Sustainability governance mechanisms, including policies and structures.
- Management tools like our Environmental Management System (EMS) and Social Management System (SMS) that define and embed ESG responsibilities, procedures and standards across our sites.
- Stakeholder engagement processes and material ESG topic identification.
- A CSR Strategic Plan, refreshed every three years, that sets out sustainability objectives, focus areas and targets.
- ESG risk management analysis and mitigation.
- Monitoring systems, including regular audits, and key performance indicators to track our sustainability progress and identify corrective actions and improvements.

Our CSR team leads the company’s sustainability strategies, planning and goal-setting in collaboration with executive and operational teams. The CSR team also oversees the stakeholder management system, grievance mechanism, ESG risk controls and sustainability reporting and communication. Sustainability performance is reported to the Board of Directors on a quarterly basis.

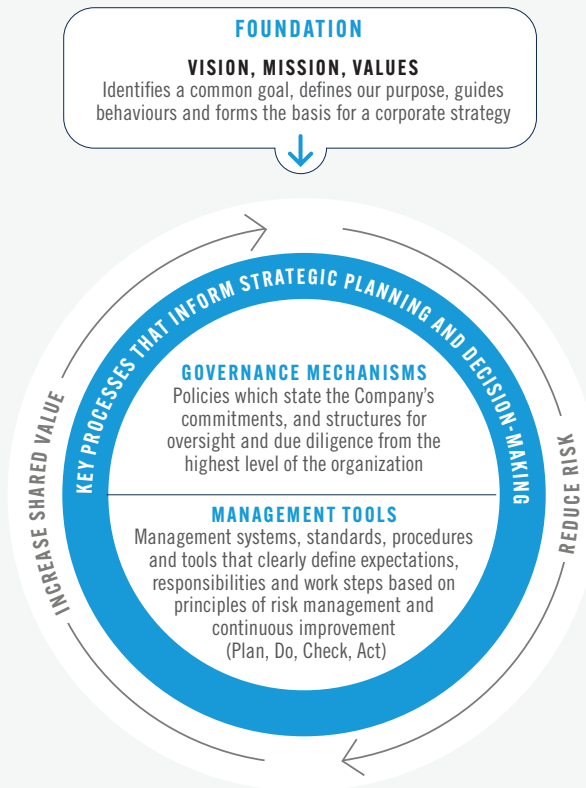
WRITING THE NEXT CHAPTER OF OUR SUSTAINABILITY JOURNEY

Our current CSR Strategic Plan (2019-2021) has guided our sustainability activities over the past three years, enabling us to improve and progress in several areas including:

- Embedding social responsibility and sustainability in the Company’s governance and culture.
- Implementing a Social Management System across all sites.
- Adopting a social investment model based on sustainable development principles, including partnerships, corporate volunteering, equity, diversity and inclusion, and leveraging external funding sources.
- Strengthening our capacity in social and environmental responsibility through enhanced employee training and development.

These efforts are described throughout this report.

In 2022, we will develop a new three-year plan that challenges us to maximize positive impact in areas that matter deeply to our employees, host communities and other stakeholders. We are creating new opportunities, action plans and short- and long-term goals that are well-aligned with United Nations’ Sustainability Development Goals (SDGs).



PROCESS

← **STAKEHOLDER ENGAGEMENT**
Continuous and transparent communication with our stakeholders, informs material issues and continuous improvement

MATERIAL ISSUES
Priority focus areas inform policies and management tools



HOW WE CREATE VALUE

PEOPLE

Across our operations, we continue to be the largest employer as a result of our focus on hiring from immediate communities and maximizing local impact. When specialized or new skills are needed, we develop and provide skills-building initiatives. Through robust policies and measures, we work hard to create a safe and healthy workplace free of accidents, injuries and occupational illnesses. We are also taking action to be a more inclusive and diverse business that welcomes, respects and supports everyone.

COMMUNITIES

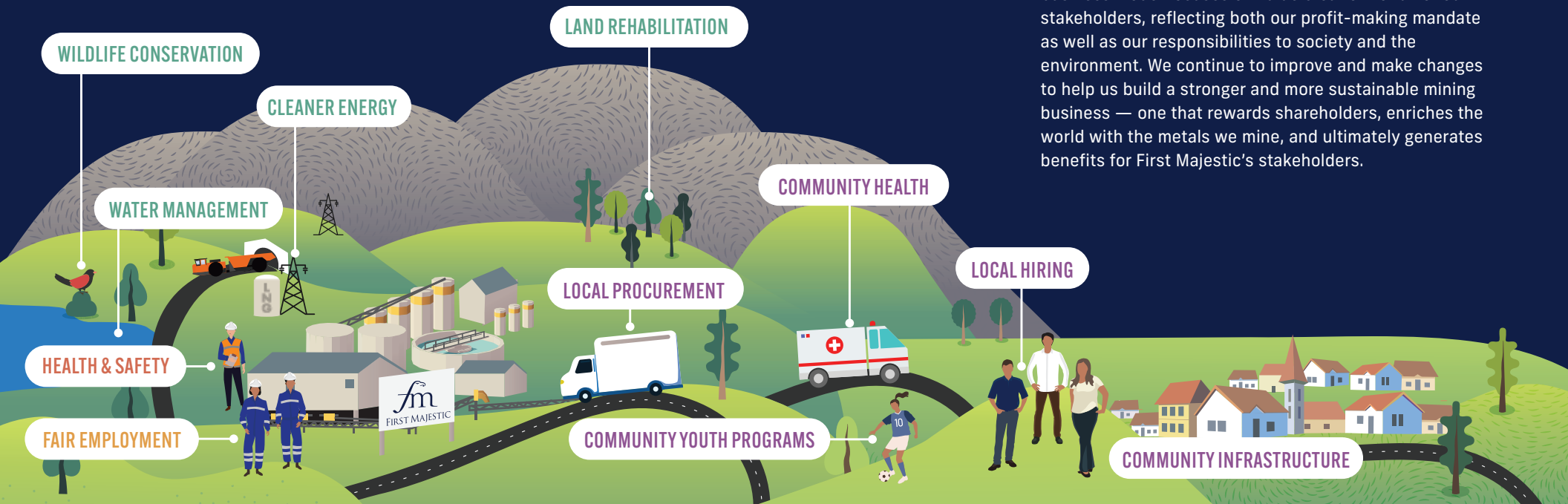
All of our operations maintain community relations programs focused on understanding community interests and increasing beneficial outcomes to local stakeholders. We contribute to the economies where we operate by paying our fair share of taxes, investing in public infrastructure, and buying goods and services locally, which helps support businesses and jobs in our host communities. During complex times of declining mine production or disruptive events, we work with our stakeholders to strengthen community resilience and recovery capacity.

ENVIRONMENT

We are dedicated to responsible stewardship of the ecosystems where we operate. Our environmental management model and operations plans consider the entire mine life cycle from early exploration to mine closure and post-closure. Through ongoing engagement with our stakeholders and learning from best practices, we are increasing clean energy on our sites, reducing water consumption per ounce produced, and minimizing and proactively recovering disturbed land.

BUSINESS

We are a well-governed Company, act with integrity and transparency, and meet our regulatory commitments. Our business model focuses on value creation for all of our stakeholders, reflecting both our profit-making mandate as well as our responsibilities to society and the environment. We continue to improve and make changes to help us build a stronger and more sustainable mining business — one that rewards shareholders, enriches the world with the metals we mine, and ultimately generates benefits for First Majestic's stakeholders.





RESOLVING LEGACY SUSTAINABILITY CHALLENGES AT JERRITT CANYON

April 30, 2021 marked a significant milestone for First Majestic: we completed our first-ever acquisition outside of Mexico — the Jerritt Canyon Gold Mine located in northeastern Nevada, U.S. Discovered in 1972 and producing since 1981, the operation became our second largest mine in terms of ounces of silver equivalent production, with substantial potential for new exploration and expansion based on its current mineral reserves. Jerritt Canyon was the largest gold mine in Nevada in the 1980's.

While Jerritt Canyon holds great promise, it lags our other sites and Company standards in sustainability practices and performance. When we took full operational control of the site it was facing critical sustainability challenges. Most of these legacy challenges were related to environmental concerns. We take these legacy issues seriously and are committed to resolving them, in line with our mission of safely producing profitable ounces through ethical, innovative, and sustainable practices.

Following the acquisition, our project team prioritized mitigation measures to bring the operation into full compliance with environmental regulations related to air quality, water quality and treatment, remediation

of previously disturbed areas, and tailings management. Environmental priorities and targets going forward include:

- Undertaking an extensive study to evaluate dry-stacked tailings (DST) as a solution to minimize water loss and groundwater contamination while enhancing tailings storage.
- Implementing a plan to reduce carbon emissions, including through eco-efficiency initiatives and alternative power sources such as liquified natural gas, which is used at the majority of our Mexican sites.

In addition to environmental aspects, we aim to improve Jerritt Canyon's performance in crucial safety indicators, including Recordable Incident Frequency and Lost Time Injury Frequency Rate, and continue to increase the percentage of women working at the site, which has been trending positively in recent years.

This report includes some ESG performance indicators from Jerritt Canyon. As we work to fully integrate the operation in our Sustainability Management and Environmental Management Systems in 2022, we will be able to share a complete panorama of Jerritt Canyon's performance in future sustainability reporting.



ACQUIRED
APRIL 2021

STAGE
PRODUCTION

RESOURCE
GOLD

OWNERSHIP
100%

HECTARES
30,821



2.3 ENGAGING WITH STAKEHOLDERS

From exploration to reclamation, our sustainability framework aims to increase shared value for our stakeholders over the long-term while reducing risk through all stages of our operations. The framework is guided by international industry best practices and ensures First Majestic follows a structured, effective approach to sustainable development across our operations.

First Majestic has diverse stakeholders that are affected or impacted by our activities. These stakeholders include employees and contractors, unions, suppliers, governments, local communities, Indigenous Peoples, advocacy groups, shareholders and investors.

We conduct stakeholder mapping at each of our operations, which guides us in identifying individual and group stakeholders, the type of relationship we share, their interests and concerns, their information needs, and the adequate type of engagement we aim to have with them. We update our stakeholder maps and engagement plans as needed. We prioritize proactive disclosure and respond to the information needs of communities and other stakeholders by ensuring meaningful engagement and dialogue about issues that impact them.

HOST COMMUNITIES: KEY STAKEHOLDERS

Throughout the life cycle of our operations, we consult and collaborate with host communities in an inclusive, ethical, culturally appropriate and transparent manner, and seek to establish constructive relationships built on mutual respect and trust.

We recognize the unique context of the mining industry with respect to land access, and we work to build collaborative relationships with Indigenous Peoples, Ejidos (Mexico's communal agricultural land holders), and private landowners with whom we have land use agreements. We are committed to a respectful engagement process that is based on good faith negotiations and is consistent with traditional decision making.

We have a process for receiving, addressing and resolving community feedback at each of our operations so that individuals can communicate their concerns directly with us, and to ensure these concerns are addressed efficiently and transparently.



IN PARTNERSHIP WITH WHEATON PRECIOUS METALS, WE UPGRADED CRITICAL HEALTH INFRASTRUCTURE IN THE TOWN OF TAYOLTITA TO RESPOND TO COMMUNITY EMERGENCIES DURING THE PANDEMIC.



KEY STAKEHOLDERS

	WAYS WE ENGAGE	TOPICS OF INTEREST IN 2021
 <p>EMPLOYEES AND CONTRACTORS 3,055 direct employees and 2,232 contractors in 2021.</p>	Ongoing engagement through formal and informal methods, including site committees, workshops and training, the Visible Felt Leadership program, meetings and townhalls with management, and performance reviews.	<ul style="list-style-type: none"> • Salary, benefits and quality of life • Job security • Health and safety • Training, development and career progression • Equity, diversity and inclusion • Company-union relationships
 <p>LABOUR UNIONS We have three unions with 1,349 affiliates.</p>	Ongoing communication and meetings with regional and national union representatives.	<ul style="list-style-type: none"> • Wages, bonuses and benefits • Job security • Health and safety • Training
 <p>SUPPLIERS We had 2,267 suppliers in 2021, which we consider to be our business partners.</p>	Meetings and written correspondence with our business partners.	<ul style="list-style-type: none"> • Operational plans and changes • Local contracts • Compliance with country regulations and First Majestic's Code of Ethical Conduct and Anti-Bribery, Fraud & Corruption Policy
 <p>GOVERNMENT Municipal, state, and national government bodies and regulatory agencies in Mexico and the U.S.</p>	Engagement through in-person meetings, site visits and industry events.	<ul style="list-style-type: none"> • Local employment, procurement and economic development • Safety, health and environmental performance • Community-level public infrastructure
 <p>ADVOCACY GROUPS Non-governmental or civil society organizations and other advocacy groups.</p>	On an issues-basis when approached, and proactive engagement to establish dialogue where relevant.	<ul style="list-style-type: none"> • Land rights • Indigenous rights • Water and agriculture • Climate change impacts
 <p>LOCAL COMMUNITIES Communities located in the area of influence of our operations and projects.</p>	Engage daily with communities through formal and informal mechanisms.	<ul style="list-style-type: none"> • Employment and contract opportunities • Water quality and access • Infrastructure, education and public health • Economic sustainability • Operational impacts: noise, dust, vibration
 <p>INDIGENOUS GROUPS Wixárica organizations and leaders of Jalisco, Durango and Nayarit.</p>	In-person meetings and multi-stakeholder initiatives aimed at strengthening dialogue with Wixárica communities.	<ul style="list-style-type: none"> • Indigenous rights • Preservation of sacred sites • Environmental protection, including traditional medicinal plants • Economic development
 <p>SHAREHOLDERS AND INVESTORS Shareholders, investment community and ESG rating agencies.</p>	Frequent engagement through targeted outreach. Annual engagement with specific ESG rating agencies.	<ul style="list-style-type: none"> • ESG policies and management systems • Financial and operational performance • Tailings management • Security of operating regions



2.4 OUR MATERIAL TOPICS

OUR MATERIALITY PROCESS

In an evolving world, we perform a materiality assessment every year to evaluate emerging factors that could represent substantial social, economic, and environmental impacts across our range of stakeholders. This process is informed by the Global Reporting Initiative (GRI) and helps First Majestic determine material sustainability topics.

In 2021, we refreshed our materiality assessment to update and prioritize material topics identified in our 2019-2020 assessment. Our CSR team conducted the materiality assessment using the three-step process recommended by the Global Reporting Initiative: topic identification, prioritization and validation. More than 60 consultations and surveys were conducted with

stakeholders (internal: 24 representatives from different business areas; external: 41 representatives from key external stakeholder groups).

1 Topic identification

We conducted group workshops at each mine site with content specialists from Environment, CSR, Human Resources, Labour Relations, Health, Safety, Finance, Supply Chain and other areas. We also considered our strategic priorities, core industry risks and opportunities, regulatory developments and policy trends, international industry standards, and peer benchmarking and reporting trends. We identified 25 potential material topics as relevant to First Majestic.

2 Topic prioritization

To streamline and prioritize the list of topics with the most significant impact, we consulted with internal subject-matter experts across our operations. We also surveyed management and personnel who engage with external stakeholders - in areas such as Government Relations, Communications (media), CSR, Investor Relations, and Finance - to provide insight into specific external stakeholder perspectives. In addition, we analyzed the most frequent questions and information requests received in 2021 from institutional and retail investors, analysts, rating agencies and financial institutions. The top material topics were selected and ranked as high to critical impact on our operations.

THE ISSUES THAT MATTER

As a result of our latest materiality assessment, we confirmed 13 material ESG topics with higher impact to First Majestic's economic, environmental and social performance. This report is structured around these topics, which are listed here and grouped into our five sustainability themes:



DELIVERING RESPONSIBLE GOVERNANCE

- Governance, Conduct and Culture
- Human Rights
- Supply Chain Management



EMPOWERING OUR PEOPLE

- Talent Management and Development
- Equity, Diversity and Inclusion



SAFEGUARDING HEALTH AND SAFETY

- Health, Safety and Wellness



STRENGTHENING LOCAL COMMUNITIES

- Community Development
- Community Engagement
- Mine Reclamation and Closure



SUPPORTING ENVIRONMENTAL SUSTAINABILITY

- Energy and Climate Action
- Tailings and Mining Waste
- Water and Biodiversity Management



3 Topic validation

The materiality results were presented to relevant leaders throughout the Company for discussion, adjustment and validation. Some similar topics were combined to avoid overlap (e.g., energy and emissions), while the topic 'stakeholder engagement' is cross-cutting and built into our approach to all topics. The President & CEO, CFO, COO, and Corporate Sustainability team then confirmed the final key topics, as well as reviewed and approved the sustainability report to ensure all material topics were covered and adequately addressed.

MATERIALITY ASSESSMENT: STAKEHOLDERS INVOLVED

INTERNAL STAKEHOLDERS

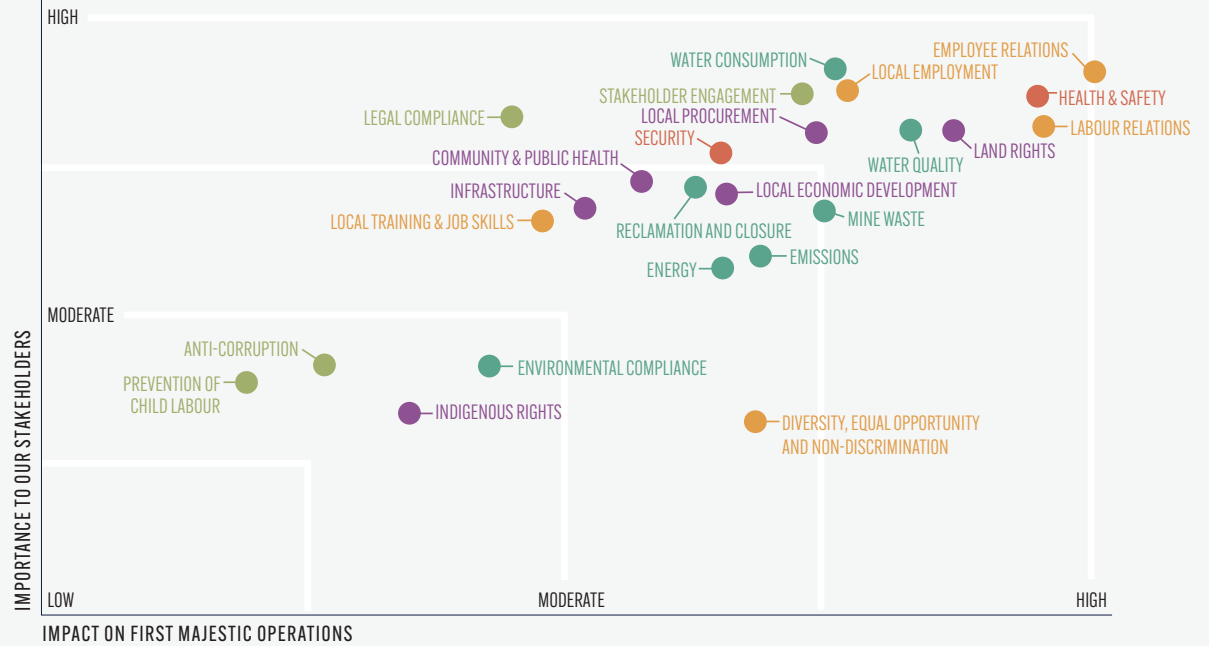
- General managers
- Vice presidents
- CSR, HSEC, Environment, and HR directors and managers
- Senior Leadership Team

EXTERNAL STAKEHOLDERS

- Community leaders, local leaders and ejido's representatives across active mines
- Environmental experts and ESG leaders
- Representatives of chambers of mines
- ESG and sustainability representatives of other mining companies operating in Mexico
- Questionnaires completed by investors, banks, analysts and institutional investors

MATERIALITY MATRIX

The matrix below shows the results of our 2021 materiality assessment



- DELIVERING RESPONSIBLE GOVERNANCE ●
- EMPOWERING OUR PEOPLE ●
- SAFEGUARDING HEALTH AND SAFETY ●
- STRENGTHENING LOCAL COMMUNITIES ●
- SUPPORTING ENVIRONMENTAL SUSTAINABILITY ●



2.5 COLLABORATING FOR GREATER IMPACT

EXTERNAL MEMBERSHIPS

Involvement through memberships and engagement within industry associations enables First Majestic to keep current regarding emerging sector and sustainability trends, regulatory updates and industry best practices that collectively advance the mining sector's contribution to sustainable development.

Silver Institute	Member since 2019.
The Mining Chamber of Mexico (CAMIMEX)	Member since 2007. First Majestic holds a board position and participates in 9 of 11 committees including Environment, Water and Climate Change, Occupational Health and Safety, Human Resources, and Community Development committees. In 2021, First Majestic led the creation of the Diversity and Inclusion committee.
The National Mining Association (NMA), U.S.	Member since 2021. The NMA's mission is to build support for public policies that will help America fully and responsibly utilize its mineral and coal resources. Headquartered in Washington, D.C., the NMA has a membership of more than 250 corporations and organizations involved in various aspects of mining.
The Canada Mexico Chamber of Commerce (CANCHAM)	Member since 2008. First Majestic participates on the Mining Task Force.
Centro Mexicano de Filantropia (CEMEFI)	Member since 2009.

VOLUNTARY INITIATIVES

Our approach to sustainable development is also aligned with the following additional voluntary external initiatives:

ISO 14001	The First Majestic Environmental Management System is consistent with ISO 14001.
ISO 31000	Family of standards used in First Majestic's design of the Enterprise Risk Management System.
Self-Management Program for Occupational Health and Safety	All the Company's sites operate an Integrated Management System for Industrial Health and Safety and Hygiene (SIGASHI) and participate in the Mexico Ministry of Labour and Social Welfare's audited Self-Management Program for Occupational Health and Safety (<i>Programa de Autogestión, PASST</i>).
The UN Global Compact	First Majestic uses the UN Global Compact Principles as guidance for its social practices and management systems.
The UN Sustainable Development Goals (SDGs)	We contribute to several SDGs (see next page).
The Mining Association of Canada Toward Sustainable Mining Protocols	The TSM Indigenous and Community Outreach Relations guides our Social Management System.
UNICEF Children's Rights and Business Principles	Our external grievance mechanism is aligned with principles set forth by UNICEF.



SUPPORTING THE UN SDGS

We believe First Majestic has a role to play to help advance the United Nations' Sustainable Development Goals (SDGs). A call to action for all countries, businesses and organizations, the SDGs are a set of 17 ambitious global goals to end extreme poverty, fight inequality and injustice, and protect our planet by 2030.



We have identified these six SDGs that resonate with our purpose as a company and where we feel First Majestic can make the greatest contribution.



SUSTAINABILITY PERFORMANCE

3.0
Delivering Responsible Governance

MATERIAL TOPICS IN THIS SECTION

- Governance, Conduct and Culture
- Human Rights
- Supply Chain Management



ELMER HERANDEZ



3.1 GOVERNANCE, CONDUCT AND CULTURE

WHY IS THIS IMPORTANT?

Good governance is critical to creating sustainable value for our stakeholders, earning their trust and ensuring our long-term business success. An ethical organizational culture is a cornerstone of good governance. Both our internal and external stakeholders have indicated that demonstrating an ongoing commitment to ethics and integrity in the way we conduct our business activities is a high priority.

OUR APPROACH

From our high standards of conduct for employees to our robust controls around corporate governance, First Majestic has a strong governance framework that provides the foundation and parameters for responsible management, accountability, transparency and ethical behaviour across our organization. This framework includes a number of policies, procedures and practices that support our commitment to good governance and underpin First Majestic's vision to be the world's largest primary silver producer, while reflecting leading industry standards and applicable regulatory guidelines.

RELATED FIRST MAJESTIC POLICIES:

- [Board of Directors Mandate](#)
- [Code of Ethical Conduct](#)
- [Whistleblower Policy](#)
- [Equity, Diversity and Inclusion Policy](#)
- [Anti-Bribery, Fraud and Corruption Policy](#)
- [Bullying, Discrimination, Harassment and Workplace-Violence Policy](#)
- [Enterprise Risk Management Policy](#)
- [Conflict of Interest of Personnel and Vendors Policy](#)

CORPORATE GOVERNANCE

First Majestic's corporate governance practices meet applicable Canadian, U.S., and Mexican requirements, and we continually monitor the landscape to ensure our practices are appropriate and meet evolving expectations, including ESG criteria.

As outlined in its [Mandate](#), the Board is responsible for the overall stewardship of the Company. The Board's primary objective is to enhance and preserve long-term shareholder value, while considering the interests and concerns of other relevant stakeholders, including employees and the communities and the environment in which the Company operates.

The Board is dedicated to cultivating an environment where individual differences are respected and equity, diversity and inclusiveness are valued. The Board, with the assistance of the Corporate Governance and Nominating Committee, considers equity, diversity and inclusion as elements in the overall selection criteria of new Board members. For each opening, the Board will attempt to interview a balanced representation of candidates that includes individuals from underrepresented groups.

Our [2022 Management Information Circular](#) provides updated details about our Board, its members and committees, and our approach to governance. Also refer to the [corporate governance](#) section of our website.

We have shaped an ethical organizational culture through robust policies and practices, as well as an open environment that encourages everyone to speak and act with honesty and integrity.



GOVERNANCE OF SUSTAINABILITY-RELATED MATTERS

Our governance structure provides oversight of First Majestic's sustainability commitments and performance, including social and environmental goals, impacts and challenges.

- Our CEO champions sustainability and, along with the Board and management team monitors the Company's progress.
- First Majestic recently integrated a separate committee dedicated to Environmental, Social, Health & Safety issues. The committee will be active in 2022.
- All Board members possess skills and expertise in ESG matters, and our continuing education program helps members stay current with new and emerging ESG practices related to their responsibilities.
- Our Corporate Social Responsibility team manages sustainability reporting, acts as a centre of expertise on sustainability and contributes to strategies, plans and goal-setting in collaboration with executive and operational teams.
- At the operational level, we have policies and processes in place to ensure that sustainability considerations are integrated into the day-to-day management of our business.

Refer to section 2.0 — *Our Approach to Sustainability* in this report for more details about our management approach to sustainability overall.

COMMUNICATION FLOW OF SUSTAINABILITY PERFORMANCE



* Executive level responsibility for sustainability topics

KEY ELEMENTS OF EFFECTIVE GOVERNANCE AT FIRST MAJESTIC:

- Until December 2021, all Board members are independent except for the CEO.
- The Board fulfills its responsibilities through four committees entirely composed of independent directors: Audit Committee; Corporate Governance and Nominating Committee; Environmental, Social, Health & Safety Committee, and Compensation Committee. Non-independent directors may serve on the ESHS Committee, and only independent directors will serve on the Compensation Committee.
- Management delivers continuous presentations at Board meetings on new developments that may impact the Company and its business.
- Directors also receive periodic one-on-one presentations from management and are provided with the opportunity to meet with corporate officers outside of formal Board meetings to discuss and better understand the business. From time to time, directors visit each of the Company's producing mines.
- Executive compensation standards include long-term incentive components and pay equity.
- Stakeholder engagement processes enable stakeholders to offer feedback on corporate governance and other company practices.
- Whistleblower hotline for reporting ethical concerns.

We have shaped an ethical organizational culture over time through robust policies and practices, as well as an open environment that encourages everyone to speak and act with honesty and integrity.



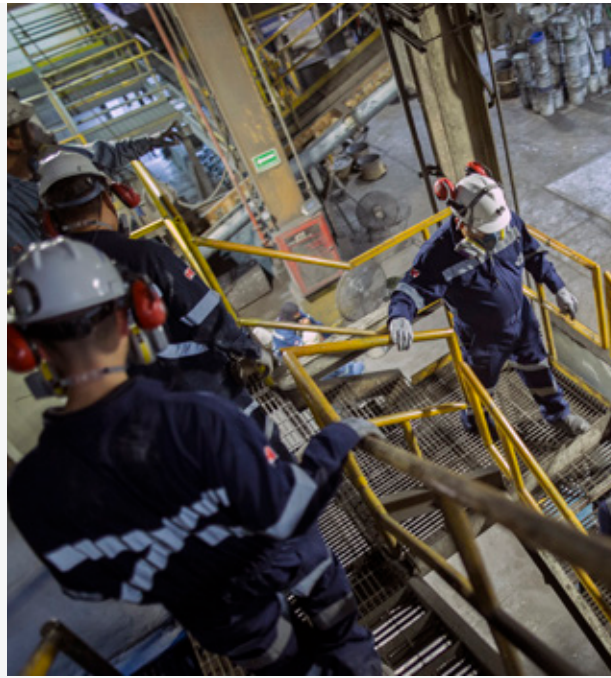
OUR CODE OF ETHICAL CONDUCT

We at First Majestic are committed to the highest standards of ethics and integrity, and our [Code of Ethical Conduct](#) supports that commitment. The Code is our playbook that outlines expectations and guidelines for responsible behaviour, and it clearly states that irregular business conduct will not be tolerated. All officers, employees, contractors, business partners and vendors receive our Code upon being recruited or during induction training, and must acknowledge annually in a written declaration their understanding of the Code and its contents.

The Code sets out a number of guiding principles, including:

- Promoting honest and ethical conduct
- Complying with laws, rules and regulations
- Identifying and avoiding conflicts of interest
- Protecting all Company information, materials and assets
- Ensuring the integrity of the Company's accounting, financial, geological and engineering records
- Providing full, fair, accurate, timely and understandable disclosure in reports and documents filed with any governing body or publicly disclosed source

We promote the prompt internal reporting of Code violations. There is immediate and appropriate corrective action for non-compliance, up to and including termination.



ANTI-BRIBERY AND ANTI-CORRUPTION

We take a zero-tolerance approach to bribery, fraud and corruption. Our Anti-Bribery and Anti-Corruption Program includes an [Anti-Bribery, Fraud and Corruption Policy](#), which supplements our Code and reiterates First Majestic's commitment to full compliance with Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, and any applicable local anti-bribery or anti-corruption laws. Compliance with our policy is a contractual obligation in all our supplier agreements. We also provide mandatory Anti-Bribery and Anti-Corruption training to employees and contractors to ensure their responsibilities are understood.

Management, in collaboration with the Internal Audit and Risk Department, performs an annual risk assessment of all business units to assess anti-bribery, fraud and corruption risks and the adequacy and effectiveness of our controls and mitigating actions.

WHISTLEBLOWER POLICY AND HOTLINE

An effective forum for ensuring that employees and other stakeholders can safely report concerns is critical to an ethical and transparent culture. First Majestic's [Whistleblower Policy](#) establishes a protocol and lines of communication for reporting any complaint, whether raised internally or from an external party, with respect to financial, accounting, or auditing matters, illegal behaviour, or violations of the Code.

Employees and other stakeholders who witness prohibited behaviours are expected to immediately report to our whistleblower hotline, available 24/7 in English and Spanish. The confidential hotline is run by EthicsPoint, an independent reporting agency, and allows for anonymous reporting of concerns. Discrimination, harassment, reprisal, or retaliation is strictly prohibited against anyone who reports a complaint in good faith. All reports are directed to the Chief Executive Officer, the Chair of the Corporate Governance Committee and the Corporate Secretary and are investigated, with corrective and/or disciplinary action taken, if appropriate.

RISK MANAGEMENT

Effective risk management is another component of our approach to good governance. To manage the wide-ranging risks facing our mining business, First Majestic has developed a robust Enterprise Risk Management (ERM) Program, which is consistent with ISO 31,000 and the COSO ERM framework. ERM is integral to all of the Company's organizational processes, including strategic planning and decision-making. Our ERM Policy describes our approach to risk management and provides the framework to embed informed and proactive risk management processes across the Company.



We assess and monitor the likelihood and impact of identified risks, including ESG-related risks. Our most significant ESG-related risks are environmental incidents, climate change risks including severe weather events, social conflicts, public health crises, ongoing health and safety performance, labour shortages, union relationships, and security issues (e.g., theft, fraud). These occurrences could result in environmental damage and liabilities, work stoppages and delayed production, increased production costs, damage to, or destruction of, mineral properties or production facilities, personal injury or death, asset write-downs, monetary losses, liabilities to third parties and other liabilities. Other sections of this report, including Environment, discuss ESG-related risks in more detail.

On an ongoing basis, we evaluate the adequacy and effectiveness of our risk controls, determine action plans to reduce risks to an acceptable level of risk tolerance, and monitor and follow-up on these plans. First Majestic's Risk Management department is accountable for identifying and reporting risks, conducting risk assessment training, and facilitating risk reviews. Quarterly reports, which include risk register updates, are submitted to senior management and the Board of Directors. For more on how we manage risk, please refer to our [2021 Annual Report](#) and [Management Information Circular](#).

RISK INFORMATION FLOW



TRANSPARENCY

First Majestic publicly discloses annual information on payments to governments in the countries where we operate, as required under the Canadian Extractive Sector Transparency Measures Act (ESTMA). In accordance with the ESTMA's aim to contribute to global efforts to increase transparency and deter corruption in the extractive sector, we file annual ESTMA reports to the Canadian Government that list the taxes, royalties, fees and other types of payments we make in each country where we operate. Please see the [ESTMA disclosure archive](#) on our website.

As outlined in our Code of Ethical Conduct and Anti-Bribery and Anti-Corruption policy, all First Majestic personnel and agents are strictly prohibited from offering, paying, promising or authorizing any payment or other benefit to a government official or any political party, campaign for an elected office or political candidates.

2021 HIGHLIGHTS



86%
INDEPENDENT DIRECTORS ON THE BOARD



43%
OF BOARD DIRECTORS WERE WOMEN (AS OF DECEMBER 31, 2021)



100%
OF EMPLOYEES IN MANAGERIAL POSITIONS COMPLETED TRAINING ON THE COMPANY'S CODE OF ETHICAL CONDUCT



14%
OF BOARD MEMBERS IDENTIFIED THEMSELVES AS BELONGING TO A MINORITY GROUP



PERFORMANCE IN 2021

TOP-LINE RESULTS

- The Board consisted of seven directors in 2021, six of whom (85%) were independent, including the Chair. In terms of gender composition, 43% women and 57% men were on the Board. Women also comprised 40% of management (or executive) roles.
- In 2021, we received two complaints through the whistleblower hotline. Following our investigations, one of the allegations was substantiated, and we took corrective actions to address the issue.
- During the year, there were no confirmed incidents of bribery, fraud or corruption or any matters of non-compliance with laws and regulations across our Mexican operations. Historic non-compliances in the recently acquired Jerritt Canyon Mine are under management. For reference, please see the Jerritt Canyon Case Study in section 2.2.
- All management-level employees completed ethics training and 100% of our workforce completed annual cybersecurity awareness training and were tested constantly to prevent intrusion attempts.

ANALYST CORNER

→ [ESG Data Tables](#)



KEY INITIATIVES

- With direct support from the Board, we refreshed our Equity, Diversity and Inclusion Policy to define and reinforce our commitment to achieve equity, diversity and inclusion throughout First Majestic. We are dedicated to cultivating an environment where individual differences are respected, the ability to contribute and access employment opportunities is based on performance, skill and merit, and inappropriate attitudes, behaviours and stereotypes are confronted and eliminated.
- In 2021, Board members completed 24 continuing education sessions to advance their governance knowledge and skills in various areas. For example, members attended a corporate education series on Addressing Climate Change, ESG Accounting and Reporting, Women Leadership in Mining and Labour, and Skills Development in Pandemic Times. Continuing education on corporate governance issues, including ESG topics, for all Board members is an ongoing requirement. During 2021, 42% of the educational events attended by Board members were related to ESG pillars.
- All managers, executives and Board members (100%) across our North American operations completed orientation or refresher training on our Code of Ethical Conduct. We continued to regularly promote the Code among our employees to reinforce the key principles and values. In addition, 351 newly-hired, non-management employees completed mandatory orientation Code training. The Code is available to all employees in their policy manual.
- During the year, we continued to enhance information security controls that protect First Majestic's information systems, data privacy and data management infrastructure. Our information security program is a set

of solutions designed to prevent, detect and respond to security risks, with procedures and tools powered by Artificial Intelligence and Machine Learning. The program combines continuous monitoring and remediation of technical and human interactions with the Company's network and data. In 2021, we extended the program to our newly-acquired Jerritt Canyon operation and migrated its existing enterprise applications and data away from on-site data centers. We also continued to deliver cybersecurity awareness training program to employees and contractors.

In addition, our information security practices were externally reviewed by international consulting firms last year to assess and recommend continual improvements. These reviews are conducted annually and include annual Cyber Penetration Testing and Cybersecurity Maturity Assessment, as well as Operational Technology security assessments.

STRATEGIC PRIORITIES FOR 2022

- Implement a new Equity, Diversity and Inclusion strategy with oversight by the Environmental, Social, Health & Safety Committee of the Board.
- Introduce a self-directed learning program to reinforce compliance of First Majestic's Code of Ethical Conduct and Anti-Bribery, Fraud & Corruption Policy and related procedures.
- Continue to enhance our capabilities to manage cyber security risks, with a special focus on reinforcing training to all of our employees and contractors.



3.2 HUMAN RIGHTS



WHY IS THIS IMPORTANT?

Upholding human rights and freedoms is foundational to responsible business and a just society. All organizations and countries have a duty to protect human rights under international law and the United Nations Charter. According to Amnesty International, the unfortunate reality is that human rights concerns persist in today's world, ranging from systemic inequalities to human trafficking and war crimes, and millions of people globally continue to flee their countries due to human rights violations, with ethnic minorities among those most affected.⁵

⁵ www.amnesty.org/en/wp-content/uploads/2022/03/WEBPOL1048702022ENGLISH.pdf

OUR APPROACH

First Majestic is committed to respecting the fundamental human rights, cultures, customs and values of our employees and communities in which we operate, including the rights and heritage of Indigenous peoples. We support and evaluate our human rights performance against the United Nations Global Compact, a voluntary initiative for businesses that sets out ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. The Board and senior leadership team have executive-level responsibility for human rights matters.

POLICIES AND GUIDELINES

We have embedded human rights standards and protections throughout our company, including in many internal policies and procedures. These include our Code of Ethical Conduct and Equity, Diversity and Inclusion Policy, as well as workplace guidelines around health and safety, environmental protection and community relations.

Our corporate practices align with the following internationally recognized standards and guidelines for businesses and extractive companies:

- Universal Declaration of Human Rights
- UN Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises
- International Finance Corporation Performance Standards
- Canada's Enhanced Corporate Social Responsibility ("CSR") Strategy

Our pledge to advance human rights is also demonstrated in First Majestic's support for the UN Sustainable Development Goals – in particular, SDG 5 Gender Equality and SDG 8 Decent Work and Economic Growth. The SDGs promote basic economic and social rights for all people everywhere, without discrimination.

HUMAN RIGHTS INITIATIVES AND MONITORING

To monitor and ensure we uphold our commitment to human rights, First Majestic has several programs and measures. These include:

- Conducting regular human rights risk assessments across our sites
- Providing human rights training for relevant personnel, contractors and suppliers
- Evaluating suppliers against key human rights criteria such as labour practices
- Enforcing zero tolerance for human rights abuses
- Reviewing our human rights performance and identifying opportunities to improve our policies, practices and communication



We respect the rights of our employees and contractors, including freedom of association and collective bargaining, and we support ongoing engagement and proactive dialogue with our labour unions. While the potential use of child labour is considered a country risk in Mexico, we prioritize the prevention of child labour in our operations and in our supply chain. We have strict hiring requirements, preventing anyone under the legal industrial working age of 18 from obtaining employment at any of our sites. Our contractors and supply chain must also adhere to this requirement.

We also have communication channels in place — a whistleblower hotline and a grievance mechanism — to allow employees, community members and others to report any suspected human rights concerns or abuses. All issues are thoroughly investigated and addressed if any human rights violations are identified. Refer to section 6.1 *Community Engagement* for more details on our community grievance mechanism, feedback, and complaints.

First Majestic is committed to respecting the fundamental human rights, cultures, customs and values of our employees and communities in which we operate, including the rights and heritage of Indigenous peoples.

SECURITY AND HUMAN RIGHTS

Across our operations, we have certified security personnel provided by authorized service providers to guard our sites. To ensure our security operations are conducted in ways that respect human rights, we have procedures in place to guide our supply chain and contracting department in complying with relevant Mexican and U.S. laws as well as the Voluntary Principles on Security and Human Rights.

We track and ensure that all security personnel contracted by First Majestic complete an external training and certification process endorsed by the Mexican Secretary of Labour and Social Welfare. The process includes an independently provided and certified 12-hour training program on human rights, as well as an evaluation, that covers national and international conventions on human rights, legal and proper use of force, and security best practices.

SOCIAL PROGRAMS

All of our operations have local community engagement plans and social investment programs in place, which help us better understand and ensure we protect human rights. At each site we also conduct a social impact assessment to assess and estimate the potential social consequences, including human rights impacts, of our projects and operations.

In early 2022, First Majestic's three operating mines in Mexico were all awarded with the 2022 Socially Responsible Business Distinction Award (*Empresa Socialmente Responsable Award*). The Award is presented annually by the Centro Mexicano para la Filantropía CEMEFI (Mexican Centre for Philanthropy) to recognize excellence in human rights practices, as well as environmental management, social responsibility, and ethical practices.



ENRIQUE LEDESMA



PERFORMANCE IN 2021

TOP-LINE RESULTS



0

LABOUR-RELATED STRIKES OR LOCKOUTS EXCEEDING ONE WEEK IN DURATION DURING 2021



0

INFORMATION SECURITY BREACHES THAT COMPROMISED PRIVATE INFORMATION FROM OUR EMPLOYEES AND STAKEHOLDERS



100%

SECURITY PERSONNEL TRAINED IN AND COMPLIANT WITH THE VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS



0

REPORTED GRIEVANCES OR INCIDENTS RELATED TO HUMAN RIGHTS DURING 2021

KEY INITIATIVES IN 2021

- Across our sites, our CSR team delivered a series of three-hour training sessions on socio-economic and environmental impacts to exploration staff and local contractors. The training covered salient human rights issues – including safe and healthy working conditions, non-discrimination, water access rights and Indigenous rights – while emphasizing compliance with our Code of Ethical Conduct, the Voluntary Principles on Security and Human Rights, the Universal Declaration of Human Rights and ILO conventions. Overall, 40 employees participated in the training.
- Our CSR team participated in a country-wide initiative led by the United Nations Development Program (UNDP) to evaluate the application in Mexico of the Free, Prior and Informed Consent (FPIC) rights of Indigenous Peoples. Along with other mining and natural resources businesses, we shared our current practices and policies related to Indigenous Peoples.

ANALYST CORNER

→ [ESG Data Tables](#)



STRATEGIC PRIORITIES FOR 2022

- Increase the percentage of women and individuals from underrepresented groups in leadership positions.
- Foster more inclusive leadership and overall company culture by removing systemic barriers and working collaboratively with our host communities and business partners.
- Continue mandatory training and awareness updates to contracted security personal.





3.3 SUPPLY CHAIN MANAGEMENT

OUR APPROACH

We aim to build and manage a sustainable supplier community that aligns with First Majestic’s values and ESG priorities. All our suppliers are required to adhere to our Code of Ethical Conduct, which outlines the principles for how our employees, contractors and suppliers must behave. In addition, our Purchasing Policy requires that we select and work alongside suppliers that share our values and have adequate protocols in place with respect to labour, health and safety, environmental protection, human rights, and ethical business practices.

WHY IS THIS IMPORTANT?

First Majestic has a comprehensive network of local and international suppliers, which provide products and services to support the business activities of our mines and facilitate the ultimate production and sale of our products. A reliable and responsible supplier community is critical to our success. As we operate in countries that subscribe to the Convention on the Organization for Economic Co-operation and Development (OECD), we expect our suppliers and service providers to align with ESG-related legislation and responsible industry standards.

PRIORITIZING LOCAL PROCUREMENT

Since opening our first mine in Mexico nearly 20 years ago, we have proactively engaged with businesses in our host communities to source goods and services from in-country suppliers. We encourage participation and selection of suppliers within the local area, wherever possible and to the extent commercially practicable. This allows First Majestic to support economic development within surrounding communities, as well as build and strengthen relationships with local stakeholders. We will not compromise on safety, cost, quality, competitive procurement, environmental, human rights, timeliness, compliance with tax authorities, compliance with anti-corruption and other applicable laws when using local suppliers. However, where local suppliers need to improve their practices in these areas, we will work with them to build capacity and meet our requirements where possible. For 2021 performance related to local procurement, please see section 6.2 – *Community Development*.



SCREENING AND MONITORING SUPPLIER PERFORMANCE

We consider several key aspects when we screen potential suppliers, including ESG criteria. Our Suppliers Procedure, updated in 2020 and aligned with our Company Code of Ethical Conduct, requires that our procurement team consider, beyond technical and economic considerations:

- Environmental compliance
- Human rights
- Health and safety measurements and records
- Sustainability performance

Executive responsibility for our supply chain resides with our Vice President of Business Planning and Procurement, who is supported by the Supply Chain department at the operational level.

2021 HIGHLIGHTS

100%
OF MEXICAN SERVICE PROVIDERS COMPLY WITH THE NATIONAL REGISTRY REPSE, LAUNCHED IN 2021

95%
PROPORTION OF SPENDING ON GOODS AND SERVICES FROM MEXICAN BUSINESSES

ESG 100%
OF OUR SERVICE PROVIDERS SCREENED ON ESG CRITERIA

\$347 M
PROCUREMENT SPEND



PERFORMANCE IN 2021

TOP-LINE RESULTS

- In 2021, First Majestic spent approximately US\$347 million on procurement. This is up 40.3% from the previous year. Almost 95% of the goods and services we purchased were procured from within-country, equalling \$328.7 million of payments to national suppliers; 12% of our total procurement spend was from our immediate host communities.
- During the year, we screened 100% of our service providers against critical ESG criteria such as taxes, labour and social security law compliance.

KEY INITIATIVES IN 2021

- Our Supply Chain department spearheaded an initiative to improve health and safety standards among our suppliers. Refer to the Case Study for details.
- During the year, we worked to verify compliance with new legislation adopted in Mexico related to service providers and the companies that contract them. Under the legislation, businesses operating in Mexico, including mining firms, that contract service providers must use companies that are accredited in the National Registry of Specialized Services Providers (REPSE per its Spanish Acronym), administered by the Ministry of Labour and Social Welfare. The registry ensures that service providers (companies and individuals) are in full compliance with tax, labour and social security laws. Our procurement team activated a digital platform that allows us to validate the credentials and compliance of each supplier. Our findings demonstrated that all current services providers to First Majestic are accredited in the REPSE and are in full compliance with the new law.



IMPROVING HEALTH AND SAFETY ACROSS OUR SUPPLY CHAIN

From our employees to our communities, health and safety is an over-riding priority for us. Last year we emphasized this focus among our supplier network. First Majestic relies on a vast network of suppliers, so we're eager to promote best practices while mitigating any health and safety risks to our business.

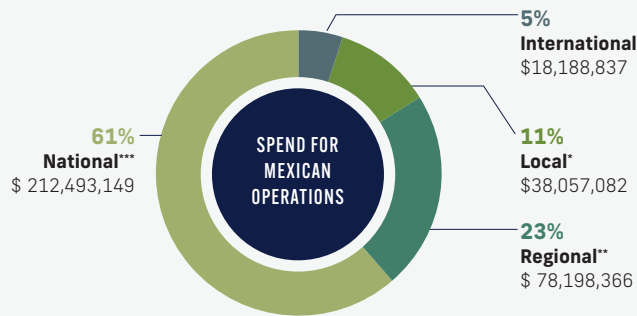
In 2021, we launched an initiative to enhance health and safety standards among our suppliers. Our approach started with an assessment of all suppliers in terms of meeting or exceeding First Majestic's health and safety standards. We reviewed the risk classification of our current 233 contractors across our three operating mines in Mexico.

After this initial step, we measured the performance of our critical contractors by setting and tracking indicators, such as safety, security and environmental incidents. As a reference, we used our Company health and safety targets, including our main goal of zero fatalities, to compare the performance of our suppliers.

Following this performance metric tracking exercise, we then conducted follow-up meetings with our suppliers to review the results and recommend immediate corrective measures. Due to the Covid pandemic, we conducted the meetings remotely. This work will continue in 2022 as we strive to drive improvements and greater consistency in the health and safety performance of our suppliers.

2021 BREAKDOWN OF PROCUREMENT

(US\$ Dollars)



STRATEGIC PRIORITIES FOR 2022

- Complete implementation of our integrated management initiative to minimize health, safety and environmental risks across our supply chain.
- Continue to improve operational performance of our local suppliers, including ejidos-based local businesses.

ANALYST CORNER

→ [ESG Data Tables](#)



* "Local" is defined in the context of each of our operations as the communities that are directly impacted economically, socially or environmentally.
 ** "Regional" includes expenditures within the State, beyond local communities.
 ***"National" includes all other areas within Mexico that are not local or regional.



SUSTAINABILITY PERFORMANCE

4.0
Empowering Our People

MATERIAL TOPICS IN THIS SECTION

Talent Management and Development
Equity, Diversity and Inclusion





4.1 TALENT MANAGEMENT AND DEVELOPMENT

WHY IS THIS IMPORTANT?

Our people are the heartbeat of our business - essential to all our success.

We understand that developing a skilled, committed, empowered and collaborative workforce will make our company thrive over the long-term.

Effective talent planning has never been more important in today's mining industry. It is a continuous effort to find and retain talented people with the ability to contribute across our various operations. The competition for mining talent, including leaders, remains very strong, and research suggests there is a shrinking talent pool for younger workers that will be needed to replace an aging workforce.⁶ Moreover, today's mining companies need people with diverse, specialized expertise and new skillsets in areas like technological innovation and climate risk mitigation.

OUR APPROACH

AN EMPOWERED TEAM DRIVING PERFORMANCE

At First Majestic, we strive to be an employer of choice in the mining sector. We could not do what we do without our experienced and dedicated workforce from our front lines to our internal specialists and executive management teams.

We support and empower our people so they feel supported, take pride in First Majestic and are inspired to contribute their best. Our Code of Ethical Conduct, Human Resources and Equity, Diversity & Inclusion policies affirm that all employees have an equal opportunity to succeed, are treated with respect and dignity, and are entitled to a work environment that is safe, free of bullying, discrimination, harassment, and violence.

TALENT ATTRACTION AND RETENTION


Hiring and retaining the industry's best talent is essential to achieving our vision. That's why we strive to create a positive workplace environment with meaningful benefits that can attract people to our Company – and keep them here.

For us, supporting each individual's professional development goals is a priority. Our Performance Development Policy and related processes include annual reviews, regular feedback and individual professional development planning. The Company's compensation package is guided by our belief in the principles of internal pay equity and competitive pay with our peers. Additionally, all permanent, full-time employees are entitled to participate in our annual performance incentive plan (bonus program). Our aim is to recognize and reward the efforts of employees who strive for top performance, while supporting an aligned work culture where everyone feels part of, and is rewarded as, a collaborative team.

To ensure our compensation packages and salaries remain competitive, we participate in annual salary surveys by the Mexican Mining Chamber (CAMIMEX) and the U.S. National Mining Association (NMA). Our Board of Directors periodically reviews and evaluates First Majestic's broad compensation strategy and philosophy to ensure that training, talent development and succession programs are in place and effective.

⁶ mine.nridigital.com/mine_apr21/mining_talent_trends

WE ARE COMMITTED TO:



- Providing meaningful and rewarding work
- Respecting employees' rights and supporting freedom of association
- Offering fair, equitable, and competitive salaries and benefit programs
- Realizing individuals' potential through training, effective performance management and feedback mechanisms
- Fostering an inclusive work environment
- Adhering to all relevant labour laws where we operate



Listening to our people is also an important part of our approach, as it helps build trust throughout the Company and helps them feel heard and valued. By promoting an Open Door Policy, we want to encourage communication, feedback, and fresh ideas on any job-related issue big or small.

ONGOING TALENT DEVELOPMENT

Training and skill development are key to First Majestic's growth objectives as well as employee satisfaction. To help our people reach their full potential, we encourage and enable them to develop knowledge, skills, and abilities that support their personal objectives, while enhancing our collective skill sets to meet strategic business objectives. In addition to receiving feedback on their performance, employees also establish professional development plans, providing a clear path for their career development objectives.

Each of our sites has a training and development program that includes induction training, ongoing professional development, technical skills instruction, and training on specific regulatory requirements, such as emergency response and rescue brigade training.

At an enterprise level, we also give all workers access to our bilingual online training hub, launched in 2021. This learning platform features online courses covering a broad range of topics and areas of specialization, including organizational behaviours, health and safety regulations, ethical compliance, and anti-bribery policies. Everyone

at First Majestic must complete annual training related to our Code of Conduct, cybersecurity, and health and safety practices, among other topics.

Through agreements with recognized schools and skills development centers in Mexico, we regularly provide work for student interns at our operations. These internship opportunities give students practical experience in areas such as mechanical and electrical maintenance, geology, metallurgy, and environmental management.

LABOUR RELATIONS

Unions have a long history in Mexico, and all our Mexican mines have union representation. Positions typically outside of the unions are management, professionals, engineering,

supervisory and administrative positions. Agreements are negotiated annually and include salary increments, benefits and bonuses, as well as clauses related to working conditions and health and safety.

Our union workforce is important in achieving our business strategy. We are committed to continue developing strong working partnerships with our unions and their members through clear, consistent, and transparent dialogue.

MANAGEMENT AND GOVERNANCE

The Board of Directors has explicit responsibilities to conduct periodic reviews of human, technological and capital resources required to implement the Company's strategic plan. Currently, all of our Board members have accredited skills and expertise in human resources management, compensation and benefits, workforce development, and workplace health and safety.

We maintain employment policies that inform and govern the relationship between First Majestic, management and employees. All of our people are required to understand and follow the Company's policies, procedures and practices compiled in our Employee Policy Manual. Our Vice President of Human Resources is directly in charge of executing and evaluating the performance of our policies in close coordination with our operations.





PERFORMANCE IN 2021

TOP-LINE RESULTS

- As of December 31, 2021, First Majestic employed 5,287 people: 3,055 employees and 2,232 contractors. This is up by 1.8% from the previous year. Our expansion at Santa Elena and the acquisition of Jerritt Canyon mine compensated for the reduction in our Mexican non-operating mines, currently under care and maintenance. Contract workers were primarily engaged in mining and exploration work, maintenance, special projects (e.g., construction), transportation, security, and food services.
- As of year-end, 49.7% of our total employees in Mexico had union representation, compared with 54.2% in 2020. There were no strikes, lockouts or work stoppages exceeding one week in duration in 2021.
- We measure employee turnover, both voluntary and involuntary, to assess the evolution of our workforce and the effectiveness of our workplace practices. In 2021, the voluntary turnover rate was 5.7%, an increase of 4% over the previous year. Our total turnover in 2021 was 13.7%. The ramp down of our sites under care and maintenance impacted turnover rates during 2020 and 2021.
- On average, employees each received 24.4 hours of training, compared to 15 hours in 2020. Because of COVID-19 restrictions, our sites rescheduled some training programs for 2022, and for the regulatory-mandated training programs in Mexico and the U.S., we moved content to online learning formats.



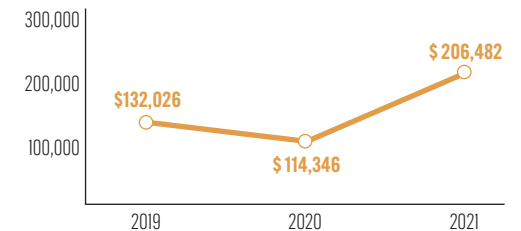
EMPLOYEES AND CONTRACTORS BY LOCATION*

	2019	2020	2021
MEXICO			
Full-time employees	3,266	2,641	2,716
Contractors	1,376	1,579	1,902
U.S.			
Full time employees	—	—	297
Contractors	—	—	293
CANADA			
Full-time employees	39	40	42

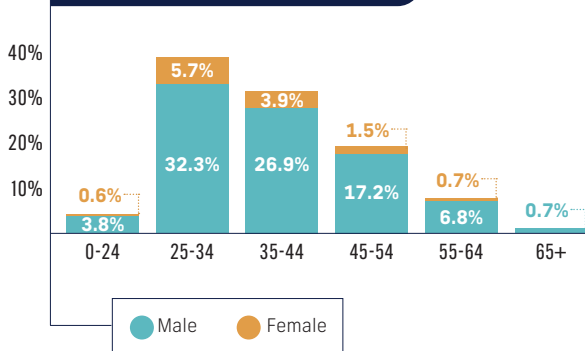
* Labour costs, salaries and benefits include labour costs directly to production and the expenses in salaries and benefits incurred to support the administration of the business. Data retrieved from Annual Reports.

ANNUAL WAGES AND BENEFITS PAID TO EMPLOYEES

(US\$ Thousands)

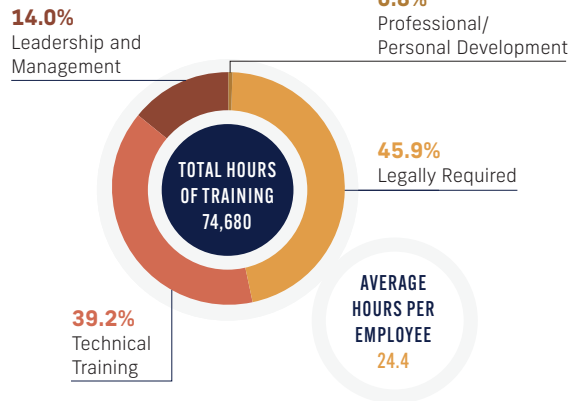


2021 WORKFORCE BY AGE AND GENDER



2021 TRAINING PROGRAMS BY AREA

% of total training hours in Mexico



KEY INITIATIVES

- We implemented our Be Majestic initiative, a company-wide performance alignment and its subsequent performance review at the end of the year. The aim was translating our corporate goals and production guidances into a comprehensive set of performance measures and a framework for strategic alignment between our strategy and goals of our employees across our business units. The performance review determined a transparent and goals-achievement-oriented mechanism for career path development, salary bonuses and planning for our employees. In 2021, 98% of eligible employees completed their performance metrics and evaluation.

- At our Santa Elena mine, 60 of our team members completed a professional-level diploma in management and leadership during 2021. The program included 50 hours of professional education per employee.



FIRST COHORT OF EMPLOYEES CERTIFIED IN LEADERSHIP AND MANAGEMENT

2021 HIGHLIGHTS



3,055
EMPLOYEES



2,232
CONTRACTORS



5.7%
VOLUNTARY EMPLOYEE
TURNOVER RATE ACROSS OUR
MEXICAN OPERATIONAL MINES



US\$206.5M
PAID TO EMPLOYEES IN WAGES
AND BENEFITS



- All of our managerial-level employees completed mandatory annual training in anti-bribery, anti-corruption and ethical business practices.
- In 2021, we launched a new online education platform that will be fully operational in 2022. The university-style learning hub provides tailored instruction, training and development activities for our staff.

STRATEGIC PRIORITIES FOR 2022

- Continue the full implementation of our Be Majestic initiative and its modules for succession and career development.
- Expand the management and leadership diploma to team members in our San Dimas and La Encantada mines.
- Develop mandatory training and simulation exercises in cybersecurity for all of our employees.

ANALYST CORNER

- [Our Sustainability Strategy](#)
- [ESG Data Tables](#)



CASE STUDY

BE MAJESTIC, OUR NEW MODEL FOR ORGANIZATIONAL BEHAVIORS

In 2021, we renewed our Company approach on talent management. We moved from a competencies-oriented model to an organizational behaviors-based approach. Previously, our teams focused on developing strengths across 13 competencies, whereas our updated approach emphasizes the following five organizational behaviors:

- **Results Orientation:** Driven to meet or exceed goals, with both quality and time as key indicators of success.
- **Embrace Change:** Possess a strong sense of adaptation and resilience to change, modifying one's own behaviors to accomplish the organization's objectives.

- **Be Brilliant:** Strong ability to develop action plans systematically and with a focus on goals, efficiency and a long-term perspective.
- **Engagement:** Consistently demonstrate commitment, loyalty and appreciation for the team and First Majestic. Have a strong awareness of company policies, using company resources in a responsible manner at all times.
- **Collaboration:** To work with people within or outside of the team while driving effective communication, living our values on teamwork, and expressing a positive attitude that facilitates the achievement of organizational objectives.

We launched the initiative during the second half of 2021 and implemented monthly campaigns and training to all eligible employees.





4.2 EQUITY, DIVERSITY AND INCLUSION

WHY IS THIS IMPORTANT?

At First Majestic, we value the diversity of our people, our partners, and communities. We believe our long-term success relies on providing a respectful, equitable, diverse and inclusive work environment. The business case is clear: companies that embed diversity and inclusion in their practices are more likely to outperform their peers who don't.⁷ The full benefits of a diverse organization include greater innovation and creativity, a wider talent pool, and a superior experience for our workforce.

While the mining sector has made developments in terms of diversity and inclusion, much more work is needed, especially around gender equality. Attracting women to careers in mining – particularly for underground operations – remains a global challenge. Women have been historically underrepresented at all levels of mining companies and face many barriers and challenges that men usually do not face. As with other sectors, there is growing pressure on the mining industry to remove barriers and increase employment and advancement opportunities for women, as well as other underrepresented groups such as LGBTQIA2S+, Indigenous peoples, visible minorities and people with disabilities.

⁷ www.mckinsey.com/featured-insights/diversity-and-inclusion/diversity-wins-interactive

OUR APPROACH

From our workplace practices to our stakeholder relationships, we are dedicated to creating an inclusive business — where individual differences are respected, the ability to contribute and access employment opportunities is based on performance, skill and merit, and inappropriate attitudes, behaviours and stereotypes are confronted and eliminated. We respect, welcome, and value diversity in expertise, ability, race, gender identity and expression, age, language, ethnic origin, religion, nationality, sexual orientation, education, socio-economic status, and political belief.

POLICIES AND PROGRAMS

Our Equity, Diversity and Inclusion Policy, adopted in 2015 and updated in March 2022, outlines our commitment and sets out the guidelines for achieving greater equity, diversity and inclusion (“EDI”) throughout First Majestic and within the Board of Directors. Our Code of Ethical Conduct reinforces the importance of diversity and inclusion and our pledge to ensure there are no systemic barriers or biases in the Company’s policies, procedures and practices.



Our focus on EDI is linked to our values, talent and business strategies, and practice of good corporate governance. In our workplace, our EDI efforts include awareness training, mentoring tools, flexible work options, and employee feedback channels such as the whistleblower hotline.

We continuously integrate EDI into our recruitment practices, as we strive to hire and retain individuals with diverse backgrounds and experiences that add value to our business and workforce. We support merit-based hiring and promotion. Biases, conscious or unconscious, are identified and addressed within the recruitment process in an effort to achieve more balanced representation. Employees and directors are recruited and promoted based upon their ability and contributions.

Our commitment to EDI extends outside First Majestic, and we know we can play a greater role to support and promote EDI more broadly. We are finding new and creative ways to support EDI initiatives within both our supply chain and communities so that we strengthen our shared society.



GENDER DIVERSITY

We promote a work environment that values and uses the contributions of women and men equally. Our goal is to increase the percentage of women working at First Majestic. To that end, we are working to improve our attraction and retention of women, including in leadership positions and in non-traditional roles. First Majestic employees actively promote, support and participate in Women in Mining organizations and local chapters in the U.S. and Mexico, which aim to enhance opportunities for current and future female employees.

We comply with all Mexican, Canadian and U.S. laws and regulations regarding wage equity. Women and men at First Majestic receive the same compensation for the same job position, as remuneration is determined by job description or position type, regardless of gender.



LOCAL HIRING

We make every effort to recruit people locally wherever possible, so that our workforce reflects communities in which we operate. We define “local” in the context of each of our operations, and identify the communities that our activities directly impact economically, socially or environmentally. At times we have to recruit from outside of the local area for highly specialized skills or certification that is not available in the local talent pool.

MANAGEMENT AND GOVERNANCE

The Board has explicit responsibilities to approve and periodically review the Company’s policies with respect to corporate social responsibility and environment, health and safety in the workplace. Our recently renewed EDI Policy guides how the Company and the Board will achieve equity, diversity, and inclusion. The Board periodically reviews social, cultural, or governmental scenarios that affect Company operations, advises management on emerging trends and issues, and guides adopting strategies and plans related to employees.

The Company has established and maintains employment policies that inform and govern the relationship between the Company, management and employees. These policies, mainly our EDI Policy, Code of Ethical Conduct and Whistleblower Policy, provide guidance and best practices around workplace health and safety, harassment, anti-discrimination and other relevant EDI matters. Our Vice President of Human Resources is directly in charge of executing and evaluating the performance of our policies in close coordination with our operations.

2021 HIGHLIGHTS



12.4%

FEMALE EMPLOYEES ACROSS OUR COMPANY



68%

FULL-TIME EMPLOYEES FROM LOCAL COMMUNITIES OR DIRECT AREAS OF INFLUENCE OF OUR OPERATIONS



40%

SELF-IDENTIFIED MINORITY MEMBERS AT THE EXECUTIVE-OFFICER LEVEL



37%

OF OUR TOTAL NEW HIRES UNDER 30 YEARS OF AGE



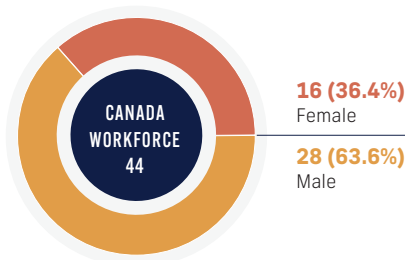
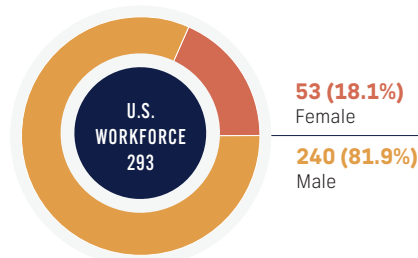
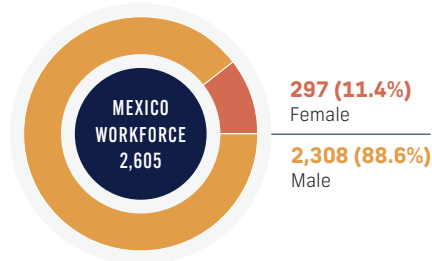
PERFORMANCE IN 2021

TOP-LINE RESULTS

- There were 366 women working at First Majestic at the end of 2021, as full-time and direct employees. That is 12.4% of our total workforce, compared with 9.7% in 2020. The positive trend is due to two factors: an increase in our female hirings in Mexico (19.4% of total new hires in 2021 were women); and the incorporation of Jerritt Canyon mine, where women comprise 18.1% of the workforce.
- At the Board level, at the end of 2021, 43% of the directors were women and 57% were men. Women also held 40% of positions at the executive management level.
- Across our operations, 68% of our full-time employees came from host communities or direct areas of influence of our operations. Jerritt Canyon, with 87.7%, represented the highest level of local hiring: in 2021, 257 out of 293 employees were based in Elko County, northeastern Nevada.

2021 WORKFORCE BY GENDER

Full-time employees



2021 MANAGEMENT

Management roles by gender

Excluding contractors

	% FEMALE	% MALE
Management*	17.1%	82.9%
Executive leadership**	40%	60%
Board of Directors	43%	57%

* Superintendent, manager, director

** Vice President, officer

2021 LOCAL EMPLOYMENT

Percentage of the workforce from the local* community

	% EMPLOYEES	% SENIOR MANAGEMENT**
MEXICO		
San Dimas	78%	1%
Santa Elena	32.9%	4.4%
La Encantada	58.5%	1.9%
La Parrilla	69.4%	8%
Del Toro	55.3%	4.8%
San Martin	77.8%	11.4%
La Guitarra	76%	15.8%
UNITED STATES		
Jerritt Canyon	87.7%	6.6%

* "Local" is defined in the context of each of our operations as the communities that are directly impacted economically, socially or environmentally

** Senior management includes regional leaders (chiefs, superintendents and managers)



KEY INITIATIVES

- This past year, we renewed our Board-approved Equity, Diversity and Inclusion Policy, which was publicly launched in early 2022. The policy updates our commitments, expands how we view EDI and further embeds it in our Company.
- During 2021, we created an EDI Working Group led by the Vice President of Corporate Communications and Marketing, with representatives from our Mexico, U.S. and Canada offices. The group is charged with advancing diversity and inclusion efforts across our operations.

The group worked with the Board last year to update the EDI Policy and will drive key EDI initiatives in 2022.

- Through our participation in the Mexican Mining Chamber of Companies (CAMIMEX), we actively promoted establishing a Diversity and Inclusion Committee to help accelerate sector progress in this area, especially around gender equality and creating lasting change for women. A committee was formed in 2021, and we look forward to contributing to its work in the years ahead.

- We promoted diversity, equity and inclusion in our social investments to support the most vulnerable members of our host communities. As an example, we increased our resources dedicated to the COVID-19 community response by more than 50% over the previous year. This focused mainly on vulnerable groups like single mothers, elders and people with disabilities.

STRATEGIC PRIORITIES FOR 2022

- Build awareness of our EDI Policy through employee training and communications.
- Launch initiatives to promote EDI-linked community investments across our host communities.
- Conduct diversity and inclusion training for human resources staff, with an emphasis on removing barriers for women to grow and lead across the organization.
- Enhance infrastructure to support inclusion at our sites and remove sources of discrimination.

FIRST MAJESTIC GOES PINK FOR BREAST CANCER

CASE STUDY

Across our North American footprint last year, the women and men of First Majestic enthusiastically participated in initiatives to raise awareness of breast cancer, which is the most common diagnosed cancer among women.

At our Santa Elena mine, for instance, all employees promoted a proactive screening program to help people understand the importance of early detection and prevention of breast cancer. The initiative mobilized not only our 1,200 workers, but also around 2,500 community and family members. More than three thousand screening tests were performed for the detection of breast cancer, as well as cervical, prostate, and lung cancers.

To further support the cause, First Majestic partnered with local and state health authorities, local foundations, and our workers unions, among others to contribute donations.



Our Jerritt Canyon team also implemented a worker-led initiative for people affected by breast cancer. The campaign focused on awareness, early detection and prevention, and on fundraising for local care services to help community members get the support they need, as they deal with the physical, emotional and spiritual challenges associated with the disease.

We are committed to continue supporting our people and community-led initiatives in the fight against breast cancer.

ANALYST CORNER

- [Our Sustainability Strategy](#)
- [ESG Data Tables](#)





SUSTAINABILITY PERFORMANCE

5.0

Safeguarding Health & Safety

MATERIAL TOPICS IN THIS SECTION

Health, Safety and Wellness





5.1 HEALTH, SAFETY AND WELLNESS

WHY IS THIS IMPORTANT?

Health, safety and wellness are considered among our top material issues by internal and external stakeholders. Mining is a high-risk industry with a range of potential hazards that can impact physical and mental health.

Protecting the well-being of both our workforce and surrounding communities is paramount. Every employee and contractor has the right to be safe at work. Also, attracting the best talent from our host communities in Mexico and the U.S., and ensuring our ongoing success, demands a daily focus on the health and safety of our employees.

OUR APPROACH

To achieve our goal of a zero-incident work environment, we take a holistic approach centered on four areas: Policy, Processes, People and Places.



1 POLICY

Setting our Overarching Commitment

We aspire to operate a safe and healthy workplace free of accidents, injuries and occupational illnesses. Our Occupational Health and Safety Policy defines First Majestic's commitment to implementing and maintaining the highest health and safety standards that will protect lives, promote workforce health and meet or exceed all relevant legislation.

The policy is aligned with international industry standards and directs us to:

- Identify, understand, eliminate or control any foreseeable hazards in the workplace
- Provide ongoing training, equipment, and systems to our employees and contractors to protect and enhance their well-being
- Establish procedures and training for emergency preparedness and response

Our Occupational Health and Safety Policy is a key component of induction training for all employees and contractors. The policy is posted in offices and highly visible locations at each site.

2 PROCESSES**Identifying and Managing Safety Risks**

Our *Integrated Management System for Industrial Health and Safety* is applied in all operations and projects to standardize tasks and strengthen a culture focused on keeping our people safe. All (100%) employees and contractors are covered by our system. Our recently acquired Jerritt Canyon mine began deploying this system during the last quarter of 2021.

ELEMENTS OF THE FIRST MAJESTIC INTEGRATED MANAGEMENT SYSTEM FOR INDUSTRIAL HEALTH AND SAFETY

10 RULES THAT SAVE LIVES



EMERGENCY PREPAREDNESS



SUPERVISOR'S TOOLBOX



REGULATORY COMPLIANCE AND PASST



SAFETY CULTURE PROGRAMS



AUDITS AND PLANNED INSPECTIONS



ACCIDENT INVESTIGATION



LEAD AND LAG INDICATORS

Our mining operations in Mexico also participate in the Self-Assessment for Health and Safety in the Workplace ("PASST"), a compliance program based on national and international standards and administered by the Ministry of Labour and Social Welfare.

Our risk assessments and annual audits are designed to support continuous safety improvements. These core processes include:

- Procedures for identifying hazards and assessing risks. Risk assessment results are used to develop and implement targeted control measures and make improvements, including addressing additional training needs.
- The internationally recognized Incident Cause Analysis Methodology (ICAM) for investigating incidents and accidents.
- Regular occupational health and safety internal peer audits as well as annual, compliance audits through PASST.

We have established targets to reduce health and safety incidents, with a focus on the following key performance indicators: Total Recordable Incident Frequency Rate and Lost Time Injury Frequency Rate. When accidents do happen, we immediately work to understand the root causes, implement corrective measures to prevent future occurrences and communicate lessons learned across our Company.

3 PEOPLE**Engaging Everyone in Building a Safety Culture**

We believe that strong leadership, combined with employee participation and personal commitment, build a strong safety culture. All First Majestic sites have a health and safety (H&S) committee comprised of employee and contractor personnel with specific responsibilities, including planned inspections. Topics such as personal protective equipment, medical services and emergency response are covered in collective bargaining agreements with our unions and are integrated into area walkabouts done by site health and safety committees. Each of our operations in Mexico has a joint health and safety commission between the Company and unions, in compliance with national regulations.





We provide regular health and safety training to employees, with subject-matter based on individual job functions and occupational health risk assessments:

- All personnel undergo comprehensive health and safety training upon starting employment, as well as task and equipment-specific training.
- Ongoing annual training includes basic first aid and site-specific safety courses on wide-ranging topics, including: lifting and hoisting, working at heights, hot work, safe handling and storage of hazardous substances, hearing conservation, respiratory conservation, emergency response and more.
- All management must complete the Visible Felt Leadership Program from DuPont Sustainable Solutions, which emphasizes behaviour-based safety performance and proactive leadership.

We have four recognition programs to reinforce our safety focus:

- *Work Safely, Safety Wins* – Recognizes exceptional individual safety performance (zero harm) over a 6-month period.
- *Hand in-Hand with my Family* – Focuses on reducing hands/arms-related accidents by promoting awareness and activities among our workers and their families.
- *Miners at Heart ("Minero de Corazon")* – Leaders and supervisors present on-the-spot recognition cards to employees who demonstrate safe conduct, safety innovation or concern for others.
- *Contractors H&S Integrated Management* – This initiative integrates our most critical contractors in our H&S action plans to achieve more secure operations and facilitate harmonized practices between our business partners. In 2021, 18 contractors participated in the initiative.

4 PLACES

Tailoring Measures to Each Site

Each operation holds monthly meetings to review work plans, Key Performance Indicators (KPI's), and address employee comments and suggestions. Results are communicated on an ongoing basis to management and to the Board of Directors to support the resourcing of improvement initiatives and training programs.

We empower all workers to make informed decisions and to remove themselves from unsafe situations that they believe could cause injury or ill health, without fear of reprisal. One of the ways in which we achieve this is through the "Safe Shift Card", in which personnel must complete a daily work area and task-specific risk assessment upon commencing and during their shift. This tool supports decision-making and includes a reporting mechanism for workplace conditions.



MITIGATING OCCUPATIONAL DISEASE

Beyond our focus on preventing accidents, we also strive to prevent long-term occupational illnesses and diseases such as hearing impairments, lung damage and cancer. These conditions can result from working in and around mines and being exposed to airborne hazards like diesel emissions and silica.

We conduct health evaluations at every site to assess exposure to hazardous emissions and substances and to understand, minimize, and eliminate potential workplace health risks. We use occupational health risk mapping to identify and implement risk control measures (e.g., adequate ventilation systems, PPE), medical monitoring exams and health training programs for occupationally exposed personnel.

We ensure that all employees and contractors exposed to potentially harmful substances and/or job conditions are provided with appropriate hearing and respiratory protection, receive annual hearing and lung capacity examinations, and regular monitoring of serum lead levels for exposed personnel. Employees and contractors at our operations have access to physician care 24 hours per day, 7 days per week, common medications, emergency services, and ambulance service. Our health clinics at the San Dimas and La Encantada mines accept both employee and community member visits.



PREPARING FOR EMERGENCIES

Our teams are trained and ready to respond to any type of emergency situation, from a fire to a hazardous spill. Each of our operating mines have contingency plans based on identified risks. The First Majestic Crisis Management Protocol identifies the coordination of responsibilities between our corporate, regional and site-level crisis management teams.

Our mines have appropriate emergency response requirements and an emergency brigade team. In 2021, there were 150 brigade members across our sites in Mexico and the U.S. Emergency response and mine rescue teams are trained and conduct simulations in first aid, underground mine rescue, firefighting, and disaster management. The brigade at each operation is also trained and equipped to attend to emergencies outside the mine such as a fire in local communities. All First Majestic mines have interior mine refuge facilities and infrastructure.



SUPPORTING MENTAL WELLNESS

Recent studies of the mining industry show that many workers have elevated levels of stress, anxiety and depression. These mental health-related problems can affect their morale, engagement and productivity, as well as increase the risk of a workplace accident.

We support and abide by healthcare and labour regulations in Mexico, the U.S. and Canada designed to help employees deal with mental health challenges. For example, we follow the Mexican Official Standard (NOM-035-STPS-2018) for employers to assess and address a variety of mental health-related issues and psychosocial risk factors in the workplace. Between 2020 and 2021, all of our operations completed a bi-annual assessment of our workforce on these matters as requested by the Mexican Secretary of Labour.

We offer a range of initiatives to promote mental wellness, such as:

- Awareness-building resources and campaigns focused on prevention of harassment, discrimination, and any form of violence across our operations.
- Internal grievance mechanism and confidential whistleblower hotline for reporting concerns.
- Adequate work options and schedules that follow best practices in the mining industry.
- Employee assistance program featuring mental health resources and counselling provided by our health personnel.
- Recognition programs to make employees feel valued and engaged at work.

INVESTING IN COMMUNITY HEALTH

Our emphasis on health, safety and wellness extends to our communities. We carry out safety fairs and health prevention campaigns in local communities on a wide range of topics. Our on-site medical staff also offer medical consultations and primary health services to local community members. Learn more in section 6.0 - *Strengthening Local Communities*.

ACCOUNTABILITY

We have established clear accountability for health and safety oversight, performance monitoring and reporting:

- The Board of Directors' Mandate on Company Policies (Mandate 8 under heading "Administration, Duties and Responsibilities") establishes that the Board has the responsibility to approve and periodically review the Company's policies with respect to health and safety. The Board reviews quarterly indicators and action plans to improve H&S performance across our sites.
- At the senior management level, our COO, Vice President of Operations, site managers and the H&S department assess and monitor occupational health and safety on a daily basis and receive reports on H&S incidents.
- Supervisors at each site are responsible for monitoring and reporting on safety and health, including annual assessments.
- Every employee and contractor shares responsibility for ensuring a safe workplace as dictated by our Employee Manual.



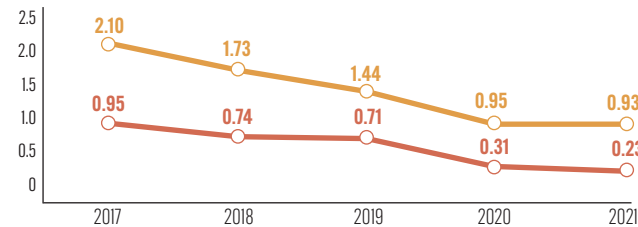
PERFORMANCE IN 2021

TOP-LINE RESULTS

- In 2021, we achieved consecutive improvements in our safety performance. For both employees and contractors, our Total Recordable Incident Frequency Rate (TRIFR) moved from 0.95 in 2020 to 0.93, and our Lost Time Injury Frequency Rate closed at 0.23 in 2021 compared with 0.31 the previous year. Among the 65 recordable injuries last year, there were sprains, contusions (bruising), fractures and minor cuts. There were no fatal accidents or severe injury incidents in 2021.
- We had 57 cases of occupational illnesses in 2021. The most common types were respiratory diseases, influenced by COVID 19-related effects, noise-induced hearing loss, and musculoskeletal injuries from more physically demanding roles.
- We are pleased that First Majestic's safety performance continues to rank in the lower quartile of mining companies based on the Frequency Index reported by the Mexican Chamber of Mining (CAMIMEX). The Frequency indicator is calculated by the number of events in a year multiplied by 1,000,000 and divided by the number of actual hours worked by employees/contractors at a site. Our average as a Company reached 0.55 in 2020.
- All our sites met or exceeded regulatory health and safety training hours requirements in 2021.

SAFETY PERFORMANCE

Mexico Operations



- Total Recordable Incident Frequency Rate (TRIFR*)
- Lost Time Injury Frequency Rate (LTIFR)

* TRIFR = Includes the Lost Time Injury (LTI), Restricted Work Injury (RWI) and Medical Treatment Injury (MTI) per 200,000 man-hours worked.

OCCUPATIONAL ILLNESS

Number of Cases in Mexico's Operations

Includes employees and contractors

TYPE OF ILLNESS	2019	2020	2021
Respiratory disease	14	6	27
Noise-induced hearing loss	7	12	26
Musculoskeletal disorders	5	2	4
TOTAL	26	20	57

2021 HIGHLIGHTS



0.93

TOTAL RECORDABLE INCIDENT FREQUENCY RATE



0.23

LOST TIME INJURY FREQUENCY RATE



0

FATALITIES OR SEVERE INJURY INCIDENTS



57

CASES OF OCCUPATIONAL ILLNESS/DISEASE IN 2021



KEY INITIATIVES

- Between 2020 and 2021, all of our operations completed the mandatory assessment on workplace psychosocial risk factors, including mental health. The results informed enhancements to our employee support program in Mexico, which provides free access to mental health professionals, nutritionists and medical counselling.
- Each year we conduct a cross assessment in our operations to measure compliance with H&S procedures and policies with special emphasis on high potential incidents. As a result of that evaluation, during 2021 we introduced new initiatives and measures in our ongoing journey toward creating the safest workplace possible. Our safety activities in 2021 focused on minimizing risk in areas such as work carried out at high altitudes, extreme depths, or in confined spaces, as well as reducing accidents associated with operating light vehicles.
- In 2021, we continued to work closely with local health authorities, our employees, community leaders and business partners to minimize COVID-19 transmission and related impacts. We supported vaccination campaigns led by Mexican health authorities to increase protection among our employees, their families and our neighbour communities. Our preventive measures aligned with public health protocols and included First Majestic's state-of-the-art testing facility (Polymerase Chain Reaction (PCR) laboratory), which monitored not only our workers and contractors but also community members. As a result, none of our operations were shut down in 2021 due to the ongoing pandemic.

STRATEGIC PRIORITIES FOR 2022

- Zero fatalities and severe injury incidents.
- Achieve a 15% reduction in our Total Recordable Injury Frequency.
- Maintain vigilance against COVID-19 impacts in both our workplace (through preventive strategies and health controls) and in the community (by supporting local health campaigns).
- Implement actions to reduce hazards posed by vehicles, especially light trucks that are a leading cause of high-potential incidents across our operations.
- Continue to work with the most relevant contractors across each operation to jointly harmonize safety practices and reduce the number and severity of incidents.
- In Mexico, complete a new update of workplace psychosocial risk factors as required by labour regulations.
- In the U.S., strengthen the emergency response brigade at the Jerritt Canyon Gold mine by expanding the team and certifying personnel with the necessary skills. Our team will continue a series of health tests to all personnel.

CASE STUDY



PROTECTING MINERS FROM HAND AND ARM INJURIES

Hand and arm injuries are among the most common types of accidents in our business and in the mining sector overall. These types of injuries can occur in many ways, including while working on equipment and operating powered and non-powered hand tools.

In addition to our standard workplace safety programs, we run the "Hand-in-Hand With My Family" campaign to target hand and arm safety. Through the program, we provide consistent training, learning materials, visible alerts, and video and audio messages to our workers and their families. The goal is to increase and continually reinforce safety awareness around preventing hand and arm injuries.

Since launching the campaign in 2018, we have observed positive results year over year. In 2021, we registered 111 hand and arm incidents compared to 140 in 2018, a 21% decrease. The severity of incidents has also decreased, even amid increasing production.

ANALYST CORNER

→ [ESG Data Tables](#)





SUSTAINABILITY PERFORMANCE

6.0
Strengthening Local Communities

MATERIAL TOPICS IN THIS SECTION

- Community Engagement
- Community Development
- Mine Closure and Reclamation





6.1 COMMUNITY ENGAGEMENT

WHY IS THIS IMPORTANT?

We interact with a wide range of community stakeholders, so it is critical that we earn their ongoing acceptance and trust. Effective engagement is key to achieving this. Mutually beneficial relationships with communities near our mines help ensure smooth operations and business success, while delivering long-term value for all of our stakeholders.

According to leading industry surveys, earning and keeping the social licence to operate has become one of the main business risks for mining firms⁸. Globally, company-community conflicts over environmental, social, and economic concerns are among the most expensive non-technical risks because of the extensive costs of those conflicts. Beyond lost productivity or material damages, increases in capital costs, project modifications, security, reputation, insurance and legal fees, and redress can generate significant and expensive business risks, depending on how prolonged and deep a conflict is.⁹

⁸ EY Top 10 Business Risk and Opportunities for Mining and Metals, annual survey; KPMG Risks and Opportunities for Mining, Global Outlook; PwC Annual Mining Report

⁹ Davis, Rachel and Daniel Franks, Costs of Company-Community Conflict in the Extractive Sector. Corporate Social Responsibility Initiative, Report No. 66 Cambridge, MA, Harvard Kennedy School and Sustainable Minerals Institute at The University of Queensland. 2014

OUR APPROACH

We are dedicated to engaging positively with local communities and those affected by our activities. Over the past 19 years, we have built an ecosystem of local relationships. These have allowed our production to continue and grow, even in times that demanded tough business decisions, such as suspending four of our operations and moving them into care and maintenance.

SOCIAL MANAGEMENT SYSTEM

We integrate social performance into our decision-making processes using our Social Management System (SMS). The programs and procedures within the SMS ensure we proactively manage operational impacts, engage transparently with our stakeholders, and collaborate to achieve tangible development outcomes in our regions of operation.



Our SMS is based upon social performance best practices, including IFC Performance Standards, the Mining Association of Canada's Towards Sustainable Mining Protocols, and UNICEF's Child Rights and Mining. It includes clear performance indicators for continuous improvement. See the next page for more details about our SMS.

LOCAL TEAMS AND PRACTICES

All First Majestic operations have local community engagement teams, annual action plans, and social investment programs. At each site we have conducted a social impact assessment and identified areas of influence, including local communities in areas where our operations have economic, social, and environmental impacts.

First Majestic has multiple engagement channels, including local grievance mechanisms at each site, to receive community feedback. All issues and concerns are tracked, assessed and addressed and we view community complaints as a valuable source of feedback. We continuously work to improve our complaint mechanisms and our ability to address concerns and problems in a transparent, timely, and fair manner.

MANAGEMENT AND GOVERNANCE

Our CEO, COO, and the Company's Board of Directors oversee First Majestic's community relations performance. Day-to-day accountabilities are shared by our Corporate Social Responsibility (CSR) team, site general managers and VP of Operations. Our senior leadership team prioritizes, reviews, and assesses measures to identify and address community concerns and grievances at a corporate level.



KEY SMS COMPONENTS

STAKEHOLDER MAPPING AND ENGAGEMENT PLANNING

- Identify stakeholders directly and indirectly affected by our mining operations.
- Engage with our host communities as early as possible and throughout the life cycle of our operations, being inclusive, ethical, culturally appropriate, and transparent.
- Assess community engagement, human rights, and cultural impacts, working with internal and external professionals.

COMPLAINTS AND INCIDENT MANAGEMENT

- Use SMS to track and report on economic, social, and environmental performance, complaints, and grievances.
- Uphold clear, accessible grievance mechanisms and processes to receive, track and respond to stakeholder issues.
- Monitor community complaints and incidents based on severity levels.

RISK MANAGEMENT

- Assess environmental, economic, and social risks and opportunities in consultation with interested and affected stakeholders. These include vulnerable groups and communities that may be at heightened risk of marginalization.
- Conduct and update risk management based on science and robust data.
- Implement risk-focused controls to prevent, minimize, mitigate and remedy impacts on local communities, cultural heritage, and the environment.

FIRST MAJESTIC SOCIAL MANAGEMENT SYSTEM (SMS) CORE ELEMENTS

Our SMS system guides our operations through critical steps to ensure our efforts create long-term trust with our host communities, build positive stakeholder relationships and align with our Company's sustainability goals and policies.

SOCIAL INVESTMENT

- Engage with local stakeholders to identify their priorities and expectations, and ensure engagement is as inclusive as possible.
- Implement and fund programs that contribute to lasting social and economic well-being of host communities.
- Actively engage with local stakeholders to address development opportunities and contribute to partnerships for social investment.
- Catalyze financial, institutional, and technical resources from public, civil society, development agencies, and other private partners to maximize local impacts and inclusive growth.

LOCAL CONTENT (EMPLOYMENT AND PROCUREMENT)

- Interact early with local enterprises for direct and indirect procurement and contracting opportunities throughout the mine life cycle.
- Work with our main contractors to maximize economic benefits for local communities.
- Create opportunities for local employment and skill development, as well as economic development and diversification through our supply chain.

LAND ACCESS MANAGEMENT

- Ensure the rights and needs of landowners and local communities are assessed and addressed before any activities involving land use.
- Avoid involuntary resettlement, and where it cannot be avoided, minimize it by exploring alternative project designs, compensating fairly for adverse effects and enabling the displaced to improve their standard of living, paying particular attention to vulnerable groups such as the elderly, women and children.



PERFORMANCE IN 2021

TOP-LINE RESULTS

- During the year, our community relations offices in Mexico registered 16 complaints from community members, a 38% decrease from 2020. By year end we resolved 93% of the complaints; we will follow up with the rest during 2022. The majority of complaints related to lack of business opportunities for local suppliers, property damage, land access, and environmental concerns. At our Santa Elena mine, the main complaint was raised by local business owners about late or failed payments from certain third party contractors performing work at our mine site; we took immediate action to solve this issue.
- We did not experience any significant (major or catastrophic) community-related incidents in 2021. There were seven inconsequential incidents at our sites in Mexico, six of which were minor, a 68% drop from 2020. These cases included ejidos' members requesting additional benefits beyond existing agreements, internal disputes between land owners and land rights claims. None of the incidents affected production capacity, and we addressed them through ongoing dialogue and existing regulations.

Note: Community complaint and incident data does not include metrics for our recently acquired Jerritt Canyon mine, which operated different measurement and tracking systems under previous ownership. The First Majestic SMS, grievance mechanism and registry systems will be fully operational at the mine in 2022, and we will integrate the relevant community metrics in our next Sustainability Report.



COMMUNITY GRIEVANCES

Across our Operations in Mexico

COMMUNITY INCIDENTS			COMMUNITY COMPLAINTS	
2020	2021		2020	2021
2	0	INSIGNIFICANT	10	12
10	6	MINOR	8	4
7	1	MODERATE	8	0
0	0	MAJOR	0	0
0	0	CATASTROPHIC	0	0
19	7	TOTAL	26	16





KEY INITIATIVES

- In 2021, we proactively engaged with our host communities to maintain and build good relations. We undertook stakeholder meetings and dialogue, collaboration with relevant groups and partners, employee volunteering, hosting community member visits to our mines, and annual safety fairs. Due to COVID-19 restrictions and safety protocols, we held both in-person and virtual meetings to maintain constant communication with our local stakeholders. We document and track the outcomes of our community engagement efforts and continuously evaluate our approach.
- We signed agreements with ejidos at two of our operations:
 - At the La Encantada Silver Mine, we reached an agreement with the Tenochtitlán Ejidal Commissariat to settle the Tenochtitlán Ejido lawsuit launched in 2011; judicial approval was pending at the time of this report’s publication.
 - After eight months of negotiations, we renewed the land access agreement between the La Parrilla mine (in care and maintenance since September 2019) and the Ejido Parrilla.
- At our Santa Elena mine, we completed the construction, expansion, and first production of the Ermitaño deposit that aggregates ore to the processing plant. Early engagement and constant communication with local communities and landowners helped us secure agreements for the surface rights to develop this crucial expansion program.

- We implemented a digital risk registry platform at all our sites. This new tool complements our SMS and improves the management of social risks, by enabling site managers and the senior leadership team to evaluate performance against our social commitments in real-time.
- We updated our framework and guidelines for land access, negotiations and compensation with landowners. The framework follows industry practices and guidelines from the ICMM, the Mining Association of Canada, and regulators in jurisdictions where we operate.
- This past year, our CSR team incorporated Geographic Information Systems (GIS) into First Majestic’s SMS. The initiative is helping our site teams widen their analysis and perspective of local ecosystems, geography, nature risks, social data, public infrastructure, and other georeferenced data. We use in-house and third-party research to make data-based decisions and improve the positive impact of our community development programs.
- Our San Dimas team increased engagement with the Ejido San Dimas and Ejido Rincon de la Calabaza to address issues raised by their community leaders related to procurement opportunities and medical care for their community members.



RURAL ROAD MAINTENANCE AROUND LA ENCANTADA MINE



HEALTHCARE COMMUNITY SERVICE IN BANAMICHI, NEAR TO SANTA ELENA MINE



STRATEGIC PRIORITIES FOR 2022

- Continue engagement with the main ejidos around our San Dimas mine to address issues raised and improve the community's understanding of the long-term life of the mine, operations, exploration activities, and future expansion plans.
- Update our ESG materiality assessment and expand coverage to include stakeholders of our Jerritt Canyon mine.
- Continue engagement with key local stakeholders through our Land Access Working Group and CSR teams. We need to maintain community support and social licence for our planned exploration campaigns during 2022 to achieve our target of 320,000 meters of exploration drilling.

ANALYST CORNER

- [Our Sustainability Strategy](#)
- [ESG Data Tables](#)



CASE STUDY

EXPANDING OPPORTUNITIES AND BENEFIT SHARING IN BANAMICHI

In the last quarter of 2021, we began production at our Ermitaño underground mine which is part of our Santa Elena mining complex. Marking an important milestone for First Majestic, the deposit, located in Banamichi, Mexico, will expand the life of the mine for an additional seven years, thereby increasing the positive contribution to the community.

The exploration success was possible thanks to early engagement with our host community, key landowners and other stakeholders. Through more than two years of regular meetings and open and transparent discussions, our local partners envisioned the direct and indirect benefits of the site expansion. Our site team addressed the community's main environmental and social concerns, such as water use, dust contamination, traffic risks, local jobs, and business opportunities.

The expansion of the Santa Elena mine and the ramp-up of Ermitaño has generated more than 500 new direct and indirect jobs from neighbouring

communities, as well as local and regional purchases of goods and services totalling US\$38.2 million, a 122% increase compared to 2020.

In 2021, our social budget and community investments in the area prioritized tourist infrastructure and irrigation facilities to improve economic diversification and social, cultural, and livelihood outcomes for our host communities. In 2022, our focus will be on consolidating agreements, investing in benefit-sharing initiatives, and providing fair compensation for land access to expand our exploration goals in the area to drill around 30,000 meters to augment existing resources.

The success of the Ermitaño expansion demonstrates how we embed sustainability and benefit sharing in our business planning and execution, gaining trust from our local partners.





6.2 COMMUNITY DEVELOPMENT

WHY IS THIS IMPORTANT?

Mine operations are, in most cases, the only economic driver for a community or a region, or at least the dominant one. The role of mining operations is magnified when the site is in a rural, remote region with an infrastructure gap, such as lack of access to clean water, roads and power.

In a globally interconnected ecosystem, mining companies must find avenues to create value for, and be valued by, their full range of shareholders. There is a global expectation that the private sector can, and should, play a significant role in achieving the Sustainable Development Goals (SDGs) related to boosting community resilience, inclusion and sustainability. A mining business is not sustainable in a community that is not experiencing prosperity and life improvement.

OUR APPROACH

At First Majestic, we recognize that we prosper when our host communities prosper. That's why we strive to be a catalyst for sustained community development. In fact, we have a long history of leadership in championing local causes and addressing societal challenges. Since our first project began in Mexico in 2004, we have worked to facilitate community-driven development that produces tangible outcomes for our stakeholders, and contributes to a legacy of responsible mining practices. Supporting our communities is key to achieving our vision: to become the world's largest primary silver producer while improving lives and communities in our host regions and increasing shareholder value.

WAYS WE SUPPORT COMMUNITIES

We support community prosperity in many ways, including by:

Promoting local employment, contracting and procurement in our operations

Investing in community programs and infrastructure, through donations, sponsorships and gifts-in-kind

Providing hands-on help and expertise to local initiatives

Paying our fair share of taxes and royalties.

After 19 years of continuous production, we are still the largest employer and contractor of goods and services in the municipalities where we operate. At the same time, First Majestic is one of the most important partners to local and regional authorities to develop, upgrade and maintain critical public infrastructure. In many cases like at our San Dimas operation, we provide the entire community with potable water and wastewater infrastructure.

Determining evolving community priorities and the type of positive impact we want to make takes insight. That's why we developed a framework for our community work, which includes an engagement strategy, stakeholder map, key partners, land access agreements and most importantly, a real-time system to monitor the execution and performance of our agreements. All of our sites in Mexico use this framework, and in 2022 we will implement it at our Jerritt Canyon mine.

Our aim is to collaborate with communities, civil society organizations and governments to support and invest in opportunities that are context-appropriate and create measurable benefits. Due to the different socio-economic and cultural contexts of our local communities, our community development initiatives vary from operation to operation and focus on local stakeholders' most relevant needs and expectations.

MANAGEMENT AND GOVERNANCE

Our CEO, COO, and the Company's Board of Directors oversee First Majestic's community relations performance. Day-to-day accountabilities are shared by our Corporate Social Responsibility (CSR) team, site general managers and VP of Operations. Our senior leadership team prioritizes, reviews, and assesses measures to identify and address community concerns and grievances at a corporate level.



FIRST MAJESTIC'S APPROACH TO CATALYZE INCLUSIVE GROWTH

We share the mining industry's global ambition to build a more resilient and inclusive post-COVID-19 future. We are maximizing positive impacts through our most-effective tools: local employment, local purchases, community investments, support for education and environmental stewardship. Our activities contribute to several SDGs, including the call for ending poverty in all of its forms.

EDUCATION FOR KIDS AND YOUTH

In all our operating regions, we contribute to education and youth development in a variety of ways, including by supporting student scholarships designed to encourage youth to remain in school and excel in their studies. Our focus in 2021 was on supporting a safe return to in-person classes and securing connectivity and internet access for community schools and community centers.



ECONOMIC DIVERSIFICATION AND CLIMATE MITIGATION

We prioritize "win-win" climate and economic solutions that allow our communities to develop beyond the life of our operations. Agriculture and livestock, tourism, forestry, renewable energies, and commercial activities are key sectors we support with community contributions.

LOCAL BUSINESS AND JOB OPPORTUNITIES

Our mines harness a network of local businesses to supply the products and services required to support the full scope of our operations. Our goal is to offer equal opportunities to all local suppliers through fair, inclusive processes.

COVID-19 AND COMMUNITY HEALTH

Our most important contribution to community health, especially during the ongoing pandemic, is providing community members with access to our in-house medical facilities. We also sponsor health professionals, support local health authorities with vaccination campaigns, and provide medical and testing equipment, personal protective equipment, medicine, and health supplements.



REDUCING THE INFRASTRUCTURE GAP

Reliable infrastructure is key to building a thriving local economy and to the quality of life in rural and remote communities. Electrification, water networks, road connectivity, sanitation systems, waste management, recreation areas, and agricultural infrastructure are priorities for our local communities. We work in partnership with local and state governments and community associations to contribute to these projects and mobilize additional resources.

INDIGENOUS PEOPLES

None of our producing operations are located in, or are adjacent to, Indigenous Peoples' territories. The non-producing La Luz Project, however, is located within the Wirikuta natural protected area of San Luis Potosí, which includes sites of cultural significance to the Wixárika Indigenous Peoples. The Wirikuta natural protected area is governed by a management plan that permits mining activities in specific areas. Our plans for exploring and developing the project are on hold due to a legal action brought by two Wixárika Indigenous communities from Jalisco state against the federal government. This is with respect to the grant of certain mining concessions held by First Majestic. For the last ten years, First Majestic has regularly engaged with Wixárika communities and local stakeholders interested in resolution.



2021 HIGHLIGHTS



US\$3 MILLION

TOTAL COMMUNITY INVESTMENTS IN MEXICO



352

STUDENT SCHOLARSHIPS AWARDED



US\$38 MILLION

PROCUREMENT SPEND ON LOCAL SUPPLIERS



68%

AVERAGE LOCAL EMPLOYMENT AT OUR MEXICAN AND U.S. OPERATIONS

PERFORMANCE IN 2021

TOP-LINE RESULTS

- Our community investments in Mexico reached US\$3.9 million in 2021, a 32.6% jump from 2020. We supported a diversity of community programs, projects and events. We dedicated additional funding to help communities minimize COVID-19 impacts and restart projects postponed or delayed due to the pandemic.
- Thanks to increased mining production last year, our local procurement spends in Mexico rose by 33%, to US\$38 million. Reflecting our commitment to 'buy local', nearly 95% of our procurement in Mexico came from within the country.
- In 2021, our average local employment in Mexico and the U.S. was 68% of our operational workforce, compared to 58% in 2019 (baseline year). People from our host communities hold around 40 senior management positions across our sites.

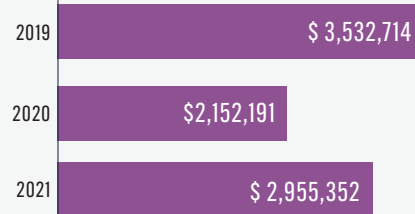
KEY INITIATIVES

- This past year, we maintained a focus on forging strong bonds with our host communities to navigate the complexity of the second year of the COVID-19 pandemic. We invested time and funding to support the health and well-being of our workers, their families and community members. This involved large-scale collaboration with health authorities to deploy critical infrastructure such as a brand-new polymerase chain reaction ("PCR") laboratory facility in the city of Durango. We also contributed to improved public health capabilities, including hiring medical personnel across 12 health centers near our operations in Mexico.
- As a strong supporter of public education, we provided a 50% tuition subsidy to 235 elementary students attending the school in Tayoltita last year. We also continued to work closely with the College of Professional Technical Education (CONALEP) campus in Tayoltita, to give students hands-on experience working in our San Dimas mining facility. Since the program was launched over 13 years ago, approximately 40% of CONALEP's 350 graduates have been employees of the San Dimas mine.
- At our new Ermitaño mine which is part of the Santa Elena complex, we contributed close to US\$200,000 to support key community projects, including improvements in tourist infrastructure and water irrigation. We also secured additional funding from our community-minded contractors to support these projects.
- We proactively engaged with our local suppliers, in particular businesses owned by ejidos, to help them comply with legal reforms for outsourcing. The strategy, led by our procurement department in Mexico, allowed First Majestic and our local business partners to fulfill the new regulatory requirements and keep our mine operations running without disruption.



- At our La Encantada mine, we continued to support water infrastructure for local ranching – the main livelihood in the region. Water access is the greatest challenge faced by the ranching and agricultural sector in this part of northern Coahuila.
- At our San Dimas mine, we continued to supply electricity to 10 communities, benefitting over 800 families, and provided resources to maintain 13 local roads totalling 320 kilometers. We also invested in Radio Plata, now in its second year of operation, to bring local content, news, and music to local residents. Radio Plata is the first radio station in town and operates in the refurbished Community Cultural Center, also financed by the San Dimas mine.
- Despite the production ramp-down in our care and maintenance sites in Mexico, First Majestic continued supporting infrastructure improvements in host communities. For example, our San Martin mine located in San Martin de Bolaños, Jalisco, provided funding to help the municipality repair the town’s main bridge and upgrade community waste management facilities. Our technical and financial contribution catalyzed a total of US\$2 million for these projects from local and state governments.

COMMUNITY INVESTMENTS BY YEAR*



* Values include the most significant investments and participation in major sectors of the community.

DIRECT ECONOMIC VALUE

Direct Economic Value Generated and Distributed (US\$ Millions)

	2019	2020	2021
Community investment	3.5	2.2	3.0
Payments to providers of capital ⁱ	12	13.6	24.2
Payments of governments ⁱⁱ	19	15.7	87
Employee wages and benefits ⁱⁱⁱ	132	114.3	206.5
Capital expenditures ^{iv}	124.2	125	219.8
Mine operating costs	297.7	258.8	482.7
Value generated: revenue	363.9	363.9	584.1

- ⁱ Includes lease payments, finance costs, payments to debt holders.
- ⁱⁱ Reported and publicly disclosed as part of First Majestic’s annual Extractive Sector Transparency Measures Report (ESTMA), which is available on our website. First Majestic does not make political contributions.
- ⁱⁱⁱ Includes employee contribution to payroll taxes. Includes labour costs directly related to production and generation of revenues and salaries and benefits as administrative expenses.
- ^{iv} Expansionary capital expenditures.

PROCUREMENT

Spend on Suppliers by Mine Operation and Geographical Area
US\$ and Annual Variation 2019-2021

OPERATION	2021 LOCAL COMMUNITY SPENDING	2019 - 2021 ANNUAL VARIATION	2021 REGIONAL SPENDING	2019 - 2021 ANNUAL VARIATION	2021 NATIONAL SPENDING	2019 - 2021 ANNUAL VARIATION	2021 INTERNATIONAL SPENDING	2019 - 2021 ANNUAL VARIATION
San Dimas	30,164,494.31	26.6%	33,499,394.42	25.7%	65,577,699.28	28.4%	4,086,948.71	6.2%
Santa Elena	2,769,299.59	5.9%	35,406,409.44	40.7%	88,883,758.99	32.0%	4,141,837.87	31.8%
La Encantada	3,043,986.39	2.8%	7,736,391.39	2.2%	35,440,725.84	5.9%	1,187,246.47	6.2%
Mines in Care & Maintenance	801,943.87	-64.9%	1,379,250.27	-56.2%	2,755,282.56	-67.9%	184,140.66	-68.3%
Corporate Expenditures	1,275,336.99	-13.3%	174,900.31	-43.4%	19,833,661.57	51.8%	8,586,642.44	-5.1%
TOTAL	38,055,061.15		78,196,345.83		212,491,128.24		18,186,816.15	



FIRST MAJESTIC PROVIDED COVID PANDEMIC SUPPORT AND LARGE-SCALE COLLABORATION WITH HEALTH AUTHORITIES

STRATEGIC PRIORITIES FOR 2022

- Continue supporting the economic recovery of communities impacted by the ongoing pandemic.
- Prioritize community investment initiatives that address both poverty and climate change.
- Continue engaging with key local stakeholders through our Land Access Working Group and CSR teams, to maintain community support and social licence for our planned exploration campaigns during 2022.
- Embed support for equity, diversity and inclusion in our community investments and ensure they are inclusive in their impact.

ANALYST CORNER

- [Our Reclamation and Closure Strategy](#)
- [ESG Data Tables](#)



CASE STUDY



EGG FARM IS A WIN-WIN FOR ECONOMIC AND ENVIRONMENTAL RESILIENCE

During 2021, our community investment in a local farming project demonstrated how a mining company can invest effectively to generate local economic prosperity and at the same time mitigate climate change.

At our San Dimas operation, we funded a free-range, cage-free chicken farming initiative that is producing around 2,800 eggs per day. Led by women from the community, the farm supplies eggs for employees at our mines and for local community members and businesses.

Historically, all eggs consumed in the remote community were brought in from the nearest towns, around 300 kilometers away. This was costly and generated carbon emissions through extensive transportation.

Our farming initiative is not only saving money and emissions, it is generating income for local families and securing access to good food. The San Dimas egg farm is giving First Majestic important lessons and best practices to consider as we aim to replicate the initiative across our sites.



6.3 MINE CLOSURE AND RECLAMATION

OUR APPROACH

WHY IS THIS IMPORTANT?

Mineral and metals extraction is a critical driver of economic growth and social development, but it also has short- and long-term impacts on local communities and ecosystems. Avoiding, minimizing or restoring negative impacts in ways that respect the communities and regions where the mining industry operates is a serious responsibility. It requires robust systems and processes to protect and rejuvenate these areas, both during mine operations and after mine closure. Project life-cycle planning, including for future site closure and monitoring, ensures mining companies leave a positive legacy in host communities while avoiding environmental and social damage.

At First Majestic, we are committed to responsible mine closure and reclamation as an essential element of sustainable development. All of our mines have closure plans in place that:

- Incorporate community input and address site-specific concerns.
- Provide environmental and social impact assessments of future mine closure, along with the estimated financial costs.
- Outline how we will transition employees, dismantle the mine and recover equipment, and support the host community after mining ends.
- Comply with local regulatory requirements in Mexico and the U.S. and align with industry-recognized frameworks. This includes the International Council on Mining and Minerals (ICMM) and the Toward Sustainable Mining by the Mining Association of Canada (MAC).

Our Asset Retirement Obligations (ARO) and corresponding management approach ensure we fulfill our closure commitments. We review and revise our mine closure plans annually to ensure they reflect evolving developments and that we set aside funds to cover anticipated closure and reclamation costs. Our Environmental team, which is supported by our Geotechnical Department, has principal responsibility for mine closure and land rehabilitation.

RESPONSIBLE RECLAMATION

In the face of rising global environmental challenges like land degradation, deforestation and biodiversity loss, responsible reclamation is more important than ever. Reclamation is a mandatory obligation within our environmental permits and a key part of First Majestic's robust environmental management and closure plans, processes and actions.

Our approach emphasizes leaving net positive impacts on biodiversity where we operate. To that end, we apply the mitigation hierarchy model that ICMM promotes, with a no-net-loss ambition. The model, which informs actions throughout the life of a mine, has four stages: Avoidance; Minimization; Restoration; and Offsetting.



PREPARING NATIVE TREE SPECIES AT SAN DIMAS FOR REFORESTATION

**FOUR STAGES OF RESPONSIBLE RECLAMATION****1 AVOIDANCE**

From early exploration to full-scale operations, we work to avoid any social or environmental impacts from our activities during the entire mining cycle. Following our land management protocols, prior to mining we complete social, environmental and archeological assessments and baselines in close consultation with experts, local communities and Indigenous Peoples. This initial approach determines critical areas where we need to avoid short or long-term impacts. Our Environmental and Social Management Systems, applied in all operations, standardizes tasks and strengthens a culture focused on preventing adverse impacts.

3 RESTORATION

Through our progressive restoration program, our teams actively restore land while we mine. Our San Dimas mine, for example, has been actively reforesting its non-active tailings facility since 2020, using native plant species. We've completed similar actions at the Santa Elena mine using hydroseeding, a high-quality method for seeding vegetation, land rehabilitation and erosion control. We also participate in various reforestation and land stewardship initiatives with our host communities, and support ecosystem restoration programs led by neighbouring communities.

4 OFFSETTING

Offsetting addresses any remaining impacts by seeking conservation gains of the same value, sometimes in other areas, to achieve no-net-loss of biodiversity overall. One of our flagship initiatives is the voluntary conservation project at our La Encantada mine, where our Cielo Norteño Ranch in Coahuila State was designed as a conservation ecosystem. The project covers 19,475 hectares and has special measures to minimize impacts on native plants like the candelilla and cacti, black bears (an endangered species) and other protected species, such as hawks, sandhill cranes, burrowing owls, bighorn sheep, geckos and rattlesnakes.

2 MINIMIZATION

Our EMS enables all of our teams to focus on minimizing environmental impacts. We also have a compliance program to ensure we follow environmental regulations that provide strict restrictions and prohibitions against spills, releases and emissions of various substances that could cause environmental contamination. Our dry stack tailings model, applied across all Mexican operations and under evaluation for our Jerritt Canyon mine in Nevada, is an example of our approach to minimizing impacts. Through the model, we minimize water consumption and recycle more than 75% of the processing water from our operations.

PERFORMANCE IN 2021**TOP-LINE RESULTS**

- At the end of 2021, our mining activities in Mexico represented a total footprint of 646.7 Ha. Approximately 50% represents tailings and mine waste areas.
- Our operations in Mexico maintained a strong environmental compliance record, incurring no fines or penalties. In the U.S., First Majestic inherited reclamation legacies at Jerritt Canyon mine and has been implementing action plans to bring the operation in line with environmental regulations (see page 14 for more details).

KEY INITIATIVES

- We reassessed our reclamation obligation at each material mine, based on updated Life-of-Mine (LOM) estimates, rehabilitation, and closure plans. The total discounted amount of estimated cash flows required to settle the Company's estimated obligations is \$153.6 million. This has been discounted using a risk-free rate ranging from 7.4% to 7.5% for the mines in Mexico and 1.5% to 1.6% for the Jerritt Canyon mine. For more details, please refer to our 2021 [Annual Information Form](#) and updated [Technical Reports](#).



- We engaged in several reclamation projects in 2021. These included conforming terraces in the filtered tailings deposits (San Dimas, La Encantada, Santa Elena); reforestation and relocation of flora from areas to be impacted by subsidence (La Encantada); and relocation of flora and fauna in the Ermitaño industrial zone and access area (Santa Elena). At the Jerritt Canyon mine, we continued the closure of TSF 1. Activities included installing 12.5 million square feet of liner, and revegetating the final surface with an approved seed mix.
- Reforestation work progressed at our non-operational assets. For example:
 - In La Parrilla, we restored the La Rosa creek bed (1 hectare of land previously used for waste rock storage) with soil and native plant species. We built rock-retaining walls along the water channel to control water flow and limit erosion of the creek bed and high banks.
 - In La Encantada, La Parrilla, La Guitarra, and Del Toro, we also undertook planting, soil regeneration, and reforestation initiatives consisting of more than 66,000 plants on over 57 hectares of land.
 - In the Suchil town near our Del Toro operation, we reforested 3 hectares of land with close to 2,000 plants.
 - At La Guitarra, we completed a reforestation program in the communal land owned by the Ejido Godinez. This multi-stakeholder effort involved the community, First Majestic and state environmental and agricultural agencies.

2021 HIGHLIGHTS



646.7 HECTARES
TOTAL FOOTPRINT ACROSS MEXICAN OPERATIONS



100%
UPDATED CLOSURE PLANS FOR EACH MINE, WITH REVISED ESTIMATES OF CLOSURE AND RECLAMATION COSTS



25 HECTARES
OF TOTAL LAND REFORESTED BETWEEN 2020 AND 2021 IN OUR MEXICAN OPERATIONS



0
ENVIRONMENTAL FINES OR PENALTIES IN 2021 IN MEXICAN OPERATIONS

PLANNING FOR RESPONSIBLE MINE CLOSURE

San Dimas Silver/Gold Mine

- Estimated decommissioning and reclamation obligations: \$15.5 million.
- Considerable effort has gone into the reclamation of the decommissioned Cupias tailings storage facility. Since 2019, over 4.6 hectares have been reclaimed with close to 2,000 native plants, achieving a 97% survival rate.
- We implemented an optimal planting method for slope grade and erosion risk and an appropriate seasonal planting window that contributed to the plant survival success rate. We selected native plant species suited to the area from the San Dimas nursery or transplanted them from nearby project development areas.

Santa Elena Silver/Gold Mine

- Estimated decommissioning and reclamation obligations: \$8.4 million.
- In 2021, progressive reclamation activities at Santa Elena and Ermitaño, our new underground mine, covered approximately 8.5 hectares.
- Key initiatives included recovering fertile topsoil and vegetation, some of which was applied for the progressive reclamation of dry stack tailings storage facility. The operation used hydroseeding techniques to optimize results and maximize the success rate of revegetation.
- Santa Elena’s environmental team used native species for reforestation, including the regional bacanora (agave variety), mezcal, and white oak.



La Encantada Silver Mine

- Estimated decommissioning and reclamation obligations: \$11.0 million.
- During 2021, the environmental team reclaimed 3.29 hectares by planting close to 4,500 native species in two mining areas and the tailings facility. We established a monitoring program to assess the effectiveness of reclamation and identify any additional work necessary to achieve net positive impact for the ecosystem.
- Our efforts in the 20,000 ha. conservation area of Cielo Norteño to reduce survival threats to native plant and animal populations included reforestation more than 50 hectares with the candelilla wax plant. There is a 90% survival rate.
- We are collaborating with the Las Eutimias community to restore sustainable harvesting of the candelilla plant, resulting in jobs that benefit 12 local families.

Jerritt Canyon Gold Mine

- Estimated decommissioning and reclamation obligations: \$100.4 million, including \$17.6 million related to the Environmental Trust that we must fund no later than October 31, 2022.
- Total reclamation costs in 2021 were \$637,000. We submitted an updated reclamation plan and cost estimate to the Nevada Department of Environmental Protection (NDEP) in November 2021. The review is underway and we expect approval by the end of 2022.
- Management developed an environmental action plan to address the main environmental challenges we inherited. Phase I involves the analysis and development of remediation solutions. Phase II includes the implementation of these solutions. The plan was jointly developed with third-party experts, Jerritt Canyon's team and the NDEP.

STRATEGIC PRIORITIES FOR 2022

- Determine and implement the necessary investments and resources to address legacy non-compliance issues at the Jerritt Canyon mine involving the non-operational tailings.
- Continue remediating tailings storage facilities across our operational and non-operational mines.

ANALYST CORNER

- [Our Reclamation and Closure Strategy](#)
- [ESG Data Tables](#)



CASE STUDY

INNOVATION AND COLLABORATION IN POST-CLOSURE LAND

We integrate closure management throughout the life of our assets. Most importantly, we engage with communities and other local stakeholders to plan and implement actions that generate positive impacts. Here are two examples:

In 2020 and early 2021, our San Dimas operation, in close coordination with the municipality of Tayoltita and community members, developed an initiative to repurpose legacy mining waste rock deposits into recreational areas as part of progressive closure. First Majestic considered all the regulatory requirements, land ownerships and local community needs to plan, design and execute the initiative.

Today, the new recreational facilities – which we and the Municipality financed – have generated

multiple benefits, including providing young people with an opportunity to engage in sports programs. In 2021, more than 500 children, teenagers, and young adults in the area registered in activities like softball, tennis, volleyball, and swimming.

At our exploration project La Luz, in San Luis Potosi, we collaborated with community entrepreneurs and the local technology university to pilot alternatives to transform legacy tailings into potential opportunities for new economic value and circular economy.





SUSTAINABILITY PERFORMANCE

7.0
Supporting Environmental Sustainability

MATERIAL TOPICS IN THIS SECTION

- Energy and Climate Action
- Water and Biodiversity Management
- Tailings & Mining Waste



JOSE HERNANDEZ RODRIGUEZ



7.1 ENERGY AND CLIMATE ACTION

WHY IS THIS IMPORTANT?

The transition to a greener, net-zero economy is a global imperative. We at First Majestic have an important role to play to decarbonize our operations, contribute to global climate goals and keep stakeholders informed about our efforts.

In the search for clean energy to support this transition and slow climate change, the growing demand for critical minerals and strategic metals like silver is redefining the mining industry. On the one hand, that low-carbon future will be mineral intensive to compensate for less fossil-fuel-based electricity. On the other hand, the mining industry that extracts those minerals must tackle its own carbon-heavy footprint while contributing to global climate efforts. Mining is an energy-intensive sector: the International Council on Mining & Metals estimates that mining accounts for almost two percent of global energy use.

OUR APPROACH

At First Majestic, we continue to evolve our environmental strategy to achieve meaningful action on climate change. Our teams are working on multiple fronts to create effective business solutions for managing our energy consumption and advancing the transition to a lower-carbon world. Our core focus areas include:



MITIGATION: ENERGY AND EMISSIONS MANAGEMENT

We generate carbon emissions across the different stages of daily operations. That's why our climate mitigation roadmap, guided by our Innovation team and site leaders, is centred on identifying opportunities for energy efficiency. In the last five years, we have invested more than US\$65 million to modernize our processing technologies and efficiencies and decarbonize our energy consumption.

One of our priorities has been reducing our dependency on diesel fuel and converting to Liquefied Natural Gas (LNG). La Encantada transitioned to LNG five years ago and in 2021, Santa Elena completed its conversion to LNG as its primary source of fuel for power generation (for more details, see Performance in 2021). Parallel to improving our energy sources, we have implemented carbon-reduction technologies in our processing and recovery operations, which has helped increase metals recovery without expanding energy consumption.

Combined, these key actions have helped us substantially reduce processing costs, energy consumption and carbon emissions, while increasing silver and gold recoveries. In the coming years, we are well positioned to further streamline our carbon footprint.

We track and monitor energy consumption, direct (Scope 1) and indirect (Scope 2) GHG emissions, and GHG emissions intensity on a monthly basis, and publicly report these metrics annually. At this time, we do not compile scope 3 GHG emissions. While we have comprehensive environmental plans and an Environmental Management System in place to prevent, minimize and mitigate impacts, we have not yet developed long-term emission reduction targets.

**ENERGY SOURCES PER MINE**

First Majestic uses various energy sources to power our operations, with LNG and purchased electricity as the most significant. In light of the current global energy transition, we recognize more organizations are increasingly considering and implementing alternative sources of energy. While we continue to rely on fossil fuels such as diesel for our continued operations, over the past few years we have shifted our energy mix to cleaner, less environmentally-harmful options.

**San Dimas Silver/Gold Mine**

- Main energy source: electrical power provided by First Majestic's own hydroelectric generation plant (48% in 2021) and the Federal Power Commission supply system (41% in 2021).
- Backup diesel generators are used for emergencies.
- Received Clean Industry Certification in 2018 for leading environmental management practices and commitment to low-carbon energy generation.

Santa Elena Silver/Gold Mine

- Main energy source: LNG generation plant, which in 2021 replaced the formerly used diesel generators.
- Through its seven generators, the LNG plant has reduced operating costs, improved reliability and reduced GHG emissions.
- In 2022 the Company will expand the LNG plant capacity by adding four additional generators thus replacing the two diesel generators now working to provide power to the new Ermitano mine. This will further reduce GHG emissions and lower our energy costs.

La Encantada Silver Mine

- Main energy source: five natural gas generators (including one added in 2021) and one diesel generator, achieving an average mix of 90% natural gas – 10% diesel generation.
- The natural gas generators have helped reduce GHG emissions and energy costs and provide redundant power capacity.

Jerritt Canyon Gold Mine

- Main energy source: electrical power purchased from Nevada Energy through a 125 kV, three-phase transmission line.
- Power is supplied to the property via a station located in the processing plant area and is distributed to the mines and other necessary facilities through a grid of surface lines.

ADAPTATION: MANAGING CLIMATE RISK

Climate change is a top risk for our Company. Shifting weather patterns and extreme weather events can have an impact in jurisdictions where we conduct mining exploration and development. Our risk management assessments include aspects related to energy security and our exposure to physical risks of climate change.

- Changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce, and products from the Company's operations to world markets.

- Extreme weather events (such as prolonged drought or flooding) can disrupt our mining operations and require us to make additional expenditures to mitigate the impact of such events. Extended disruptions to supply lines could result in interruption to production.
- Our facilities depend on regular supplies of consumables (gas, diesel, tires, sodium cyanide, etc.) and reagents to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

Increasing regulations in response to climate change are another risk consideration for us. We have already seen more jurisdictions adopt climate change regulations, and these will grow and become more demanding over time as governments implement policies to reduce further carbon emissions, including the implementation of carbon taxes based on aggregate carbon emissions.

We are taking into account the changing weather and extreme events in our business decisions. We continue to build our expertise in terms of understanding and evaluating climate change impacts, so that we improve our ability to avoid or mitigate adverse effects on our operations and the communities in which we work and live.



SUPPORTING CLIMATE OPPORTUNITIES

Beyond managing our operational footprint and mitigating climate change risks, we also recognize that mining companies like ours have a role to play in supplying mineral resources to support a greener future. Silver, for example, is an important material in solar energy applications.

The evolving demand for strategic metals to help enable the transition to a net-zero economy is an opportunity for First Majestic, representing a significant growth area for our business and our host communities. We are seeking ways to increase our mining activity to meet soaring demand, while ensuring we do so in a climate-sensitive, sustainable manner.

MANAGEMENT AND GOVERNANCE

At a corporate level, our senior leadership team prioritizes, reviews, and assesses measures to identify and address climate change risk, mitigation measures, and opportunities to reduce our carbon footprint annually. The Board of Directors and senior management oversee the Company's capital allocation and business model to fulfill our mission to produce profitable silver ounces and grow our mineral resources through ethical, innovative, and sustainable practices.

- Our Corporate Innovation and Technical Services departments have a key responsibility to assess market-based solutions to improve our energy efficiency via low-carbon technologies and switching to lower-carbon energy sources.

- Our Environmental Management System (EMS), applied across all operations and projects of the Company, establishes a culture focused on preventing, minimizing, and mitigating environmental impacts. The EMS is based on international standards and best industry practices in the U.S. and Mexico.
- All of the Company's operations have implemented an annual compliance program to manage the obligations and conditions that must be fulfilled under the Company's environmental permits. External EMS audits are conducted regularly, and as part of the country certificates such as the Mexican Clean Industry Accreditation (CIA) that review the performance of each mining operation.

US \$65.8 MILLION invested over the last five years to implement eco-efficiency initiatives and decarbonize our energy consumption.

PUBLIC DISCLOSURE AND TRANSPARENCY

Our stakeholders are rightfully concerned about the economic, environmental and social implications of the climate crisis, and are increasingly interested in how First Majestic is addressing these challenges. Through this report and our [website](#), we provide details about our energy and climate-related initiatives, results, risks and opportunities, in line with international reporting frameworks (GRI, SASB). We also provide climate-related disclosures in our annual [Management Information Circular](#), [Annual Information Form](#) and [NI 43-101 Technical Reports](#).

We continue evaluating the information needs and requests of our community of regulators, investors, analysts and other stakeholders to incorporate new disclosures, specifically those related to climate change and associated financial risks.

2021 HIGHLIGHTS



-35%

REDUCTION IN DIESEL CONSUMPTION



40%

OF COMPANY'S ENERGY NEEDS POWERED BY LIQUEFIED NATURAL GAS (LNG)



-8.9%

DECREASE IN SCOPE 1 DIRECT GHG EMISSIONS (TONNES OF CO₂ EQUIVALENT) VS. 2019 BASELINE



-30.4%

DECREASE IN SCOPE 2 GHG EMISSIONS (TONNES OF CO₂ EQUIVALENT) VS. 2019 BASELINE



PERFORMANCE IN 2021

TOP-LINE RESULTS

- Our total energy consumption in 2021 was 1,395,072 Gigajoules (Gj) of energy across our operations in Mexico, a decrease of 4.7% compared to 2019, our baseline year. Among our sites, San Dimas remains the largest consumer of energy (57%); it has a larger scale of operation and is the Company's leading producer of both silver and gold.
- While continuing to grow our operations last year, we achieved a 17% reduction in total GHG emissions and an 9.7% decrease in GHG emissions intensity, which measures the level of CO₂ equivalent per tonne of ore processed. The Company's largest source of Scope 1 (Direct) emissions comes from mobile equipment: in 2021, it represented 54.7% of our CO₂ direct emissions and 40% of the total emissions (Scope 1 + Scope2). Compared to our 2019 baseline, last year we:
 - reduced GHG emissions resulting from our direct fuel consumption (Scope 1) by 9%, from 75 kilotonnes to 62 kilotonnes.
 - decreased GHG emissions resulting from our purchased electricity (Scope 2) by 30.4%, from 46.1 kilotonnes to 22.3 kilotonnes.
 - generated 0.03 tonnes of CO₂eq per tonne processed, compared to 0.036 tonnes of CO₂eq in 2019.

KEY INITIATIVES

- 2021 marked a crucial milestone in our long-term journey to lower GHG emissions and improve our carbon footprint. We achieved a significant shift in the Company's energy mix, resulting in lower emissions and paving the way for continued reductions.
 - Less diesel: Over the past five years we have decreased diesel consumption across our operations at an annual average rate of 10%, and in 2021 we achieved a record year-over-year reduction of 35%.
 - More LNG: For the first time, LNG constituted the main resource in our energy portfolio, representing 40% of our energy sources for our operations in 2021. Five years ago, LNG represented only 9%.
- Santa Elena, our second largest producing mine, completed its conversion from a diesel-powered to LNG-powered operation early last year. With that strategic investment, the mine is a lower carbon intensity system. The project included seven LNG generators, three LNG tanks, a 5 MVA mine substation, a 10 MVA plant substation, and an 800 m power line to connect to the mine and plant grid. The new plant generates 12.4 MW, and we expect to save between US\$8-10 million annually in energy costs. Most important are the environmental benefits: in the first nine months of operation, the mine emitted 67% fewer tonnes of CO₂e (38,736 tonnes of carbon dioxide (CO₂) equivalent in 2020 to 12,859 tonnes in 2021).

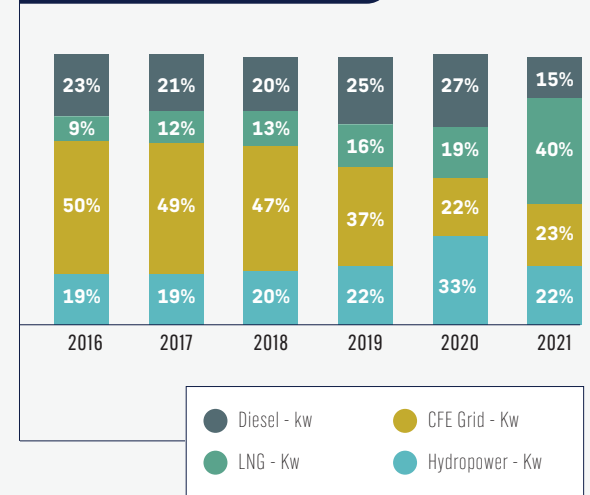
ENERGY INTENSITY BY SITE

Operation/Total energy consumption (gj) per tonne of ore processed

OPERATIONS	2019	2020	2021
San Dimas	0.664	0.613	0.968
Santa Elena	0.775	0.990	0.419
La Encantada	0.165	0.143	0.188

2021 marked a crucial milestone in our long-term journey to lower GHG emissions and improve our carbon footprint.

ENERGY CONSUMPTION BY SOURCE





- In the last three years, we have also streamlined emissions from processing, ventilation, heating, and cooling. In 2021, these energy efficiency efforts continued, targeting processing and recovery efficiencies through technology innovation as a path to decarbonize our operations. Our focus on energy efficiency demonstrates that mine operations can decarbonize while growing: between 2019 and 2021, there was a 4.9% growth in tonnes processed at our Mexican operations alongside an 9.7% reduction in emissions intensity measured as tonnes of CO₂eq per tonne processed.

EMISSIONS INTENSITY BY SITE

Tonnes of CO₂ equivalent per tonne of ore processed

OPERATIONS	2019	2020	2021
San Dimas	0.0416	0.0299	0.0441
Santa Elena	0.0546	0.0669	0.0319
La Encantada	0.0138	0.0103	0.0154

TOTAL GHG EMISSIONS

Scope 1* and 2**, Tonnes of CO₂ equivalent

OPERATIONS	2019	2020	2021
San Dimas, Direct emissions, Scope 1	9,968	6,715	17,734
San Dimas, Indirect emissions, Scope 2	18,827	14,624	18,589
Santa Elena, Direct emissions, Scope 1	47,818	42,858	28,024
Santa Elena, Indirect emissions, Scope 2	0	0	0
La Encantada, Direct emissions, Scope 1	12,299	8,900	15,424
La Encantada, Indirect emissions, Scope 2	0	0	0
Total Emissions (Scope 1 + Scope 2), including non-operational sites***	120,745	80,657	84,217

* Scope 1 (direct) GHG emissions are those that occur from energy sources that are owned or controlled by the company
 ** Scope 2 (indirect) GHG emissions are those that occur from the generation of purchased electricity consumed by the company and that occur at the facility where electricity is generated.
 *** Excluding Jerritt Canyon

STRATEGIC PRIORITIES FOR 2022

- Expand power plant in Santa Elena with new LNG generators
- Complete dual-circuit project in Santa Elena, which will help minimize energy consumption
- Commission the new HIG mill and other modernization improvements at San Dimas
- Increase renewable energy generation capacity through expansion of the FMSC Hydroelectric Plant
- Continue innovating and exploring partnerships, including with green technology companies, to broaden our green energy sources and reduce energy consumption
- Continue exploring new opportunities to develop renewable energy projects in alliance with local stakeholders, especially in remote locations that offer potential for shared-use energy initiatives

ANALYST CORNER

- [Our Decarbonization Strategy](#)
- [ESG Data Tables](#)



CASE STUDY

SUPPORTING CLEAN ENERGY SOLUTIONS FOR RURAL COMMUNITIES

Our operations in Mexico have been financing small-scale initiatives in renewable and clean energy access for rural communities and families off the grid. For example:

- In alliance with the regional government and the Mining Fund, in 2021 our La Parrilla mine launched a 1.2MW solar farm in the Parrilla Community. The small-scale plant generates solar energy through 350 modules and sells it to the national grid. The income generated allows close to 200 local families to pay for irrigation and public infrastructure repair, including rural roads.
- The Santa Elena mine has been supporting around 70 local ranchers in the Sonora region, who experience water access challenges during the dry season. Our local team worked with the community to install three automatic livestock waterers, which are operated by solar systems that provide energy to water pumps to supply a 100,000 liters reservoir. The project enables the ranchers to access underground water for farming.
- Our San Dimas mine and its hydro plant are also generating a positive community impact. Since 2019, more than 800 families across ten nearby communities have been given access to the transmission line to get reliable, renewable and low-cost energy.
- Our La Encantada mine, in collaboration with the Ejido Las Eutimias and Rancho El Bajio, installed full solar systems to five families not served by the electric grid.



7.2 WATER AND BIODIVERSITY MANAGEMENT

WHY IS THIS IMPORTANT?

Water challenges continue to increase around the world. In 2021, the United Nations published an update revealing that much more global action is urgently needed to increase water-use efficiency and protect water-related ecosystems, in order to reach many of the targets under Sustainable Development Goal 6 (SDG 6 – to ensure water and sanitation for all by 2030).

At First Majestic, water is considered one of the most critical material topics by our primary stakeholders, including workers, communities and regulators. All of our operating mines are located in regions of water stress¹⁰ and where agriculture and ranching, which rely on access to water, are essential livelihoods. We recognize that water stewardship is key to both our business viability and our host communities' long-term economic and social sustainability.

¹⁰ World Resource Institute's Water Risk Atlas, by country and region

OUR APPROACH

With water being both a critical input into our mining processes and an essential resource for our host communities, we are committed to implementing sustainable water practices and minimizing the impacts of our activities on local water bodies. Our management approach for water focuses on:

- **Using water as efficiently as possible** – adopting best practices to manage our water use, minimize freshwater water consumption and monitor water quality.
- **Maximizing water recycling** – through the use of closed-circuit operations that help to lower our overall consumption.
- **Ecosystem collaboration** – engaging with local stakeholders to protect public water sources and improve access to water.



USE EFFICIENCY: WATER MANAGEMENT AND MONITORING

Our mining operations use large amounts of water, most of which is for processing ore. We also use water for dust control and for our camps and offices. The water for our mines is sourced from groundwater wells and mine dewatering, from which we obtain water rights through Mexico's National Water Commission (CONAGUA) and the Nevada Division of Water Resources (NDWR) in the U.S. We have an Annual Compliance Program, conducted through each business unit, to review and ensure all water-related regulatory requirements are met. We report our water use quarterly to CONAGUA and NDWR. All of our mines in Mexico use an online risk management platform that contains all the environmental obligations and conditions that must be fulfilled under the environmental permits. Jerritt Canyon mine will complete the transition to this platform in 2022.

We have invested significant resources to monitor water quality and implement technologies to minimize freshwater consumption. Our water monitoring program, for example, is designed to ensure our operations have no adverse impacts on water quality, short or long term. All First Majestic mines have water quality baseline studies and, where necessary, hydrology studies to understand water resources more accurately in the geographic regions where they operate. We conduct regular groundwater testing using monitoring wells upstream, downstream, and within our operations, including community wells.

WATER QUALITY SAMPLING FOR ONGOING MONITORING

**WATER SOURCES AND STEWARDSHIP PER MINE****Santa Elena Silver/Gold Mine**

- Water sources: for industrial use, water is supplied mainly from the mine dewatering system; for non-industrial use, a licensed water-well pumps water to an elevated tank.
- Groundwater inflow has been increasing at depth in the Santa Elena mine. Dewatering systems consist of main and auxiliary pumps in place in each of the active mine areas. Groundwater inflows in Ermitaño started increasing when the workings reached the 760 meters above sea level elevation.

San Dimas Silver/Gold Mine

- Water sources: for industrial use, water comes from mine dewatering stations and recycled filtered-tailings water after treatment; for non-industrial use, water is supplied from the Santa Rita well, which fills from the Piaxtla River.
- Drinking water is supplied by First Majestic to the town of Tayoltita and its 5,800 inhabitants from an underground thermal spring at the mine.
- Groundwater inflow has not been a significant concern in the San Dimas mine area. Dewatering systems consist of main and auxiliary pumps in place at each of the mine areas.
- Water is a crucial resource in the San Dimas mine as it is the primary source for power generation in its Las Truchas hydroelectric plant. As prolonged drought conditions in the region could affect operations, First Majestic is assessing the economic merit of expanding the current hydro dam capacity.

La Encantada Silver Mine

- Water sources: for industrial use, water is obtained from several wells located 25 km from the mine (this water is pumped to site and stored in a series of storage tanks); for non-industrial use (offices and employee housing), fresh water is obtained from a well located in the underground mine.
- The mine does not discharge residual water to the environment; therefore, no wastewater discharge concession titles exist. Residual water is pumped through pipelines to a treatment plant built by First Majestic in 2010. As water is limited in the region, wastewater control helps reduce freshwater requirements.

Jerritt Canyon Gold Mine

- Water sources: Water available on site is sufficient to support all mining and milling operations. Water for the mill site comes from deep underground water wells and a connected series of seepage recovery wells and pumps. Three potable water systems exist on the property and are permitted as public water supplies. All pumping wells are permitted through the Nevada Division of Water Resources.
- Approximately 700 gallons per minute (gpm) of water is required to operate the mine mill.
- The existing water treatment plant only removes approximately 200 gpm of process solution from the site-wide water balance inventory as permeate. A significant increase in the capacity is needed to eliminate positive water balances during the winter and spring.

MAXIMIZING RECYCLING: WATER USE INTENSITY

A key part of our water strategy is recycling and reusing water in our operations, which reduces our intake of freshwater while also helping to avoid the discharge of mine water and possible contaminants to the environment. Currently, we recycle over 75% of process water and aim to increase that in the coming years. All our mines are closed-circuit, which means that we do not discharge water through the processing plants to the surrounding environment. This process water is continuously reused in the system.

In Mexico, all our operations produce dry-stack tailings. This dewatering system recovers over 80% of the water used in our process. Additionally, any contact water and infiltration solutions are collected in a pond storage facility and are pumped back to the processing plant for reuse. The Company's main focus is to increase the water supply from our filtered-tailings water systems currently operating in all of our mines in Mexico and assess its viability in Jerritt Canyon, our new mine. At the same time, we are improving our recycling levels from processing.

ECOSYSTEM COLLABORATION: QUALITY IN WATER DISCHARGE

To protect the quality of local water bodies near our operations, we engage with local stakeholders to discuss our water stewardship activities and report our performance. As previously noted, we carefully manage and monitor water quality, consumption by source, and water discharges across our sites and report the results to regulatory agencies and local stakeholders with whom we share ecosystems.



Quality standards for water discharge are established by environmental authorities where we operate (CONAGUA and NDWR). In addition to complying with our regulatory obligations, we consider the potential downstream risks and benefits based on the social and environmental context. We use flow meters to measure water discharge from dewatering and treated greywater. Our main focus is ensuring the quality of any discharged water, which receives clarifying treatment to reduce the sediment load prior to release into surface waters adjacent to each respective mine. When required, a pH adjustment is also made before discharge. Greywater from domestic use at San Dimas, Santa Elena, and San Martin undergoes treatment before it is discharged within allowable limits.

Surface waters within our operations are handled by our stormwater management infrastructure, designed to reduce risk and ensure any water that comes into contact with our operation is directed into the operation without impact to downstream bodies of water. We monitor changes to weather patterns and process plant performance to identify the need for upgrades and adjust our engineering designs as needed.

We also operate wastewater treatment systems at all mines. The efficiency of these systems is measured quarterly by accredited laboratories, which test the treated water's physical, chemical, and biological quality to assure compliance with regulatory standards. For example, since 2018, the federal environmental authorities have evaluated the quality of the wastewater discharges from our non-producing mine La Guitarra. In 2020 and 2021, the inspection confirmed all water was fully compliant with environmental standards. The monitoring process includes community members participating in the sampling, monitoring, and evaluation process.

Approximately 80% of the water produced from mine dewatering across our operations in Mexico is not used for our business activities and can therefore be re-allocated by CONAGUA for other uses.

MANAGEMENT AND GOVERNANCE

- The Board of Directors broadly oversees all environmental policies and practices, including those related to water stewardship.
- Our senior leadership team prioritizes, reviews, and assesses measures to identify and address water-related risks, mitigation measures, and opportunities to reduce our water footprint annually.
- Our Environmental Management System ("EMS"), based on international standards and best practices, helps ensure we implement an effective and consistent approach to water management and monitoring across First Majestic.
- External audits of First Majestic's EMS are aimed at reviewing the environmental performance of each of our mining operations, including water performance. These audits are conducted by PROFEPA-accredited external environmental consultants for evaluating compliance to applicable environmental regulations.
- Qualified technicians and supervisors at each site are involved in day-to-day water activities and oversee compliance with applicable water-related regulations.

2021 HIGHLIGHTS



75%

WATER RECYCLING ACROSS THE COMPANY'S PROCESSING PLANTS



0.59 m³ / tonne

PROCESSED IN 2021 AS OUR WATER INTENSITY RATIO



1.8%

INCREASE IN OUR WATER CONSUMPTION IN 2021 (COMPARED TO 2019 BASELINE)



524,900 m³

WATER RELEASED BACK TO THE WATER ENVIRONMENT IN FULL COMPLIANCE WITH REGULATORY NORMS

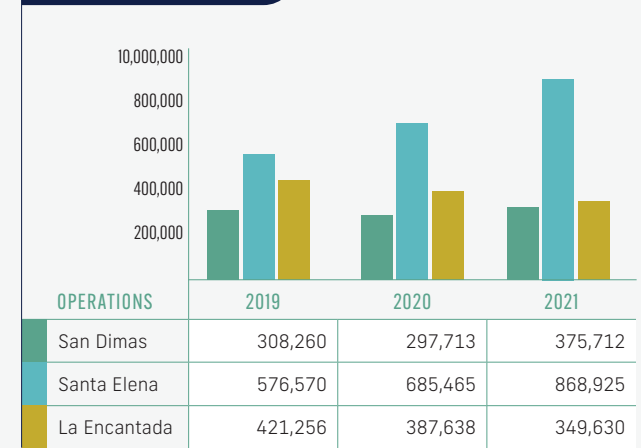


PERFORMANCE IN 2021

TOP-LINE RESULTS

- We consumed¹¹ 1,699.259 m³ of water across all our Mexican operations, up 1.8% compared to our 2019 base year. The increase is attributable to the construction of the Ermitaño Project in the Santa Elena mine that demanded additional water resources: water consumption in Santa Elena increased by 23% compared to 2019.
- Water-use intensity is an effective way to measure how efficiently we use water at our mines. As a result of the spike in water demand at our Santa Elena mine, total water use intensity – the volume of water use (m³) per tonne of ore processed – increased from 0.46 m³ in 2019 to 0.61m³ in 2021. Of note:
 - La Encantada surpassed San Dimas last year as our more water-efficient operation, with a water use intensity of 0.35m³ per tonne of ore processed, a 14.2% reduction from 2019. La Encantada reduced its total water use by 8.9% despite a 6.2% increase in tonnes of ore processed. Recycled water accounts for 90% of the plant requirements, and only 10% is made up from freshwater (estimated at 480 m³/day).
 - San Dimas registered a minor increase of 1.2% in water use intensity between 2019 and 2021, consistent with an increased volume of ore processed. San Dimas continues as one of our most efficient operations in terms of water consumption with a ratio of 0.46 m³ per tonne of ore processed. About 80% of the water required for processing activities at our San Dimas operation is treated and recycled.
 - At Santa Elena, the water intensity ratio reached 0.99 m³ in 2021, compared to 0.66 m³ in 2019. About 75% of the water required for processing activities is treated and recycled, with the remaining 25% sourced from freshwater, estimated at 494 m³ /day.
- Despite the water consumption increase in Santa Elena last year, since 2019 we have registered less water entering our operations from ground and dewatering sources. In 2021, our water withdrawal in Mexico was 4.3 million cubic meters, a 12.2% reduction from 2019, with the main decrease (-15.3%) in groundwater consumption (water from beneath the earth’s surface). Our operations also registered an important reduction of 12.8% in freshwater withdrawal, moving from 5.3 million cubic meters in 2019 to 4 million cubic meters in 2021.

WATER CONSUMED (m³)



A key part of our water strategy is recycling and reusing water in our operations, which reduces our intake of freshwater while also helping to avoid the discharge of mine water and possible contaminants to the environment.

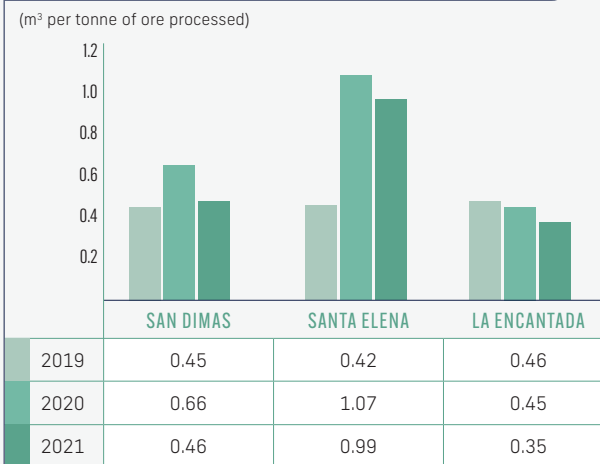
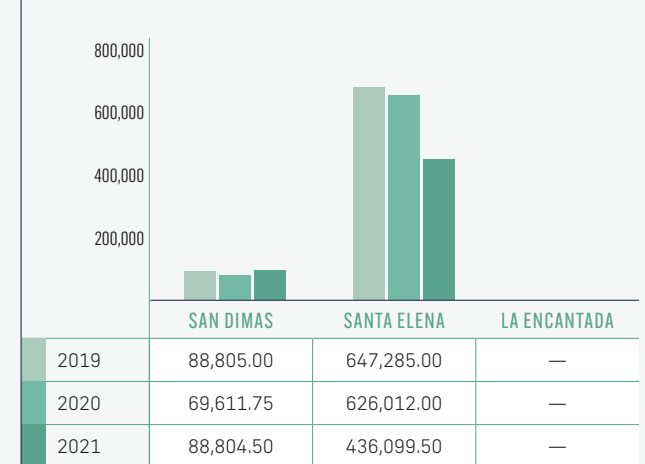
11 Water consumption: Water that is permanently removed, by evaporation, entrainment (in product or waste) or other losses, and not returned to the water environment or a third party.

**KEY INITIATIVES**

- All of our operations in Mexico were in full compliance with regulatory requirements related to water stewardship, and our monitoring results demonstrated no negative impacts on water quality. However, our recently-acquired Jerritt Canyon mine (April 30, 2021) was found in non-compliance with water supply and surface water requirements, mainly associated with the lack of capacity at the mine's water treatment facilities. We are aggressively taking actions to address this inherited legacy, starting with improving the dewatering and treatment infrastructure in 2022.
- During the year, we continued to support local communities with water stewardship activities:
 - Our San Dimas operation continued to maintain the water infrastructure, helping to secure water access for the local community of 5,800 citizens.
 - In La Encantada, we provided maintenance and expansion of water reservoirs that provide water access for ranching and agriculture activities for the three communal Ejidos and ranches near our operation.
 - In Santa Elena, we completed the construction of a new water reservoir for a local stakeholder group, Bienes Comunales, with a capacity of 360 cubic meters. The project also included a new 110m³ plastic tank and water pipes for five communal cattle drinkers.

WATER BALANCE: MEXICAN OPERATIONS

WATER WITHDRAWAL BY SOURCE (m ³)	2019	2020	2021
Ground water	914,068	580,300	655,156
Mine dewatering	4,705,416	4,370,095	3,678,316
Total water withdrawal (m³)	5,619,484	4,950,395	4,333,472
Freshwater (≤1000 mg/L Total Dissolved Solids)	5,269,177	4,641,627	4,006,899
Other water (>1000 mg/L Total Dissolved Solids)	350,307	308,768	326,573
WATER DISCHARGE (m ³)			
Total water discharge (m ³) – all to surface water	4,075,017	3,502,527	2,730,216
WATER USE INTENSITY			
Total water use (m ³)	1,306,086	1,370,816	1,594,267
Total tonnes of ore processed	2,831,999	2,213,953	2,705,995
Water use intensity (m ³ per tonne of ore processed)	0.46	0.62	0.61

WATER USE INTENSITY: OPERATIONAL MINES IN MEXICO**WATER DISCHARGE (m³): ALL TO SURFACE WATER**



STRATEGIC PRIORITIES FOR 2022

- Continue to assess the potential to expand the water reservoir capacity for the operation of our Las Truchas hydroelectric plant and reduce plant downtimes at San Dimas from power blackouts.
- Continue to improve water recovery and recycling through technical optimization in our dry-filtered tailings facilities.
- Assess the technical and economic viability of converting Jerritt Canyon mine to a dry tailings system.
- Address the inherited water-related non-compliance issue at Jerritt Canyon mine, including expanding the water treatment capacity and water pollution control systems from the existing tailing storage facilities.
- Continue to invest in supporting our host communities, local ranchers and farmers with securing access to quality water, while optimizing water management and reducing water losses.

ANALYST CORNER

- [Our Water Management Strategy](#)
- [ESG Data Tables](#)



PROTECTING A SHARED ECOSYSTEM FOR COLLECTIVE SUSTAINABILITY

In 2017, First Majestic voluntarily set aside close to 20,000 ha of its Cielo Norteño property (in Coahuila state near the La Encantada Mine) to restore, protect, and conserve its semi-desert ecosystem. Two of the three water wells from which water is extracted and provided to the mine and local ranching and agriculture are located in this Environmental Management Unit (UMA).

The area includes native wildflowers like the candelilla, a flowering plant harvested for its wax derivatives in the cosmetic and food industries, and several iconic cacti species, such as the bilberry and agave. Wildlife diversity is rich and includes coyotes, pumas, wildcats, wild boars, and protected species such as hawks, sandhill cranes, burrowing owls, bighorn sheep, geckos, and rattlesnakes.

Threatened species include the kit fox, pine snakes, common collared lizards, long-nosed leopard lizards, Texas horned lizards, black-necked garter snakes, and leopard frogs. Two endangered species are also found, the pronghorn sheep and black bear, for which special measures have been implemented.



The Company has been allocating annual resources to protect and restore the soil and water to enhance moisture retention. These activities have two positive impacts: 1) The quality of the soil promotes native vegetation, and 2) the recharge of the water table improves.

Protecting underground water sources, improving the tailings filtration process, and optimizing water management from local ranchers are the critical elements of our strategy at La Encantada mine to make progress in the critical indicator of the Sustainable Development Goal: water-use efficiency.

We believe the Cielo Norteño project provides a vital example of how to create biological corridors in protected areas in Coahuila state and across Mexico. First Majestic is committed to providing continued support of the project, promoting biodiversity protection in the region, and securing valuable resources for our operations and our host communities.



7.3 TAILINGS & MINING WASTE

WHY IS THIS IMPORTANT?

Safe, responsible management of tailings and other mining waste is one of the most critical issues for the mining industry globally and key to meeting societal and regulatory responsibilities. Companies' performance in this area, particularly around management of tailings storage facilities, has come under intense scrutiny following significant tailings failures in recent years and negative impacts on public safety.

To improve international standards and drive better tailings management practices, in 2020 the International Council on Mining and Metals (ICMM), the United Nations Environmental Program (UNEP) and the Principles for Responsible Investment (PRI) launched the *Global Industry Standard on Tailings Management*. The new standard is the first of its kind and an important milestone for the mining industry. At First Majestic, tailings storage safety is a high priority as failures can have catastrophic consequences to our stakeholders, the environment and our business.

OUR APPROACH

At First Majestic, we aim to responsibly manage and dispose all of our waste, to prevent or reduce any negative effects on the environment and public health. Our operations generate waste in a variety of forms – including tailings, waste rock (rock that is removed from the ground to access mineral deposits) and other by-products – as we extract and process mineral resources. The main focus of this section is our approach to tailings management, since it is the Company's most significant waste stream and a matter of deep concern to our stakeholders.

TAILINGS MANAGEMENT

We actively manage 19 tailings storage facilities (TSFs) across our operating and non-operating sites to hold tailings waste generated by our mining operations. Four of the TSFs are active and 15 are inactive or closed, which means they no longer receive tailings. Three of our four active TSFs use the dry stacking method, which is widely considered to be the most sustainable method to store filtered tailings and a key way to minimize environmental risk (see our case study on dry stacking to learn more). All of our TSFs meet or exceed regulatory requirements.

First Majestic is committed to responsible tailings management practices. With the ultimate goal of zero harm to people and the environment from the tailings we generate, we take a lifecycle approach to manage

all of our TSFs. This approach is consistent with the new *Global Industry Standard on Tailings Management* and the *Toward Sustainable Mining program of the Mining Association of Canada*, as well as industry guidelines developed by the Canadian Dam Association (CDA) and the International Commission on Large Dams (ICOLD).

Our comprehensive tailings management system, standards and procedures integrate best practices to ensure the safe and environmentally responsible management of our TSFs, and we continually seek ways to improve. The most relevant components of our approach are described below.

Management and Governance

There is multi-level responsibility and accountability related to tailings management at First Majestic:

- The Board of Directors and senior management oversee the Company's tailings and waste management functions, including relevant policies, standards, systems and auditing. All activities and results are reported to the Board and Senior Leadership Team.
- The Chief Executive Officer and Chief Operating Officer have executive-level responsibility for all issues related to tailings management, including reporting to the Board on the performance of our TSFs and their compliance with regulatory requirements and industry guidelines.

19 TAILINGS STORAGE FACILITIES

4 ACTIVE

15 INACTIVE OR CLOSED



- Our Plant Operations has principal responsibility for the day-to-day tailings operation and oversight, and is supported by the site Technical Services group.
- The Corporate Geotechnical Department is responsible for reviewing the periodical surveys and designing the monitoring infrastructure of the TSFs.
- Supporting cross-functional collaboration and communication, senior leadership team members, site general managers and site teams regularly engage in tailings management meetings, performance reviews and internal reporting.

We have a licensed external Engineer of Record who conducts formal dam safety inspections annually of all our TSFs, carrying out the risk analysis and classification according to international standards of both the CDA and the International Commission on Large Dams. These inspections evaluate the safe operation and maintenance of our TSFs, ensuring that quality control programs are implemented, facility documentation is completed, and opportunities for improvement are highlighted and addressed.

Design, Construction, Operation and Monitoring

To provide a consistent, company-wide approach for the safe operation of our TSFs, we maintain a Tailings Management System and Tailings Management Plans at each site that cover the entire tailings facility lifecycle: design and construction, risk controls, operations, management and monitoring, inspections, independent reviews, closure and post-closure. This framework sets out roles and responsibilities, standards and guidelines for all leaders and personnel involved in any aspect of tailings management.

KEY ACTIVITIES AND PRACTICES

SAFETY TECHNOLOGIES

We invest in technologies and practices that safely facilitate the handling and storage of mine tailings. These include press filters and belt filters at our TSFs in Mexico, and automated pump-back and monitoring systems at our facility in Nevada (Jerritt Canyon Gold Mine). Tailings filter presses are also installed at the Company’s four non-operational mines at La Guitarra, La Parilla, Del Toro and San Martin.



EMERGENCY PREPAREDNESS AND RESPONSE PLAN

We continually review our tailings facilities to identify, understand, eliminate or control any foreseeable hazards and to provide ongoing training, equipment and systems to our employees and contractors, as well as procedures and training for emergency preparedness and response.



MONITORING AND SURVEILLANCE PROGRAMS

To closely monitor our TSFs, each site uses surveillance systems and geotechnical instrumentation, such as soil permeability tests, pressure gauges and drone technologies (photogrammetry). Monitoring instruments for groundwater levels are installed at all sites, providing consistent data collection on our tailings management.



EXTERNAL ASSESSMENTS & INDEPENDENT OVERSIGHT

The designs and current stability conditions of all TSFs are also reviewed by third-party consultants. As previously noted, an Engineer of Record conducts annual dam safety inspections, and we also commission independent environmental monitoring of our TSFs to determine the risks of acid drainage and metal leaching, among other things. The results are disclosed in the [technical documents](#) on our website.



INTERNAL ASSESSMENTS & REPORTS

All tailings facilities and procedures are continually assessed by our expert on-site technical staff. They inspect the facilities and conduct risk assessments and reviews in accordance with our internal risk management protocols and the CDA’s guidelines for risk analysis and classification. These reviews include an analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of a TSF failure. We implement a variety of engineering and environmental solutions to manage and minimize any risks identified through these assessments.



WATER RECYCLING

Any contact water and infiltration solutions at tailings facilities are collected downstream in a pond storage facility and pumped back to the processing plants for reuse. At La Encantada, for instance, the operation of tailings press filters allows for the recycling of up to 90% of the water utilized in the mill process, with no underground water discharge.





Public Disclosure and Transparency

We are committed to being open and transparent about our tailings practices. Communities and other stakeholders in areas where we operate, including landowners and regulatory authorities, are formally informed of the risks, our management approach and mitigation plans related to our TSFs.

We also provide details about our TSFs, including how we design, build and manage them, on our [website](#). Our actions and performance as owners and operators of the TSFs are reported and publicly disclosed through our annual [Management Information Circular](#), [Annual Information Form](#), [Sustainability Report](#), [NI 43-101 Technical Reports](#) and [Tailings Information Disclosure Form](#).

HANDLING OTHER TYPES OF WASTE

In addition to tailings, our mining activities generate large volumes of waste rock, which is temporarily stored above ground and then used to backfill underground mine workings. At Santa Elena, waste rock is also co-deposited with dry stack tailings.

Non-mineral waste is also produced during operations and is classified and managed according to type (hazardous and non-hazardous waste) and final destination. Hazardous wastes (e.g., used oils, containers for re-agents, tires, etc.) are recycled or disposed of offsite by authorized third-party disposal companies. Domestic waste disposal is generally contracted to a nearby municipal government.

Managing hazardous and non-hazardous waste is highly regulated for the mining industry in Mexico and the U.S. We are responsible for the waste we generate, which means we are accountable for our external contractors' compliance with the transportation, recycling, and final disposal of our waste. The Company maintains records of the transport, storage, and final disposal of hazardous waste to reach its final destination properly.

All our mines have waste separation facilities. At San Dimas, we have a transfer station with an extensive recycling and waste separation program, which compacts and recycles plastic bottles made of polyethylene terephthalate ("PET") and other materials. Given the small population of many of our local communities, we recognize the impact our mines can have on local landfills. At Santa Elena, La Parrilla and San Martin, we support local municipalities with regular landfill maintenance and collaborate with local authorities on design solutions to better manage these facilities.



TAILINGS FILTER PRESS CONSTRUCTION IN SANTA ELENA



WASTE MANAGEMENT AND TRANSFER STATION AT SAN DIMAS



PERFORMANCE IN 2021

TOP-LINE RESULTS

- In 2021, our total generated tailings equalled 2.8 million tonnes. We maintained stringent tailings management practices that led to another year with no environmental or safety incidents at any of our TSFs. Tailings from our operations also produced no air pollution and no contamination by acid generation or metal leaching, and all TSFs complied with related regulations in these areas. Independent third-party laboratories conducted the assessments.
- 100% of our TSFs completed and successfully passed the annual inspection by the external Engineer of Record. Our TSF at La Encantada also underwent an additional detailed third-party review. Such reviews are conducted every few years depending on the risk level of each facility: six of our TSFs have completed these additional dam safety reviews in the last three years, including Santa Elena, San Dimas and San Martin in 2020.
- In 2021, First Majestic operations in Mexico produced a combined total of 831,039 tonnes of waste rock. This is a 34% increase compared to 2020 due to 22.2% more ore processed and a 6.9% increase in silver equivalent ounces produced.

KEY INITIATIVES

- We implemented significant improvements to our tailings monitoring systems, including installing instruments to better monitor groundwater levels and standardizing key performance indicators at all sites.
- At our San Martin operation, we increased the rock supporting abutment to TSF2 to further increase its factor of safety to international standards.
- To further strengthen our emergency preparedness and response capabilities, we completed quality controls of our compliance with CDA standards in Santa Elena and San Dimas and we will continue in 2022 with La Encantada and our recently acquired Jerritt Canyon.
- In 2021 the Company installed a 12 ft high lined lift on TSF2 at Jerritt Canyon to give this facility an additional two years of active use. We also initiated a life-of-mine tailings deposition study with Montgomery and Associates to evaluate tailing deposition options including wet deposition, paste tailings for underground mine backfill and dry-stack tailings. These options are currently being evaluated.
- During the year, we continued to upgrade stormwater design criteria and management infrastructure at several TSFs, with special attention on changing weather patterns to ensure water in contact with tailings operations is captured and avoids downstream bodies of water. For example:
 - At the San Dimas mine, we completed construction of the Cupías TSF surface water management system, including channel lining, the eastern sedimentation berm, expansion of the contact water pond and spillway construction.
 - At Santa Elena, we added perimeter diversion channels to prevent runoff water from getting into the facility and increasing the amount of contact water that needs to be treated. Lined emergency ponds are operating at the top of the TSF to capture rainwater that contacts the tailings. We also installed monitoring wells to monitor for any seepage, and there was none recorded in 2021.

2021 HIGHLIGHTS



0
TAILINGS-RELATED ENVIRONMENTAL OR SAFETY INCIDENTS



100%
OF OUR TAILINGS FACILITIES COMPLETED THIRD-PARTY INSPECTIONS AND COMPLIED WITH MEXICAN AND U.S. REGULATIONS



100%
OF OUR TAILINGS STORAGE FACILITIES WERE NEITHER POTENTIALLY ACID GENERATING NOR METAL LEACHING



3 of 4
OF OUR ACTIVE TAILINGS STORAGE FACILITIES USED THE MORE SUSTAINABLE AND LESS ENVIRONMENTALLY RISKY “DRY-STACK” METHOD



- We engaged in several progressive reclamation projects in 2021:
 - At the Jerritt Canyon mine, we continued the closure of TSF 1. Activities included installing 12.5 million square feet of liner and revegetating the final surface with an approved seed mix.
 - At the San Dimas mine, we continued working on the reclamation of the old San Antonio tailings facilities in line with the closure plan.
 - At the Santa Elena operation, we continued implementing dry stacking and compacting of tailings embankments (terraces).
- With the recent issuance of the Global Tailings Standard, First Majestic is dedicated to adapting or updating aspects of our tailings management practices, where necessary. In 2021, we began an analysis to thoroughly review the new requirements and to identify any opportunities to further enhance the safe management of our TSFs.
- Our Geotechnical team and sites team have been actively involved since 2021 in the training series on Tailings Management and Risk Prevention organized by the Mexican Society of Geotechnical Engineering.

FIRST MAJESTIC TAILINGS STORAGE FACILITIES

MINE	2021 TONNAGE	2020 TONNAGE	2019 TONNAGE	MOST RECENT THIRD-PARTY INSPECTION
San Dimas	822,791	713,064	691,575	2020
Santa Elena	879,058	640,278	875,516	2021
La Encantada	1,004,144	860,612	810,874	2020
Jerritt Canyon	633,400	—	—	2021
La Parrilla	Non-producing mine	Non-producing mine	126,159	2017
Del Toro	Non-producing mine	Non-producing mine	102,734	2017
San Martin	Non-producing mine	Non-producing mine	103,629	2019



JERRITT CANYON GOLD MINE



STRATEGIC PRIORITIES FOR 2022

- Achieve zero tailings-related environmental, health or safety incidents.
- Manage tailings in accordance with internationally recognized standards and industry guidelines.
- Install a new tailings press filter in our expanded Santa Elena mine.
- Continue implementing progressive closure plans for TSFs across all of our sites.
- Complete the reclamation and closure of the TSF1 in Jerritt Canyon.

ANALYST CORNER

- [Tailings Information Disclosure](#)
- [ESG Performance Data](#)



DRY STACKING: A GAIN FOR THE ENVIRONMENT AND SAFETY

An important objective in our mineral waste management strategy has been to reduce the deposition of wet tailings at our sites and assess the use of dry-stacked tailings facilities (DST) as an initiative to minimize water loss and groundwater contamination. Dry stacking of tailings is considered the best available technology for tailings storage and includes filtering the tailings before disposal in compacted terraces.

Applying DST is especially important in areas where water conservation is critical. For example, in our San Dimas mine the source of water for industrial uses comes mainly from the recycled filtered-tailings water. About 80% of the water required for processing activities is being treated and recycled. In La Encantada mine, the operation of tailings press filters enables recycling of up to 90% of the water used in the mill process.

In addition to the environmental advantages, our experience demonstrates that dry tailings are more stable than wet tailings, reducing the risks of dam failures during flooding or seismic events. The potential failure of a DST is considered of low risk due to the low humidity contained in the paste, and the compaction gained by the controlled process of deposition in layers. A potential failure could occur only if a torrential rain enters directly into the deposit and is not deflected by the system of established pluvial channels.

In Mexico, the Company’s active TSFs are all DST and are continuously monitored and audited annually to meet all federal and state safety guidelines.

In the U.S., Jerritt Canyon Gold Mine has been using wet tailings deposition facilities. After our acquisition in the second quarter of 2021, we started a technical assessment to determine the most environmentally and cost-effective tailings deposition plan. During 2022, we will continue evaluating options considering the positive impact of this global best practice in tailings management.



ABOUT THIS REPORT

In this report, we present the sustainability-related material topics and impacts of our activities during the fiscal year ending December 31, 2021. This is First Majestic's second Sustainability Report. Our previous sustainability report was published in June 2020.

WAYS TO REACH US

We welcome your feedback on this report and/or our sustainability efforts.

Please direct your comments to:

Todd Anthony

Vice President Corporate Development
info@firstmajestic.com

REPORTING FRAMEWORKS

We use the Global Reporting Initiative (GRI) framework. This report is written in accordance with the GRI Standards and fulfills the requirements for a Core report. In addition, we are reporting disclosures linked to the Sustainability Accounting Standards Board (SASB). Please review our separate [GRI Index](#) and [SASB Index](#).

REPORT SCOPE AND BOUNDARY

This report encompasses all of First Majestic's operations in Mexico, Canada and the U.S. In the U.S., our Jerritt Canyon Mine was acquired on April 30, 2021; as such, we report only select metrics for that operation and where we do those metrics represent eight months under First Majestic control (May 1 – December 31, 2021).

DATA INTEGRITY

First Majestic adopts a rigorous approach to all data and disclosures. The information contained within this report was compiled through an internal process designed to ensure accuracy and quality control with respect to the description of management systems and performance results. No independent or external verification was undertaken; however, some data have been externally audited (as indicated).

Performance data was submitted to our corporate sustainability team, which analyzed and compiled it into this report. In preparing this report, we followed stringent data reviews and adopted procedures to provide internal assurance that the data collection process was robust. Any restatements or significant changes from the previous report are described in the relevant section.

ADDITIONAL INFORMATION

Throughout this report, we refer to First Majestic Silver Corp. as "First Majestic" or the "Company". We use the terms "we", "us" and "our" to refer to First Majestic Silver Corp. and its businesses. Currency is expressed in US dollars, unless noted otherwise.

In addition to this report, we also provide sustainability-related information on our website and in the following materials:

SUSTAINABILITY RELATED INFORMATION

- [2021 Annual Report](#)
- [2021 ESTMA Report](#)
- [2021 Annual Information Form](#)
- [2022 Management Information Circular](#)
- [Tailings Information Disclosure](#)
- [FMSC Corporate Presentations](#)
- [FMSC Corporate Governance Documents](#)
- [Operations NI 43-101 Technical Reports](#)

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Sustainability Report constitute forward-looking statements or forward-looking information under applicable securities laws (collectively, “forward-looking statements”). Such statements relate to future events or the Company’s future plans, performance, business prospects, or opportunities.

Forward-looking statements include, but are not limited to:

- our sustainability strategy and our Environmental, Social, and Governance (ESG) goals, targets and activities;
- the potential future benefits from our activities and initiatives, including those to protect employee health and safety, to reduce our water and energy consumption, to mitigate our waste and CO2 emissions, to maximize local employment and local purchases, and to support the economic and social well-being of our communities;
- our goals related to climate change mitigation and adaptation;
- anticipated development, expansion, exploration and drilling activities, production rates and mineral recoveries related to our commercial mining operations; and
- projected quantities of future mineral production.

All forward-looking statements contained in this document represent the Company’s views as of the date of this report. We have included forward-looking statements to assist our shareholders and other stakeholders in understanding our business- and sustainability-related goals, objectives and impacts. By their very nature, forward-looking statements require us to make assumptions. There are many factors, circumstances and risks (known and unknown) that could cause the actual results to be materially different from those implied or expressed by these forward-looking statements.



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