



FIRST MAJESTIC
SILVER CORP

***Fighting Against Forced Labour
and Child Labour in Supply Chains***

Annual Report for year ended December 31, 2023

May 27, 2024

Introduction

First Majestic Silver Corp. (“**First Majestic**” or the “**Company**”, “**we**”, “**our**”, or “**us**”) is committed to sustainable development in its operations and respecting human rights, and aims to avoid causing or contributing to negative human rights impacts. We are committed to the prevention of the use of forced labour and child labour and have a zero-tolerance policy for these and other forms of “modern slavery”.

In 2023, Canada joined other jurisdictions, including Australia, the United Kingdom, and the United States, in introducing legislation to increase transparency of modern slavery in supply chains by requiring, among other measures, annual reporting. Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) applies to any entity that is publicly traded in Canada (or that has a Canadian business presence and otherwise meets applicable size thresholds), and that either produces, sells, or distributes goods in Canada or elsewhere, imports into Canada goods produced outside Canada, or controls an entity engaged in either of these activities.

This report (the “**Report**”) is First Majestic’s first annual report under the Act, and it is a joint report made under Section 11 of the Act on behalf of the Company and its subsidiaries that have been determined to be reporting entities under the Act (collectively, the “**Reporting Entities**”) for the Company’s most recently completed financial year ending December 31, 2023 (the “**Reporting Period**”).

This Report outlines the steps taken by First Majestic during the Reporting Period to prevent and reduce the risk that forced labour or child labour is used at any step of the production of goods in Canada or elsewhere by the Company or of goods imported into Canada by the Company. Unless otherwise stated, references to “First Majestic”, the “Company”, “we”, “our”, “us” and similar expressions include the Reporting Entities.

Organizational Structure, Activities and Supply Chain

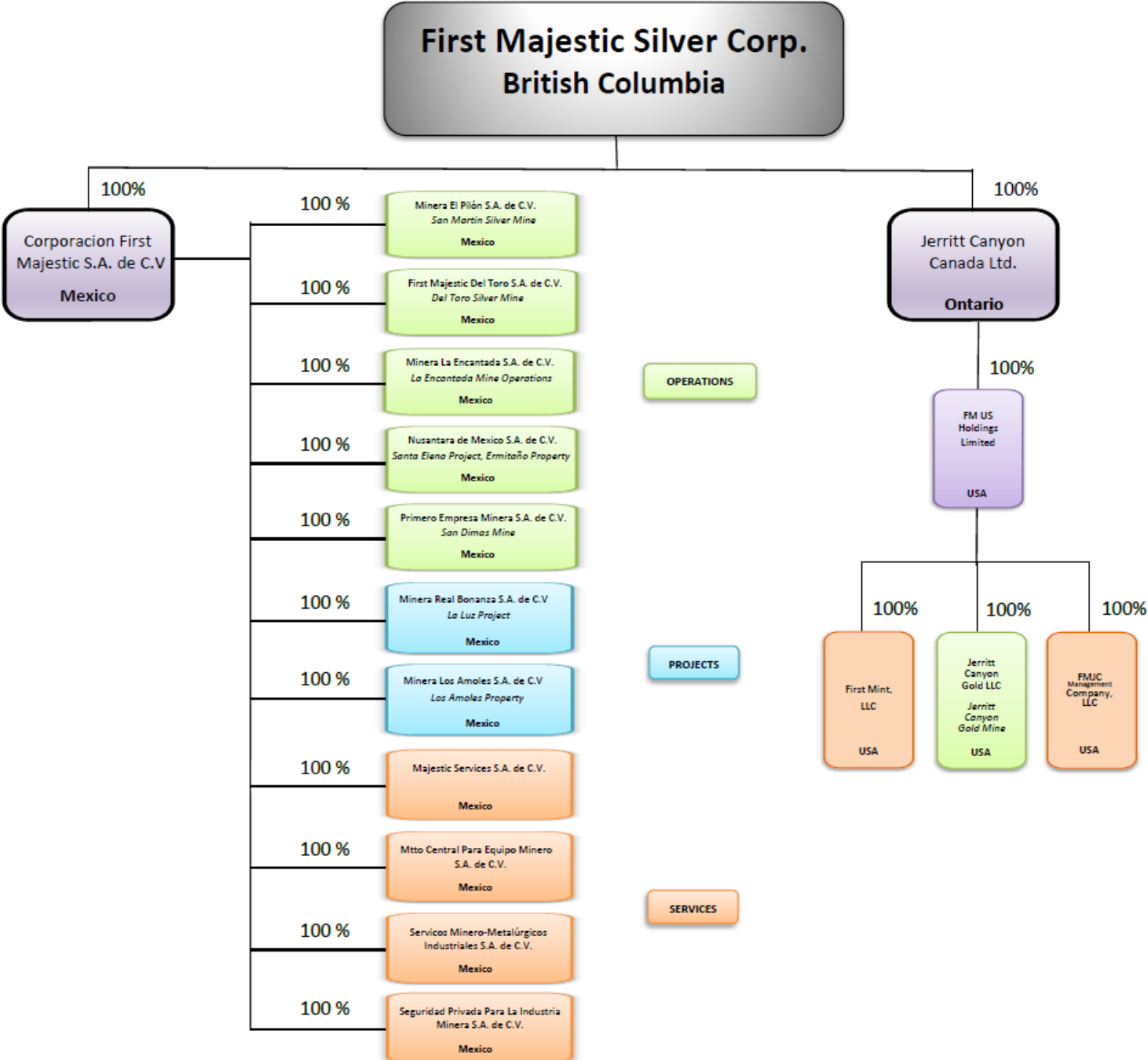
Structure

Founded in 2003, First Majestic is a publicly traded mining company focused on silver and gold production, with three mines in production in Mexico and a non-operating mine in the United States. Our headquarters are located in Vancouver, British Columbia, Canada. As at the end of the Reporting Period, we had 2,351 employees and 1,267 contractors, of which approximately 95% were based in Mexico.

Our common shares are listed on the Toronto Stock Exchange under the trading symbol “FR”, on the New York Stock Exchange under the trading symbol “AG”, and on the Frankfurt Stock Exchange under the trading symbol “FMV”. To learn more about our business, visit our website (www.firstmajestic.com), or read our most recently filed Annual Information Form available under the Company’s profile on SEDAR+ at www.sedarplus.ca, and in our most recently filed Form 40-F available on EDGAR at www.sec.gov/edgar and

on our website at www.firstmajestic.com/investors/reports-filings. In addition, our 2023 Sustainability Report, as well as a copy of this Report, is available on our website at www.firstmajestic.com/sustainability/report-hub/.

The chart below sets out the Reporting Entities, their respective jurisdictions of incorporation, the percentage of voting securities held and their respective interests in the Company’s mining properties and mine service provision companies. All subsidiaries of First Majestic that provide goods or services in the production of our silver products are included in the chart below.



Activities

First Majestic is in the business of the production, development, exploration, and acquisition of mineral properties with a focus on silver and gold production in Mexico and the United States. As such, our business is dependent on foreign operations in Mexico and the United States.

We own and operate three producing mines in Mexico:

- the San Dimas Silver/Gold Mine in Durango State (“**San Dimas**”);
- the Santa Elena Silver/Gold Mine in Sonora State (“**Santa Elena**”); and
- the La Encantada Silver Mine in Coahuila State (“**La Encantada**”).

We also own:

- one material, non-producing mine in the United States, namely the Jerritt Canyon Gold Mine in Elko, Nevada¹; and
- two non-material, non-producing mines in Mexico, namely the San Martín Silver Mine in Jalisco State; and the Del Toro Silver Mine in Zacatecas State.

In addition, we also own the La Luz Silver Project, an advanced-stage silver development project, located in San Luis Potosi State, Mexico, a number of exploration projects in Mexico, and a variety of mine support service companies that provide direct support to our operations. These services include mine security services provided by Seguridad Privada Para la Industria Minera (“**SEPIMISA**”), laboratory services, and a minting facility.

The products that First Majestic produces and sells are silver and gold in doré form and fine silver bullion.

For the purposes of this Report, most Company activity is conducted to Mexico, where 95% of our employees are based. As a result, this Report primarily reflects our activities in Mexico. During the Reporting Period, we produced a total of 26.9 million silver equivalent ounces across our operations, consisting of 10.3 million silver ounces and 198,921 gold ounces.

Supply Chains

First Majestic recognizes its responsibility to help ensure our supply chain mirrors our own strong values and principles, with the goal of bringing positive outcomes to the communities reached by our supply chain. During the Reporting Period, we procured goods and services from approximately 2,000 suppliers. For the Reporting Period, the Company’s top 20 suppliers, representing between 40% and 50% of all our procurement spending, were in the category of mining operations and consumables (energy, mining services, reagents, mining equipment and parts, diesel, explosives, and exploration). Of the amount spent by the Company with

¹ The Company temporarily suspended mining operations at the Jerritt Canyon Gold Mine in March 2023.

its top 20 suppliers, 78% was with Mexican companies, and the remaining 22% was with companies based in the United States.

Upstream: Materials sourced for use in production stages include fuels, reagents, explosives, equipment, and spare parts for equipment. These are sourced from known suppliers in North America, a majority of which are in Mexico. First Majestic maintains a list of direct suppliers.

Production: During the production stage, services are secured from third parties to provide contract-based mine activities. These services are provided within the jurisdictions where the mines are located, and include technical services, drilling, security, and general contract mine work. These contracted service providers utilize their own staff, all of whom are confirmed by First Majestic to be 18 years of age or older before they are permitted to perform services at any of our sites.

Mid- and Downstream: Our doré bars are sold to refineries that further refine the product into ingots, which are then sold for industrial and investment use. A portion of the Company's silver that is processed by these refineries is then used as feedstock for minting facilities, and ultimately sold in First Majestic's bullion store. During the Reporting Period, our bullion store was stocked by a third-party mint. From 2024 onwards, our bullion store will be increasingly stocked by the Company's wholly-owned minting facility, First Mint.

During the Reporting Period, First Majestic did not procure any goods or services from suppliers from any of the countries reported to have the highest prevalence of modern slavery.² In all jurisdictions in which the Company operates and from which our suppliers are sourced, forced labour and the employment of individuals younger than 18 years of age in mining operations are not permitted.

Policies & Due Diligence Processes

As part of our approach to sustainability and operating a responsible business, we are committed to respecting and upholding human rights in our workplace, in our supply chain and in the communities in which we operate. We are guided by global standards such as the United Nations (UN) Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights, which provide guidelines for embedding human rights due diligence processes in our policies and procedures and address potential issues, including the prohibition of forced and child labour. We do not use or allow the use of forced, compulsory labour, slavery, servitude, or human trafficking in the course of our business operations, and we do not condone such practices in the operations of our suppliers.

Policies

We are in the process of reviewing our existing policies for child labour and forced labour considerations, and we are evaluating incorporating a due diligence process into our operations that will support risk

² See the 2023 Global Slavery Index: <https://www.walkfree.org/global-slavery-index/downloads/>

identification, mitigation, and remediation. At present, we have several existing policies and processes which are relevant to the prevention of forced and child labor in our operations, as outlined below (all of the following policies are available in both English and Spanish):

- [Code of Ethical Conduct](#): Our Code of Ethical Conduct (the “**Code of Conduct**”) is approved by the Company’s Board of Directors as a statement of the principles and commitments intended to direct and guide the conduct of the Company, its affiliates, and subsidiaries. The Code of Conduct sets the expectations by which we conduct our business activities, reflects our values, and serves as a reference to guide our decisions. The Code of Conduct applies to all directors, officers, and employees of First Majestic, as well as to third parties who work or act on our behalf. It requires our people to conduct business in accordance with all applicable laws and regulations, and the highest ethical standards.

Each new director, officer, employee, and consultant is required to certify their awareness and compliance with the Code of Conduct. We also encourage our employees to be alert to any work-related activities which could be construed as a violation of the Code of Conduct and to bring the matter to the attention of their immediate supervisor or proceed to do so on an anonymous basis through our confidential reporting service. Individuals involved in illegal or unethical conduct may be subject to disciplinary action up to and including termination.

- [Supplier Code of Conduct](#): Our Supplier Code of Conduct (the “**Supplier Code**”) outlines the business conduct requirements of the Company’s suppliers, service providers, and contractors. These include the expectation that these organizations respect human rights and avoid human rights abuses, respect labour rights, prohibit all forms of forced and compulsory labour, and refrain from engaging in the use of child labour. In addition, we confirm our alignment with the Voluntary Principles on Security and Human Rights in the Supplier Code. In all jurisdictions from which our suppliers are sourced, the employment of individuals younger than 18 years of age in mining operations is not permitted.
- [Security Policy](#): Our Security Policy also reiterates our alignment with the Voluntary Principles on Security and Human Rights. In alignment with these voluntary principles, our security forces are expected to act in a way that respects human rights.
- [Whistleblower Policy](#): We have a Whistleblower Policy, that establishes procedures for the receipt, retention and treatment by the Company and its subsidiaries of concerns reported by its directors, officers, employees, consultants, contractors, and community members regarding known or suspected accounting, financial or auditing irregularities or other known or suspected violations of the Code of Conduct, which include human rights issues.

Individuals governed by our Whistleblower Policy, along with all of our external stakeholders, can report such improper conduct on a confidential and, if preferred, anonymous basis which includes

submitting a report via our online and telephone reporting services that are independently hosted by a third party, EthicsPoint. We ensure that any matter reported through our whistleblower channels is investigated thoroughly, promptly, and confidentially. The outcome of the investigation is reported to our Board of Directors and to the individual who raised the issue. Additionally, we ensure that no retaliatory actions are taken as a result of raising concerns through this process.

During the Reporting Period, First Majestic received nine whistleblower complaints reported through EthicsPoint, the majority of which were associated with human resources and/or Code of Conduct violations. No forced labour or child labour issues were raised.

Due Diligence and Other Processes

Our due diligence and other processes relevant to the prohibition of forced and child labour are as follows:

Internal human resources policies and practices

- Worker recruitment: Our workers freely and voluntarily enter into employment agreements with the Company.
- Unionized employees: At Santa Elena and La Encantada, unionized employees are referred by the local union and they independently sign job applications with the Company. At San Dimas, in lieu of job applications, workers sign employment agreements to abide by the terms of their union's collective bargaining agreement.
- Non-unionized employees: For our non-union employees, including SEPIMISA security employees, the Company has a standard job application and employment agreement across all sites and offices in Mexico whereby employees voluntarily accept the employment terms and conditions.
- Confirming ages: All currently active mine sites are in Mexico, which expressly prohibits the employment of people under the age of 18 for mining operations. The Company confirms the age of all employees by requiring the presentation of national ID cards to verify age and identity during the hiring process. Additionally, the minimum age to join any of our sites' local unions is 18 years of age. The ages and identities of all contracted service providers are likewise confirmed before the contractor is allowed on site.

Training

We educate our workforce and suppliers, including security personnel, on our expectations and their human rights responsibilities.

Company Culture

We promote a workplace where employees and contractors are treated with respect and are free from discrimination, violence, and abusive labour practices.

Risk Identification and Management

Forced labour and child labour exists as a general country risk within Mexico where we operate. Modern slavery occurs worldwide unfortunately, in virtually every country. The 2023 Global Slavery Index³ reveals that approximately 50 million people worldwide were living in modern slavery in 2021, with an estimated 6.6 in every thousand people in Mexico living in modern slavery. All three of our producing mines are in Mexico. As such, there are parts of our business and supply chains in which these modern slavery risks are present.

Identifying, evaluating, and managing risks such as those that affect human rights is critical to our long-term viability and the interests of our stakeholders. We evaluate human rights risks through our enterprise risk management process. Our risk management methodology and resulting matrix includes scales of assessing and ranking risk impact and likelihood.

In early 2024, we performed a risk assessment related to forced and child labour within First Majestic's operations and supply chain, and determined that our activities are in geographic areas with low to medium risk of forced and child labour. Our workforce is largely unionized, and we abide by employer obligations under Mexican Federal Labour Law, including those related to modern slavery. For example, Article 75 prohibits the use or employment of minors under the age of 18 in mines (all our workforce is above the age of 18), Article 132 requires employers to implement a protocol to eradicate forced and child labour, and Article 15 obligates each contractor to be registered with the Registry of Contractors and Specialized Services (REPSE).

The risk is further reduced because the Company controls its own operations and has good visibility into labour practices at its mining sites. For example, we maintain strict proof-of-age policies and hiring procedures at all sites, to prevent anyone under the legal working age of 18 from obtaining employment. This proof-of-age requirement extends to our contractors and suppliers, who are required to provide us with documentation confirming that they do not employ anyone under the legal working age. Although the work conducted at the mine operations is labour intensive, the Company finds that the unionized workforce, the Company's adherence to strict employment policies, and minimal upstream and downstream supply chain has reduced the risk of modern slavery in the Company's own operations in Mexico.

Nevertheless, we acknowledge that forced and child labour risk may exist within the supply chains of our suppliers and contractors, which is outside First Majestic's direct operational control. Our Supplier Code clearly sets out First Majestic's expectations of companies engaging in business with us, and we notify

³ See the 2023 Global Slavery Index: <https://www.walkfree.org/global-slavery-index/downloads/>

suppliers that non-compliance with the code may result in termination of contracts or other corrective measures.

We have implemented multiple remediation measures to manage the risks we have identified to date, as noted in the “Remediation Measures” section below. Additional management practices are actively being developed by the Company to further manage risk outside our own operations.

Remediation Measures

First Majestic is not aware of any incidents of forced labour or child labour occurring during the Reporting Period either within its operations or in its supply chain. Consequently, we did not take any measures to remediate any forced labour or child labour during the year.

To mitigate the identified low to medium inherent risks, we have established policies requiring the alignment of procurement, contracting, and security practices with the Voluntary Principles on Security and Human Rights. This initial step recognizes First Majestic’s most likely potential sources of risk related to modern slavery. In 2024 and going forward, we intend to:

- Continue to identify and assess potential risk areas in our activities and supply chains.
- Continue to adhere to and enforce the Supplier Code, embed KPIs in our contracts with suppliers related to adherence with the Supplier Code, and develop a due diligence approach to confirm supplier adherence to the Supplier Code.
- Sustain a mutually respectful relationship with our unions through open communications and fair, annual negotiations.
- Establish and maintain detailed stakeholder engagement plans with our local communities.
- Continue to protect whistleblowers.

Engagement with Vulnerable Families

First Majestic integrates social performance into decision-making processes using its Social Management System (“**SMS**”). The programs and procedures within the SMS allow the Company to proactively manage operational impacts, engage transparently with its stakeholders, and collaborate to maximize positive development outcomes in its regions of operation. The SMS is based upon social performance best practices, including International Finance Corporation 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.

Our 2023 Sustainability Report outlines all components of the Company’s SMS. Components relevant to our engagement with vulnerable members of local communities are:

Stakeholder Mapping and Engagement Planning

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

Community 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.

Complaints and Incident Management

- 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.

Local 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.

First Majestic recognizes that efforts to prevent and reduce the risks of forced labour and child labour can have the unintended consequence of contributing to a loss of income for the most vulnerable families. First Majestic is not aware of any instance to date where its efforts to mitigate the risk of forced or child labour in its activities and supply chains may have contributed to a loss of income for vulnerable families.

Training

During the Reporting Period, we provided training on the Voluntary Principles on Security and Human Rights

to our wholly-owned security forces, SEPIMISA. We did not provide specific training to our directors, officers and employees on forced labour and child labour risks, but all of our directors, officers and employees are required to complete the Code of Conduct training when they join First Majestic, and on an annual basis thereafter.

In 2024, we plan to launch an online training module on human rights that explicitly covers forced labour and child labour to increase awareness and understanding across the Company of the risks of modern slavery and human trafficking in our supply chains and business. The training will be deployed alongside our annual Code of Conduct training.

Assessing Effectiveness

First Majestic is dedicated to ensuring that neither forced labour nor child labour is used in our activities and supply chains, and we have a number of measures in place to identify, prevent and reduce this risk. While we have not yet established a framework for measuring the effectiveness of these measures, we are in the process of developing a roadmap to build on our existing risk mitigation efforts which will be tailored to reduce the risk over time. This includes:

- reviewing periodically our supplier base to identify potential risks;
- identifying and mitigating risks wherever they arise;
- annually reviewing our policies related to child and forced labour prevention;
- having all relevant staff complete any necessary human rights training;
- communicating the Supplier Code to our suppliers; and
- ensuring continued adherence to our human rights policies and procedures.

Forward-Looking Information

Certain information in this Report may constitute forward-looking information within the meaning of applicable securities legislation. Specific forward-looking information in this Report includes, without limitation, statements relating to First Majestic's policies and practices with respect to modern slavery risk management, including statements of current intention and expectation and statements of opinion. Forward-looking information may also include information regarding our future plans or objectives or other information that is not comprised of historical fact and includes statements that contain words such as "could", "should", "expect", "believe", "plan", "intend", "will", "may", and similar expressions suggesting future outcomes or events.

Any such forward-looking information is based on information currently available to us and is based on assumptions we believe are appropriate in the circumstances, including those but not limited to the effectiveness of any of our policies and practices with respect to modern slavery risk management. However,

such forward-looking information involves significant risks and uncertainties. A number of factors could cause actual results to differ materially from those discussed in the forward-looking information. These risks are more fully discussed in our most recent Annual Information Form which is available under our SEDAR+ profile at www.sedarplus.ca, and in our most recently filed Form 40-F available on EDGAR at www.sec.gov/edgar and on our website at www.firstmajestic.com/investors/reports-filings. We caution readers not to place undue reliance on any such forward-looking information. Such information is current only as of the date on which it was made. Unless otherwise required by applicable securities laws, we do not intend, nor do we undertake any obligation, to update or revise any forward-looking information contained in this Report.

Approval and Attestation

This Report was approved by the Board of Directors of First Majestic Silver Corp. as a joint report on May 23, 2024, on behalf of itself and the other Reporting Entities, for the financial year ended December 31, 2023, in accordance with subparagraph 11(4)(b)(i) of the Act.

In my capacity as a Director of First Majestic Silver Corp. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act:

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

I have authority to bind First Majestic Silver Corp. and the other Reporting Entities.

DATED at Vancouver, British Columbia this 27th day of May, 2024.

(signed) "Keith Neumeyer"

Keith Neumeyer

President, Chief Executive Officer and Director