



TSM Verification Summary Report

Facility Information

Name of company	Pan American Silver (PAS)
Name of facility	Plata Panamericana, S.A. de C.V. - La Colorada Mine
Address	Domicilio Conocido S/N, Mineral de la Colorada, Municipio de Chalchihuites, Zacatecas, Mexico
Country of operation	Mexico
Products/metals produced on site	Silver, lead and zinc
Types of operations included in scope:	
Mining	<input checked="" type="checkbox"/> The mining methods can be either cut-and-fill (breasting) or sublevel long-hole stopping (SLS). La Colorada processing plant has two different circuits for processing sulphide and oxide ores. The sulphide ore goes through a conventional flotation circuit, while the oxide ore goes through a conventional cyanide leach process.
Milling	<input type="checkbox"/>
Smelting	<input type="checkbox"/>
Hydrometallurgical	<input type="checkbox"/>
Refining	<input type="checkbox"/>
Other (<i>please explain</i>)	Not Applicable
Types of infrastructure included in scope:	
Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	The mine infrastructure comprises the underground mine workings, the processing plant, two tailings' dams, waste rock storage facilities, effluent management and treatment systems, maintenance shop, warehouses, laboratories, offices, drill core and logging sheds, water and power lines, access roads, the worker's camp, recreational facilities, and a



	landfill. Electricity is acquired from the Federal Federal Electricity Commission (CFE) and from Acciona, a private renewable energy company.
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Verifier and Verification Information

Verification firm	Environmental Management Resources (ERM)
Confirmation that all verifiers involved in the verification are accredited TSM verifiers	Yes Omar Rios, Technical Managing Consultant, Qualified Verification Service Provider (VSP). Eva Vega, Managing Consultant, Qualified Verification Service Provider (VSP).
Date(s) of verification activities (dd/mm/yyyy – dd/mm/yyyy)	Document review: 11/11/2024 - 15/11/2024 Verification: 11/11/2024 - 15/11/2024 Interview with Communities Of Interest (COIs): 12/11/2024 - 15/11/2024 Reporting 14/01/2025 - 20/01/2025
Verification period	This is the first external verification of the La Colorada Mine (The Site). The VSPs focused on the 2024 self-assessment provided by the site.
Summary of the verification methodology	<ul style="list-style-type: none"> Document Review Sampling: Select a sample of documents (e.g., procedures, work instructions, records) to review for compliance with TSM requirements. This helps assess the documentation aspect of the La Colorada site. Process-Based Sampling. Evaluate inputs, processes, and outputs to determine compliance with established procedures. Included document review, site-based interviews, COI interviews, and reporting
Summary of the verification activities	<u>Planning</u> A schedule for verification activities was organized with Pan American Silver (PAS) corporate Environmental, Social and Governance (ESG) Staff and shared with site representatives. The schedule included the specific time focused on general selected site tour of main administrative and production areas, interviews with the lead for each TSM protocol, interviews with key COI representatives and opening and closing meetings.

	<p><u>Document Review</u></p> <p>In advance of the site visit, a virtual data room (OneDrive) was set up by PAS to allow access to the self-assessment reports and associated documented evidence. The VSPs reviewed this material in advance of the site visit.</p> <p><u>Site tour</u></p> <p>A general tour of the facilities was conducted. Photographs were taken by VSPs as evidence of specific activities. During the tour, interviews were conducted with operational personnel to verify specific systems, processes and implementation of procedures.</p> <p><u>Interviews</u></p> <p>A series of interviews with key site staff at La Colorada were conducted over five days. In accordance with the schedule, an opening meeting was held with site staff, including the mine general manager and other site leadership. The subsequent interviews focused on reviews of the site's self-assessments for each protocol. See Appendix A for a list of PAS participants.</p> <p>Evidence was reviewed and if required, the VSPs requested additional information or adjustment to the self-assessment. Evidence was limited to certain procedures, monitoring reports, minutes of meetings, and other periodically scheduled activities.</p> <p>Also, interviews with key COIs were conducted by telephone and virtually based on availability of the participants. See Appendix B for a list of COIs the VSP engaged with.</p>
Was a site visit conducted?	Yes



Summary of Findings

This section summarizes ratings for all TSM indicators and provide brief commentary regarding these indicators and the facility's score on a given protocol.

Summary of Conformance Ratings

Criterion	PAS Rating	ERM Verified Rating
<i>Biodiversity Conservation Management</i>		
1. Corporate biodiversity conservation commitment, accountability, and communications	AA	AA
2. Biodiversity conservation planning and implementation	AA	AA
3. Biodiversity conservation reporting	AA	AA
<i>Climate Change Protocol</i>		
1. Corporate Climate Change Management	A*	A*
2. Facility Climate Change Management	AA	AA
3. Facility Performance Targets and Reporting	AA	AA
<i>Crisis Management and Communications Planning</i>		
1. Crisis Management and Communications Preparedness	Yes	Yes
2. Review	Yes	Yes
3. Training	Yes	Yes
<i>Indigenous and Community Relationships</i>		
1. Community of Interest (COI) Identification	AA	AA
2. Effective COI Engagement and Dialogue	A	AA
3. Effective Indigenous Engagement and Dialogue	N/A	N/A
4. Community Impact and Benefit Management	A	AA
5. COI Response Mechanism	AA	AA
<i>Preventing of Child and Forced Labour</i>		
1. Preventing Forced Labour	Yes	Yes
2. Preventing Child Labour	Yes	Yes
<i>Safety and Health</i>		
1. Commitments and Accountability	AAA	AAA
2. Planning and Implementation	AAA	AAA
3. Training, Behaviour and Culture	AAA	AAA
4. Monitoring and Reporting	AA	AA
5. Performance	AAA	AA
<i>Tailings Management</i>		
1. Tailings Management Policy and Commitment	A	A
2. Tailings Management System and Emergency Preparedness	A	A
3. Assigned Accountability and Responsibility for Tailings Management	A	A
4. Annual Tailings Management Review	A	A
5. OMS Manual	A	A
<i>Water Stewardship</i>		
1. Water Governance	AA	AA
2. Operational Water Management	AA	AA
3. Watershed-scale Planning	AA	AA
4. Water Reporting and Performance	AA	AA

*Verification from 2023.

Summary Comments On Conformance Ratings

Criterion	Rating <i>C, B, A, AA or AAA (unless otherwise indicated)</i>	Examples of Evidence Consulted
Biodiversity Conservation Management		
1. Corporate biodiversity conservation commitment, accountability, and communications	AA	<p>A Biodiversity Commitments Document, signed by the Operations Manager and Plant Manager in 2024, outlines explicit commitments to adhere to the biological conservation criteria established under the TSM and the Biodiversity Conservation Framework initiative. This document underscores the site's commitment to aligning operational practices with sustainability standards, ensuring that biodiversity preservation remains a core priority in all activities. It serves as a formal acknowledgment of the organization's responsibility to integrate conservation principles into its strategic and operational planning.</p> <p>La Colorada holds “Commitment Letters” signed in 2024 by each area leader outlining their responsibilities in alignment with TSM commitments and their respective roles. These responsibilities include biodiversity conservation, among other obligations (e.g. water resources, energy saving, etc.)</p> <p>There is an environmental policy, which establishes the commitment to contribute positively to the conservation of biodiversity. The policy is included in all the employees and contractors’ contracts/agreements. It has been communicated through newsletters, emails, screens, and bulletins to employees, contractors, and COIs as an integral part of the communication plan, ensuring consistent and widespread dissemination of information across all</p>

		<p>stakeholders. Talks and workshops on biodiversity conservation have been given to La Colorada employees and to local communities.</p> <p>A 2024 Biodiversity Management Plan has been developed, aligning with the principles of the TSM Mining and Biodiversity Conservation Framework.</p> <p>As part of its environmental management system, the site has the "EC-MA-02 Biodiversity and Mine Closure" procedure, which includes commitments aligned with the TSM commitments.</p> <p>In 2022, a corporate verification was conducted, which included an evaluation of biodiversity management practices. In 2024, a TSM internal audit was conducted by the corporation. Also, an external audit to evaluate the clean industry process, which includes biodiversity aspects, was conducted by an external company, Clear Water Technologies S.A. de C.V. with certification No. UVPROFEPA 156 in February 2024.</p>
2. Biodiversity conservation planning and implementation	AA	<p>As part of the baseline environmental impact assessments conducted during the different stages of the La Colorada activities, potential risks and impacts to the biodiversity flora and fauna were assessed. As applicable, those assessments have been approved by the corresponding environmental authorities.</p> <p>La Colorada implemented a management system that include procedures focused on biodiversity preservation (e.g. Procedure for fauna monitoring; the identification and prioritization of environmental aspects; procedures for the prevention and response to environmental incidents; procedures for biodiversity management and control; and reforestation procedure). All procedures have been approved by senior management and</p>

		<p>communicated to employees and contractors. La Colorada has evidence of the implementation of these procedures, including environmental aspects identification matrix, records of biodiversity monitoring and species relocation.</p> <p>Based on the identified significant biodiversity aspects, preservation plans were developed (i.e. 2024 TSM Biodiversity Action Plan; 2024 Environmental Work Plan and Environmental Monitoring Program).</p> <p>The plans include specific activities and tracks dates of completion. Activities are assigned to the responsible person. The Environmental Monitoring Program was developed to verify that all prevention, mitigation and compensation measures for environmental and biodiversity impacts, that were proposed in the Technical Justification Studies for Land Use Change (ETJ, Estudio Técnico Justificativo) authorizations.</p> <p>Annually, the budget that covers the initiatives (e.g. species relocation, reforestation, topsoil coverage, greenhouse management, training, campaigns, etc.) is approved by the senior management. An activities monthly report is sent to senior management.</p> <p>La Colorada has a COIs identification procedure. The COIs identification has been recorded in a matrix and COIs collaboration programs have been implemented including a biodiversity awareness, training and reforestation initiatives with the communities.</p> <p>In 2022, a corporate verification was conducted, which included an evaluation of biodiversity management practices. In 2024, a TSM internal audit was conducted by the corporation. Also, an external audit to evaluate the clean industry process,</p>
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		<p>which includes biodiversity aspects, was conducted by an external company, Clear Water Technologies S.A. de C.V. with certification No. UVPROFEPA 156 in February 2024.</p>
3. Biodiversity conservation reporting	AA	<p>La Colorada prepares two main reports related to biodiversity aspects: 1) monthly report to the senior management 2) an internal report, in which results of the environmental monitoring, and fauna and flora rescue are included.</p> <p>Biweekly senior management meetings are held to discuss the results of cleaning campaigns, environmental employee surveys, fauna and flora rescue, and environmental monitoring. As well corporate meetings are scheduled quarterly to review sustainability indicators.</p> <p>Information on its performance in relation to biodiversity conservation is described in the 2023 Annual Sustainability Report (public report at https://panamericansilver.com/wp-content/uploads/2024/08/PAS-Reporte-de-Sostenibilidad-2023-Esp.pdf).</p> <p>The sustainability reports are reviewed annually by the corporation. During the internal and external audits, the indicators of the sustainability reports are also reviewed.</p> <p>In 2024, a cross internal audit of TSM was conducted. An external audit to evaluate the clean industry process, was conducted by an external company. In 2022, a corporate verification was conducted.</p>
Climate Change		
1. Corporate climate change management	A	This indicator was verified in 2023.
2. Facility climate change management	AA	La Colorada management system for climate change is based on its standard PS-EC-04 for the

		<p>management of energy use and its Greenhouse Gases report (FO-EC-28).</p> <p>The general manager has issued and signed letters of assignment of responsibilities (acknowledged 2024) for personnel with roles in climate change management.</p> <p>Communication of commitments, goals and ongoing actions is provided through information boards distributed across the site. Instructions are also published in the operational areas covering 1) the actions to follow to restore electrical equipment, 2) compliance with the communication protocol for starting up mills and the general procedure for requesting electrical energy.</p> <p>From training records sampled for 2023 and 2024, it was verified that operational personnel are trained on significant energy sources, and the current strategy is focused on reducing electricity consumption and plans to reduce diesel use.</p> <p>There is a 2024 risk analysis matrix that includes physical impacts that could arise from climate change. The physical risk assessments are carried out at least every 5 years or when there are changes in studies or information that may change the risk profile as guided by the corporate environmental standard for Energy, Emissions and Climate Change (EC-MA-03, January 2021).</p> <p>The ongoing 2024 action plan was developed with objectives for 2025 for medium and high-level risks that consider the production projection of La Colorada. The actions of on-site temperature monitoring for forest fire prevention, the availability of emergency response equipment for fire response with measures updated each year in the civil protection plan are relevant. To manage the risk of</p>
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		<p>extreme precipitation, meteorological stations are in place to monitor the site and preventive measures are implemented, including restrictions on road use during such events.</p> <p>Daily monitoring of the tailings dam edge is part of the risk management approach for extreme precipitation.</p> <p>The interactions (in-person meetings, surveys, consultations) are carried out according to the PR-ECO-28 procedure; in particular, a survey was conducted with people from the Magdalena, La Colorada, Canoas and La Libertad communities, to ask them about their opinion of PAS's water management, greenhouse gases and biodiversity conservation. These communities rely on the La Colorada mine for their water supply.</p> <p>La Colorada involves directly affected communities in campaigns related to climate change objectives. A reforestation campaign was conducted in October 2024, planting 5,065 pine trees by individuals hired from the La Magdalena community.</p> <p>From interviews with COIs, external COIs do not have a specific concern about climate change, but they recognize that their involvement in the responsible use of water and energy contributes to sustainability. Most of the COIs expressed concern that PAS may eventually cease operations, as they receive water as a benefit of the mine's existence.</p> <p>In 2022, an internal corporate audit was conducted on the environmental management of the La Colorada mine. The scope included TSM protocols, regulatory requirements, and corporate policies and standards.</p> <p>In March 2024, a specific cross-audit was conducted focused on compliance with the TSM protocols for the 2023 management.</p>
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		<p>La Colorada received an external audit on performance in energy management, greenhouse gas emissions, among other environmental aspects. This audit was conducted by the company Soluciones de Ingeniería y Calidad Ambiental S.A. de C.V. (an entity accredited as a verification unit in Mexico) in 2023 to continue with the Clean Industry certificate; this certificate is valid for two years and the previous one is from 2021.</p>
3. Facility performance targets and reporting	AA	<p>La Colorada has established objectives related to energy management and GHG emissions for 2024, aligned with corporate goals:</p> <ul style="list-style-type: none"> • SPI-E4 Energy – Reduce total energy consumption by 20,576 GJ compared to the baseline, which includes all energy sources. • SPI-E6 GHGs – Maintain 17,691 tonnes CO₂eq of GHG emissions. There were no specific projects established, but a reduction in emissions could still be achieved with the implementation of energy saving projects. <p>The 2020 to 2023 Pan American Silver sustainability report was reviewed, confirming that La Colorada's performance on energy and greenhouse gas issues is publicly available.</p> <p>Regarding quantification and estimation methodologies, La Colorada has procedure PS-EC-04 and GHG registration format FO-EC-28, calculation of the energy factors come from "Energy and Greenhouse Gas Emissions Management Guide". Appendix D page 101 - Energy table, 2014.</p> <p>The GHG performance targets include scope 1 and 2 emissions, which are recorded and reported monthly.</p>

		<p>La Colorada does not currently use offsets to meet its climate change objectives.</p> <p>The 2023 Sustainability Report published at https://panamericansilver.com/wp-content/uploads/2024/08/PAS-Reporte-de-Sostenibilidad-2023-Esp.pdf reports 3 climate change risk scenarios (SSP1, SSP2, and SSP5) projected to 2030, 2050, and 2100; for La Colorada there is a maximum risk rating of "HIGH" for the climate indicators "extreme heat" and "average annual precipitation"; for these cases, it is reported that specific emergency response plans have been established in preparation for the potential occurrence of these events.</p> <p>External verification of the GHG emissions is scheduled every 3 years; the latest was conducted in 2022 by an accredited third party. La Colorada mine received a Positive Verification Opinion by the National Association of the Chemical Industry A.C. (an entity accredited as a certification body in Mexico).</p> <p>Sustainability reports are disseminated to the COIs through the community relations department. Interactions are organized with the COIs (e.g., San Juan de la Tapia in July 2024) to share the results of sustainability activities (2023) in areas such as biodiversity, water, energy, and tailings management. No specific feedback was received on the results.</p> <p>From interviews with COIs, external communities confirm having received results of climate change management activities. Some representatives explained the mechanisms (phone calls, complaint box, in-person meetings with community relations staff, WhatsApp messages) they have the ability to provide feedback on the</p>
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		<p>information provided to them by the La Colorada mine.</p> <p>The interviewed COIs representatives said that they only tend to give feedback when they identify something that affects them or when a topic of specific interest arises, such as support for economically productive activities, jobs, or water supply.</p>
Crisis Management and Communications Planning - FACILITY (YES)		
1. Crisis Management and Communications Preparedness	Yes	<p>La Colorada participates in the Country risk analysis and risk register preparation every quarter (sampled Q1 to Q3 2024), in addition to a human rights violation risk analysis reviewed annually (2024). Analyses were shared with corporate by email (September 2024) from the Superintendent of Security (La Colorada) to the Corporate Affairs and ESG Engagement Senior Director (Corporate).</p> <p>The Crisis Management and Communications Plan (controlled document, August 2024) is issued based on the threats identified in the risk analyses; the plan is updated annually, and its distribution is restricted to members of the crisis management team.</p> <p>Appendix D of the Crisis Management and Communications Plan (August 2024) indicates the persons responsible and designated positions for the La Colorada Local Crisis Management Team.</p> <p>La Colorada has the 2024 communication tree, which is a graphic description of those responsible and their contact information arranged in the escalation path that must be followed in case of emergencies and crises; there is also the "Noggin" web platform for event notification that allows the required escalation until crisis management is activated.</p>

		<p>The Superintendent of Community Relations has been appointed as spokesperson. He has completed a diploma (May-October 2024 period) in Negotiation, mediation and prevention of conflicts between companies, states and communities, to reinforce media management skills.</p> <p>There is a directory of media contacts and a directory of stakeholders (2024 version), which are constantly updated by the community relations department, with a requirement of review and update once per year.</p> <p>There is evidence of the 2024 Management Plan being sent by email (August 2024) to all designated members of the crisis management team, containing key contacts listed in appendices A and K.</p> <p>The Emergency Management Room and Control Centre at La Colorada Mine was physically observed; it has closed circuit equipment, radio, telephone and internet communications equipment, as well as printed documentation necessary for emergency and crisis management.</p> <p>In October 2024, a meeting was held with representatives of La Tapia and La Magdalena communities for their feedback to the crisis management plan and emergency response plan.</p> <p>Interviewees with the COIs described their role in case of crises and emergencies is to follow instructions from the mine; some express that they direct their queries by phone or WhatsApp to the community relations representatives.</p> <p>Finally, representatives of the civil protection coordination of the State of Zacatecas visit La Colorada annually to verify the safety conditions and emergency preparedness.</p>
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2. Review	Yes	<p>The review and update of the Crisis Management Plan is performed annually, (next review August 2025).</p> <p>The review is performed using the Management Plan Update Criteria Checklist (issued by corporate, applied locally in the 2024 review), it requires update in case of 1) change of members of crisis management teams, 2) change in site's business scope (e.g. expansions, closures, divestitures), or 3) immediately after the plan has been implemented to manage a crisis.</p> <p>The 2024 drill program contains 11 scenarios, 2 were used to test the notification mechanisms of the crisis management plan 1) rescue of a person due to a cyanide dispersion event that was simulated on July 2024 to test telephone calls to the management team, and 2) traffic accident with multiple fatalities was simulated in August 2024 using the Noggin platform.</p> <p>Finally, when new members are added either to the corporate team or the local crisis management team, all team members are notified and the new ones are trained on the plan, including execution of a crisis drill, as stated in page 4 of the plan (August 2024).</p>
3. Training	Yes	<p>La Colorada trains the members of crisis committee using drills; desktop drill for underground mine fire was conducted in February 2024, and full crisis considering multiple fatality traffic accident drill was conducted in August 2024.</p>
Indigenous and Community Relationships		
1. Community of Interest (COI) Identification	AA	<p>An external company, MacBride, on behalf of La Colorada developed a baseline in 2022 to identify the COIs and to evaluate the social and economic situation.</p>

		<p>La Colorada has the procedure PR-RC-02 “Procedure for the identification of interest parties and interest communities (COI)” developed in February 2024. There is also the “PR-RC-01 Interest group update procedure” (2024). The COI identification is conducted through environmental impact studies, reference studies and the response and consultation mechanisms.</p> <p>La Colorada recorded all the COIs in a matrix that is updated semi-annually. The matrix includes general information about the COI (e.g. population, coordinates), as well as sociopolitical organization, area of influence (i.e. direct or indirect), type of impact and impact criteria and a location map.</p> <p>La Colorada maintains a directory of stakeholders categorized by their interest and influence that is updated semi-annually.</p> <p>There is also a registration form where interest parties are recorded, indicating type of group, relationship level and the leader or person in charge of each group. To complement the form, La Colorada conducted surveys where it allows COIs to self-identify, providing data such as language, religion, other demographic aspects, etc. This information is treated as confidential. Internally, the employees sign a confidentiality clause in their contract, all based on the privacy policy.</p> <p>A stakeholder mapping was also developed to evaluate the stakeholder's perception and level of risk; these documents are updated semi-annually.</p> <p>The stakeholder mapping includes not only the identified COIs, also include detailed information of the perception</p>
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		<p>that the communities have of the Company.</p> <p>In general, the mapping includes the following information: the name of the identified stakeholder, position or occupation, community or locality to which it belongs, main issues of the COI or perception they have of the company. This information is categorized by the level of power influence, probability of occurrence, and consequence. In addition, a risk level is assigned. Also, the Company has a document where the identified vulnerable groups are included.</p> <p>COIs are invited to meetings where information about the identification of COI is provided, also La Colorada explain the procedure “Tu Cuenta” as a mechanism of communication between the COI and La Colorada.</p> <p>Based on the interviews with COIs they acknowledge that the mine has provided several opportunities according to their needs, employment opportunities, infrastructure development and economic benefits. On the other hand, they have concerns about what will happen when the mine ends its cycle life.</p>
2. Effective COI Engagement and Dialogue	AA	<p>As part of its engagement with COIs, La Colorada conducts a range of documented activities to foster transparent and meaningful interactions with COIs including periodic meetings and visits to the community and participation forums with community members to define the social baseline of the community.</p> <p>Key evidence includes detailed records of regular engagement meetings, consultation sessions, and workshops conducted with COIs to identify their concerns, expectations, and feedback.</p> <p>La Colorada also has a procedure (PR-RC-03 grievance mechanism) to</p>

		<p>address complaints, requests, and inquiries related to the mine's operation with COI. The mechanism includes different ways of communication to ensure that all people have access to the mechanism. An annual training is conducted to explain the grievance mechanism.</p> <p>A constant dialogue is maintained with the communities informally through text messages and occasional conversations during weekly visits.</p> <p>La Colorada conducts annual diagnoses in conjunction with the COIs to identify their needs. From 2022 to 2024, meeting minutes and reports of the diagnoses are kept. After each diagnosis, the results are presented to the COIs, allowing participants to identify, validate and prioritize the needs of their community.</p> <p>All documents (e.g. posters, photographic descriptions, guides, invitations, surveys, etc.) for COIs are written in Spanish in a clear and understandable manner for the COIs.</p> <p>Monthly and annual reports are prepared on COIs participation and dialogue activities. These reports are shared with the corporate staff.</p> <p>The queries, requests or complaints from the COIs are recorded in hard copies and through the Isometrix platform to ensure tracking.</p> <p>If applicable, agreements/contracts are also created between the COIs and La Colorada for specific monitoring of a need.</p> <p>Annual training is provided on tools designed to enhance daily activities that support the relationship with the COIs.</p> <p>To encourage COIs to contribute to participate in periodic review processes for continuous</p>
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		<p>improvement, socio-environmental surveys are conducted every six months to know the community's perception regarding the operation.</p> <p>The participation mechanisms with the COIs, as well as the results, are publicly communicated through the annual sustainability reports. However, a local report with the COIs is not published to ensure that all members have access to these results.</p> <p>The Company conducts the stakeholder mapping exercise, which includes identifying underrepresented groups. The company makes regular visits to the communities, going beyond the usual channels, if necessary, including contact with community leaders or local government offices. Also, the company, includes in their grievance mechanism, different ways of communication (telephone, letters, messages, etc.) to ensure that all can communicate concerns, complaints, requests, etc.</p>
3. Effective Indigenous Engagement and Dialogue	NA	<p>This indicator does not apply. Based on environmental and social assessments (i.e. environmental impact assessment and baseline) there are no indigenous communities in the area of influence.</p>
4. Community Impact and Benefit Management	AA	<p>There is an environmental policy and a social sustainability policy, that guide the implementation of programs to identify risks outlined in the approved environmental impact statement, including community impacts which are monitored using a risk matrix.</p> <p>A "Commitment Document", signed by the Operations Manager and Plant Manager in 2024, outlines explicit commitments to adhere to the criteria under the TSM initiative. This document underscores the site's dedication to aligning operational practices with sustainability standards,</p>

		<p>ensuring that community relationships are a priority in all activities.</p> <p>Also, the Operations Manager demonstrates his commitment to identify and mitigate impacts to COIs as part of the monthly review of the site's performance report. There is also a signed letter of commitment as a socially responsible company.</p> <p>La Colorada holds also "Commitment Letters" signed in 2024 by each area leader outlining their responsibilities in alignment with TSM commitments and their respective roles.</p> <p>The roles and responsibilities of the department personnel in charge of attending the COIs are signed and defined in each job description.</p> <p>La Colorada identifies the social impacts related to their operations through the Environmental Impact Assessments (EIA) (i.e., EIA 1999, 2011 and 2013). La Colorada also has a social risk matrix where action items are identified, and responsibilities assigned for implementing them. The matrix includes sources of risk, the affected party, stakeholders involved, risk consequences, level of risk, mitigation measure, deadline, status, indicators involved and risk reassessment (after applying control/mitigation measures).</p> <p>La Colorada involves the COIs in the risk identification and measures taken through socio-environmental surveys conducted every six months. The last survey was conducted in August 2024. When the surveys are completed, an analysis report is generated.</p> <p>There is a grievance mechanism for any request, consultation or complaint. The queries, requests or complaints from the COIs that are recorded in hard copies and through the Isometrix platform to ensure tracking.</p>
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		<p>Based on the social risk matrix, La Colorada has a social impact management plan including a monitoring and follow-up mechanism for each of the identified risks.</p> <p>In addition, there is a 2024 community relations work plan that includes a budget for each specific area (e.g. social, health, infrastructure, economic development, local business development, impacts mitigation, and land management).</p> <p>As a measure to monitor adverse impacts and risk trends, La Colorada has a Business Risk Management matrix.</p> <p>La Colorada has a social investment program and commitments developed in collaboration with the communal landowners (ejidos) including plans related to education, health, infrastructure and economic development of the COIs.</p> <p>Monthly reports are generated to present the results of the measures implemented as well as the monitoring efforts, budget status and other indicators.</p> <p>As part of the commitment with COIs, La Colorada has developed agreements/contracts in order to mitigate any adverse impact. Agreements/contracts include:</p> <ul style="list-style-type: none"> - Contract with the National Forestry Research Institute (INIFAP, Instituto Nacional de Investigaciones Forestales, Agrícolas y Pecuarias) to provide the technology transfer service beekeeping and socioeconomic support to the communities surrounding “La Colorada”. One of the projects includes training community members on the production of honey, as well as installing production equipment. Families
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		<p>have already benefited from the sale of the product.</p> <ul style="list-style-type: none"> - Contract with Agropecuaria Murlota, S.P.R. de R.L. de C.V. to provide the service for the development and implementation of poultry farm projects for egg production in the Orion Community. - A collaboration agreement with Cieneguilla and Magdalena communities for the installation of fence, a pipeline to conduct water from Cieneguilla to the Quebradilla community, and maintenance of its roads. - A collaboration agreement with Instituto Tecnológico Superior Zacatecas Occidente to develop programs for community students. - An agreement with Chalchihuites municipality to donate 5.5 million pesos for schools and sports infrastructure; and among others. <p>La Colorada keeps records of the delivery letters provided to the community upon the completion of projects. Meetings are held with the community to publicly announce the completion of these projects. Results are also shared on local social media and are included in the annual sustainability report.</p> <p>Through needs assessments and consultation forums, La Colorada implements training programs for COIs members interested in learning skills that provide long-term socioeconomic benefits, extending beyond the operational period of the mine.</p> <p>For any request or donation related to COIs support, La Colorada follows the specifications of its documented procedure for requests and donations.</p>
5. COI Response Mechanism	AA	<p>La Colorada has implemented a grievance mechanism called “Tu Cuentas” to address complaints,</p>

		<p>requests, and inquiries related to the mine's operation with COIs. The mechanism includes various communication methods (emails, calls, letters, talks, mobile messages, etc.) to ensure that all people have access to the mechanism and to track communication effectively.</p> <p>The mechanism is disseminated through posters and an annual training is conducted to explain this mechanism. This training also allows La Colorada to receive feedback regarding incidents as well as general comments on the ongoing relationship with the COIs. The grievance mechanism is included in a flowchart within the procedure PR-RC-03. The mechanism is reviewed semi-annually with the social management team.</p> <p>The mechanism involves four main steps 1) reception, 2) classification (e.g. complaint, inquiry, request, etc.), 3) evaluation and approval, and 4) closing. The queries, requests or complaints from the COIs are recorded in hard copies and through the Isometrix platform to ensure effective tracking. A response time to the COIs has been established according to the type of complaint / request and its level of risk.</p> <p>Once the process is completed, La Colorada is responsible for providing direct feedback to the affected COIs, ensuring they are informed of the site's response to their concerns.</p> <p>La Colorada collaboratively developed and updated the response mechanism with the COIs by fostering an open and inclusive dialogue with stakeholders, including relevant community representatives, community members, etc.</p> <p>The process starts with consultations to understand the concerns and needs of the COIs in the area of direct impact, then meetings are held to</p>
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		gather feedback from COIs on opportunities for improvement. La Colorada keeps records of these activities (e.g., photographs, attendance records, letters, and messages).
Preventing of Child and Forced Labour (Indicate YES or NO)		
1. Preventing Forced Labour	Yes	<p>La Colorada has a Global Human Rights Policy; in its section h) it specifies the prohibition of forced labor and child labor. Also, there is a code of ethics and conduct in which commitment to regulation and other policies are included. Employees and contractors are required to adhere to the code of ethics and conduct and the contract clauses aligned with Mexican labor laws and human rights.</p> <p>The policies are disseminated to employees and contractors through contracts/agreements, which must be signed.</p> <p>La Colorada has developed a protocol to prevent, address, and eradicate workplace violence, harassment, and sexual harassment. It is based on six principles: 1) Dignity and self-defense, 2) A healthy and harmonious environment, 3) Equal opportunities, 4) Confidentiality, 5) Due diligence, and 6) No revictimization.</p> <p>La Colorada has an anonymous whistleblower hotline, where internal observations, complaints or concerns are handled at the corporate level. Also, there is an internal grievance mechanism, called “PAAS Escucha”, in which the complaint is received through various channels, including telephone, text message, email, written communication, or in person. The complaint is analyzed, documented, and processed. The case is reviewed, and a determination is made, follow-up actions are taken, and finally, the case is closed.</p>

		<p>The site also has an administrative procedure for conducting psychosocial evaluations, medical examinations, and referrals for employees exposed to workplace violence, severe traumatic events, and/or psychosocial risk factors.</p> <p>In accordance with the regulation (NOM-035-STPS-2018), psychosocial risk evaluations have been conducted, and a monitoring plan has been implemented. No cases have been identified that involve issues associated with forced labor.</p>
2. Preventing Child Labour	Yes	<p>As mentioned in the previous indicator La Colorada has a Global Human Rights Policy, specifying in its section h) the prohibition of forced labor and child labor. Also, there is a code of ethics and conduct in which commitment to regulation and other policies are included.</p> <p>La Colorada has Internal Labor Regulations that prohibit the employment of individuals under 18 years old. These regulations comply with Mexican legal requirements for the mining sector and have been submitted to the Federal Labor Agency (STPS, Secretaría del Trabajo y Previsión Social).</p> <p>As part of the hiring process, candidates must provide copies of official identity documents issued by Mexican authorities to confirm they are at least 18 years old at the time of application.</p> <p>For contractors, the same age restrictions apply and are outlined in both the contract and the Code of Conduct.</p>
Safety and Health		
1. Commitments and Accountability	AAA	<p>A Health and Safety Policy, signed by the Operations Manager in 2024, outlines explicit commitments to adhere to the Mexican environmental regulations and internal protocols for</p>

		<p>the protection and care of workers, contractors, suppliers, as well as machinery and equipment.</p> <p>La Colorada has developed an internal safety and hygiene regulations (2024-2026) which is signed by senior management and the health and safety committee.</p> <p>The site also has a mechanism called Red Card, in which guidelines are established for employees, contractors, suppliers and visitors to interrupt the activities they are carrying out or are about to carry out, if they do not meet the effective security conditions and elements to execute a job safely.</p> <p>The policies and regulations are disseminated to employees and contractors through contracts/agreements, which must be signed. Also, policies, regulations and other mechanism have been communicated through newsletters, emails, screens, and bulletins to employees, contractors, etc., as an integral part of the communication plan, ensuring consistent and widespread dissemination of information across all stakeholders. To ensure understanding of the information, evaluations are promoted.</p> <p>The site has a signed letter of appointment by both the senior management representative and the preventive safety and hygiene services representative.</p> <p>An environmental, health and safety (EHS) requirements manual has been developed to provide essential EHS information; as well as the obligations necessary to carry out work within the Colorada facilities.</p> <p>La Colorada has “Commitment Letters” signed in 2024 by each area leader outlining their responsibilities aligned with the TSM commitments</p>
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		<p>and their respective roles. These responsibilities include health and safety and other obligations.</p> <p>A 2024 Plan has been developed, aligning with the principles of the TSM health and safety framework.</p> <p>In 2024, an internal audit of TSM was conducted, the audit included the review of H&S protocols. An external audit was conducted by STPS in 2023 to evaluate the compliance with H&S regulation. Since 2019, La Colorada has adopted the voluntary Health and Safety Self-Management System (<i>Autogestión en Seguridad y Salud en el Trabajo</i>) of the Federal Labor Agency (STPS, Secretaría del Trabajo y Previsión Social).</p> <p>This system was designed to ensure compliance with health and safety regulations, particularly those related to worker safety and rights, through self-regulation. This system enables businesses to proactively manage their internal processes, procedures and policies, meet legal requirements, and reduce administrative burdens by demonstrating good practices.</p> <p>In addition, an external audit was conducted by Hawcroft in May 2023. The audit covered several areas of operation, included management systems, standards and procedures; including, but not limited to, H&S policy, risks identification and control, fire protection, emergency response, contractor management, training, and auditing. The results on the management system risk ratings demonstrate an adequately controlled categorization on most of the sections reviewed (e.g. emergency response and recovery, safety systems and performance, action management, management system audits, change management, contractor management and training).</p>
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2. Planning and Implementation	AAA	<p>La Colorada has implemented and maintained an Integrated Safety, Health, and Environment Management System. This system has different implemented elements, included:</p> <ul style="list-style-type: none"> • Specific key performance indicators established based on the H&S program which is reviewed annually. • A procedure for identifying risks for each of the tasks carried out in the La Colorada, as well as the implementation of the necessary controls. The risks are evaluated following a Hazard and Operability (HAZOP) or Bow Tie methodology and aligned with the Mexican regulation. All risks are recorded on a matrix and on a platform called Forwood for effective tracking. • A budget is allocated annually for the health and safety aspects with the aim to reach all the objectives and goals. • A health and safety program focused on accident prevention and occupational health which is reviewed by qualified personnel (e.g. doctor, rescue manager, paramedics, H&S leaders). • A designated health and safety team (H&S commission, brigades, H&S leaders, doctors, nurses, etc.). There is a record of the integration of the safety and hygiene commission signed in 2024. • Documents and procedures (e.g. job descriptions, operation procedures, commitment letters) describing the functions and responsibilities in terms of health and safety. • An accident investigation procedure.
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		<ul style="list-style-type: none"> • Job safety analysis for all the high-risk activities performed at La Colorada. • A guideline to provide a framework for consistent reporting of occupational injuries and illnesses at La Colorada operations and for benchmarking safety performance. • Specific work procedures for each activity/operation executed in the mine which have been disseminated to all employees and contractors. • Standardized safety inspections throughout the workplace, and internal audits focused on contractors' operations. • Weekly and monthly reports and annual diagnosis to record and track the indicators, objectives, issues related to health and safety aspects. <p>External and internal audits have been conducted to evaluate the H&S compliance included:</p> <ul style="list-style-type: none"> • 2023 H&S audit conducted by a third-party as part of the insurance renewal. The audit covered several areas of operation, included management systems, standards and procedures; including, but not limited to, H&S policy, risks identification and control, fire protection, emergency response, contractor management, training, and auditing. The results on the management system risk ratings demonstrate an adequately controlled categorization on most of the sections reviewed (e.g. emergency response and recovery, safety systems and performance, action management, management system audits, change management, contractor management and training).
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		<ul style="list-style-type: none"> • 2024 internal audit conducted by the corporation. The audit included a review of H&S protocols. • A H&S compliance audit conducted by STPS in 2023. • An inspection conducted by the Civil Protection Department in 2024.
3. Training, Behaviour and Culture	AAA	<p>La Colorada implements an annual health and safety training program, which is updated each year. Formal health and safety training is provided to all employees and contractors, while visitors receive a general orientation. La Colorada has records (e.g. presentations, photos, attendance lists, reports, certificates, etc.) of trainings and campaigns. La Colorada implements evaluations to ensure understanding of the training provided and keeps records of them. For specialized training, certificates (e.g. DC-3 certificates) are issued to ensure that operators are qualified. Also, the trainers/coaches are qualified to provide training (e.g. DC-5 certificates).</p> <p>La Colorada provided surveys to employees to evaluate the effectiveness of the trainers, their performances and identify any deficiencies.</p> <p>A health and safety program focused on accident prevention and occupational health is established on a yearly basis. A dedicated budget is allocated to ensure its implementation, with progress monitored monthly.</p> <p>There is a robust program focused on psychological risks, which include a confidential line to report psychologic incidents and a team of psychologists who conduct weekly rounds to speak with employees.</p> <p>The programs are developed using different elements included dates and records of last training provided to</p>

		<p>employees and contractors, risk identification matrix, operational descriptions, among others, to ensure that training is tailored to the capabilities, skills and needs of each employee, job position or contractor.</p> <p>Safety talks at the start of shift, daily tours, periodic inspections by the safety commission are conducted to observe the operations/activities and guarantee that what was shared in the training is being used effectively. In addition, there are mechanisms for employees/contractors to participate in the identification of risks (e.g. 5-point card, development of safe procedures, verification of operational standards).</p> <p>The Operations Manager actively participates in safety initiatives through one-on-one interactions with employees during safety talks and site walkthroughs, underscoring a visible commitment to the health, safety, and environmental policy.</p> <p>A budget is allocated annually for the health and safety aspects with the aim to reach all the objectives and goals.</p> <p>H&S performance is reviewed monthly and recorded in the Key Performance Indicators (KPI) tracking and scorecard balance.</p>
4. Monitoring and Reporting	AA	<p>La Colorada tracks and reports monthly and quarterly health and safety performance indicators to both site management and employees. These metrics are reviewed against annual improvement goals.</p> <p>The metrics are communicated to employees through emails, boards, and screens.</p> <p>In 2024, an internal TSM audit was conducted, which included the monitoring and reporting. Auditing is a core component of the management system, with the site conducting regular health and safety internal audits and inspections to ensure</p>

		<p>compliance with company standards and regulatory requirements.</p> <p>Recommendations from these audits are turned into action plans focused on continuous improvement.</p> <p>The health and safety management approach in La Colorada is based on critical risks. There is a risk analysis of all processes, the controls are based on the threshold and triggers in accordance with Mexican regulation (NOM-023-STPS-2012 section 7)</p> <p>Additionally, the site's health and safety performance is disclosed annually to the public through the corporate Sustainability Report.</p> <p>https://panamericansilver.com/wp-content/uploads/2024/08/PAS-Reporte-de-Sostenibilidad-2023-Esp.pdf</p>
5. Performance	AA	<p>La Colorada tracks and reports monthly and quarterly health and safety performance indicators. These metrics are reviewed against annual improvement goals. The metrics are communicated to employees through emails, boards, and screens.</p> <p>Senior management evaluates the site's annual health and safety performance by comparing it to the results of the previous year. These findings guide the development of improvement plans and programs.</p>
Tailings Management		
1. Tailings Management Policy and Commitment	A	<p>La Colorada has a Corporate Environmental Policy (2021), which includes tailings management, commitments to TSM protocols, dated 2024 and signed by the Director of Operations. Additionally, a tailings management policy, dated 2021, is available and signed by the General Manager. These documents are posted on information boards throughout the site and have been</p>

		<p>communicated to staff and contractors via email and meetings.</p> <p>Based on interviews with internal and external COIs the Verifier confirmed awareness of tailings management at La Colorada.</p> <p>Internal audits were conducted in 2023 and 2024, facilitated by corporate representatives and supported by site staff. The audits demonstrated that the tailings management policy and commitments are in compliance with the MAC Tailings Guide, which have been approved by senior management.</p> <p>Finally, La Colorada has budget allocated for the action plan in 2024.</p>
2. Tailings Management System and Emergency Preparedness	A	<p>In 2023 and 2024 corporate representatives and supported by staff of La Colorada, demonstrated that:</p> <ol style="list-style-type: none"> 1. The company developed and implemented a tailings management system in conformance with the Tailings Guide. 2. Emergency Response Plan (ERP) / Emergency Preparedness Plan (EPP) for tailings area were developed in conformance with tailings guide. 3. ERP/EPP were tested through simulation of the breach of dam number 06 in July 2023, and overflow of dam 06 in August 2024; these simulations were performed and reported.
3. Assigned accountability and responsibility for tailings management	A	<p>A Tailings Management System (TMS) document (MA-PL-05, version 2024) and Operation, Maintenance, and Surveillance (OMS) manual 2024 describe roles, responsibilities and accountabilities as well as matrix of responsible, accountable, consulted, and informed (RACI) personnel. It also contains an organizational chart with all key roles and its relationship at the corporate and site levels, including an</p>

		<p>Accountable Executive Officer (AEO), Senior Director of Critical Facilities, Engineer of Record (EoR), Responsible Person (RP), and other managers and staff working on-site. The EoR is a formal contractor with clearly defined role and responsibilities.</p> <p>The TMS designates the Vice President of Processes, Tailings and Dams as the Accountable Executive Officer, who reports to the Board of Directors.</p> <p>The roles and responsibilities outlined in the 2024 Tailings Management System (TMS) document are required to be reviewed/updated annually; this was also verified for the 2023 TMS version.</p> <p>The TMS (MA-PL-05, 2024) outlines the responsibilities for each role, with criteria based on the Tailings Guide, which has been cross-referenced with a table of conformance.</p>
4. Annual Tailings Management Review	A	<p>The 2024 internal audit completed by corporate representatives and supported by site's staff, demonstrated that:</p> <ol style="list-style-type: none"> 1. Tailings management review session for 2023 was held in November 2023; for 2024, session is scheduled for late November 2024. 2. Tailings management review is in conformance with the Tailings Guide; records include summary of risks and controls, OMS manual, ERP, RACI matrix, designs, storage capacity, life of mine (LOM) report, Dam Safety Inspection (DSI) report, and recommendations / gaps, amongst others. <p>In the second quarter of 2024, corporate and site management held a meeting to review key risks, action plans, and any other topic related to</p>



		the tailings management framework as part of an annual schedule.
5. OMS Manual	A	The 2024 internal audit conducted by corporate representatives and supported by site's staff, demonstrated that the La Colorada OMS manual version 2024 is developed and implemented in conformance with OMS Guide.
Water Stewardship		
1. Water Governance	AA	<p>La Colorada has a 2024 TSM commitment, including water stewardship, signed by general manager and published on information boards throughout the site.</p> <p>There is an environmental management system, with a procedure for water management (PR-ECO-03, version 1, October 2024) and matrix of legal requirements processes to monitor and correct non-compliance of requirements and commitments in relation to water.</p> <p>All personnel with responsibilities and accountabilities for water stewardship have received letters of assignment, dated 2024, signed by the general manager.</p> <p>In addition to the information boards for internal COIs, interactions with external COIs to disseminate the sustainability commitments (including water responsibility) have been organized according to the PR-ECO-28 community relations procedure.</p> <p>From interviews with COIs, it was noted that they perceive La Colorada's water management and the information campaigns as adequate. Most COIs express concerns that the mine's eventual closure could impact their access to water, as they currently receive it as a benefit of the mine's operations.</p> <p>Annual sustainability goals are established, which include</p>

		<p>specifications of the actions to achieve these goals; the SPI-E3 water sustainability indicator has a goal of 773,252 m³ consumption. The 2024 budget has allocated resources to achieve the SPI-E3 goal.</p> <p>In 2022 a corporate internal audit was conducted on the environmental management of the La Colorada mine, focused on compliance of TSM protocols, regulatory requirements, and corporate policies and standards.</p> <p>In March 2024, La Colorada conducted a specific cross-audit focused on compliance of TSM protocols for the 2023 management.</p> <p>This verification confirmed that findings from the 2024 cross-audit are currently 100% completed:</p> <ol style="list-style-type: none"> 1. Completed evidence of induction talks and attendance lists; this verification shows materials, lists, and photographs of communication of water responsibility commitments. 2. Completed evidence of letters assigning roles and responsibilities for water management; this verification shows the letters issued and signed by the general manager of the La Colorada mine to leaders of the different areas for the TSM protocols.
2. Operational Water Management	AA	<p>La Colorada has identified and assessed its risks regarding surface and groundwater, in accordance with its procedure for identification of environmental aspects (PR-ECO-02). These risk assessments were reported to the environmental authority as part of the Environmental Impact Assessment.</p> <p>A systematic approach for operational water management is implemented according to the water management procedure (PR-ECO-03, version 1, October 2024). The procedure includes</p>

		<p>operational practices for efficient use of water in the facilities, weekly and monthly registration of consumption points, and preparation of a water balance.</p> <p>The water balance is completed monthly from measurements recorded weekly. Water quality monitoring data is reported monthly with the water balance and its collection is managed through the water monitoring procedure (PR-ECO-07, version 1, October 2024) for both surface and groundwater.</p> <p>The monitoring program addresses 6 mine water points, 4 process points in tailings and runoff dams, 3 service and human consumption water points, 3 treated wastewater points, 1 landfill leachate point, and 6 monitoring wells. The selection of parameters is based on permissible limits of the applicable Mexican standards and on risk parameters identified for tailings dams and wells.</p> <p>The environmental aspects matrix (FO-EC-04, 2024 update) outlines control measures for the risks associated with water usage. These measures are implemented through quality monitoring programs and compliance with the permissible limits set by Mexican regulations.</p> <p>The environmental emergency response plan (September 2022 version) outlines the measures and resources to deal with events with a potential effect of contamination in the waters and, in the case of tailings dams, attention to tailings water spilled from the dams.</p> <p>The environmental management system training program includes a topic on optimal use and care of water, which is taught to all personnel and contractors of the La Colorada mine. The topic of water responsibility is also part of the content of the Ecology</p>
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		<p>induction training for all new employees and contractors.</p> <p>The water balance is updated monthly, records reviewed for the January – September 2024 and linked in frequency to the 2024 physical risk analysis procedure. Water stress is not a relevant risk at the La Colorada mine.</p> <p>Water use optimization goals are established annually. In particular, the SPI-E3 Water performance indicator establishes the consumption goal, its performance is reported monthly (reports from January to July 2024 were reviewed).</p> <p>An Excel record of flowmeter readings is kept identifying the areas that have a higher water consumption.</p> <p>The monitoring results are recorded and reported monthly to the site management; the objective is that each water quality parameter remains below the permissible limit by Mexican regulations. If an objectives was exceeded a corrective action would be implemented and the objective is evaluated in the following reporting month. The reports from January to October 2024 were reviewed.</p> <p>The company Natural Environment S.C. performed the impermeability study of the tailings deposits of Mina La Colorada and the vulnerability study of aquifers according to the requirements of the NOM-141-SEMARNAT-2003 standard; the GOD (acronym for Ground water occurrence, Overall aquifer class, Depth of groundwater) methods were used, resulting in a value of 0.216 (non-vulnerable aquifer) and DRASTIC (acronym for Depth, Recharge, Aquifer, Soil, Topography, Impact, hydraulic Conductivity) resulting in a value of 85 (low vulnerability aquifer).</p>
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		In March 2024, La Colorada conducted a specific cross-audit focused on compliance with all TSM protocols for the 2023 management in objective level A.
3. Watershed-scale Planning	AA	<p>The boundaries of the watershed are identified and recorded in the Environmental Impact Assessment, (page 67).</p> <p>La Colorada maintains a record of relevant COIs related to water, in accordance with the procedure for identifying and consulting with groups of interest (PR-ECO-28).</p> <p>Consultations with communities directly affected by water usage have been compiled into perceptions about water, no statements of beliefs, customs or traditional knowledge have been declared by COIs.</p> <p>From interviews with COIs, the use of water is considered a necessary resource for local consumption and productive activities. Some COIs also stated that there are no superstitions regarding water.</p> <p>Participation in watershed governance is indirect since the National Water Commission (CONAGUA) is the authority having jurisdiction on watershed planning. For any interaction with CONAGUA, the environmental manager is the legal representative of La Colorada.</p> <p>The environmental impact assessment identifies the basin where the La Colorada mine is located, documents the uses of water throughout the mine's lifecycle, and evaluates the cumulative effects of water use. Regarding water produced by mineral extraction, the assessment concludes that the effect is beneficial.</p> <p>Through the community relations department, interactions are organized with the COIs (e.g. San Juan de la Tapia in July 2024) to disseminate the</p>

		<p>results in management of sustainability activities (2023 for water).</p> <p>Based on the interviews with COIs, external communities confirmed having received results of water use management. Some representatives mentioned that they rely on the mine's operation for their water supply and expressed concern about the future if the mine were to close.</p> <p>La Colorada is in two hydrological regions, which is why it has requested information from CONAGUA to confirm its membership in a basin council and to receive invitations or calls for collaboration in the management of water availability risks in the basins; last letter sent in August 2024.</p>
4. Water Reporting and Performance	AA	<p>La Colorada has established the 2024 sustainability performance indicators (SPI), which are aligned with corporate objectives.</p> <p>The monthly reports of the environment department for the period from January to September 2024 were reviewed: the water usage goals were achieved in the months of January to July, but in August there was a non-compliance of 51% excess of water usage and corrective actions were planned.</p> <p>The actions consisted of implementation of a leak hunting program across the facilities and implementation of pools in the exploration area to address the deviation. By September, water consumption was reduced, and deviation was 1.43% above the goal, demonstrating the effectiveness of the corrective actions.</p> <p>All results are reported to General Manager, and also in the Pan American Silver Sustainability Report; 2023 report available to public at https://panamericansilver.com/wp-content/uploads/2024/08/PAS-</p>

		<p><u>Reporte-de-Sostenibilidad-2023-Esp.pdf</u></p> <p>Finally, the process for independent verification of accuracy in public reports on water is set by a regulatory procedure, Environmental Certificate Modality B. La Colorada got its latest certificate issued in February 2024, by the company Clear Water Technologies S.A. de C.V. (accredited as a Verification Unit by the Federal Environmental Protection Agency). The water scope verified was:</p> <ol style="list-style-type: none"> 1. Significant environmental parameters are prioritized based on their potential impact on the environment, considering factors such as operations, location, characteristics, and the surrounding environment. 2. The type and location of wastewater discharges, physical review of hydraulic facilities, document verification of volumes or discharged flow, analysis and treatment of wastewater, review of water supply, records and/or concession titles, water savings program, general balance. 3. Appropriate management of wastewater from services, verification of maintenance programs for devices, hydraulic network or facilities to prevent leaks and spills.
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Statement of Verification

Statement of Verification	
The external verification was conducted in accordance with the <i>Terms of Reference for Verifiers</i> and, accordingly, consisted primarily of interviews, data analysis, and examination (on a sample basis) of other evidence relevant to management's assertion of conformance to the requirements of the TSM performance indicators.	<input checked="" type="checkbox"/> The external verification was conducted in accordance with the <i>TSM Verifier Terms of Reference</i> .
The scores indicated in this report are verified as being accurate based on the evidence reviewed during the external verification of this facility.	<input checked="" type="checkbox"/> The scores in this report are considered accurate based on this verification.
Limitations	No limitations to how this verification was to be planned and completed were encountered.
Additional comments	The Pan American and La Colorada teams demonstrated exceptional preparation throughout the verification process. Their self-assessments were thorough and detailed, reflecting a deep understanding of the requirements. Additionally, they showcased a high level of transparency by sharing documents and data openly, which significantly facilitated the review and ensured a smooth and efficient evaluation.
Has an additional assurance statement been provided by the verifier?	No
Name of lead verifier	Omar Rios
Date of statement of verification	January 20, 2025
Signature of lead verifier	



Appendix A List of PAS participants

Karina Nakandakari – Manager, ESG Standards Compliance

Gerardo Nevarez – Operations Director

Napoleón Barrón – Director of Social Responsibility and Governance

Homero Valenzuela – Community Relations Manager

Guadalupe Quezada – Community Relations Supervisor

Carlos Amezcua – Human Resources Manager

Armando Piña – Safety Superintendent

Antonio Torres – Concentration Plant Superintendent

Leo Aubone – Corporate Senior Engineer Tailings and Dams

Martín Magallanes – Environment Director

Sarahi Martinez – Environment Head

Gerardo Maldonado – Security Superintendent



Appendix B List of COIs interviewed

Aide Aguirre Guerrero – Representative of relocated families from La Colorada community.

Brenda Janete Aguirre Torres – Representative of mothers from La Magdalena community.

Lilia Jimenez – Representative of San Juan de La Tapia community.

Mario Moreno Rodríguez – Delegate of Orión community.

Ricardo Santos Ramos – Liaison Deputy Director at the Sombrerete Technological Institute.

Jessica Zarate Ordaz – Safety Supervisor – Grupo Industrial Herza del Real S.A. de C.V. – Contractor of prefabricated roads and rehabilitation.