



Assessment Summary Report

Participant Information

Name of the Site	Industriál Minera México, S.A. de C.V. – Refinería Electrolítica de Zinc
Unique identifier provided by the Copper Mark	P0080
Address	Calle Oro 555, Colonia Morales
Country of Operation	Mexico
Principle covered products produced on site. (e.g., concentrate, anodes, cathodes, sulphuric acid, slag, etc.)	Refined zinc, sulfuric acid, cadmium, copper cement, silver concentrate
Metals produced on site. (e.g., copper, gold, nickel, silver, molybdenum)	Copper, zinc
Metals included in scope of Criterion 31 (this must be all, or a sub-set of the metals produced on site)	Copper, zinc
Metals covered by other independent assessments for Criterion 31 (e.g., RMAP, LBMA, RJC, etc.)	N/A
Types of operations included in scope	
Mining	<input type="checkbox"/>
Concentrate blending	<input type="checkbox"/>
Solvent extraction and electrowinning	<input type="checkbox"/>
Smelting	<input checked="" type="checkbox"/>
Refining	<input checked="" type="checkbox"/>
Fabrication	<input checked="" type="checkbox"/>
Other (<i>please explain</i>)	
Infrastructure owned or controlled by the site and included in scope	

Roads	<input type="checkbox"/>
Rails	<input type="checkbox"/>
Ports	<input type="checkbox"/>
Other (<i>please explain</i>)	

Equivalent Systems

The following equivalent systems were applied:

Equivalent systems are determined by the Copper Mark to have standards and assurance requirements that are materially comparable in scope and intent to those of the Copper Mark, in accordance with the [Copper Mark Recognition Process](#).

Equivalent System	Review Process	Criteria Covered by Equivalency
ISO 14001: 2015 Certification valid until: 3 October 2025	The assurance / certification was confirmed to be: <ul style="list-style-type: none"> Valid at the time of the review No more than 24 months old and / or plans for reassessment are underway. In effect for an additional 12 months and / or plans for reassessment are underway Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials Accompanied by improvement plans where applicable 	14. Environmental Risk Management 16. Energy Consumption 20. Pollution
ISO 45001: 2018 Certification valid until: 31 October 2025	The assurance / certification was confirmed to be: <ul style="list-style-type: none"> Valid at the time of the review No more than 24 months old and / or plans for reassessment are underway. 	12. Occupational Health and Safety

	<ul style="list-style-type: none"> • In effect for an additional 12 months and / or plans for reassessment are underway • Covering the same scope as the Copper Mark Responsible Production Criteria, including operations, locations, and materials • Accompanied by improvement plans where applicable 	
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Independent Site Assessment Information

Name of the Lead Assessor	Rachelle Jackson & Alejandro López
Name of the Assessment Firm (if applicable)	Arche Advisors
Date(s) of Assessment Activities (dd/mm/yyyy – dd/mm/yyyy)	25/09/2023 – 27/09/2023
Assessment Period	August 2022 – August 2023
Summary of the Assessment Methodology	<p>The assessment was conducted using the ISO 19011:2018 methodology against the Copper Mark Criteria for Responsible Production and the Joint Due Diligence Standard. The assessment methodology included data gathering through site visits to the mine operation and community; observation, worker and management interviews, and document review of policies, procedures, and records related to each of the specific Copper Mark criteria. A sampling approach was used related to document selection and worker selection, including contractor agencies. Greater specifics are included in detail in each criteria section of this report.</p> <p>Permanent workers: 704 Contract workers: 112</p>
Summary of the Assessment Activities	<p>Day 1</p> <ul style="list-style-type: none"> • Security briefing • Opening meeting • Site tour • Interviews with management regarding criteria 3, 8, 9, 11, 12, 13, 17, 18, 20, 21, 23, 24 <p>Day 2</p>

	<ul style="list-style-type: none"> • Interviews with management to confirm non-applicability of criteria 25, 28, 29, 30. • Interviews with contract employees • Interviews with direct employees • Interviews with community stakeholders • Visit to communities and interviews with stakeholders. • Interviews with management regarding criteria 1, 2, 26, 32 <p>Day 3</p> <ul style="list-style-type: none"> • Interviews with management regarding criteria 4, 5, 6, 10, 31 • Interviews with union representatives • Interviews with direct employees • Closing meeting
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Summary of Findings

Criterion	Rating	Comments
1. Legal Compliance	Fully meets	<p>Industriál Minera México, S.A. de C.V. – Refinería Electrolítica de Zinc (RZ) has a legal compliance system that covers the company’s legal obligations, identification, monitoring, assessment, and implementation of changes in new laws, regulations and requirements. Matters such as labor, international trade, anti-bribery and corruption are the responsibility of the respective departments at refinery level to implement applicable laws and regulations.</p> <p>It is supported by regulatory audits, declarations, and reporting. Respective operating licenses and permits to operate are in place. Workers understand their legal rights.</p> <p>This was confirmed through document and record review, interviews with management and interviews with workers.</p>
2. Business Integrity	Fully meets	<p>RZ has an ethics code that covers the prohibition of bribery, facilitation payments, gifts, corruption. Anti-corruption and fair competence policies are also in place.</p> <p>This is supported by procedures to review conflicts of interest, employee training, an ethics committee that receives, investigates, and assesses any ethics code violation, a grievance system, and regulatory</p>

		<p>reporting. No reports on corruption cases were received during 2022 in the mining division. Additionally, RZ utilizes an external third-party whistleblower system in order to receive complaints in regard to violations of the business ethics code.</p> <p>This was confirmed by a review of policies and procedures, the corporate register of grievances analyzed by the corporate ethics and disciplinary committee, and interviews with relevant personnel.</p>
3. Stakeholder Engagement	Fully meets	<p>RZ is part of a corporate-level program for identification and engagement with stakeholders, complemented by a local community development team that carries out the corporate-level strategy to identify key stakeholders, prioritize engagement, and ensure participatory processes that allow for the identification of needs and support for vulnerable groups.</p> <p>This is supported by a grievance channel developed in consultation with the United Nations Office of the High Commissioner for Human Rights in Mexico.</p> <p>Implementation of the program was confirmed through a review of documents and records, and interviews with workers. In addition, interviews with stakeholders revealed examples of the engagement process. Stakeholders indicated that they primarily use the community development team as their first response when support or input is needed.</p> <p>Access to the grievance mechanism is available here.</p>
4. Business Relationships	Fully meets	<p>RZ has a process in place to identify relevant business partners, share the Supplier Code of Conduct, and monitor compliance, and contractually impose consequences for not complying with legal and company requirements.</p> <p>The management has identified 458 suppliers, of which 28% represent 58% of the procurement at the refinery level. Business partners complete an ESG questionnaire to assess responses to social issues. All business partners, material, services suppliers and contractors are subject to commit to comply with the Code of Conduct for Suppliers, Contractors, Business Partners and Relevant Business.</p> <p>Annual reporting enforces expectations from suppliers, contractors, and business partners, requiring compliance with the company's policies and various aspects, including Ethics and integrity, Human Rights,</p>

		<p>Labor, Occupational safety and health, Environment, and more.</p> <p>This was confirmed through interviews with management, review of policies and procedures, and checks on a sampling of communications with suppliers.</p>
5. Child Labor	Fully meets	<p>Grupo Mexico has a corporate level commitment against the use of child labor, as defined by the ILO. This commitment is stated in the Grupo Mexico Human Rights Policy and the Code of Ethics. The company sets a minimum age of 18 for all of their operations. RZ implements these policies at site.</p> <p>The policy is supported by training on the Code of Ethics, including the prohibition on child labor, clauses in union contracts, and hiring procedures.</p> <p>This was confirmed through a review of documents and records, interviews with management and workers, and site observations. There was no evidence of the use or presence of underage workers.</p>
6. Forced Labor	Fully meets	<p>Grupo Mexico has a corporate level commitment against the use of forced labor, as defined by the ILO. This is documented in the Human Rights Policy and the Code of Ethics. RZ implements these policies at site. The policy is supported by training on the Code of Ethics, including the prohibition on forced labor, hiring practices, and other procedures.</p> <p>The right to refuse dangerous work was confirmed by employees, contract workers, and union representatives.</p> <p>During interviews with workers, it was confirmed that no fees are paid at hiring, personal identification is not withheld, there is no restriction to movement, and there is a right to refuse to engage in dangerous or overtime work. Documents and records were also reviewed to confirm these practices.</p>
7. Freedom of Association and Collective Bargaining	Partially meets	<p>RZ has processes in place to allow freedom of association and collective bargaining. There is a union on site with a collective bargaining agreement negotiated every 2 years. Workers are free to join or not join the union. Union representatives are able to interact with members without restriction.</p> <p>A salary increase is negotiated annually between RZ and unions, and the conclusion is posted publicly in the workplace. Additionally, union leaders state that</p>

		<p>they have a positive and constructive relationship with the company and the HR department.</p> <p>The following gap was identified:</p> <p>RZ have failed to remove a clause from the collective agreement that states that a worker that opts to leave the union will have their employment terminated, a practice made illegal in 2019. It is important to note that this does not occur in practice, even though it is in the contract.</p> <p>This was confirmed by review of documents, interviews with management, interviews with human resources, interviews with union representatives, interviews with workers who are members of a union and interviews of workers who are not members of a union.</p> <p>This was verified through interviews with management; interviews with union representatives; and a review of the signed agreement.</p>
<p>8. Discrimination</p>	<p>Partially meets</p>	<p>Grupo Mexico has corporate level policies against discrimination and harassment, including a policy on diversity and inclusion that are distributed to all employees, located on the website, and posted throughout work areas in RZ. RZ implements these policies at site.</p> <p>The policies are complemented by specific lines of action and strategy to promote the non-discrimination policy following a third-party internal survey on company culture and employee satisfaction, a set indicators related to the hiring of women, increased communication and sensitization to appropriate workplace behaviors, familiarization with the grievance mechanism, among other procedures.</p> <p>Workers and contractors have received training on the matter, including information on the Code of Ethics.</p> <p>The following gaps were identified as discriminatory:</p> <p>Service contractors are not allowed by unionized employees to use the restroom facilities of the unionized employees (this does not reflect company policy).</p> <p>There are no specific restroom facilities for female workers directly in the operations area.</p> <p>Contractors are not allowed to bring their cell phones into the facility, whereas direct workers are. Note that</p>

		<p>management is aiming to phase out all cell phone use for all workers.</p> <p>This is confirmed by a review of documents, training records, interviews with workers, interviews with external stakeholders, interviews with management, and site observations.</p>
9. Gender Equality	Fully meets	<p>Grupo Mexico has a corporate level policy that encompasses the concepts of equality and equity in the workplace, including the hiring process, promotion, and compensation, for employees, contractors, clients, suppliers, and other third parties. RZ implements this policy at site.</p> <p>The policy is supported by the development of indicators related to the hiring of women, increased communication and sensitization to appropriate workplace behaviors, familiarization with the grievance mechanism, neutral language in job advertisements, as well as physical changes at site to allow for a gender-sensitive environment. Additionally, RZ are making adjustments on site to ensure access to restrooms for women and nursing rooms.</p> <p>Female employees interviewed reported a positive experience in the workplace.</p> <p>This was also confirmed through a review of documents and records and interviews with management.</p>
10. Working Hours	Partially meets	<p>The majority of employees are unionized, and their work hours regimen is set by a Collective Contract, negotiated by the union and company representatives. Non-union employee work hours are set in the individual labor contract.</p> <p>Worker interviews report working 6 days per week, 8 hours per day, on a rotating shift schedule. However, overtime occurs frequently, and records confirm that the average work hours of direct employees in the sample analyzed are over 60 per week, with a smaller group working 70 or more hours per week. A system is in place to monitor work hours.</p> <p>The following gap was identified:</p> <ul style="list-style-type: none"> • A commitment to limiting work hours and a consistently implemented monitoring procedure are needed to ensure this is carried out. <p>This is confirmed by review of policies, working hour records, collective bargaining agreements, sampling of</p>

		individual labor contracts, interviews with management and interviews with workers.
11. Remuneration	Fully meets	<p>Pay rates for unionized workers are managed through the Collective Bargaining Agreement. Grupo Mexico manages the pay scale for non-union workers at the corporate level. This process is based on the review of a comparative study of wages in the mining sector. A review of the living wage is done through an adopted methodology referencing data from the Wage Indicator Foundation and Massachusetts Institute of Technology, and other considerations. The RZ team at the site is not engaged in this process.</p> <p>RZ is engaged in the negotiations in the collective bargaining agreements with unionized workers. Salary rates are reviewed every year and negotiations for the full agreement take place every 2 years, taking into account a number of factors including market rates.</p> <p>Salaries are complemented by a range of benefits, including vacation leave.</p> <p>This is confirmed through a review of documents and records, interviews with management and interviews with workers.</p>
12. Occupational Health and Safety	Fully meets	<p>Criterion confirmed as met through equivalency with ISO 45001:2018.</p> <p>Further confirmation was achieved through worker interviews, site walkthrough, and document review, including policies, risk assessments and training documents.</p>
13. Grievance Mechanism	Fully meets	<p>RZ has a grievance mechanism in place that was designed in line with the UN Guiding Principles' Effectiveness Criteria for Non-Judicial Grievance Mechanisms. The grievance mechanism and other channels to submit grievances are documented in a policy and trainings provided to employees. The policy includes protections for anonymous submissions and prohibits retaliation against anyone submitting complaints. The grievance mechanism is overseen by an Ethics Committee that sits at the corporate level and includes top executives of the Americas Mining division, corporate level human resources, community development, and internal audit directors. Union representatives are involved from the time of receipt of a complaint involving a union member.</p>

		This was confirmed through interviews with management; interviews with contractors from 5 different contract agencies; and a review of documents and records related to contractor training on the grievance mechanism.
14. Environmental Risk Management	Fully meets	Criterion confirmed as met through equivalency with ISO 14001:2015.
15. Greenhouse Gas (GHG) Emissions	Fully meets	<p>Grupo Mexico has a corporate environment policy aligned with the Paris agreement and has established a commitment to the reduction of environmental impact and climate change.</p> <p>Carbon reduction goals are set to reduce scope 1 and 2 emissions by 15% and 35% by the years 2027 and 2035 respectively, against a 2018 baseline. Objectives related to carbon reduction in 2022 include increasing the use of renewable energy and changing fluorescent lamps.</p> <p>This was confirmed through interviews with management, document, and record review.</p> <p>More information is available here.</p>
16. Energy Consumption	Fully meets	Criterion confirmed as met through equivalency with ISO 14001:2015.
17. Freshwater Management and Conservation	Fully meets	<p>RZ sources its water supply from both wells and by treating sewage from the city at the wastewater treatment plant. RZ has a system in place for water use including monitoring, action plans, water recovery actions, and testing reports.</p> <p>Most of the water used is recirculated into the production process. Wastewater quality is also monitored and mitigated with treatment systems where appropriate.</p> <p>RZ possess relevant and up to date water permits and licenses.</p> <p>This was confirmed through document review, interviews with management, and interviews with stakeholders.</p>
18. Waste Management	Fully meets	<p>Criterion confirmed as met through equivalency with ISO 14001:2015.</p> <p>Further confirmation was obtained through the review of RZ's practices, compliance documents, licenses and environmental policies, all of which articulate a</p>

		<p>commitment to minimize impacts against soil, waste generation, discharges and emissions.</p> <p>Management confirm that the site has not received an environmental or waste management grievance from stakeholders.</p>
19. Tailings Management	Not applicable	Criterion not applicable for non-mining entities.
20. Pollution	Fully meets	Criterion confirmed as met through equivalency with ISO 14001:2015.
21. Biodiversity and Protected Areas	Fully meets	<p>Criterion confirmed as met through equivalency with ISO 14001:2015.</p> <p>Additional review was conducted by the assessors, nonetheless.</p> <p>Within the environmental policy, there is a commitment to contribute to preservation and conservation of biodiversity. The refinery is located in the metropolitan area of San Luis Potosi city, which is not a protected area. In 2019, the site conducted an environmental impact assessment, including the regional environmental system that covers an area of 4,339.58 hectares where the facility identifies flora and fauna corresponding to the related broader regional system, based on the identified flora and fauna and how company's operation would impact both categories, the company identifies the impact or affectation as low significance, which the environmental authority approved that did not required additional control measures.</p> <p>This was confirmed through site observations; interviews with management; interviews with local stakeholders; and a review of documents including the environmental policy, relevant permits and licenses, and the environmental impact assessment.</p>
22. Mine Closure and Reclamation	Not applicable	Criterion not applicable for non-mining entities.
23. Community Health and Safety	Partially meets	<p>RZ has a system to address community health and safety through the community engagement activities. There is evidence of activities focusing on social and health diagnostic studies, campaigns to support and vaccinate the community during the Covid-19 pandemic, and other health interventions.</p> <p>No obvious risk areas were noted during the site visit or visits within the surrounding communities. However, the pre-assessment desk review identified academic reports related to emissions from the plant</p>

		<p>and possible risks to community health. Two academics at the local university have published reports related to mineral refining in the region over the last 30 years, and while these reports mention possible impacts to community health, especially children, they were inconclusive and appeared to call for more research. As a result, the assessors reviewed this aspect in detail.</p> <p>Results of emissions monitoring for air, noise and water metrics were reviewed and were all seen to be within legal limits.</p> <p>Planned interviews with random community members confirmed their interest in learning more about potential risks associated with the facility; however, they did not express specific health and safety concerns.</p> <p>The following gap was identified:</p> <p>The site should engage more with relevant community members and stakeholders on community health and safety issues, including reporting on impacts and monitoring results. An important first step would be to share the site’s annual monitoring results would be</p> <p>In addition to the interviews and physical observations, this was confirmed through a review of documents, records, and interviews with management.</p>
<p>24. Community Development</p>	<p>Fully meets</p>	<p>Grupo Mexico has a corporate level Community Development Team that provides the overall ethos, direction, and guidance for all site-level community development efforts. This includes management of the SAC communication channel for communities.</p> <p>RZ has a community development team who are based out of a community center that hosts classes and workshops for community skill development, leadership training for youth, and many kinds of community events.</p> <p>The community development system is based on a diagnostic social impact assessment using a participatory approach held in 2022. This report informed the current development plan with a focus on environment, education and health. The community is further engaged every two years to discuss their needs and desires, which is then supported by funds and complemented by ongoing skills and human development activities.</p> <p>Inputs, activities, and outcomes are measured and reported on, including in the Grupo Mexico</p>

		<p>Sustainable Development Report and the Annual Report on Community Development.</p> <p>This was confirmed through a review of policies, procedures, reports, interviews with management, and interviews with stakeholders who reported on their own participation in providing input, their abilities to propose community needs, request funding, and seek support for specific endeavors related to development needs.</p>
25. Artisanal and Small-Scale Mining	Not applicable	Assessors confirmed there is no ASM in the area of influence.
26. Human Rights	Fully meets	<p>RZ has implemented policies at the corporate level related to human rights, including a commitment to “respect and promote human rights across the collaborators and communities where the company operates according to the UN Human Rights Declaration . . . and implement a due diligence process to identify, prevent, mitigate, and remediate potential adverse impacts in all business operations. In the sustainability report, the company explicitly commits to uphold the UN Guiding Principles for Business and Human Rights.</p> <p>There is a community diagnosis that covers concepts of human rights impacts and informs interventions. A corporate survey is conducted every 2 years covering 18 indicators related to working conditions. These efforts are supported by the grievance mechanism and the supplier Code of Conduct.</p> <p>This was confirmed through a review of the policies, procedures, studies, reports, and interviews with management.</p>
27. Security and Human Rights	Not applicable	Criterion not applicable for non-mining entities.
28. Indigenous Peoples’ Rights	Not applicable	Assessors confirmed no presence of indigenous peoples in the area of influence.
29. Land Acquisition and Resettlement	Not applicable	Assessors confirmed no land acquisition and resettlement is planned.
30. Cultural Heritage	Not applicable	Assessors confirmed no cultural heritage is in the area of influence.
31. Due Diligence in Mineral Supply Chains	Fully meets	<p>RZ has a simple supply chain, sourcing 99% of materials within Grupo Mexico.</p> <p>At corporate level, Grupo Mexico has established a commitment to the OECD 5-step framework and a due</p>

		diligence system in place, overseen by the security and risk director at the corporate level.
31.a. Management System	Fully meets	<p>RZ has a due diligence management system in place relative to the size and complexity of the operations and its sourcing. The policy is embedded in the Code of Conduct and is published on the company website and supported by implementing procedures. The Security and Risk Director at the corporate level is charged with oversight of the due diligence management system. There are adequate resources in place for the current system and should the circumstances change.</p> <p>Grupo Mexico operates in Mexico and Peru, both EITI implementing countries. As part of these processes of implementation, the company voluntarily adopts the criteria of transparency and accountability through the disclosure of EITI required information and supporting its publication.</p> <p>The system is supported by a training program and a grievance mechanism.</p>
31.b. Red Flag Identification Process	Fully meets	<p>At corporate level, there is a procedure to identify red flags. This includes analysis and includes sources of information at international level and sub-national level for conflict, governance, and human rights. It also includes elements of risk analysis based on security concerns related to drug trafficking activities and theft.</p> <p>The company concludes that the mined material is not sourced from a CAHRA based on this risk analysis.</p> <p>The company also concludes that the transportation routes between the mine and the refinery are not through CAHRAs.</p>
31.c. Risk Assessment Process	Not applicable	No red flags were identified.
31.d. Risk Management Process	Not applicable	No red flags were identified.
31.e. Public Reporting	Fully meets	<p>The company has a corporate sustainability annual report where it describes human rights' performance over the previous year. A standalone due diligence report has been issued to report the due diligence actions aligned to the OECD guidance Step 5.</p> <p>The report is available here.</p>

32. Transparency and Disclosure	Fully meets	<p>The company has published their sustainability report on an annual basis that includes all Grupo Mexico operations and subsidiaries and describes the environmental, social, governance, financial performance and impacts among other topics, and is based on GRI guidance.</p> <p>The report is available here.</p>
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Conclusions

Statement of conformance	
The site is found to fully meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard.	<input type="checkbox"/>
The site is found to fully meet or partially meet all applicable criteria of the Risk Readiness Assessment and, for Criterion 31, all applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 02/05/2025.	<input checked="" type="checkbox"/>
The site is found to miss some or all of the applicable criteria of the Risk Readiness Assessment and / or for Criterion 31, some, or all of the applicable conformance criteria of the Joint Due Diligence Standard. The site has committed to continuous improvement to fully meet all applicable Copper Mark Criteria by 02/05/2025.	<input type="checkbox"/>
The site misses some or all of the applicable requirements of the Risk Readiness Assessment and / or for Criterion 31, the applicable criteria of the Joint Due Diligence Standard. The Site has not committed to continuous improvement.	<input type="checkbox"/>
Limitations:	
Additional comments:	

Award

The Copper Mark	<input checked="" type="checkbox"/>
The Molybdenum Mark	<input type="checkbox"/>

The Nickel Mark	<input type="checkbox"/>
The Zinc Mark	<input checked="" type="checkbox"/>

This Summary Report is prepared using data from the independent accountant's assurance report and the independent assessor report. The Copper Mark confirms the assessors' opinion and awards the relevant metal Mark(s) as follows:

Date The Copper Mark and The Zinc Mark are awarded	29 November 2023
Expiry Date of The Copper Mark and The Zinc Mark	28 November 2026