

## MANAGING OUR RISKS RESPONSE/MITIGATION TO OUR RISKS

CONTINUED

### 11 – Safety

#### RISK DESCRIPTION

It is an inherent risk in our industry that incidents due to unsafe acts or conditions could lead to injuries or fatalities.

Our workforce faces risks such as fire, explosion, electrocution and carbon monoxide poisoning, as well as risks specific to each mine site and development project.

These include rockfalls caused by geological conditions, cyanide contamination, explosion, becoming trapped, electrocution, insect bites, falls, heavy or light equipment collisions involving machinery or personnel and accidents occurring while personnel are being transported.

#### FACTORS CONTRIBUTING TO RISK


During 2020, there was an increase in the rate of accidents related to:

- Rockfall/terrain failure.
- Loss of vehicle/equipment control.
- Team-vehicle-person interaction.
- Transport of staff.
- Contact with electric power.
- Fire.
- Becoming trapped.
- Contact with hazardous substances.

Frequent transportation of our people to remote business units is an ongoing feature of our operations. In many cases, these units have poor accessibility by road. Failure to comply with safety programmes, measures and audits or with the findings of inspections, continues to be a safety risk.

#### CONTROLS, MITIGATING ACTIONS AND OUTLOOK

Unfortunately, we suffered a fatal accident during the second half of this year, which means that even with the extraordinary efforts we are making, we have failed to achieve our goal of zero fatalities. Additionally, we recorded 276 high potential incidents (13% more than 2019).

 For more details see Safety on pages 88–89

At Fresnillo plc, the safety of our staff is an essential value and a way of life. We tirelessly seek to improve our performance, strengthening our preventive culture, raising awareness of the risks generated by our operational activities and establishing controls and mechanisms to eliminate fatalities.

During the year, we continued to implement support measures to strengthen, address and prevent the causes of accidents, injuries and fatalities. These include:

- Strengthening safety objectives, including establishing proactive performance indicators that allow us to anticipate events.
- Continuing the implementation of the 'I Care, We Care' programme in all our operations, including strengthening the programme's five lines of action.
- Encouraging managers to own security risks to operations, so that this is a fundamental part of daily activities and that management can be held accountable according to performance and results.

- In 2020, we developed the 'Eye on Risk' programme. Created through teamwork, this aims to develop risk competencies by educating leaders and supervisors. It also encourages coaching and immediate feedback, as well as a comprehensive process of continuous review and improvement.
- During the last quarter of 2020, the Chief Executive Officer launched a strategy to intensify the 'I Care, We Care' programme. This strategy focuses on critical risks, controls and processes preventing high potential accidents.
- Assigning Critical Risk Control protocols to an owner for follow-up in line with their area of influence.
- Strengthening incident investigations with a special focus on high potential ones.
- Increasing the focus on high potential incidents.
- Strengthening the cross-functional communication of lessons learnt, in order to reduce the reoccurrence of similar accidents.
- Enhancing hazard identification and risk assessment.
- Confirming the continuous monitoring of security management as the highest priority of the SSMARC committee. The committee oversees all accident investigations, ensuring appropriate measures are taken to improve safety systems and practices.

#### COVID-19 PANDEMIC IMPACT

- The Covid-19 pandemic did not significantly affect this risk.

#### KEY RISK INDICATORS

- Accident rate
- Days lost rate
- Accident frequency

#### LINK TO STRATEGY

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#### RISK APPETITE

Low

#### CHANGE IN HEAT MAP

 Decreasing

#### RISK RATING (RELATIVE POSITION)

2020: Medium (11)

2019: Very High (5)