

LETTER FROM THE CHAIRMAN OF THE HSECR COMMITTEE



Dear shareholder,

The Health, Safety, Environment and Community Relations (HSECR) Committee ensures, on behalf of the Board, that the Company's HSECR approach is consistent with its Purpose: *"Contribute to the wellbeing of people through the sustainable mining of silver and gold"*.

The Covid-19 pandemic brought unparalleled challenges. Since the onset of the pandemic, we have ensured that our workforce and neighbouring communities remain our number one priority. The Committee monitored the effectiveness of the Company's engagement and collaboration with our workforce, neighbouring communities and authorities. While we recognised and prioritised the relevance of Covid-19, we also ensured that the Company made sound progress on safety and tailings storage facility management, while increasing our involvement in the governance of the Climate Change strategy. As Chairman of

the HSECR Committee, I am pleased to present the activities that the Committee undertook during the year.

Maintaining a safe and healthy workplace is our top priority. We therefore monitored the performance of the preventive protocols introduced to mitigate the risks of Covid-19 in the workplace. Meaningful engagement with the authorities was key in order to ensure that mining was recognised as an essential activity, and also guided our implementation of preventive protocols based on international health recommendations and best practice. The measures we implemented to protect the vulnerable members of our workforce – including social distancing guidelines, hygiene, sanitising facilities and particularly the use of testing to self-quarantine and trace contacts – were effective in minimising cases of Covid-19.

We adapted our community support programmes in numerous ways to combat the pandemic. For example, we donated ventilators and protective equipment to local hospitals, adapted educational and entrepreneurial programmes for online formats, donated and raised awareness of masks and provided food supplies to the most vulnerable members of our neighbouring communities.

Despite the sustained improvement in Total and Lost Time injury frequency rates, the regrettable loss of one of our colleagues in 2020 serves as a sobering reminder that we have not succeeded in completely eliminating fatal injuries. We are firmly committed to achieving zero fatalities and to this end, the Committee has continued to monitor the 'I Care, We Care' programme, focusing on evaluating safety performance and the progress of the High Potential Incidents and Critical Risk Control programmes.

The Company is also committed to the responsible management of its Tailings Storage Facilities (TSFs) by its operating subsidiaries. The design, operation and governance of TSFs is supported by qualified engineering firms. The key elements of our TSF governance processes are TSF Committees, which include the CEO and COO, together with an Independent Tailings Review Panel (ITRP), in line with international best practice. In recognition of the importance of this strategic issue, TSFs were elevated to a principal risk in 2020 and TSF Management was on the agenda of all our HSECR meetings in 2020.

Climate change is one of the biggest challenges of our time. Recognising its relevance, the Committee evaluated the

SUSTAINABILITY AT THE CORE OF OUR PURPOSE

flexibility of the Energy Strategy to adapt a decarbonisation pathway compatible with the well below 2 °C scenario of the Paris Agreement (see the Principal Decisions section on pages 132-134). We took energy mix, technological opportunities and regulatory risks into consideration to assess and better understand the transitional risks and opportunities we face. Wherever practical, renewable energy sources are implemented by our operating subsidiaries, with a view to increasing their role in our overall energy portfolio. However, current governmental energy policies in Mexico present challenges to the development of clean energies. In 2021, the Committee will monitor the Company's progress in the implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Role of the Committee

The role and duties of the HSECR Committee are set out in its terms of reference, a copy of which can be found on the Company's website at www.fresnilloplc.com.

HSECR Committee membership

- Mr Arturo Fernández (Chairman), Dame Judith Macgregor, Mr Fernando Ruiz and Mrs Georgina Kessel.
- Key contributors: Chief Executive Officer, Chief Sustainability Officer, Sustainability and Community Relations Officer, Head of Legal, Compliance Officer, Human Resources and Procurement teams.

HSECR Committee activity

During the year, the Committee met in accordance with its terms of reference.

We remain strongly committed to promoting a long-term focus and rigorous analysis of the Company's sustainability strategy.

I am very pleased to report that our Environment, Social and Governance (ESG) performance was recognised by the inclusion of Fresnillo plc in the FTSE4Good Index. We were also listed among the world's most ethical companies by Ethisphere, and were placed second in the Corporate Integrity Ranking in Mexico. The Company reported under the climate change and water security programmes of the Carbon Disclosure Project (CDP), and for the first time participated in the Workforce Disclosure Initiative (WDI).

Creating a sustainable business is a continuous journey, and we continue to be fully committed to making further improvements on the ESG issues that are significant to the Company and its stakeholders.

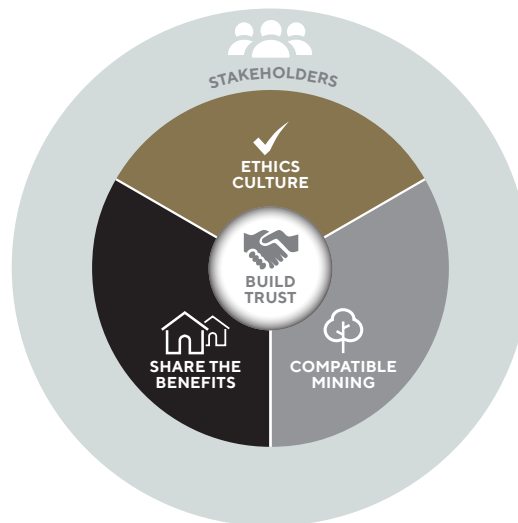
Yours faithfully,

Arturo Fernández Pérez
Chairman, Health, Safety,
Environment and Community
Relations Committee

We believe that mining must be compatible with high stakeholder expectations in terms of ethical, social and environmental performance. This underlines the importance of deeply integrating responsible business practices into our business model, and considering factors that affect stakeholders at every critical decision-making level. The effectiveness of our response to Covid-19 has demonstrated that stakeholder trust is our most valuable intangible asset.



OUR APPROACH TO SUSTAINABLE MINING



The year saw many examples of our commitment to contribute to 'the wellbeing of people, through the sustainable mining of silver and gold'. For example, throughout our response to Covid-19 we made sure that our people and communities were always our number one priority. In addition, our initiative to achieve excellence in the safety and governance of our TSFs is enhancing our resilience and maintaining the trust of our stakeholders.

Our initiatives regarding renewable energy, intelligent mine ventilation and innovative dual fuel trucks also give us the flexibility to transition to a low-carbon economy, while reducing operating costs. Furthermore, our closed-circuit processes, reuse of municipal wastewater, and collaboration with authorities and communities strengthen our water stewardship strategy. Last but not least, we have adapted our community engagement and social investment portfolio to support our communities during the Covid-19 emergency.