

Communities affected by Grupo Mexico's toxic spill ask the company's investors to take into account current information on damages and outstanding issues

Sonora, May 23, 2023.

The Sonora River Watershed Committees, integrated by people affected by the toxic spill caused by Grupo Mexico in the Sonora and Bacanuchi rivers in 2014, want to **inform the institutional investors** of Grupo Mexico and Southern Copper Corporation that this year we have had several **achievements to prevent the company from evading its responsibility regarding the repair of damages and remediation**; as well as to **extend a call to them to take into account the following at this Annual Shareholders' Meeting**:

- 1. After almost 9 years of the Buenavista del Cobre mine spill, the damages have not been repaired and there is no medical attention, specialized in toxicology, to address the health effects on the population. Based on the official results given by the government in March 2022, Lead was found in 95% of the population analyzed, Arsenic in 50%, and Cadmium in 79% at levels above those accepted by the Mexican government and the World Health Organization (WHO)¹. These are metals that bioaccumulate over time and, according to the WHO, are among the 10 toxic substances of greatest concern to public health. They are taking our lives away.
- 2. The company has a <u>history of paying fines</u> for the committed irregularities, but they do not address the root problems to avoid continuing to incur in faults, affecting the environment and our rights. On the other hand, the damages caused in the Sonora and Bacanuchi rivers already amount to more than 10 billion pesos² (\$557,050,900 USD approx.), 5 times more than initially calculated, a figure that can still be increased.
- 3. It is public that the remediation for the spill is pending effective compliance and it has been declared that there was no remediation^{3.} We reaffirm that Grupo Mexico's declaration of human rights are just words in the air and do not translate into actions to change the ways of operating without harming us.
- 4. **The company has operated for 12 years without a hazardous waste management plan**, putting our lives at risk, as well as the investment of its shareholders.
- 5. In another case, **the Supreme Court of Justice** <u>ruled in favor of the community</u> and declared invalid the arbitrary closure of the trust, the failed remediation mechanism created from the spill.
- 6. About Grupo Mexico's **new mega tailings dam**:

^{11.} El camino hacia la verdad tras 8 años de impunidad en el Río Sonora. (August 2022). Official health results p.7-9 https://poderlatam.org/wp-content/uploads/2022/08/CaminoHaciaLaVerdad_8AnosDelmpunidad_RS.pdf

Semarnat, INECC, July 29, 2022. Estimation of economic losses due to the damages caused by the spill in the Sonora and Bacanuchi rivers, final results, slide 12.
Available in: <u>https://share.mayfirst.org/s/6crdzB7eZFAem9M</u>

^{3.} Within the framework of the Justice Plan for Cananea - Río Sonora.

- a. The construction of this project violated our right to participation, as <u>recognized by the</u> <u>Supreme Court of Justice of the Nation</u>. The dam is 51 thousand times larger than what was spilled in 2014 (this is equivalent to 816 thousand Olympic swimming pools) so if it were to spill, it would cause very serious damage to the region of the Sonora River, to the communities near the mine, devastating everything in its path; affecting more than 1 million people.
- b. Grupo Mexico has obstructed justice by filing an administrative lawsuit against the measures imposed by the environmental authority in the aforementioned case of the tailings dam, and in this way has tried to evade its obligations and impose itself on the ruling of the Supreme Court of Justice of the Nation. However, the communities made our voices heard before the court, and we were able to revoke a resolution that in the first instance had suspended such measures, as it agreed with us that the protection of the environment and human health should be prioritized over the company's assets.
- c. The Third Collegiate Court in Criminal and Administrative Matters in Sonora reopened the lawsuit on the new mega tailings dam operation; we celebrate the Court's decision, which shows that the measures we obtained are not exaggerated, as the company has pointed out (filing the aforementioned administrative lawsuit), but are in fact insufficient. Now, the Federal Environmental Protection Agency (Profepa) must inform the affected population of the irregularities committed by Buenavista del Cobre (BVC) in the development and operation of this new tailings dam, as well as the measures to be adopted to avoid causing environmental damage.
- 7. The authorities, together with our communities, are implementing the <u>Justice Plan for Cananea and</u> <u>the Sonora River</u>, which seeks to make Grupo Mexico responsible for repairing the damage it caused to the communities of the Sonora and Bacanuchi rivers and to the environment, and in which it was <u>announced that mining companies that do not comply with environmental legislation or that cause damage to health and the environment could lose their concessions.</u>
- 8. This is a **call to ask the company for information on the lobbying** it may be doing against human rights and the environment; in this way they can better understand the risks to their investment.
- 9. There is no reason to compensate the CEO or executives of the company, who have not achieved the reparation of the damage, nor have they established real prevention and non-repetition mechanisms. This, in the short and medium term, could cause the spill of the new mega tailings dam, causing a catastrophe of great magnitude in the Sonora River, which could also affect the capital city of the State, causing large-scale material effects for all its investors.

Just as this is an emblematic case for justice in Mexico, its reparation must be emblematic. We want urgent progress with our participation, because we know the damages we have suffered because we have experienced them firsthand and we also know what we need to repair them.

We ask you to act with due diligence and responsibility, to take into account our information and requests, to investigate, to ask the company not to continue polluting and to take responsibility for its damages to the environment, health and all our human rights.

Sincerely Sonora River Watershed Committees