

# 2021 SUSTAINABILITY REPORT



# BRIDGE TO THE FUTURE



# ABOUT THIS REPORT

## CONTENT AND SCOPE

Our material topics shape the content of the report. We view material topics as the impacts our business has on the environment, the economy and society; and those that have the potential to influence the perception of stakeholders who make decisions or assessments regarding our significant economic, environmental and social impacts.

This report encompasses:

- Three producing precious metal mines – the Guanacevi mine in the state of Durango, the Bolañitos mine in the state of Guanajuato, and the El Compás mine in the state of Zacatecas (note: the operation was suspended in August, 2021, so its corresponding data in this report is only for eight months of the year)
- Head office in Vancouver, Canada and administrative office in Leon, Mexico
- Exploration office in Chile, Santiago

In addition, we report relevant disclosures for the Terronera development project (located in Jalisco, Mexico) and a narrative of the exploration projects.

Throughout this document, “Endeavour”, “we”, “our” and “us” refers to Endeavour Silver and its major subsidiaries. All monetary amounts are reported in U.S. dollars, unless otherwise noted.\*

## REPORTING STANDARDS

We use two international reporting frameworks:

- **Global Reporting Initiative (GRI):** This report has been prepared in accordance with the GRI Standards: Core option. Our 2021 Sustainability Report marks our ninth consecutive year of GRI reporting. Refer to our Content Index.
- **Sustainability Accounting Standards Board (SASB):** For the second year, we also disclose sustainability data using the SASB standards. Refer to our Content Index.

New this year, for each material topic discussed in our report we provide only a summary of our management approach and direct readers to our sustainability website for more details. Our aim is to make this report a more performance-based year in review, while using our website to provide interested stakeholders with more information about ongoing policies, commitments and programs.

We place a high priority on the quality control of our management and data collection systems to accurately benchmark and report our sustainability performance. To ensure accuracy and adequate coverage of material topics, this report was prepared by management with the assistance of independent sustainability consultants, and

**Our 2021 Sustainability Report presents our commitments, goals and performance last year related to the sustainability topics that matter most to our stakeholders.**

included an extensive review process by various departments and Endeavour’s Board.

## CAUTIONARY NOTE REGARDING NON-GAAP MEASURES

This report of Endeavour and its subsidiaries refers to various non-Generally Accepted Accounting Principles (“non-GAAP”) measures, such as mine operating earnings before non-cash items, earnings before interest, taxes, depreciation and amortization (“EBITDA”), adjusted EBITDA, all-in sustaining cost per silver or gold ounce sold, net of by-product credits. Readers should refer to the “Non-GAAP Measures section of the Company’s Management’s Discussion and Analysis for the three months ended March 31, 2022, available at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov) for explanations of these measures and reconciliations to Endeavour’s reported financial results. As these non-GAAP measures do not have standardized meanings under International Financial Reporting Standards (“IFRS”), they may not be directly comparable to similarly titled measures used by others. Non-GAAP measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

### REPORTING PERIOD

January 1–December 31, 2021 (fiscal year)

### REPORTING CYCLE

Annual

### DATE OF LAST REPORT

Published May 2021

### REPORTING FRAMEWORKS

- Global Reporting Initiative (GRI Standards and Metals Sector Disclosures)
- SASB

### CONTACT FOR FEEDBACK

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## RELATED PUBLICATIONS

This publication is part of our sustainability reporting suite. To learn more, please read:

- [GRI Index / SASB Disclosures](#)
- [2021 ESG Performance Data Tables](#)
- [2021 Tailings Disclosures](#)
- [Sustainability Strategy 2022–2024](#)

Sustainability reports from previous years are available online at: [csr.edrsilver.com](http://csr.edrsilver.com).

For a complete picture of our business activities, this report should be read in conjunction with our Annual Information Form, Management’s Discussion and Analysis, and Financial Statements.



# WELCOME TO OUR 2021 SUSTAINABILITY REPORT

We at Endeavour are working to contribute in a proactive, positive way to create a healthy, equitable society and sustainable ecosystems. Learn more about our actions and performance over the past year.

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### BUSINESS

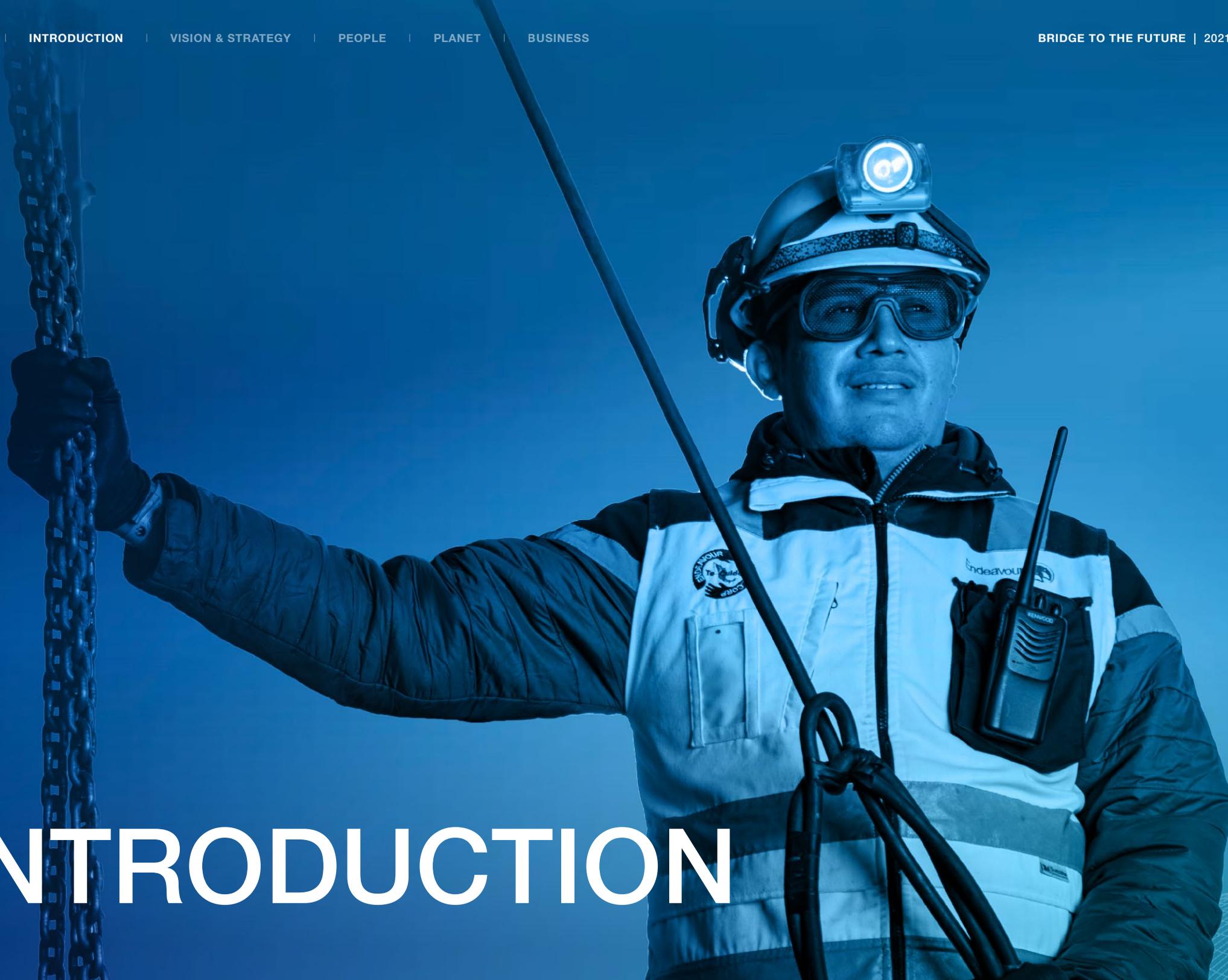
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### ADDITIONAL INFORMATION

[Our 2021 Reporting Suite](#)



# INTRODUCTION





# 1.1 PERFORMANCE SNAPSHOT 2021



## PEOPLE

**44**

average training hours provided to employees and contractors

**50%**

of employees had access to free mental health resources and counselling

**42%**

reduction in reportable injury rate (RIR)

**\$302K<sub>USD</sub>**

contributed to help build resilient and thriving communities where we operate



## PLANET

**93%**

water recycling and reuse rate in our operations, minimizing our use of fresh water.

**54,750**

trees planted in reforestation projects, with a survival rate of 84%

**21%**

reduction in hazardous waste intensity

**12%**

decrease in Greenhouse Gas emissions intensity as a result of improved operating efficiencies



## BUSINESS

**100%**

of our employees completed training on our Code of Business Conduct & Ethics

**90.8%**

of our procurement was from local and national suppliers in Mexico

### SUSTAINABILITY STRATEGY

developed to guide our sustainability efforts for the next three years (2022-2024)

### ENDEAVOUR TRUST LINE

gives our stakeholders an online channel for reporting concerns



# 1.2 MESSAGE FROM THE CEO



**It is with great pride I present this year's Sustainability Report, my first as CEO of Endeavour Silver.** Despite the challenges of the persisting COVID-19 pandemic, we outperformed in 2021, surpassing key sustainability targets and making strides to address environmental and social issues that matter to our stakeholders. We adapted to work within a different environment and our employees made an exemplary effort not only to safeguard each other but also the communities where we work.

Despite the challenges the pandemic has brought, we've set the stage for long term growth. For this reason, we've entitled this year's report 'Bridge to the Future,' as we evolve and invest in both sustainable growth for our company and a more sustainable future for everyone.

## Supporting and Empowering People

Sustainability is very much about people. Helping people within our workforce and communities access resources, services and opportunities contributes to their well-being and to our long term benefit.

In 2021, we delivered an average of 44 training hours to each employee and contractor, underscoring our commitment to workforce development. We implemented health protocols to mitigate pandemic risks, and made important enhancements to Endeavour's safety program. This has already resulted in lower reportable injury and lost time frequency

rates. Despite this significant, steady progress, a single tragic fatality at Guanaceví last year reminds us of the importance of continued vigilance and advancing our safety culture.

2021 also marked the fifth year of the Endeavour Scholarship Program in Mexico, created to provide greater access to higher education for students in rural communities near our operations. We distributed 171 scholarships last year, and 558 scholarships since the program first launched in 2017, making a meaningful impact on the next generation.

## Prioritizing Environmental Sustainability

To address ever-present environmental challenges, we're focused on water and energy conservation and responsibly managing production materials and waste.

We maintained a high water recycling and reuse rate last year, at 93% (2020: 90%),

allowing us to have little reliance on fresh water consumption in our mining operations. Compared to 2020, we reduced the intensity of hazardous waste by 21%. Also last year, we made a commitment to align our tailings management practices with the new Global Industry Standards on Tailings Management. To that end, we engaged an external consultant to carry out a gap analysis and help identify where we need to refine our current practices. Based on this assessment, Endeavour meets the Standard in several respects, but still with some areas of continuous improvement that we'll address in 2022.

Across our sites, Endeavour personnel planted 54,750 trees through reforestation campaigns, with an 83% survival rate. Since 2016, Endeavour has planted more than 280,000 trees in local areas around our mine sites, helping restore the land's verdant, natural state.



## Listening to Our Stakeholders

Listening to our stakeholders is important to us, since it's how we improve and build strong relationships. Last year, we introduced the Endeavour Trust Line, an online feedback channel for stakeholders, including our employees, to report any unethical or irregular behaviour. At each mine, we opened a Community House where our staff are available to talk with and answer questions from people in the surrounding areas. We also held workshops with our own teams to reflect on our Company values. These open forums engaged everyone in discussions on how to live our values every day, both inside and outside Endeavour.

## New Sustainability Strategy Will Push Us Forward

It's clear the world today faces massive sustainability challenges – from carbon reduction, to persistent social and economic inequalities, to health risks like COVID-19 and mental illness. It's more clear than ever, as a Company, we can be a leader to facilitate dialogue, solutions and change. Under the direction of our founders Brad Cooke and Godfrey Walton, we have always upheld sustainability as a core pillar of our business, whether through trusted relationships built with stakeholders, community health and educational outreach, or environmental programs to protect shared natural resources and communities. I believe our efforts in 2021 demonstrate this commitment from our founders.

As sustainability challenges shift, we at Endeavour must evolve as well. Demand for corporate action and data across a host of environmental, social and governance issues continues to grow and these are catalysts for Endeavour to drive further improvements and new initiatives. When I stepped into the CEO role last spring, one of my first orders of business was to initiate a new Sustainability Strategy for the company. This sparked significant work and collaboration among our Mexican and Canadian teams to craft the strategy, which was released in January 2022.

Our new Sustainability Strategy sets out priorities, actions and targets over the next three years, to bring positive social impacts to our people, elevate our environmental stewardship, and lead to a healthy, long-term business. Among our plans, we are:

- Intensifying our environmental actions, including managing carbon emissions;
- Advancing our “Te Cuido” safety program, so that employees are engaged in the well-being of their colleagues to develop a culture of safe production for Endeavour and the Mexican mining industry.
- Advancing our “ICARE” values program, so that employees readily understand, feel connected to, and model the company values that match Endeavour’s direction, and
- Targeting \$2 million in community investment over the next three years to boost our community impact – that’s more than double the amount of the previous three years.

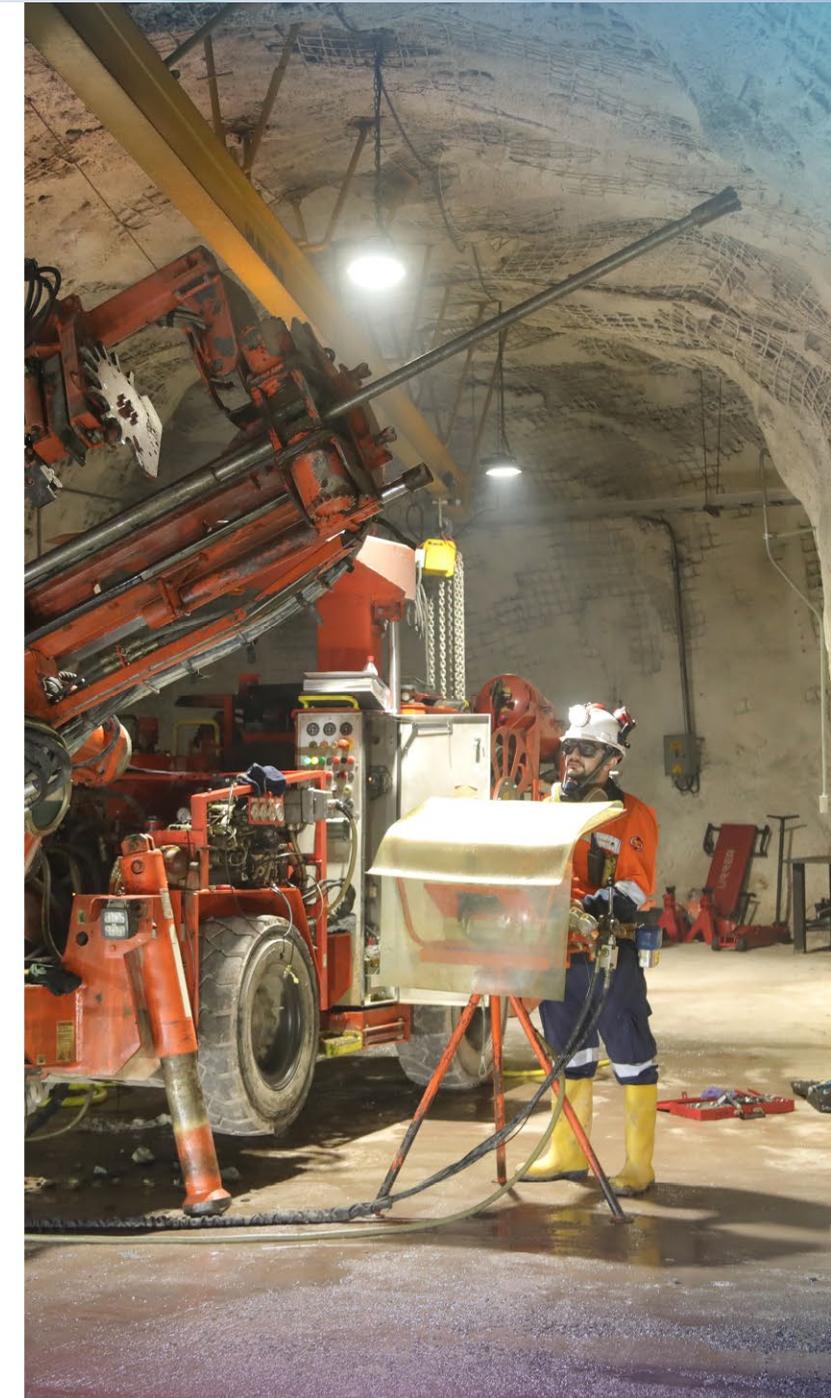
## In Closing, New Beginnings

We're entering 2022 with optimism and a distinct plan to generate sustainable value for all stakeholders. I want to close by thanking the entire Endeavour Silver team for delivering a very rewarding year. And, I wish to sincerely thank Geoff Handley for his work and commitment to the company over many years, as he steps down from his role as Independent Director. I also want to welcome Amy Jacobsen to the Board, a respected mining sector executive who was recognized among the 100 global inspirational women in mining in 2020, who will further strengthen our diverse and seasoned leadership team.

Looking forward, we will be a leading force in our communities to help build a ‘Bridge to the Future’. A more inclusive and sustainable tomorrow in which both our business and our stakeholders can prosper.

Sincerely,

**Daniel (Dan) Dickson**  
Chief Executive Officer & Director





# 1.3 ABOUT OUR BUSINESS

WE ARE ENDEAVOUR SILVER

Established in 2004, Endeavour Silver Corp is a mining company focused on discovering and mining silver, with projects and operations in three countries: Mexico, Chile and the United States. Our purpose is to be a leading silver producer that creates value for our stakeholders by discovering, developing and operating our mines in a sustainable way. Headquartered in Vancouver, Canada, Endeavour Silver is listed on the NYSE:EXK and TSX:EDR.

## BUSINESS STRATEGY

We are passionate about the silver business. Silver is considered a precious metal and is one of the most versatile metals in the world. It has long been used as store of wealth, but its use also spans a wide range of industrial applications that people and businesses use every day and is considered one of the key metals to enable a cleaner, greener, more sustainable world.

Our business strategy balances short-term profitability with long-term investments in exploration and development to extend our mine lives and build new mines to drive future profitability. Rooted in our desire to create benefits for all our stakeholders, Endeavour is committed to sustainable safe production and aims to responsibly explore and manage our mining properties. For us, it is about ensuring the success of our people, local communities and our business.

OUR PORTFOLIO CONSISTS OF:

### 2 Producing Mines

Two responsibly managed silver/gold mines in México: Guanaceví and Bolañitos.

### 1 Advanced Development

Feasibility stage project in Mexico; Terronera

### 5 Exploration Projects

Compelling growth opportunities in Mexico, Chile & USA.



## 2021 FINANCIAL AND OPERATING HIGHLIGHTS

(All amounts are in US Dollars)

### Highest Recorded Revenue in 5 Years

Net revenue of \$165.3 million from the sale of 3,856,883 ounces (oz) of silver and 39,113 oz of gold at average realized prices of \$25.22 per oz silver and \$1,790 per oz gold.

### Improved Net Earnings

\$14.0 million or \$0.08 per share, up from net earnings of \$1.2 million, or \$0.01 per share in 2020.

### Increased Cash Flow

\$32.2 million in operating cash flow before working capital changes<sup>(1)</sup>, an increase of 12% from 2020. Mine operating cash flow before taxes<sup>(1)</sup> was \$61.9 million, an increase of 10% from 2020.

### Strong Balance Sheet

Cash position of \$103.3 million and working capital<sup>(1)</sup> \$121.2 million as at December 31, 2021. Minimal long term debt.

### Production Exceeded 2021 Guidance

4,870,787 oz of silver and 42,262 oz of gold for 8.3 million oz silver equivalent (80:1 silver: gold ratio).

### EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)<sup>(1)</sup>

\$54.9 million, an increase of 87% from 2020.

#### LEARN MORE



[Management Discussion and Analysis for the year ended December 21, 2021](#)



[Consolidated Financial Statements for the year ended December 31, 2021](#)

<sup>1</sup> These are non-IFRS financial measures. See [Page 2](#).



## 2022 CONSOLIDATED OUTLOOK (USD)

# 4.2–4.8 Moz

Silver Production

# \$20–\$21/oz

All in Sustaining Costs,  
Net of Gold Credits <sup>(1)</sup>

# 31–35 koz

Gold Production

# \$34.3M

Sustaining Capital <sup>(1)</sup>

# 6.7–7.6 Moz

Silver Equivalent Production\*

\*Gold ounces converted to silver equivalent ounces at 80:1 ratio.

# \$11.5M

Development Budget

# \$9–\$10/oz

Cash Costs, Net of Gold Credit <sup>(1)</sup>

# \$13.0M

Exploration Budget

LEARN MORE



[Overview](#)  
[Interactive Map](#)

<sup>1</sup> These are non-IFRS financial measures. See [Page 2](#).

## 2 Producing Mines

## 1 Development Project

## 5 Exploration Projects

\*Pitarrilla Project acquisition expected to close in Q2 2022.





# OUR VALUE CHAIN

Silver is a “green metal” since it contributes to a sustainable future by producing key materials for renewable energy, electric vehicles, and medical equipment. From below ground to above ground, the silver and gold we mine is transformed from raw materials into consumer products and specialty products as well as precious metals investments.

## INPUTS

### PEOPLE



### CAPITAL



### EQUIPMENT



### ENERGY



### WATER



### SERVICES



## PROCESS



Exploration & Discovery



Feasibility & Permitting



Mining & Processing Operations



Financing & Construction



Tailings Storage



Reclamation & Closure



Lasting Positive Legacy



Dore

Transport

Refineries

Global Precious Metals Markets



Concentrate

Transport

Smelter

## BENEFITS DISTRIBUTED

DIRECT & INDIRECT JOBS



SOCIAL & COMMUNITY INVESTMENTS



TAXES & DUTIES



SUPPLIERS & CONTRACTORS



SHAREHOLDER RETURNS



## APPLICATIONS



SOLAR PANELS



HEALTH CARE



WATER PURIFIER



ELECTRIC VEHICLES



ELECTRONICS



BATTERIES



BARS & COINS



ETF'S



JEWELRY



SILVERWARE



SEMI-CONDUCTORS



HYDROGEN FUEL CELLS



## 2021 HIGHLIGHTS

### Developed New Sustainability Strategy

setting out priorities, actions and targets for the next three years (the strategy was released in January 2022)

### Conducted New Materiality Assessment

to confirm the most relevant sustainability topics that we need to act and report on

### Awarded 'Socially Responsible Company' Distinction

by the Mexican Center for Philanthropy (CEMEFI)



# VISION & STRATEGY



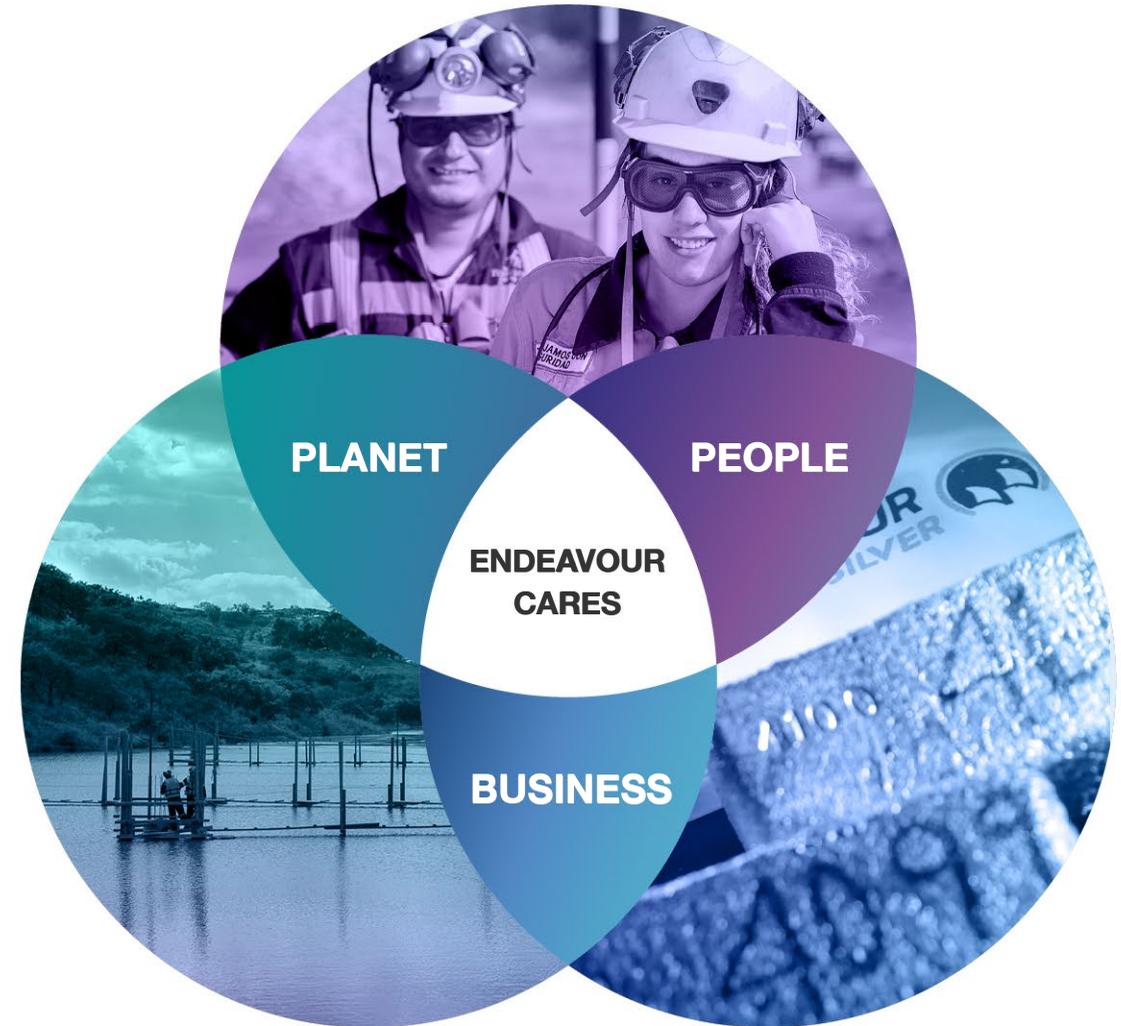
# 2.1 OUR SUSTAINABILITY JOURNEY

MINING A MORE SUSTAINABLE FUTURE

**For everyone at Endeavour Silver, achieving sustainability across our business and our communities matters.** It's how we deliver our company purpose: to be a leading silver producer that creates value for our stakeholders by discovering, developing and operating our mines in a sustainable way.

Since our inception two decades ago, we've taken significant steps to conduct our business with integrity in a socially and environmentally responsible manner. Year after year, we have:

- Embedded a sustainability mindset into the way we plan and operate
- Focused on understanding and managing our sustainability risks and impacts
- Delivered benefits to all stakeholders, including local communities where we work in Mexico, while being transparent about our performance.





## OUR SUSTAINABILITY STRATEGY 2022-2024

The mining sector and the world around us continue to experience transformative change, driven by advancing technologies, the climate crisis, supply chain challenges, new regulations and the enduring COVID-19 pandemic, among many others. At a time of such enormous change and challenge for people, communities and the planet, we at Endeavour are deepening our sustainability commitments. We are committed to staying at the forefront of sustainable mining practices and taking the actions needed to support economic, social and environmental sustainability.

This past year we developed our [Sustainability Strategy 2022-2024](#). Based on internal and external research, we identified three focus areas – People, Planet and Business – where we can make the greatest impact. These are areas where we're channeling our energy, increasing our investments and evolving our efforts to deliver meaningful progress toward a more sustainable future. Each focus area is underpinned by a number of initiatives and targets to drive our performance.

Our strategy is part of the Company's multi-year transformation and growth plan, and reflects the caring values that define our team culture. While our new Sustainability Strategy starts in 2022, we have structured this report based on the new focus areas.

### SUSTAINABILITY STRATEGY 2022-2024 – FOCUS AREAS



#### People

Increase positive social impacts for people in our workplace and in our communities.



#### Planet

Elevate environmental stewardship to reduce negative impacts, protect ecosystems and support environmental sustainability.



#### Business

Lead a trusted, well-performing business, by further strengthening the critical foundations that create long-term organizational sustainability.

### LEARN MORE



[Sustainability Strategy 2022-2024](#)



[Our Story – Sustainability Milestones](#)



[Commitment to External Initiatives](#)



## 2.2 Q&A WITH OUR CHAIR, SUSTAINABILITY COMMITTEE



### 1 As Chair of the Sustainability Committee, what are your most important priorities at the moment?

An over-riding priority is to make *Te Cuido* a way of life at Endeavour. This is our philosophy of taking care of each other, and we believe it's an essential part of being a premier mining company. It's an approach that applies to everything, from having a safety mindset, to respecting your colleagues and acting ethically. Since introducing the *Te Cuido* philosophy two years ago, our workforce has really embraced it. Our focus now is to continue embedding it into our culture, through constant reinforcement by all leaders and supervisors.

Another top priority is ensuring that we get things right at our new Terronera site, which is a greenfield discovery and our first attempt at building a new mine. The idea of building a new mining complex is extremely exciting, yet at the same time we need to take the proper steps and precautions, with construction safety being imperative. As we prepare to advance to full scale construction, we are making sure the safety scope is as broad as possible. Road safety is also paramount, as the site and access roads span rugged topography. Additionally, proper drainage control due to high elevations is also important to divert water away from the facility, so we are placing much emphasis on environmental risk mitigation.

### 2 Endeavour recently launched a new Sustainability Strategy that sets out ambitious goals.

#### Why is it an important step in the company's sustainability journey?

Endeavour has built a good road map for sustainable mining. It's based on a model of respect – for people, communities, the environment and managing our business. This is evident in our approach at Terronera. While we've made strong achievements and progress in sustainability, we should not be complacent. It's clear we have lots of work to do to further drill sustainability down into every aspect of our business – from our workplace practices, to our environmental management systems, to our supplier evaluations. Based on our belief that sustainability brings immense value to Endeavour, our new Sustainability Strategy sets out clearly-defined focus areas and goals. I am personally committed to making sure we achieve them.

### 3 What ESG trends will have an impact on Endeavour and the mining industry in the coming years?

With the groundswell of activity now happening on the global sustainability landscape, it's clear the next five to ten years will be transformative. I expect environmental concerns around climate risk, access to clean water and biodiversity loss will continue to escalate and drive more corporate and government action. At Endeavour, we continue to focus on reducing or mitigating our environmental impacts. For example, we recycle more than 93% of the water used in our operations, thereby minimizing discharge and our use of fresh water.

Inclusive development is another matter of rising significance to mining companies. In the context of the global pandemic and increasing sustainability challenges, it has never been more important to help build local and national resilience, including by unlocking social and economic opportunities for people. The key is involving those who can benefit most – in particular, the surrounding communities. For example, where there are local ejidos, we need to ensure we respect their land, culture and traditions and work proactively to include them in our recruitment campaigns, supplier bidding processes, community consultations and so on. That's how we can partner with our communities to attain mutual benefits and growth.



# 2.3 SCORECARD FOR 2021

Year over year, we measure our progress and hold ourselves accountable for continual improvement.

The following tables summarize our sustainability performance against our 2021 priorities. For more results, refer to the relevant section in this report.

- Achieved
- ◐ Partially achieved; more work needed
- Not achieved

PEOPLE	
2021 PRIORITIES	2021 RESULTS
Zero fatalities	○ One fatality in Guanacevi
Reduce reportable injury frequency rate (RIR) by 10%	● 42% reduction
Initiate the management priority of identifying risk to eliminate high potential incidents	● Integrated in monthly tracking and mitigation analysis
Continue working with Real Safety consulting group to improve our safety culture	● Completed
Design and implement programs that respond to the results of the NOM 035 assessments	● Launched PAE program, with 50% workforce participation
Maintain our strong COVID-19 protocols, as necessary to protect safety and health	● Maintained and updated protocols to reflect evolving situation
Build momentum around our Values campaign	● Held workshops and communication activities; 20% increase in employees demonstrating the values in action
Continue implementation of the E-talent software	● Completed
Reduce turnover rate by 8%.	● 33% reduction
Provide career planning for workforce	○ Postponed due to other priorities
Change the bonus/salary structure in Guanacevi, to reflect revisions at El Compás and Bolañitos	● Completed

PEOPLE	
2021 PRIORITIES	2021 RESULTS
Launch online platform to improve Endeavour's Grievance Mechanism	● Launched in June 2021
Develop a leadership training plan for three levels of management (supervisors, superintendents and chiefs, and managers)	◐ The training program started with the needs detection in 2021, and this leadership training will be part of what is delivered in 2022.
Strengthen the technical skills of our operators, especially following up with the work done for the maintenance and development areas	◐ Technical skills training continued but there was no specific emphasis on maintenance
Complete implementation of the Community Engagement System and integrate software to track stakeholder relations at all sites	● Completed
Address at least 80% of the critical complaints in a timely manner	● 82% resolved in timely manner
Focus our community investments in education, local economic development, and water infrastructure	◐ 49% of community investments allocated to these areas

PLANET	
2021 PRIORITIES	2021 RESULTS
Zero spills	● No reportable spills
Complete implementation of environmental management system	○ Postponed due to other priorities
Update the Guanacevi and Bolañitos environmental closure plans	● Completed November 2022
Establish a water baseline at Terronera	◐ We have started work to determine quality of ground water, but further studies need to be done

BUSINESS	
2021 PRIORITIES	2021 RESULTS
Attain consolidated production of 4.5 - 4.8 million oz silver and 40.1K-42.1K oz gold	● 4.9M oz silver produced, 42.2K oz gold
Maintain cash costs, net of gold by-product credits in the range of \$7.00 - \$8.00 per ounce of silver	○ \$9.31 per silver ounce
Maintain all-in sustaining costs, net of gold by-product credits in the range of \$19.00-\$20.00 per ounce of silver	○ \$20.34 per silver ounce
Finalize feasibility study to initiate pre-construction activities for Terronera	● Feasibility study was completed in September 2021; pre-construction activities commenced



# 2.4 LISTENING TO OUR STAKEHOLDERS

**We have a responsibility to ensure we have a clear understanding of their needs and perspectives.** As a mining company with operations in several communities, we have many stakeholders who have an interest or direct stake in what we do, how we work and, ultimately, how we perform. These stakeholders range from employees, contractors and labour unions to local communities, suppliers, governments and shareholders.

Through a variety of formal and informal communication channels, we continuously engage with both external and internal stakeholders on a regular basis. We use their feedback and insights to guide our business and make a positive impact on society. Open dialogue is key to learning, improving and maintaining strong relationships, helping us build trust as a responsible corporate citizen.

### Ways We Interact with Stakeholders

- Meetings and focus groups
- Surveys
- Training programs and regular employee engagement

- Community initiatives and forums
- Digital platforms (social media, website, email)
- Memberships
- Community partnerships
- Conferences, events and webinars
- Community houses
- Whistleblower process
- Endeavour Trust Line
- Investor relations
- Media relations
- Employee volunteerism
- Dialogue with policy makers and government officials





# 2.5 OUR ESG MATERIAL TOPICS

More than ever, our stakeholders care about sustainability. **This report, our Sustainability Strategy and ongoing initiatives focus on the environmental, social and governance (ESG) topics of greatest importance to us and our stakeholders across our whole value chain.**

We determine these issues through a materiality assessment, a process undertaken every two years in which we survey our main stakeholders and analyze the evolving ESG landscape. The process is conducted by an

external consultant and involves three stages in line with the Global Reporting Initiative standards: topic identification, prioritization and validation.

## 2021 MATERIAL ASSESSMENT

This past year, we refreshed our materiality assessment, which included:

- An impact analysis of material issues identified by Endeavour’s management;
- 42 interviews with external stakeholders, who included union representatives, community leaders, contractors, suppliers, Ejido<sup>1</sup> members, government authorities and

beneficiaries of social programs (schools, health centers); and

- A survey questionnaire completed by 172 employees.

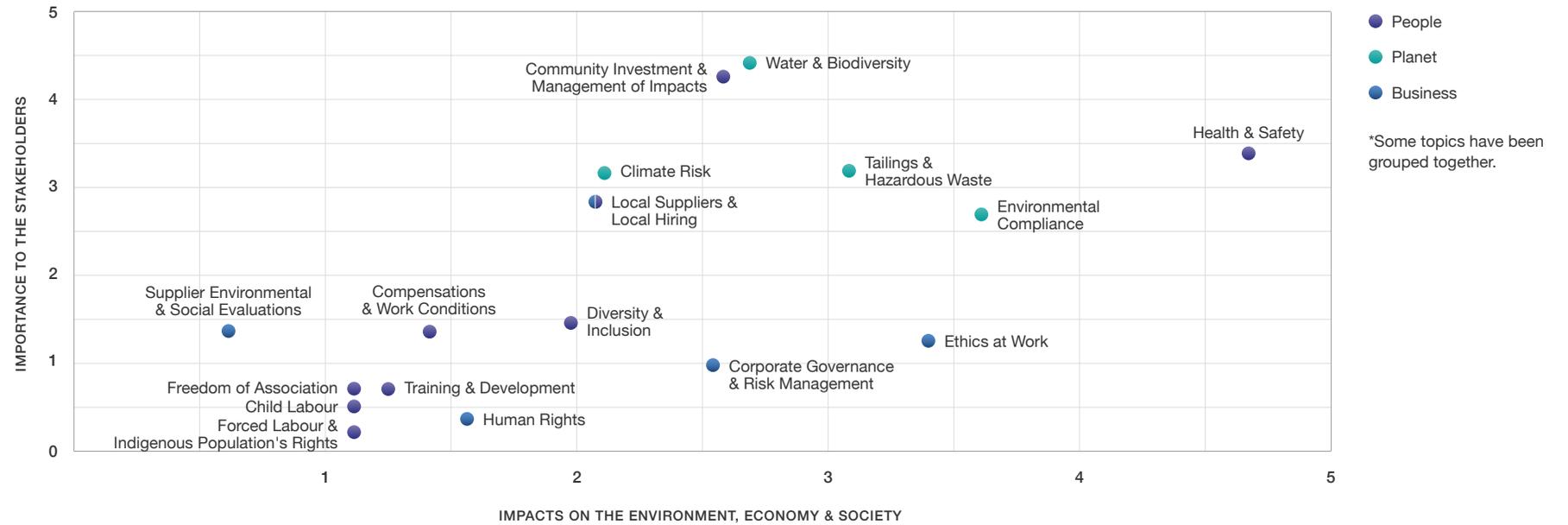
<sup>1</sup> Ejido is an area of communal land, where individual community members have usufruct rights rather than ownership rights to land, which under Mexican Agrarian Law is collectively held by the Ejido community.





## 2021 Materiality Matrix

The materiality matrix below shows the full list of topics, ranked from lowest to highest priority. Through further internal discussion, we combined some related issues to reduce to the list of topics (for example, we treat ‘environmental compliance’ as a cross-cutting topic that applies to all environmental issues we manage). Based on this assessment, we have confirmed our top ESG material topics – nine in total – and we have grouped them into the three key themes of our Sustainability Strategy (People, Planet, and Business).



## Material ESG Topics



### People

- Safety, Health & Wellness
- Engaged & Inclusive Workplace
- Thriving Communities



### Planet

- Carbon Footprint
- Water & Biodiversity Stewardship
- Tailings & Waste Management



### Business

- Ethical Culture
- Governance & Risk Management
- Supply Chain



## WHAT WE HEARD

The following are key themes that arose in stakeholder interviews and employee surveys during our 2021 materiality assessment process.

### Local Jobs and Economic Opportunities Are Needed More than Ever

Communities and people in Mexico have been hit hard by the economic fallout from COVID-19. Local stakeholders, including Ejidos near our operations, are concerned about their livelihoods and futures, and look to Endeavour to create jobs and economic opportunities for suppliers.

### Safety Remains a Top Priority for All Stakeholders

Inside and outside our company, all stakeholders view worker and public safety as critical. Safety risks are a constant hazard in mining, whether from tailings ponds or excavation activity, and Endeavour must continue working to ensure employees, contractors and community members are protected at all times.

### Environmental Concerns Are an Increasingly High-priority Issue for All Stakeholders

Many stakeholders are worried about environmental impacts from mining, especially related to water, tailings and climate. Stakeholders expect Endeavour to operate with great care to drive sustainable development and work closer with environmental authorities to achieve sustainability goals.

### Partnerships Are Welcome and Necessary

Several stakeholders highlighted and expressed appreciation of Endeavour's collaborative approach to doing business and working with host communities. Stakeholders identified opportunities for further collaboration, especially with educational institutions and governments, in areas like social development and environmental stewardship.

## Top Material Issues Per Group

### SENIOR MANAGEMENT



Safety



Environmental Compliance



Tailings & Waste Management



Ethics at Work



Corporate Governance

### EMPLOYEES



Safety



Water



Ethics at Work



Environmental Compliance



Community Impacts & Investment

### EXTERNAL STAKEHOLDERS



Water



Community Impacts & Investment



Safety



Tailings & Waste Management



Emissions & Climate Risks





# 2.6 GLOBAL CITIZENSHIP

ACCELERATING GLOBAL SUSTAINABILITY IS A COLLECTIVE ENDEAVOUR.

### Endeavour supports national and international sustainability efforts.

We engage with industry associations to keep abreast of ESG issues and developments, share ideas on sustainable mining best practices, and build and maintain relationships with industry peers.

Endeavour supports the United Nations Sustainable Development Goals (SDGs). The SDGs are a call to action for countries, corporations and organizations to work collectively to address the most pressing challenges facing the world. We know that companies like ours, as well as the broader mining sector, have the potential to advance the ambitious aims represented by the SDGs.

Through the Silver Institute we have participated in a collaborative project – the [Silver Sustainability Initiative](#) – to illustrate how mining companies contribute to the SDGs and a better society. We are also now contributing with the Silver Institute in an initiative to calculate the carbon footprint of the silver industry.

 [Key Memberships & External Commitments](#)

**These SDGs are the most relevant to our business**, and we're contributing to them through our activities, initiatives and partnerships.





## 2021 HIGHLIGHTS

# 42%

reduction in reportable injury rate (RIR) through enhanced safety measures, better risk management capabilities and a focus on building a positive culture of safety through our 'Te Cuido' program.

# 44

average training hours provided to employees and contractors, underscoring our commitment to talent development.

# \$302K USD

contributed to help build thriving communities, with funds supporting student scholarships, trade-skills workshops for community members, and infrastructure improvements.

## MATERIAL TOPICS

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# PEOPLE



# 3.1 SAFETY, HEALTH & WELLNESS

OUR FOCUS IS A WORKPLACE FREE OF INJURIES AND OCCUPATIONAL DISEASE

**The well-being of our employees and contractors is top priority at Endeavour.**

Safety is a non-stop effort, and we are working hard to cultivate a more risk-aware organization, where safety is a central driver of behaviours, relationships, systems and knowledge at all levels of our company. Supporting other aspects of our workers' well-being is critically important to us, driven in part by the global pandemic and improved mental health awareness.

## SUMMARY OF OUR APPROACH

- We maintain comprehensive safety procedures, controls and standards, as outlined in our [Health and Safety \(H&S\) Policy](#).
- Our workplace culture program, “Te Cuido” (I take care of you), focuses on five core safety management areas: leadership, accountability, risk competency (behaviour and systems) and the learning environment.
- Employees and contractors undergo safety training on a continual basis, covering areas such as safety monitoring, emergency preparedness, rescue training and technical training.
- We perform monthly inspections and audits of our facilities for safety and health compliance.
- We focus on learning and improvement opportunities from ‘High Potential Incidents’ (near-miss events that could have resulted in a fatality or serious injury), investigating and identifying root causes and resolving underlying risks.
- Our mining operations have on-site medical support, including a physician, trained paramedics, first aid clinic and an ambulance.
- Our holistic wellness program supports the mental and physical well-being of our workforce.

Learn more about [our management approach](#).





## OUR PERFORMANCE IN 2021

REPORTABLE INJURY RATE (RIR)



# 42%

Reduction in reportable injury rate through enhanced safety practices

CAUSES OF ACCIDENTS

# 28%

Struck against (primarily driving accidents)

# 24%

Struck by (worker hit by equipment or falling rock)

# 19%

Mechanical failures (Equipment problems)

# 29%

Other

## Performance Metrics

- Overall, we delivered strong safety performance with the fewest injuries in the past five years: 18 people experienced a lost time injury in 2021. The reportable injury rate (RIR) dropped by 42% compared to 2020, to 1.22 from 2.09, and the lost time frequency rate decreased by 46%, exceeding our 10% reduction target. In 2021, there were no reported cases of occupational illness among our workforce. We are encouraged with this exceptional achievement that is the outcome of our safety enhancements over the past 18 months. Our continuous

improvement efforts will continue towards our goal of being an injury-free workplace with no occupational disease.

- Despite the exceptional safety performance, we were saddened in August 2021 when a contract worker was fatally injured after falling from a Guanaceví mill building roof that was being replaced. We immediately halted operations to thoroughly investigate the cause, take corrective measures and learn from this tragedy. Our safety management team identified and implemented over a dozen measures to

prevent this situation from occurring again, such as enhanced contractor training focused on high-risk situations including working at heights, hiring additional safety staff to support contractors working on site, and improving the on-site contractor management and communication to better identify high-potential risks in the work areas. We extend our deepest condolences to his family, friends and colleagues.



[View our ESG Performance Tables](#)



## Key Activities



**1** Our partnership with Real Safety consulting group to enhance Endeavour’s safety program continued through the year. This work has produced extensive enhancements – including critical risk control protocols, new safety leadership training and an ingrained safety mindset among our workforce – that are anchored on caring for each other as a core value (the human factor of safety).



**2** We delivered increased safety training last year, with employees receiving a total 54,376 training hours, more than double compared to the previous year (25,049). Safety training covered topics such as risk assessment, dealing with hazardous materials, investigating accidents and emergency response. Our teams have made considerable advances in building a meaningful work safety culture, and we recognize the critical role continuous learning has in driving further progress.



**3** External safety experts performed regular inspections at our operations, both underground and on surface, to identify situations and conditions requiring attention. These regular inspections were supplemented with two formal inspections in El Compás and Bolañitos to establish a baseline to review and evaluate Endeavour’s Safety Management System, including emergency response capability. There was also a formal underground inspection in Guanaceví to evaluate compliance with safety standards, verify working conditions and evaluate the impact of the “Te Cuido” philosophy.



**4** In 2021, we implemented and educated employees on new safety risk control protocols. Employees, who are formally evaluated to determine progress in applying these enhanced protocols, continue to show progress.



**5** The exceptional improvement in our safety performance metrics in 2021 were driven largely by the cultural change program “Te Cuido”, including the focus on High Potential Incidents (HPI’s) and eliminating the underlying risks identified in investigations of these HPI’s. These key drivers of ongoing improvement will continue in 2022 along with the rollout of the “Courage to Care” initiative, which empowers our employees at all levels to speak up and take action when they observe unsafe behaviour.



## Key Activities



**6** The unique challenges presented by the global pandemic continued to impact our employees and operations. The Omicron variant, in particular, proved problematic as many employees (especially in December 2021 and early 2022) either tested positive or were in contact with someone who did. This caused staff absences and difficulty in scheduling work shifts, training and other activities; however, our teams responded with remarkable agility and production was not affected.



**7** We also maintained and intensified health protocols at our operations to meet the different COVID-19 surges. The measures included constant monitoring with antigen tests, sanitization and mask-wearing. In Guanaceví, we implemented additional measures due to its remote location, onsite accommodations and dining room. We expanded the campsite and adjusted meal schedules to reduce the number of people in contact at the same time.



**8** Our teams carried out important health campaigns to promote general wellness and educate employees about breast cancer, flu shots, fitness and illness prevention. A large focus was on COVID-19 vaccinations,

and our efforts helped to boost vaccination rates among employees (90%) and contractors (84%). We also worked with local health departments to support local communities with their vaccination programs.

### COVID-19 VACCINATION RATES BY AGE

Status	18-29	30-39	40-49	50-59	60-Mas	Total	Headcount	Coverage %
Contractor	156	190	118	48	9	521	619	84%
Endeavour	307	451	226	93	7	1,084	1,199	90%
<b>Total</b>	<b>463</b>	<b>641</b>	<b>344</b>	<b>141</b>	<b>16</b>	<b>1,818</b>	<b>1,818</b>	<b>87%</b>



**9** We continue to offer mental wellness services in the workplace to safeguard our people. Much of our effort is guided by the Mexican Standard on Psychological Risk Factors at the Workplace (NOM-035-STPS). In 2021, each site formed a committee to address high-risk psychosocial factors identified from a workplace survey conducted in 2020. Committee members engaged with individuals and provided support to help address specific concerns.



Q IN FOCUS

# Mental Wellness Is Fundamental to Our Culture

We at Endeavour recognize that employees experience a wide range of personal concerns – from family and financial stress to a traumatic event – that affect their mental well-being and can impact their ability to be effective at home and at work. According to the World Health Organization, many mental health conditions can be effectively treated with the right care and access to care.

For these reasons, we’re increasing our focus on mental wellness of our workforce, including by cultivating an environment where our people can speak up and ask for support when needed.

In early 2021, we launched *Programa de Asistencia a Empleados (PAE)*, a support program that offers easy-to-access counselling and resources for employees and their family members. Through a dedicated

hotline, people can access free counselling sessions with specialists by phone or face-to-face. Available services include emotional counseling, medical advice, nutritional counseling, legal guidance and financial counseling.

Approximately 50% of our employees used the PAE in 2021. Our employees expressed considerable satisfaction with the service, acknowledging the quality advice and self-help strategies provided to help them face their concerns in a positive way.

“I used the PAE following a traumatic situation where I was robbed. I was experiencing anxiety and was able to get the help I needed. I went through sessions with a psychologist for a few weeks until I felt I was on my feet again. I am really grateful to have had access to this support.” —*Endeavour employee*

## BREAKDOWN OF PAE SERVICES USE



## OUR GOALS 2022–2024

### GOAL

### Strengthen safety, health and wellness of our people



### KEY ACTIONS

- Align Endeavour’s Safety System with ISO 45001, the global standard that aims to reduce occupational injuries and diseases
- Continue to deploy new safety strategies that address risks and opportunities identified in a third-party safety audit, with a focus on critical risk control protocols and enhanced supervisor training and certification
- Implement health control protocols and campaigns to minimize occupational illnesses
- Expand mental wellness programs and services across our operations

### 2024 TARGETS

- Zero fatalities and accidents
- Maintain or improve Lost-Time Incident (LTI) score year over year
- Reduction in absenteeism rate



# 3.2 ENGAGED & INCLUSIVE WORKFORCE

DELIVERING A POSITIVE WORK EXPERIENCE FOR OUR PEOPLE

Here at Endeavour, employee engagement and workplace inclusivity are key objectives of our new Sustainability Strategy because they are imperative to our success in today's changing economy. We invest significantly in developing our people and strive to be responsive to their different needs. Our aim is a workforce that's motivated, ethical and accountable, within an inclusive environment where people feel heard, valued and supported to do their best work.

## SUMMARY OF OUR APPROACH

- We embrace diversity, inclusion and equal opportunity, as outlined in our [Diversity Policy](#). Gender equality and empowerment of women are a particular focus, including equal pay for equal work.
- Local hiring is a priority, and we work hard to provide competitive compensation and benefits to attract, retain and motivate employees.
- Continuous learning is critical in a changing world. We deliver training and development

- based on three themes: People (soft skills); Production (technical skills); and Safety (workplace standards and safety culture).
- Staff and management receive performance evaluations using SMART (specific, measurable, attainable, relevant and time-bound) objectives.
- We respect employees' rights to freedom of association and collective bargaining.

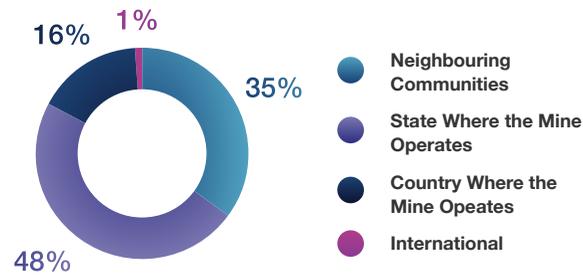
Learn more about [our management approach](#).



## OUR PERFORMANCE IN 2021

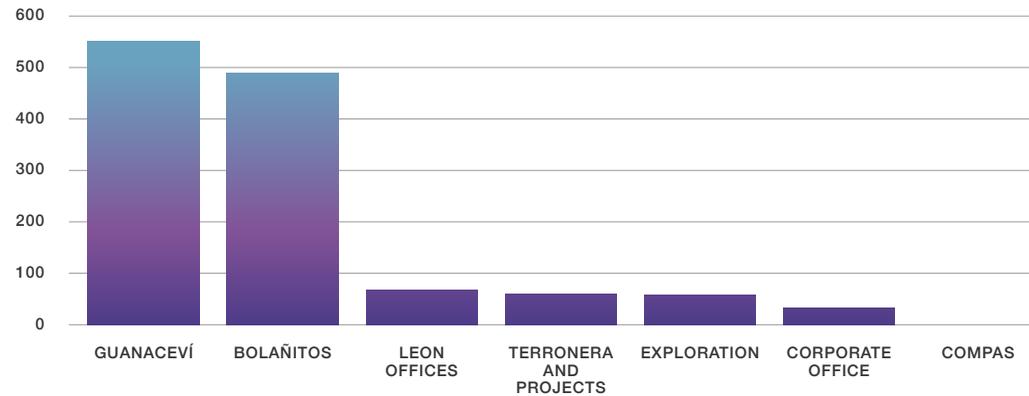
### ORIGIN OF EMPLOYEES

**99%** of our workforce in Mexico is from Mexico



### NUMBER OF EMPLOYEES

**1,259** Employees



## Performance Metrics

- Our employee population grew slightly last year to 1,259 workers (as of December 2021), up from 1,222 the previous year, and turnover dropped by 33%. Nearly all our workforce is from Mexico (98.6%). We also had 493 contractors last year.
- El Compás went into care and maintenance in August 2021, resulting in layoffs of about 50 contractors and 190 employees. We transferred about 20 people to other mines and are still looking for opportunities for others to join in our other mines as opportunities open.

### TURNOVER RATE

	Guanaceví	Bolañitos	El Compás	León	Exploration	Corporate	Total
<b>Turnover 2021</b>	15.0%	13.1%	45.2%	13.0%	36.4%	25.8%	16.3%
<b>Turnover 2020</b>	23.6%	14.0%	51.1%	7.3%	26.8%	26.9%	24.4%





- Women represented 14.6% of our work population, up from 12.4% the previous year. We aim to continue this trend as increasing the number of women at Endeavour is a goal of our 2022-2024 Sustainability Strategy.
- On average, employees and contractors across our mining sites each received 44 hours of training in 2021 (2020: 21 hours). In addition, our induction included 31,107 hours of training for new recruits. Compared to the previous year, we more than doubled the training delivered for two reasons: We managed group training using enhanced COVID-19 protocols, and there were two

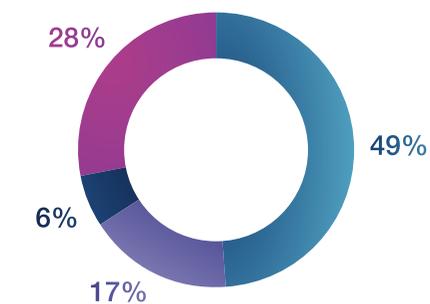
large company initiatives that involved additional training.

- Employee absenteeism increased from 1.84% in 2020 to 2.24% in 2021, mainly because of COVID-19. Our protocol throughout 2021 was that when someone contracted COVID-19, they would take 15 days of absence, full salary paid. In early 2022, the protocol changed to five days following a shift in local public health guidelines. This should return the absentee rate back to a lower level.



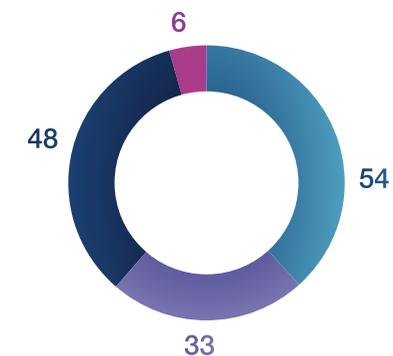
[View our ESG Performance Tables](#)

TOTAL TRAINING HOURS



● Safety    ● People  
● Production    ● Induction

AVERAGE TRAINING HOURS/PERSON (EMPLOYEES & CONTRACTORS)



● Guanaceví    ● Compas  
● Bolañitos    ● Terronera

EMPLOYEE ABSENTEEISM

Year	Guanaceví	Bolañitos	El Compás	Terronera	Total
2021	3.28%	1.33%	0.21%	4.33%	2.24%



## Key Activities



**1** Training remained a major focus in 2021 despite the challenge of organizing in-person workshops and courses during the ongoing pandemic. Health and safety topics represented a significant proportion of the training to ensure our employees understand and apply Endeavour's health and safety standards (learn more in the [Health and Safety section](#)). Besides participating in core training, employees participated in workshops to learn more about two major company initiatives: the enhanced safety program (developed in partnership with Real Safety); and Endeavour's updated core values.



**2** In 2021, 22% of our women were in leadership positions, down from 24% in 2020. This past year, we examined ways to elevate our performance around diversity and inclusion, with a focus on increasing opportunities for women. As part of Endeavour's new three-year Sustainability Strategy, we established a target of having at least 16% women in our workforce and 25% in leadership positions by 2024. To achieve this, we are focused on boosting the number of women applicants and new hires.



**3** An education campaign first launched in 2020 to promote Endeavour's values among employees continued last year. We're pleased with the results to date: 79% of employees talk about the values and understand how to live them every day in their jobs, compared with 74% the previous year.



**4** We restructured our Human Resources (HR) department in 2021 to focus on the five pillars of our new workplace strategy: onboarding, performance evaluations, succession plans, compensation schemes and training. Among our activities, we initiated a comprehensive onboarding process and we created a team within HR to increase communications with employees.





Q IN FOCUS

# Inclusion of People with Different Capacities

Luis Eduardo Ruiz, an administrative assistant within Endeavour’s cafeteria services group in Guanaceví, was born without hands.

At an early age, he learned to do everything by himself. His mother emphasized self-reliance, pushing Luis to figure things out on his own. Another crucial life lesson she imparted on him: to be humble enough to ask for help when needed. He says: “My life has been a journey of learning my limitations and accepting them, but always trying to do things first and not worrying about looking good in someone else’s eyes.”

Schooled and trained as an industrial engineer, in the summer of 2020 he applied for a job at Endeavour. At the time, the only position available was warehouse labourer. Despite being overqualified, he asked to be considered for the role – and was hired. Within eight months Luis was promoted to his current role.

He adds: “Endeavour recognizes me for my talent and performance while encouraging me to be myself at work. The people are so helpful and supportive.”

His supervisor explains: “Luis has been an example for everyone, inspiring others with his positive attitude. He can do most tasks asked of him very effectively, despite his physical limitations. The team fully accepts him and at no point has he faced any type of discrimination. I also have a child with different abilities. I hope that one day his future employer will be as welcoming as Endeavour and provides the same opportunities to thrive at work.”

Luis is proud of his work and achievements at Endeavour to date. He is building knowledge of the mining operation and plans to seize more opportunities to develop professionally.



## OUR GOALS 2022–2024

### GOAL

# Build a more engaged and inclusive workplace.



### KEY ACTIONS

- Launch new organizational development strategy, which has five elements to help Endeavour build a modern workforce: onboarding, performance evaluations, succession plans, compensations schemes and trainings.
- Advance diversity and inclusion in our workplace, through education, awareness-building, and recruiting and supporting diverse talent (especially women and people with disabilities).
- Launch company-wide engagement survey and leverage insights to improve the employee experience.
- Expand learning opportunities to help employees upskill or reskill.

### 2024 TARGETS

- Decrease in average turnover.
- Maintain or increase percentage of local hiring.
- 16% women in our workforce.\*
- 25% of women in leadership positions.\*
- \*targets align with mining industry 2021 representation averages, as reported by the Mexican Mining Chamber (CAMIMEX).
- Improvement in employment engagement.
- 48 hours of training per worker annually.



# 3.3 THRIVING COMMUNITIES

INVESTING TO HELP BUILD PROSPEROUS AND RESILIENT COMMUNITIES

We understand the importance of investing in the social and economic well-being of local communities. These communities are home to our employees and their families, and we rely on the infrastructure and surrounding lands to support our business. We also recognize that communities near our mining operations may be affected in both positive and negative ways. Maintaining open, collaborative relationships with local stakeholders, and responsibly managing our impacts are essential to earning ‘social permission’ to conduct our business.

## SUMMARY OF OUR APPROACH

- Through our [Community Investment Policy](#), we aim to support local people, communities and Indigenous groups in developing resilience. Our top priorities are education and local economic employment, based on input from community stakeholders.
- Our Community Engagement System allows us to manage our relationships and interactions with community members, with clear procedures to identify and resolve issues, manage our impacts, promote development, build trust and follow up on commitments.
- Our Grievance Mechanism is a key feedback channel that ensures local communities have

a voice and can express concerns that are addressed in an objective, accessible and transparent way.

- Our engagement with communities during pre-mine planning includes conducting social and environmental studies, preparing risk management plans and working with local authorities to align sustainable development objectives.
- In post-mine planning, we develop both environmental and social closure plans and work closely with local stakeholders to leave a positive legacy for host communities.

Learn more about [our management approach](#).





## OUR PERFORMANCE IN 2021

### Performance Metrics

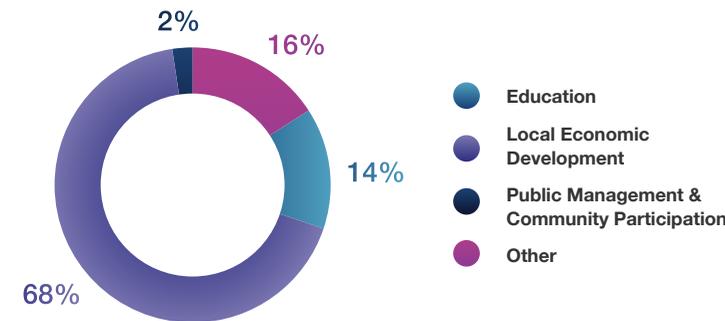
- In 2021, our investment in community initiatives reached US\$302,900 (2020: US\$205,000). Approximately 84% (US\$254,000) of these expenditures were made in Mexico to support student scholarships, trade-skills workshops for community members, local infrastructure improvements and more (specific initiatives are discussed below). See breakdown in graphic below.
- During the year, there were 62 complaints received through our Grievance Mechanism for our mining operations in 2021 (2020: 55 complaints). We address and resolved 51 of the complaints (82%), with 11 still in process at year end. The accompanying chart summarizes the main complaints received at each location. In 2021, we experienced no significant disputes or conflicts at any of our operations.



[View our ESG Performance Tables](#)

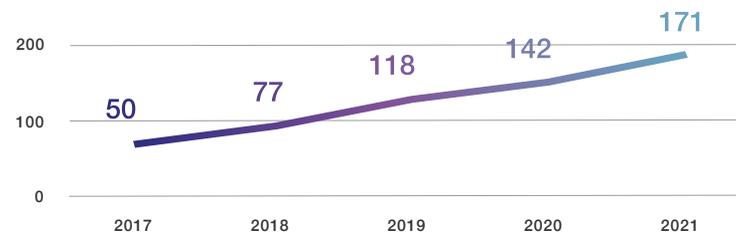
#### COMMUNITY INVESTMENT

**\$254K USD** invested in our communities in 2021 in Mexico



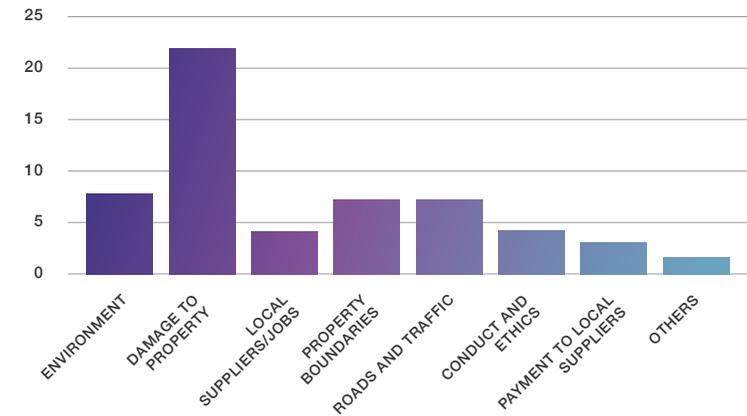
#### SCHOLARSHIPS GRANTED

**171** scholarships granted to students in Mexico



#### COMMUNITY COMPLAINTS

**62** community complaints received across our mining sites



#### SUMMARY OF COMMUNITY COMPLAINTS

**82%** of complaints resolved by year end

	Received and/or Carried Forward	Solved	In Progress	% Solved
Guanaceví	19	17	2	89%
Bolañitos	26	18	8	69%
Terronera	17	16	1	94%
<b>Total</b>	<b>62</b>	<b>51</b>	<b>11</b>	<b>82%</b>



## Key Activities



**1** In Bolañitos, we supported two infrastructure projects in nearby communities. One project was installing a new sewage system and completing a road upgrade in La Luz. The other project was a major road upgrade in Sangre de Cristo. Both initiatives were led by municipal authorities and Endeavour contributed funding.



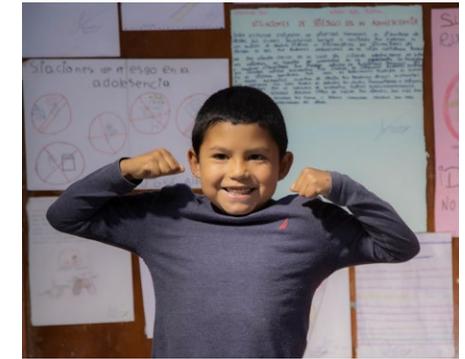
**2** In Guanaceví, we continued working with the municipality to find an alternative community water source to reduce dependence on our mine. Currently, the water pumped from Endeavour’s underground mine supports the flow of water towards the municipality for non-drinking purposes. The water is stored in a series of tanks and then connects to the municipality system. In 2021, we carried several environmental studies and identified a potential well location that could provide a sustainable source of water. Further studies are needed in 2022 to determine the flow and capacity.



**3** In Terronera, we collaborated with the Municipality of San Sebastian del Oeste to improve solid waste disposal. Our local team supported efforts to widen the landfill area, which will extend the facility’s life. Endeavour also donated a garbage collection truck to the municipality.



**4** Also in Terronera, Endeavour continued to help the community enhance its public spaces. We recruited four employees from the community to identify public areas important for recreation, physical activity and education. In 2021, this team spearheaded several rehabilitation projects including a school, bridges and the main plaza. Endeavour contributed materials to enable the improvements.



**5** 2021 marked the fifth year of our Endeavour Scholarship Program in Mexico, created to provide greater access to educational opportunities for students in the communities near our operations. The program helps families pay for tuition, travel or student living costs. We distributed 171 scholarships last year and 558 scholarships since the program first launched in Bolañitos in 2017. The program has expanded over the years, and we are planning further growth through our 2022-2024 Sustainability Strategy.



## Key Activities



**6** Our Silver Tablet Program continued to enable online schooling for local students.

We introduced the initiative in 2020, donating over 500 smart tablets to help young students access online studies when the COVID-19 pandemic forced schools to shift to virtual learning. Last year, Endeavour employees engaged with schools to ensure the recipients were benefiting from online learning, as well as organized extracurricular learning activities; for example, in Guanaceví we organized an online summer English course for the students.



**7** Our community relations teams and medical personnel volunteered to help with public vaccination campaigns at local health centers, which lack resources and staff because the towns are small and remote.

Endeavour also supplied masks, sanitizing gels, hygiene kits and other materials as requested by the health centers.

Q IN FOCUS

## Community Houses Bring Us Closer to Our Neighbours

The past year saw us get closer – physically – to our local stakeholders. At each mine, Endeavour opened a ‘Community House’ where our Community Relations staff are available to people in and around the areas, who can approach us to ask questions, discuss concerns or say hello. We’re also using the facilities as central meeting spaces to host fun, educational activities and events for community members.





## LISTENING & RESPONDING TO COMMUNITY FEEDBACK: SUMMARY OF CONCERNS IN 2021

### Bolañitos



#### CONCERN

Complaints alleging damage to homes due to vibrations from underground mine blasts

#### OUR RESPONSE

Our monitoring system and seismographs continue to show that vibrations from detonations are at levels below the threshold within limits permitted by authorities and therefore should not cause damage to homes.

Dust concerns from our activity

We have measures such as water and sprays to control dust.

Residents concerned with property boundaries and our activities

We continue to work with these residents, who don't have formal land titles for land in which Endeavour holds title.

### Guanaceví



#### CONCERN

Concerns regarding potential damage from contractor trucks to exposed community pipes along local roads

#### OUR RESPONSE

Our team buried the pipes to prevent damage.

Concerns regarding wildlife near company facilities that may be exposed to operational activities

We installed a fence to prevent access to the area.

Complaints from the Ejido concerning not giving preference to local suppliers and hiring

We have collected and shared monthly statistics with the Ejido demonstrating Endeavour's preference for local suppliers and job candidates. Suppliers are evaluated using many objective factors, and some local suppliers do not have the required capacity or qualifications.

### Terronera



#### CONCERN

Payment delays to local suppliers

#### OUR RESPONSE

We investigated and resolved the process delays.

Local road use by Endeavour staff and contractors; concerns regarding excessive speed and heavy equipment impacts

We have enforced vehicle use and traffic rules with our personnel and contractors. We assist the municipality to ensure roads are regularly maintained.



Q IN FOCUS

## Skills Training Empowers Community Members

While our mines generate significant economic activity in local towns, we're also investing in community programs that have far-reaching economic benefits.

For several years now, Endeavour has offered and funded free skills training programs for people in and around the communities where we operate. The purpose is to help residents gain valuable new trade skills, which can help people secure a job, start or expand a business, or give them an alternative source of income.

In 2021, we hosted six trade-skill workshops in Bolañitos and Guanaceví, each led by a professional trainer. The sessions, which attracted 116 community participants, included make-up and hair styling, esthetics/nail care, baking, basic construction,

elementary mechanics and waste management.

Maria de Jesús García Rivera, who lives in Guanaceví and is a bread supplier for Endeavour's cafeteria services, recently participated in a baking workshop: "I registered in the course as I am always interested in discovering new and better products. Through the workshop I learned to make different types of bread (Baguette, hamburger bread and French bread) that I didn't have in my catalogue of products. This workshop has allowed me to add more variety to Endeavour and my other clients."

Endeavour is pleased to continue delivering the workshops, which contribute to the United Nations Sustainable Development Goal #4 – Quality Education.

## OUR GOALS 2022–2024

GOAL

Invest more to foster resilient and thriving communities



KEY ACTIONS

- Increase funding for community initiatives, aligned with our priority areas of education and employability.
- Continue and engage the Endeavour scholarships program and other education initiatives for members of our host communities.

2024 TARGETS

- \$2.0 M USD invested over three years to support our community programs.
- Award 500 scholarships over three years.

- Boost training and support for local entrepreneurs and small businesses, focused on skills development.

- Increases in general business or employability skills.
- Growth in small businesses operating in local communities.

- Support public health initiatives to improve health services and accessibility at the local level.

- Partnerships and support for NGOs and/or health authorities to improve community health services.



## 2021 HIGHLIGHTS

# 21%

reduction in hazardous waste intensity

# 93%

water recycling and reuse rate, up from 90% the previous year

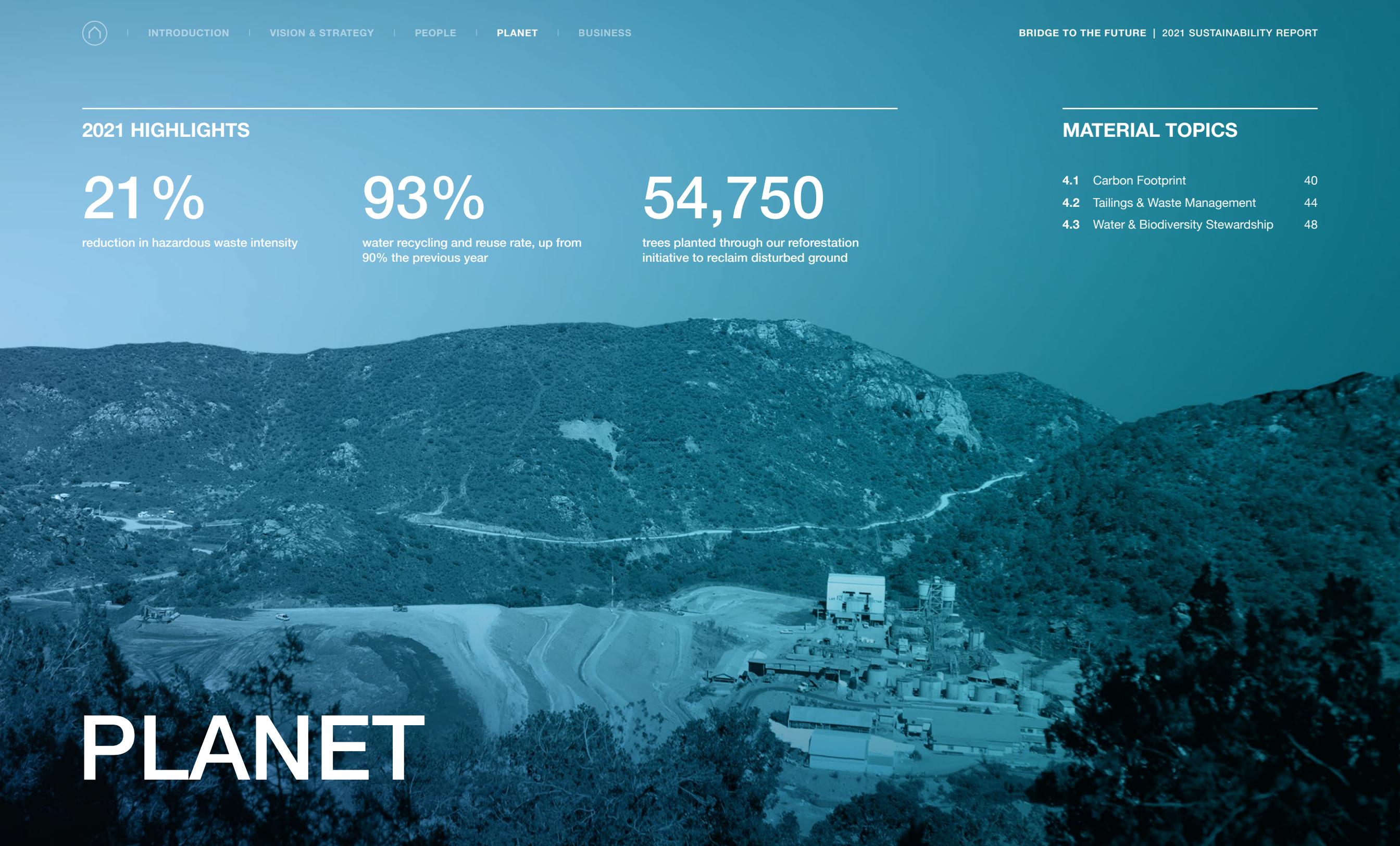
# 54,750

trees planted through our reforestation initiative to reclaim disturbed ground

## MATERIAL TOPICS

4.1	Carbon Footprint	40
4.2	Tailings & Waste Management	44
4.3	Water & Biodiversity Stewardship	48

# PLANET





# 4.1 CARBON FOOTPRINT

REDUCING THE CARBON FOOTPRINT OF OUR MINING OPERATIONS IS A KEY GOAL

Climate change is a global priority, and corporations like ours have an important role in fostering a lower-carbon future. At Endeavour, we're working to better understand potential climate change risks and impacts to our business. Through our Sustainability Strategy 2022-2024, we're focused on reducing the emissions intensity of our operating sites through conservation and eco-efficiency initiatives.

## SUMMARY OF OUR APPROACH

- Our [Environmental Policy](#) articulates our commitment to prevent or mitigate the impacts of our mining activities on the natural environment, by improving how efficiently we use land, water and energy.
- In line with ISO 14001 guidelines, we have an Environmental Management System (EMS) with environmental monitoring systems and controls at each site.
- Since 2013, we have tracked and reported direct and indirect greenhouse gas (GHG) emissions for our operations, which allows us to continually identify areas for improvement.
- Our technical teams constantly evaluate and look for opportunities to reduce our energy consumption.
- Each year, we disclose emissions data in our Sustainability Report. A future priority is to increase our reporting of climate-related risks and opportunities in line with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations.

Learn more about [our management approach](#).

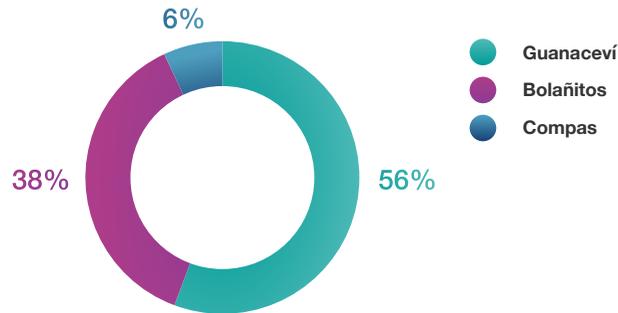


## OUR PERFORMANCE IN 2021

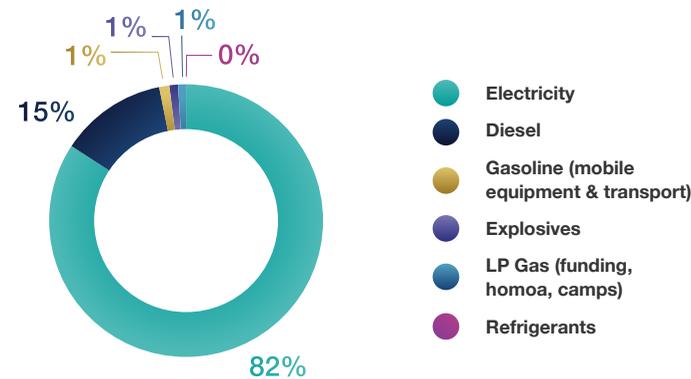
### Performance Metrics

- Our energy consumption went up by 18% and our emissions by 4% compared to the previous year, which is not surprising given the increase in production in 2021 (the 2020 results were also affected by a temporary suspension of all operations due to COVID-19 restrictions). Last year we also began mining a new area in Bolañitos, which required additional energy use.
- Despite a 17% surge in overall production last year, we recorded a 12% decrease in GHG emissions intensity (from 0.064 CO<sub>2</sub>e per tonne to 0.057) for all of our operating mines. This decrease is largely attributed to the plants operating at full capacity during the year, with improved operating efficiencies, reducing the energy use per tonne of material milled.
- Electricity remains the primary source of emissions (82%) and our largest carbon impact, followed by diesel (15%). Our Guanaceví operation accounts for the majority (56%) of Endeavour's energy consumption among the sites. Of our total electricity consumption, 7.5% comes from renewable sources through our contract with the Mexican electrical utility Comision Federal de Electricidad (CFE).

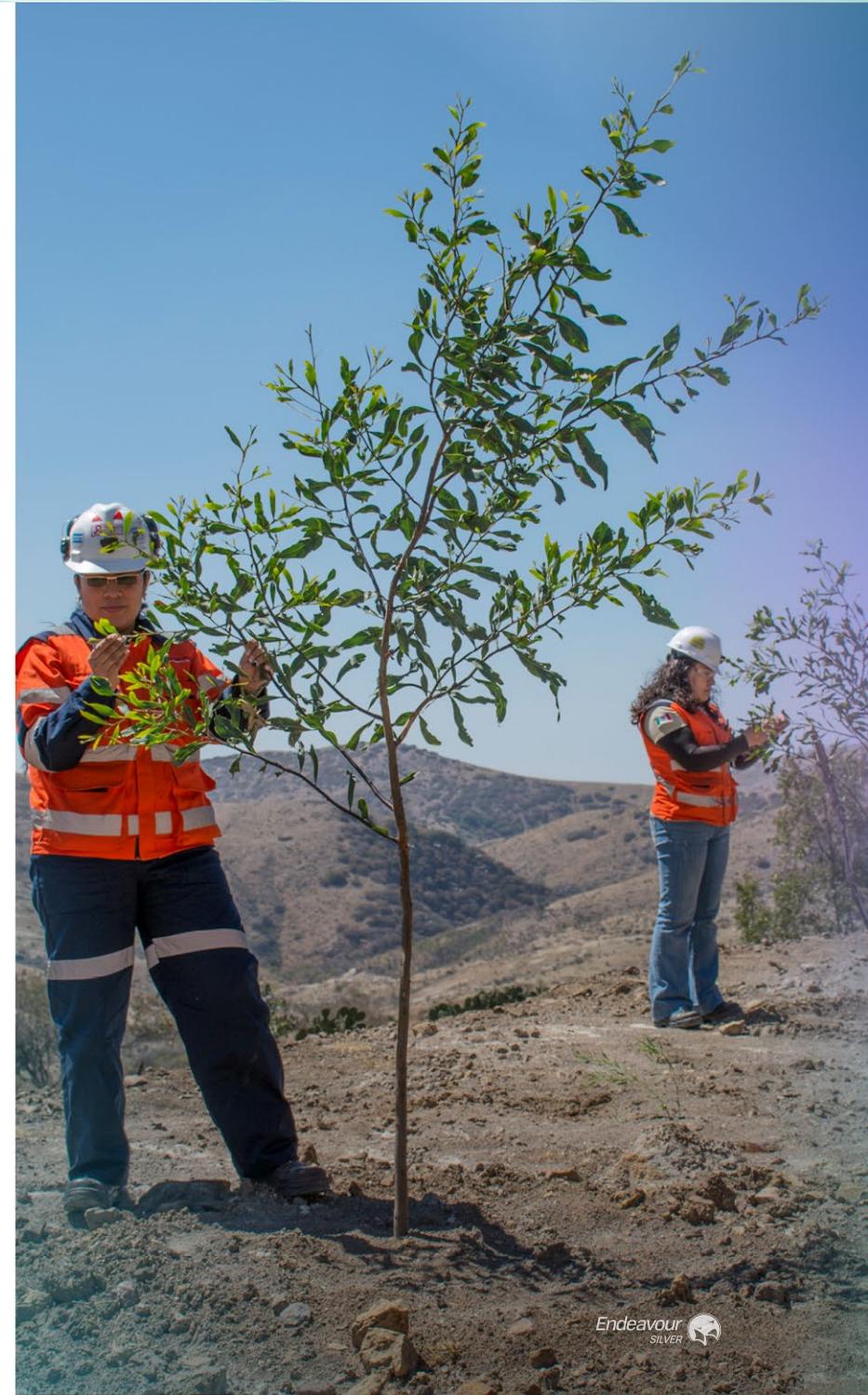
EMISSIONS BY SITE



EMISSIONS BY SOURCE



 [View our ESG Performance Tables](#)





## Key Activities



**1** We recognize that mining companies must do more to both reduce carbon impacts and adapt to the increased risks of climate change, including extreme weather events. Our business faces unique challenges; for example, we operate mines in communities and rural areas of Mexico that make us reliant on long transportation routes (to receive/deliver supplies and product). We also depend on fossil fuels – electricity and diesel in particular – for our current operations.

This past year, our Corporate Sustainability Team raised awareness with the management team about stepping up Endeavour’s response to climate change in the coming years. The team planned several actions for the company’s new Sustainability Strategy 2022-2024, including aligning with the TCFD guidelines, and will work with local teams in Mexico on implementation.



**2** As part of our GHG reduction initiatives in 2021, we continued to implement measures to streamline energy needs and costs at all our sites. For example, we:

- Installed timers in some of the ventilation and pumping equipment to ensure that these systems operate only when needed – and reduce energy consumption in the process. In 2022, we will explore opportunities to install timers in the larger air compressors, as well as speed adjustment controls in the mine ventilation control systems for more efficient ventilation and airflow to different part of the mines.

- Incorporated more equipment for long-haul production, which is much more efficient, extracting more mineral with less effort. This is also one of the contributors to having a better energy-intensity rate (i.e., more production with less energy).
- Continually analysed and adjusted the capacity of the water pumps to optimize energy use. In Guanaceví, in particular, there is an excess of water, as we operate underground below the water table.



**3** In Terronera, we continued to examine liquid natural gas (LNG) as the main energy source, and are also considering a facility design that allows for natural ventilation in the working areas, to reduce energy consumption.



## OUR GOALS 2022–2024

### GOAL

Mobilize action to reduce our carbon footprint



### KEY ACTIONS

- Improve disclosure of climate risk and opportunities, in line with the Task Force on Climate-Related Financial Disclosures (TCFD).
- Identify and implement strategies to reduce emissions, including by developing a climate risk response plan.

### 2024 TARGETS

- Publish TCFD disclosures.
- Reduce emissions intensity of operating sites.



# 4.2 TAILINGS & WASTE MANAGEMENT

ENSURING SAFE, MODERN MANAGEMENT OF OUR MINE TAILINGS AND WASTE

Waste is an inevitable by-product of mining operations. **From waste rock to tailings, we are committed to managing all the waste we generate in safe and environmentally responsible ways,** and being transparent about how we do that.

## SUMMARY OF OUR APPROACH

- We take a comprehensive approach to waste management, so that we identify and mitigate any environmental or community impacts.
- At each mining site, we have waste management systems in place that specify how teams must handle different waste. We don't ship waste of any kind internationally; everything is managed on-site or locally.
- Our efforts to responsibly handle waste include employee and contractor education, awareness campaigns around waste minimization and recycling, and safe handling of hazardous waste.
- We work with suppliers authorized by environmental authorities to manage our waste at any stage of the process or disposal.
- In keeping with industry best practice, we have comprehensive systems and procedures to help ensure we responsibly manage our tailings facilities across Endeavour's active and legacy mine sites in Mexico.
- Each year, we engage an external engineering company to audit our tailings storage facilities for safety measures and to identify opportunities for improvement.

Learn more about [our management approach](#).





## OUR PERFORMANCE IN 2021

### Performance Metrics

- During the year, there were no significant or reportable environmental spills. There were 11 small spills that were contained internally, all in Guanaceví. None exceeded the reportable limit of >1 cubic metre, as Mexican Law regulates. No spill posed a risk to public health or safety.
- Our operations generated waste in two categories:
  - Mineral waste, which includes tailings (894,061 tonnes) and waste rock (548,472 tonnes). With production up 17% last year, accordingly we experienced an increase of 14% in waste rock and 17% in tailings.
  - Non-mineral waste, which includes hazardous waste such as oils, reactives, chemicals, etc. (134,872 kg); non-hazardous waste such as plastic, cardboard and general waste (351,618 kg); and special management waste such as scrap metal, tires and toners (503,643 kg). Compared to 2020, we reduced the intensity of hazardous waste by 21%. However, non-hazardous waste increased by 32% over the previous year because we conducted a significant clean-up initiative in Guanaceví.

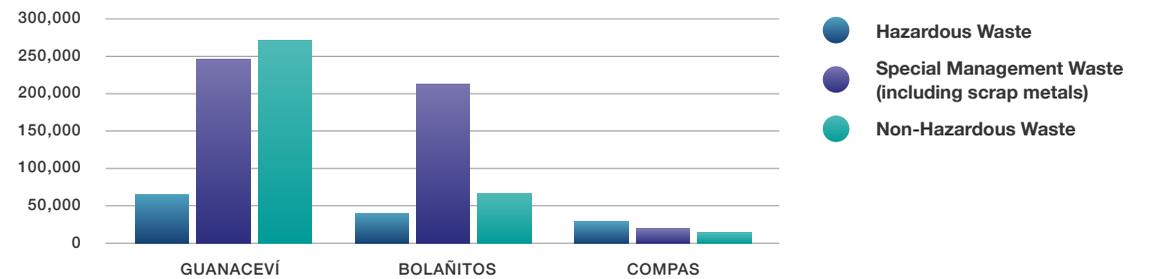
- We recycled or co-processed (provided to another entity as an input for their operations) 68% of our overall waste. We have partnerships with different suppliers to take certain types of waste, either for free or purchase. Any supplier handling hazardous waste must be authorized by an environmental authority. Approximately 32% of our total waste went to landfill or incineration in 2021. Our goal for 2024 is to reduce this amount to 20%.



[View our ESG Performance Tables](#)

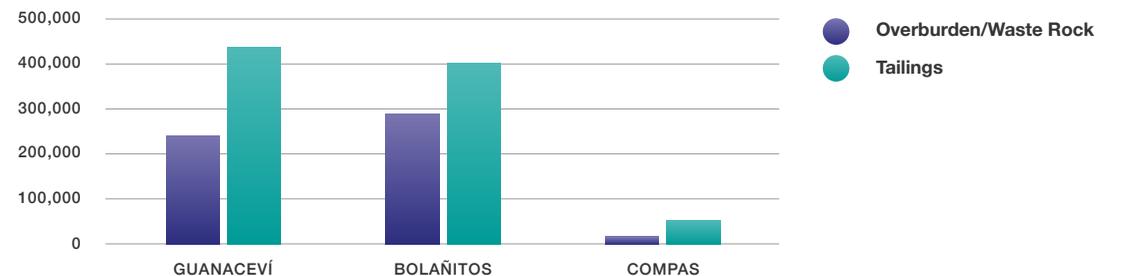
#### NON-MINERAL WASTE BY SITE

**990,000 KG** total non-mineral waste



#### MINERAL WASTE BY SITE

**1.4M TONNES** total mineral waste





## Key Activities



**1** Per our annual tailings protocol, we engaged an external engineering company to audit our three tailings facilities for safety measures. As part of their process, the engineering company reviewed the geotechnical instrumentation data twice per month and compared that information with historical data. They evaluated the features, structure and behaviours of the tailings storage facilities, and identified any relevant risks associated and opportunities for strengthening the facilities. The results of this comprehensive assessment confirmed that Endeavour's tailings facilities comply with a safety factor of a range  $\geq 1.0$ – $1.1$  in a dynamic environment and  $\geq 1.5$  in a static environment as per industry standards.



**2** Reviewing the safety and security of our tailings facilities is a non-stop effort, and we continually look for additional measures that can strengthen our approach. Last year we made a commitment to align our tailings management practices with the new Global Industry Standards on Tailings Management, an initiative of the International Council on Mining and Metals. It establishes the first international standard on tailings management and strives to achieve the ultimate goal of zero harm to people and the environment.

To that end, we engaged an external consultant to carry out a gap analysis and help us identify where we need to refine our current practices. Based on this assessment, Endeavour mostly meets the Standard in several respects, and there are three main areas of improvement that we will address in 2022:

- Enhancing our emergency preparedness and response plans for a possible tailings incident.
- Further involving our Community Relations and Environment Team in the emergency response planning.
- Better documenting our policies, procedures and responsibilities around tailings management.



**3** Demonstrating our commitment to transparency with communities and other stakeholders, we expanded the information on our corporate website regarding how we manage and monitor our tailings facilities.





## OUR GOALS 2022–2024

### GOAL

## Strengthen tailings and waste management



### KEY ACTIONS

- Strengthen our tailing management practices across the entire tailings facility life cycle, applying guidance from the new Global Industry Standard on Tailings Management.
- Identify waste in our operations that can be repurposed for other uses, and establish the value chain to achieve this.
- Work with contractors to improve waste management.
- Collaborate with local authorities to address waste challenges.

### 2024 TARGETS

- Align with the Global Industry standard on Tailings Management.
- No reportable tailings spills.
- Tailings stability factor of at least 1.5 at each mine.
- Hazardous waste intensity below 0.2 ton/ton processed.
- >80% waste recycling/repurposing (for non-mineral waste).
- One new initiative per site that supports and improves municipal waste management.



# 4.3 WATER & BIODIVERSITY STEWARDSHIP

ENDEAVOUR IS COMMITTED TO PRESERVING BIODIVERSITY AND WATER RESOURCES WHERE WE OPERATE

**We integrate water and biodiversity conservation considerations in our pre-mine planning and over the entire lifecycle of our mines.** To minimize fresh water consumption, we recycle and reuse over 93% of water. We also spearhead our own tree-planting and reforestation programs to help rehabilitate areas where we develop our projects. Since 2016, Endeavour has planted over 280,000 trees in local areas around our mine sites.

## SUMMARY OF OUR APPROACH

- Water stress levels vary significantly by region and mine. Guanaceví is in the low-medium range, Bolañitos in the extremely high range and Terronera in the high range. We carefully consider these conditions when we plan water requirements for developing, operating, expanding and rehabilitating our mines, and in our exploration and pre-development work.
- Our principal focus is water recycling, to minimize our impact on local water resources.
- Through a variety of measures, including diversion systems, sub-surface drainage systems and containment ponds, we carefully manage and monitor discharges and runoff from mine sites to prevent water pollution.
- Prior to development, environmental impact assessments are conducted to identify endangered or at-risk flora or fauna. None of our sites are in or near sites with protected conservation status or endangered species habitat.
- All sites have a Fauna and Flora Management Plan and operate a nursery to grow local flora. Through our reforestation program, we replenish land in Mexico impacted by our mining activities.

Learn more about [our management approach](#).



## OUR PERFORMANCE IN 2021

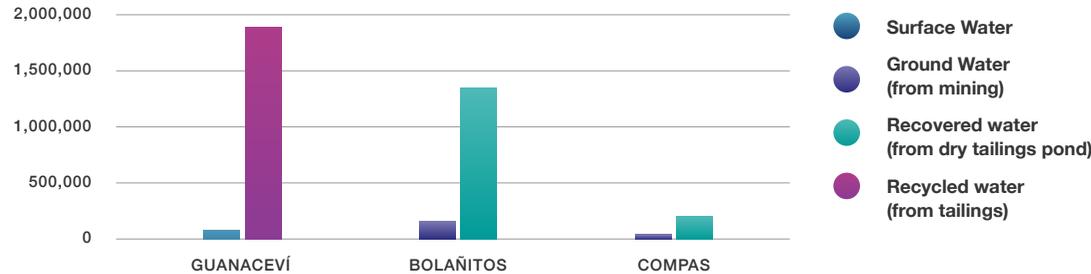
### Performance Metrics

- Our water recycling and reuse rate remained high last year, at 93% (2020: 90%). This allows us to have little reliance on using fresh water for our mining operations. As a result, the fresh water intensity rate decreased 23%, to 0.29 m<sup>3</sup>/tonne processed (2020: 0.37 m<sup>3</sup>/tonne processed). All sites had reductions in fresh water consumption, especially Guanaceví, where we began mining the Santa Cruz South orebody and could pump and reuse more water from the operation.
- Our total water discharge to the environment was approximately 9.7 million m<sup>3</sup> (a very similar number to 2020). Water discharge only occurred at our Guanaceví complex, from mining the Santa Cruz Sur and Milache orebodies. Note that rates year-to-year are not quite comparable because rainfall and location are variables: if we are working below the water table, we pump and discharge more water. If we are working above the water table, we pump and discharge less.
- We relocated 22 endangered or protected species found on our sites. Among those were rattlesnakes, a rare type of lizard and two other types of snakes. We also relocated other species not in a protected status, including a wildcat, bees and other snakes.



[View our ESG Performance Tables](#)

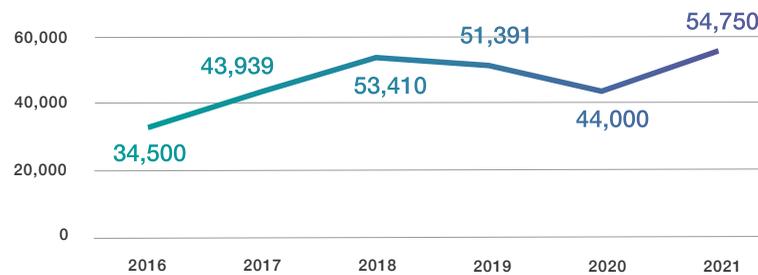
#### SOURCES OF WATER



# \$1.5M USD

spent in environmental protection efforts, including for environmental studies, remediation works, water monitoring and tree plantings

#### TREES PLANTED



# 281,990

trees planted since 2016 in reforestation projects, including 54,750 in 2021

#### WATER RECYCLING

# 93%

water recycling and reuse rate, up from 90% the previous year



## Key Activities



**1** In 2021, we continued to implement strong water management practices to ensure we're using water efficiently, minimizing our consumption of fresh water sources and protecting local water quality. For example, we pumped groundwater and used it to feed our mining processes and water the roads (reducing the need for fresh water). We also ran water conservation campaigns, especially in Guanaceví where there is an employee camp in which people live and work for extended periods of time.



**2** In Terronera, where Endeavour plans to construct a new mine, a primary concern of the community is our potential impact on regional water resources. During the year, we continued to study and take proper management to minimize any impacts. For example, we conducted an initial round of samples of the surface water and drilled in five spots to monitor groundwater and determine water quality. Further tests will be done to complete control, mitigation and compensation measures with the least potential impact in the community.



**3** In Guanaceví, we explored viable water solutions for the community, including building a new well to create a sustainable source of drinkable water. Currently, people there depend on water pumped from our mine to a municipal water storage tank.



**4** In Bolañitos, we conducted a technical field study involving clearing land and creating access routes to expand our tailings pond. This resulted in 3.9 hectares of newly disturbed land. In line with our Environmental Impact Assessment guidelines, Endeavour will provide compensation to the local community and reforest all disturbed land.



**5** In Guanaceví, we undertook a pilot rehabilitation project to restore part of a tailings pond no longer in use (see case study [\*Seeding project helps rehabilitate former tailings pond in Guanaceví\*](#)).



## Key Activities



**6** Across our sites, Endeavour personnel planted 54,755 trees through reforestation campaigns, with a survival rate of 84% overall. Because of COVID-19 restrictions over the past two years, our employees have performed the tree planting campaigns. We plan to engage community members in these campaigns again once restrictions are lifted.



**7** In 2021, we also updated our environmental closure plans for Bolañitos and Guanaceví. We engaged an external consultant to evaluate new areas that have been added to our mining activities in the past few years and to update the estimations for our Asset Retirement Obligations (ARO). For all our sites, the revised ARO estimates are now \$7.3 million, up by 40% since the cost estimates were last calculated in 2015. Inflation and expanded areas of operation have caused this increase.

Q IN FOCUS

## Seeding Project Helps Rehabilitate Former Tailings Pond in Guanaceví

For several years now, scientists have been researching the potential to use plants to aid and accelerate land restoration on former tailings. Endeavour tested this nature-based approach to reclamation and started a pilot project last year to rehabilitate a section of our tailings pond in Guanaceví that is no longer in use (approximately 500 m<sup>2</sup>).

The planting initiative comprised covering the sides with geocells, biodegradable fibers, organic materials and seeds. The seeds used are for species that are adaptable and present in the region: *Zinnia peruviana* (a flower), *Aristida divaricata* (a grass) and *Bouteloua gracilis* (a bush).

The project took place over four months and involved environmental consultants and company staff, who planted 18 kilos of *Bouteloua gracilis* along the shoreline. The results to date are very positive: lush, dense vegetation has grown in the seeded areas, providing natural cover (see before and after pictures below). Based on this initial success, we will expand and accelerate the rehabilitation project. In 2022, the plan is to cover an area of 1000 m<sup>2</sup>, and we have purchased a hydroseeder to ensure more efficient and reliable planting.





## OUR GOALS 2022–2024

### GOAL

## Elevate stewardship of water and biodiversity



### KEY ACTIONS

- Reduce our impact on shared water resources through evolving best practices in water conservation and management.
- Partner with local conservation groups and/or government authorities to protect water bodies.
- Seek opportunities to transition from reforestation to reforestation of deforestation areas.
- Partner with local conservation groups and/or government authorities to share data, monitor and conserve flora/fauna.

### 2024 TARGETS

- Keep the intensity of shared water consumption below 0.45 m<sup>3</sup>/ton processed.
- Maintain process with water recycling rate above 85%.
- Increase in households with access to improved water supply or sewage infrastructure.
- Increase number and survival rate of trees planted annually in accordance with the vegetation in that region.
- Report on conservation efforts and biodiversity monitoring, focusing on flora/fauna impacted.



## 2021 HIGHLIGHTS

# 100%

of our employees completed either a training orientation or a training refresher of Endeavour's Code of Business Conduct and Ethics

## EQUATOR PRINCIPLES

integrated in the planning, financing and development of our future flagship mine, Terronera, in Jalisco state, Mexico

# 98.8%

of our procurement was from local and national suppliers in Mexico

## MATERIAL TOPICS

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# BUSINESS





# 5.1 GOVERNANCE & RISK MANAGEMENT

GOOD GOVERNANCE IS ESSENTIAL TO OUR BUSINESS SUSTAINABILITY

**Good governance is critical to Endeavour's success.** So too is proactively managing ESG risks and opportunities spanning all aspects of our mining operations. Many of our stakeholders, including investors, communities and governments, are increasingly interested in learning about our approach to good governance and risk mitigation. We are committed to being transparent about our practices and performance.

## SUMMARY OF OUR APPROACH

- Our Board of Directors actively engages with our management team to ensure that appropriate governance mechanisms, policies and procedures are in place, including the integrity of our internal controls and management information systems.
  - Two committees of the Board oversee Endeavour's Sustainability strategy and decision-making: the Sustainability Committee and, to a lesser extent, the Corporate Governance and Nominating Committee.
  - Compensation of the management team is tied to production and sustainability goals. In particular, safety and environmental criteria are incorporated into annual bonus criteria.
  - Our [Diversity Policy](#) sets out the guidelines by which Endeavour will promote and strive to increase diversity throughout the Company, including at the Board level. The Board proactively monitors Company performance in meeting the standards outlined in this Policy.
  - We carry out risk management analysis, where we identify, evaluate and manage risks, including ESG risks, that can materially impact our business.
- Learn more about [our management approach](#).



## OUR PERFORMANCE IN 2021

### Performance Metrics

- Six of the eight members of the Board of Directors were independent last year, including one woman. In late 2021, we recruited an additional woman for the board, who started her term officially on Jan 3, 2022. She has more than 30 years of mining experience, and was recognized among the *100 Global Inspirational Women in Mining 2020*.
- We did not do any political contributions, and did not participate in any public policy making or lobbying activities.
- We did not receive any type of financial assistance in any of the countries where we have operations or exploration (Mexico, Chile and US), or at our head office in Canada.



[View our ESG Performance Tables](#)

#### ENDEAVOUR'S BOARD OF DIRECTORS 2021

Endeavour's Board of Directors	2021
Number of members	8
Number of independent directors	6
Number of non-independent directors	2
Number of women directors	1
Code of Conduct for Directors	Yes
Board oversight of sustainability	Yes

### Key Activities



**1** We developed a new [Sustainability Strategy](#) to guide our efforts for the next three years (2022-2024). The strategy is part of the Endeavour's multi-year business transformation and growth plan. We've set focused initiatives and measurable targets to drive better performance and support key UN Sustainable Development Goals. Learn more in [Our Sustainability Journey](#).



**2** During the year, we continued to proactively address a variety of ESG risks – these efforts are detailed in other sections of this report. For example, we took actions to mitigate and prevent COVID-19 risks in the workplace and to the communities where we operate. Our Information Technology (IT) personnel and contractors remained focused on cybersecurity risks and protecting the IT systems in which our operations depend. To address financial and control risks, we expanded our internal audit team. We also completed a risk assessment of the supply chain to be prepared for any possible disruptions.



**3** Engaging with local stakeholders, including community members, organizations and local governments, is an essential part of our good governance. Where we mine, we have agreements with individuals and the local communities to use their land. At our new development project, Terronera, we have a team of six people now developing community relations and engaging in negotiations with the local community and ejidos for land use.

## Q IN FOCUS

# Integrating the Equator Principles to Mitigate Environmental and Social Risks at Terronera

In September 2021, Endeavour published a Feasibility Study for the Terronera project estimating significant production and favourable economics. Set to become our largest and most profitable mine, the project is now advancing toward financing and construction decision.

Located in Jalisco, Mexico, Terronera will be an underground mine producing silver and gold. The tailings will be a dry stack facility, which reduces a tailings footprint, water use and long-term risks. To ensure responsible development of Terronera, we are adhering to the Equator Principles, a risk management framework for determining, assessing and managing environmental and social project risk.

The Equator Principles (EP4) help ensure that large scale development or construction projects appropriately consider potential impacts on society and the environment. As part of our compliance with EP4, we are:

- Assessing the potential for cleaner energy options. Our current plan is to generate power using liquified natural gas (LNG).
- Complementing our existing government-approved Environmental Impact Assessment with IFC guidelines on environmental and social baseline and impact assessments.

- Augmenting our greenhouse gas (GHG) emissions accounting with enhanced reporting based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- Enhancing our social and environmental management systems, and undertaking human rights due diligence.
- Promoting the company’s grievance channel, the Endeavour Trust Line, to respond to any external or internal issues that might rise.
- Collaborating with local stakeholders to identify and develop a reliable, sustainable supply chain and workforce.

Our efforts carried out at Terronera and in the surrounding communities will have a cascade effect on how we do things across our company operations, as this framework has helped us identify areas of opportunity and improvement.

Endeavour has made key strategic additions to the Project Management, Community Relations and Environment teams over the last year. We also have opened a project office in Puerto Vallarta and a community relations office at the project site in Santiago de los Pinos, both to promote dialogue and participation with our interested stakeholders. Endeavour currently employs 61 full time staff at these two locations.

## OUR GOALS 2022–2024

## GOAL

### Deliver strong governance and risk management



## KEY ACTIONS

- Identify opportunities to enhance our governance practices.
- Improve Board diversity, expertise and skills.
- Review and update the risk management framework to ensure we're monitoring and mitigating both traditional and modern risks.

## 2024 TARGETS

- Expand and strengthen ESG disclosures.
- Increase the representation of woman on the board.
- Risk register implemented and operational.



# 5.2 ETHICAL CULTURE

INTEGRITY IS INFUSED  
THROUGHOUT OUR ORGANIZATION

**The culture of a company defines its identity and influences employee behaviours.** That’s why we’re fixated on maintaining and inspiring an ethical organizational culture. Running our business to the highest standards of responsible conduct is imperative to earn the trust of our stakeholders and to become a premier silver producer.

## SUMMARY OF OUR APPROACH

- Our [Code of Business Conduct and Ethics](#) (“the Code”) establishes the essential standards we expect all employees and those doing business with us to uphold.
  - The Company Values represent “The Endeavour Way” of doing business. Our values are: Integrity, Care, Attitude, Reliability and Excellence.
  - We respect and uphold fundamental human rights, both in the workplace and in local communities. Our commitment to human rights is embedded in the [Code](#), the [Diversity Policy](#) and the [Sustainability Policy](#).
  - We take a zero-tolerance approach to any form of bribery and corruption as outlined in our [Anti-Bribery and Anti-Corruption Policy](#).
  - We offer two platforms for everyone inside and outside Endeavour to report grievances:
    - The [Endeavour Trust Line](#), a confidential and independently-operated grievance mechanism for raising possible conduct and ethics concerns.
    - A [Whistleblower Policy](#) for reporting concerns related to the integrity of Endeavour’s accounting, auditing or other financial matters. The Company’s Audit Committee is responsible for investigating and resolving all reported complaints and allegations.
- Learn more online about [our management approach](#).



## OUR PERFORMANCE IN 2021

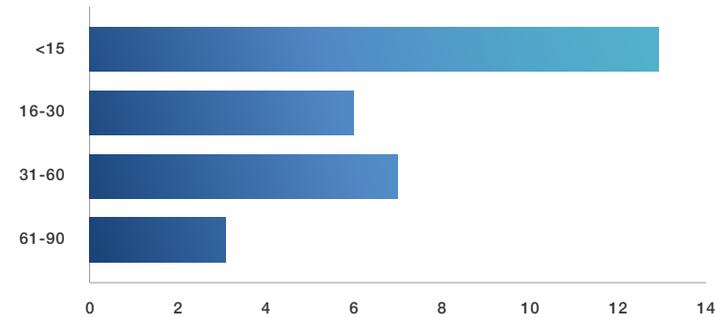
### Performance Metrics

- 100% of our employees completed either a training orientation or a training refresher of the Code. This training brings the Code to life to enrich employee understanding of our workplace standards and expected behaviours.
- We received 29 grievances through the Endeavour Trust Line, with the majority (15) coming from Guanaceví. This figure is not comparable to the 56 grievances recorded in 2020 because we launched the new online Endeavour Trust Line platform halfway through 2021 and did not consistently track grievances as we transitioned to the new system. The complaints included allegations of work harassment, sexual harassment, discrimination, and non-compliance with labour regulations. Average complaint resolution time was 27 days, achieving our target of less than 30 days.
- There were no reported incidents of fraud, corruption, or child labour at any of our operations in 2021.

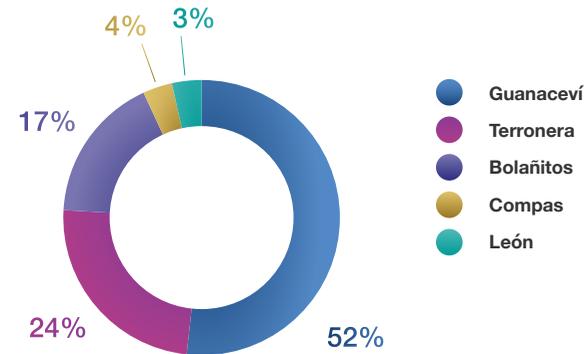


[View our ESG Performance Tables](#)

AVERAGE COMPLAINT RESOLUTION TIME



LOCATION OF GRIEVANCES





## Key Activities



**1** In June 2021, we launched an online platform to receive complaints, to give stakeholders, including employees, a formal channel for reporting any unethical or irregular behaviour. We hired an external consultant to provide training and advisory work for setting up the platform and investigating grievances. To file a grievance, stakeholders can use an online form, email or phone. The reports are received by a committee of six people, five from different areas of Endeavour and an external consultant, who review and respond to every complaint made.



**2** Since defining Endeavour's corporate values in 2019 and introducing an organizational transformation in 2020 to build our "Te Cuido" Culture, we have trained our team on ways to put these values into practice. Last year an external consultant conducted workshops at all sites to engage people in discussions around the values and how to live them in everything we do. The consultant also held a "train the trainers" exercise with our HR staff to instruct them on delivering the training in a continuous and consistent way to staff at least twice per year.



**3** All employees continued to receive training on our Code. Our sustainability team is planning to work with our procurement department to update contracts with suppliers and contractors to include more elements of Endeavour's Code, to better set and provide clear expectations for our business partners based on our commitment to high standards.



**4** During the year, our risk control team reinforced the *Voluntary Principles on Security and Human Rights* through extensive training and integration in security plans and actions. Their approach consists of four elements: security/risk assessment; risk management solutions (e.g., facility security); supplementary systems (e.g., supply chain, contractor security); and specialist technical elements (e.g. alarms, tracking systems). Our team also works hand in hand with contractors to ensure they follow the guidelines. Refer to the case study *Building Awareness of Human Rights, Harassment & Gender Perspective* for more details.





THE ENDEAVOUR VALUES



INTEGRITY



- We do what is right
- We are honest, ethical and trustworthy and follow policies and procedures.



CARE



- We display kindness for our colleagues, embracing diversity and promoting a safe and healthy workplace.
- We respect and care for the environment, the local communities where we operate and all of our stakeholders.



ATTITUDE



- We take pride in our jobs and are passionate about what we do.
- We are positive, act professionally, and take initiative in achieving our goals.



RELIABILITY



- We do what we say we will do and deliver on our promises and responsibilities.
- We welcome challenges and have the courage to admit mistakes and take corrective actions.



EXCELLENCE



- We dive in and deliver our best work every time.
- We are always learning and aspire to do better than we did yesterday.

## Q IN FOCUS

# Building Awareness of Human Rights, Harassment & Gender Perspective

Everyone at Endeavour shares responsibility for creating an inclusive and supportive environment – one that is free from harassment, discrimination, and other forms of harmful behaviour. Through corporate policies, education and ongoing communication, we strive to promote open dialogue, fairness and kindness, and a high standard for moral behaviour.

To reinforce our commitment, in 2021 we carried out learning workshops at our sites in Guanaceví, Bolañitos, Terronera and the regional office in León that provided 20 hours of human rights training over 10 sessions. The goal of the training was to:

- Provide knowledge and awareness about the implementation of human rights, including the Voluntary Principles on Security and Human Rights;
- Provide proper responses to possible human rights threats employees may face in their daily activities;
- Help employees identify and prevent harassment situations; and
- Provide tools to solve crisis situations from a gender perspective.

In total, 106 employees (91 men, 15 women) participated in the sessions last year, completing 2,000 hours of training. More sessions are planned in 2022.

## OUR GOALS 2022–2024

## GOAL

### Maintain and inspire an ethical company culture



## KEY ACTIONS

- Continue building a caring culture, based on our Te Cuido philosophy ("I take care of you").
- Promote and enhance the Grievance Mechanism.

## 2024 TARGETS

- 4 hours of annual training on ethics and anti-corruption per employee.
- Resolution time of less than 30 days from first contact to resolution.





# 5.3 SUPPLY CHAIN

OUR SUPPLIERS ARE KEY PARTNERS IN ENDEAVOUR'S SUCCESS AND HELPING US ACHIEVE OUR SUSTAINABILITY GOALS

We rely on a comprehensive network of contractors and suppliers to service our operations, as well as exploration and development sites. **Reflecting our commitment to 'buy local', we use suppliers in Mexico for nearly all our company's procurement needs.** We have clear standards that suppliers must follow to do business with Endeavour, and we are working to apply stronger ESG principles and risk management practices in our procurement practices so that we cultivate a truly sustainable supply chain.

## SUMMARY OF OUR APPROACH

- We expect all suppliers to follow Endeavour's standards for safety and health, human rights, environmental responsibility, and anti-corruption, and we work closely with our supply chain to ensure these policies are adhered to.
- We use best efforts to buy goods and services from nearby sources whenever possible, not only for competitive pricing but to ensure local communities benefit from our economic activity.
- All purchase decisions made across our sites must comply with our policy on *Contracting Goods and Services and Working with Third Parties*.
- We engage with local artisanal miners to source material and promote economic development in the region.

Learn more about [our management approach](#).





## OUR PERFORMANCE IN 2021

### Performance Metrics

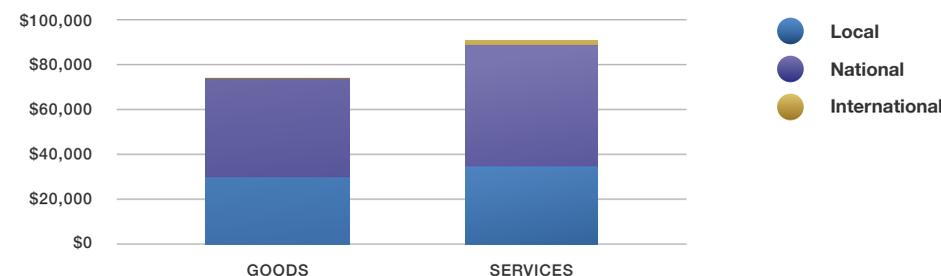
- We spent US\$165 million in procurement last year, up from US\$136 million the previous year, with 45% of the total in goods and 55% in services. The year-over-year increase is due to uninterrupted production in 2021 (as opposed to 2020 when lockdown measures in Mexico caused us to pause production

- for two months) and the expanding work to advance our Terronera project.
- 98.8% of total procurement was from within Mexico (see pie chart), a similar rate to the 2020 performance of 96.4%.

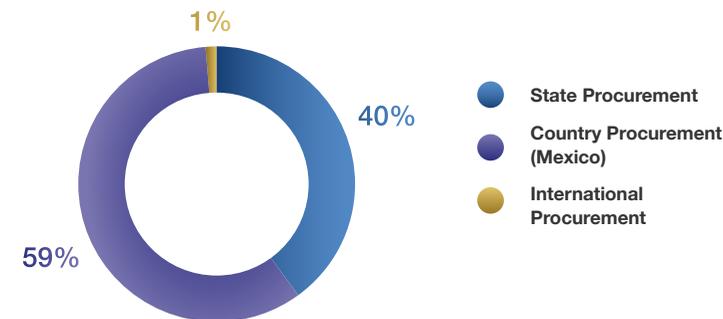


[View our ESG Performance Tables](#)

#### PROCUREMENT



#### PROCUREMENT





## Key Activities



**1** The Guanaceví operation sourced ore from 20 small-scale, artisanal miners, totalling 46,432 tonnes (11.2% of the total tonnes processed). See case study *Supporting Artisanal and Small Scale (ASM) Silver Miners is a Win-win* for details.



**2** Our Procurement Department restructured with a focus on ensuring the right people, processes and tools are in place to effectively manage Endeavour's extensive supply chain. The Procurement Team also updated the policy on *Contracting Goods and Services and Working with Third Parties*.



**3** We're engaging with more suppliers to encourage ESG practices and performance. In 2021, for example, our Bolañitos team sponsored one of their contractors to apply for the Socially Responsible Company distinction, awarded by the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility for Mexico (AliaRSE). In early 2022, we were pleased to learn the contractor was recognized with the distinction.

## OUR VALUE CHAIN





Q IN FOCUS

## Supporting Artisanal and Small Scale (ASM) Silver Miners is a Win-win

For many years, Endeavour has worked with artisanal, small-scale miners in the Guanaceví community where we work. We consider these local miners a valuable part of our supply chain: we accept mill feed from the local miners that we integrate in our production process. Our plant managers supervise the delivery, weighing and sampling of the material, and arrange for payment. The economic benefits for the miners are important, with revenues they earn from Endeavour helping to support their livelihoods and families.

In early 2021, we initiated a new process to work in partnership with local miners in

areas of Endeavour's concession where the company is not currently operating, in an effort to expand the amount of material we source from small miners. We engaged with the miners to ensure they met applicable laws and were duly registered with local authorities in order to formally issue invoices.

Results to date have been positive. In 2021, the inputs these new local miners brought to the company represented 11.2% of the total amount of tonnes processed. The local benefits included a new source of income that didn't exist before for many members of the community, with a value of \$9.6 million dollars directly paid to these small miners last year.

### OUR GOALS 2022-2024

GOAL

Build a sustainable supply chain



KEY ACTIONS

- Implement supplier development plan for our mining sites.
- Implement a supplier evaluation system that integrates enhanced ESG criteria.

2024 TARGETS

- Maintain or increase number of local suppliers.
- Maintain 95% of procurement from the country where we operate and 35% from the state where we operate.
- 30% of suppliers evaluated by 2024.
- 100% of suppliers comply with Endeavour's Code included in their contract terms and conditions.

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## Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as “forward-looking statements”. Such forward-looking statements include, without limitation, statements regarding the Company’s business and sustainability strategies and goals, the environment in which the Company will operate in the future, and outlook for

2022. Although the Company believes these forward-looking statements are reasonable based on the information available on the date such statements are made and processes used to prepare the information, such statements are not guarantees of future performance and undue reliance should not be placed such statements. These forward-looking statements involve a variety of assumptions, known and unknown risks and uncertainties, and other

factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. For a detailed discussion of risks, assumptions and other factors relating to or that may affect the Company’s ability to achieve the expectations set forth in the forward-looking statements contained in this report, see the disclosures under “Forward-Looking Statements” and “Description of the Business – Risk

Factors” in the Company’s Annual Information Form and Form 40F for the year ended December 31, 2021 filed with Canadian and U.S. securities regulators at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://www.sec.gov), respectively. Other than as required by law, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.