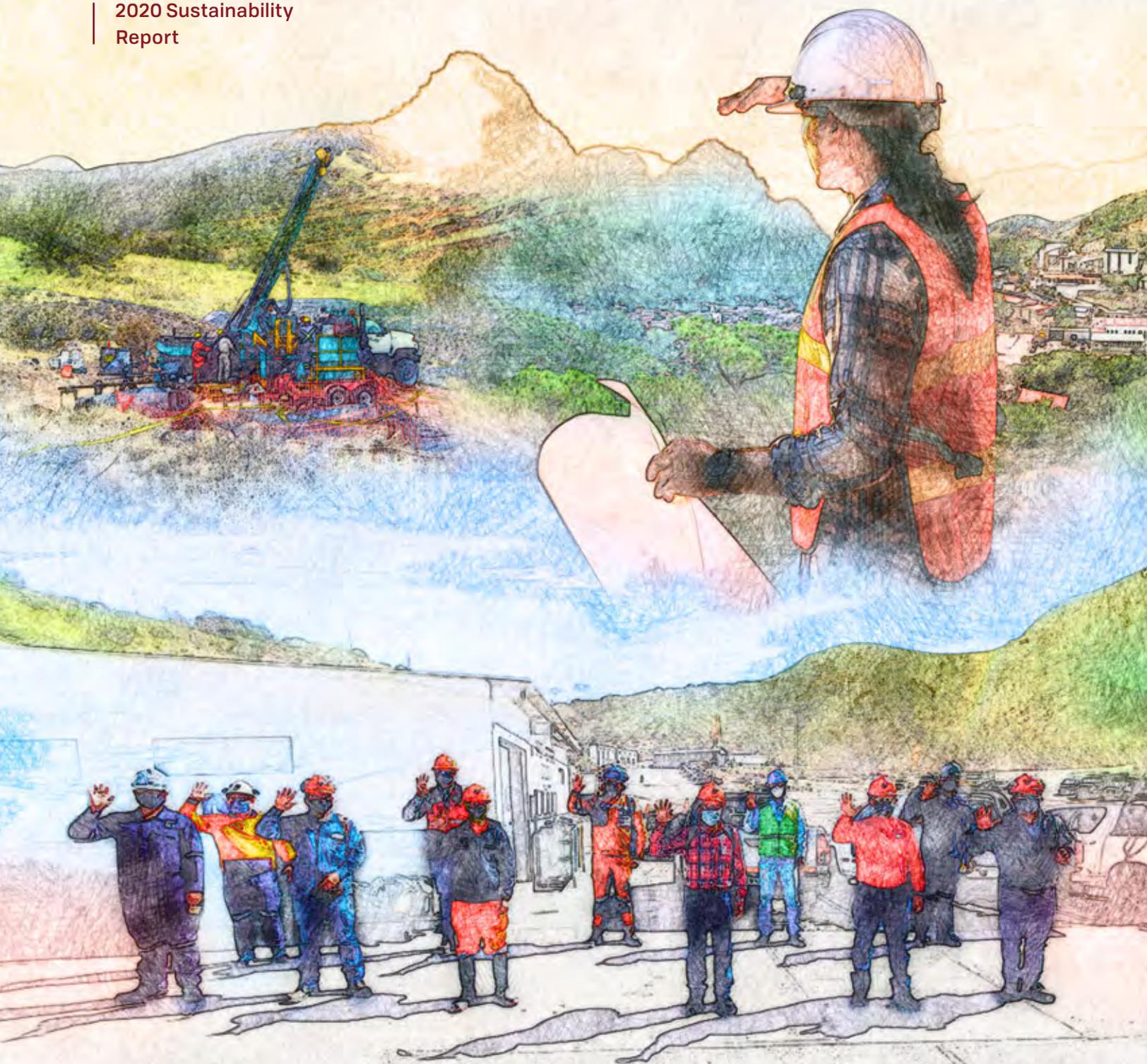


# Unity in Adversity

2020 Sustainability  
Report



# OUR MISSION

We find, build, and operate quality silver mines in a sustainable way to create value for our stakeholders. By continually improving what we do and how we do it, we aim to make a positive difference in peoples' lives. In addition to maximizing the potential of existing operations, we have a compelling pipeline of exploration and development projects to facilitate our goal of becoming a premier senior silver producer.



## Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States private securities litigation reform act of 1995 and "forward-looking information" within the meaning of applicable Canadian securities legislation. Such forward-looking statements and information herein include but are not limited to statements regarding future prospects of the El Cubo and El Pinguico projects and future acquisitions or dispositions of VanGold Shares. The Company does not intend to and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, production levels, performance or achievements to be materially different from those expressed or implied by such statements. Such factors include but are not limited to the ultimate impact of the COVID-19 pandemic on operations and results, changes in production and costs guidance, national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; financial risks due to precious metals prices, operating or technical difficulties in mineral exploration, development and mining activities; risks and hazards of mineral exploration, development and mining; the speculative nature of mineral exploration and development and risks in obtaining necessary licenses and permits,

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued exploration and mining operations, no material adverse change in the market price of commodities, mining operations will operate and the mining products will be completed in accordance with management's expectations and achieve their stated production outcomes, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

# ABOUT THIS REPORT

## CONTENT & SCOPE

Our 2020 Sustainability Report presents our commitments, goals and performance of last year related to the sustainability topics that matter most to our stakeholders.

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 are important to the stakeholders who make decisions or assessments regarding our significant economic, environmental and social impacts.

This report encompasses:

- Three producing precious metal mines – the Guanaceví mine in the state of Durango, the Bolañitos mine in the state of Guanajuato, and the El Compas mine in the state of Zacatecas
- Exploration office in the state of Durango
- Administrative office in Leon, Mexico
- Head office in Vancouver, Canada
- 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.

## COMPANION DOCUMENTS

This publication is part of our sustainability reporting suite. For more information and data, please read:

- Performance Data Tables, Global Reporting Initiative (GRI) Index, SASB and Tailings Disclosures
- 2020 Sustainability Summary

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](#).

## REPORTING FRAMEWORKS

2020 marks our eighth consecutive year of sustainability reporting using the Global Reporting Initiative as our reporting framework. This report has been prepared in accordance with the GRI Standards: Core option. New this year, we have also chosen to link our disclosures to Sustainability Accounting Standards Board (SASB).

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

<b>Reporting Period</b>	Jan. 1–Dec. 31, 2020 (fiscal year)
<b>Reporting Cycle</b>	Annual
<b>Date of Last Report</b>	Published May 2021
<b>Reporting Framework</b>	Global Reporting Initiative (GRI Standards & Metals Sector Disclosures)
<b>In Accordance Option (GRI)</b>	Core

## WE WELCOME YOUR FEEDBACK

Please email Galina Meleger, Director of Investor Relations at [gmeleger@edrsilver.com](mailto:gmeleger@edrsilver.com).

\*The company reports non-IFRS measures which include cash costs net of gold credits on a payable silver basis, total production costs per ounce, all-in sustaining costs per ounce and direct production costs per tonne, in order to manage and evaluate operating performance at each of the company’s mines. These measures, some established by industry organizations, are widely used in the silver mining industry as a benchmark for performance, but do not have a standardized meaning. These measures are reported on and reconciled in the Company’s MD&A.

\*Silver equivalent ounces calculated using 80 :1 ratio

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# MESSAGE FROM THE CEO



**“2020 was a transformational year for Endeavour Silver. Our people came together not only to resolve new challenges but also capture new opportunities and create a more sustainable future for the Company. We did not just survive a difficult year, we thrived thanks to our ability to unite in the face of adversity.”**

**—Bradford Cooke, Chief Executive Officer & Director**

## Dear Stakeholders,

Our theme for 2020 is “Unity in Adversity”, not only because of how positively we responded to the COVID-19 pandemic, but also how our people managed to turn around our mines from under-performing to out-performing, improving safety, production, and profitability at each mine. In the face of a global challenge, 2020 was a year full of resolve, transformation and achievement for Endeavour Silver.

As I reflect on the year, safety was once again a key emphasis. We kept our people safe and healthy due to our aggressive COVID-19 health precautions and recovery protocols. I can proudly say that the Endeavour community mobilized during this difficult time, not only to safeguard our employees and communities, but also to achieve our original 2020 production goals, notwithstanding the government mandated shutdown of the mining industry for almost 2 months. As a result, our Fourth Quarter 2020 was our best performance in over two years, due in no small part to the remarkable effort of our people.

## 2020 Highlights

- Invested in our people to improve the depth and talent of all levels of management
- Increased our investment in sustaining capital to renew the mobile mining equipment and extend mine lives
- Surpassed our sustainability performance from 2019
- Completed the operational turn arounds at both Guanaceví & Bolañitos
- Generated free cash flow at each mine for the first time in two years
- Replaced reserves at Guanaceví and Bolañitos and grew resources at Guanaceví
- Created new value at El Compas through a partnership
- Completed a final pre-feasibility study at Terronera with robust economics

It is now clear that the silver mining industry has entered into a new bull market thanks to a sharp increase in investment demand. Silver reached a 10-year high and started to outperform gold last year, not only for its role as a precious metal, but also as an industrial metal much needed in electronics, solar power and electric vehicles to secure a “green” future. We are excited by the opportunity to build new silver mines and help drive a more sustainable economy.

## Improved Financial and Operating Performance

Lower operating costs and higher metal prices drove significantly higher cash flow and earnings, which turned positive for the first time in three years due to our very strong performance in the second half of 2020. The mines generated revenue of \$138.4 million from the sale of 3.5 million oz of silver and 35,519 oz gold (6.3 million oz silver equivalents at an 80:1 silver:gold ratio) at average realized prices of \$21.60 per oz silver and \$1,846 per oz gold. Our 2020 cash cost and all in sustaining cost, net of gold credits, each decreased year-on-year by 57% and 17% to \$5.55 per ounce and \$17.59 per ounce, respectively. As a result, our EBITDA, free cash flow and cash position all increased by over 300% in 2020. The bottom line was net income of \$1.2 million (\$0.01 per share) despite several extraordinary items including care and maintenance expenses for the entire year at El Cubo and for almost two months at our operating mines.

Guanaceví re-emerged as a cornerstone asset in 2020, through the completion of its operational turnaround. Silver equivalent production was up 43%, grades were up 37% and throughput was up 7% in 2020. The mine is now operating close to capacity and will

continue to deliver high grade ores from the new Milache, El Curso and Santa Cruz Sur orebodies for years to come. Bolañitos continued to improve with rising quarterly production, up 3%, on higher throughput, up 5%, and stronger gold grades and recoveries. The mine is now operating close to capacity, the highest level since 2018. We invested in sustaining capital at each mine to develop new high-grade areas and are continuing to add resources in new high-grade veins to extend mine lives.

## Creating Value Through Exploration and Development

Endeavour Silver was “built through the drill bit” in that every mine we developed was the result of virgin discoveries in historic mining districts made by our exploration team. Our largest discovery to date, the Terronera Project, is our next core asset and the cornerstone of our next phase of growth as a company. During 2020, we published a final Pre-feasibility study with very robust forecasted economic returns. We are currently completing a feasibility study to de-risk the project for a development decision in the summer of 2021. Last year, we expanded our land package through the acquisition of two adjacent mineral concessions, covering multiple mineralized vein structures. We aim to give back to the community by maximizing local economic benefits and job opportunities through responsible development of the project, with plans underway for establishing a temporary construction camp while continuing to drill test multiple new targets.

## Raising the Bar on Sustainability

While COVID-19 made this an especially challenging year, it didn’t stop us from continuing our progress in raising the bar on our sustainability programs. At the mine sites, extra precautions to prevent the spread of and hasten the recovery from COVID-19 effectively reduced our employee availability. Notwithstanding, we were able to sustain our productivity, while working safely. Our newly launched “Real Safety” program further strengthened our safety culture and performance and resulted in lower Lost Time Injuries (LTI) frequency and severity rates that continued to trend down over the year.

We also launched our ICARE Values program, to bring greater visibility of our values as a company to our employees, so that they feel more connected with who Endeavour is and where the company is going. ICARE stands for Integrity, Care, Attitude, Reliability and Excellence, to remind us all that we count on each other, every day, in everything we do, whether we’re in Vancouver or Mexico. Employees embraced the program, recognizing that our values program is an investment in bringing out the best in everyone to ensure a brighter future for Endeavour.

In the local communities, the need for children to study from home gave rise to our Silver Tablet program. Endeavour donated over 500 smart tablets to families in local Mexican communities to enable home learning. It was a resounding success and we will keep building on the program, finding new ways to foster education and support communities for years to come.

## 2021 Outlook and Beyond

In looking ahead to what promises to be a productive and bright outlook, I believe there are several ways we can create value:

- Optimize the mining operations by focusing on improving even further our safety, productivity and free cash flow
- Develop the Terronera Project to become our new core asset and one of the lowest cost mines in the silver sector
- Explore our Chile projects to make a material new bulk tonnage discovery and transition to larger scale operations
- Grow through accretive M&A opportunities to enhance our production, cost and growth profiles

In closing, I would like to thank our management and employees for working relentlessly to deliver a very rewarding year. The operational turn arounds at Guanaceví and Bolañitos are testaments to the hard work, skill, passion and persistence of our operations team. Terronera and Parral represent our future thanks to the vision, ability and success of our exploration group. I’m confident that Endeavour will continue to create value for all stakeholders as we move into the next phase of our growth as a company.

Sincerely,

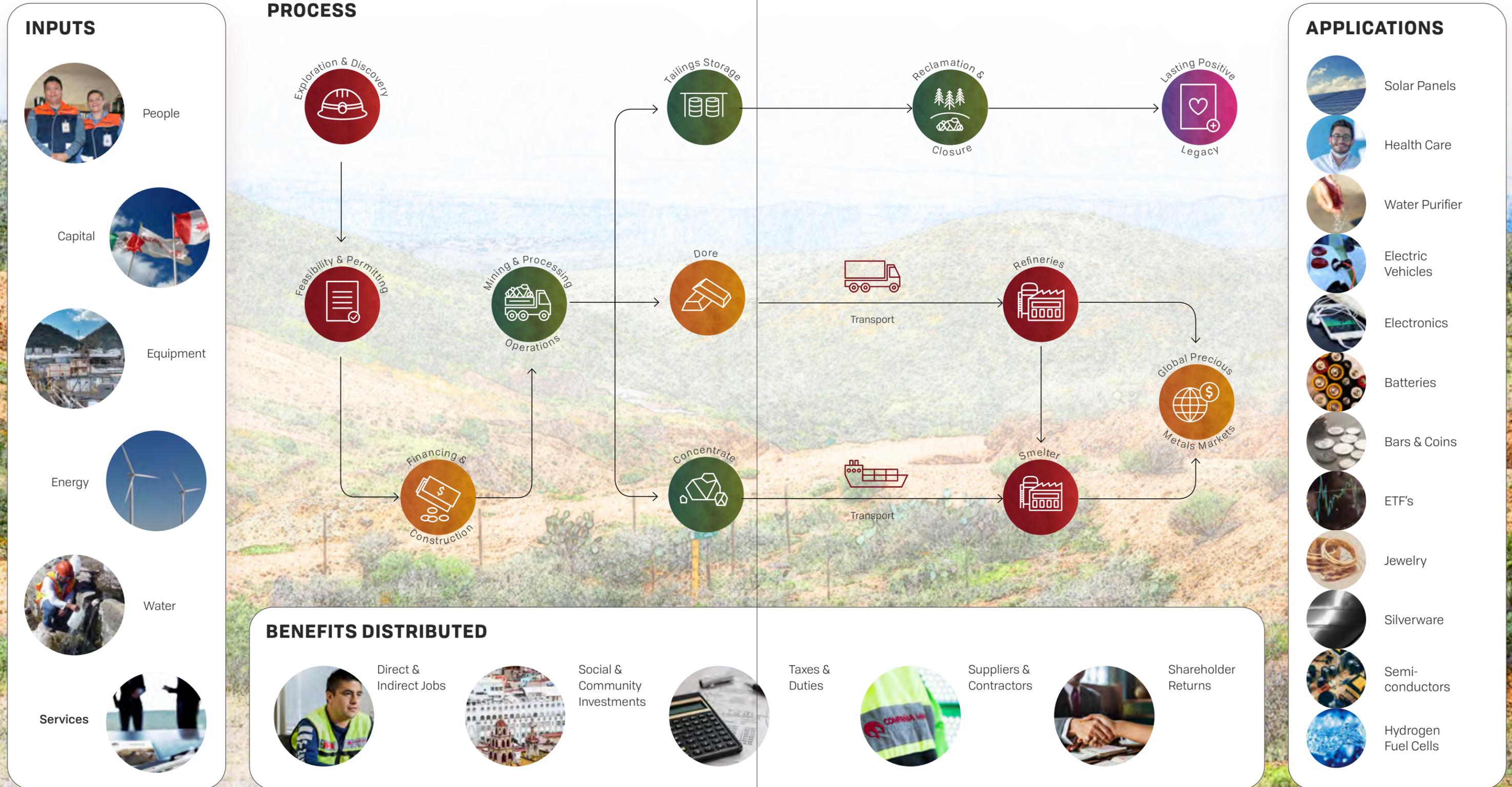
Bradford Cooke,  
Chief Executive Officer & Director  
May 2021



# 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 anti-bacterial uses. 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.



# ABOUT ENDEAVOUR

Endeavour Silver Corp. is a mid-tier precious metals mining company listed on the NYSE:EXK and TSX:EDR. The Company is headquartered in Vancouver, Canada, and is engaged in the evaluation, acquisition, exploration, development and exploitation of precious metals properties in Latin America. Our philosophy of corporate social integrity creates value for all stakeholders.



## Operations

We own three high-grade, underground, silver-gold mines in Mexico; the Guanaceví mine in Durango, the Bolañitos mine in Guanajuato and the El Compas mine in Zacatecas. In Q4 2020, we signed an agreement to sell the dormant Cubo mine and its related assets to VanGold Mining for \$15 million in cash and share payments plus additional contingent payments.

2020 Operating Performance

### SILVER

3.5M oz Production

48.6M oz

Proven & Probable Reserves

25.9M oz

Measured & Indicated

2020 Operating Performance

### GOLD

37,139 oz Production

471,900 oz

Proven & Probable Reserves

222,500 oz

Measured & Indicated

## Development & Exploration

We own one development project in Mexico, the Terronera project in Jalisco, which is now fully permitted and awaiting the completion of a feasibility study to warrant a development decision and project financing in 2021; and the prospective Parral Project in Chihuahua state, which is a past producing mine. In addition, we hold several other exploration properties in Mexico and Chile.



## MEXICO



3 operations

1 development project

5 exploration projects

- Operations
- Development
- Exploration

## CHILE



### Terronera Project

- Jalisco state
- Potential to be next core asset
- Awaiting release of feasibility study, project financing, and board approval for construction

### Parral Project

- Chihuahua state
- Existing resource base of 36 million oz silver
- \$2 million exploration budget in 2021

### Guanaceví Mine

- Durango state
- Produced 3.9 million oz silver equivalent metal
- Produces silver & gold dore bars from 1,200 tpd plant

### El Compas Mine

- Zacatecas state
- Produced 0.8 million oz silver equivalent metal
- Produces gold & silver concentrate from 250 tpd plant

### Bolañitos Mine

- Guanajuato state
- Produced 1.9 million oz silver equivalent metal
- Produces silver & gold concentrate from 1,600 tpd plant

# SUSTAINABILITY AT ENDEAVOUR

## Q&A WITH KEN PICKERING

Independent Board Director and Sustainability Committee Chair



### In your view, what was Endeavour's top 2020 achievement?

Taking care of our people when it mattered most. We prioritized employee well-being as the pandemic unfolded last year. While our operations shut down for over a month due to lockdown measures in Mexico, we continued paying everyone, kept them informed and offered support. We did not lay off or lose employees.

Once we were allowed to re-open, we returned to business as usual as best as possible by implementing an active testing system and other protocols to keep people healthy and comfortable. As a result, our employees were keen to come back to work and many told us they felt rejuvenated. I believe that's a major reason why Endeavour had such a productive year overall, especially during the third and fourth quarters.

### 2020 accelerated discussions on diversity and equality across society. How is Endeavour responding?

At Endeavour we respect and value the perspectives, experiences, cultures and essential differences that our Board, management and our employees possess. We do not tolerate discrimination of any form. Our strong commitment to diversity and inclusion is defined in company policies and standards, including our [Diversity Policy](#), [Sustainability Policy](#) and new ICARE Values that reinforce diversity as part of 'The Endeavour Way'. Last year we updated several policies to enhance our commitment to Indigenous rights, and we supported a nation-wide campaign in Mexico focused on raising awareness of violence against women in the country. Certainly, we know more work is needed to achieve true inclusion, including gender diversity within our organization, and that's where we want and need to go.

### Climate change has been called the defining issue of our time. What actions are being taken by Endeavour to address it?

Addressing environmental degradation is certainly a priority for Endeavour and every industry right now. We've asked ourselves what Endeavour can do better to manage environmental risks and mitigate negative impacts by – and on – our business. We closely monitor and report on our energy usage and GHG emissions, and we've set up a new Environmental Management System that will help us identify more energy efficiency opportunities.

Mineral extraction is energy intensive. Electricity—which we get from the grid at all our operations—is our biggest carbon footprint. This is followed by diesel emissions. Working in underground mines has historically involved using diesel equipment. So as part of our climate mitigation strategies we've started shifting to less-contaminating fuel equipment such as electric. Our up-and-coming flagship site, Terronera, is Endeavour's first to be built from scratch, and we're incorporating greener technologies and environmental best practices in all of our plans. For instance, we've committed to 15% green energy to power the site, with an aim to increase that over time. The site also has no tailings dam; we filter and dry stack the tailings there, as we do at Guanaceví, which maximizes the water recirculated.

## OUR SUSTAINABILITY FRAMEWORK

At Endeavour, we aspire to be a proactive, positive contributor to a healthier society and more sustainable ecosystems. That's why we have embedded sustainability into our corporate identity and our approach to doing business.



Since our inception, we have recognized that sustainable development contributes to the long-term viability of our company and our host communities in Mexico. For us, that means responsibly exploring and managing our mining properties, while contributing to the well-being of our workforce and local Mexican communities.

Our Sustainability Strategy encompasses our entire value chain, with a focus on five core areas: safety and health; people; community; environment; and economic value. These areas are underpinned by an ongoing emphasis on good corporate governance. Our sustainability agenda is:

- Driven by our leadership, including our CEO, CFO and Board of Directors.
- Woven into our governance structure (see page 20) and various policies, including our [Sustainability Policy](#).
- Integrated in our risk management program and strategic planning process.

## LISTENING TO OUR STAKEHOLDERS

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. That means we have a responsibility to ensure we have a clear understanding of their needs and perspectives.

Through various communication channels, we seek out and listen to feedback from stakeholders most impacted by our business. We use these insights to guide our business and make a positive impact on society. Open, ongoing dialogue—direct and through a third-party—is key to learning and improving, helping us build trust as a responsible corporate citizen.





Since our inception, we have recognized that sustainable development contributes to the long-term viability of our company and our host communities in Mexico.

## OUR MATERIAL TOPICS

This report—and our ongoing sustainability work—focuses on the social, economic and environmental topics of greatest importance across our whole value chain. We determine these issues through a bi-annual

materiality assessment in which we survey our main stakeholders. The process is conducted by an external consultant and is guided by the Global Reporting Initiative standards.

This 2020 Sustainability Report is structured around the material topics identified in our last materiality assessment in 2019, the results of which were detailed in our 2019 Sustainability Report. These topics are shown below.

### Material Topics



- Occupational safety\*
- Workforce well-being\*
- Employee satisfaction
- Training and development
- Community engagement and impacts
- Community investments
- Environmental compliance and tailings
- Water management
- Financial performance
- Job creation and local procurement

\*In our 2019 report, we had merged these two topics; however, the pandemic and other current realities have underscored their importance as distinct issues so we have separated them in this report.

Our next full materiality assessment is planned for 2021.



## How We Support the SDGs



SDGs	Description	Endeavour's contribution	
<b>3</b> GOOD HEALTH AND WELL-BEING 	Ensure healthy lives and promote well-being for all, at all ages	<ul style="list-style-type: none"> <li>• Occupational Safety &amp; Health</li> <li>• Workforce Wellness</li> <li>• Water Management</li> </ul>	<ul style="list-style-type: none"> <li>• Community Engagement &amp; Impacts</li> <li>• Community Investment</li> </ul>
<b>4</b> QUALITY EDUCATION 	Ensure inclusive and quality education for all and promote lifelong learning	<ul style="list-style-type: none"> <li>• Occupational Safety &amp; Health</li> </ul>	<ul style="list-style-type: none"> <li>• Community Investment</li> <li>• Training &amp; Development</li> </ul>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	Promote inclusive and sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> <li>• Employee Satisfaction</li> <li>• Training &amp; Development</li> <li>• Financial Performance</li> <li>• Occupational Safety &amp; Health</li> </ul>	<ul style="list-style-type: none"> <li>• Job Creation &amp; Local Procurement</li> <li>• Community Investment</li> <li>• Workforce Wellness</li> </ul>
<b>15</b> LIFE ON LAND 	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> <li>• Other Environmental Impacts</li> <li>• Environmental Compliance &amp; Tailings Management</li> </ul>	<ul style="list-style-type: none"> <li>• Water Management</li> <li>• Community Engagement &amp; Impacts</li> </ul>

## SUPPORTING THE SDGS

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.

The chart above highlights the SDGs we have determined most relevant to our business and how we're working in support of them through our activities, initiatives and partnerships. Additionally, 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.



Community infrastructure project, photo taken pre-COVID-19

# SUSTAINABILITY SCORECARD

The following tables summarize our sustainability performance against our 2020 priorities. For more results, refer to each relevant section in this report.

- Achieved
- ◐ On track and more work needed
- Not Achieved

## Safety & Health

2020 Priorities	2020 Results
Zero fatalities	● Achieved
Reduce our reportable injury frequency rate to below 2.77	● Achieved
Implement the Safety Culture work plan as outlined in the safety audit	● Achieved
Hire a safety manager to drive the new safety culture initiative	● Instead of a safety manager, we retained a safety consulting group for an 18-month engagement to implement this initiative

## Our People

2020 Priorities	2020 Results
Implement and deploy the new core values and competencies	◐ In progress
Complete deployment of new E-talent HR software system	◐ In progress
Implement new legislation in Mexico regarding employee well-being (NOM 035)	● Achieved
Improve the technical skills of our operators	◐ In progress
Strengthen the hard and soft skills of the front line supervisors	◐ In progress
Assess areas that require improvements in training based on the required skillset for each position	○ Not achieved—this effort was not prioritized as emphasis was placed on initiating the roll-out of the ICARE program.

## Community

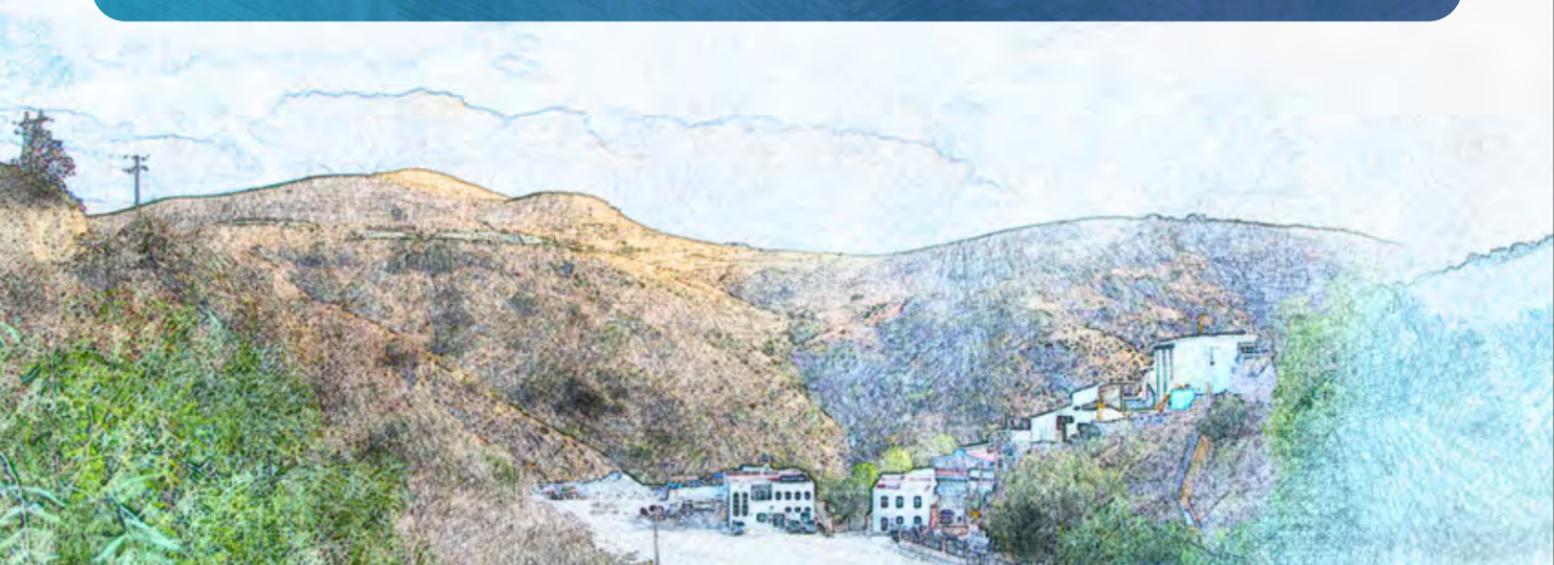
2020 Priorities	2020 Results
Implement the Social Management System, which includes a review of social policies and procedures	◐ In progress
Address and solve community complaints in a reasonable timeframe	◐ In progress
Oversee that the ongoing transition of public services from Endeavour to the El Cubo community is ongoing and successful	● Achieved
Maintain environmental monitoring in the El Cubo facilities to ensure there are no negative impacts in the community	● Achieved
Ensure that at least 50% of investments support our community investment priorities: education and employability	● Achieved
Standardize the Endeavour scholarship program across all sites	● Achieved
In partnership with other groups, provide at least two skills workshops at each mine to help people prepare for future career or entrepreneurial opportunities	× Cancelled due to COVID-19 restrictions

## Environment

2020 Priorities	2020 Results
Zero spills	● Achieved
Implement an environmental management system	◐ In progress
Improve piping and pipeline infrastructure at all sites	● Achieved
Reduce the amount of hazardous waste per tonne processed by 10%	○ Not achieved—though experienced a 5% reduction
Maintain fresh water intensity in the ranges of 0.20 and 0.25 cubic metres per tonne processed	○ Not achieved—recorded 0.46 cubic metres per tonne processed

## Economic Value

2020 Priorities	2020 Results
Complete final update of the prefeasibility study to further de-risk the Terronera project and improve certainty of project capital requirements	● Achieved
Consider completing a feasibility study to expand financing alternatives for the Terronera project	● Achieved
Return Guanaceví, Bolañitos and El Compas to profitability as measured by mine operating free cash flow	● Achieved



# CORPORATE GOVERNANCE

Since launching Endeavour Silver more than 15 years ago, we've built our business on the principles of accountability, ethical behaviour and social integrity. These foundations are critical from the top of our company down.

## ENDEAVOUR'S BOARD OF DIRECTORS 2020

Number of members	7	Code of Conduct for Directors	Yes
Number of independent members	6	Board Oversight of Sustainability	Yes
Number of women members	1		

## LEADERSHIP & GOVERNANCE

Our Board of Directors oversees the Company's business conduct and strategic planning. The Board ensures that appropriate governance mechanisms, policies and procedures are in place, including the integrity of our internal controls and management information systems.

- Our [Code of Business Conduct and Ethics](#) and several other policies.

guide the Board's oversight and communications with shareholders.

- Management is responsible for setting long-term goals, objectives, plans and strategies.
- The Board has four standing committees: Audit Committee, Compensation Committee, Corporate Governance and Nomination Committee, and Sustainability Committee.

- We have a [Diversity Policy](#), which recognizes the benefits arising from Board, management and employee diversity. For example, a more diverse leadership and workforce population brings broader perspectives and experience to our team.

### BOARD OF DIRECTORS

- Corporate Governance
- Nominating Committee
- Sustainability Committee
- Audit Committee
- Compensation Committee

### MANAGEMENT

- Operations
- Exploration
- New Projects
- Human Resources
- Finance

### REGIONAL

- Safety
- Community Relations
- Environment
- Human Resources
- Finance
- Legal

### AT SITES

- Safety
- Community Relations
- Environment
- Human Resources
- Finance



## SUSTAINABILITY GOVERNANCE

Sustainability is ingrained in the highest levels of Endeavour and throughout our company, including at each site in Mexico.

At the Board level, there is a clear emphasis on sustainability issues, as demonstrated through dedicated committees and oversight. Two of the Board committees oversee our sustainability strategy and decision-making: the Sustainability Committee and, to a lesser extent, the Corporate Governance and Nominating Committee.

Guided by our [Sustainability Policy](#) and the Sustainability Committee Charter, the Sustainability Committee meets at least three times per year to review reports from key departments of our operations. The Committee promotes a sustainability mindset and encourages a corporate culture that takes responsibility for sustainable development. They also approve policies, standards and responsible work practices that guide the performance and expectations of our employees, contractors and other partners.

The Sustainability Committee and a team of senior executives—including the CEO, Chief Operating Officer, Chief Financial Officer, VP Operations, and Director of Investor Relations—set specific sustainability priorities for the upcoming year and formally review our Sustainability Report to ensure it effectively addresses all material topics identified by our stakeholders.

Compensation of the management team is tied to production and sustainability goals. In particular, safety and environmental criteria are incorporated into the annual pay structure.

At the operational level, sustainability matters such as workplace safety, environmental protection and community relations are integrated into the everyday management of our business.

## RISK ASSESSMENT AND MANAGEMENT

Identifying, evaluating and managing risks, including social and environmental issues that can materially impact our business, are critical to our long-term viability and the interests of our stakeholders. Risk management is embedded in our organizational structure and responsibilities, and our risk management methodology and resulting matrix includes scales of assessing and ranking risk impact and likelihood.

Controlling and overseeing risk involves many departments at Endeavour, including Security (for people and assets), Safety and Health, Community Relations and Contractor Management, among others. At the site level, we recently added a Risk Control Department with a superintendent now at each site. Risk assessments take place at each site and action plans are developed to mitigate or address those risks.

### Dig Deeper Online

[Governance Documents](#)

[Sustainability Policy](#)



## HUMAN RIGHTS

We respect and uphold fundamental human rights, both in our workplace and in local communities. Our commitment is embedded in both our [Code of Business Conduct and Ethics](#) and our [Diversity Policy](#). We are guided by global standards such as the United Nations (UN) Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.

We foster a work environment free from discrimination against gender, race, culture, national origin, marital status, sexual orientation, or political/

religious beliefs, and we do not tolerate any form of harassment. Employees are encouraged to speak out if a co-worker's conduct makes them uncomfortable, and to report harassment or discrimination if it occurs.

Endeavour respects the rights and cultures of Indigenous Peoples. In 2020, we updated five of our corporate policies to reflect this commitment. These include our [Sustainability Policy](#), [Environmental Protection Policy](#), [Health and Safety Policy](#), [Code of Business Conduct and Ethics](#), [Diversity Policy](#) and [Community Investment Policy](#).

Child labour exists as a general country risk within Mexico, however we maintain strict proof-of-age policies and hiring procedures at all sites, preventing anyone under the legal working age of 18 from obtaining employment. This proof-of-age requirement extends to our contractors through our Contracting Services and Working with Third Parties Protocol, which specify that no contractor will employ persons under the working age permitted by law. There were no reported incidents of child labour at any of our operations in 2020.

## BUSINESS CONDUCT

Our [Code of Business Conduct and Ethics](#) (the Code) reflects our commitment to a culture of honesty, integrity and accountability. Reviewed and updated regularly, the Code establishes the essential standards we expect all employees and those doing business with us to uphold. We distribute a copy of the Code to our employees during the orientation process and post it at key locations across our sites.

Adherence to the Code is a mandatory condition of employment. Individuals who fail to comply with the Code and all applicable laws are subject to disciplinary measures, up to and including discharge from the Company or termination of the business relationship. Every year employees complete a 'training refresher' of the Code to reinforce our workplace standards and expected behaviours workplace.



### Topics covered in our Code include:

- Conflicts of interest
- Confidentiality
- Protection and proper use of company assets
- Insider trading
- Fair dealing
- Environment
- Equal opportunity, discrimination and harassment
- Human rights
- Indigenous Peoples
- Health and safety
- Financial and Business Disclosure
- Gifts and entertainment
- Improper payments
- Reporting of illegal or unethical behaviour



At Endeavour we prioritize taking care of our people and each other.

## ANTI-CORRUPTION AND ANTI-BRIBERY

We take a zero-tolerance approach to any form of bribery and corruption. We adhere to all laws and best practices in this area, and our commitments and practices are outlined in our [Anti-Bribery and Anti-Corruption Policy](#) to ensure we take a consistent and comprehensive approach wherever we operate.

Corruption-related risks are evaluated at the management level as part of the

Company risk assessment process, supplemented by our thorough internal financial controls, which are in place to monitor aspects of operations that could be affected by bribery or corruption. Both risk management and internal controls are reviewed and evaluated annually by the Board of Directors. In 2020, there were no reported incidents of corruption.

### Dig Deeper Online

[Code of Business Conduct and Ethics](#)

[Anti-Bribery and Anti-Corruption Policy](#)

[Whistleblower Policy](#)

[Corporate Disclosure Policy](#)

## WHISTLEBLOWER POLICY

Our Whistleblower Policy provides a Company-wide protocol for reporting—without fear of reprisal—any apparent fraudulent, unethical or illegal activity or behavior related to financial matters (concerns related to non-financial matters go through our Internal

Grievance Mechanism). Concerns can be raised on a confidential and anonymous basis. Reports are directed to the Chairman of the Audit Committee, and we investigate and document all concerns. In 2020, we did not receive any whistleblower complaints.



## Commitments to External Initiatives



- The Organization for Economic Cooperation and Development Guidelines for Multi-National Enterprises
- The United Nations Guiding Principles on Business and Human Rights
- Voluntary Principles on Security and Human Rights
- International Finance Corporation Performance Standards on Social and Environmental Sustainability
- GHG Protocol from the World Business Council for Sustainable Development
- Global Reporting Initiative

## Key Memberships



Association for Mineral Exploration British Columbia



Confederation of Industry Chambers



Mining Task Force of the Canadian Chamber of Commerce in Mexico



Mexican Mining Chamber



The Silver Institute



Institute of Corporate Directors



# Safety & Health

## MATERIAL TOPICS

Occupational Safety & Health	26
Workforce Wellness	30



## 2020 HIGHLIGHTS

**25%**

reduction in our Reportable Injury Rate (RIR), exceeding our target of 10% reduction

**14 h**

of safety training provided per worker

**"Te Cuido"**

Safety Culture Change Program implemented: focus on risk awareness and competency

**1333**

employees surveyed for their perception on safety practices and culture; we are implementing action plans in response

# OCCUPATIONAL SAFETY & HEALTH

Alignment with SDGs

- 4 QUALITY EDUCATION
- 3 GOOD HEALTH AND WELL-BEING
- 8 DECENT WORK AND ECONOMIC GROWTH

## Why It Matters

The safety and well-being of our employees and contractors are our top priorities at Endeavour. Constant attention to risk awareness and effective risk mitigation is essential in the mining industry—particularly at underground operations, which pose numerous risk hazards. By eliminating these hazards and minimizing risk of accidents and injuries, we operate safe mines and create a secure, productive environment.

## MANAGEMENT APPROACH

### Safety Management System

Our goal is a workplace free of injuries and high potential incidents. We have a Safety Management System that:

- Maintains safety procedures, controls and standards, as outlined in our [Health and Safety Policy](#).
- Employs safety managers, coordinators and superintendents at each operating mine. They are supported by management, the trade union, safety committees and other groups that conduct activities such as risk reviews, audits, emergency response and mine rescue.
- Provides safety training, including the use of personal protective equipment and safety signage, and the continuous monitoring of air quality for good ventilation. To prevent rock falls, we prohibit working in unstable and unsupported areas and we employ ground support techniques, including rock bolts, cables, mesh and shotcrete to ensure safe underground workplaces.

- Prohibits alcohol and drug use at all sites and monitors workers' blood levels to ensure compliance.

As part of our safety culture initiative, we are in the process of updating the Safety Management System. These updates will reflect the drive to become a more risk aware and risk competent organization, focused on the management and mitigation of High Potential Incidents and the implementation of the Key Performance Indicators driven by leading indicators.

### On-site Medical Professionals

Each mine has a physician and trained paramedics as part of the on-site safety team. The physicians and paramedics conduct COVID-19 screening and case management, medical exams, monitor specific health indicators for all employees and check occupational health conditions in the workplace. This monitoring ranges from organ function to lower back testing. Physicians and paramedics are key participants in incident, accident and emergency response actions.

Additionally, our medical professionals work with our community relations team to support medical campaigns, health education and off-site medical emergencies in the local communities when required. Each operation is equipped with a first aid clinic and ambulance for medical evacuation.

In the event of an incident or accident, caring for any injured employee is our first priority. Our updated safety management program includes Basic Trauma Life Support training for physicians. This ensures they are prepared to participate and lead in patient stabilization at an accident scene, prior to evacuation.



In the face of the global COVID-19 pandemic, we augmented our standard safety procedures with COVID-19 protocols to protect our workforce.

### Evaluating and Addressing Risks

We conduct daily risk assessments and inspections across our mine sites to identify and eliminate potential hazards. For example, employees must complete a Job Safety Analysis and five-point checklist to verify that safe conditions exist prior to starting work. In 2020, we initiated crossover inspections among our mining operations; these inspections will continue as a standard practice in 2021.

Management is tasked with an individual monthly inspection program administered by the safety department. Senior management regularly follows up with these inspections to ensure we're meeting the commitments of our internal policy. Our Safety and Hygiene Commission, mandated by Mexican law, meets once per month to audit facilities for safety and health compliance and to identify areas of opportunity or concern. The commission then recommends appropriate actions and plans.

We investigate and evaluate every incident to identify root causes and implement corrective or preventative actions to address any problems.

### Building a Safety Culture

We believe that safety is everyone's responsibility and that leadership must drive this message by example. We continually invest time and resources to engage with our employees, contractors and stakeholders to ensure that safe work practices are the priority and comply with our policies and procedures. Additionally, we empower our workforce and contractors to proactively take the necessary steps to ensure safe measures, including stopping work and speaking up when they see an unsafe condition or action. The core message of the "Te Cuido" ("I take care of you"), safety culture change program is "Step back and take control".

Over one-third of our workforce participates in safety groups, committees and mine rescue programs. Upon joining Endeavour, all employees and contractors participate in a three-day induction program, which focuses on workplace safety. We provide continual safety education and interactive discussions about safety equipment, activities and recognizing and resolving hazardous situations. Each employee also takes annual refresher training or a "reinduction program" at the start of each calendar year. While the global COVID-19 pandemic required us to conduct the 2020 annual refresher in different formats throughout the year, we remain committed to continuing our annual refresher training when safe to do so.

### Emergency Preparedness

We have emergency response plans and teams for each mine, process plant, construction site and exploration location. All of our employees and contractors receive basic first aid training as part of the new hire/induction process. We also have emergency readiness plans for handling incidents such as hazardous substance spills. Many employees are trained as responders for emergency situations in nearby communities.



## 2020 PERFORMANCE

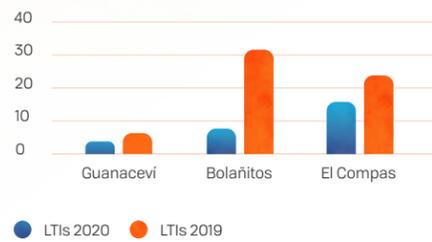
### Injury Performance Metrics

- In 2020, we reduced by 25% our Reportable Injury Rate (RIR) to 2.09 in 2020, from 2.77 in 2019. Our lost time frequency rate decreased by 46% from 2019.
- Along with meaningful accident reduction, none of our incidents involved life-threatening injuries. The most common lost-time incidents (LTIs) involved injury from falling rock or vehicle accidents. Because our root cause analyses identified lack of risk awareness prior to several safety incidents, we plan to focus on risk awareness/identification and risk competency training. This ensures workers, supervisors and managers can perceive and understand workplace risks and have the knowledge and commitment to control or mitigate exposure to hazards.
- The severity rate of reported incidents at our mine sites in 2020 decreased by 88%.
- Our Guanaceví site achieved just under 1 million hours with no lost time incidents in 2020. They reached 971,808 hours by December 31, 2020 and 1 million hours by January 6, 2021. The local team is proud of their accomplishment, with 50% less incidents with lost time in 2020, and a reduction in the severity rate from 33.99 to 26.42.

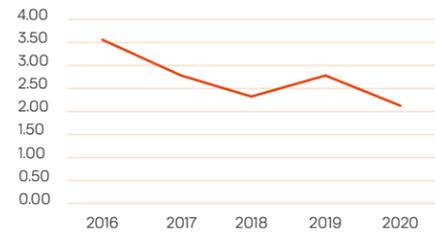


We achieved a 25% reduction in our reportable injury rate (RIR) last year.

### LTIs per Site



### RIR



### Key Initiatives

- In the face of the global COVID-19 pandemic that unfolded in 2020, we augmented our standard safety procedures with COVID-19 protocols to protect our workforce. Endeavour initiated on-site daily screening and COVID-19 testing at all locations, including mines, offices and projects. During the year, over 1,750 COVID-19 tests were conducted. This accounts for over 60% of our employees, contractors and other stakeholders. For more details, refer to the [Workforce Wellness](#) section.
- We provided an average of 14 hours of safety training per worker, including contractors, representing a total of 25,049 training hours. The training covered three key areas: safety monitoring, rescue training and regulatory technical training. The average for 2020 was down from 27 hours per worker, due to COVID-19 restrictions for large in-class training.
- Despite the challenges of conducting employee training amidst COVID-19 safety protocols, we engaged a safety consulting firm, Real Safety, for an 18-month period to improve the company's safety culture. (See adjacent IN FOCUS case study).
- We rolled out a safety improvement plan, including safety training program revisions, based on recommendations from a comprehensive safety audit conducted in 2019.
- Third-party experts (Real Safety) reviewed and tested the Endeavour mines rescue teams. As a result, we provided refresher training and initiated a rescue equipment upgrade program.



## 2021 PRIORITIES

- Zero fatalities.
- Reduce RIR by 10%.
- Initiate the management priority of identifying risk to eliminate High Potential incidents.
- Continue working with Real Safety consulting group to improve our safety culture. This will include

continual training on the safety protocols and competencies, strengthening the company's rescue brigades. It will also involve updating and implementing the Safety Management System, incorporating more systemic and standard approaches across all sites.



## IN FOCUS

### Building a "Te Cuido" ("I take care of you") safety culture

Changing safety culture means re-educating current employees and contractors to replace long-held practices with safer procedures. Maintaining safety standards at mining sites can be challenging when staff turn-over results in less-experienced employees, so improving safety training is also necessary.

#### Injury Performance Metrics

To help strengthen Endeavour's safety culture, we engaged a consulting group, Real Safety, to carry out an 18-month engagement across our operations. Despite the challenges of performing training programs in 2020 amidst pandemic restrictions, we made considerable progress.

We completed a perception survey at all sites, which identified the main safety issues raised among the 1,333 employees surveyed. They included:

- lack of trust;
- a low level of education and management skills at the supervisory level;
- communication;
- recognition, and
- workplace stress.

We also carried out a gap analysis for critical risk control protocols. This identified an average of about 50% implementation of these protocols.

In response to these findings, we held safety training to build the competencies of 290 frontline company and contractor supervisors. We also hosted "Te Cuido" events at El Compas and Bolañitos for more than 500 workers. This included hands-on activities to strengthen skills such as trust, teamwork, leadership, decision-making and problem solving. Our consultant also worked closely with our local rescue brigades to strengthen emergency procedures, basic life support and technical rescue capabilities.



# WORKFORCE WELLNESS

Alignment with SDGs

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

## Why It Matters

Overall wellness is very important for both employees and stakeholders. Fostering mental, physical and financial well-being means workers are happier, healthier and more productive.

## MANAGEMENT APPROACH

### Wellness Program

We promote good, holistic health and mitigate health risks inherent in the mining industry. These can include respiratory problems, gastrointestinal illnesses and headaches from prolonged or inadvertent exposure to noise, dust, emissions and gases. Our efforts include:

- Running health campaigns such as flu vaccinations, prostate screening and cholesterol checks.
- Providing easy access to professional health care and advice. In Mexico, we have an on-site physician at each mine and we offer all workers annual medical exams, including X-rays, spirometry, audiometry and physicals.
- Observing bio-markers (lead in blood and other blood chemistry) of our employees who work in labs or smelting facilities (twice per year).
- Monitoring specific health indicators for all employees relating to organ function or other aspects of work-related health, such as lower back testing.

### Mental Health

Our workers' mental wellness is critical to ensuring they are alert, safe and productive on the job.

We are increasingly recognizing the importance of supporting our workers' mental health and well-being.

To do so, we are committed to building awareness and providing workplace supports to help our workers deal with potential mental health challenges. These could range from immediate stress resulting from pandemic health concerns, to ongoing complications of mine site isolation, post-accident trauma, economic insecurity, work-life balance, or the risks of mental, physical or substance abuse at work or home. Many of our efforts are guided by the new Mexican Standard on Psychological Risk Factors at the Workplace, [NOM-035-STPS](#).



### Safety and Hygiene Commission

Our Safety and Hygiene Commission, mandated by Mexican law, meets once a month to audit facilities for safety and health, identify areas of opportunity or concern, and devise a timely and appropriate follow-up plan for any issues. The recent COVID-19 pandemic reinforces the importance of ensuring that proper safeguards are in place to ensure worker health and to minimize disruption to our operations. For more details, also see the [Occupational Safety](#) section.

## 2020 PERFORMANCE

### Injury Performance Metrics

- In a year in which a global pandemic had a profound economic impact on people and organizations, we stepped up to ensure the well-being of our workforce, including their financial health. During a six-week, government-mandated shutdown of all non-essential businesses in Mexico in April, due to COVID-19, we ensured that no employees were laid off and that all workers received their base salary as usual.
- In May, the Mexican federal government recognized mining as an essential business. Endeavour resumed operations, using stringent COVID-19 protocols for prevention and recovery. Among them:
  - Our COVID-19 protocols follow the Mexican government guidelines. Government entities, including COFEPRIS (Mexican Federal Commission for Protection against Health Risks), the Ministry of Labour and the IMSS (Mexican Institute of

Social Security), have inspected all sites. There were no significant observations or recommendations.

- To keep any personnel considered vulnerable due to a prior health condition or advanced age safe, we sent them home with base pay. We also implemented protections including mandatory mask usage, social distancing, reduced staff capacity and worker squad separation. We added worksite entrance procedures to screen workers for illness. This included measuring temperatures, answering questionnaires and increased cleaning and sanitation of all sites.
- Due to the isolation of our Guanaceví operation, we took additional measures to protect workers in our campsite and dining facilities. In addition to added sanitation and cleaning efforts, we increased our on-site medical staff, increased screening of workers for symptoms and developed protocols to test, isolate, contact trace and transport impacted workers.
- In accordance with the recently introduced *Mexican Standard on Psychological Risk*, NOM-035-STPS, we began developing and implementing an internal policy to prevent social and psychological risk factors among our workers. We surveyed 64% of our workforce on their work environment and relationships, to help us draft a policy and identify priority initiatives. We also created a risk committee to ensure that these actions are implemented, with particular focus on high-risk workers.



When the COVID-19 pandemic unfolded last year, Endeavour demonstrated leadership by moving quickly to launch our own health precautions and plans, while also helping communities protect the health of their people.

Working with our host communities in Mexico, we donated critical items such as medical supplies, masks, cleaners and disinfectants. We also loaned an ambulance to the Municipality of Guanaceví to help transport patients to the health care they needed.

During a government shutdown of all non-essential businesses in Mexico last year due to COVID-19, we ensured that no Endeavour employees were laid off and that they all received their base salary as usual.

**2021 PRIORITIES**

- Design and implement programs that respond to the results of the NOM 034 assessments (including initiatives for work-life balance, follow up on medical assistance and implement the Employee Assistance Program)
- Maintain our strong COVID-19 protocols, as necessary to protect safety and health.

Community members pick up their Endeavour safety kit.



# Our People

**MATERIAL TOPICS**

Employee Satisfaction	34
Training & Development	38



**2020 HIGHLIGHTS**

**1,954**

employees and contractors worked for Endeavour in 2020 (as at year-end)

**1.8%**

employee absenteeism rate, down from 2.6% the previous year

**21**

average hours of training provided to each worker (employees and contractors), demonstrating our commitment to people development despite the global pandemic

**13%**

of our people were women (as at year-end), up from 11% in 2019

# EMPLOYEE SATISFACTION



## Why It Matters

We want to maintain a workforce that is motivated, ethical and accountable, within a supportive environment where people feel valued and recognized so they can do their best work. It is also critical to our current and future success that we recruit and retain talented people who believe in and share our culture and the Endeavour ICARE Values.

## MANAGEMENT APPROACH

### Listening to Our People

We are committed to helping our people create and maintain a positive work culture. Management receives and addresses work-related suggestions or concerns through our Internal Grievance Mechanism for employees and contractors.

### Respecting Freedom of Association

We respect our employees' right to freedom of association and collective bargaining. In 2020, we had collective bargaining contracts with one union representing the miners at Guanaceví, Bolañitos and El Compas. We strive to have positive relationships with the union and have negotiated contract renewals through effective collaboration.

### Embracing Diversity and Inclusion

Diversity, inclusion and equal opportunity are important principles to us. We believe a diverse workforce provides a broader range of skills, experiences

and ideas to keep our company strong and progressive. We continue working to increase representation of women in our mining workforce, including identifying and mitigating barriers to diversity. Our commitment to gender equality includes equal pay for equal work. Our men and women receive the same remuneration for the same position at all of our operations, subject to their training, experience and performance.

### Fostering Good Working Conditions

We respect national and international labour standards that protect and guarantee basic rights for all. This commitment extends to provide good working conditions, including adequate facilities and competitive benefits.

We believe that rewarding people through a well-designed compensation and benefits program enhances our ability to attract, retain and motivate talented and loyal employees. This is especially relevant in Mexico, a country that has a large, active mining sector,

thereby making the labour market for qualified workers very competitive. We exceed legal minimum wage at all our work sites in Mexico. All three of our mines are within or near communities, so workers are able to return to their homes following their shifts. Because Guanaceví is in a remote location, workers also live in an on-site camp, which includes living accommodations, dining facilities and cleaning services.



## 2020 PERFORMANCE

- The global pandemic added complexity to managing our human capital, since COVID-19 required new protocols to protect and test our workforce. Although the steps to isolate any infected or potentially-exposed co-workers made it challenging to maintain staffing and production levels, we were pleased with our preventative and responsive efforts to ensure the health of our workforce and communities.
- Our employee absenteeism rate dropped from 2.6% in 2019 to 1.84% in 2020. This improvement was partly due to the fact that we are no longer reporting on the El Cubo site, which was placed on care and maintenance in 2019 and had a historically higher absenteeism rate. The pandemic also reduced Endeavour's overall absenteeism rate since many employees and contractors focused on job security amid uncertain employment conditions.
- Our total turnover rate (voluntary and involuntary) decreased to 24.4% in 2020 from 40.1% in 2019. El Compas had the highest turnover rate (at 51.1%). This resulted from our change from using contracted staff to an employee workforce at the site. The transition created challenges recruiting and retaining suitable talent and resolving employee satisfaction issues regarding lodging and meal services. Turnover has stabilized since these issues have been remedied.
- The representation of women in the company increased to 12.7%, up from 10.8% from the previous year. The majority of our women employees work in surface operations and administration positions. While our women representation is in line with international averages for mining operations, our goal is to better reflect our host communities in Mexico, where 18.6% of the mining workforce are women.
- We continued to implement E-talent, our enterprise-wide HR software platform to effectively manage recruitment, payroll, employee performance evaluations and other people services. We will expand our usage of the system's training capabilities in 2021 and standardize business performance tracking.
- We revised the bonus-salary structure in El Compas and Bolañitos in 2020 to offer a higher base salary to employees and a corresponding reduction in bonus pay. This change was well received by the union and workers, since their total pay is less dependent on variable production levels, and it will aid workforce recruitment. Pay structure will be reviewed at Guanaceví in 2021.
- We received 56 formal worker grievances at all sites in 2020, down from 94 in the previous year (see accompanying chart). We are evaluating ways to strengthen our grievance process through a hotline/online platform managed by a third party so that employees can feel more comfortable reporting issues.
- In early 2020, there was a stoppage at Guanaceví by transport contractors, local miners and food service suppliers regarding contracts at the site. Following a one-day negotiation, these disputes were resolved to the stakeholders' satisfaction.
- In Guanaceví, we continued to work on ensuring respect and inclusion of the surrounding Ejido community, including cultural sensitivity training to strengthen our hiring and community relations practices at the site.
- We implemented a new Mexican national standard designed to promote and protect employee health including mental wellness (NOM 035). Refer to the [Workforce Wellness](#) section for details.

## IN FOCUS

### Marking 'A Day Without Us' to stop violence against women

Since Endeavour values our people, regardless of their gender, we recognized a nationwide, 24-hour strike by Mexico's female population to protest rising violence in the country against women and girls.

Held on March 9, 2020, and promoted under the hashtag #UNDIASINNOSOTRAS ("A Day Without Us"), women were urged to stay home

to demonstrate their value and rally against persistent gender-based violence and entrenched attitudes of machismo in society.

To show our solidarity with the movement, Endeavour produced posters to raise awareness for the event and provided the women in our workforce with the freedom to participate.

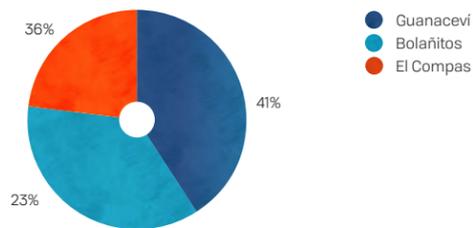
Estimates from our HR department indicate that approximately 70% of women in our workforce took part.



### EMPLOYEE COMPLAINTS IN 2020

Equipment in poor conditions and lack of tools	4
Bonus and payment clarification	13
Adjustment of category for workers	4
Safety concerns (ventilation)	5
Transportation (need for other routes, or problems with the transportation being late or in poor condions)	6
Inappropriate behaviours (abusive, rude supervisor)	5
Living conditions (campsite, dining rooms)	8
Working conditions (clean and functional areas)	6
Other	5
<b>Total</b>	<b>56</b>

#### Employee Grievances



#### Number of Grievances



### 2020 WORKFORCE SNAPSHOT



**1,222**  
Employees



**732**  
Contractors



**99%**  
On-Site Personnel  
from Mexico



**68%**  
Unionized  
Employees

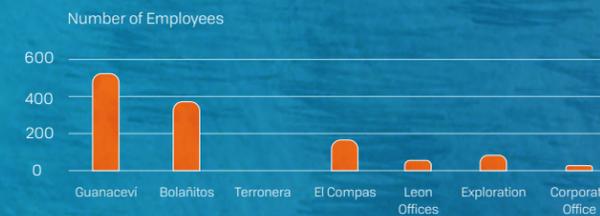


**13%**  
Of our Employees  
are Women



**91%**  
Senior Management  
from Mexico

#### Workforce by Site



#### Origin of Employees



Data presented as of December 31, 2020.

### 2021 PRIORITIES

- Build momentum around our Values campaign.
- Continue implementation of the E-talent software.
- Reduce turnover rate by 8%.
- Provide career planning for workforce.
- Change the bonus/salary structure in Guanacevi, to reflect revisions at El Compas and Bolañitos.
- Launch online platform to improve Endeavour's Grievance Mechanism.



Endeavour workforce. Photo taken pre: COVID-19



# TRAINING & DEVELOPMENT

Alignment with SDGs

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

## Why It Matters

A highly skilled and motivated workforce is fundamental to our business success, emphasizing the importance of supporting our people and investing in their training and development. By doing so, our team members can grow in their roles, advance in their careers and contribute to a safe and productive workplace.

## MANAGEMENT APPROACH

### Induction Program

Every new employee and contractor participates in a three-day induction program. They are educated on Endeavour's vision, mission, values and policies, including our [Code of Business Conduct and Ethics](#); our focus on safety in the workplace; union relationships and representation; and social and environmental responsibility. Similar training is provided to consultants or visitors at sites.

### Performance Evaluation

As part of the annual performance evaluation process, employees and their direct supervisors work together to review performance results, which affects employee compensation and sets personal objectives for the year ahead. Top management oversees the process to ensure that our objectives are "SMART" (specific, measurable, attainable, relevant and time-bound) and people take ownership of their goals and performance. Bonuses for managers are paid based on three aspects: corporate objectives, site objectives and personal objectives.

### Opportunities for Development

Employees receive ongoing training to do their jobs effectively and safely, and we provide additional opportunities for professional development, including external training. We work with the

government and suppliers to obtain sponsorships for our training programs.

Our company-wide training program is based on three strategic themes:

- **People:** Foster the development of non-technical, 'soft skills' such as team building and leadership skills.
- **Production:** Focus on building technical capacities and mastering operational processes.
- **Safety:** Instill high standards and continuous improvement of our safety culture based on incident and accident prevention, the ability to respond to emergencies and compliance with Mexican safety laws.

We have an HR Superintendent at each site who oversees training, with a long-term goal of increasing overall skill sets, certification levels and lifelong employability.



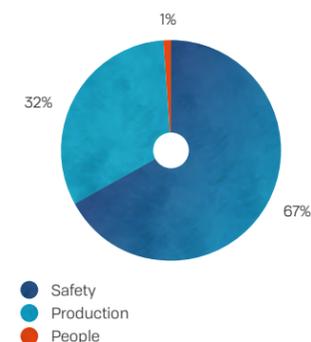
## 2020 PERFORMANCE

- During a year with logistical challenges to deliver training caused by COVID-19 lockdowns and safety protocols, we managed to provide 37,253 hours of training for workers and contractors, representing an average of 21 training hours per person. This is certainly lower than in previous years, but we worked to ensure employees received essential training. Our sites were closed for the month of April 2020 when the

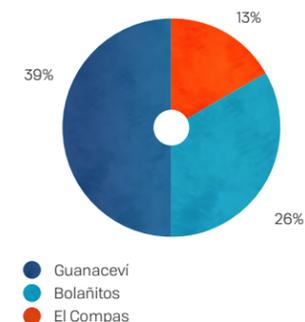
pandemic first broke out, and beyond that we were only able to bring together small groups of workers at one time in a training room, as a result of COVID-19 restrictions. In addition to more limited classroom learning last year, we did effectively implement online technical training safely, and we will apply these new digital formats going forward to improve our training flexibility and accessibility.

- In 2020, we continued to develop and introduce Endeavour's ICARE Values, which represent "The Endeavour Way." Having finalized these essential values, their definitions and corresponding behaviours, we focused on rolling out the program across the organization. See IN Focus case study on the next page.

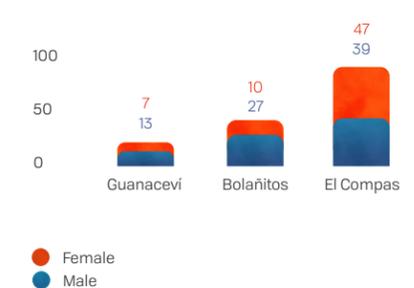
Total Training Hours



Average Training Hours/Person (employees and contractors)



Average Training Hours/Employee (site and gender)

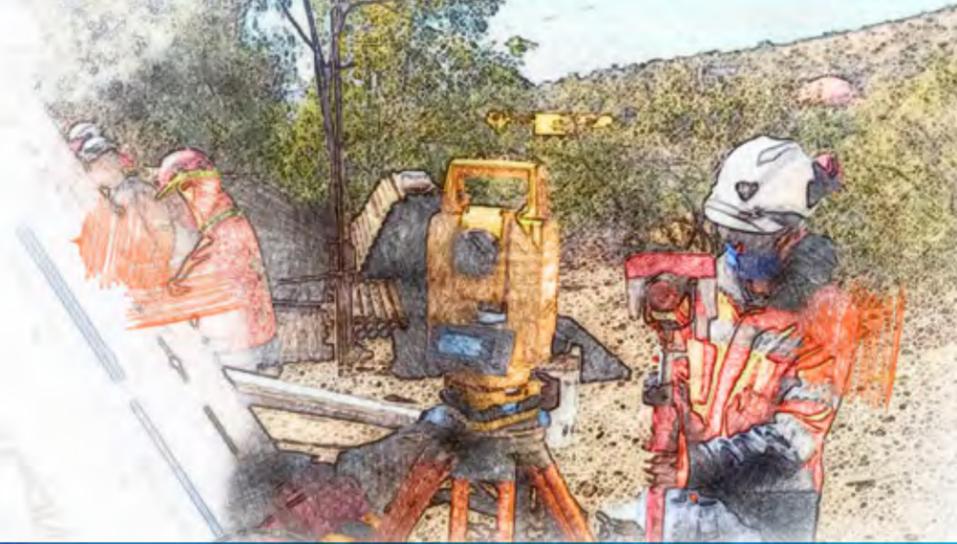


OUR PEOPLE

37

## 2021 PRIORITIES

- Develop a leadership training plan for three levels of management: 1) Supervisors, 2) Superintendents and Chiefs, and 3) Managers
- Strengthen the technical skills of our operators, especially following up with the work done for the maintenance and development areas



## IN FOCUS

### Our ICARE Values: "The Endeavour Way"

After an in-depth process involving our employees and leadership team, we recently renewed the corporate values that represent 'The Endeavour Way' of doing business. Forming the apt acronym ICARE (Integrity, Care, Attitude, Reliability, Excellence), we are now focused on communicating these values across our organization. It's essential that our entire workforce knows and understands the values that must guide our work and our actions each day.

After establishing a Values Committee and Subcommittee to help define the behaviours that must flow from these values, we continue to roll out an awareness and education campaign to make ICARE meaningful to our workforce. With the support of branded training materials, presentations, and merchandise, we have begun hosting workshops to introduce the program at our sites.

With a roster of communications planned for 2021, including Value of

the Month activities and local values celebrations, we will achieve awareness among all employees of the values, what they mean and how they translate into everyone's work. Ultimately, we will deeply incorporate these values into our operations, including annual Values Awards, Values process reviews, and a Values component in our performance management program, so that everyone feels a sense of ownership for the values and they actively co-create 'The Endeavour Way' culture on all levels.

# Community

## MATERIAL TOPICS

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## 2020 HIGHLIGHTS

**\$205K+**

invested in community initiatives

**534**

smart tablets distributed to local students to support online learning

**2,200**

rapid test kits and personal protective equipment (PPE) donated to Mexican households and health centres during the pandemic

**142**

students in Mexican communities benefitted from scholarships provided by Endeavour

- I** INTEGRITY
- C** CARE
- A** ATTITUDE
- R** RELIABILITY
- E** EXCELLENCE

- We do what is right.
- We are honest, ethical and trustworthy, and follow policies and procedures.
- We display kindness for our colleagues, embracing diversity and promoting a safe and healthy workplace.
- We respect and care for the environment, our local communities and all of our stakeholders.
- 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.
- 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.
- We dive in and deliver our best work every time.
- We are always learning and aspire to do better than we did yesterday.

# COMMUNITY ENGAGEMENT & IMPACTS

Alignment with SDGs

3 GOOD HEALTH AND WELL-BEING

15 LIFE ON LAND

## Why It Matters

The communities near mining operations may be affected in both positive and negative ways. We recognize that maintaining open, collaborative relationships with local stakeholders, and managing our impacts, are the cornerstones by which we run a responsible business.

## MANAGEMENT APPROACH

### Community Engagement System

Since our Mexican host communities have a vested interest in our operations, we proactively engage with our communities as a strategic business priority. Our dedicated team includes a Community Relations Department in Mexico and community relations coordinators at each site. Bi-annually we perform our materiality assessment to gather community input to identify and prioritize concerns that matter most to our stakeholders and our business.

The Community Engagement System aims to manage the relationships and interactions with the community. The system establishes clear procedures for:

- Managing our impacts.
- Promoting development through community investment and partnerships.
- Building trust with our neighbours through ongoing and open communication.
- Following-up on commitments.

We strive to be aware of and alert to any concerns arising in the community, so that we can take preventative actions and resolve issues before they escalate. In situations where community members do want to formally present a complaint or grievance to us about activities relating to our mining operations, we handle it through our Grievance Mechanism in a timely and respectful manner. The Grievance Mechanism ensures local communities have a voice. It is designed to be objective, accessible and transparent, and is aligned with the standards of the International Finance Corporation and the United Nations Guiding Principles on Business and Human Rights.

### Post-Mining Planning

We strive to leave a lasting legacy for local communities long after our mining activities have ceased. For us, that means considering the entire life cycle of our mines, including the post-mine transition. Proper planning for mine closure is not only important for local communities, it also benefits our business by reducing social, environmental and financial risks and liabilities.

At each site, we have an environmental mine closure plan that outlines how the affected lands will be reclaimed and the associated costs. The plans have been developed by a Mexican environmental consulting group specializing in this type of work. They adhere to applicable Mexican environmental laws, including the requirement for monitoring tailings ponds during post reclamation to mitigate risks.

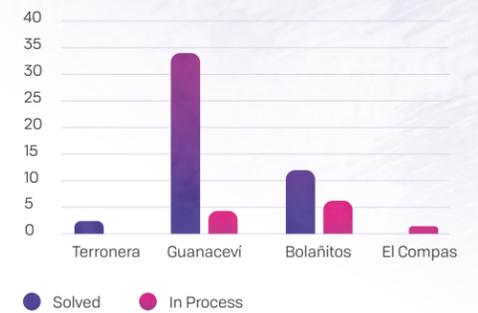
We go beyond legal requirements in Mexico, with a proactive approach to identify and address the social and economic aspects of mine closure as well. For that purpose, in 2018, we hired a Mexican consulting group specialized in social issues to help us develop social closure plans for Guanaceví, El Cubo and Bolañitos. We follow their recommendations for our annual programs, which build resilience in the communities through education and employability skills that will support the town when the mine closes.



## 2020 PERFORMANCE

- In early 2020, we retained an external group (Social Capital Group) to formally develop the Community Engagement System described in the Management Approach. The sites have started implementing the system and only two procedures are still under review to be approved in 2021.
- During the year, Endeavour received a total of 55 complaints through our Grievance Mechanism, with 11 still in process at the end of 2020.
- At Terronera, we've been facilitating dialogue regarding the draft Urban Development Plan between the Municipality of San Sebastian del Oeste and the Ejido Santiago de los Pinos. To assist with this plan, we engaged an external consultant for community outreach and to raise awareness of Endeavour's land-use plans.

### Community Grievances



### External Grievance Mechanism: 2020 Summary of Main Concerns

	CONCERN	OUR RESPONSE
<b>Bolañitos</b>	Noise and blast vibrations affecting local residents.	We implemented a monitoring system, which found noise and vibration levels do not exceed levels permitted by authorities. At Melladito, we proactively retained a civil engineer and a notary to record the conditions of homes before starting new underground mining activities to help resolve future concerns.
<b>El Compas</b>	Damage to houses from underground blasts.	An external consultant confirmed that noise and vibrations are within regulatory limits at this relatively new site. The consultant will provide recommendations for additional mitigation.
<b>Guanaceví</b>	One-day stoppage by trucking contractors and local suppliers to renegotiate contracts.	Negotiations completed and new contracts signed with follow-up meetings to evaluate their satisfaction and provide feedback to them regarding services provided.
	Concern in Ejido Arroyo del Hacho that local community cannot access new job opportunities.	Arranged that new vacancies are communicated to the Ejido, whose members are advised about employment opportunities.
	Addressed concerns from community-based food suppliers that Endeavour's food service contractor was not buying their products from them and/or paying them on time.	We replaced the food service contractor and resumed providing catering using our own staff and local food suppliers. We hired a nutritionist to address food quality concerns for site workers.
<b>Terronera</b>	Local trucking contractor interfered with the transfer of mineral samples from Terronera to Bolañitos in objection to not receiving the work.	Community Relations team communicated the RFP process to the contractor to explain the requirements to receive transport contracts; objections were addressed.



## 2021 PRIORITIES

- Complete implementation of the Community Engagement System and integrate software to track stakeholder relations at all sites.
- Address at least 80% of the critical complaints in a timely manner.



Alignment with SDGs

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

# COMMUNITY INVESTMENTS

## Why It Matters

We understand the importance of investing in the social and economic development and well-being of local communities. These communities are home to many of our employees and their families, and we rely on the infrastructure and surrounding lands to support our business.

## MANAGEMENT APPROACH

### Our Commitment

We strive to achieve social and economic results that create real value for host communities, even after mining ceases. We work with community members to understand their needs and contribute resources and expertise to make a positive impact.

In collaboration with communities and government, we also support initiatives related to public services (mainly health and infrastructure) and social participation (community events). Our [Community Investment Policy](#) defines the criteria we use when evaluating and selecting initiatives.

### Community Investment Priorities

Each mine and office has an annual budget for community investments, taking into account local needs and requests while balancing market conditions and corporate objectives. We have two key funding priorities in Mexico: education and local economic development. These areas were identified in consultation with community members, and our goal is to provide at least 50% of our annual community budget to support these priorities.



## IN FOCUS

### Endeavour's Silver Tablets enable online schooling

When the COVID-19 pandemic required Mexican schools to shift to online learning, many children had no access to computers or tablets to continue their studies.

Recognizing that such a suspension of their studies could have a permanent impact on children's lifelong well-being, Endeavour consulted with teachers and launched the Silver Tablet Program to donate smart tablets to local students. Endeavour plans to distribute 534 of these to students attending primary

and secondary schools near Bolañitos, Terronera, Guanaceví and El Compas. Of those 534 smart tablets, 409 were distributed in 2020 and the remainder are scheduled in early 2021.

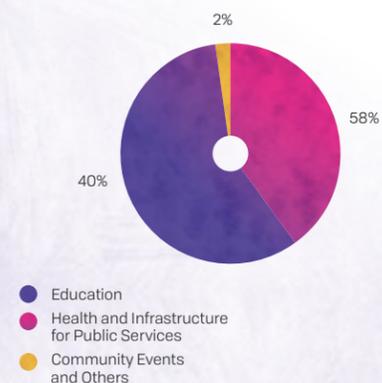
The Silver Tablet Program will become a long-term student- and parent-learning initiative. In addition to online reading and study groups for children via tablets, parents will be able to take part in online employability and skills-building workshops, similar to those Endeavour previously delivered in-person.



## 2020 PERFORMANCE

Despite the impact of COVID-19 on global mining operations, We donated \$192,681 across our operations, Terronera and exploration projects. In addition we donated \$14,000 in Canada for environmental and health related institutions.

### Community Investment in Mexico



- We altered our community investment plans established at the start of 2020 in response to the realities of the COVID-19 pandemic. For example, we postponed in-person programs relating to employability skills workshops, and shifted our efforts to health issues, which became an urgent community priority. We also adapted our community outreach to address timely needs, including the launch of our Silver Tablet Program (see IN FOCUS case study) to support virtual learning for children while local schools were closed.
- Endeavour donated health supplies to community medical centres near our operations to support local authorities, which had limited resources to fight the COVID-19's spread. In April 2020, we donated 1,550 personal-protective kits, including anti-bacterial gel and masks, to vulnerable households, particularly people over age 60.

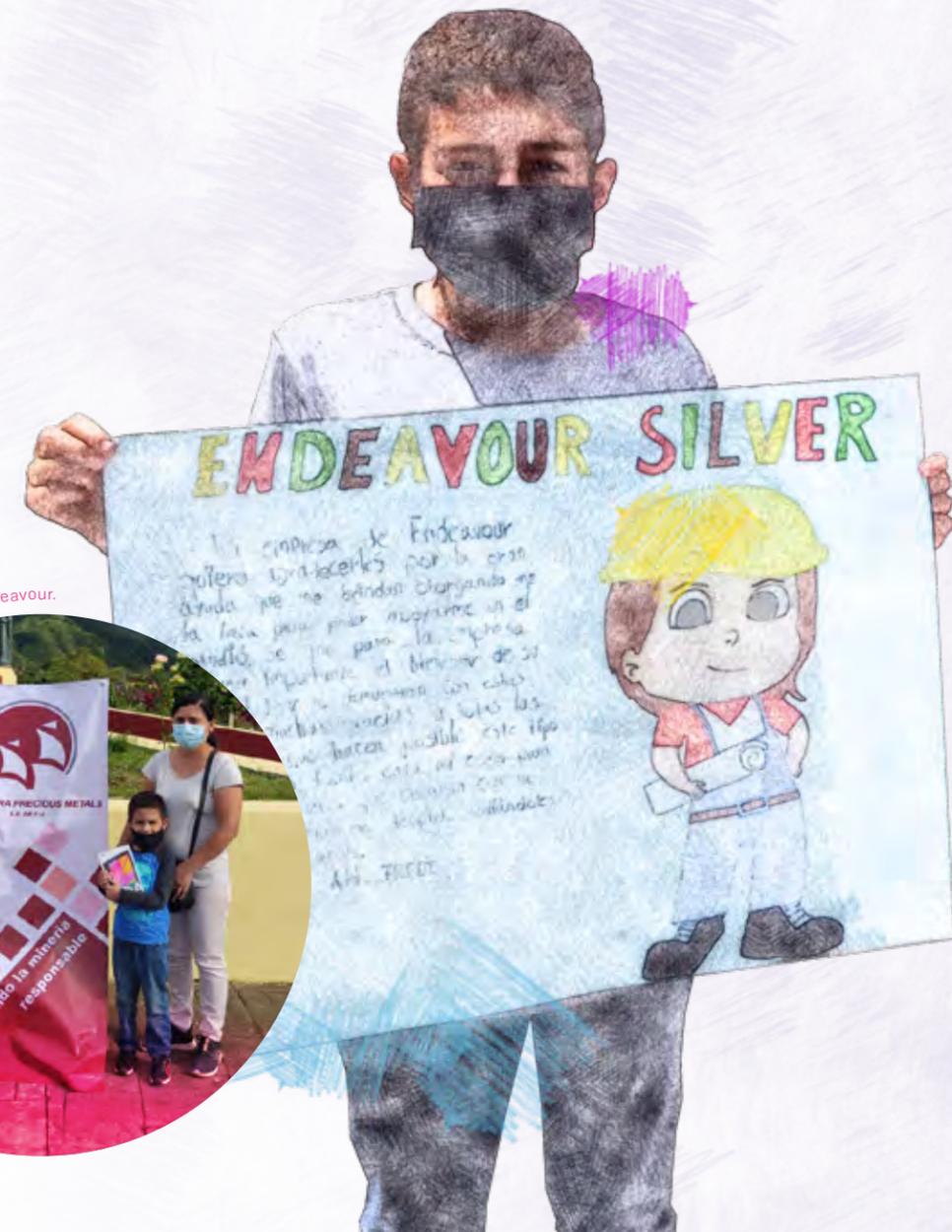
In October, we donated 700 rapid test kits and medical equipment, such as KN95 masks, to local health centres.

- At Guanaceví, Endeavour sourced and loaned an ambulance to the community to transport COVID-19 patients from this remote area to major regional healthcare facilities.
- For the past three years, we have funded scholarships for elementary and post-secondary students. Many university students have been supported through a program we implemented with the University of Guanajuato and the program also allows students to attend different schools. In 2020, we distributed 142 Endeavour Scholarships (59 at Guanaceví, 17 at Terronera and 66 at Bolañitos). Last year we also standardized the applicant criteria for consistency across the different sites. See IN FOCUS case study.

## 2021 PRIORITY

- Focus our community investments in education, local economic development, and water infrastructure.

Students received tablets provided by Endeavour.



IN FOCUS

Endeavour Scholarship helps build prosperous futures

For the past three years, the Endeavour Scholarship Program has supported students studying for a career that offers them a bright future. The scholarships relieve families of the financial burden from tuition, travel or student living costs. In fact, the funds can mean the difference between getting a degree, or not.

**Maria del Rosario Alfaro Villegas** comes from a remote community, where attending school in person was very difficult. An online learning option resolved the distance issue, but costs were still beyond Maria's means. Throughout most of Maria's post-secondary studies in Human Resources Management, Endeavour

Scholarship funds have helped cover her tuition and books.

**Denhy Olmos Jasso** received scholarship funds for three years of her five-year law program at the University of Guanajuato. The scholarship helped Denhy cover her travel and food costs, as her university was far from her home.

For these two scholarship students, the scholarship has helped them become the first in their families to graduate university. In fact, Denhy is also the first in her community to get a degree.

Now they are both employed in promising careers. In her last year of university, Maria interned at Mina Bolañitos. As soon as she finished

university, she was offered a full-time position with Endeavour, where she is an Assistant for the Training Program. Denhy graduated in December and now works in the Supreme Court of Justice of the State of Guanajuato.



Maria del Rosario Alfaro Villegas

"Through the community scholarship program I was able to finish by Bachelor's degree in Law. Thanks Endeavour! Thanks Bolañitos Mine!"  
—Denhy Olmos Jasso



# Environment

## MATERIAL TOPICS

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## 2020 HIGHLIGHTS

**\$1.5M**

invested in environmental protection

**90%**

water recycling and reuse rate

**34%**

reduction in absolute greenhouse gas (GHG) emissions

**44,000**

trees planted through our reforestation initiative

# ENVIRONMENTAL COMPLIANCE AND TAILINGS MANAGEMENT



## Why It Matters

Respecting and protecting our environment are integral to how we operate, our corporate reputation and the ecological health of our host communities. A strong environmental track record and compliance with local laws and international guidelines are keys to gaining community support and government approval to operate, while ensuring our business is sustainable for the benefit of all stakeholders.

## MANAGEMENT APPROACH

### Environmental Framework

We strictly adhere to international standards and the requirements of environmental agencies and legislation in Mexico and Canada, while looking for opportunities to go beyond legal obligations.

- Our [Environmental Protection Policy](#) articulates our commitment to environmental stewardship: to prevent or mitigate impacts of our mining activities on the natural environment by improving the efficiency of our use of land, water and energy, by reducing waste and by increasing recycling.
- Environmental monitoring systems and controls ensure high-performance standards are met at each site.

- As part of our ongoing corporate improvement initiative, we developed in line with ISO 14001 guidelines an Environmental Management System, which will be up and running in 2021.
- Our ongoing corporate risk management procedures include a focus on evaluating environmental risks.

### Tailings Management

Tailings storage facility integrity continues to be a global concern due to a series of failures, including some with devastating consequences in recent years. For these reasons, responsible tailings management is a key priority for Endeavour. Following industry best practice, we have stringent standards for managing our tailing operations that meet or exceed Canadian and Mexican guidelines for minimizing tailings risks.

Our ongoing monitoring of tailings conditions and stability includes all active and inactive tailings storage facilities. Our teams conduct regular onsite inspections and use technology such as satellite and drone aerial mapping. We actively monitor water levels in both the tailing and embankments to ensure dewatering efficiency and stable conditions.

Each year, our engineer of record conducts reviews and audits our tailings storage facilities for safety and to ensure we're following best practices and to help identify opportunities for improvement. We keep all records of the engineering design, construction and operation of each facility and maintain closure plans for each.

### Waste Management System

Our operations generate waste, including waste rock piles, used oils and solid urban waste. Our site waste management systems specify how we handle the different wastes we produce. These systems are evaluated on an ongoing basis with the objective of increasing recycling rates where possible and reducing both waste to landfill and waste-rock volumes stockpiled over time. Our onsite waste management includes employee

and contractor education, awareness campaigns around waste minimization and recycling, and safe handling of hazardous waste. We use qualified contractors to manage offsite treatment and disposal of materials not suitable for onsite storage.

### Oversight and Cooperation

Endeavour's Regional Environmental Manager oversees environmental matters at our company. Each mine has an environmental coordinator

who monitors day-to-day operations, facilitates permitting and reports any matters to management. Our environmental group monitors suppliers to ensure their procedures and standards comply with government regulations. We work cooperatively with local governments to ensure that we understand and fulfill all environmental requirements and meet expectations.



## 2020 PERFORMANCE

- Endeavour maintained a solid environmental compliance record last year, with no fines and no reportable spills. To further prevent spill risks, we implemented a new pipeline inspection program carried out by the plant managers at all sites.
- We continued to focus on safeguards by developing our Environmental Management System, aligned with ISO14001 guidelines. This has enabled us to standardize procedures company-wide and strengthen environmental responsibilities for all company areas, from exploration to construction and site operation.
- We spent \$1.5 million in environmental protection expenditures, a slight reduction from the \$1.67 million spent in 2019 as COVID-19 restrictions

interrupted some initiatives. The majority of expenses (\$1.3 million) relate to managing our tailings facilities. The biggest increase was in Bolañitos, where we modified the tailings water recovery system to recover more water to the circuit, and undertook main embankment work to enhance stability as the facility expands. Other expenses (\$247,503) include transportation and final disposition for waste, environmental studies, dust, noise and gases monitoring, and other initiatives such as reforestation, rehabilitation, remediation work and environmental education campaigns.

- The total amount of hazardous waste was reduced by 21%, largely due to the suspension of El Cubo operations. However, the intensity (tons of

hazardous waste by tons or mineral processed remained very similar to 2019. This is because El Compas has a much higher intensity, due to the smaller size of the operation.

- Non-hazardous intensity (tons of non-hazardous waste/tons of mineral processed) more than doubled compared to 2019, mostly driven by an increased scrap cleaning program at Bolañitos.
- Waste rock quantities including tailings decreased by 20% from the previous year. This was attributable to suspending El Cubo mine operations, and decreased operations at Guanaceví's Santa Cruz and Porvenir Norte mines.



## IN FOCUS

### A closer look at our tailings facilities

Almost all mines produce tailings – the leftover waste materials after mineral is extracted from ore. If handled responsibly, risks to the environment, local communities and human health and safety from tailings can be eliminated. In 2020, we remained committed to managing our tailings in safe and environmentally responsible ways throughout the tailings facility lifecycle, and being open and transparent about how we do that.

Currently, Endeavour manages three active tailings facilities in Mexico – at our sites in Guanaceví, El Compas and Bolañitos plus one facility that is on care and maintenance, El Cubo. We own two facilities and lease the third (El Compas). For wet tailings deposition, embankments are constructed with properly compacted rock and soil that is structurally competent. For filtered tailings deposition (“dry-stack”),

we ensure tailing proper moisture content and then compact the tailing to ensure design criteria are met. All of our facilities meet a minimum 1.5 safety factor.

Bolañitos, El Compas and El Cubo are unlined wet tailings facilities with internal drains to recover +80% of the process water (loss due to evaporation) and external diversion ditches to keep rain and stream water away from contacting tailings. Bolañitos and El Cubo are upstream construction and El Compas is downstream construction.

Guanaceví is a lined compacted filtered tailings facility that recovers +85% of the process water. Our new site in development at Terronera, once operational, will also use a filtered tailing or dry-stack facility. The benefits to

filtered tailings are more efficient water recycling back to the plant prior to placement and compaction.

In September 2020, the International Council on Mining and Metals launched the Global Industry Standards for Tailings Management (GISTM). It establishes the first international standard on tailings management and strives to achieve the ultimate goal of zero harm to people and the environment. Endeavour supports this important new initiative to drive best practices. Our management team is using the GISTM to align our tailings management practices with the standard.

[Find out more about Our Tailings Facilities](#)



## PRIORITIES FOR 2021

- Achieve zero spills.
- Complete implementation of the Environmental Management System.
- Update the Guanaceví and Bolañitos environmental closure plans.



# WATER MANAGEMENT



## Why It Matters

Since our mining operations both consume and discharge water, we have a responsibility to use and plan water resources effectively. A reliable supply of water—in quantity and quality—is essential for mining, mineral processing, dust control and meeting the needs of our people.

## MANAGEMENT APPROACH

### Water Consumption

We carefully consider local water supply when we plan the water requirements for developing, operating, expanding and rehabilitating our mines, and in our exploration and pre-development work. Water sources for our operations include surface water, ground water and water extracted from the mining process and wet tailings.

Since the climate conditions are different at each of our mines, water issues and management vary.

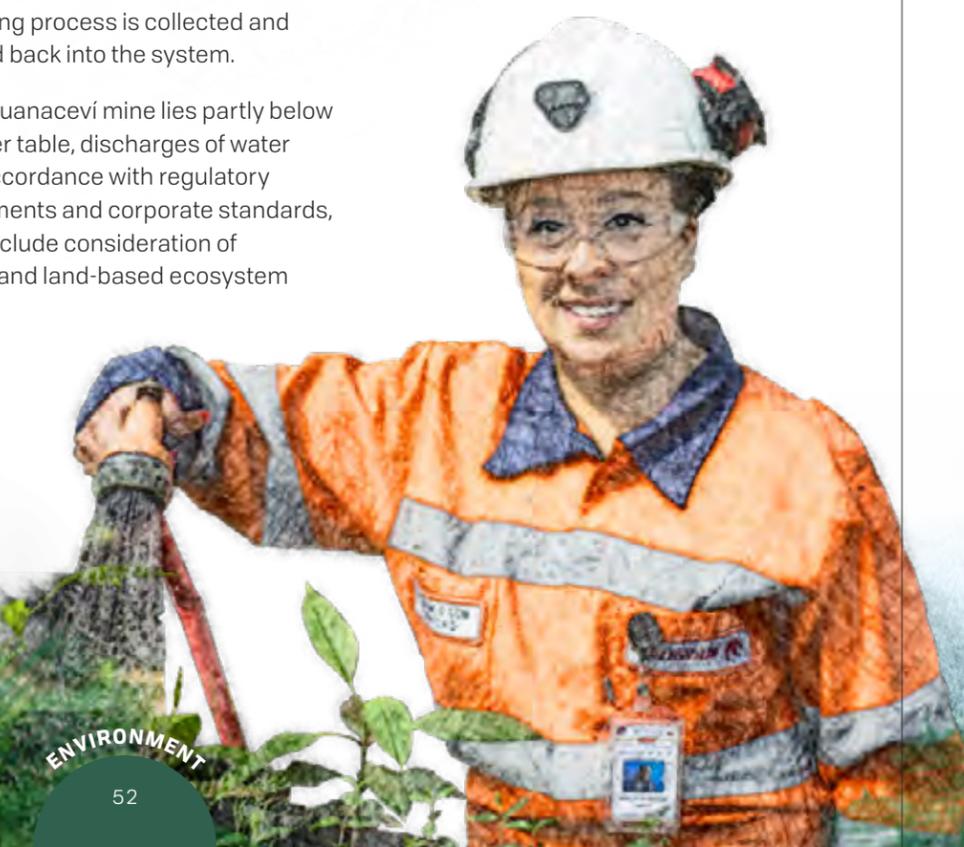
We constantly aim to maximize recirculation and minimize fresh water use, and we are actively engaged with local communities in Mexico regarding water availability and efficient use. Our main focus is water recycling, to minimize our impact on local water resources. In fact, we recover and reuse more than 85% of water used in the mining process.

### Water Discharge

Discharge and runoff from mine sites can impact waterways, so we carefully manage and monitor this issue to prevent water pollution. We rely on diversion systems, containment ponds, groundwater pumps, sub-surface drainage systems and sub-surface barriers. Our Bolañitos mine has zero discharge into its surrounding natural environment. All water used in the mining process is collected and recycled back into the system.

As our Guanaceví mine lies partly below the water table, discharges of water are in accordance with regulatory requirements and corporate standards, which include consideration of aquatic and land-based ecosystem

environments, as well as potential downstream community users. Guanaceví operates in a climate with abundant ground water that drains into the mine. We pump fresh water from the mine, check quality and then release it into the Guanaceví River to supplement supply water to the town of Guanaceví for non-potable use in the community. Additionally, the Guanaceví mine has a water treatment plant for the campsite.



We recover and reuse more than 85% of water used in the mining process.

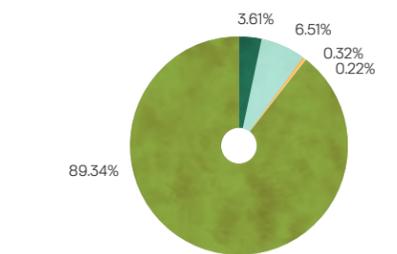
## 2020 PERFORMANCE

- Total water consumption across all sites was reported at 3.2 million cubic metres, including eight months of tracking at El Compas after water meters were installed in May 2020.
- Fresh water intensity (m<sup>3</sup> of fresh water/tons of mineral processed) increased from 0.23 to 0.43\*. Guanaceví doubled its intensity (from 0.14 to 0.33) because it doubled its freshwater usage (from 44,000 to 115,000 m<sup>3</sup>), mainly due to increased production and less mine water availability, while Bolañitos increased its intensity from 0.37 to 0.45. For El Compas, this is the first year reporting, and its intensity is higher

than the other sites at 0.73 due to the smaller production.

- Water discharge only occurred at Guanaceví, of approximately 1.95 million cubic metres from the Porvenir Norte and Milache mines in accordance with regulatory requirements.
- Our water recycling and reuse rate remained high, at 89.5%, though slightly higher than 2019's 89.1%. The overall recycling rate now includes El Compas (85%).

### Sources of Water



- Recycled Water (from tailings)
- Surface Water
- Ground Water (from mining)
- Rainwater
- Recovered Water (from dry tailings pond)

\*Last year's intensity numbers were incorrectly reported. There was an error in the readings of the water meters at Bolañitos. The correct data for last year is restated in the ESG data tables.

## PRIORITY FOR 2021

- Establish water baseline at Terronera.

# OTHER ENVIRONMENTAL IMPACTS



In addition to tailings and water, Endeavour prioritizes and reports on two additional environmental topics: Energy and biodiversity. Our stakeholders did not place high importance on these issues in our 2019 materiality assessment. However, we recognize their increasing importance in global dialogue and campaigns such as the United Nations Sustainability Development Goals.

## ENERGY CONSUMPTION AND EMISSIONS

We believe that companies like ours can contribute to reducing climate change and support the transition to a lower-carbon economy. As energy consumption represents our largest carbon impacts, we continue to focus on conservation and eco-efficiency initiatives to reduce our direct and indirect emissions. This improves our environmental performance while reducing costs.

Since 2013, we have tracked and reported greenhouse gas (GHG)

emissions for all our operations, which allows us to identify areas for improvement. We monitor both direct (Scope 1) and indirect (Scope 2) emissions. Our [ESG Performance Tables](#) provides metrics for the past three years.

Our two main energy uses at our operations are electricity and fuel for transport. Stationary energy is comprised of purchased electricity (all of our operations draw from state power grids), diesel fuel for generators and vehicles, and natural gas for the

smelting furnaces at Guanaceví.

Our maintenance teams are very aware of the need to reduce electricity consumption. They review efficiencies to determine the capacity needed for the equipment in order to optimize electricity use. We also work with our contracted trucking companies to ensure efficient transport management; for example, by carrying the highest allowable loads and reducing the number of trips.

## 2020 HIGHLIGHTS

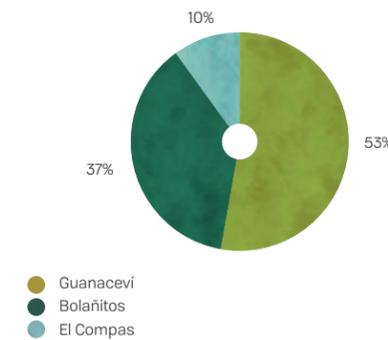
- We consumed 28% less energy in 2020 than in the previous year. This decrease is attributed to suspending our operations at El Cubo, completing work at two sites at Guanaceví that required pumping and other energy services, and the one-month suspension of all operations in April due to the pandemic. During the year

we achieved a 9% reduction in energy intensity (from 0.58 to 0.53).

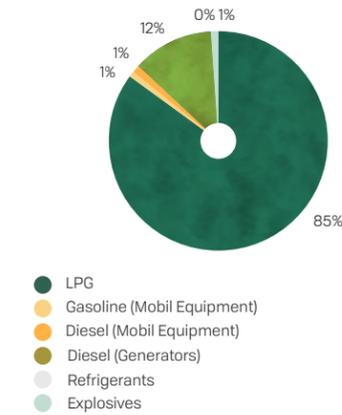
- We realized a 34% reduction in absolute GHG emissions (from 73,886 to 48,542 tCO<sub>2</sub>e, and a 12% reduction in GHG intensity (from 0.77 to 0.64), closely tied to reducing electricity consumption, especially in Guanaceví.

- Of our total energy consumption, 7.4% comes from renewable sources, through our contract with the Mexican electrical utility Comisión Federal de Electricidad (CFE).

Emissions by Site



Emissions by Source



## IN FOCUS

### How our Guanaceví mine is contributing to energy reduction

Over the past two years, our Guanaceví site has been successfully implementing measures to streamline the mine's overall energy needs and costs.

The result? A 34% reduction in electricity between 2019 and 2020, reducing consumption from 66,372 MWh to 45,126 MWh in 2020. The energy savings also resulted in savings of approximately \$2.5 million.

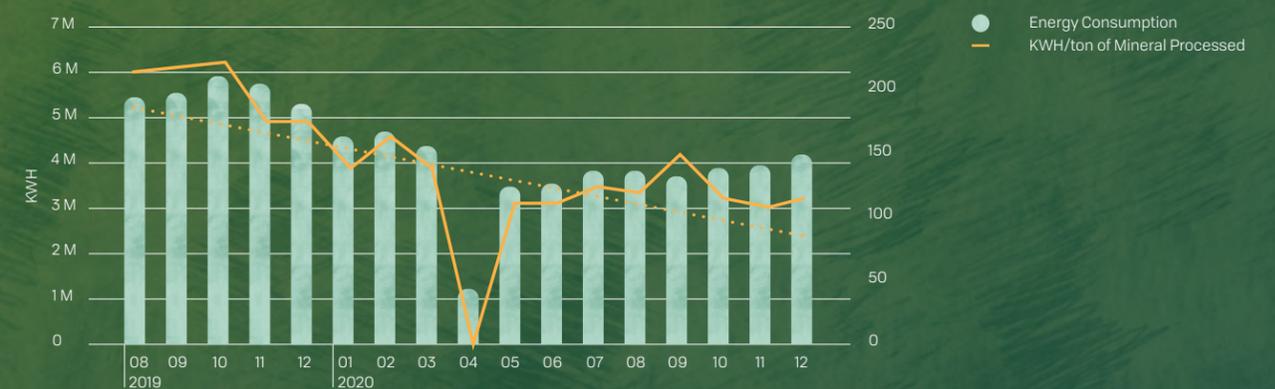
Some decrease (about half – 12,000 MWh) were the result of stopping work in the Santa Cruz and Porvenir Norte zones and the 6-week government-mandated shut down due to COVID-19. The other half was a result of the targeted efficiency initiatives which include:

- Conducting a mine pumping equipment audit, which allowed us to make adjustments and reduce pump

capacity to better match the mine's water flow requirements.

- Installing an efficient, automated water pumping control system in the Milache work area.
- Replacing compressed air devices and two, 25-year-old breakers with much more energy-efficient models.

Energy Consumption and Energy Intensity



## BIODIVERSITY

We are committed to protecting and preserving ecosystems where we operate, particularly by supporting tree-planting and reforestation programs. At our sites, we have conducted initial environmental impact assessments to identify endangered or at-risk flora or fauna and have found that our activities generate no significant impacts on local biodiversity.

While our sites are not legally required to have biodiversity management plans, all of our operations have nurseries to grow local flora and programs for replanting disturbed areas.

The identified species at risk in our sites are:

- Species of snake (the Cascabel) has protected status in Mexico and is present at all our sites. We have trained our people to identify, rescue and relocate Cascabel snakes if found.
- Near Guanaceví, a species of white-tailed deer, while not endangered, is protected from hunting. We have posted no-hunting signage in the area.
- At Terronera, endangered flora and fauna species have been identified. To mitigate our exploration activities here, Endeavour established a breeding

centre (UMA) for white-tailed deer for future release into the wild. There are currently 14 deer on the site.

Mining and stockpile activities, if not managed responsibly, can have adverse impacts on soil. Since we believe that development and conservation can coexist in harmony, we make every effort to reduce and mitigate any possible impacts to soil affected by our operations.

Bolañitos and Compas have no acid drainage. In Guanaceví it is managed through the Mining Waste Management Plan, which is approved by the regulatory authorities.

## 2020 HIGHLIGHTS

- Our mining and stockpiling operations resulted in no newly disturbed land in 2020.
- Through our reforestation initiative, we planted over 44,000 trees during the year. This is lower than the previous three years, including the record high 53,410 trees planted in 2019. Our reforestation activities were limited

by pandemic restrictions on group gatherings and suspended access to plant materials. The vast majority of trees were planted by the exploration team in the areas where they are working.

- The Bolañitos and Guanaceví teams performed rescues of 14 legally protected rattlesnakes, in part aided

by recent Guanaceví staff training, conducted in partnership with the Sahuatonga Zoo and the Municipal Institute for Conservation of Wildlife from Durango. Fifteen participants, including mine staff and municipal emergency officials, learned to identify, safely handle, evacuate species and perform first aid in case of poisonous bites.

Endeavour Silver forest restoration area, photo taken pre COVID-19.



# Economic Impact

## MATERIAL TOPICS

Financial Performance	60
Job Creation & Local Procurement	66



## 2020 HIGHLIGHTS

**\$120M**

in economic value distributed to our stakeholders

**96%**

of total procurement from within Mexico

**103%**

growth in annual net earnings

**57%**

reduction of cash costs to \$5.55 per oz Ag, net of Au credit

# FINANCIAL PERFORMANCE



## Why It Matters

Profitability is key to generating stakeholder returns and financing the long-term exploration, development and mine capital investments needed to sustain our mining operations. When our company performs well financially, we can offer more training, better job security and higher compensation to employees and contractors. In some Mexican communities, this is especially important because mining is one of the few economic opportunities available.

## MANAGEMENT APPROACH

### Financial Health

We strive to foster the conditions for a financially healthy business that is sustainable. To achieve that, our business strategy balances short-term profitability with long-term investments in exploration and development to extend our existing mine lives and build new mines to drive future profitability.

### Creating Value

We believe that our financial success and our broader focus on economic, social and environmental sustainability reinforce one another. For this reason, we are committed to creating value for shareholders, employees, contractors, communities and society as a whole. For more details about

our management approach around economic parameters, please see the [Governance and About Endeavour](#) sections of this report.

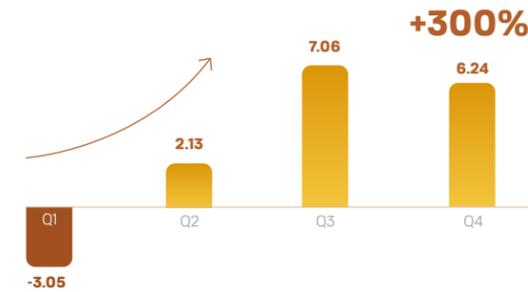


The operational and financial performance delivered in 2020 is a testament to the hard work, skill, passion and persistence of our people.

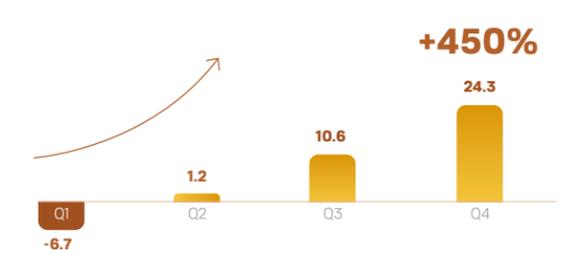
## 2020 FINANCIAL HIGHLIGHTS

- Endeavour Silver delivered higher production and lower cash costs at each of our three mines in 2020
- Lower cash costs and higher metal prices drove significantly higher cash flow and earnings
- Solid Balance Sheet fueled by free cash flow generation and minimal long term debt
- Improved operational performance and expanded margins resulted in Free Cash Flow

Silver Margins, Net of By Product Credits <sup>(1)</sup> (million)



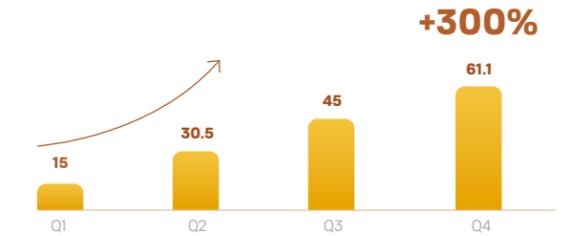
EBITDA <sup>(2)</sup> (million)



Free Cash Flow <sup>(million)</sup>



EBITDA <sup>(2)</sup> (million)



1. Calculated as quarterly average realized silver price - AISC for the quarter  
 2. Free cash flow are examples of Non-IFRS measures. See disclosure in quarterly MD&A found on the company website.





## 2020 PERFORMANCE

- Achieved Original Production Guidance:** Notwithstanding a government mandated two-month suspension of mining operations due to the COVID-19 pandemic, we produced 3,513,767 oz silver and 37,139 oz gold. Using an 80:1 silver:gold ratio, we produced 6.5 million oz silver equivalents, the mid-point of our 2020 guidance withdrawn in April due to the uncertainty surrounding the duration and severity of the pandemic.
- Completed Operational Turnarounds:** Sweeping management measures and capital investment programs launched in 2019 delivered positive results with improved productivity, and better safety metrics at each of our three operating mines in 2020. As a result, production increased, costs declined, and we delivered positive earnings for the first time in three years.

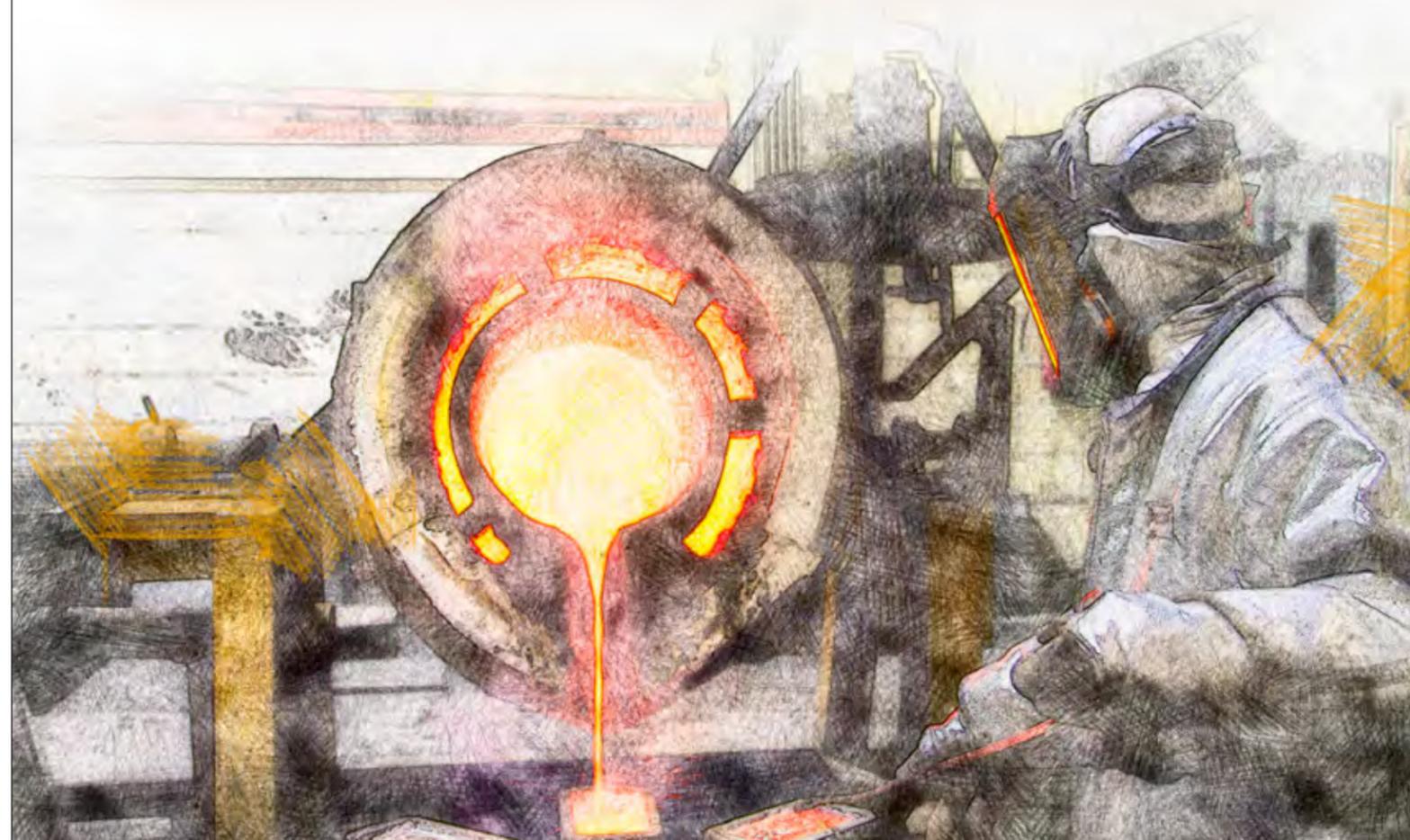
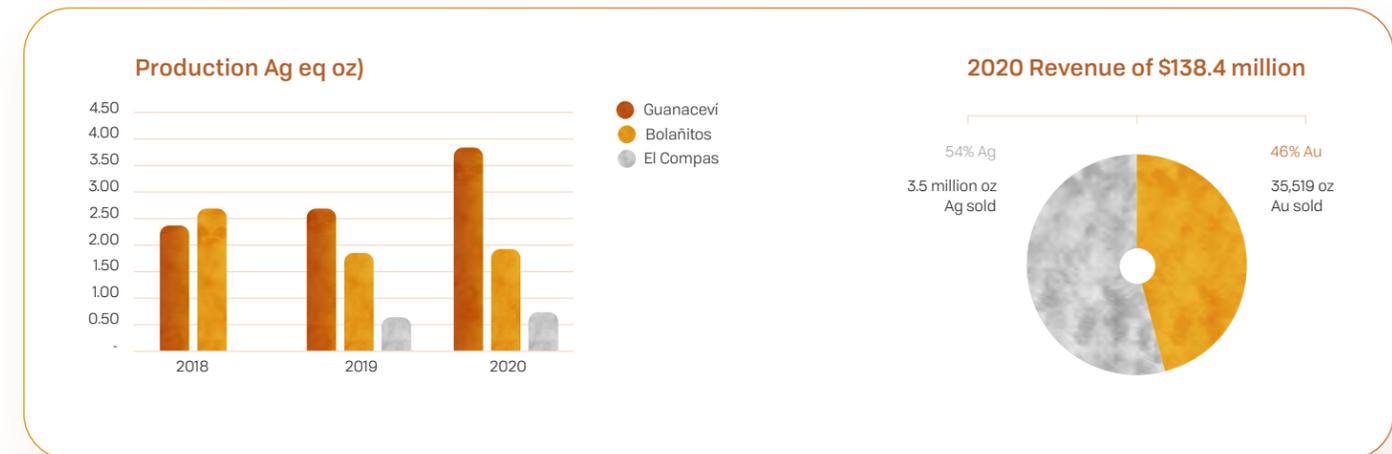
- Positive Earnings:** Net income was \$1.2 million (\$0.01 per share), up from a net loss of \$48.1 million in 2019, or 103% growth in annual earnings. 2020 earnings before interest, taxes depreciation and amortization (EBITDA) was \$29.4 million, a significant increase from the loss of \$11.1 million in 2019.
- Liquidity and Cash Flow:** Cash flow from operations before working capital changes generated \$28.8 million, a significant turnaround from negative cash flow before working capital changes of \$8.9 million in 2019. Year-end cash balance grew to \$61.1 million and working capital was \$70.4 million.
- Improving Cost Profile:** 2020 cash cost was \$5.55 per oz silver payable net of gold credits, down 57% from \$12.85 per oz in 2019. Our all-in sustaining cost was \$17.59 per oz silver payable net of gold credits, down 17% from \$21.19 per oz in 2019.

- Guanaceví Outperformed:** Production was up 49% year over year due to 32% higher ore grades and 15% higher throughput. Mining three new high-grade orebodies contributed to significantly improved ore grades, throughput and production. At year end, the mine was operating close to capacity with increased productivity and an improved work culture. Operating costs on a per tonne basis increased due to purchasing more toll ore from small miners, while higher prices and profitability increased royalty payments and special mining duties.
- Bolañitos Improved:** Production was up 46% due to 31% higher throughput, higher gold grades and recoveries. By year end, the mine and plant were operating at the highest levels since 2018. Similar to Guanaceví, improved productivity and culture were significant factors in improving throughput and lower operating costs on a per tonne basis in 2020 compared to 2019.

- El Compas Steady:** Production was up 9% due to 3% higher throughput and higher gold grades and recoveries. Productivity was up and dilution was down which resulted in lower cash costs.
- Positive Brownfields Exploration Results:** Drilling continued to intersect high-grade gold-silver mineralization in the Santa Cruz vein at Guanaceví, the Melladito and San Bernabe veins at Bolañitos, and the Misie and Calicanto veins in the El Compas district.

- 2020 Mineral Reserves and Resources:** Our exploration team was successful in replacing reserves, particularly due to significant increases at Guanaceví in the high grade El Curso orebody. Proven and Probable Reserves totaled 86.3 million oz of silver equivalents, Measured and Indicated totaled 43.7 million oz of silver equivalents and inferred totaled 87.1 million oz of silver equivalents. For full details, please refer to the [website for the complete 2020 MR&R](#).

- Advanced the Terronera Project:** We completed the final update of the prefeasibility study to further de-risk the asset, which delivered robust economics including industry leading low operating costs. We also expanded the property through the acquisition of two adjacent mineral concessions spanning 4,959 hectares, covering multiple mineralized vein structures, and resumed drilling of untested veins.



## 2020 PRIORITIES

- Targeting consolidated production of 3.6 - 4.3 million oz silver and 31,000-35,500 oz gold.
- Estimating cash costs, net of gold by-product credits in the range of \$7.00 - \$8.00 per ounce of silver.
- Estimating all-in sustaining costs, net of gold by-product credits around \$19.00-\$20.00 per ounce of silver.

### Significantly Improving Costs, by Product Basis



**Cash Costs & AISC improved 57% & 17% Y-o-Y**

## IN FOCUS

### Advancing Terronera towards construction

Endeavour Silver is getting ready for the next phase of growth, by completing a feasibility study, preparing for a development decision and the construction of the Terronera project. Located in the historical San Sebastian silver-gold mining district of Mexico in Jalisco state, Terronera represents Endeavour's next core asset – a flagship mine of the future. Since acquiring the property in 2010, Endeavour has spent \$33.9 million to date on exploration and engineering and completed five independent technical reports. Since 2011, over 105,000 metres of drilling have resulted in over 36 million silver oz and 410,000 gold oz defined as 43-101 reserves. The project will not only be “shovel-ready”, it has district scale exploration potential to expand the resources.

In 2020, we took several more steps in our journey to bring Terronera to life:

- Completed a final Prefeasibility Study to further de-risk the project. The results showed robust economics, a relatively low \$100 million initial capital investment, a minimum 10-year mine life whereby the higher grade ore was re-sequenced to the front end to create a shorter payback period and more exceptional financial returns.
- Launched a Feasibility Study. After an extensive screening process, we awarded the contract to undertake the study to Wood plc. Wood is an international engineering firm with a mining group that provides project-specific services. The Feasibility Study is scheduled for completion in the summer of 2021.

- Initiated purchase of long lead time equipment to prepare for mine development, subject to Board approval.
- Evaluated ways to reduce our carbon footprint with alternative energy sources where possible, including natural gas and solar power.

In addition, during the year Endeavour expanded the footprint of our holdings near the Terronera Project to 20,128 hectares, through the acquisition of two adjacent groups of mineral concessions, La Sanguijuela and Cerro Gordo, covering multiple mineralized vein structures that have never been explored in modern terms.



- Acquired option to purchase from Grupo Mexico
- Commenced exploration



- Completed initial PEA
- Discovered high grade La Luz vein



- Received final government permits
- Completed final PFS
- Successfully unlocked value to improve economics

#### 2010-2011



#### 2012-2014

- Discovered main Terronera vein
- Consolidated land package
- Expended resources

#### 2015-2016



#### 2017-2018

- Completed initial PFS
- Received initial mine and plant permits
- Incorporated La Luz vein into mineral reserves
- Infill drilled Terronera vein and updated PFS

#### 2019-2020



To date, we have invested +\$27.8 million on the project, including all exploration and engineering

From 2011-2018, 103,000 metres were drilled in 338 drill holes

# JOB CREATION & LOCAL PROCUREMENT



## Why It Matters

The mining industry has a history – and a responsibility – to contribute to the economic development of regional communities on which we depend. Stakeholders in our host communities specifically look to Endeavour to create and support jobs, as well as procure goods and services locally to stimulate economic activity.

## MANAGEMENT APPROACH

### Job Creation

We prioritize local hiring to the fullest extent possible for our projects. Most of our employees originate from neighbouring communities and the state where the mine operates. Please see the [Our People](#) section for more details about our workforce.

### Local Procurement

We rely on a comprehensive network of contractors and suppliers to service our operations, as well as exploration and development sites. 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. In Mexico, much of our supplies and equipment can be acquired locally or nationally, and we

only turn to international suppliers to obtain certain heavy equipment and mineral processing chemicals.

All purchase decisions must be made in compliance with our policy on Contracting Goods and Services and Working with Third Parties, which includes criteria such as location, availability, quality of product or service, experience and cost. Priority will be given to local suppliers who fulfill these requirements. We expect suppliers to follow Endeavour's safety and health, environmental and labour standards, and we work closely with our supply chain to ensure these policies are adhered to.

### Supporting Local Miners

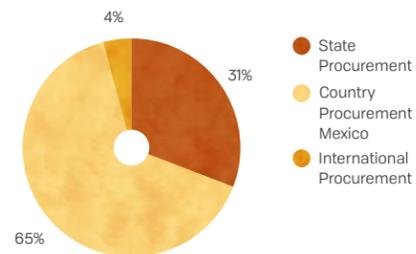
At Guanaceví, we support and engage with local artisanal miners, who mine their concessions on a small scale or hand-sort material from surface dumps and deliver small truckloads of ore at our plant for testing and purchase. Per the terms of our operating permits, we accept mill feed from small-scale local miners. Our plant managers supervise the delivery, weighing and sampling of the material, and arrange for payment. The higher price environment has resulted in an increase of third-party ore available for purchase from local miners within the district. During 2020, 12% of tonnes processed were purchased from local miners compared to 6% in 2019.



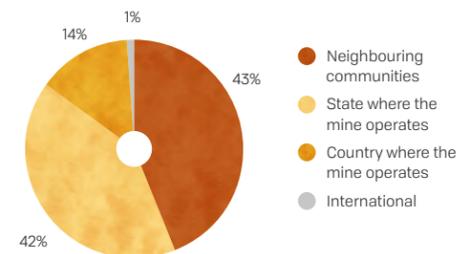
## 2020 PERFORMANCE

- In 2020, we recognized net revenue was \$138.4 million, up 15% from \$117.4 million in 2019. Of that, we distributed \$120 million to our stakeholders. During the year, the Company sold 3.5 million oz of silver and 35,519 oz gold at average realized prices of \$21.60 and \$1,846 per oz respectively.
- Reflecting our commitment to local hiring, 85% of our employees last year were from our host or nearby communities.
- We contributed \$600,000 to the Mining Fund in Mexico. Created by the federal government, the fund collects a special tax from operating mines in the country and distributes the money to improve the quality of life in areas impacted by mining extraction.
- Because of COVID-19, the supply chain was affected, especially for medical and hygiene equipment, but also with some imported materials due to delays in customs. The procurement team managed to ensure that there were no disruptions to our operations because of these delays.
- We spent \$136 million in procurement, compared to \$164 million the previous year, with the decrease due to the conclusion of operations at El Cubo. Roughly 33% of our total procurement was for goods and 67% for services, virtually all of which came from national or local suppliers within Mexico. Local suppliers included 20 artisanal miners in Guanaceví who supplied 42,792 tonnes of ore, representing 12% of Guanaceví's total annual throughput.

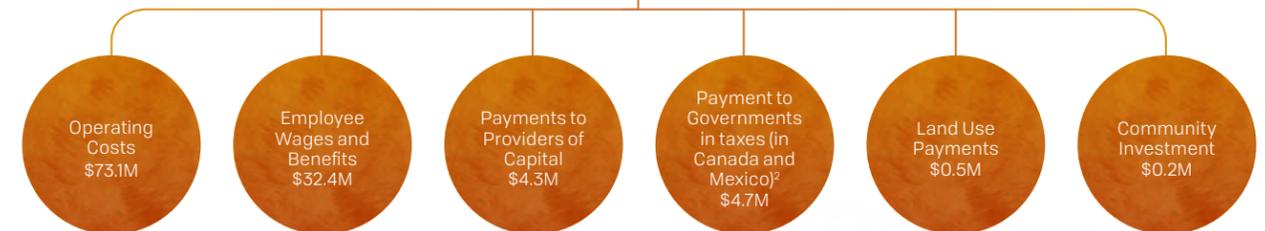
### Procurement



### Origin of Employees



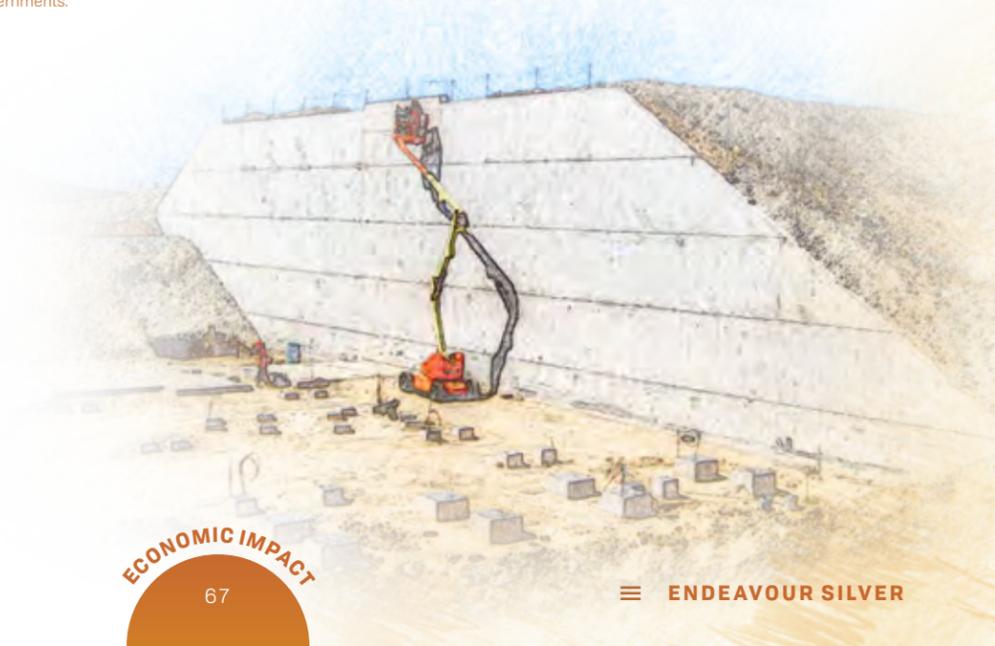
### Breakdown of Economic Value Distributed



- We use the Global Reporting Initiative definition of economic value.
- Payments to governments: as a Canadian company, we are compliant with the Extractive Sector Transparency Measures Act, which requires Canadian companies to disclose any payments to governments.

## 2021 PRIORITY

- Finalize Feasibility Study and detailed engineering to initiate construction start up.





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