



SUSTAINABILITY REPORT FEEDBACK

We welcome feedback regarding the contents of the First Majestic Silver 2019 Sustainability Report or the reporting process. For further information or comments, please contact:

info@firstmajestic.com

CONTENTS



MESSAGE FROM THE
PRESIDENT AND CEO / 4

ABOUT THIS REPORT / 6

ABOUT FIRST MAJESTIC
SILVER / 9



Photo: Yasmin Lopez
Cover Photo: Ignacio Tinajero



Photos with this icon have
been taken by our employees



**STRATEGY AND
GOVERNANCE / 13**

HUMAN RIGHTS / 18

STAKEHOLDER ENGAGEMENT / 19



OUR PEOPLE / 21

HEALTH AND SAFETY / 25

LOCAL COMMUNITIES / 29



ENVIRONMENT / 36

WATER MANAGEMENT / 37

MINING WASTE / 40

ENERGY AND EMISSIONS / 43

RECLAMATION AND CLOSURE / 45

.....
KEY PERFORMANCE DATA / 47

GRI CONTENT INDEX / 51

MESSAGE FROM THE PRESIDENT & CEO

August 31, 2020

Our Mission:

“Produce profitable silver ounces and to grow our mineral resources through ethical, innovative, and sustainable practices, implemented by an empowered workforce that fosters the permanence of the organization.”

Keith Neumeyer, *President & CEO*

In the 18 years we have worked in Mexico, we have established a strong foundation to promote sustainability throughout key aspects of our business. Our strategic decisions have focused on keeping people safe, protecting the environment, generating employment and business opportunities, and improving quality of life in communities in the eight states where we operate. The year 2019 was a great year for First Majestic, with record growth, strong financial results, and consistent investment in innovation and exploration. Although our sustainability practices and efforts have been in place for many years, this is our first sustainability report and I hope that it will allow a broader audience to appreciate how our business success is reflected in our continued commitment to Mexico and the sustainable development of our host communities.

Our vision is *to be the world's purest silver producer*. For us, the concept of 'pure' extends beyond our silver production; it is the idea that every ounce of metal is produced in a way that is socially responsible. This commitment is expressed in our mission statement.

ETHICAL PRACTICES

Working ethically reflects our values of honesty, accountability and trust. It not only means ensuring we meet or exceed all government regulations, but that we have a strong governance foundation. Our policies and management systems are constantly evolving to align with relevant international best practice. We also recognize that our integrity as a company enables us to be an attractive employer and hub for talent.

Our sustainability strategy is aligned with our vision:

TO BE THE WORLD'S **PUREST** SILVER PRODUCER



AN EMPOWERED WORKFORCE

I am incredibly proud of what our nearly 5,000 people achieved in 2019. We could not do what we do without our experienced and dedicated workforce. From our front lines to our internal specialists and executive management teams, and across our many locations, our aim is to reinforce the concept of 'one team - one family' as our enduring corporate culture.

A key component of an empowered workforce is ensuring a safe and healthy workplace. We place significant efforts towards continuously improving our health and safety performance. Our Company-wide total recordable injury frequency rate improved steadily over the past three years, decreasing by 18% and 32%, respectively, compared to 2017 and 2018. Our improved annual safety performance underscores the increasing maturity of our safety management system. The integration of the Visible Felt Leadership program in 2019 fostered positive leadership in health and safety, confidence and trust in our employees and in our safety systems.

SUSTAINABLE PRACTICES

Sustainable practices consider our impact on the environment and the communities where we work, and respecting the cultures, customs, and fundamental human rights of our employees and communities.

Through consistent engagement with our communities, we strive to create opportunities through education, developing a skilled local workforce, and direct community investments for sustainable initiatives that will remain in place long after we leave. We firmly believe in partnering with various levels of government to support key infrastructure. In 2019, we invested \$3.8 million in community and infrastructure projects. We focused on supporting access to clean water, improving school facilities, and minimizing the environmental impacts associated with municipal waste management. We also have a long-standing commitment to community

health; our medical services and facilities provided over 25,600 medical consultations to local community members in 2019.

We recognize that water is an important issue for our local stakeholders. Our strategy is to use the best available technologies to minimize our freshwater consumption. The use of dry-stack tailings, for example, allows us to recover over 80% of the water used in our production process.

Tailings safety is critical to environmental protection and public safety. The use of dry-stack and filtered tailings technology at all our operations is a cornerstone of our strategy for reducing risk and the environmental impact of tailings. This tailings disposal method is widely recognized amongst the Best Available Technologies for tailings management. Executive-level oversight, risk assessments, tailings management plans, ongoing monitoring and inspections are all part of our practices to ensure these structures are stable and continue to meet international standards.

INNOVATIVE PRACTICES

We are continually seeking to drive efficiencies, lower production costs, and reduce our environmental footprint through technological innovation. Our Research and Innovation Centre, established in 2019 at La Parrilla, is a dedicated facility to develop and test new technologies and optimizations before they are potentially implemented within our operations.

One of our priorities has been the reduction of dependency on diesel fuel and the conversion to Liquefied Natural Gas (LNG). La Encantada transitioned to LNG four years ago. By early 2021, Santa Elena aims to complete its conversion to LNG as its primary source of fuel for power generation.

LOOKING AHEAD

Our strategic decision making, commitment to continuous improvement, as well as the shared vision of our talented

and dedicated teams of people contribute to our ongoing successes. Through our sustainability reporting, we look forward to sharing ongoing details about our practices in a transparent manner. These sustainability practices not only benchmark our Environmental, Social and Governance (ESG) performance, but also reflect how First Majestic's mining operations drive positive change for our stakeholders.



Keith Neumeyer,
President & CEO



ABOUT THIS REPORT

REPORTING FRAMEWORK

Global Reporting Initiative (GRI) Standards
G4 Mining and Metals Sector Disclosures

**IN ACCORDANCE OPTION
CORE**

REPORTING PERIOD AND CYCLE

January 1 – December 31, 2019
Annual

REPORT SCOPE AND DATA

The scope and associated performance data contained within this report covers our producing mines in 2019, including:

- SAN DIMAS SILVER / GOLD MINE
- SANTA ELENA SILVER / GOLD MINE
- LA ENCANTADA SILVER MINE
- SAN MARTIN SILVER MINE
Placed in temporary suspension in July 2019
- LA PARRILLA SILVER MINE
Placed in temporary suspension in September 2019
- DEL TORO SILVER MINE
Placed in temporary suspension in February 2020

100% OWNED
by First Majestic
Silver Corp.

Certain labour practice indicators and performance data regarding employees, health and safety, and training are included for our corporate offices in Vancouver and Mexico, as well as our exploration projects and the La Guitarra Silver Mine currently in care and maintenance. We are also aware that our audience has interest in our La Luz Silver Project, where we have expended considerable engagement and social investment efforts. We have included a case study about La Luz on page 35.

DEFINING REPORT CONTENT

This report covers our material sustainability topics; those that reflect our most important economic, environmental, and social impacts, as well as topics identified as being important to, or influencing the perceptions of, our stakeholders, as guided by the Global Reporting Initiative (GRI) Standards for defining report content, and as determined through a materiality assessment.

This is First Majestic’s inaugural sustainability report and demonstrates our commitment to transparent disclosure of our economic, health and safety, social, and environmental impacts and performance. We are committed to socially responsible business practices and we understand the increasing importance our stakeholders place on sustainable development and responsible mining. Our goal is to transparently disclose how we meet this commitment, and to continuously improve our performance through our long-term Sustainability Strategy.

OUR 2019 MATERIALITY ASSESSMENT PROCESS

For our first materiality assessment, predominantly qualitative data was collected through a series of internal workshops at each site, as well as corporate surveys. Input was gathered through consultation with key content specialists within the Company, who conduct ongoing internal and external stakeholder engagement and have the ability to represent perceptions from our stakeholders including: community members, employees, contract workers, labour unions, supply chain vendors, government authorities, industry organizations, non-governmental organizations, and shareholders.

The information contained within this report was compiled through an internal process designed to ensure accuracy and quality control with respect to the description of management systems and data pertaining to performance indicators. No independent or external verification was undertaken; however, some data have been externally audited (as indicated).

As our sustainability reporting practice develops over time, we plan to expand our materiality process to include increased engagement with our stakeholders with the aim of continuously improving our disclosures.

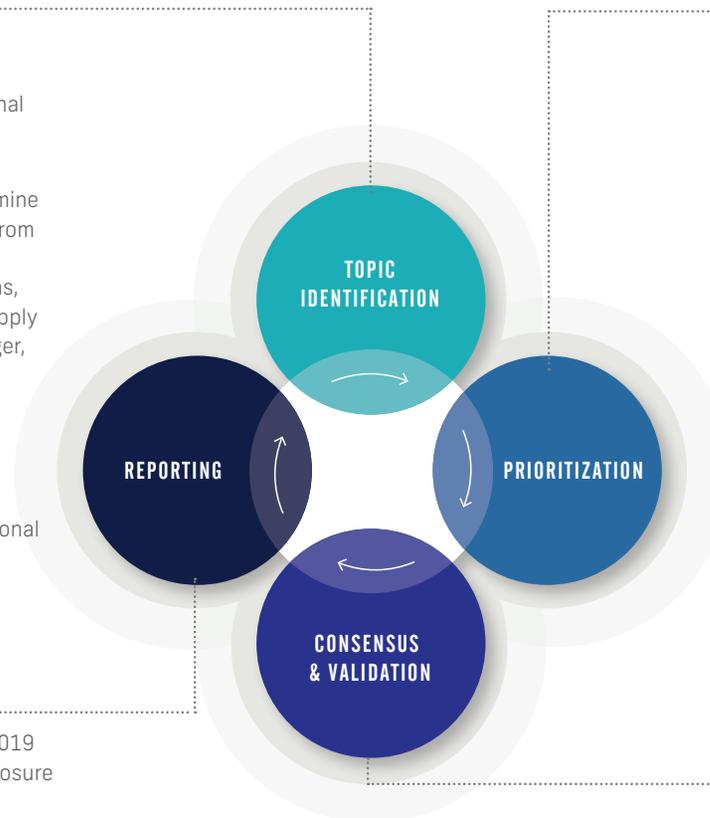
Materiality Assessment Process

TOPIC IDENTIFICATION

- Analysis of key issues identified through ongoing engagement with key internal and external stakeholder groups.*
- Group workshops at each mine site – content specialists from Environment, CSR, Human Resources, Labour Relations, Health, Safety, Finance, Supply Chain, Mine General Manager, and other specialists.
- Consideration of: strategic priorities, core industry risks and opportunities, regulatory developments, and policy trends, international industry standards, and peer benchmarking and reporting trends.

REPORTING

Release of our Inaugural/2019 Sustainability Report. Disclosure and benchmarking of our performance and progress on material sustainability topics.



PRIORITIZATION

- Consultation with internal subject-matter experts from corporate teams in Canada and Mexico from Environment, Health, Safety, Human Resources, Labour Relations, Supply Chain, Finance, and Risk.
- Survey conducted with Officers, VPs and other personnel who engage with external stakeholders in areas such as Mexico Government Relations, Communications (media), CSR, Investor Relations, and Finance, to provide insight into specific external stakeholder perspectives.
- Top material topics selected ranking as high to critical priority.

CONSENSUS & VALIDATION

Topics validated by General Mine Managers and CSR Personnel; final consensus and validation by President/CEO/CFO, COO, and VP Corporate Sustainability – the highest positions to formally review and approve the sustainability report and ensure all materials topics were included.

* With the exception of the internal employees/stakeholders specifically listed in this process, no direct employee or external engagement was conducted.

OUR MATERIALITY SUSTAINABILITY TOPICS

In order of presentation in this Report

STRATEGY AND GOVERNANCE

- Business Ethics
- Anti-Corruption
- Risk Management
- Sustainability
- Environmental Compliance

HUMAN RIGHTS

STAKEHOLDER ENGAGEMENT

OUR PEOPLE

- Employment Practices
- Training & Skill Development
- Labour Relations
- Diversity
- Equal Opportunity

HEALTH AND SAFETY

LOCAL COMMUNITIES

- Local Economic Development & Infrastructure
- Social Investment
- Local Employment
- Procurement

WATER MANAGEMENT

- Water Quality
- Water Consumption

MINING WASTE

- Tailings Management
- Mining Waste

ENERGY AND EMISSIONS

RECLAMATION AND CLOSURE

- Restoration
- Mine Closure Planning

ABOUT
FIRST MAJESTIC SILVER

Headquartered in Vancouver, BC, Canada, First Majestic Silver Corp. (“First Majestic”) historically produces silver, gold, zinc, and lead from the seven mines we own and operate. Commencing in 2020, only three mines are operating which produce only silver and gold in the form of doré bars.

We mine and explore in Mexico where we have built strong and long-standing relationships with communities, government, and other institutions. The country offers exceptional mining opportunities through vast and prosperous geological potential, political and financial stability, a modern and growing infrastructure, and an educated and skilled workforce. We proudly contribute to the well-being of our nearly 5,000 direct employees and contractors and our host communities, in which we strive continually to contribute to sustainable development.

OUR VISION

First Majestic’s vision is to be the world’s purest silver producer.

OUR MISSION

First Majestic’s mission is to produce profitable silver ounces and to grow our mineral resources through ethical, innovative, and sustainable practices, implemented by an empowered workforce that fosters the permanence of the organization.

OUR VALUES

Our vision and mission are achieved through a commitment to our values, which guide our behavior and form the basis of our corporate culture:



OUR GOLDEN RULES

- 1 Ensure the well-being of our staff, neighbours, the environment and assets.
- 2 Honour the commitments established with our stakeholders.
- 3 Communicate effectively, collaboratively, transparently and truthfully.
- 4 Respect and value the work of all.
- 5 Foster personal well-being, quality of life and professional development.
- 6 Promote innovation, technological research and development.
- 7 Embrace change.
- 8 Live the vision.
- 9 Promote a high-performance work culture.
- 10 Commit to achieving operational excellence.

ONE COUNTRY, SIX MINES

CORPORATE OFFICE
Vancouver, BC

REGIONAL OFFICES
Durango, Mexico City

SANTA ELENA SILVER / GOLD MINE
Sonora State

SAN DIMAS SILVER / GOLD MINE
Sinaloa State

SAN MARTIN SILVER MINE
Jalisco State

LA ENCANTADA SILVER MINE
Coahuila State

LA PARRILLA SILVER MINE
Durango State

DEL TORO SILVER MINE
Zacatecas State



SANTA ELENA SILVER / GOLD MINE

Employees & Contractors	737
Year Acquired	2015



SAN DIMAS SILVER / GOLD MINE

Employees & Contractors	1,846
Year Acquired	2018



LA ENCANTADA SILVER MINE

Employees & Contractors	687
Year Acquired	2006

2019 NET REVENUE

US\$363.9 M

SILVER EQUIVALENT OUNCES PRODUCED

25.6 M

SILVER OUNCES PRODUCED

13.2 M

GOLD OUNCES PRODUCED

135 K

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

- US\$3.8M invested in local community health, infrastructure, access to water and youth programs
- Over 25,600 medical consultations provided in local communities
- Total Recordable Incident Frequency Rate improved by 18% over 2018
- Our Safety Fairs attracted over 5,000 people from surrounding communities
- 105,730 native plant species planted through reforestation initiatives
- Recycled over 80% of the water we consumed through our use of dry-stack tailings technology

AWARDS

CSR Business Distinction Award - *Distintivo ESR*
 San Dimas (8 years), La Parrilla (11 years) and Santa Elena (6 years) mines

CERTIFICATIONS

Clean Industry Certification - *Industria Limpia*
 San Dimas, Del Toro mines



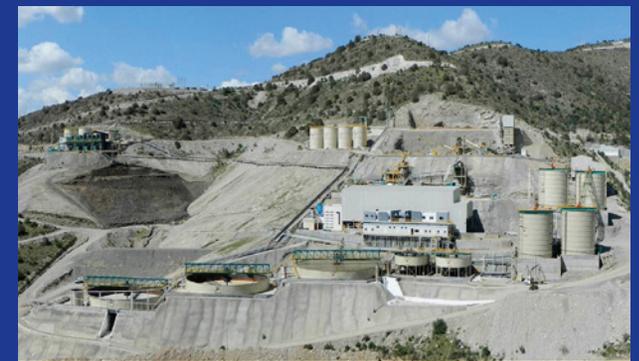
SAN MARTIN SILVER MINE

Employees & Contractors 324
 Year Acquired 2006



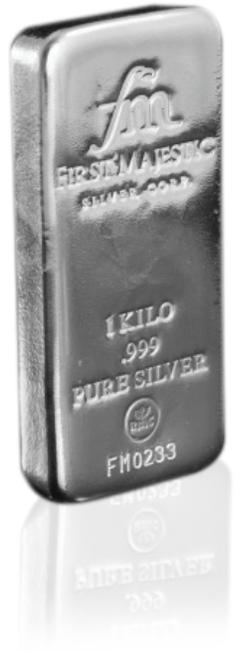
LA PARRILLA SILVER MINE

Employees & Contractors 362
 Year Acquired 2004



DEL TORO SILVER MINE

Employees & Contractors 314
 Year Acquired 2004



OUR CUSTOMERS AND PRODUCT MARKETS

Revenue from our mining activities have historically (2006 – 2019) been from two forms of products: silver doré bars and concentrates of silver, lead, zinc and gold. Our doré bars and concentrates are delivered to refineries in the USA, Mexico and Asia where they are refined or smelted and sold through international commodities brokers. A small portion (less than 1%) of our silver production is sold directly to retail consumers through the First Majestic Silver Bullion Store; an e-commerce website accessible at www.store.firstmajestic.com.

MEMBERSHIP IN ASSOCIATIONS

Involvement through memberships and engagement within industry associations enables First Majestic to keep current regarding emerging sector and sustainability trends, regulatory updates and industry best practices which collectively advance the mining sector’s contribution to sustainable development.

<i>Association</i>	<i>Status or Contribution</i>
Silver Institute	Member since 2018.
The Mining Chamber of Mexico (CAMIMEX)	Member since 2007. First Majestic holds a board position and participates in 9 of 11 committees including Environment, Water and Climate Change, Occupational Health and Safety, Human Resources, and Community Development committees.
The Canada Mexico Chamber of Commerce (CANCHAM)	Member since 2008. First Majestic participates on the Mining Task Force.
Centro Mexicano de Filantropía (CEMEFI)	Member since 2009.

Revenue from our mining activities are from silver doré bars and concentrates of silver, lead, zinc, and gold.



Photo: Ernesto Vazquez

STRATEGY AND GOVERNANCE

Our Company values form the foundation of our corporate culture and are an integral part of the framework used to operate our mines. Both our internal and external stakeholders have indicated that demonstrating an ongoing commitment to ethics and integrity in the way we conduct our business activities is a high priority. Our reputation as a good corporate citizen is vital to the long-term success of our business, and we seek to create enduring relationships and shared values with our local communities and our stakeholders.

OUR APPROACH

Good governance is a guiding principle at all our operations. First Majestic is committed to meeting, and where possible, exceeding applicable laws and regulations in the jurisdictions in which we operate. This commitment extends to socially responsible mining and we seek to continually improve our sustainability performance. We are working to align our policies, standards, and procedures with international best practice for social and environmental performance. Internally, we aim to foster confidence in management systems and processes to support our Code of Ethical Conduct (Code) and other policies, and promote risk management based on principles of transparency and inclusivity. Externally, we strive to communicate these commitments to our communities, our business partners and vendors, and to local governments.

To support this approach, First Majestic currently has the following policies in place, in addition to the Code of Ethical Conduct:

- Occupational Health and Safety Policy
- Anti-Bribery, Fraud and Corruption Policy (ABC)
- Bullying, Discrimination, Harassment and Workplace Violence Policy
- Diversity Policy
- Enterprise Risk Management Policy (ERM)
- Conflict of Interest of Personnel and Vendors Policy

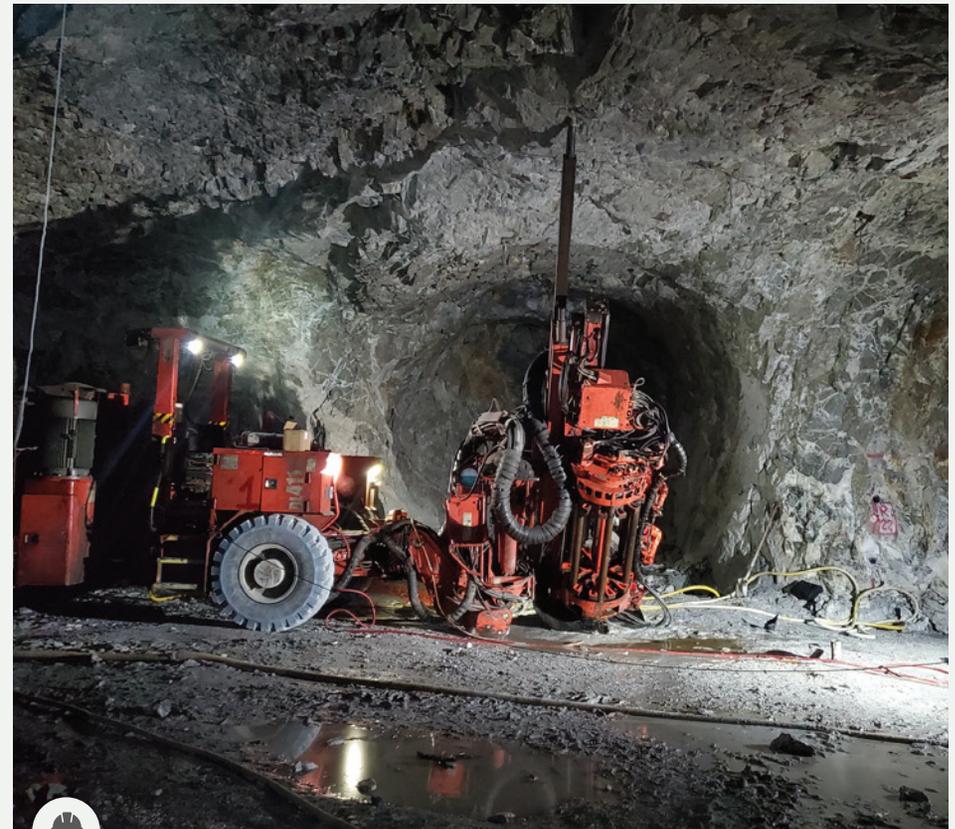


Photo: Ignacio Tinajero

OUR PERFORMANCE

BUSINESS ETHICS

All First Majestic officers, employees, contractors, business partners and vendors receive our Code upon being recruited or during induction training, and must acknowledge annually, in a written declaration, their understanding of the Code and its contents. First Majestic promotes the prompt internal reporting of violations of the Code and takes immediate and appropriate corrective action for any violations, up to and including termination.

All those who work for and with First Majestic must avoid conflicts of interest. Provisions and guidance on the avoidance of conflicts of interest are embedded in our Code as well as our Conflict of Interest of Personnel and Vendors Policy.

ANTI-BRIBERY AND ANTI-CORRUPTION

We have a zero-tolerance policy regarding bribery, fraud, and corruption. Our Anti-bribery, Fraud and Corruption Policy supplements our Code and reiterates First Majestic's commitment to full compliance with Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, and any applicable local anti-bribery or anti-corruption laws. Beginning in 2019, First Majestic began its formal training to employees on the Anti-bribery, Fraud and Corruption Policy as part of their induction training and will receive ongoing annual refresher training to ensure any updates or changes are communicated. In 2020, contractors will be included in the training program.

Management, in collaboration with the Internal Audit and Risk Department, performs an annual risk assessment of all business units to assess the anti-bribery, fraud and corruption risks and the adequacy and effectiveness of our controls and mitigating actions. There were no confirmed incidents of bribery, fraud or corruption in 2019.

WHISTLEBLOWER POLICY

First Majestic's Whistleblower Policy establishes a protocol and lines of communication for the confidential or anonymous reporting of any complaint with respect to financial, accounting, or auditing matters, illegal behaviour, or violations of the Code.

Everyone working for the Company who witnesses prohibited behaviours is expected to immediately report to the anonymous incident reporting hotline. The hotline is available to all stakeholders on our [website](#) in English and Spanish, 24 hours a day, 7 days a week. Discrimination, harassment, reprisal, or retaliation is strictly prohibited against anyone who reports a complaint in good faith. All reports are directed to the Chief Executive Officer and Chairman of the Corporate Governance Committee and are investigated.

ENTERPRISE RISK MANAGEMENT

There are many risks and uncertainties which have the potential to positively or negatively impact our business. First Majestic has developed a robust Enterprise Risk Management (ERM) Program that is consistent with ISO 31,000 and the COSO ERM framework. ERM is integral to all of the Company's organizational processes, including strategic planning and decision-making.

Our Enterprise Risk Management Policy describes the Company's approach to Risk Management and provides the framework to embed informed and proactive Risk Management processes throughout each department in the Company.

The Company assesses and monitors the likelihood and impact of identified risks, and uniquely assesses the adequacy and effectiveness of our controls, both current and optimal. We then re-assess the likelihood and impact after controls, determine action plans to reduce the residual risk to an acceptable level of risk tolerance, and continually monitor and follow-up on these plans.



Photo: David Saucedo

First Majestic is committed to meeting, and where possible, exceeding applicable laws and regulations in the jurisdictions in which we operate.

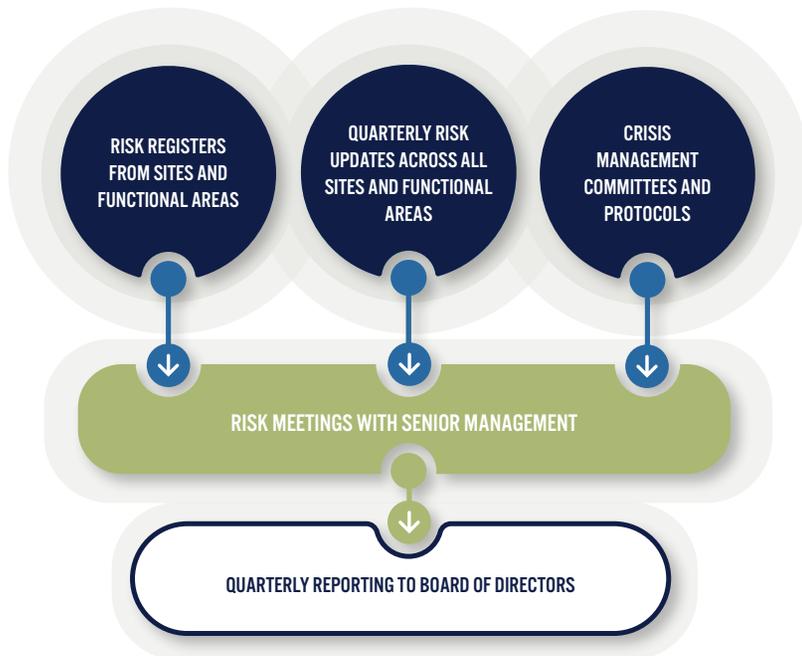
RISK INFORMATION FLOW

First Majestic's Risk Management department ensures reliable identification and reporting of Company risks including insurance and governance risks, conducts risk assessment training, and facilitates risk reviews. Quarterly reports, which include risk register updates, are submitted to senior management and the Board of Directors.

In 2019, the most significant sustainability-related risks* identified by our teams were environmental incidents, social conflicts, ongoing health and safety performance, union relationships, and security.

* The order that these risks appear do not necessarily reflect the likelihood of their occurrence or the relative magnitude of any potential material impact on our business.

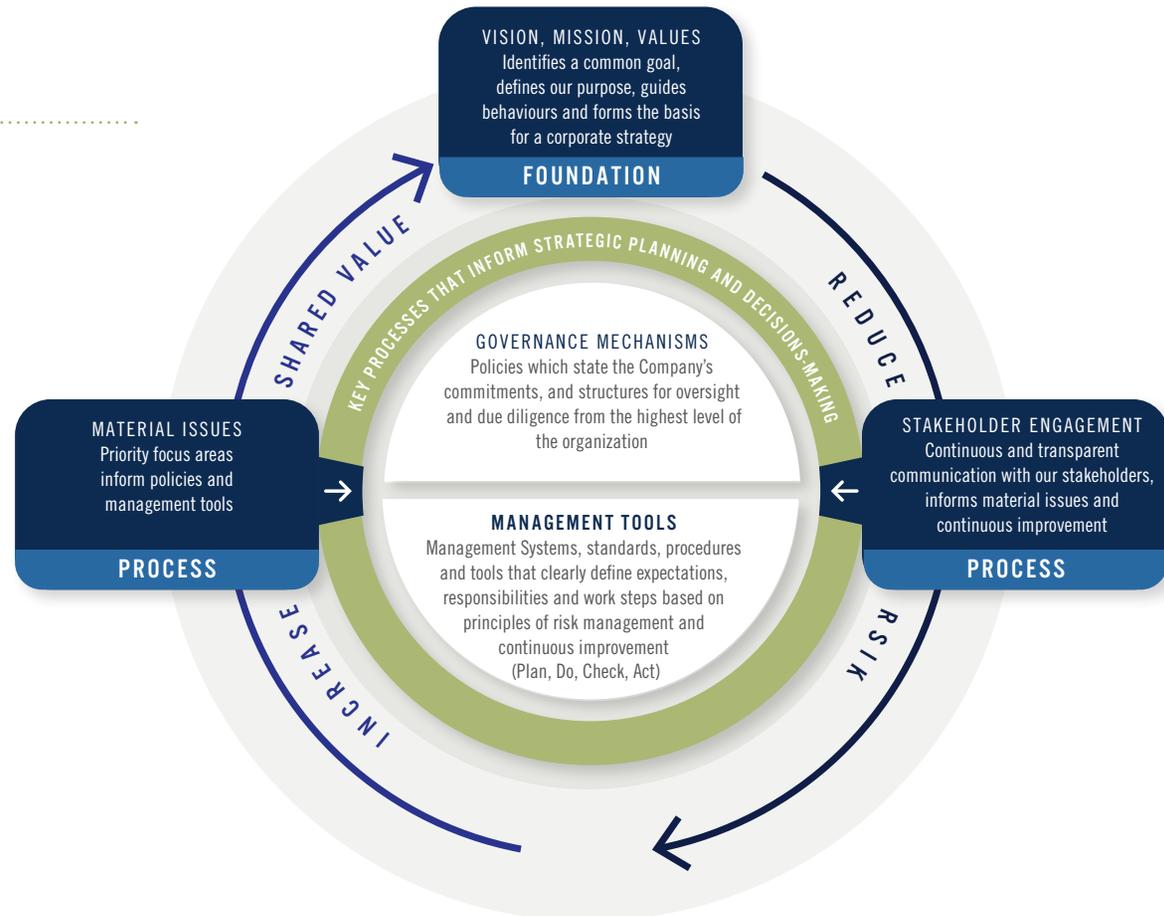
Risk Information Flow



SUSTAINABILITY

Our approach to sustainability seeks to increase value for our stakeholders while reducing business risk. These objectives are performed using international industry best practices, as well as our risk management analysis, material topic identification, and ongoing stakeholder engagement processes.

Sustainability Approach



We take into consideration the following international guidance for extractive companies operating abroad, in line with the Canadian government's current Enhanced Corporate Social Responsibility (CSR) Strategy:

- OECD Guidelines for Multinational Enterprises
- United Nations (UN) Guiding Principles on Business and Human Rights

- Voluntary Principles on Security and Human Rights
- International Finance Corporation's Performance Standards on Social & Environmental Sustainability
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- Global Reporting Initiative

Our approach is also aligned with the following additional voluntary external initiatives:

ISO 14001	The First Majestic Environmental Management System is consistent with ISO 14001.
ISO 31000	Family of standards used in the design of the Enterprise Risk Management System for First Majestic.
Self-Management Program for Occupational Health and Safety	All the Company's sites operate an Integrated Management System for Industrial Health and Safety and Hygiene (SIGASHI) and participate in the Mexico Ministry of Labour and Social Welfare's audited Self-Management Program for Occupational Health and Safety (<i>Programa de Autogestión, PASST</i>).
The UN Global Compact	First Majestic uses the UN Global Compact Principles as guidance for its social practices and Management Systems.
The UN Sustainable Development Goals (SDGs)	Our community investments are guided by a set of common goals and our relevant procedures and activities are mapped against select SDG Targets and Indicators (see page 17 for expanded details).
The Mining Association of Canada Toward Sustainable Mining Protocols	The TSM Aboriginal and Community Outreach Protocol guides our Social Management System.
UNICEF Children's Rights and Business Principles	Our external grievance mechanism is aligned with principles set forth by UNICEF.

We maintain management systems for CSR, Environment, and Health and Safety, which are designed with a focus on continuous improvement. We conduct regular audits of our systems and monitor the results of site performance to identify corrective actions and improvements. Sustainability performance is reported to the Board of Directors on a quarterly basis.

We have a three-year CSR Strategic Plan through which we have identified objectives and strategies specific to social performance for the corporate CSR team as well as each operation and project. First Majestic's annual organizational objectives include priority objectives, initiatives and targets for sustainability.

Communication Flow of Sustainability Performance



THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We believe we have a role to play with respect to the advancement of the UN Sustainable Development Goals (SDGs) both as a sector and where we conduct our business. We consider the SDGs when assessing our impacts and in the way we measure our results. Some of our activities reflect ways in which we enhance a positive impact, and some reflect ways we mitigate a potential negative impact in relation to the goals. Of the 17 SDGs, First Majestic is best positioned to focus on the following 4 goals:



1 NO POVERTY



- Work with government and through partnerships to further infrastructure projects in our host communities improving sanitation, electrification, school and road infrastructure

3 GOOD HEALTH AND WELL-BEING



- Management of occupational health risks through regular employee health screenings
- Environmental monitoring and emergency preparedness
- Health promotion and education in hygiene and nutrition
- San Dimas clinic and health services provided to the community of Tayoltita

6 CLEAN WATER AND SANITATION



- Treatment of discharged mine water
- Operational and social investments in wastewater treatment and recycling
- Conversion to dry-stack tailings reduces our freshwater consumption
- Community water springs monitoring program at La Guitarra mine
- Support to municipal waste management projects at San Dimas, La Parrilla, San Martin

8 DECENT WORK AND ECONOMIC GROWTH



- Wages and benefits through employment, local procurement and training
- Annual local Small Business Forum and services available at the Del Toro mine
- Bruno Martinez School at San Dimas
- Internship program for post-secondary students

STRATEGY AND GOVERNANCE OUR NEXT STEPS

We are committed to ongoing efforts to updating our policies, procedures and management tools to reflect our continually improving governance and ethical business practices, including the following for 2020:

- Complete the implementation of the Company-wide training program on the Anti-bribery, Fraud and Corruption Policy, including contractors

HUMAN RIGHTS

First Majestic is committed to respecting the fundamental human rights, cultures, customs and values of our employees and communities in which we operate, including the rights and heritage of indigenous peoples. Our assurance that policies, procedures, and a supportive and trained workplace culture are in place to meet this commitment, affects all our activities and our stakeholders.

OUR APPROACH

Working for First Majestic means recognizing and respecting the integrity of each individual. We are committed to providing a work environment consistent with applicable human rights and occupational health and safety legislation where all employees will be treated equally with respect and dignity and ensured an equal opportunity to succeed. We prohibit any form of workplace discrimination or harassment and these expectations are articulated in our Code, as well as our Bullying, Discrimination, Harassment and Workplace Violence Policy.

OUR PERFORMANCE

We respect the rights of our employees and contractors, including freedom of association and collective bargaining, and we support ongoing engagement and proactive dialogue with our labour unions.

While the potential use of child labour is considered a country risk in Mexico, we prioritize the prevention of child labour in our operations and in our supply chain. We have strict hiring requirements, preventing anyone under the legal industrial working age of 18 from obtaining employment at any of our sites. Our contractors and supply chain must also adhere to this requirement. There have been no reported incidents of child labour practices at our operations.

We have mechanisms in place for employees and community members to provide feedback and express concerns and complaints, including matters of Human Rights. In 2019, there was one harassment related complaint reported. The Company takes these reports

very seriously and conducts thorough investigations to ensure these are substantively addressed.

Refer to page 30 for more detailed information on our community grievance mechanism, feedback, and complaints.



Photo: Jhonatan Hinojosa

STAKEHOLDER ENGAGEMENT

First Majestic recognizes the importance of engaging in ongoing and transparent dialogue with our stakeholders for the purpose of continuously evaluating and improving our practices and performance. We believe that a committed, continuous approach to stakeholder engagement contributes to trust, credibility, and the ability to maintain our long-term social license to operate.

OUR APPROACH

As early as possible, and throughout the life cycle of our operations, we engage with host communities in an inclusive, ethical, culturally appropriate and transparent manner, and seek to establish constructive relationships built on mutual respect and trust.

We recognize the unique context of the mining industry with respect to land access, and we work to build collaborative relationships with indigenous peoples, Ejidos (Mexico's communal agricultural land holders), and private landowners with whom we have land use agreements. We

are committed to a respectful engagement process that is based on good faith negotiations and is consistent with traditional decision making.

Our stakeholder management tools include methodologies for stakeholder mapping and assessment, communications management for stakeholder information needs, and the creation of stakeholder engagement plans. We prioritize proactive disclosure and respond to the information needs of communities and other stakeholders by ensuring meaningful engagement and dialogue about issues that impact them.

First Majestic is committed to proactively engaging with our host communities and other stakeholders to identify and address development opportunities, and foster partnerships for social investment.

We have a process for receiving, addressing and resolving community complaints at each of our operations so that individuals can communicate their feedback and concerns directly with the Company, and to ensure these concerns are addressed efficiently and transparently.



Discussion and participation forums with communities and government at La Guitarra

OUR PERFORMANCE

Throughout the life-cycle of our operations, we identify and define the stakeholders with whom we engage regularly as those individuals or groups of individuals and organizations that are affected or impacted (positively or negatively) by the activities of the Company. First Majestic conducts stakeholder mapping at each of our operations, which guides us in the identification of our individual and group stakeholders, including vulnerable groups such as children, women and the elderly, the type of relationship we share, their interests and concerns, information needs, and the adequate type of engagement we aim to have with them. We update our stakeholder maps and communication plans regularly.

Stakeholder Groups

The following table represents a broad view on key stakeholder groups that First Majestic engaged with in 2019, their key interests and concerns, and how/how often we engage with them:

EMPLOYEES AND CONTRACTORS

Ongoing engagement through formal and informal methods including site committees, the Visible Felt Leadership program, Townhall meetings with management.

KEY 2019 INTERESTS AND CONCERNS

- Salary, benefits and quality of life
- Job security
- Health and safety
- Training, development and upward mobility
- Gender equality
- Company / Union relationships

LABOUR UNIONS

Ongoing communication and meetings with regional and national union representatives.

KEY 2019 INTERESTS AND CONCERNS

- Wages, bonuses and benefits
- Job security
- Health and safety
- Training

SUPPLIERS

Meetings and written correspondence with our business partners and suppliers.

KEY 2019 INTERESTS AND CONCERNS

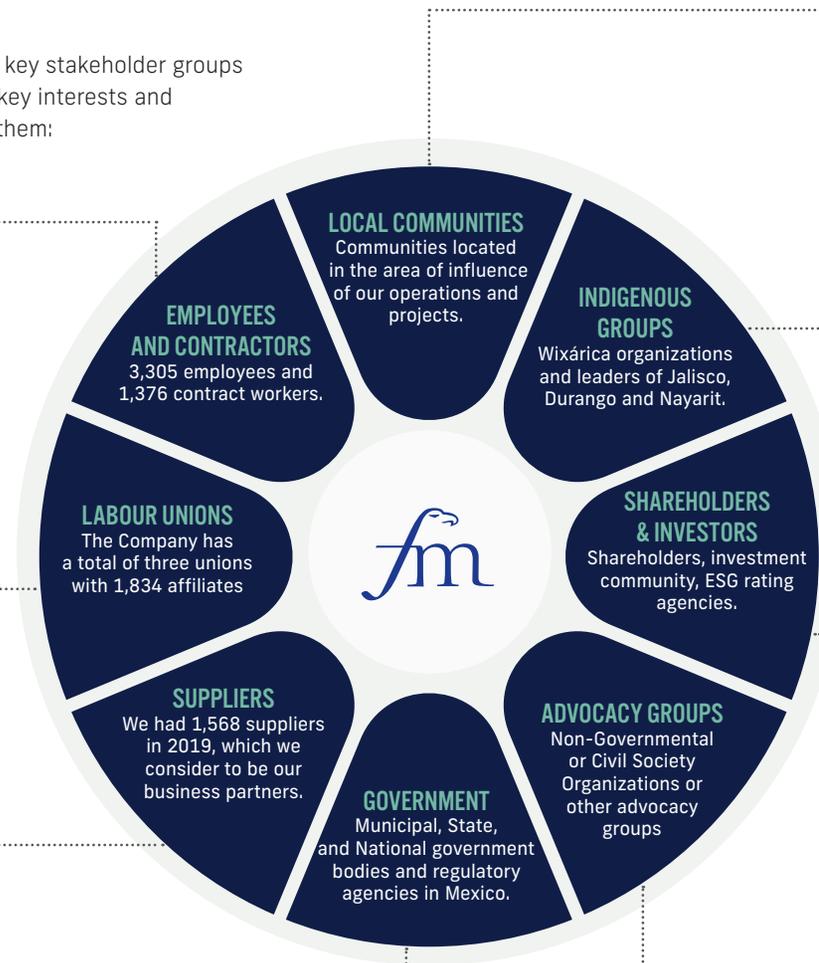
- Operational plans and changes
- Local contracts

GOVERNMENT

Engagement through in-person meetings, site visits and industry events.

KEY 2019 INTERESTS AND CONCERNS

- Local employment, procurement and economic development
- Safety, health and environmental performance



LOCAL COMMUNITIES

Communities located in the area of influence of our operations and projects.

LOCAL COMMUNITIES

Engage daily with communities through formal and informal mechanisms.

KEY 2019 INTERESTS AND CONCERNS

- Employment and contract opportunities
- Water quality and access
- Infrastructure, education and public health
- Economic sustainability
- Operational impacts: noise, dust, vibration

INDIGENOUS GROUPS

Wixárica organizations and leaders of Jalisco, Durango and Nayarit.

INDIGENOUS GROUPS

In-person meetings and multi-stakeholder initiatives aimed at strengthening dialogue with Wixárica communities.

KEY 2019 INTERESTS AND CONCERNS

- Indigenous rights
- Preservation of sacred sites
- Environmental protection, including traditional medicinal plants
- Economic development

SHAREHOLDERS & INVESTORS

Shareholders, investment community, ESG rating agencies.

SHAREHOLDERS AND INVESTORS

Frequent engagement through targeted outreach. Annual engagement with specific ESG rating agencies.

KEY 2019 INTERESTS AND CONCERNS

- ESG policies and management systems
- Financial and operational performance
- Tailings management
- Security of operating regions

SUPPLIERS

We had 1,568 suppliers in 2019, which we consider to be our business partners.

GOVERNMENT

Municipal, State, and National government bodies and regulatory agencies in Mexico.

ADVOCACY GROUPS

On an issues-basis when approached, and proactive engagement to establish dialogue where relevant.

KEY 2019 INTERESTS AND CONCERNS

- Land rights
- Indigenous rights
- Water & agriculture

A listing of specific community concerns in 2019 and the Company response to these issues is located in Local Communities on page 30.

OUR PEOPLE

At First Majestic, our number one goal is to ensure a healthy, safe, inclusive and collaborative workplace culture that drives exceptional business results, while providing significant opportunities to our people and the communities where we work.



Photo: Ximena Nevarez

OUR APPROACH

Our people are the foundation of all our successes – developing a skilled, committed, empowered and aligned workforce is critical to our business. Wherever we work, we adhere to local labour laws and strive to be an employer of choice.

First Majestic's Code of Ethical Conduct and human resources policies affirm that all employees have an equal opportunity to succeed, are treated with respect and dignity, and are entitled to a work environment that is safe, free of bullying, discrimination, harassment and violence.

Our aim is to recognize and reward the efforts of employees who strive for top performance, while supporting an aligned work culture where everyone feels part of, and is rewarded as, a collaborative team. First Majestic's Performance Development Policy includes annual reviews, regular feedback and individual professional development planning. The Company's compensation package is guided by our belief in the principles of internal pay equity and competitive pay with our peers. Additionally, all permanent, full-time employees are entitled to participate in our annual performance incentive plan (bonus program).

Our people are the foundation of all our successes

WE ARE COMMITTED TO:

- Providing meaningful and rewarding work
- Respecting employees' rights and supporting freedom of association
- Offering fair, equitable, and competitive salaries and benefit programs
- Realizing individuals' potential through training, effective performance management and feedback mechanisms
- Fostering an inclusive work environment



OUR PERFORMANCE

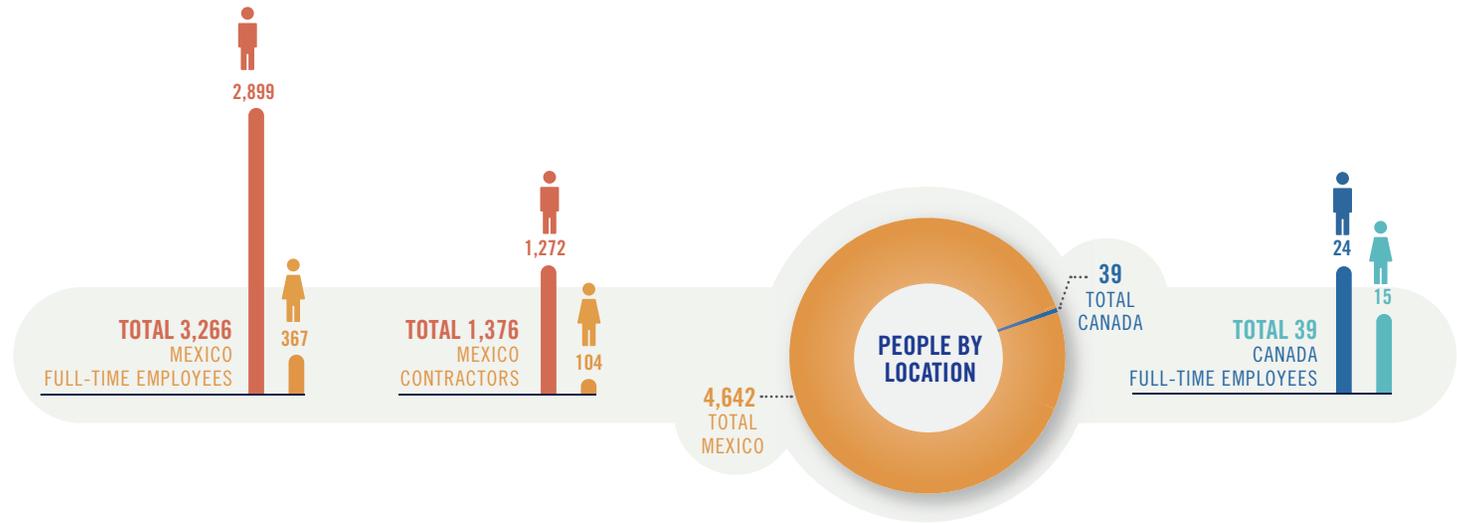
OUR EMPLOYEES

At December 31, 2019, First Majestic employed a total of 4,681 people: 3,305 employees and 1,376 contractors. Contract workers were primarily engaged in mining and exploration work, maintenance, special projects (i.e. construction), transportation, security, as well as food services.

In 2019, the workforce at two of our mines was impacted by circumstances that resulted in significant operational changes. In July 2019, we temporarily suspended our San Martin mine in the state of Jalisco due to growing concerns of insecurity in the area and the overall safety concerns for our workforce.

A decision was also made to temporarily suspend operations at La Parrilla toward the end of 2019, resulting in a 45% reduction of its employees. This measure was required to reduce its operating expenses while focusing on an expanded drilling program in the area. While operations are suspended, the Company continues to staff the Central Laboratory at La Parrilla, as well as our Research and Innovation Centre, where we currently have an active pilot plant operation underway. We recognize the impact that this has for employees and their families and our teams have engaged in proactive dialogue with local communities and local government to address ways in which we can best support the transition.

Employees and Contractors



LABOUR RELATIONS

Unions have a long history in Mexico, and all our mines have union representation. Unions make up an important portion of our workforce. Positions typically outside of the unions are management, professionals, engineering, supervisory and administrative positions. Agreements are negotiated annually and include salary increments, benefits and bonuses, as well as clauses related to working conditions and health and safety.

Our union workforce is important in achieving our business strategy. Through the use of well-defined labour relations and human resource policies and procedures, we continually seek ways to improve our relationships. We are

committed to continue developing a strong working partnership with our unions and their members – one that creates mutual benefits for both parties – through clear, consistent, and transparent dialogue. In 2019, we began holding workshops with union leadership representatives, our labour relations teams, and mine-site leadership to increase effective communication and enhance teamwork.

There were no strikes or lockouts exceeding one week in duration in 2019.

8 **DECENT WORK AND ECONOMIC GROWTH**

FIRST MAJESTIC RELEVANT ACTIVITIES

- Wages and benefits through employment, local procurement and training
- Annual local Small Business Forum and services available at the Del Toro mine
- Bruno Martinez School at San Dimas
- Internship program for post-secondary students

TALENT ATTRACTION AND RETENTION

We invest in our First Majestic family, aiming to secure exceptional talent to drive creativity and efficiency, and create an environment that supports each individual's professional development goals.

The Company took important steps in 2019 to improve our competitiveness in total compensation for employees. This was achieved through the establishment of new short and long-term incentive programs that consider individual, site and corporate performance.

In 2019, First Majestic continued its implementation of an enhanced strategy for talent acquisition, employee development and performance management. This involves examining all aspects of our

strategic and development planning, leadership, and labour relationships to support the ongoing growth and development of our workforce as we strive to become a major tier one producer.

TRAINING & SKILL DEVELOPMENT

Training and skill development are key to First Majestic's growth objectives. We encourage and enable our employees to develop knowledge, skills, and abilities that support their personal objectives, while enhancing our collective skill sets to meet the strategic objectives of the Company. In addition to receiving feedback on their performance, employees also establish professional development plans, providing a clear path for their career development objectives.

Our people are the foundation of all our successes – developing a skilled, committed, empowered and aligned workforce is critical to our business.

We conduct several programs focused on training and development at each of our sites including: induction training, professional development, technical skills training, and regulatory training requirements in specific areas of Health and Safety, including medical personnel (site doctors and paramedics), emergency response, and rescue brigade training. In 2019, we introduced access to online courses covering a broad range of topics and areas of specialization. These

are available to our employees at all business locations and provides greater access to training for our employees.

First Majestic regularly provides work for student interns at our operations. Our internship opportunities provide practical experience to students in areas such as mechanical and electrical maintenance, geology, metallurgy, environment and other areas.



CONOCER CERTIFICATION (MEXICO NATIONAL COUNCIL FOR STANDARDIZATION AND CERTIFICATION OF LABOUR COMPETENCIES)

As part of our commitment to professional and skill development, we are training our miners in the safe and efficient operation and maintenance of our underground mining equipment. In preparation for the program, we formed a partnership with the University of Zacatecas for certifying our in-house trainers. We now have six certified trainers through CONOCER standards.

The underground mine equipment operator training program began in January 2019 with individual initial assessments across our six mines operating at the time, in order to determine training hours according to individual skill level. By year end, 18 operators successfully completed the training program and received their CONOCER certification, and 16 continue in training. In 2020, we will continue to certify more trainers and operators.

NOTE: Data was not fully available for our training and development program hours in 2019. With the implementation of our SAP system, we plan to disclose the Company's total training hours in future reports.

DIVERSITY & EQUAL OPPORTUNITY

First Majestic is committed to providing a work environment where the dignity of each individual is respected, and where all employees are valued for the diversity they bring to the business. Participation of women in the mining sector (particularly for underground operations) is a global challenge and First Majestic is focused on meeting this challenge. We are committed to improving our attraction and retention of women, including in leadership positions and in non-traditional roles.

First Majestic complies with all Mexican Federal Labour laws regarding wage equity: women and men will receive the same compensation for the same job position, and therefore remuneration is determined by job description or position type regardless of gender. Approximately 12%

of our Company-wide workforce is female, with women comprising 22% of leadership roles in Director, Vice President, and Senior Executive positions. At the time of report publication, three of our six Board members are female.

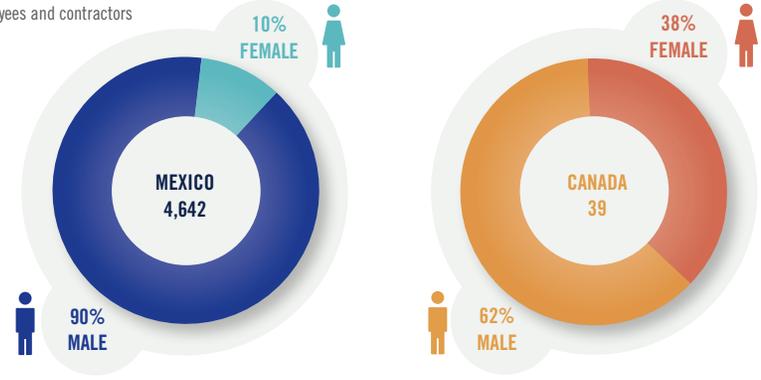
We make every effort to recruit from within Mexico and prioritize hiring people from our local communities wherever possible. We define "local" in the context of each of our operations, and identify the communities that are directly impacted economically, socially or environmentally by our activities. At times it is necessary to conduct recruitment efforts outside of the local area when we require expertise in highly specialized skills or certification is required that is not accessible from the local talent pool.

OUR PEOPLE OUR NEXT STEPS

- Implement SAP as the human resources system platform for all aspects of human capital management, including accurate tracking of training and development hours
- Improve our overall total compensation competitiveness against the marketplace from where we draw talent. We participate in mining industry salary surveys and utilize the data from these surveys as the benchmark against how we measure our market position
- Develop and implement a supervisory core skills development program across all sites
- Increase occupational skills certification and transferable skills initiatives including competency standards from CONOCER for our underground mine equipment operator training program

Our Workforce by Gender

Includes employees and contractors



Breakdown of Management Roles by Gender

Excluding contractors

	FEMALE %	MALE %
Management*	14%	86%
Executive Leadership**	21%	79%
Board of Directors	50%	50%

* Superintendent, Manager, Director

** Vice President, Officer

Local Employment

	EMPLOYEES FROM THE LOCAL COMMUNITY*	SENIOR MANAGEMENT** FROM THE LOCAL COMMUNITY
San Dimas	78%	1%
Santa Elena	36%	14%
La Encantada	47%	10%
La Parrilla	47%	33%
Del Toro	75%	36%
San Martin	60%	67%

*"Local" is defined in the context of each of our operations as the communities that are directly impacted economically, socially or environmentally

**Senior management considers area leaders (chiefs, superintendents and managers)

HEALTH AND SAFETY

First Majestic believes that all our employees and contractors have the right to be safe when at work and is committed to providing the means to achieve a safe and healthy workplace free of accidents, injuries, and occupational illnesses.



Photo: Alesther Sánchez

OUR APPROACH

The importance of the health, safety, and well-being of our workforce and surrounding communities is paramount. Our approach to health and safety is centered on four areas: Policy, Processes, People and Places.

First Majestic's Occupational Health and Safety Policy directs us to:

- Identify, understand, eliminate or control any foreseeable hazards in the workplace
- Provide ongoing training, equipment, and systems to our employees and contractors
- Establish procedures and training for emergency preparedness and response

Our Integrated Management System for Industrial Health and Safety is applied in all operations and projects to standardize tasks and strengthen a culture focused on keeping our people safe. 100% of our employees and contractors are covered by our system. Additionally, all our operations participate in the Self-Assessment for Health and Safety in the Workplace ("PASST"), a compliance program based on national and international standards and administered by the Mexican Ministry of Labour and Social Welfare.

Elements of the First Majestic Integrated Management System for Industrial Health and Safety



10 Rules That Save Lives



Emergency Preparedness



Supervisor's Toolbox



Regulatory compliance and PASST



Safety culture programs



Audits and planned inspections



Accident Investigation



Lead and Lag indicators

Our risk assessments and audits are designed to support continuous improvement. These core processes include:

- Procedures for the identification and management of risks and hazardous tasks. Risk assessment results are used to develop and implement targeted control measures and make improvement adjustments, including addressing additional training needs
- The internationally recognized Incident Cause Analysis Methodology (ICAM) for the investigation of incidents and accidents
- Regular occupational health and safety internal peer audits as well as annual, external compliance audits through PASST

HEALTH & SAFETY FOCAL POINTS



POLICY

1

Management's Statement of Commitment and Guiding Principles

PROCESSES

2

- Management Systems
- Risk Assessment
- Regulatory Compliance

PEOPLE

3

- Values
- Behaviours
- Coaching
- Leadership

PLACES

4

- Workplace Analysis
- Protection Equipment
- Engineered Solutions

We support the right of workers by empowering them to make informed decisions and to remove themselves from unsafe situations that they believe could cause injury or ill health, without fear of reprisal. One of the ways in which we achieve this is through daily work area and task-specific risk assessment calculator completed by personnel upon commencing and during their shift (the "Safe Shift Card"). This tool supports decision-making and includes a reporting mechanism for workplace conditions.

We believe that strong leadership combined with employee participation and personal commitment are key to achieving a safe, healthy, and productive workplace. All First Majestic sites have a health and safety committee comprised of employee and contractor personnel with specific responsibilities, including planned inspections. Topics such as personal protective equipment, medical services and emergency response are covered in collective bargaining agreements with our unions and are integrated into the area walkabouts done by site health and safety committees.

Each operation holds monthly meetings to review work plans, Key Performance Indicators (KPI's), and address employee comments and suggestions. Results are communicated on an ongoing basis to management and to the Board of Directors to support the resourcing of improvement initiatives and training programs.

OUR PERFORMANCE

Much of our focus in 2019 was directed towards a strong health and safety culture; awareness and improvement by reaching the minds and hearts of our people when it comes to safety. In 2019 we:

- Emphasized behaviour-based safety performance and proactive leadership through the adoption of the Visible Felt Leadership Program
- Strengthened individual commitment to safety by empowering employees at all levels: >90% completion rate of Safe Shift Cards
- Recognized individual safety performance through positive recognition in the field and through the Zero Harm Performance Program "Work Safely - Safety Wins"

2019 Health and Safety Culture Programs and Initiatives

WORK SAFELY – SAFETY WINS (Trabajo Seguro - Seguro Gano)

A program recognizing exceptional individual safety performance (zero harm) over a 6-month period. At the end of 2019, 88% of eligible employees and contractors received this recognition.

MINERS AT HEART (Mineros de Corazón)

A safety recognition program launched in 2019. Over 600 recognition cards presented to employees rewarding safe conduct, safety innovation, or helping others to be safe. Used primarily during the Visible Felt Leadership walkabouts.

SAFETY FAIRS

Safety fairs conducted in communities at all our operations throughout 2018 - 2019 engaging with workers' families, contractors, local communities, and government authorities promoting responsible mining and occupational health and safety.



Safety Fair at San Dimas

VISIBLE FELT LEADERSHIP 2019 AT A GLANCE

- A proactive leadership program from DuPont Sustainable Solutions
- Individual performance objectives of site managers and leaders are linked to the VFL program
- Nearly 1,000 improvement opportunities and commitments logged
- 75% commitments completed and 17% in progress

OCCUPATIONAL HEALTH & SAFETY TRAINING

The First Majestic Occupational Health & Safety Policy is a key component of induction training for all employees and contract workers. The Policy is also posted in administrative offices and in highly visible locations in industrial areas at each site.

All personnel undergo comprehensive health and safety training upon starting employment, as well as task and equipment-specific training. Ongoing annual training includes basic first aid and site-specific safety courses regarding work-related hazards such as: lifting and hoisting, working at heights, confined space entry, hot work, hearing conservation, respiratory conservation, stress management, exposure to radiation, vibrations, exposure reduction to lead and other hazardous substances.

Training needs for our personnel are evaluated based on individual job functions and occupational health risk assessments, and our annual training program is based upon these risk assessments. All our sites met or exceeded regulatory health and safety training hours requirements in 2019.

WORK RELATED INJURIES

Occupational hazards which present the highest risk of accident or injury throughout our mining operations include: inadequate ground control in mine headings; failure to lockout - tag out power sources; inadequate preparations for hot work (welding etc.); improper chemical and explosives handling; distracted driving; working at heights; improper lifting and hoisting; and improper confined space entry.

Our 2019 Total Reportable Incident Frequency Rate (TRIFR) decreased by 18% and 32%, respectively, compared to 2018 and 2017. There was a total of 55 recordable injuries in 2019; types of injuries involved: sprains, contusions (bruising), fractures and minor cuts. Sadly there was one fatal on-site incident related to a pre-existing condition of an employee at San Dimas.

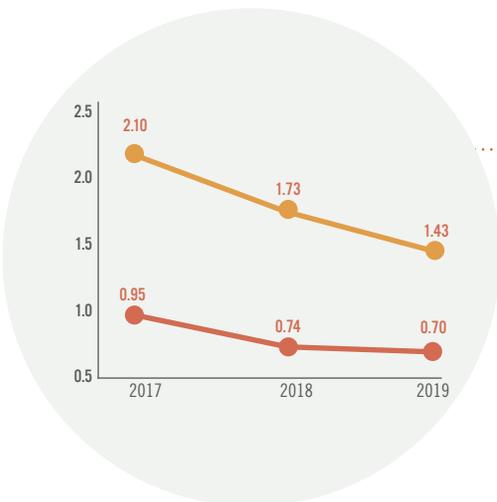


In 2019, 38% of all incidents were hand/arm related. In response to this trend, we launched the "Hand-in-Hand with my Family" awareness campaign that combines Company and family values. In addition to more training and 'hands on' team-building activities, employees' children and spouses are able to participate through videos, interviews and message tracks.

Safety Performance

- Total Recordable Incident Frequency Rate (TRIFR*)
- Lost Time Injury Frequency Rate (LTIFR)

* TRIFR = Includes the Lost Time Injury (LTI), Restricted Work Injury (RWI) and Medical Treatment Injury (MTI) per 200,000 man-hours worked.



OCCUPATIONAL HEALTH SERVICES

First Majestic conducts health evaluations at every site to assess exposure to hazardous substances and identify, minimize, and eliminate potential workplace health risks. We utilize Occupational Health risk mapping to identify and implement risk control measures, medical monitoring exams and health training programs for occupationally exposed personnel.

Our Occupational Health programs in 2019 were focused on exposure reduction, training and health monitoring in areas that represent occupational health risks, such as hearing conservation, respiratory protection, working at heights, working in confined spaces, and proper lifting and hoisting techniques.

We also trained for awareness regarding exposure to vibration and non-ionizing radiation. We ensure that all our employees and contractors are provided with appropriate hearing and respiratory protection, receive annual hearing and lung capacity examinations, and regular monitoring of serum lead levels for exposed personnel.



- Management of occupational health risks through regular employee health screenings
- Health promotion and education in hygiene and nutrition
- San Dimas clinic and health services provided to the community of Tayoltita



2019 OCCUPATIONAL ILLNESSES

Our most common types of work-related illnesses include noise-induced hearing loss, respiratory illness (dust and silica), and musculoskeletal injuries from more physically demanding roles. In 2019, we had a total of 26 recordable occupational illnesses, the majority of which were at San Dimas, La Encantada, and La Parrilla.

Employees and contractors at our operations have access to physician care 24 hours per day, 7 days per week, general medications, emergency services, and ambulance service. Our health clinics at San Dimas and La Encantada accept both employee and community member visits (more information located in the Local Communities section on page 29).

.....
Occupational Illness

Includes employees and contractors

NUMBER OF CASES

Respiratory Disease	14
Noise Induced Hearing Loss	7
Musculoskeletal Disorders	5
TOTAL	26

MENTAL HEALTH AND WELLNESS

Mexico requires companies to assess and address workplace psychosocial risk factors. In 2019, we initiated assessment surveys at San Dimas.

In 2019 we also carried out health prevention campaigns and community educational programs on a wide range of topics including nutrition and healthy lifestyles, chronic degenerative disease detection, parasite prevention, breast and cervical cancer screening, stress management, reproductive health, and the importance of flu and other disease vaccinations.

2019 MEDICAL FACILITIES UPGRADES

- San Dimas' Tayoltita Hospital: new ultrasound equipment, new medical consultation and rehabilitation spaces
- Upgraded X-ray, audiometer, and spirometer equipment at La Encantada



EMERGENCY PREPAREDNESS

Each of our operating mines have contingency plans based on identified risks. In 2019, we updated the First Majestic Crisis Management Protocol to improve the coordination of responsibilities between our corporate, regional and site-level crisis management teams.

Our mines all have an emergency brigade: a total of 98 brigade members across our sites in 2019, 6 of whom are women. San Dimas, La Parrilla and San Martin participated in regional rescue brigade

competitions, with San Dimas taking first place in the First Aid category.

Emergency response and mine rescue teams are trained and conduct simulations in first aid, underground mine rescue, firefighting, and disaster management. The brigade at each operation is also trained and equipped to attend to emergencies outside the mine such as fire in local communities. All First Majestic mines have interior mine refuge facilities and infrastructure.



HEALTH AND SAFETY OUR NEXT STEPS

- Safety performance target for 2020: Zero fatalities and an additional 20% reduction in reportable injuries to a reportable injury frequency rate (TRIFR) of 1.14
- Complete psychosocial risk survey at all operations and work to implement training with our front-line supervisors and site leaders to address health and wellness risk factors to contribute to a better workplace environment for all employees

LOCAL COMMUNITIES

First Majestic acknowledges that our business impacts a wide range of stakeholders, especially local community members, who are also our employees, contractors, and suppliers. We believe in engaging with local communities in an inclusive, constructive, and transparent manner, and involving people in decisions that affect them. Our social performance also affects the quality of our relationships with local, regional, and national levels of government.

First Majestic began operating in Mexico in 2004. Over the last 18 years, we have made significant contributions to socio-economic development, through direct community investments and various partnerships with government. Improving quality of life in our host regions continues to be a business priority.

Total 2019 Community Investment
US\$3,849,181*

* This includes only the most significant investments and participation in major sectors of the community; it does not include smaller donations (such as to community events and celebrations, etc.).

OUR APPROACH

Our social performance commitments integrate responsible practices through a social management system, which allows for continuous evaluation and improvement of our performance.

We are committed to:

- As early as possible, and throughout the life cycle of our operations, engage with our host communities in an inclusive, ethical, culturally-appropriate, and transparent manner and establish constructive relationships built on mutual respect and trust
- Maintain formal grievance mechanisms to address issues in an accessible and transparent manner
- Consult with interested and affected communities, including vulnerable groups and communities that may be at heightened risk of marginalization, in the identification, assessment and management of all significant social, environmental and economic impacts associated with our activities
- Conduct risk management based on science and robust data
- Actively engage with local stakeholders to address development opportunities and contribute to partnerships for social investment that are congruent with the priorities and needs of our host communities
- Create opportunities for local employment and skill development, as well as local economic development and diversification through our supply chain
- Ensure the rights and needs of landowners and local communities are assessed and addressed prior to any activities involving land use
- Avoid involuntary resettlement, and where it cannot be avoided, minimize by exploring alternative project designs, compensate fairly for adverse effects and enable the displaced to improve their standard of living, paying particular attention to vulnerable groups such as the elderly, women and children





Meeting with Community Members, San Dimas

FIRST MAJESTIC SOCIAL MANAGEMENT SYSTEM

The First Majestic Social Management System (SMS) is our tool to implement our social performance commitments. The purpose of the various programs and procedures within the SMS is to ensure we are proactively managing operational impacts, engaging transparently with our stakeholders, and collaborating in a manner that achieves tangible development outcomes in our regions of operation. The SMS is based upon social performance best practices, including IFC Performance

Standards, Towards Sustainable Mining Protocols, UNICEF Child Rights and Mining, and includes clear performance indicators for continuous improvement.

All First Majestic operations have local community engagement plans and social investment programs in place. Each site has had a social impact assessment conducted and has identified an area of influence, which includes the local communities in a geographic area impacted economically, socially, and/or environmentally by our operations.

First Majestic Social Management System Core Elements

- Stakeholder mapping and engagement planning
- Risk management
- Complaints and incident management
- Social investment
- Local content (local employment and procurement)
- Land Access

OUR PERFORMANCE

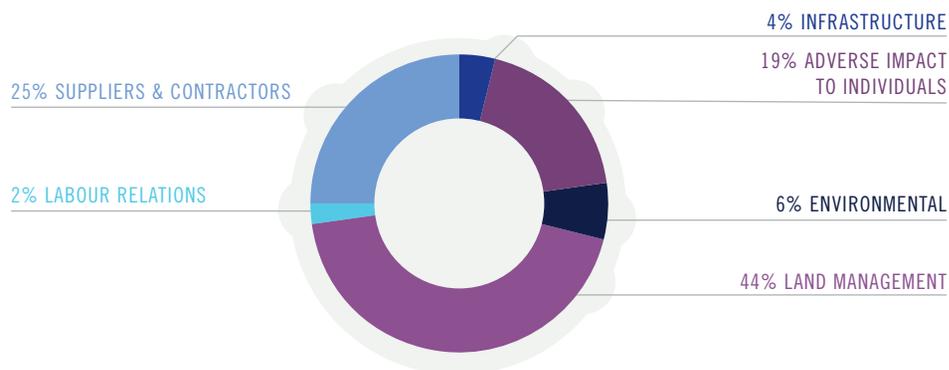
COMMUNITY ENGAGEMENT

In 2019, all operations and projects conducted community and broader regional engagement activities, such as direct stakeholder meetings about specific issues, dialogue for community investment with relevant stakeholder groups, collaboration activities and employee volunteering, tours of our operations, and annual safety fairs. We document and track the outcomes of our community engagement efforts and continuously evaluate our approach. In 2019, Santa Elena and Del Toro established a local social media presence, which has become an effective way to communicate with a broader, regional audience and connect with locally relevant causes and topics.

COMMUNITY CONCERNS AND COMPLAINTS

Our ability to resolve community complaints in a meaningful way is important to maintaining trust with our local communities. Our operations and projects maintain a formal feedback mechanism for community members to lodge complaints and concerns in an accessible format and have these resolved in a transparent manner. When a complaint is received by our community relations offices, it is documented, categorized into a subject area, investigated, and the severity of the potential impact is assessed and classified. All complaints receive a response within a specified timeframe. An important principle of our mechanism is ensuring that complainants are engaged in the various stages of the resolution process, with the aim of maintaining continuous dialogue and achieving fair resolutions.

Community Complaints by Topic in 2019



We track and analyze complaints to ensure root causes are identified and addressed. In 2019, there were 48 complaints brought forward through our feedback mechanisms. All cases were investigated and ultimately resolved – with the majority (approximately two thirds) being considered minor or having an insignificant impact. Some of the more significant 2019 concerns included:

- At Santa Elena, complaints from local businesses relating to late or failed payments from certain contract companies. We took immediate action on all these complaints and have since included stricter controls with our contractors.
- At La Parrilla, complaints about dust control, fulfillment of contract commitments, and road traffic. These complaints were addressed in close dialogue with all relevant stakeholders. Corrective actions were taken and resulted in positive outcomes for those affected.

We consider these complaints a valuable source of feedback from the community about our impacts. We are continuously working to improve our complaint mechanisms and our ability to address complaints in a transparent, timely and fair manner.

In 2019, all operations and projects conducted community and broader regional engagement activities.



COMMUNITY DEVELOPMENT SPOTLIGHT: SAN DIMAS

San Dimas actively engages with residents and community leaders to identify opportunities and priorities for economic development and social progress in surrounding communities.

Every three years, San Dimas conducts a widespread engagement survey in the municipality of Tayoltita and surrounding communities to assess our impacts and evolving local needs and priorities. This specific engagement reflects our commitment to providing valuable social tools for improving quality of life, growing the community's social fabric, and providing local youth with activities that increase their well-being. We support schools, youth, health care and infrastructure improvements and continually seek development opportunities that will contribute to a sustainable local economy.

“ActivaT” Programs – Sports and Recreation

Recreational facilities and programs make a significant contribution to the increasing demand for youth sports programs, promote general health, and provide young people with an opportunity to be active and engaged. In 2019, more than 500 children, teenagers, and young adults were registered in our “ActivaT” programs, which included softball, tennis, volleyball, and swimming programs, and an annual summer camp.

Education

San Dimas offers a scholarship program for local Ejido members and their communities. In 2019, 30 scholarships were provided to students at high school and post-secondary levels. We have also partnered with the College of Professional Technical Education (CONALEP) trade school, where students in mining-related courses receive practical experience in First Majestic's laboratories and workshops. In addition, the operation subsidizes the students attending the Patronato Pro Escuela Bruno Martínez school. Our 2019 subsidy of US\$214,540 benefitted a total of 220 students at preschool, elementary, and secondary levels in addition to supporting maintenance and administrative expenses of the institution, guaranteeing the basic education of children living in the area.



Through projects like these, First Majestic reaffirms its commitment to contributing to the development of our people, their families, and our surrounding communities.

Cultural Centre and “Radio Plata” – Arts and Culture

In 2019, San Dimas funded classes in music, painting, and programs in theatre and poetry/storytelling in public primary and secondary schools in Tayoltita. Through our partnership with Wheaton Precious Metals, US\$38,000 were invested to build a new cultural centre, which will become the epicenter of our social responsibility activities. The centre will be inaugurated in 2020 and will host First Majestic's radio station project launched in 2019 through a US\$95,000 investment. “Radio Plata” is Tayoltita's first and only radio station, broadcasting safety, educational, and cultural programming in the community.



INDIGENOUS PEOPLES

None of our operations are located in, or adjacent to, Indigenous Peoples' territories. The La Luz Silver Project, however, is located within the Wirikuta natural protected area of San Luis Potosí, which includes sites of cultural significance to the Wixárika Indigenous Peoples. The Wirikuta natural protected area is governed by a management plan that permits mining activities in specific areas (the "Wirikuta Natural Protected Area Management Plan"). Our plans for exploring and developing the project are on hold due to a legal action brought by two Wixárika Indigenous communities from Jalisco state against the federal government with respect to the grant of certain mining concessions held by First Majestic. The project has been designed in accordance with the Wirikuta Natural Protected Area Management Plan to avoid any adverse impact to the Wixárika ceremonial sites and pilgrimage route. In an effort to further reduce any potential impact, in 2012, First Majestic ceded 761 hectares of mining concessions located closest to the Cerro Quemado ceremonial site. For the last eight years, First Majestic has regularly engaged with Wixárika communities and local stakeholders interested in the resolution of these matters impeding the project development. We look forward to continued dialogue with indigenous and non-indigenous stakeholders.

COMMUNITY INVESTMENT

Our goal is to be a catalyst for sustained community development. Since our first project began in Mexico in 2004, we have worked to facilitate development that is community-driven, produces tangible outcomes for our stakeholders, and contributes to a legacy of responsible mining practices throughout our operating locations in Mexico.

The main ways in which we contribute to community and economic development include:

- Direct economic contributions in the form of taxes and royalties, including the Mexico mining tax fund (Fondo Minero) that is distributed and applied to social and infrastructure projects at the state and municipal level
- Promoting local employment and contracting within our operations
- Investments in local infrastructure
- Investments in social programs



Organic Orchard Workshop

Each First Majestic site is responsible for engaging with local communities and relevant stakeholders to identify local development priorities and plan social investment projects, programs and initiatives. Our aim is to work collaboratively with communities, civil society organizations and governments to invest in opportunities that are context-appropriate and create measurable benefits. Due to the different socio-economic and cultural contexts of our local communities, our community engagement and development initiatives vary from operation to operation.

For example, La Parrilla has established a community sustainability committee with participation of various community representatives. The committee has brought forward and approved important

infrastructure improvement projects such as water distribution networks, road paving and new school facilities. Many of these projects have been funded in partnership between First Majestic and the municipal and state governments.

1

NO POVERTY

FIRST MAJESTIC RELEVANT ACTIVITIES

- Contributions to infrastructure projects in our host communities improving sanitation, electrification, and school infrastructure
- Wages and benefits through employment, local procurement, training and capacity building

Direct Economic Value Generated and Distributed US Millions



1 Includes lease payments, finance costs, payments to debt holders.
 2 Mexico has been a member country of the EITI since 2007. First Majestic Silver receives no financial assistance from the government. Payments to government by country, including taxes, royalties and detail related to other payment types, are fully reported and publicly disclosed as part of First Majestic's annual Extractive Sector Transparency Measures Report (ESTMA), which is available on our [website](#). First Majestic does not make political contributions.
 3 Includes employee contribution to payroll taxes.
 4 Expansionary capital expenditures.
 5 Excludes salaries and benefits and payments to governments.

COMMUNITY INFRASTRUCTURE INVESTMENTS

Reliable infrastructure is key to building a thriving local economy and to the quality of life in rural and remote communities. Electrification, water networks, road connectivity, sanitation systems, recreation areas, and agricultural infrastructure are priorities for our local communities. We work in partnership with local and state governments and community associations to contribute to these projects.

2019 Infrastructure Investments Highlights:

- **San Dimas** supplied electricity to 10 communities, benefitting over 800 families, and contributed over US\$350,000 to roadworks that improved 319 kilometers and 13 roads in the area.
- **La Encantada** infrastructure investments were dedicated primarily to water infrastructure for local ranching – the main livelihood in the region. Water access is the greatest challenge faced by the ranching and agricultural sector in this part of northern Coahuila. Together with local ranching communities, the Company is reviewing project alternatives that will support sustainable water access over the long-term.
- **La Parrilla** participated in the renovation of the central plaza, an important family recreation area in San Jose de La Parrilla community. The community also completed the construction of a new waste management facility in 2019 with funding from the state mining tax fund. First Majestic directly contributed the initial project study that enabled the facility design process.
- **San Martin** undertook the project engineering study and design for the repair of the main bridge that provides access to San Martin de Bolaños municipality. The project includes key safety improvements that will be carried out in partnership with the municipal and state governments, expected to be completed in 2020. The site also collaborated in sewer system repairs, support to roadworks and repairs to cattleguards.
- **Santa Elena** collaborated in the purchase of a new well pump for the municipality of Banámichi and renovated the clinic and medical dispensary in La Mora community.
- **La Guitarra** has collaborated over the last 3 years with La Albarrada for its community centre construction, which was completed in 2019. The site also works closely with Ejido Godinez in the sustainable management of forest areas affected by illegal logging. Forestry and lumber are also a source of income for the community. In 2019, we funded and participated in reforestation efforts in ejido land.

6 CLEAN WATER AND SANITATION

FIRST MAJESTIC RELEVANT ACTIVITIES

- Investment in community water infrastructure at La Parrilla, La Guitarra and La Encantada Mines

COMMUNITY HEALTH

Our most important contribution to community health has been providing our community members with access to our medical facilities. First Majestic's health clinic at San Dimas benefits direct employees, contractors, their families, and is open to the whole community of Tayoltita. The medical facility has

first-class equipment that has improved medical service quality and response for outpatient and medical consultations. In 2019, we invested over US\$2.8 million in health services and programs, with over 24,000 health consultations provided to community members.

At Santa Elena, we manage a clinic and medical dispensary in the municipality of Banámichi as part of our community commitments. In 2019, the clinic provided over 1,400 community health consultations.

In addition to medical services, we provide health education and first aid training to local first responders. Support was also provided in 2019 for repairs to the Banámichi ambulance.



Nutritional Workshop, Del Toro Mine

EDUCATION, YOUTH, AND SPORTS PROGRAMS

In all our operating regions, we contribute to education and youth development in a variety of ways. Collectively, in 2019 our sites supported 347 students through scholarships designed to encourage youth to remain in school and excel in their studies.

La Encantada contributed a variety of supplies to local schools in 2019, including elementary-level teaching materials, electronic equipment for programs at a local trades institution, and building materials for improvements to school infrastructure.

Del Toro operates the Casa Comunitaria, a community centre dedicated to youth, arts and other capacity building programs. In 2019, the Casa Comunitaria increased its program offerings to include a new high school student robotics program, chess, contemporary dance, woodworking, music, technical drawing and traditional carving.



2019 Geographic Distribution of Spending on Suppliers



1 "Local" is defined in the context of each of our operations as the communities that are directly impacted economically, socially or environmentally.
 2 "Regional" includes expenditures within the State, beyond local communities.
 3 "National" includes all other areas within Mexico that are not local or regional.

OUR SUPPLY CHAIN

First Majestic's operations have a comprehensive network of local and international goods and services providers, supplying the products and services required to support the business activities of our mines and facilitate the ultimate production and sale of our products. In 2019, First Majestic spent approximately US\$242M on the procurement of goods and services to support our mines and related business activities. Mexico has an experienced history of mining, and therefore a great deal of required products and services (93.2%) were available within-country.

All our suppliers are expected to adhere to our Code of Ethical Conduct. Our Purchasing Policy requires that we select and work alongside suppliers that share our values and have adequate protocols in place

with respect to labour, health and safety, environmental protection, and ethical business practices.

LOCAL CONTENT

At First Majestic, we define Local Content as both the proportion of personnel employed and of goods and services acquired from our operations' local communities. In 2019, we began implementing a pilot local content program at Santa Elena and developed a strategic plan to optimize local participation in our workforce and supply chain.

Local Employment

Developing this strategic plan involved an internal analysis of employee turnover and a review of succession planning to create more entry-level opportunities and development of current local employees. Santa Elena also established a local employment registry database.

8 **FIRST MAJESTIC RELEVANT ACTIVITIES**

DECENT WORK AND ECONOMIC GROWTH

- Wages and through employment, local procurement and training

A local community training program is being designed, consisting of modules related to industrial work with emphasis on transferable skills, such as electrical and mechanical maintenance, welding, general construction services, and industrial safety. We are currently assessing partnerships with various training institutions in Sonora and expect to begin the training program in 2020.

Local Procurement

Prioritizing the procurement of goods and services locally, wherever possible, allows First Majestic to support economic development at the local and regional levels in the areas where the Company operates.

Developing the local procurement aspect of the strategic plan at Santa Elena involved assessing the capacity of our existing local suppliers and better understanding the

short- and long-term needs of the operation. We also gathered information on goods and services offered in the region, spanning across six municipalities over 70km along the Rio Sonora valley. In 2020, we plan to implement a broad local

business engagement initiative. The aim of this initiative will be to complete a comprehensive assessment of how we can connect local businesses to our supply chain and create a supplier development program.

Proportion Of Spending On Local Suppliers (US\$)

	LOCAL COMMUNITY SPENDING ¹	REGIONAL SPENDING ²	NATIONAL SPENDING ³	INTERNATIONAL SPENDING	TOTAL
San Dimas	18,734,151	20,687,123	39,807,753	3,622,141	82,851,168
Santa Elena	2,723,722	18,280,986	51,127,809	2,384,083	74,516,601
La Encantada	4,194,290	6,516,822	30,847,933	1,052,221	42,611,266
La Parrilla	2,378,779	3,671,306	14,333,551	345,043	20,728,679
La Guitarra	259,495	72,475	689,465	472,033	1,493,469
Del Toro	1,674,635	388,004	6,337,225	531,113	8,930,978
San Martin	2,257,813	2,352,206	5,859,186	489,846	10,959,051
Corporate Expenditures	1,701,529	12,440,560	5,598,242	9,471,952	29,212,283

¹ "Local" is defined in the context of each of our operations as the communities that are directly impacted economically, socially or environmentally.

² "Regional" includes expenditures within the State, beyond local communities.

³ "National" includes all other areas within Mexico that are not local or regional.

LOCAL COMMUNITIES
OUR NEXT STEPS

- Update social baseline assessments at San Dimas, Santa Elena, La Encantada, and La Parrilla
- Continue to implement the Local Content Program at Santa Elena for local procurement and employment
- At San Dimas, develop the new cultural centre in Tayoltita as a platform to enhance our social programs
- At Santa Elena, begin the rehabilitation of a municipal water treatment plant to increase water availability for agriculture and reduce the pollution risks associated with local greywater treatment facilities



COMMUNITY DEVELOPMENT SPOTLIGHT: LA LUZ

Reforestation Program

La Luz Silver Project is located on the San Luis Potosí plateau and within the Chihuahuan desert, a region characterized by semi-desert climate and thin, calcareous soils that retain little humidity. Since 2011, First Majestic has implemented ongoing reforestation initiatives to support biodiversity in the region. In 2018, annual reforestation work included the planting of 38,478 native regional species such as palm, maguey, mesquite, pine, and cedar.

Sustainable Agriculture

Due to low levels of annual precipitation, agricultural development is limited in this region. First Majestic established a training center for eco-technologies, supporting local communities in the efficient use of natural resources to cover basic needs, such as water supply, home cleaning, and adopting biointensive approaches to food production. In 2019, 30 young adults from three local communities participated in workshops to develop rainwater harvesting systems and domestic wastewater treatment systems promoted for efficient use of water in family subsistence agriculture. Additionally, the training centre planted orchards, as well as areas for the preparation of organic fertilizers, reducing the need for external inputs (such as synthetic fertilizers, etc.), thus reducing costs and supporting the efficient use of water, space, and soil.

Local Employment

In 2019, we established partnerships to provide a wider range of skills training opportunities locally. Our collaboration agreement with the San Luis Potosí Job Training Institute includes a training program on household financial management and skills acquisition to join the labour market. The agreement benefited 112 direct participants and dozens of families through workshops in trades such as tourism, carpentry, electrical, sewing, cooking, pastry, and arts and crafts.

Education

As a part of First Majestic's commitment to promoting education, La Luz has established a scholarship program for high school and undergraduate studies, which annually benefits 10 local students. Additionally, a community library was established to benefit local children and provide diverse educational and recreational activities. Activities in the library include reading workshops and math tutoring.



Reforestation Program

ENVIRONMENT

First Majestic is committed to socially responsible mining and we believe that taking responsibility for our impacts on the environment is a critical aspect of social responsibility. Access to a healthy environment is not only a fundamental human right, it also provides a foundation for long-term, sustainable relations with our community and government partners. Our commitment to responsible environmental management is an essential focus for our operating mines and new projects and impacts all our internal and external stakeholders.

OUR APPROACH

A critical component of our vision is to be recognized for our excellence in operations and our contribution to sustainable development. This is expressed in relation to environmental protection with the following objectives:

Design, build, operate and close our operations in compliance with applicable local standards and laws, and comply with international guidelines.

Openly communicate our environmental plans, programs, and performance to employees, communities, and governments.

Promote employee engagement and accountability and increase their capabilities through the use of integrated management systems.

Work in cooperation with government agencies, local communities, educational institutions and suppliers to carry out safe management, use and disposal of all our materials, resources and products.

Promote the use of effective and realistic systems, to minimize risks to the environment.

Be proactive in environmental programs so that communities do not become liable for our operations in the future.

Use the best technologies to continuously improve the safe and efficient use of resources, processing and materials.

The First Majestic Environmental Management System (EMS), applied across all operations and projects, is designed to establish a culture focused on preventing, minimizing and mitigating environmental impacts. Our EMS is based on international standards and best practices, including alignment with ISO14001:2015 and all requirements to obtain the Mexican Clean Industry Accreditation.

All our operations have implemented an annual compliance program to manage all the obligations and conditions that must be fulfilled under our environmental permits. External EMS audits are conducted regularly and as part of the Clean Industry Accreditation process to review the performance of each mining operation.

Important environmental indicators such as water consumption and environmental incidents are recorded and updated in real time in our internal Production Status database used Company-wide. In 2019, there were no significant fines and non-monetary sanctions for non-compliance with environmental laws or regulations.



Photo: Omar Escalera

ENVIRONMENT

WATER MANAGEMENT

Fresh water is a precious resource worldwide and of high environmental and social value to our communities. All First Majestic operating mines are located in regions with water stress¹. We work in areas where agriculture and ranching are important livelihoods and we recognize that water stewardship is key to the long term economic and social sustainability of our communities.

6



CLEAN WATER
AND SANITATION

FIRST
MAJESTIC
RELEVANT
ACTIVITIES

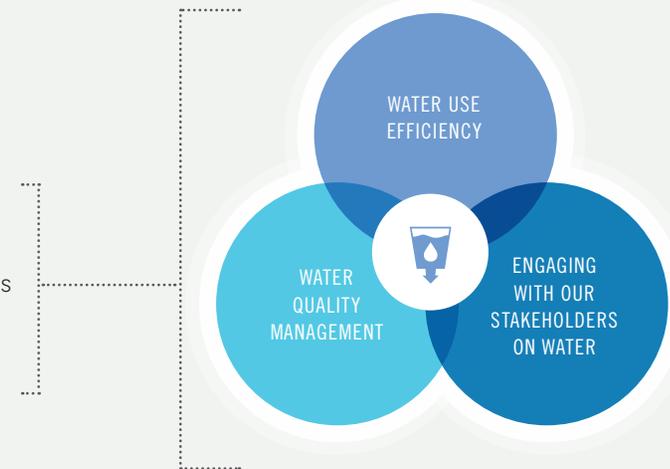
- Treatment of discharged mine water
- Operational and social investments in wastewater treatment and recycling
- Conversion to dry-stack tailings reduces our freshwater consumption
- Community water springs monitoring program at La Guitarra mine
- Support to municipal waste management projects at San Dimas, La Parrilla, San Martin



Truchas, San Dimas

OUR APPROACH

Our overarching approach to address water challenges is focused on:



Water risks and impacts are managed and monitored on a site-by-site basis with a focus on maximizing recycled water and reducing overall consumption. We monitor water quality across our sites. Our water monitoring program is designed to ensure our operations have no adverse impacts on water quality, short or long term, and takes into consideration potential risks and benefits of downstream impacts.

We strive to be a leader in Mexico's mining sector by:

- Adopting the best available technologies to minimize freshwater water consumption
 - All our current operations produce dry-stack tailings. This dewatering system recovers over 80% of the water used in our process. Additionally, any contact water and infiltration solutions are collected in a pond storage facility and are pumped back to the processing plant for reuse.

- We recycle our domestic greywater. All domestic wastewater is treated and reused at La Encantada, La Parrilla, Del Toro and La Guitarra mines.
- Ensuring that our discharged water quality exceeds minimum requirements established by Mexican regulations for agricultural use
- Contributing to more secure water access for our local communities
 - Whenever possible, we leverage our mine infrastructure to improve the availability and quality of water for local communities. Most of the water from mine dewatering is treated to remove any sediment load, discharged without use and can be re-allocated by the national water commission for other uses.
 - All our mines are closed-circuit. This means that we do not discharge water that has been through the processing plants to the surrounding environment. This process water is continuously reused in the system.

¹ According to the Water Risk Atlas, World Resource Institute www.wri.org/resources/websites/aqueduct-water-risk-atlas. Baseline water stress measures the ratio of total water withdrawals to available renewable surface and groundwater supplies.

OUR PERFORMANCE

The water for our mines is sourced from groundwater wells and mine dewatering, for which we obtain water rights through Mexico's National Water Commission (CONAGUA). In compliance with the requirements of these water permits, we report our water use quarterly to CONAGUA.

All First Majestic mines have water quality baseline studies and, where necessary, hydrology studies to understand water resources more accurately in the geographic regions where they operate. We conduct regular groundwater testing using monitoring wells located upstream, downstream, and within our operations, including community wells.

WATER CONSUMPTION

Water consumption at our operations is primarily associated with processing ore, with some water also used for dust control and domestic purposes. In 2019, First Majestic consumed 1,638,178 m³ of water across all our operations.



Water Treatment Plant, Del Toro

WATER USE INTENSITY

Water use intensity is an effective way to measure how efficiently we use water at our mines. In 2019, we withdrew approximately 1.6 million m³ of new water at our operating mines. San Dimas was one of the more water-efficient operations, with a water use intensity of 0.45m³ per tonne of ore processed. Water use intensity is reported for only 3 operations as the others were transitioned to care and maintenance or temporary suspension in 2019.

We monitor our daily water use through flow meters and maximize opportunities to recycle within our operations. La Encantada, La Parrilla, Del Toro and La Guitarra mines recycle their domestic greywater; their domestic wastewater is treated and reused in the operation and none is discharged. San Dimas operates a hydroelectric power generation facility at the Las Truchas dam. This water, used to generate hydroelectricity, does not undergo alterations and is reincorporated in the river course. The volumes have not been considered in the water intensity calculations.

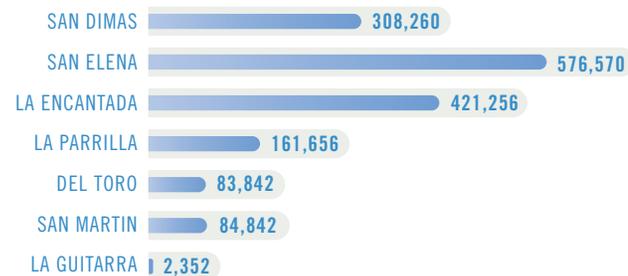
WATER DISCHARGE

Quality standards for water discharge are established by Mexico's Ministry of Environment and Natural Resources, which establishes limits for physical, chemical, and biological parameters. In addition to complying with our regulatory obligations, we consider the potential downstream risks and benefits based on the social and environmental context.

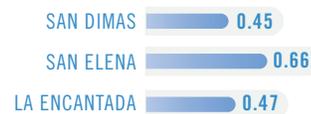
Approximately 80% of the water produced from mine dewatering across our operations is not used for our business activities and can therefore be re-allocated by CONAGUA for other uses.

Flow meters are used to measure water discharge from dewatering and treated greywater. Our main focus is ensuring the quality of any discharged water, which receives clarifying treatment to reduce the sediment load prior to release into surface waters adjacent to each respective mine. When required, a pH adjustment is also made prior to discharge. Greywater from domestic use at San Dimas, Santa Elena, and San Martin undergoes

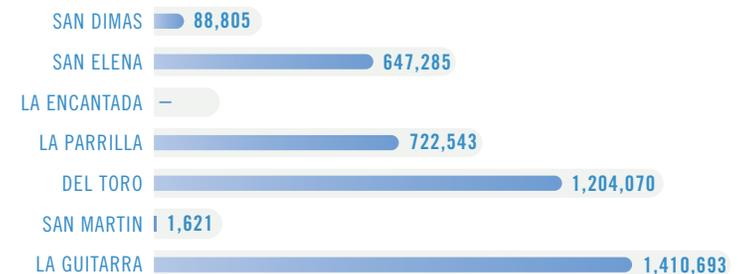
Water Consumption in Operations m³



Water Intensity m³ per tonne of ore processed



Water Discharge m³



treatment before it is discharged within allowable limits.

The efficiency of our wastewater treatment systems is measured quarterly by accredited laboratories, who test the physical, chemical and biological quality of the treated water to assure compliance to regulatory standards. In 2019, an inspection by federal environmental authorities took place at La Guitarra to review the quality of wastewater discharges. This inspection confirmed all water was fully compliant with environmental standards.

Surface waters within our operations are handled by our stormwater management infrastructure, designed to reduce risk and ensure any water that comes into contact with our operation is directed into the operation without impact to downstream bodies of water. We monitor changes to weather patterns and process plant performance to identify the need for upgrades, and adjust out engineering designs as needed.

ENHANCING AVAILABILITY AND QUALITY OF WATER FOR LOCAL COMMUNITIES 2019 HIGHLIGHTS

- At Del Toro, First Majestic built a water treatment plant in 2008 that is used to purify municipal wastewater to agricultural use standards. The plant operated for almost 10 consecutive years but was suspended in 2019 to allow for upgrades and ongoing maintenance. These upgrades are scheduled for completion in 2020.
- At Santa Elena, we ceded water concessions to nearby communal ranch and agricultural users to ensure more secure water access.
- We leverage our operational water distribution infrastructure at La Parrilla, San Dimas, and La Encantada toward other uses by surrounding communities to improve water access.

WATER MANAGEMENT OUR NEXT STEPS

Our priorities looking ahead include:

- Complete stormwater management infrastructure upgrades at Santa Elena and San Dimas
- Improve our water use accounting by implementing water balances across all operations



COMMUNITY ENGAGEMENT REGARDING WATER AT LA GUITARRA

In 2018, the Regional Committee for Community Development and Mining was established by First Majestic, comprised of eight local communities and local and state government authorities. This collaboration emerged as a response to local concerns over the potential impacts of mining on sustainable access to water and safe water quality.

The Committee was founded upon a shared vision and purpose for sustainable community development that included creating an open and transparent forum for collaborative water management, and supporting community development within La Guitarra's area of influence with the improvement of water infrastructure as a priority.

As a committee, we engaged independent experts from the Mexico State Autonomous University (UAEM) to conduct a water monitoring program and initiate a more extensive hydrology study than the original project baseline. Company and community delegates mapped 37 freshwater springs that supply community water sources, which were sampled and tested by the UAEM Faculty of Chemistry. Results determined that mining activity had no negative impacts on water quality of these springs.

Although La Guitarra suspended operations in July of 2018, activities of the committee continued throughout 2019 with focus on the hydrology study, which encompasses 10 of the 37 identified springs based on their proximity to the mine. While preliminary results from 2019 indicated there is no interaction between these water sources and existing mining works, opportunities were identified to better protect these springs from other environmental risks, as well as for the improvement of water distribution infrastructure.

In 2020, we will continue to strengthen the hydrology baseline data through the flow rate monitoring program and support water infrastructure projects in collaboration with the committee.



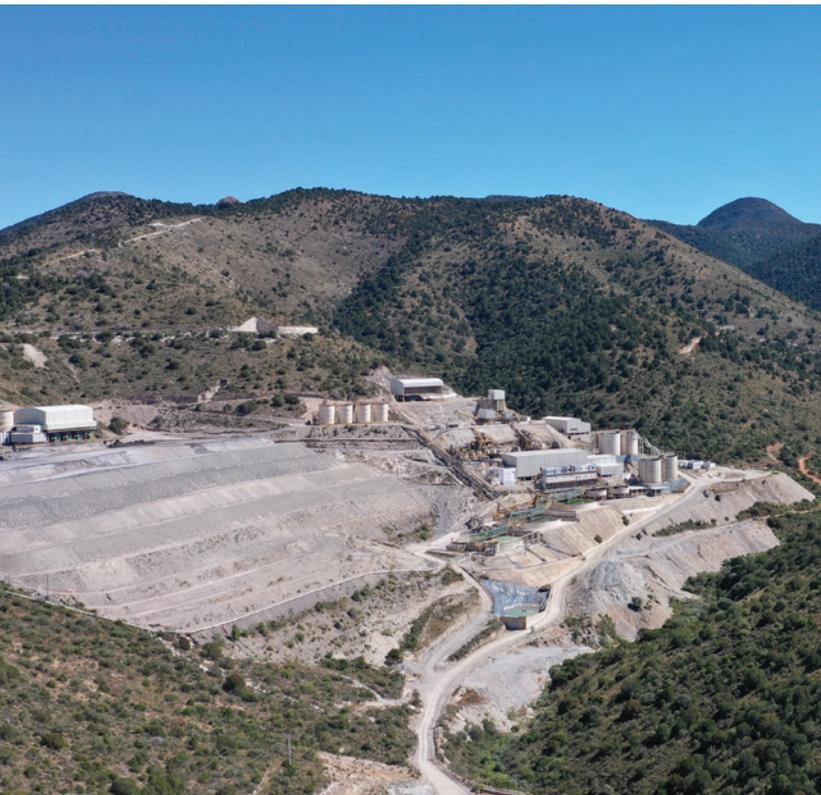
Water sampling to corroborate compliance with standards in mine water discharge

ENVIRONMENT

MINING WASTE

The management of mining waste, specifically tailings, is one of the most important issues for the mining industry globally. These facilities are largely well-managed and with very few significant incidents; however, failures at major tailing storage facilities in recent years have heightened global attention surrounding tailings management and public safety.

Tailings storage safety is a high priority as failures can have catastrophic consequences to our stakeholders and our Company. We are responsible for the proper management of both mineral and non-mineral waste and apply best practices to minimize impacts to the environment and local communities.



OUR APPROACH

Each of our operations has a comprehensive waste management plan, which specifies how the different types of waste produced by our activities are managed. These plans also identify opportunities for waste minimization, recycling, and re-use of materials. Waste is classified by its generation source – mineral and non-mineral waste – and waste management systems are evaluated on an ongoing basis with the objective of ensuring their effectiveness.

Our annual internal risk assessments and reviews include an analysis of the downstream impact on communities, ecosystems and critical infrastructure in the event of a Tailings Storage Facility (TSF) failure. The Company implements a variety of engineering and environmental solutions depending on the results of these assessments.

An important objective in our mineral waste management strategy has been to eliminate wet tailings at all our sites, which have been replaced by “dry-stack” TSFs. The dry stack method is considered best available technology for tailings storage and includes filtering the tailings prior to disposal in compacted terraces.

We are committed to being open and transparent with our stakeholders about tailings management. We publish a comprehensive overview of our tailings management approach as well as details about all of our tailings storage facilities on our [website](#).

OUR PERFORMANCE

MINERAL WASTE

Tailings Management

First Majestic is committed to ensuring that all TSFs are designed, built, operated, decommissioned and closed in such a manner that all structures are stable and reliable. Furthermore, all aspects of tailings management must comply with regulatory requirements and conform to the Canadian Dam Association (CDA), accepted international practice, as well as our commitments to local stakeholders.

All TSFs operated by First Majestic are assessed on a regular basis. Our assessments follow our internal risk management protocols as well the Canadian Dam Association guidelines and local regulatory requirements. We conduct independent third-party reviews, and six of seven sites completed a dam safety inspection based on international standards in the last three years, with Santa Elena, San Dimas and San Martin most recently in 2019, and La Encantada planned in 2021.

Our ongoing focus on safe tailings management includes:

- Senior management and Board of Directors oversight: our management teams are regularly engaged in tailings management and internal reporting. We have a Geotechnical department whose principal responsibility is tailings management oversight.
- A tailings management system and tailings management plans, which are in place at each site and address design aspects, risk controls, monitoring programs, inspections and independent reviews in accordance with international standards such as the Canadian Dam Association guidelines.
- TSF risk assessment and reviews that follow our internal risk management protocols as well the Canadian Dam Association guidelines for risk analysis and classification.
- Ongoing monitoring and surveillance programs, which are implemented via inspection and geotechnical instrumentation, including predictive modeling, soil permeability tests, pressure controls and drone surveillance (photogrammetry).
- Environmental monitoring to determine the potential for acid drainage and metal leaching.
- Monitoring instruments for groundwater levels are installed at all sites, providing improved and consistent data collection methods on our tailings management.

All First Majestic operating mines have been converted to dry-stack tailings:

- San Martin was fully converted to dry-stack tailings in 2019 and repurposes filtered tailings as structural reinforcement where old wet tailings existed.
- La Guitarra is fully permitted for a new dry-stack tailings storage facility, however this operation is currently in care and maintenance.

Any contact water and infiltration solutions at tailings facilities are collected in a pond storage facility downstream and are pumped back to the processing plant for reuse.

We are committed to being open and transparent with our stakeholders about tailings management.

First Majestic Tailings Storage Facilities

MINE	2019 VOLUME (TONNES)	MOST RECENT THIRD-PARTY INSPECTION
San Dimas	691,575	2019
Santa Elena	875,516	2019
La Encantada	810,874	2015
La Parrilla	126,159	2017
Del Toro	102,734	2017
San Martin	103,629	2019

6  **FIRST MAJESTIC RELEVANT ACTIVITIES**
CLEAN WATER AND SANITATION

- Conversion to dry-stack tailings reduces our freshwater consumption.

First Majestic 2019 tailings management initiatives included:

Progressive Reclamation Projects	At Santa Elena, fertile soil and vegetation were applied for progressive reclamation of 2.8 hectares of the dry-stack TSF. At La Guitarra, to avoid infiltration of stormwater, environmental remediation included reinforced buttresses and capping of the remaining wet tailings.
Management of Contact Water	We focused on upgrading stormwater design criteria and management infrastructure in 2019, focusing on changing weather patterns to ensure water in contact with operations is captured and avoid impact to downstream bodies of water. <ul style="list-style-type: none"> • San Dimas - upgrades were implemented based on new design criteria with additional upgrades scheduled in 2020 • Santa Elena - design criteria and upgrades commenced, and area scheduled for completion in 2020 • La Encantada - design criteria is under review
Tailings Monitoring	We implemented significant improvements to our tailings monitoring systems, including the installation of instruments for monitoring groundwater levels and standardizing key performance indicators at all sites.

MINING WASTE
OUR NEXT STEPS

Our goals for 2020 are:

- Complete stormwater management system upgrades at our TSF at San Dimas and Santa Elena
- Complete the review of stormwater management design criteria of La Encantada TSF in order to define and implement upgrades

Waste Rock

As opposed to ore, waste rock is the material which has concentrations of metals too low for economic recovery but is removed from the ground through the mining activity. In 2019, First Majestic operations produced a combined total of 810,508 tonnes of waste rock. At our operations, waste rock is temporarily stored above ground and then used to backfill underground mine workings. At Santa Elena, waste rock is also co-deposited with dry stack tailings.

NON-MINERAL WASTE

Non-mineral waste is also generated during operations and is classified and managed according to type (hazardous and non-hazardous waste) and final destination. Hazardous wastes (e.g., used oils, containers for re-agents, tires etc.) are recycled or disposed of offsite by authorized third party disposal companies. Domestic waste disposal is generally contracted to a nearby municipal government.

The management of hazardous and non-hazardous (domestic) waste is highly regulated for the mining industry in Mexico. We are responsible for the waste we generate, and this means we are accountable for our external contractors' compliance with the transportation, recycling, and final disposal of our waste. The Company maintains records of the transport and delivery of hazardous waste to ensure it properly reaches its final destination.

All our mines have waste separation facilities. At San Dimas, we developed a transfer station with an extensive recycling and waste separation program which compacts and recycles plastic bottles made of polyethylene terephthalate (known as "PET") and other materials, and we are working with the Tayoltita municipality to implement a similar recycling facility. Given the small population of many of our local communities, we recognize the impact our mines can have on local landfills. At Santa Elena, La Parrilla, and San Martin we support local municipalities with regular landfill maintenance and collaborate with local authorities on design solutions to better manage these facilities.



Recycle Sorting Station

ENVIRONMENT ENERGY AND EMISSIONS

Global awareness and concern have intensified with respect to climate change and its range of impacts on the health and livelihoods of all, including vulnerable communities. Mexico already faces significant impacts due to a changing climate, including water security and drought, undermining sectors like agriculture. This is particularly relevant to our operations as most are in areas experiencing water stress. All our internal and external stakeholders want to know how we are addressing and managing these related challenges.

OUR APPROACH

Our operations require a significant amount of energy to extract, mill, and process ore and these activities represent a large portion of our operating costs. Reducing our consumption of fossil fuels and the emissions released during their combustion is not only important to managing our environmental impact and addressing climate change, it is also important to the economic viability of our operations.

Our approach to managing energy and emissions focuses on identifying and implementing programs and initiatives at the operational level, through strategies supported by our corporate Innovation and Technical Services departments. Our focus is on improving our energy efficiency via low-carbon technologies and switching to lower carbon energy sources. Our risk management assessments and reviews include aspects related to energy security and our exposure to climate change impacts.

OUR PERFORMANCE

ENERGY

In 2019, we consumed a total of 1,534,961 Gigajoules (GJ) of energy across our operations. Overall, more than half the energy used to power our mines comes from diesel fuel (63%), followed by electricity purchased from the national grid (21%) and hydropower (13%). Our direct energy consumption accounted for 79% of the overall total and purchased electricity for the remaining 21%.

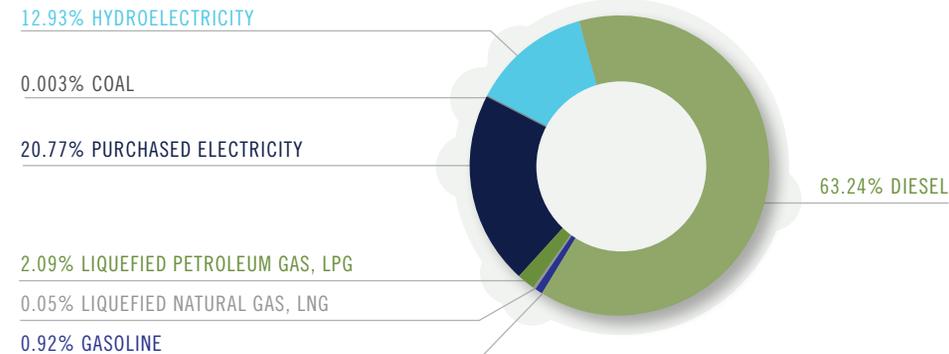
Our energy intensity at producing operations in 2019 (San Dimas, Santa Elena and La Encantada), defined as the amount of energy consumed per tonne of ore processed, was 0.535 GJ/tonne.

- San Dimas operates the Truchas hydroelectric dam that generated 43% of its total energy consumption in 2019.
- Santa Elena relies entirely on in-house diesel power generation and therefore is the highest energy consumer of our operations. Energy currently provided by diesel generators will be fully transitioned to Liquid Natural Gas (LNG) in 2021.

While both are fossil fuels, the direct CO2 emissions from burning LNG are significantly lower than those related to diesel.

- La Encantada had the lowest energy and emissions intensity in 2019 as this mine operates an LNG powered electricity generator on site, which produces over 80% of energy needs.
- All our other operations (La Parrilla, Del Toro, San Martin and La Guitarra) source their energy from Mexico's national power grid.

Energy Consumption by Source¹



¹ Percentages are based on the calorific value of each fuel source expressed in Gigajoules (calorific value is the energy contained in a fuel, determined by measuring the heat produced by the complete combustion of a specified quantity of it, expressed in joules per kilogram).

Energy Intensity

Total energy consumption (GJ) per tonne of ore processed



In 2019, our energy efficiency efforts achieved the following outcomes:

- At San Dimas, operational improvements led to optimized energy production from the Truchas hydroelectric dam. By achieving a better usage balance from Truchas year-round, we reduced our dependence on the national power grid.
- At Santa Elena, efforts to increase operational efficiency resulted in important energy savings and production efficiencies:
 - A HIG (High-Intensity Grinding) mill was commissioned in 2019. This highly efficient grinding equipment achieved significant improvement in grind size (50% finer), without increasing energy input. As a result, our silver and gold recoveries increased by 6% and 2% respectively, representing an important innovation success.
 - A Variable Frequency Drive (VFD) was installed on the ball mill, optimizing mill power output. We are also incorporating a Semi-Autogenous Grinding technique. The resulting energy intensity improvements should be reflected in 2020/2021 data.

EMISSIONS

Our principle leverage to reduce the greenhouse gases related to our operations comes from improving energy efficiency and switching to low or zero carbon fuels.

In 2019, our main achievements resulted from the energy efficiency improvements to our hydropower operations at San Dimas and our process improvements at Santa Elena.

Emissions intensity is the best way to compare the efficiency of our operations in terms of emissions. In 2019, our base year for calculation, Green House Gas (GHG) emissions resulting from our direct fuel consumption (Scope 1) were 75 kilotonnes of CO₂ equivalents, and 46 kilotonnes from purchased electricity (Scope 2). This will form the basis for comparison going forward. The emissions intensity at

our three producing mines in 2019 was 0.036 tonnes of CO₂eq per tonne of ore processed.

La Encantada has the highest mill throughput of our mines and has the lowest emissions intensity of the portfolio, due to the fact that its primary energy source is LNG.

ENERGY AND EMISSIONS OUR NEXT STEPS

First Majestic will continue to expand planning for energy and emissions related opportunities and risks. At a corporate level, our senior leadership team will continue to prioritize, review, and assess measures to identify and address climate change risk, mitigation measures and opportunities to reduce our carbon footprint on an annual basis.

Our specific energy and emissions operational goals for 2020 include:

- Completing the conversion to LNG as the primary source of fuel for power generation at Santa Elena. With further mill improvement scheduled for 2020, the overall benefit achieved by the investment in these technologies including the new HIG mill commissioned in 2019 will be assessed
- Expanding the LNG plant at La Encantada to increase its capacity from 1.55 megawatts to 8.69 to reduce our use of diesel fuel
- Commissioning the new HIG mill and other modernization improvements at San Dimas
- Complete the preliminary engineering study and design for a new control dam at the Truchas hydroelectric dam at San Dimas, with the goal of generating hydro power more consistently, reducing our energy draw from the national grid and our use of diesel fuel
- Continue to look for cost effective opportunities to improve our energy efficiency across all operations

GHG Emissions Intensity

Tonnes of CO₂ equivalent per tonne of ore processed



Photo: Roberto Lozano

RECLAMATION AND CLOSURE

Project life cycle planning is critical to ensuring we leave a positive legacy in our host communities. Both the environmental and social aspects of mine closures are linked to the global reputation of the mining industry. Demonstrating a commitment to progressive reclamation of areas disturbed by our activities is key to maintaining credibility and building the trust of our local communities and government stakeholders.

OUR APPROACH

Reclamation is a legal obligation within our environmental permits and part of our overall environmental management plans. Our Asset Retirement Obligations (ARO) and corresponding approach focuses on fulfilling our closure commitments and ensuring we maintain updated closure plans and allocate funds for the cost of closure. We also participate in various reforestation and land stewardship initiatives with our local communities that support biodiversity in local ecosystems.

OUR PERFORMANCE

RECLAMATION

San Dimas has put considerable effort into the reclamation of its decommissioned Cupias tailings storage facility. Over 4.6 hectares (ha) have been reclaimed to-date. In 2019, 1,250 plants were planted across 0.26 ha, obtaining a 97% survival rate. Native plant species best suited to the reclamation area were selected from the San Dimas nursery or transplanted from nearby project development areas. Key success factors included optimal transplanting conditions, such as minimizing transport stress and ensuring adequate protection for transplant. Implementing an optimal planting method for slope grade and erosion risk and an appropriate seasonal planting window also contributed to the plant survival success rate.

In 2019, progressive reclamation activities at Ermitaño, the new underground mine development project at Santa Elena, impacting approximately 7 ha included:

- Recovering fertile topsoil and vegetation, some of which was applied for the progressive reclamation of 2.8 ha of the dry-stack tailings storage facility.
- Conserving 650+ native plants in our greenhouse for future reclamation.
- Partnering with local communities in a land stewardship initiative; Santa Elena donated 4,000 native plants from its nursery to regenerate areas impacted by ranching and agriculture.



Reclamation of the Cupias Tailings Storage Facility at San Dimas

Reforestation efforts at La Parrilla as part of our Asset Retirement Obligations included restoration of the La Rosa creek bed - 1 ha of land previously used for waste rock storage - with soil and native plant species. Rock retaining walls were built along the water channel to control water flow and limit erosion of the creek bed and high banks.

In addition to the formal requirements under our ARO, we also undertook proactive planting, soil regeneration, and reforestation initiatives consisting of over 66,000 plants on over 57 ha of land at La Encantada, La Parrilla, La Guitarra, and Del Toro.

MINE CLOSURE PLANNING

First Majestic takes a responsible approach to mine closure planning in the knowledge that closure impacts the workforce, the wider community, the environment, and the local economy. All our mines (100%) have conceptual closure plans in place. These plans include adherence and compliance with local laws and regulatory requirements, addressing site

specific concerns, and following good industry practice, including the long-term assessment required to ensure the provision of adequate financial resources for mine closure. Environmental closure objectives seek to return the environment to a stable state, including aspects related to ecological restoration and the financial provisions for closure for each mine. Mine closure plans are revised annually to ensure they are up to date and that funds are available to cover anticipated closure costs based on an estimate of the future site reclamation.

BIODIVERSITY

In 2017, First Majestic initiated a voluntary conservation project on its Cielo Norteño Ranch property (La Encantada) in Coahuila State. The project covers an area of 19,475 hectares of semi-arid ecosystem and includes special measures to minimize impact on the black bear habitat and other protected species. (See La Encantada Case Study).

CASE STUDY

LA ENCANTADA RANCHO CIELO NORTEÑO CONSERVATION PROJECT

First Majestic voluntarily set aside close to 20,000 ha of its Cielo Norteño property (in Coahuila state near the La Encantada Mine) to restore, protect, and conserve its semi-desert ecosystem.

The area includes native wildflowers like the candelilla, a flowering plant harvested for its wax derivatives used in the cosmetic and food industries; and several iconic cacti species, such as the bilberry and agave. Wildlife diversity is also rich and includes coyotes, pumas, wildcats, wild boars, and protected species such as hawks, sandhill cranes, burrowing owls, bighorn sheep, geckos and rattlesnakes. Threatened species include the kit fox, pine snakes, common collared lizards, long-nosed leopard lizards, Texas horned lizards, black-necked garter snakes and leopard frogs. Two endangered species are also found, the pronghorn sheep and black bear, for which special measures have been put in place.

Our efforts include installing five camera traps in key areas to monitor wildlife and deter poaching. To reduce survival threats

to native plant and animal populations, we reforested 50 hectares with the candelilla wax plant, achieving a 90% survival rate. We also implemented soil and water conservation works across 17 hectares, and installed dikes and animal feeders throughout the project area. We are also collaborating with the Las Eutimias community to restore sustainable harvesting of the candelilla plant, resulting in jobs that benefit 12 local families.

Additional features of this project include environmental education workshops provided to La Encantada workers and residents of the surrounding communities about measures to support the black bear habitat conservation, including better waste management.

We believe the Cielo Norteño project provides a vital example of how to create biological corridors in protected areas in Coahuila state and across Mexico. First Majestic is committed to providing continued support of the project and promoting biodiversity protection in the region.



RECLAMATION AND CLOSURE OUR NEXT STEPS

Our biodiversity conservation efforts in 2020 will focus on the following areas:

- San Dimas: advance reclamation of the Cupias tailings areas
- Santa Elena: recover and conserve 700 additional plants from the Ermitaño project development

KEY PERFORMANCE DATA

Our People

Total workforce by location, employment type and gender

LOCATION	FULL-TIME EMPLOYEES			CONTRACTORS			TOTAL		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
MEXICO									
San Dimas	124	1,213	1,337	42	467	509	166	1,680	1,846
Santa Elena	37	288	325	14	398	412	51	686	737
La Encantada	36	436	472	22	193	215	58	629	687
La Parrilla	40	224	264	15	83	98	55	307	362
La Guitarra	3	24	27	4	18	22	7	42	49
Del Toro	21	230	251	—	63	63	21	293	314
San Martín	26	272	298	3	23	26	29	295	324
Offices, Exploration, Central Shop	80	212	292	4	27	31	84	239	323
MEXICO TOTAL	367	2,899	3,266	104	1,272	1,376	471	4,171	4,642
CANADA									
Vancouver Corporate Office	15	24	39	—	—	—	15	24	39

New employee hires and turnover

New employee hires by country, age group and gender*

MEXICO	F	M	TOTAL
<30	29	63	92
Between 30 and 50	11	84	95
>50	0	18	18
TOTAL	40	165	205
% of new hires	20%	80%	100%
CANADA			
<30	0	0	0
Between 30 and 50	5	2	7
>50	0	2	2
TOTAL	5	4	9
% of new hires	56%	44%	100%

Employee turnover rate by country, age group and gender*

MEXICO	F	M	TOTAL
<30	5.4%	2.2%	2.6%
Between 30 and 50	5.4%	3.0%	3.3%
>50	0.3%	1.2%	1.1%
TOTAL TURNOVER	11.2%	6.5%	7.0%
CANADA			
<30	6.7%	0%	2.6%
Between 30 and 50	13.3%	4.2%	7.7%
>50	0%	4.2%	2.6%
TOTAL TURNOVER	20.0%	8.3%	12.8%

*excluding contractors

Water Management

Water Withdrawal (m³)

	GROUNDWATER	MINE DEWATERING	TOTAL
San Dimas	56,225	252,035	308,260
Santa Elena	296,050	924,520	1,220,570
La Encantada	421,256	—	421,256
La Parrilla	53,343	830,856	884,199
Del Toro	—	1,287,312	1,287,312
San Martin	84,842	—	84,842
La Guitarra	2,352	1,410,693	1,413,045

Mining Waste

Waste by Type and Disposal Method (tonnes)

	HAZARDOUS WASTE			NON-HAZARDOUS WASTE	
	RECYCLED	SECURED LANDFILL	ENERGY RECOVERY	RECYCLED	LANDFILL
San Dimas	28	92	48	644	164
Santa Elena	6	249	82	250	96
La Encantada	19	78	60	101	158
La Parrilla	4	76	19	120	30
Del Toro	—	64	10	52	11
San Martin	20	62	13	29	14

Total Amounts of Overburden, Rock, Tailings, and Sludges and Their Associated Risks (tonnes)

	TAILINGS	WASTE ROCK
San Dimas	691,576	130,732
Santa Elena	875,516	162,078
La Encantada	810,874	131,197
La Parrilla	126,159	196,472
Del Toro	102,734	76,665
San Martin	103,629	113,264

Energy and Emissions

Energy Consumption within the Organization

NON-RENEWABLE ENERGY SOURCES	SAN DIMAS	SANTA ELENA	LA ENCANTADA	LA PARRILLA	DEL TORO	SAN MARTÍN
Diesel (litres)	3,458,771	17,555,273	3,068,782	605,619	376,643	500,254
Gasoline (litres)	33,878	132,546	139,875	54,324	35,810	22,574
Liquefied Natural Gas, LNG (litres)	—	—	18,018,098	—	—	—
Liquefied Petroleum Gas, LPG (kg)	—	160,428	512,459	—	—	—
Purchased electricity (KWh)	35,724,646	—	—	24,709,647	15,533,116	12,573,693
Coal (tonnes)	—	—	1,595	—	—	—

RENEWABLE ENERGY SOURCES	SAN DIMAS	SANTA ELENA	LA ENCANTADA	LA PARRILLA	DEL TORO	SAN MARTÍN
Hydroelectricity (KWh)	55,121,645	—	—	—	—	—

Notes:

- Data presented in KWH and GJ and obtained through direct readings
- Las Truchas hydro dam provides electricity to San Dimas
- Calorific values of each of the fuel sources, factors published by the Mexico Ministry of Environment and Natural Resources (SEMARNAT)

ENERGY CONSUMPTION BY SOURCE (GJ)	SAN DIMAS	SANTA ELENA	LA ENCANTADA	LA PARRILLA	DEL TORO	SAN MARTÍN	TOTAL
Diesel	131,330	666,574	116,522	22,995	14,301	18,995	970,716
Gasoline	1,143	4,472	4,719	1,833	1,208	762	14,137
Liquefied Natural Gas, LNG	—	—	745	—	—	—	745
Liquefied Petroleum Gas, LPG	—	7,660	24,470	—	—	—	32,130
Purchased electricity	128,609	—	—	88,955	55,919	45,265	318,748
Coal	—	—	47	—	—	—	47
Hydroelectricity	198,438	—	—	—	—	—	198,438
TOTAL	459,519	678,706	146,503	113,783	71,429	65,022	1,534,961

Energy Intensity

ENERGY INTENSITY	SAN DIMAS	SANTA ELENA	LA ENCANTADA	OVERALL
Total energy consumption (GJ) per tonne of ore processed	0.664	0.775	0.165	0.542

Direct (Scope 1) GHG Emissions

GHG EMISSIONS SCOPE 1	SAN DIMAS	SANTA ELENA	LA ENCANTADA	LA PARRILLA	DEL TORO	SAN MARTÍN	TOTAL
Gross direct GHG emissions in tonnes of CO ₂ equivalent	9,968	47,818	12,299	1,877	1,172	1,493	74,628

Energy Indirect (Scope 2) GHG Emissions

GHG EMISSIONS SCOPE 2	SAN DIMAS	SANTA ELENA	LA ENCANTADA	LA PARRILLA	DEL TORO	SAN MARTÍN	TOTAL
Gross location-based energy indirect GHG emissions in tonnes of CO ₂ equivalent	18,827	—	—	12,478	8,186	6,626	46,118

GHG Emissions Intensity

GHG EMISSIONS INTENSITY	SAN DIMAS	SANTA ELENA	LA ENCANTADA	OVERALL
Tonnes of CO ₂ equivalent per tonne of ore processed	0.0416	0.0546	0.0138	0.036

Notes:

- The calculation includes CO₂, CH₄ and N₂O, and covers Scope 1 (direct consumption) and Scope 2 (purchased electricity)
- Base year 2019 and the National electric emission factors from the Mexico Ministry of Environment and Natural Resources (SEMARNAT), 2018.
- Calculated internally and externally audited

Reclamation and Closure*Amount of Land Owned or Leased, and Managed for Production Activities or Extractive Use Disturbed or Rehabilitated (Hectares)*

	OPENING LAND BALANCE – DISTURBED AND NOT YET REHABILITATED	NEWLY DISTURBED IN 2019	NEWLY REHABILITATED LAND 2019 PART OF ASSET RETIREMENT OBLIGATIONS	CLOSING BALANCE: TOTAL LAND DISTURBED AND NOT YET REHABILITATED	NEWLY REHABILITATED LAND 2019 NOT PART OF ASSET RETIREMENT OBLIGATIONS	REHABILITATION AREA NAMES
San Dimas	135.05	—	—	135.05	0.26	Cupas Tailings
Santa Elena	82.44	6.78	—	89.22	—	—
La Encantada	66.65	1.26	—	67.91	50.00	Cielo Norteño
La Parrilla	82.19	—	1.00	81.19	3.65	Arroyo La Rosa; Ejido La Parrilla; Graceros property
La Guitarra	21.44	—	—	21.44	3.00	Tailings and infrastructure expansion
Del Toro	46.80	—	—	46.80	0.50	San Juan
San Martín	138.25	—	—	138.25	—	—

GRI CONTENT INDEX

General Disclosures

DISCLOSURE	DESCRIPTION	COMMENTS
ORGANIZATIONAL PROFILE		
102-1	Name of the organization	About First Majestic Silver: Page 9
102-2	Activities, brands, products, and services	About First Majestic Silver: Page 9
102-3	Location of headquarters	About First Majestic Silver: Page 10
102-4	Location of operations	About First Majestic Silver: Page 10
102-5	Ownership and legal form	Annual Information Form
102-6	Markets served	About First Majestic Silver: Page 12
102-7	Scale of the organization	Annual Information Form
102-8	Information on employees and other workers	Highlights: Page 10 Our People: Page 21 Key Performance Data, Page 47
102-9	Supply Chain	Local Communities: Page 34
102-10	Significant changes to the organization and its supply chain	Not applicable inaugural year
102-11	Precautionary Principle or approach	Strategy and Governance: Page 14
102-12	External initiatives	Strategy and Governance: Page 16
102-13	Memberships in associations	About First Majestic Silver: Page 12
STRATEGY		
102-14	Statement from senior decision-maker	Message from the President & CEO: Page 4
102-15	Key impacts, risks, and opportunities (Partial)	Strategy and Governance: Page 14
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	About First Majestic Silver: Page 9 Strategy and Governance: Page 14
102-17	Mechanisms for advice and concerns about ethics	Strategy and Governance: Page 14
GOVERNANCE		
102-18	Governance structure	Strategy and Governance, Page 15
102-20	Executive-level responsibility for economic, environmental, and social topics	Strategy and Governance, Page 16
102-22	Composition of the highest governance body and its committees	First Majestic Website
102-23	Chair of the highest governance body	First Majestic Website

DISCLOSURE	DESCRIPTION	COMMENTS
102-28	Evaluating the highest governance body's performance	2019 Management Information Circular
102-30	Effectiveness of risk management processes	Strategy and Governance, Page 14
102-33	Communicating Critical Concerns	Strategy and Governance, Page 14
102-35	Remuneration Policies	2019 Management Information Circular
102-36	Process for determining remuneration	2019 Management Information Circular
102-37	Stakeholders' involvement in remuneration	2019 Management Information Circular Say on Pay Policy
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder Engagement, Page 20
102-41	Collective bargaining agreements	Our People, Page 22
102-42	Identifying and selecting stakeholders	Stakeholder Engagement, Page 19
102-43	Approach to stakeholder engagement	Stakeholder Engagement, Page 19
102-44	Key topics and concerns raised	Stakeholder Engagement, Page 20 Local Communities, Page 30
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Annual Information Form
102-46	Defining report content and topic Boundaries	About This Report, Pages 6, 8
102-47	List of material topics	About This Report, Page 8
102-48	Restatements of information	None/Not Applicable
102-49	Changes in reporting	None/Not Applicable
102-50	Reporting period	Jan 1 - Dec 31, 2019 About This Report, Page 6
102-51	Date of most recent report	May 2020 (Inaugural)
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Inside Cover info@firstmajesticsilver.com
102-54	Claims of reporting in accordance with GRI Standards	Core
102-55	GRI Content Index	GRI Index, page 47
102-56	External assurance	About This Report, Page 7

Topic Specific Disclosures

DISCLOSURE	DESCRIPTION	COMMENTS
ECONOMIC		
103-1/2/3	Management Approach	Local Communities, Page 29
201-1	Direct economic value generated and distributed	Local Communities, Page 32
202-2	Proportion of senior management hired from the local community	Our People, Page 24
201-4	Financial assistance received from government	Local Communities, Page 32
203-1	Infrastructure investments and services provided	Local Communities, Page 33
204-1	Proportion of spending on local suppliers	Local Communities, Page 34
ENVIRONMENT		
103-1/2/3	Management Approach	Environment, Page 36 Water Management, Page 37 Mining Waste, Page 40 Energy and Emissions, Page 43 Reclamation and Closure, Page 45
302-1	Energy consumption within the organization	Energy and Emissions, Page 43 Key Performance Data, Page 49
302-3	Energy intensity	Energy and Emissions, Page 43 Key Performance Data, Page 49
303-1	Interactions with water as a shared resource	Water Management, Page 37 Key Performance Data, Page 48
303-2	Management of water discharge-related impacts	Water Management, Page 37
303-3	Water withdrawal	Water Management, Page 38
303-4	Water discharge	Water Management, Page 38
303-5	Water Consumption	Water Management, Page 38
MM1	Amount of land (owned or leased, and managed for production activities or extractive use disturbed or rehabilitated)	Reclamation and Closure, Page 46 Key Performance Data, Page 50
MM2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	None
304-3	Habitats protected or restored	Reclamation and Closure, Page 46
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions, Page 44 Key Performance Data, Page 50
305-2	Indirect (Scope 2) GHG emissions	Energy and Emissions, Page 44
305-4	GHG Emissions Intensity	Energy and Emissions, Page 44 Key Performance Data, Page 50
306-2	Waste by type and disposal method	Key Performance Data, Page 48
MM3	Total amounts of overburden, rock, tailings, sludges and their associated risk	Mining Waste, Page 41 Key Performance Data, Page 48
306-3	Significant spills	None
307-1	Non-compliance with environmental laws and regulations	None, Environment, Page 36
MM10	Number and percentage of operations with closure plans in place	100%, Reclamation and Closure, Page 46
103-2	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	Local Communities, Page 30

DISCLOSURE	DESCRIPTION	COMMENTS
SOCIAL	LABOUR PRACTICES AND DECENT WORK INDICATORS	
103-1/2/3	Management Approach	Our People, Page 21 Health and Safety, Pages 25-26
401-1	New employee hires and employee turnover	Key Performance Data, Page 47
403-1	Occupational health and safety management system	Health and Safety, Page 25
403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Page 25
403-3	Occupational health services	Health and Safety, Page 28
403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety, Page 26
403-5	Worker training on occupational health and safety	Health and Safety, Page 26
403-6	Promotion of worker health	Health and Safety, Page 28
403-8	Workers covered by an occupational health and safety management system	Health and Safety, Page 25
403-9	Work-related injuries	Health and Safety, Page 27
403-10	Work-related ill health	Health and Safety, Page 27
404-2	Programs for upgrading skills and transition assistance programs	Our People, Page 23
405-1	Diversity of governance bodies and employees	Our People, Page 24
MM4	Number of strikes and lock-outs exceeding one week's duration, by country	None
HUMAN RIGHTS		
103-1/2/3	Management Approach	Human Rights, Page 18
406-1	Incidents of discrimination and corrective actions taken	None
407-1	Operations and suppliers in which the right to exercise freedom of association and collective bargaining may be at risk	None
408-1	Operations and suppliers at significant risk for incidents of child labour	Human Rights, Page 18
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	None
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	Local Communities, Page 32
103-2	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms	Human Rights, Page 18
SOCIETY		
103-1/2/3	Management Approach	Local Communities, Page 30
413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities, Page 32
205-1	Operations assessed for risks related to corruption	Strategy and Governance, Page 14
205-2	Communication and training on anti-corruption policies and procedures	Strategy and Governance, Page 14
205-3	Confirmed incidents of corruption and actions taken	Strategy and Governance, Page 14
415-1	Political Contributions	Local Communities, Page 32
103-2	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	Local Communities, Page 30
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	Local Communities, Page 32
MM10	Number and percentage of operations with closure plans	Reclamation and Closure, Page 46



FIRST MAJESTIC
SILVER CORP.

First Majestic Silver Corp.

1800 - 925 West Georgia Street
Vancouver, British Columbia
V6C3L2
Canada

Email: info@firstmajestic.com

Tel: 604.688.3033

Fax: 604.639.8873

North American Toll-Free: 1.866.529.2807

www.firstmajestic.com





FIRST MAJESTIC
SILVER CORP.

FIRSTMAJESTIC.COM