

Company Name Grupo Mexico
Industry Extractives
UNGP Core Score (*) 13.0 out of 26

Score	Out of	For indicators
Governance and Policy Commitments		
1	2	A.1.1 Commitment to respect human rights
2	2	A.1.2 Commitment to respect the human rights of workers
1	2	A.1.4 Commitment to engage with stakeholders
1	2	A.1.5 Commitment to remedy
Embedding respect and Human Rights Due Diligence		
Embedding respect		
2	2	B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions
Human Rights Due Diligence (HRDD)		
0.5	2	B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts
0	2	B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)
1	2	B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action
0	2	B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts
0.5	2	B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed
Remedies and Grievance Mechanisms		
1.5	2	C.1 Grievance channels/mechanisms to receive complaints or concerns from workers
1.5	2	C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities
1	2	C.7 Remedying adverse impacts and incorporating lessons learned
13.0	26	

(*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

Governance and Policies

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: General HRs commitment: The Company indicates that 'at Grupo México, we promote and protect human rights as prescribed by the United Nations Universal Declaration on Human Rights'. Its Human Rights Policy also states: 'we respect and promote the human rights of all our collaborators and the communities where we operate, in adherence of the United Nations Universal Declaration on Human Rights and local laws'. [Code of Ethics, 05/2020: https://gmexico.com & Human Rights Policy, N/A: https://gmexico.com] • Met: UDHR: The company indicates in the Code of Ethics that they promote HR as prescribed by the UN UDHR. [Code of Ethics, 05/2020: https://gmexico.com & Human Rights Policy, N/A: https://gmexico.com] • Not met: International Bill of Rights <p>Score 2</p> <ul style="list-style-type: none"> • Not met: UNGPs: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: OECD
A.1.2	Commitment to respect the human rights of workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: ILO Core: In its Human Rights Policy, the Company states: 'Respect the fundamental principles and rights at work, in adherence of International Labor Organization's Declaration, including: 'Promote freedom of association and the right to organize, and the effective recognition of the right to collective bargaining [...]; Elimination of forced labor [...]; Ensure effective abolition of child labor [...]; Reject all forms of discrimination in respect of employment, and promote equal remuneration [...]'. [Code of Ethics, 05/2020: https://gmexico.com & Human Rights Policy, N/A: https://gmexico.com] • Met: Explicitly list All four ILO apply to EX BPs: The Human rights policy extends 'to our suppliers of good and services, giving preferences to companies that shares our values'. In addition, in its Sustainability Report 2018, the Company states: 'We have contract clauses in place to ensure respect for human rights and personal dignity extends to our business partners and that our business partners adhere to the principles and values of Grupo México, as well as local legislation and regulations in the countries where we operate.' As indicated above, the Human rights policy includes adherence to ILO conventions, particularly in relation to freedom of association and collective bargaining: 'promote freedom of association and the right to organize, and the effective recognition of the right to collective bargaining. (ILO Convention 87 and 98)'. [Human Rights Policy, N/A: https://gmexico.com & Sustainable development Report 2018, 2019: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Explicit commitment to All four ILO Core: As indicated above, in its Human Rights Policy, the Company states: 'Respect the fundamental principles and rights at work, in adherence of International Labor Organization's Declaration, including: 'Promote freedom of association and the right to organize, and the effective recognition of the right to collective bargaining [...]; Elimination of forced labor [...]; Ensure effective abolition of child labor [...]; Reject all forms of discrimination in respect of employment, and promote equal remuneration [...]'. [Human Rights Policy, N/A: https://gmexico.com] • Met: Respect H&S of workers: In its Human Rights Policy the Company commits to 'Protect the right to health of our collaborators, providing safe and healthy work environments, and implementing processes and controls for the prevention of occupational risks.' [Code of Ethics, 05/2020: https://gmexico.com & Human Rights Policy, N/A: https://gmexico.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: H&S applies to EX BPs: 'We require the total involvement of our collaborators, contractors and/or any other outside person involved in the activities of the Company, working only with persons who observe in full our codes and standards on safety, and also taking responsibility to care for and keep workplaces clean and safe'. [Code of Ethics, 05/2020: https://gmexico.com]
A.1.4	Commitment to engage with stakeholders	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to stakeholder engagement: The Company states in its Sustainable Report: 'Grupo México is committed to listening to our stakeholders for which we offer different channels of communication, including our annual report, our sustainable development report, the stockholders meeting, quarterly calls for investors, community committees, forums, interviews, social media presence, community development centers, the community care service (CCS), press releases and newsletters'. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Commits to engage stakeholders in design: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. • Not met: Regular stakeholder design engagement
A.1.5	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to remedy: The Company states in its Human Rights Policy that it is committed to 'implementing processes of due diligence to identify, prevent, mitigate and where necessary, remedy potentially adverse human rights impacts at all our business units'. [Human Rights Policy, N/A: https://gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Not obstructing access to other remedies • Not met: Collaborating with other remedy initiatives • Not met: Work with EX BPs to remedy impacts: The Company's Human rights Policy indicates that this policy 'applies to all workers and subsidiaries, and is extended to business partners'. No evidence found in relation to working with extractive business partners to remedy adverse impacts either through partners' mechanisms, or development of third party non-judicial remedies. [Human Rights Policy, N/A: https://gmexico.com]

Embedding Respect and Human Rights Due Diligence

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to ILO Declaration. • Met: Senior responsibility for HR: The Company indicates that: '[...] all employees, at all levels, and also suppliers and providers, are required to comply with the company's principles and policies on human rights. Various departments are involved in managing these topics, while the principal roles in the enforcement of the Mining Division's policies and procedures to ensure the human rights of our collaborators and local communities are respected are: Vice-President, Human Resources; Vice-President, Community Development; Vice-President, Occupational Health and Safety; Ethics and Discipline Committee. [...] Senior Management, through the Sustainability Committee, supervise and audit the performance of our policies on sustainability: health, safety and environment committees. In regards to community performance, they review the management, prevention and mitigation of social risks, and also the implementation of programs that will optimize the positive impacts. This includes fostering relationships and linkage with the authorities and institutions'. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Day-to-day responsibility: The Company states: 'The company has a human rights due diligence process within our risk assessment processes. The due diligence process seeks to identify, prevent, mitigate and, as necessary, correct potentially adverse impacts on the human rights of both our neighbor communities and our company employees. This process can be divided into two main areas: (i) Community Human Rights, and (ii) Employee human rights.' The day-to-day responsibilities are distributed among several departments, including: Community Development, Impact Measuring, Special Projects and Explorations, Corporate Human Resources Department, Internal Control Area, among others. [Sustainable Development Report 2019, 2020: gmexico.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Day-to-day responsibility for EX BRs: In addition to what was indicated above, the Company reports: 'The Minera México Human Resources and Procurement departments evaluate potential suppliers to verify they are in compliance with applicable labor laws and regulations. As part of this process, prospective suppliers are informed of the obligations in terms of labor rights that must be fulfilled if they are awarded the contract. When a company is selected, Labor Relations (part of the Human Resources department) conducts an exhaustive analysis of the supplier to verify all their employees are afforded all rights as conferred by the labor laws'. Human rights policy includes in its coverage suppliers of services, and Sustainability report refers to partners generally. Assumed extractive ones to be included. [Sustainable Development Report 2019, 2020: gmexico.com]
B.2.1	Identifying: Processes and triggers for identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifying risks in own operations: According to its Sustainable development report: 'The company uses a human rights due diligence process in our risk assessment processes. The due diligence process seeks to identify, prevent, mitigate and, as necessary, correct potentially adverse impacts on the human rights of both our neighbor communities and our company employees. This process can be divided into two main areas: a. community human rights; b. employee human rights'. It also indicates: 'The community human rights due diligence process of the Mining Division and the Infrastructure Division is made up of two components: 1. Participative shared value diagnostic process and management plans; 2. Community Care Service. [...] The shared value diagnostics help the company to identify the risks present at each business unit, to then design and implement actions to mitigate potential negative impacts and optimize the positives. These diagnostics are prepared at the start of each project and are then updated every two years at all our business units in Mexico and Peru. One of the five components required to prepare the diagnostic is mapping the risks and impacts from the operation. It should be noted that the company uses a risk matrix that measures, on a scale of one to five, the severity and frequency of social impacts, which include the risks associated with human rights.' [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: identifying risks in EX business partners: It is not clear if the process described above includes extractive business partners. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Ongoing global risk identification: The Company indicates: 'Internal Control bases their work in this area on the COSO Framework, an internationally recognized tool that was developed over twenty years ago to provide organizational leadership on three fronts: enterprise risk management (ERM), internal control and fraud deterrents.' However, it is not clear whether the Company carries out ongoing global due diligence to identify potential human rights and impacts. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: In consultation with stakeholders • Not met: In consultation with HR experts • Met: Triggered by new circumstances: As indicated above with respect the community human rights due diligence process in Mining Division: 'These diagnostics are prepared at the start of each project and are then updated every two years at all our business units in Mexico and Peru. One of the five components required to prepare the diagnostic is mapping the risks and impacts from the operation.' [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: Explains use of HRIAs or ESIA (inc HR)
B.2.2	Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not met: Salient risk assessment (and context): The Company indicates in its Sustainable development report: 'The company has a human rights due diligence process within our risk assessment processes. The due diligence process seeks to identify, prevent, mitigate and, as necessary, correct potentially adverse impacts on the human rights of both our neighbor communities and our company employees. This process can be divided into two main areas: (i) Community Human Rights, and (ii) Employee human rights.' However, no further details found including process and how specific factors such as geographical, economic or social are taking into account to determine saliency. The Company has provided additional comments to CHRB regarding this indicator. However, evidence was not material. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: Public disclosure of salient risks

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 • Not met: Both requirements under score 1 met
B.2.3	Integrating and Acting: Integrating assessment findings internally and taking appropriate action	1	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Action Plans to mitigate risks: Although the Company provided information about different initiatives and actions related to the fight against human rights violations, no evidence found of a global action plan to face specific salient human rights issues identified and assessed in its human rights due diligence process. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: Including amongst EX BPs • Met: Example of Actions decided: The Company introduced different processes and tools to prevent conflict with local communities and detect and resolve different kind of issues, including the ones related with human rights: Participative shared value diagnostic process and management plans, Community Care Service (with a three year program in 2019 to strengthen the Community Care Service and transform it from a corrective tool to a preventive tool). [Sustainable Development Report 2019, 2020: gmexico.com] Score 2 • Not met: Both requirements under score 1 met
B.2.4	Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	0	The individual elements of the assessment are met or not as follows: Score 1 • Not met: System to check if Actions are effective: The Company has provided comments to CHRB regarding this indicator. However, evidence was not material. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: Lessons learnt from checking effectiveness Score 2 • Not met: Both requirement under score 1 met
B.2.5	Communicating : Accounting for how human rights impacts are addressed	0.5	The individual elements of the assessment are met or not as follows: Score 1 • Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1 • Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2 • Not met: Comms plan re action plans for risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3 • Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4 • Not met: Including EX business partners: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1 Score 2 • Met: Responding to affected stakeholders concerns: The Company has put in place a Comprehensive Reporting System and the Community Care Service (CCS) to receive complaints and reports, including the ones related with human rights issues. As part of the process for addressing complaints, the Company informed the complainants with the result of the investigation, and in the case of the CCS. See further details on how it responds below. The Company presents 6 cases showing how it solved different complaints received through its CCS, including: 'Embers from a works project on company land started a fire on a part of a neighbouring property. Company personnel responded to the incident immediately to control the fire, with the help of neighbours. The case was reported to the CCS for follow-up. We dialogued with the property owner, reaching agreement on compensation for the damages, closing the matter to their satisfaction. ' [Sustainable Development Report 2019, 2020: gmexico.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Ensuring affected stakeholders can access communications: The Company has put in place a Comprehensive Reporting System and the Community Care Service to receive complaints and reports, including the ones related with human rights issues. As part of the process for addressing complaints, the Company informed the complainants with the result of the investigation, and in the case of the CCS, it indicates: 'When the report has not been made anonymously, Grupo México (local community development personnel and from other departments, as required) establishes a constructive dialog with the user, and regularly updates them on their case, from the initial assessment to the implementation of the resolution actions. When a case has an impact that would go beyond the individual report or complaint, the company informs key local players, the Community Committee for example, about the preventive or corrective measures taken. The purpose is not only to update them on the case, but also to receive their feedback.' [Sustainable Development Report 2019, 2020: gmexico.com]

Remedies and Grievance Mechanisms

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Channel accessible to all workers: In its Sustainability Report, the Company indicates: '[...] the company has a Comprehensive Reporting System. With this instrument, collaborators at all the business units and corporate offices, stockholders, management, suppliers and third parties with which Grupo México has dealings, can report any violation of the Code of Ethics. Reports can be made via a phone line, voicemail, email or website. [...] The reporting line is an essential component of the human rights due diligence process as it allows employees to report any violation of their human rights to the company immediately and to receive a report of how their complaint has been addressed'. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Number grievances filed, addressed or resolved: In its Sustainable development report, the Company indicates that it received 254 complaints related to 'Matters related to Human Rights. In addition, it reports: 'The [Community Care Service] CCS received 123 incident reports in 2019, all of which were resolved before year end with an average response time of 14 days, or channelled to other mechanisms within the company on being related to administrative processes, like the Reporting Line, which receives reports of issues related to the company Code of Ethics. Only one complaint remained open. Of the 123 incident reports, 82 were Level 1 or 2 (requests and concerns) and 41 were Level 3 or 4 (complaints and emergencies), while no Level 5 (disputes) were reported.' However, it is not clear how many of the complaints related to human rights were addressed or resolved during the year, since it indicates that received 254 complaints. [Sustainable Development Report 2019, 2020: gmexico.com] • Met: Channel is available in all appropriate languages: The Company also indicates: 'The Reporting Line is available in the local language in Mexico, Peru and the United States.' The Company operates in 'Mexico, Peru, Spain and the United States'. [Sustainable Development Report 2019, 2020: gmexico.com] • Met: Opens own system to EX BPs workers: In the sustainability report the company indicates that the Ethics Reporting Line is open to suppliers and third parties. [Sustainable Development Report 2019, 2020: gmexico.com]
C.2	Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Grievance mechanism for community: In its Sustainable Development Report, the Company indicates: 'Members of the community can communicate requests, concerns, complaints, emergencies or disputes to the company through the CCS [Community Care Service]. This service is a vital part of the due diligence process as it is a channel of communication between the community and Grupo México that is always open, whereby any member of the community can share with the company their complaints or concerns about potentially negative impacts on their human rights related to the company's operations'. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Describes accessibility and local languages: In addition, the Company indicates: 'The CCS is extensively publicized among the communities and business units in the local language via both print and digital media (social networks and by email), presentations with volunteer groups, through Community Development activities and programs, as well megaphones and other publicity means provided

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			<p>by the company, as necessary.' The CCS is available in Peru and Mexico, in all appropriate local languages, and will be available also in the USA in 2020. However, it is not clear whether it's already available in the USA. [Sustainable Development Report 2019, 2020: gmexico.com]</p> <ul style="list-style-type: none"> • Met: Expects EX BPs to have community grievance systems: In its Human Rights Policy, which extends to its 'suppliers of goods and services', the Company indicates: 'Establish easily accessible, confidential mechanisms that guarantee the registration of our stakeholders concerns, reports and complaints related to human rights actions, ensuring due follow up'. The Company indicates that it has contract clauses in place to ensure respect for human rights and personal dignity extends to our business partners and that our business partners adhere to the principles and values of Grupo Mexico'. [Human Rights Policy, N/A: tps://gmexico.com]
C.7	Remedying adverse impacts and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes how remedy has been provided: The Company presents 6 cases showing how it solved different complaints received through its CCS (Community care system), including: 'Embers from a work project on company land started a fire on a part of a neighbouring property. Company personnel responded to the incident immediately to control the fire, with the help of neighbours. The case was reported to the CCS for follow-up. We dialogued with the property owner, reaching agreement on compensation for the damages, closing the matter to their satisfaction'. [Sustainable Development Report 2019, 2020: gmexico.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not met: Changes introduced to stop repetition: The Company states: 'Identifying and anticipating the risks associated with our operations is part of our commitment to our employees, our neighbor communities and the environment. At Grupo México, we are developing and improving policies and processes to anticipate the risks associated with sustainability. [...] Given the challenge of sustainability and risk management in a changing context, one of the tools most used worldwide are management systems, tools to define policies, goals of the organization and to unify procedures to align the company with our defined goals. At Grupo México, some of the systems in place are: ISO 45001- Worker health and safety;[...]'. In addition, the Company presents an improvement program of its CCS: 'The Community Development department designed a three year program in 2019 to strengthen the Community Care Service and transform it from a corrective tool to a preventive tool.' However, it is not clear how these actions are directly related with a specific incident where the Company decided to introduce changes to stop repetition. [Sustainable Development Report 2019, 2020: gmexico.com] • Not met: Approach to learning from incident to prevent future impacts • Not met: Evaluation of the channel/mechanism

Performance: Responses to Serious Allegations (Not included in the overall score)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Headline: Grupo Mexico failed to respect settlement with Mexican government over a sulphuric acid spillage in North-west Mexico • Area: Environment • Story: In July 2017, a UN report announced that three years after a mine belonging to Grupo México caused the worst ecological disaster in Mexican history, the Company failed to fulfill its obligations with the victims. The spill amounted to 10 million gallons (40,000 cubic meters) of copper sulfate and heavy metals into the Sonora and Bacanuchi rivers. This environmental disaster affected approximately 24,000 people directly and 250,000 people indirectly in seven municipalities on the banks of the Sonora River, 25 miles south of the Arizona border. Grupo Mexico was fined MXN 23 million (about USD 1.8 million) and agreed to contribute to a trust fund of MXN 2 billion pesos (about USD 154 million) for redress, reparation and compensation for economic and environmental damages and health problems caused in the communities affected by the spill. In addition, Grupo Mexico committed to take a number of measures, including installing 28 water treatment plants with technology to filter out heavy metals and building a clinic to treat those whose health was affected. However, three years after the tragedy, the UN report said only one of the promised 28 water treatment plants had been built and it was not fully functional. During its visit to the site, the UN Working Group also confirmed that the health clinic was never completed although at least 360 people have been identified with health problems caused by the spill. The UN report stated that affected communities raised a number of concerns related to a lack of consultation about the use of the trust fund and lack of transparency about the level of contamination and plans for the recovery of the river. <p>In December 2019, a federal judge ordered Mexico's General Prosecutor to reopen a criminal investigation against Buenavista del Cobre. The move came after Sonora residents and the union Los Mineros challenged decisions made by the Prosecutors office back in 2017 and in 2018, which called for the investigations to cease and be archived.</p> <p>That same month, Mexico's Federal Attorney for Environmental Protection accused Grupo México of not fulfilling a number of commitments related to clean-up, restoration and reparation after the spill. While Grupo México created a USD 106 million fund to cover the damages, the total estimated cost for the environmental damage amounts to more than USD 133.7 million.</p> <ul style="list-style-type: none"> • Sources: [Forbes, 27/7/2017: forbes.com][Business & Human Rights Resource Center, 25/7/2018: business-humanrights.org][Milenio, 08/05/18: milenio.com][Mining.com - 29/12/2019: mining.com]
E(1).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response available: A month after the spill in 2014, Grupo Mexico stated the accident could be attributed to a defective pipe. The Company said it "regretted" the tragedy, and was fined 23 million pesos (about US\$ 1.8 million). The company also collaborated with the Government in establishing a trust fund of 2 billion pesos in order to ensure redress, reparation and compensation for economic and environmental damages and health problems caused in the communities affected by the spill. In addition, Grupo México committed to take a number of measures, including installing 28 water treatment plants with technology to filter out heavy metals and building a clinic to treat those whose health was affected. In 2017, Grupo Mexico told the UN Working Group that the construction of the treatment plants and the clinic had not been completed because the municipal authorities did not have the capacity to operate them, and to do so would have been irresponsible. [Forbes article, 07/2017: forbes.com & UN Working Group report on Mexican business enterprises, 27/04/2017: ohchr.org] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Response goes into detail: While the company told the UN Working Group that the construction of the treatment plants and the clinic had not been completed because the municipal authorities did not have the capacity to operate them, and to do so would have been irresponsible, this is not sufficient detail. However, they did respond to the recent re-opened criminal investigation stating the following: "There is no scientific proof that links the spill to effects on natural resources or health in the area", and "Water quality measurements of the Sonora river after the accident have even been lower than those during the 10 or more years before it happened."

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			The company added that it has carried out a monitoring program in local wells with the National Water Commission (Conagua) over the last five years. "We contributed 2 billion pesos (US \$105 million) initially planned for the recovery. There is no noncompliance on the part of Grupo México," it said. [UN Working Group report on Mexican business enterprises, 27/04/2017: ohchr.org & Mexico Daily News, 12/2019: mexiconewsdaily.com]
E(1).2	The Company has appropriate policies in place	1	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Company policies address the general issues raised: The Company states that "At Grupo México, we minimize and compensate any potentially adverse impacts and ensure environmental management is an integral part of all our processes, covering each of the stages in the lifecycle of our operations." [Code of Ethics, 05/2020: https://gmexico.com] • Met: Policies apply to the type of business relationships involved: The policy also applies to the Company's suppliers. [Code of Ethics, 05/2020: https://gmexico.com] Score 2 <ul style="list-style-type: none"> • Not met: Policies address the specific rights in question: The Company monitors the level of harmful wastes and spills, and report on the number. However, it does not have a commitment the UN Global Compact CEO Water Mandate. [Sustainable development report, 2017: gmexico.com]
E(1).3	The Company has taken appropriate action	1.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Met: Engages with affected stakeholders: Following the spill in 2014, the company released a series of statements outlining the engagement it had undertaken with the local communities, this included; The provision of \$3,500,000 pesos to the seven municipalities to support environmental services and to pay personnel for the distribution of water, fuels, and various other materials related to the filtration. The implementation of a coordinated plan to identify and verify the possible effects on farming and livestock in the region, that may have been caused by the filtration, to take subsequent action as necessary. Additionally the company also explained the steps that had been taken to provide communities with potable water. [UN Working Group report on Mexican business enterprises, 27/04/2017: ohchr.org] • Met: Provides remedies to affected stakeholders: The UN Working Group report noted that Grupo Mexico was fined 23 million pesos (about \$1.8 million) and agreed to contribute to a trust fund of 2 billion pesos (about \$154 million) for redress, reparation and compensation for economic and environmental damages and health problems caused in the communities affected by the spill. [Forbes article, 07/2017: forbes.com & UN Working Group report on Mexican business enterprises, 27/04/2017: ohchr.org] • Met: Has reviewed management systems to prevent recurrence: In a statement following the initial spill the company says "on learning of the incident, [the company] immediately proceeded to install a containment wall that would be sufficiently strong to prevent any further spillage and would also prevent this from happening again. The containment works were completed in less than 24 hour". The 2018 Sustainability report also says that "We strive for our operations to not only comply with, but to surpass local regulations and the recommendations of the International Commission on Large Dams (ICOLD). We have also set up a committee of in-house and independent specialists to regularly review the safety and operation of each dam. Additionally, and with the support of the best industry experts, we launched a monitoring program in 2018 for all tailings dams to ensure their stability". [Buenavista del Cobre reports on the copper solution spill., 12/08/2014: gmexico.com & Sustainable development Report 2018, 2019: gmexico.com] Score 2 <ul style="list-style-type: none"> • Not met: Remedies are satisfactory to the victims: In the report by the UN Working Group, it notes that "affected communities raised a number of concerns related to a lack of consultation about the use of the trust fund; a perception that compensation was determined arbitrarily, for example compensation was provided up to a maximum number of livestock, irrespective of the number of livestock affected; a lack of transparency about the level of contamination and plans for the recovery of the river; and the non-fulfilment of the company's commitments to build water treatment plants and a health clinic". Thus despite the conclusion of the Sonara river trust, documented as occurring prior to the release of the UN Working Group report, the remedy provided by the company cannot be considered satisfactory. [Forbes article, 07/2017: forbes.com & UN Working Group report on Mexican business enterprises, 27/04/2017: ohchr.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> Met: Has improved systems and engaged affected stakeholders: The company in its 2018 Sustainability Report states that "We strive for our operations to not only comply with, but to surpass local regulations and the recommendations of the International Commission on Large Dams (ICOLD). We have also set up a committee of in-house and independent specialists to regularly review the safety and operation of each dam. Additionally, and with the support of the best industry experts, we launched a monitoring program in 2018 for all tailings dams to ensure their stability". It has also previously engaged with the affected communities and also with the UN Working Group. [Sustainable development Report 2018, 2019: gmexico.com]

Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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