Endeavour SILVER

Our Climate Journey

TCFD REPORT FOR 2022

NYSE: EXK | TSX: EDR

Welcome to Endeavour Silver's 2022 TCFD Report

This is our first standalone climate report. It summarizes our Company's early efforts towards better understanding and addressing climate change risks, impacts and opportunities relevant to our business. We have aligned our climate disclosures to the recommended framework published by the Task Force on Climate-related Financial Disclosures (TCFD). To that end, we have structured the report around the TCFD's core elements: governance, strategy, risk management, and metrics and targets.

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A Note About Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as “forward-looking statements”. Such forward-looking statements herein include but are not limited to statements regarding Endeavour’s Sustainability Strategy 2022-2024, the strategic vision for the Company and expectations regarding exploration potential, production capabilities and future financial or operational performance; the timing for and Company’s ability to successfully advance its growth and development projects, the Company’s expectations for reducing its GHG emissions and the impact of its operations on climate change. The Company does not intend to and does not assume any obligation to update such forward-looking statements or information, other than as required by applicable law.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, production levels, performance or achievements of Endeavour and its operations to be materially different from those expressed or implied by such statements. Such factors include but are not limited to the conditions in general market and industry conditions; timing and amount of expenditures related to the ESG programs; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; national and local governments, legislation, taxation, controls, regulations and political or economic developments in Canada and Mexico; as well as those factors described in the section “risk factors” contained in the Company’s most recent form 40F/Annual Information Form, which is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.

Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the ability of Endeavour to carry out its sustainability strategy, and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or information, there may be other factors that cause results to be materially different from those anticipated, described, estimated, assessed or intended. There can be no assurance that any forward-looking statements or information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements or information. Accordingly, readers should not place undue reliance on forward-looking statements or information.

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1. Foreword from the CEO

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> Future demand growth for silver will be driven by the **global response to climate change.**

We know it is still early days in a long climate journey ahead. We are trying to be thoughtful and diligent in determining the most effective and credible steps for Endeavour to take. Our initial work in assessing climate risks and improving the energy efficiency of our operations is part of an iterative, multi-year process. We are committed to the road in front of us, as we deepen our climate knowledge and use it as a springboard to a better overall Company.

Endeavour Silver is dedicated to better understanding the risks, impacts and opportunities presented by a changing climate, and taking decisive steps to support a cleaner, greener economy. In our 2022-2024 Sustainability Strategy, we set out a clear priority to mobilize action towards a low-carbon economy, by minimizing our production of direct and indirect GHG emissions. This ties directly to our Company mission to find, build and operate quality silver mines in a sustainable way, and create value for all stakeholders. While we’re currently busy executing this strategy, we also have our eye on continuous improvement and the future.

Over the past year, we have devoted a significant amount of time and effort across our organization to better understand the potential risks and opportunities .The insights gained are discussed in the following pages and are feeding into our daily decisions, activities and long term plans.
While our business and our industry face a pressing array of climate risks, the fact is these are among the diverse challenges we must effectively manage all the time. I’m confident in our ability to do so, because as a mining company we proactively manage risks ranging from capital allocation to safety hazards to the reliability of supply chains. We have a dynamic, competent team with a proven track record in preparing for and adapting to a variety of risk scenarios.

Most importantly, our view of climate change is not solely fixated on risk. There are also great opportunities that exist. In addition to silvers’ use as a store for wealth and other industrial purposes, silver is considered critical for a cleaner, greener future and the ‘race to net zero’. Mining companies like Endeavour will be relied upon to deliver this essential metal needed to support solar panels, battery cell-based electric vehicles and other environmental innovations that underpin a more sustainable economy.

In short, a sustainable future needs silver. Market demand for silver is expected to rise exponentially in the coming years, and we are prepared to meet that demand. Our silver sector leading growth profile will ensure Endeavour will be a significant part of the sustainable future.

With our actions to date and our longstanding dedication to being a sustainable silver producer, we believe we’re positioning ourselves well for a low-carbon world.

Dan Dickson,
Chief Executive Officer

Introduction

1.1 About this Report

Published in March 2023, this is Endeavour Silver Corp.'s inaugural report on our progress to align with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). Throughout this document, "Endeavour" and "the Company" refer to Endeavour Silver and its major subsidiaries.

This report follows the guidance and framework provided by TCFD, as shown in Figure 1.

As this is Endeavour Silver's first report against the TCFD recommendations, we acknowledge that gaps exist in meeting all recommendations. We commit to transparently reporting on the evolution and improvement of our climate management approach and disclosures.

It is important to note that we're taking an iterative approach to addressing climate change. A TCFD Content Index is available in Appendix A.

This report focuses on the following operations, all of which are in Mexico:

- two producing mines (Guanacevi and Bolañitos)
- one development project (Terronera)

In our portfolio, we also own five sites that are in the exploration stage.

In future years, we aim to link our TCFD reporting to our annual financial reporting cycle.

Figure 1: TCFD's core elements of recommended climate-related financial disclosures

1.2 Methodology

We used a number of techniques to inform this report, including desktop studies, quantitative analysis, interviews and interactive in-person workshops, which are described below. In all cases, we applied international good practices to supplement existing company practices.

WORKSHOPS

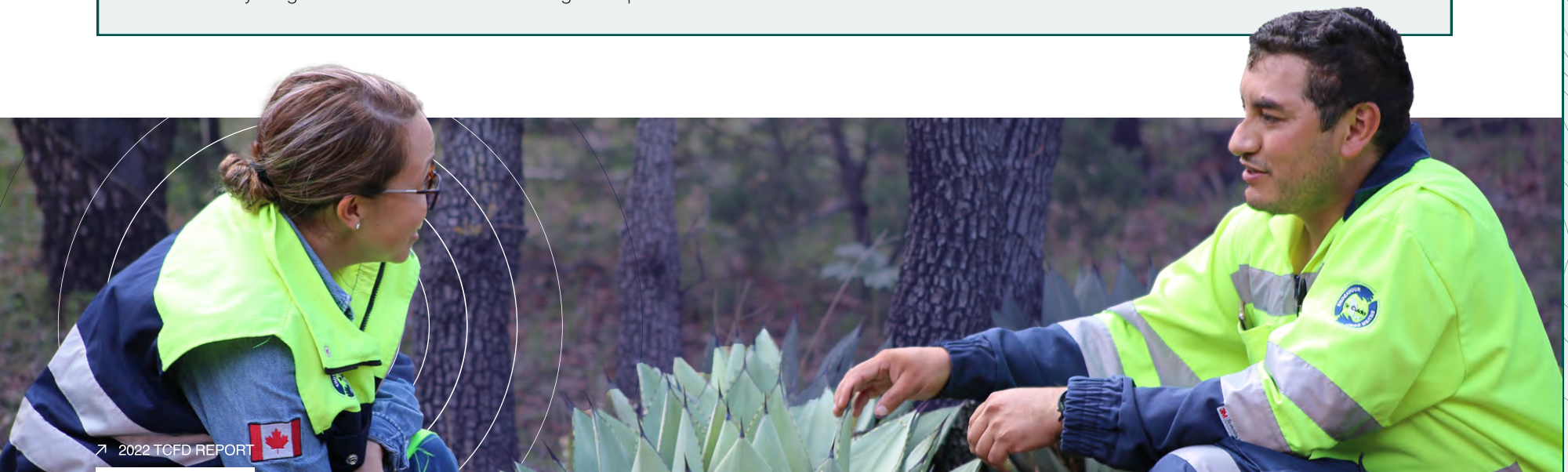
Many key findings reported here were identified through a series of workshops held in Q2 and Q3 of 2022. The workshops engaged senior management and key regional managers from each site who possess deep knowledge of the operations and surrounding communities. There was representation from across the business, including Operations, Sustainability, Finance and Risk Management.

The key objectives of the workshops were to:

1. **Provide tailored training material to ensure that participants are aware of the importance of, and potential opportunities and threats posed by, the low-carbon economy to Endeavour Silver.**
2. **Identify and prioritize relevant risks and opportunities for climate change and the low carbon transition.**
3. **Design and run scenarios in-line with TCFD requirements.**
4. **Consider tangible actions that may be relevant to company strategy given low carbon transition.**
5. **Provide input to this TCFD-aligned report.**

We developed a risk profile for each asset, the regions in which we operate, and the Company as a whole. These risk profiles were then stressed through a series of relevant climate change scenarios. We considered both opportunities and threats as they pertain to both the Company and the surrounding environment. We considered risks over several different time horizons, including those which were deemed to have the potential to impact on the company immediately, and those which are relevant stretching out to 2030. Material risks identified therefore include both those that may impact the company as well as the surrounding environment over significant time horizons.

It is important to note that these activities formed part of a broader risk management workshop, using the same techniques. This allowed the climate change work to be fully integrated into normal business management processes.



2. Context of Endeavour Silver

2.1 About Endeavour Silver

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

Endeavour is committed to sustainable production and aims to responsibly explore and manage our mining properties. Both our corporate strategy and our **2022-2024 Sustainability Strategy** in particular are rooted in a desire to enable benefits for all stakeholders, including people, local communities and our business.

Further reflecting our commitment to sustainability, we support and contribute to the United Nations Sustainable Development Goals (SDGs), a call to action for countries, corporations and organizations to work collectively to address the most pressing challenges facing the world, including climate change.

Additionally, through the Silver Institute we participated in a collaborative project — the Silver Sustainability Initiative — to illustrate how mining companies contribute to the SDGs and a better society.

2.2 What TCFD means to us

We recognize investors and other stakeholders are increasingly concerned about climate change and want to know how companies like Endeavour are addressing it. While we have provided some information on our commitments and actions though our annual Sustainability Report and 2022-2024 Sustainability Strategy, this report provides our first detailed disclosure with regards to the steps being taken to address these concerns.

We welcome enhanced climate change disclosure and are using the TCFD guidance framework to help us provide climate-related information in several areas, such as the potential risks facing our business, the steps being taken to mitigate our carbon footprint and support a lower-carbon future, and the opportunities for growth. Through this report, we aim to provide stakeholders with clear, reliable, and comparable information about the climate-related risks and opportunities we face.

3. Governance

Climate risk management is part of our broader sustainability governance. We continue to embed climate risk management across the company, from the Board of Directors (Board) through to each site.

Figure 2: Governance structure with regards to climate change at Endeavour Silver

3.1 Accountability and stewardship

The Board maintains oversight of sustainability issues, including climate-related issues across Endeavour through its Sustainability Committee and, to a lesser extent, the Corporate Governance and Nominating Committee. The Sustainability Committee meets at least 3 times per year to review current and emerging sustainability issues, inclusive of climate change, to evaluate performance and risk management and to evaluate and update policies and procedures.

Operations

At the operational level, the General Manager has overall site accountability for ensuring actions identified in the 2022-2024 Sustainability Strategy, including to reduce our carbon footprint, are implemented.

3.2 Assurance

Senior Management reviews all climate-related information. 2021 Emissions for Guanacevi are verified, but we have not obtained external verification for the rest of the information in this report

3.3 Linking climate change to KPIs and remuneration

Compensation of the management team is tied to production and sustainability goals. Compensation includes a Short Term Incentive Program, which has a balanced scorecard structure and includes sustainability targets as part of annual targets.

3.4 Process for reviews and updates

We assess and review material sustainability topics and KPIs every year, including climate change. Additionally, we undertake a full materiality assessment every 2–3 years.

4. Climate Strategy

4.1 Climate change ambitions

As outlined in our 2022-2024 Sustainability Strategy, our ambition is to elevate our environmental stewardship to reduce negative impacts, protect ecosystems and support environmental sustainability. From mobilizing action towards a low-carbon economy to protecting water and biodiversity through conservation and nature restoration programs, Endeavour is committed to caring for people, our shared planet and the sustainability of our business.

4.2 Climate Strategy Overview

We recognize that to meet our strategic objectives and fulfil our corporate mission, environmental, social and governance (ESG) factors like climate action must be embedded into the core of our business. At this time, Endeavour has not formalized a standalone climate strategy; rather, our current approach to addressing climate change is part of our 2022-2024 Sustainability Strategy, under the "Planet" pillar, which sets out the following goals, actions and targets:

Goal	**Mobilize action to reduce our carbon footprint**	
Key Actions	Improve disclosure of climate risks and opportunities, in line with the Task Force on Climate-Related Financial Disclosures (TCFD)	Identify and implement strategies to minimize emissions, including by developing a climate risk response plan
2024 Targets	Publish TCFD disclosures	Minimize emissions intensity of operating sites

As electricity consumption represents our largest carbon impacts, we continue to focus on conservation and eco-efficiency initiatives to reduce our direct and indirect emissions. Since 2013, we have tracked and reported GHG emissions (Scopes 1 and 2) for all our operations, which has allowed us to identify areas for improvement.

As discussed throughout this report, we are taking several necessary steps, including risk analysis, that will inform the future development of our climate related actions.

4.3 Climate-related risks (threats and opportunities)

Climate change is a complex and evolving issue that presents a set of risks and opportunities for Endeavour and the communities in which we operate. We have undertaken a comprehensive process to develop insights on our risk exposures and are proactively working to integrate climate risk considerations into business strategy and financial planning.

This report is Endeavour's first iteration of reporting in line with recommendations from TCFD. As per the TCFD recommendations, we have grouped threats and opportunities related to climate change into two broad categories:

- **Transition Risks** -- both threats and opportunities related to transitioning to a low-carbon economy, including market risk, technology risk, policy and legal risk, and reputational risk; and
- **Physical Risks** -- both threats and opportunities related to the physical impacts of climate change. Physical risks are further categorized into acute (extreme weather events such as storms or forest fires) or chronic (longer-term changes in climate/weather patterns).

Based on our analysis to date, we have not identified any specific climate-related risks that pose a material threat to the achievement of our corporate strategy over the short to medium term. In the longer term, however, material risks may emerge unless we take the appropriate mitigation measures and there is global progress in limiting climate change.

Transition Risks and Opportunities

Risk or Opportunity	Potential Impact
↗ Silver's role in greenification	As the world seeks greener technology, we expect the market demand for silver to rise, driven largely by industrial demand for green products like battery cell-based electric vehicles and solar panels. Mining companies like Endeavour will be relied upon to deliver the minerals needed to support these initiatives. In this regard, mining is a crucial industry when it comes to global decarbonization and the transition to a low-carbon economy.
↗ Changes to national and international policies	Regulations such as stricter energy efficiency standards may be used to drive new business obligations related to climate change. As a result of international treaties and pressure to meet Paris-aligned targets, governments may pursue policies that result in more difficult operating environments, higher regulatory hurdles and/or less profits. There is also discussion around open pit mines being treated less favorably than underground mines in evolving regulatory approaches. If this is the case, Endeavour is in an advantageous position as our mining operations are underground. The best way to reduce our carbon footprint would be to mine high-grade underground mines, which produce the lowest amount of carbon emissions (co2 per tonnes / oz of silver produced) - in other words, the most ounces of silver for the least amount of carbon. This is substantiated by research conducted by the Silver Institute. The factor most likely to impact Endeavour is water, as water scarcity and stress is expected to be subject to greater legal and policy developments, reflecting competing demands from both domestic and commercial users and associated interventions from regulatory authorities (which could see reduced availability and/or increased prices). Ultimately, it is difficult to predict the future impacts and costs of complying with any new climate-related regulations that may emerge, however, increasing regulatory oversight and requirements will likely require additional resources to ensure compliance.
↗ Permitting changes	There is the potential for climate change uncertainty and impacts to increase the time and costs to acquire environmental licences and permits, which could result in production delays and market pressure for companies that are in the development and exploration phase. As Endeavour has positive relationships with local permitting authorities and complies with all existing regulatory requirements, increased regulations and barriers to entry would not affect current production, but proposed mines.
↗ Carbon tax	A risk to the industry is a carbon tax. Future carbon prices are a key variable that could have direct financial impacts on the business in terms of capital and operational expenditure, but also extending along the supply chain affecting costs of fuel and other production consumables, spares, and raw materials. Mexico is one of the less likely countries at this time to introduce a carbon tax, which could be advantageous for Endeavour. While carbon prices are expected to remain low in Mexico, border adjustments and impacts on supplies are likely to have a financial impact. Canada can impose taxes on Canadian companies doing business abroad. As such, we believe the industry would recalibrate margins to accommodate carbon tax regimes versus non carbon tax regimes with costs passing to the consumer.
↗ Store of wealth	Silver and gold have a long history as a store of wealth for investors. It is possible that silver and gold decline in value because the associated cost of emissions is too high.

Transition Risks and Opportunities

Risk or Opportunity	Potential Impact
↗ Increasing ESG due diligence	In recent years, businesses across all sectors have come under greater scrutiny for how they manage and disclose ESG risks, including climate risks. It is likely that ESG expectations of mining companies will increase. Lenders and equity investors may require more stringent ESG due diligence, including around climate-related performance, to establish credit facilities and equity investments. There is the potential for a reduction of available debt and equity capital, which may constrain financial flexibility and increase the cost of capital required for efficient growth and risk management.
↗ Transition to lower-carbon and higher-efficiency technology	There are likely to be opportunities to leverage new technologies across all sites and offices, which could improve efficiency, reduce impact and enhance profits. Ultimately, the transition to new technologies would require a business case and an incentive such as a cost saving opportunity to balance reducing emissions with managing costs.
↗ Reputation	The mining sector has long fought against the stigma of not being environmentally responsible, and perceptions of climate change could continue to affect how the industry is viewed. Increasingly, stakeholders are calling on the mining industry to play a key role in addressing climate-related risks and impacts. How we manage such risks and opportunities may enhance or negatively affect Endeavour's reputation. As a result of perceived operational impacts and longstanding public perceptions of mining, there is the potential for NGOs or other influential groups to damage the reputation of mining companies or Endeavour specifically. This could potentially result in protests, blockades and damaged viability of ongoing operations. Endeavour has a 17-year history of operating in a reputable way and taking our environmental compliance responsibilities seriously. Our environmental and social track record allows us to continue to operate in our host communities, and we expect to leverage our goodwill for new areas of business in the future. It is possible that responsible mining companies will be viewed in an increasingly positive light by the investment community, given their importance for the green transition. Given that silver, Endeavour's primary metal, is used in solar panels and other important modern technologies, the Company may enjoy more positive feedback as investors are keen support metals that are necessary for technologies seen to contribute to tackling climate change. This is a key opportunity for Endeavour.
↗ Increasing costs of raw materials and energy	Increased demand of raw materials is a short to medium term impact on availability of industry inputs, such as skilled labour, machinery, equipment spares and other supplies essential to the day-to-day operating activities. Rising input costs would affect the entire mining industry including our business. As such, we believe the industry would recalibrate margins to accommodate the increased cost of inputs by passing costs to the consumer or reducing costs through innovation. On-site electricity generation and grid connections are likely to be significant issues, as well as mine haulage arrangements and potential diesel alternatives. Sourcing of energy is likely to prove more expensive or difficult as the cost of fossil fuels rise. Changing national policies on energy and global political disputes could also impact energy prices. Overall, uncertainty regarding costs are difficult to predict as this is an evolving area.
↗ Exposure to climate-related litigation	We may be exposed to potential litigation and liability costs as a result of perceived or actual actions, or inaction, to address climate change. However, we report annually on our sustainability performance, which includes climate change, and are committed to expanding our climate-related disclosures, as demonstrated through this report.

Physical Risks and Opportunities

Risk or Opportunity	Potential Impact
↗ Acute increased severity of weather-related impacts	The frequency and severity of weather-related events resulting from global temperature increases include floods, draughts, fires, and hurricanes. These events could impact our operations and mining production. All extreme weather events occurring within an influential radius to our sites have the potential to cause significant disruption and loss of essential infrastructure, including power, as well as limiting the ability for employees and supplies to reach site. Extreme weather events such as storms are likely to produce higher flood risks, which could result in both site, community, and supply chain disruption. As a result, existing risk issues may become more serious and necessitate greater resources to address, for instance, the impact to hydrology on tailings storage facilities.
↗ Chronic changes in weather patterns over time	Gradual, long-term changes in precipitation patterns could have different consequences on our business and communities. For example, prolonged local water stress and drought could restrict access to water for operations; this was identified as a key material risk at all Endeavour sites, particularly at Terronera where the projected mine life is over ten years following the start of production. Increasing mean temperatures could adversely impact vegetation cover in rehabilitated waste rock storage or tailings storage facilities, especially where these are followed by forest fires.

4.4 Variation across sites

During the risk identification process, the potential impacts of each risk were ranked from 'low' to 'high'. While the risks outlined in Section 4.3 have the potential to create material future financial impacts across the company, risk identification was carried out at site-level as well as regional, to ensure that the full suite of potential risks was identified.

While a full risk profile for each site is not considered useful detail for this report, some general trends are worth highlighting. Given that Bolañitos, Guanacevi, and Terronera are all within Mexico, the perceived political, legislative, and permit risks were similar for all sites, as well as the broader social context. Specific risks posed by the perceptions of and proximity to the local communities naturally differed by site, as did the subtleties of physical risks posed to each site.

A key difference in risk profile emerged between the two operational sites (Bolañitos and Guanacevi) and Terronera, which is still in development. The predicted mine life of Terronera extends further into the future than the two operations; hence when considering long-term climate risks, this site is more likely to encounter some of the threats. However, given its early stage, there is also great opportunity to ensure that we develop the site in a thoughtful, sustainable manner, which may ensure greater future resilience and results.

4.5 Assessing resilience through scenario analysis

Scenario analysis is acknowledged as an important tool in the TCFD recommendations for assessing potential business implications of climate-related threats and opportunities. Endeavour has adopted an iterative approach to scenario analysis, drawing on external expertise to support the development of internal capabilities. The first iteration of this scenario analysis was carried out during the climate risk workshops (refer to Section 1.2). Scenario analysis was completed at the senior management and regional levels, and we conducted a specific analysis for each site to provide a better understanding of how each site's specific risk profile may evolve over different time scales.

The scenarios used leverage those developed by the Network for Greening the Financial System (NGFS). NGFS scenarios identify a range of plausible futures to provide a common reference point, illustrating how physical and transition risks could develop in different futures from the present day out to 2030 and beyond. The scenarios are divided into broad categories as described in Figure 3.

Orderly scenarios assume climate policies are introduced early and become gradually more stringent. Both physical and transition risks are relatively subdued.

Disorderly scenarios explore higher transition risk due to policies being delayed or divergent across countries and sectors. For example, carbon prices would have to increase abruptly after a period of delay.

Hothouse world scenarios assume that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts like sea-level rise.

Figure 3: NGFS scenario categories

Scenarios were supplemented by NGFS Scenario Explorer[1], which informs likely trends through the regional timeseries data it provides, which covers physical and transition related variables (such as projected carbon price).

Scenario analysis presents well-recognized challenges, such as dealing with timescales that are longer than usual business planning cycles and uncertainties in many areas. Timescales of 2030 were predominantly used due to the length of operational mine-life plans, though participants were encouraged to think on timescales up to 2050 for broader risks such as closure.

Differences in risk profiles across scenarios

Specific aspects relating to Endeavour were layered into scenarios. During the workshops three scenarios were used. These are outlined in Table 1.

Name	Descriptions
Hot House Current Policies	Only current policies are utilized, resulting in warming of 4–6 degrees as global efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including extreme weather events, drought, and supply chain disruption. Lower transition risks as carbon prices not high or widely introduced.
Divergent (Disorderly)	Divergent policies and reactions to climate change occur across countries and sectors. In this scenario there is the potential for two markets to emerge (ESG and fossil). Carbon prices are also likely to increase abruptly after a period of delay.
Orderly – Net Zero 2050	Climate policies are introduced early and become gradually more stringent. Physical risks are relatively subdued; some transition risks also remain subdued although high carbon prices are reached globally, policy is likely to change significantly, and markets are expected to experience large changes.

Table 1. Descriptions of scenarios

As per these descriptions, risk profiles across the scenarios show Orderly – Net Zero 2050 to have the highest transition risks regarding market, technology, and reputation. The two Disorderly scenarios also have high transition risks, with policy and legal risks being the most concerning here due to severe uncertainty, especially regarding how Mexico will respond. The Hot House Current Policies scenario had the risk profile containing the most impactful physical risks, with other knock-on risks such as supply chains also being a concern.

4.6 Input to strategy – risk controls and actions

We are exploring ways to further integrate climate-related risks and opportunities into the planning and operations of our business, including our corporate strategy and 2022-2024 Sustainability Strategy. This work is ongoing and includes determining the most effective risk mitigation controls, based on insights gleaned from our recent series of risk management workshops.

During the workshops, our employees were asked to identify what they believed were some key controls/actions that could be implemented to address the most material climate-related risks. This was carried out at each site as well as regional level and senior management level, which has allowed a library of controls to be built. These controls, once formally assessed during 2023 to ensure feasibility, will form the basis of an updated risk management approach. Some controls will be implemented immediately at site level to begin making a positive impact, while other controls will require a slower, coordinated implementation to achieve synergies between sites.

After updating our risk management process to capture climate risks relevant to our business, such risks will influence decision-making in a similar manner to any other operational or strategic risk.

[1] The NGFS Scenario Explorer is hosted by the International Institute for Applied Systems Analysis (IIASA). This was used in conjunction with the related Climate Impact Explorer.

5. Risk Management

Risk management is the cornerstone of embedding TCFD into an organization and ensuring that the climate risks and opportunities recognised can be effectively controlled as part of normal risk management processes.

5.1 Assessing financial materiality

As per Section 5.2, carrying out the workshops at each of our sites enables a more nuanced view of the risks we may face across our operations, and therefore also begins to facilitate a better understanding of financial materiality. Financially material risks identified varied between different sites due to their specific contexts.

Given that this is the first iteration of Endeavour's climate change risk management process, no specific financial information was assessed. However, the outputs from the workshops bring together all our work to date and will inform the next iteration of work, which will include assessing the range of potential financial implications for the Company. The information collected ensures that a quantitative assessment can be carried out in a logical manner, with the cost-benefit analysis beginning at individual sites and working up through the organization. We are currently assessing different methods through which this may be facilitated.

5.2 Risk identification and management processes

We recognize that in order to fully integrate climate change risk management into the business, the risk management process across the organization must be robust. One of the priorities of our 2022-2024 Sustainability Strategy is to review and update the Company's risk management framework to ensure we monitor and mitigate both traditional and emerging risks, including ESG risk – of which climate change is a part.

We recently completed a materiality assessment and undertook a preliminary update of the risk management processes. The workshops carried out as part of this TCFD-aligned work were part of larger risk workshops, which formed the test case for implementing a new style of risk identification and management. The risks noted in this report are those deemed as being significant and potentially having a financially material impact across the whole organization, though risk profiles were developed for each specific site.

With the insights gathered from the workshops, we updated the risk registers (both company-level and site-level) to provide a more comprehensive suite of risks, including those linked to climate change. The risk registers will be the main point of information regarding risks at Endeavour and include a control library to facilitate management of the risks. The register is intended to be dynamic and is linked to company objectives, and therefore is in line with appropriate ESG considerations.

A more detailed analysis of the financial implications of these risks will form the next stage of Endeavour's analysis and help shape our evolving approach to climate change.

6. Data and Metrics

6.1 Endeavour data, metrics, and targets

Through our yearly sustainability tracking and reporting, we measure and report on many ESG-related metrics. These metrics include energy consumption, emissions, water, land use and waste management, which can be found in our **2021 ESG Performance Data.** Since 2013, we have tracked and reported GHG emissions (Scopes 1 and 2) for all our operations. We have previously reported emissions on a company-wide basis, which includes our two mines currently operational (the Bolañitos and Guanacevi sites). For this report, we have broken down metrics for specific sites and for the first year are including Terronera.

Data presented here is for yearly reporting periods. The key sources of direct GHG emissions at our sites are from the generation of electricity and the use of fuel to run mobile equipment. Endeavour also includes explosives and refrigerants in the calculations. Therefore, we currently calculate Scope 1 and Scope 2 GHG emissions in line with the GHG Protocol. Emissions are calculated internally, and at present those reported for Guanacevi are externally verified as is a requirement for sites that produce over 25,000 tonnes of CO2e.

Scope 3 emissions are not currently calculated, although we are currently in the process of setting a timeline against which Scope 3 emissions will be reported.

We adhere to the following definitions:

- **Scope 1 (direct):** Direct emissions from owned or controlled sources. Endeavour's principal source of Scope 1 emissions is diesel usage for equipment and equipment/vehicle fleets.
- **Scope 2 (indirect):** Indirect emissions from the generation of purchased electricity. This is the Company's largest proportion of emissions, as sites use purchased electricity.

In 2022 the main source of emissions was from purchased electricity, representing 80% of our emissions, followed by diesel used for mobile transport, haulage equipment and production processes, representing 17%. The Company's average consolidated Scope 1 and 2 GHG emissions intensity, estimated across the company (including Bolañitos and Guanaceví operations) was 0.064 tonnes CO2e per tonne of material processed.

Table 2 summarizes emissions data.

Emissions Production	2022			2021		
	Guanacevi	Bolañitos	Terronera	Guanacevi	Bolañitos	Compas
LP gas (smelter, furnaces, camps)	602	10	1	684	10	6
Gasoline (mobile transport equipment)	195	139	13	187	126	87
Diesel (mobile transport equipment, production process)	5,223	3,302	165	3,998	3,157	482
Diesel (generators)	66	0	370	0	0	0
Refrigerants	7.8	0	0	48	0	0
Explosives	126	207	0	129	207	21
Total Direct Emissions (tCO2e)	**6,220**	**3,658**	**549**	**5,046**	**3,500**	**596**
Grid electricity	29,019	15,128	27	23,277	15,462	2,434
Total Grid Emissions (indirect energy generation) (tCO2e)	**29,019**	**15,128**	**27**	**23,277**	**15,462**	**2,434**
Total Direct and Indirect Emissions (tCO2e)	**35,239**	**18,787**	**576**	**28,323**	**18,962**	**3,030**
Total Combined Direct and Indirect (tCO2e)	**54,602**			**50,315**		

Table 2. Emissions production by Source: Direct and Indirect (tonnes CO2e)

Note: The emission factor for 2022 electricity is 0.435 tCo2e/MWh as published by the National Registry of Emissions in Mexico. The Company is no longer reporting on the Compas Mine as operations were suspended in 2021 and subsequently the asset was sold. 2022 is the first reporting year for Terronera.

6.2 Targets

We are currently working to define specific and measurable climate change targets for our Company. While we set broad climate-related targets in our 2022 **2022-2024 Sustainability Strategy** (e.g., 'minimize emissions intensity of operating sites'), additional work is needed to establish more concrete, quantitative targets in order to accelerate and gauge our progress. Our aim is to set targets that are meaningful and achievable.

Appendix A: TCFD Content Index

Disclosure	Location
Governance	
a) Describe the **board's oversight** of climate-related risks and opportunities	Section 3.1, Section 3.3, Section 3.4
b) Describe **management's role** in assessing and managing climate-related risks and opportunities	Section 3.1, Section 3.2, Section 3.3, Section 3.4
Strategy	
a) Describe the climate-related **risks and opportunities** the organization has identified over the **short, medium, and long term**	Section 4.3, Section 4.4, Annual Report
b) Describe the **impact of climate related risks and opportunities** on the organization's businesses, strategy, and financial planning	Section 4.2, Section 4.3, Section 4.4, Section 4.6, Section 5.1
c) Describe the **resilience of the organization's strategy**, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Section 4.4, Section 4.5, Section 4.6
Risk Management	
a) Describe the organization's processes for identifying and **assessing climate-related risks**	Section 1.2, Section 5.2
b) Describe the organization's **processes for managing climate-related risks**	Section 5.2
c) Describe how processes for identifying, assessing, and managing climate-related risks are **integrated into the organization's overall risk management**	Section 5.2
Metrics and Tactics	
a) Disclose the **metrics used** to assess climate related risks and opportunities in line with its strategy and risk management process	Section 6.1
b) Disclose **Scope 1, Scope 2, and, if appropriate, Scope 3** greenhouse gas (GHG) emissions, and the related risks.	Section 6.1
c) Describe the **targets** used by the organization to manage climate-related risks and opportunities and performance against targets.	Section 6.2 Note: Endeavour has not yet developed targets to manage climate-related risks and opportunities

Appendix B: Other Materials

Our approach to addressing climate change is also covered in these publications:

2021 Sustainability Report

Sustainability Strategy 2022-2024

2021 ESG Performance Data