

# We Are All Connected

SUSTAINABILITY SUMMARY 2017

Safety + Health



Environment



Community



Economic



Our People

# 2017 Sustainability Highlights

## Safety & Health

- 20% drop in reportable injury frequency rate (employees / contractors)
- 300+ people trained in emergency response and mine rescue
- Launched leadership program to enhance safety skills of site leaders and supervisors



- 48% increase in learning activities, with 52 average training hours per employee
- 14% reduction in employee turnover
- Implemented new Internal Grievance Mechanism at all sites to improve problem resolution

## Our People

## Community

- \$510,000 in corporate giving
- Launched scholarship program, which benefited 50 Mexican students last year
- Introduced External Grievance Mechanism at all sites to better understand and address concerns from community stakeholders



- 5% reduction in total water consumption
- 18% reduction in hazardous waste across all sites
- Nearly 44,000 trees planted in reforestation projects to reclaim disturbed ground

## Environment

## Economic Performance

- 148% growth in net earnings, to \$9.7 million
- \$150.5 million in total economic value generated
- Over 99% of onsite personnel, as well as 99% of total procurement, from within Mexico



# Committed to Creating Shared Value

## OUR MISSION

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

## OUR SUSTAINABILITY FRAMEWORK

Since our founding, we have recognized that sustainable development contributes to the long-term viability of our business and our host communities in Mexico. For us, that means responsibly growing our business while operating safely, respecting our shared environment, supporting our people and contributing to the prosperity of local Mexican communities.

To prioritize our efforts, our sustainability strategy has **five pillars** (see visual). Within each pillar, we focus on topics that stakeholders care about most and are significant to our business.



"Our silver mines benefit over 2,700 people directly and our silver production positively impacts the lives of millions of people who use electronics and wear jewelry. We literally dig deep to help meet the global need for silver, and in doing so we create long-term benefits for our shareholders, employees and communities. I would like to thank all of our talented employees in Mexico and Canada for their commitment, loyalty and hard work in driving our success."

Bradford Cooke, CEO pictured with Godfrey Walton, COO



## Sharing Our Achievements & Challenges

Each year we report on our sustainability performance – where we succeeded and where we fell short – and this summary provides highlights from 2017.

To learn more, please visit [csr.edrsilver.com](http://csr.edrsilver.com), and read our complete **2017 Annual Review and Sustainability Report**

**We welcome your feedback!** Please contact Galina Meleger, Director of Investor Relations for comments or suggestions, at [gmeleger@edrsilver.com](mailto:gmeleger@edrsilver.com)





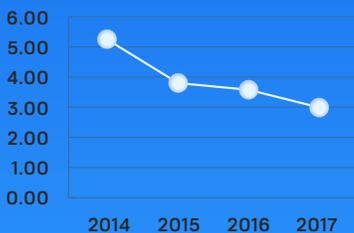
# Safety & Health

The safety and health of our people – the bedrock of our business – is our highest priority as a responsible mining company. The Company's wellbeing is directly connected to our employees' wellbeing, both today and for the long-term.

## 49% Reduction

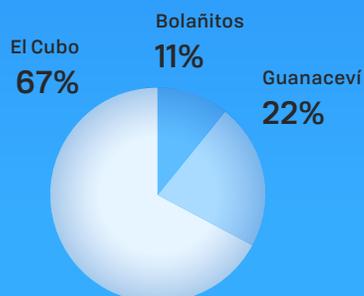
in reported safety incidents over the past four years

Reportable Injury Frequency Rate



Reportable injury rate is calculated as total number of recordable injuries (including fatalities, lost time injury, restricted work and medical treatment injury) x 200,000 hours / total worked hours

Reportable Injuries per Site



## EXPANDED SAFETY INITIATIVES

In 2017, we achieved a 20% decrease in the reportable injury frequency rate (for both employees and contractors). Among the contributing factors: stronger safety strategies informed by worker feedback; greater follow-up on safety inspections and audits; and a new program to enhance the safety skills of leaders and supervisors at each site.

## ENGAGING EMPLOYEES

Employee engagement is imperative to creating a safe work environment. In 2017, approximately 34% (515 employees) of our total on-site workforce in Mexico participated in various safety committees, up from 30% from 2016. We continued to provide safety training and communication, and over 300 people were trained in emergency response and mine rescue.

## LEARNING FROM TRAGEDY

While our safety performance improved last year, we did not achieve our goal of zero fatalities. Tragically, one of our employees, Eduardo Lozano Rodriguez, died last October at our El Cubo mine when he entered a restricted area with low oxygen levels that was marked by signage and barricaded. We took immediate actions, including improving barriers and signage, redelivering training on dangerous gases and how to identify risk situations, and strengthening our communication procedures.

## ENDEAVOUR AIDS RESCUE EFFORT FOLLOWING EARTHQUAKE

Last September, a devastating earthquake hit central Mexico. Endeavour immediately sent 12 volunteer members of our mine rescue team to Mexico City to support crucial rescue efforts, working in collaboration with Civil Protection, the Ministry of Defense and the Marine Army to save people from the debris. Endeavour also donated 2 million pesos (USD \$106,000) through the Carlos Slim Foundation to assist with the recovery effort.



# Our People

We are committed to being a great employer who stands out in the mining industry for our positive values, performance-driven culture, competitive rewards and self-development opportunities. By doing so, we aim to attract and inspire the best team possible to manage and grow our business.

## TRAINING AND DEVELOPMENT

We delivered 100,664 hours of training in 2017 – a 48% year-over-year increase. This was the result of a new training program that expanded employee learning. On average, each employee received 52 hours of training, exceeding our goal of 35 hours. We also provided an average of 23 training hours per contractor, up from 16 hours in 2016.

## REWARDS AND BENEFITS

Total wages and benefits for our workforce in 2017 were \$40.7 million, slightly higher than in 2016 (\$39.7 million), as our workforce population remained similar to 2016. Our employee benefits include public health care, life insurance, paid vacation days and savings fund contributions. Non-union employees also get private medical fund insurance.

## RETAINING TOP TALENT

We believe that a commitment to being an attractive employer contributes to engagement and retention, which is why we're pleased that employee turnover decreased by 14% in 2017.

## OPEN-DOOR CULTURE

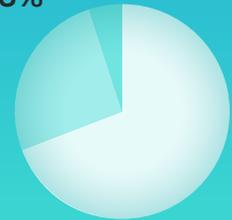
We value input and feedback to help create a better workplace. This past year we fully implemented our new Internal Grievance Mechanism for employees and contractors.

We received 88 suggestions and/or complaints across our three producing mines. The top matters related to safety issues at two mines and transport service for workers (delays, technical failures, limited pick up spots). All of these complaints were addressed with follow-up actions. While we received positive employee feedback about the new grievance mechanism, we realize that more work needs to be done to make employees and contractors feel comfortable using it.



### Total Training Hours

Production Training 26%  
People Development 5%



Safety Training 69%

### 2017 Workforce Profile

1,624

Employees

1,155

Contractors

99%

Onsite Personnel from Mexico

84%

Senior Management from Mexico

75%

Unionized Employees

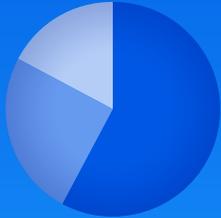
11.4%

Women Employees



## Community Investment in Mexico

Education & Employability 17%  
Community Events 58%



Health & Infrastructure 25%

# 50 Students

supported through our new scholarship program in 2017



# 147

Participants in skills workshops



# Community

We contribute to the local communities where we operate. We strive to be a good partner by connecting with what matters most to community members, who look to Endeavour to help address local issues like education and employability, while respecting their cultural interests and managing our impacts in an effective way.

## COMMUNITY INVESTMENT

We donated \$517,000 across Mexico and Canada. In Mexico, we contributed \$276,000 to support local communities, with 17% of that invested in our two priority areas of education and employability – falling short of our 2017 target of at least 50%. We attribute this to being the first year executing our new Community Investment Policy; it will take some time to reallocate our community investment budget.

## EDUCATION

We launched a scholarship program through our Bolañitos site, to support students from nearby areas in pursuing their educational goals. The funding covers school registration, fees for uniforms or books, and other school-related expenses, including lunch or transport to school.

## MINE CLOSURE AND EMPLOYABILITY

We continued to expand our approach to closure planning, with a focus last year on helping people improve their future employability so they can find other work options upon mine closure. Employability is one of the new strategic funding priorities of our Community Investment Policy. At our El Cubo and Bolañitos sites, we hosted workshops involving a professional trainer from the Institute for Continuous Education of Adults, a government agency that helps adults prepare for the workforce or become self-employed.

We fully implemented our External Grievance Mechanism, introduced in 2016, across our three production sites last year. Community members filed 11 complaints: three in Bolañitos, seven in El Cubo and one in Guanaceví. Of these grievances, nine were successfully resolved during the year while two are still outstanding. The main issues were about environmental management (water, noise, dust).



# Environment

Since inception, we have focused on mining in an environmentally responsible manner – by managing and reducing our impacts, by working hard to meet or exceed environmental legislation, and by proactively embedding environmental thinking into our every day decision-making.



## 5% Reduction

in total water consumption

Achieved through water efficiency improvements and a heavier rainy season, mostly in Bolañitos.

## 18% Reduction

in hazardous waste

Achieved across all three sites through better collaboration and communication with contractors.

Nearly

## 44,000 Trees

Planted in reforestation projects. The vast majority (80%) of trees were planted around our exploration projects. The rest (20%) were planted inside our facilities and a smaller portion in the San Pedro community in Guanaceví.



While we made progress on several environmental indicators in 2017, it was a challenging year in terms of environmental complaints. In El Cubo, the operation of one of our tailings ponds was suspended, and in Bolañitos we received a fine. Both sanctions were because we didn't have an Environmental Impact Assessment in place. We took actions to correct both situations and to ensure we proactively fulfill environmental requirements going forward.

# Economic Performance

Our economic performance includes not only the financial results we generate year-over-year, but also the re-investment of profits to fortify our long-term business sustainability, as well as our economic contributions in local communities, such as job creation and procurement that support our mining operations.

## IMPACTS OF OUR ECONOMIC ACTIVITY

Our total economic value generated in 2017 was \$150.5 million and our total economic value distributed was \$129.7 million. Value distributed includes operating costs, wages and benefits, payments to providers of capital, payments to governments (taxes), land use payments and community donations. We spent \$66.2 million on goods and services in 2017. Over 99% of our total procurement came from national or local suppliers within Mexico.

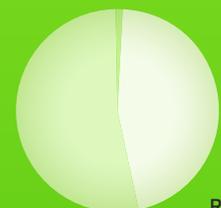
### Procurement

# 99%

of our goods and services were procured within Mexico in 2017

International  
1%

Other  
Mexican  
Regions  
53%



Local  
Regions  
46%

# About Endeavour Silver

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

## Operations

We own three high-grade, underground, silver-gold mines in Mexico; the Guanaceví mine in the state of Durango, and the Bolañitos and El Cubo mines in the state of Guanajuato.

## Development & Exploration

We own two development projects in Mexico; the El Compas project in Zacatecas state which will be in production in Q2, 2018 to become the Company's fourth mine and the Terronera project in Jalisco state which is awaiting final permits and a production decision to initiate construction. In addition, we hold several other exploration properties in Mexico and Chile.



Operations



Development



Exploration

### Endeavour Silver Corporate Office

P.O. Box 10328  
1130 - 609 Granville Street  
Vancouver, BC  
Canada V7Y 1G5

604 685 9775  
Toll Free: 1. 877 685 9775  
info@edrsilver.com  
www.edrsilver.com

