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Approach



2.1

Material ESG Topics

It is our responsibility to transform mineral resources into a net-positive benefit for all our stakeholders. To effectively share this benefit, we must understand what matters most to them.

Materiality Process

Early in 2024, we updated our biennial Materiality Assessment to identify and prioritize the ESG issues of greatest importance to our stakeholders as well as our business.

To maintain consistency and to keep an independent assessment of ESG materiality, we continued to engage an external group, ESG Global Advisors, to facilitate the process using its proprietary methodology. For this exercise, we conducted an internal stakeholder survey among management, reviewed peer and investor's ESG priorities, and examined industry and global trends and regulations to understand the evolving ESG landscape.

Drawing on a wide range of research and sources, ESG Global compiled a list of potentially material ESG factors to Orla and categorized their importance based on importance to stakeholders, impact to business and likelihood of occurrence. Orla's management reviewed and validated the results.

The results of the 2023 materiality assessment in comparison to our 2021 baseline indicate that water management, labour relations, security and human rights, and waste and hazardous materials management are the most salient factors. These factors are becoming more prominent and impacting company value, performance, or access to capital within both short and longer timeframes. The assessment also identified the emergence of geopolitics and ESG governance as new core factors of most interest to investors and other capital market participants. Together, the factors above have the highest priority inclusion in ESG strategy, policies, practices and external disclosures.



Materiality Matrix

- Governance
- Social
- Environment

Core

Highest priority ESG factors given their potential to impact company value over the short term, as well as over longer time frames.

Enhanced

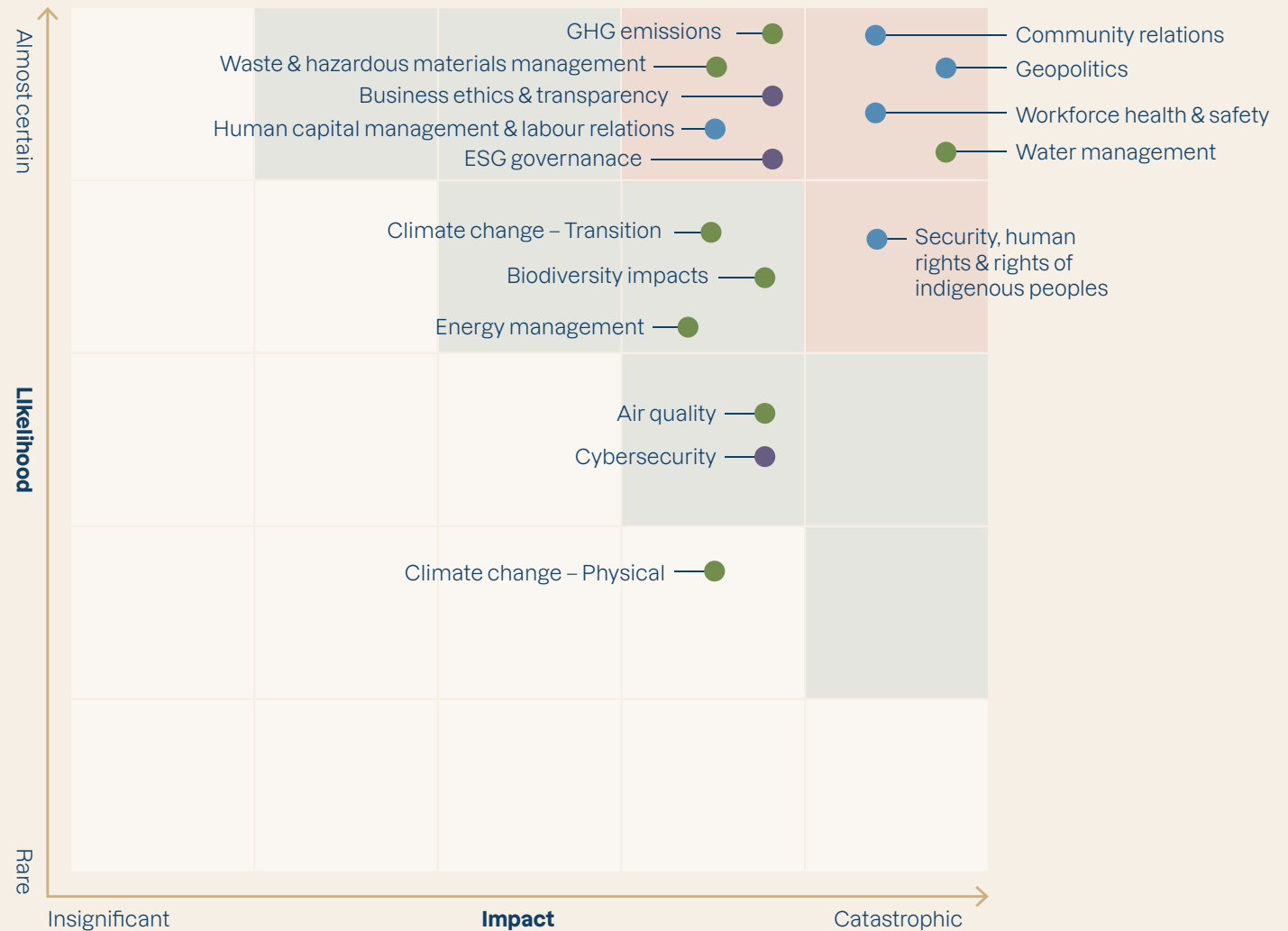
ESG factors with the potential to company value over the medium term.

Emerging

ESG factors growing in importance that should be monitored give their potential to impact company value over the long term.

Note: ESG factors are organized based on impact to Orla and the likelihood of occurrence. Each cell represents a magnitude of one (e.g., 'Climate Change - Physical' is rated as 4 for Impact and 2 for Likelihood). Box colour indicates the ESG factors as an Emerging, Enhanced, or Core issue.

ESG factors within the same cells are equivalent in rating.



2.2

Sustainability Strategy: Towards 2030

Orla's commitment to sustainability is based upon creating a net positive benefit for our stakeholders.

We acknowledge the significance of sustainable mining practices and have taken proactive steps to integrate robust ESG principles into our operations. We use a sustainability mindset to guide our decisions, including capital allocation.

In 2022, we launched our **Towards 2030 Sustainability Strategy**. This strategy amplifies our commitment to being a responsible, sustainability-driven company, and charts a long-term roadmap for our ESG ambitions.

Our ESG Goal and Pillars

The strategy is rooted in our business purpose to transform mineral resources into a net-positive outcome for all stakeholders. Integrating sustainability into our business purpose means that every member of the Orla team and our partners is

committed to the journey toward achieving a net-positive impact. It revolves around the objective of contributing more to society than we take from it.

Our strategy, developed with input from multiple stakeholders, has three pillars:

- 1. Maximize benefit to stakeholders**
- 2. Minimize injuries, consumption and impacts**
- 3. Manage our stakeholder relations with care**

In each of these pillars, we have set clear metrics, key performance indicators (KPIs), action plans and timelines to drive progress.

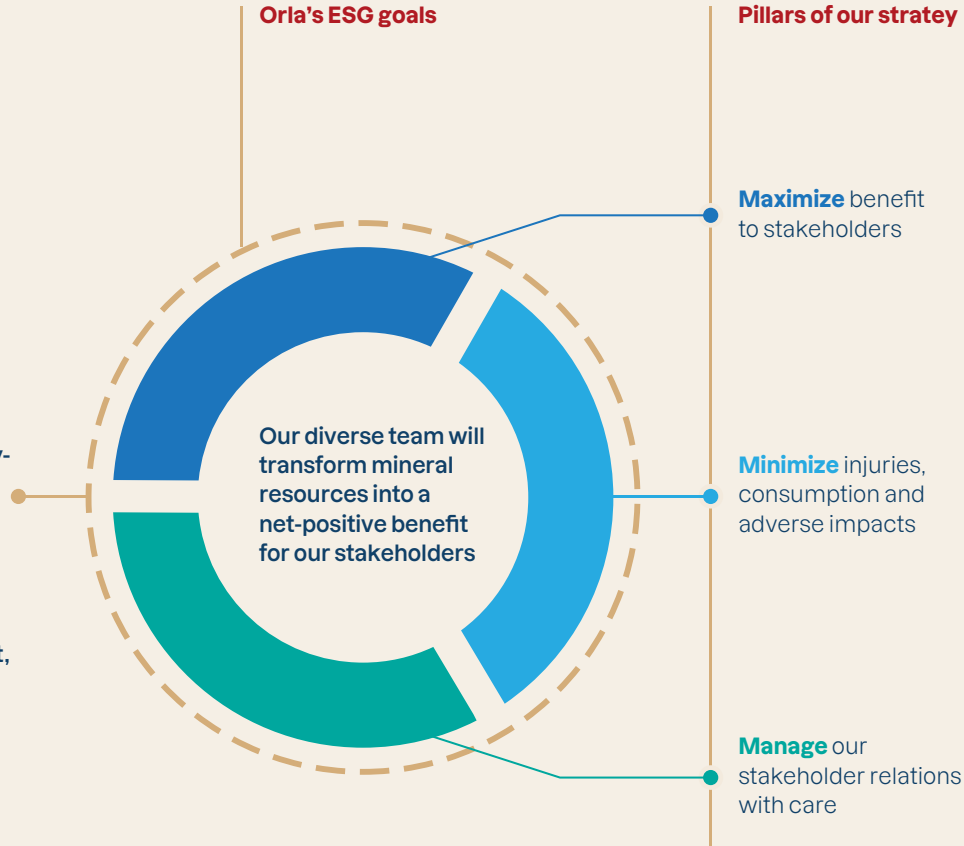


Sustainability Strategy to Drive Progress

Transparent reporting on our performance

- Publicly disclose our ESG and climate-related risks, KPIs, and standards.
- Company commitment to disclose based on industry-leading frameworks.
- Embed ESG and climate-related data in our mainstream reports.
- Disclose our governance, strategy, risk management, metrics, and targets.

Orla's ESG goals



Pillars of our strategy

Maximize benefit to stakeholders

Minimize injuries, consumption and adverse impacts

Manage our stakeholder relations with care

Clear metrics, key performance indicators (KPIs), action plans, and timelines to drive progress.

- More gender diversity and equity at all levels
- More local entrepreneurs and local employees running our sites
- More innovation and investment in low-carbon energies to offset impacts
- More lasting economic opportunities to increase community resilience

- Fewer injuries and zero fatalities across our operations
- Less fresh water used per oz produced; water-positive operations
- Less waste generated by prioritizing circularity and recycling
- Reclaim more land area than we disturb

- Multi-stakeholder partnerships for impactful investments in our communities
- Embed environmental and social considerations into business decisions
- Maintain a positive and inclusive environment to reduce employee turnover
- Encourage communities to express their concerns and aspirations

How We Plan to Get There

As a growth-oriented company, our multi-year strategy will follow critical steps:

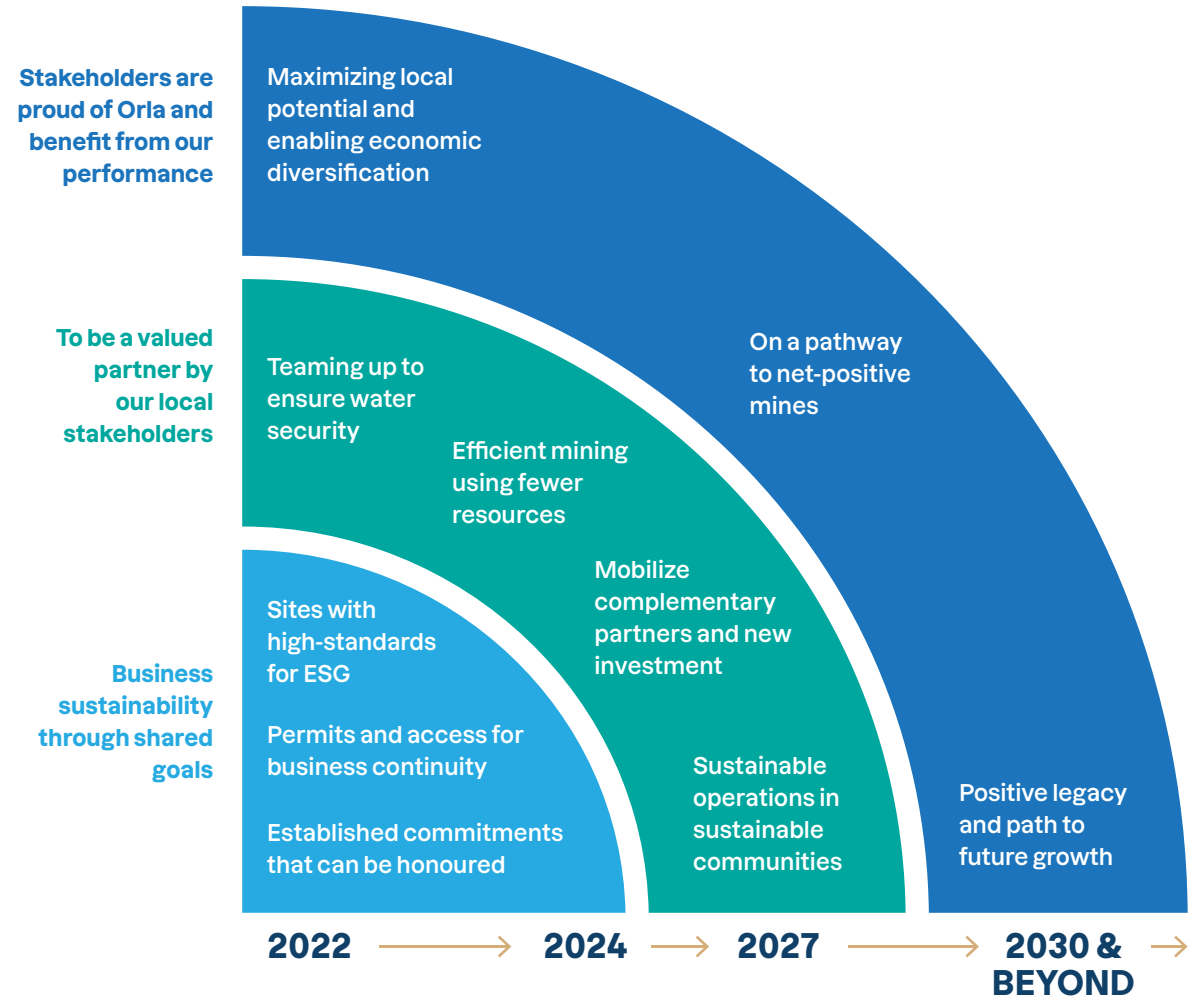
- Complete our climate-related vision and strategy to manage, adapt to, and mitigate climate impact. In 2023, we adopted our [Climate Change Policy](#) and subscribed to the tools and training platform of the Climate Change Accelerator developed by the UN Global Compact Network.
- Include science-backed insights to identify, understand, assess, and report how climate change and the transition to a lower-carbon economy could impact our operations, the health and safety of our employees, infrastructure, and neighbour communities. In 2023, we continued working with specialized advisors to improve our data systems and models to monitor climate change scenarios across our sites. Our environmental reports to regulators are incorporating science-based analysis considering climate change scenarios.
- Engage with our workforce to integrate the multi-year strategy and our vision into our day-to-day operations. We consider sustainability as everyone's job.
- Strategy development workshops at each site.
- Conduct training for our employees, managers, senior leadership team, and inform board members on our multi-year strategy.

- Continue measuring our Scope 1 and Scope 2 emissions and start measuring Scope 3 GHG emissions. In 2024, we incorporated specialized accounting systems to monitor our GHG-related data, especially Scope 3 which are the result of activities across our value chain.
- Continue measuring our water intensity indicators and identify strategies to minimize freshwater consumption across our sites.
- Identify additional ESG targets and prepare strategies to achieve those targets.
- Identify areas to reduce our direct emissions and to use potential offsets. A more detailed and comprehensive understanding of our footprint will enable our operations teams at various sites to identify hotspots and conduct simulations, both dynamic and static, to incorporate efforts aimed at reducing our environmental impact in line with long-term and intermediate targets.

Transparent Reporting

Transparent reporting on our performance stands as a core principle for our company and underpins the ESG strategy. We are dedicated to transparently disclosing ESG-related matters across all our operations. Through this report, our sustainability website, and other disclosures, we aim to uphold accountability, keep stakeholders informed, and gain insights on how to improve our efforts.

2030 Sustainability Strategy



2.3 Engaging with our Stakeholders

Orla's operations and activities impact many stakeholders, both directly and indirectly.

To build trust, develop mutually respectful relationships and continually earn our social license to operate, it is imperative that we proactively listen to and engage with our stakeholders, so that we can identify and respond to their priorities, needs, and concerns. Effective stakeholder engagement ultimately informs our decision making and how we allocate resources.

In 2023, both our Camino Rojo mine and the South Railroad Project completed a comprehensive update of their stakeholders map. This process involved third-party updates of the social baselines, which establishes a foundation for monitoring and evaluating our progress

and effectiveness both during and after our operational activities. This study enabled our site teams and managers to gain a more nuanced understanding of the communities' perspectives, expectations, concerns, and opportunities regarding our operations.

The social baseline update at Camino Rojo involved approximately 460 structured interviews with families residing in both the direct and indirect areas of influence of the project. Among the key findings, stakeholders emphasized the importance of increased job opportunities within the operation, growth in local purchases, and additional community investments. Notably, stakeholders' positive perception of the mine remained steady at around 80% compared to the previous assessment conducted in 2021.



We engage with our stakeholders in many ways. Examples include:

- **Formal meetings**, briefings and consultations
- **Community response mechanisms** (to record grievances, complaints, concerns, and aspirations)
- **Mine site tours**
- **Whistleblower hotline**
- **Workforce programs** (e.g., training and development, health campaigns)
- **Employee-management meetings**
- **Ongoing dialogue** with local regulators and governments
- **Meetings and calls** with shareholders and investors
- **Joint committees** (unionized, non-unionized, and company representatives)
- **External memberships**
- **Communications** via phone, email, and social media
- **Community initiatives** and events

2.4 ESG Scorecard

To measure our progress and drive impact around our ESG actions, we have set targets and defined key performance indicators.

The following scorecard shows our performance.

	2023	2022	2021	Corporate Target
Fatalities ¹	0.00	0.00	0.00	0.00
Camino Rojo LTIFR ²	1.35	0.00	0.81	0.00
Orla all assets LTIFR ³	1.71	1.49	0.77	0.00
Significant community disputes ⁴	0.00	0.00	0.00	0.00
Significant environmental incidents ⁵	0.00	0.00	0.00	0.00

	2023	2022	2021
Direct employees from local communities ⁶ *	48.7%	59.4%	54.1%
Women in the direct labour force *	29.8%	29.3%	Mine construction period
Women on the Board of Directors	30.0%	25.0%	11.0%
Women among corporate management ⁷	12.5%	14.3%	0.0%
Scope 1 and 2 GHG emissions (ton CO ₂ eq) **	23,350	21,083	Mine construction period
GHG intensity (tCO ₂ eq/oz Au produced) **	0.19	0.19	Mine construction period
Freshwater use intensity (volume of freshwater consumed per tonne of processed ore (m ³ /t)) **	0.12	0.15	Mine construction period
Community investments (thousands) *	\$ 1,579	\$ 1,448	Mine construction period

* Includes Camino Rojo mine in Mexico, South Railroad exploration projects in the U.S., and Panama. ** Includes Camino Rojo only.

1 A fatality that occurs to a direct or indirect employee while engaged in a legal work activity or present at the site of the incident as a requirement of his/her job.

2 Lost Time Injury Frequency Rate = (lost time injuries x 1,000,000) / person hours. Only our operating mine, Camino Rojo.

3 Lost Time Injury Frequency Rate including Camino Rojo and exploration project Panama, with the inclusion of South Railroad in 2023.

4 Community disputes that caused production disruption and cataloged as severe or extreme; represents social license to operate.

5 Significant environmental incident is defined as incidents level 4 or 5 according to the USEPA.

6 Local communities are those that are directly influenced by our operations, and exploration and development projects.

7 The decrease is due to an increase in the management team and not a reduction in female representation.

2.5 Orla's Contribution to Sustainable Development Goals

No Poverty 1

End poverty in all its forms everywhere.

Orla's Contribution

- Generate economic benefits for local communities through job creation, salaries, taxes paid, purchases across our supply chain, and land leasing.
- \$10.7 million contributed to the communities of the direct area of influence within the municipality of Mazapil, State of Zacatecas, Mexico, and Nevada.

→ [Learn more: Community Relations](#)

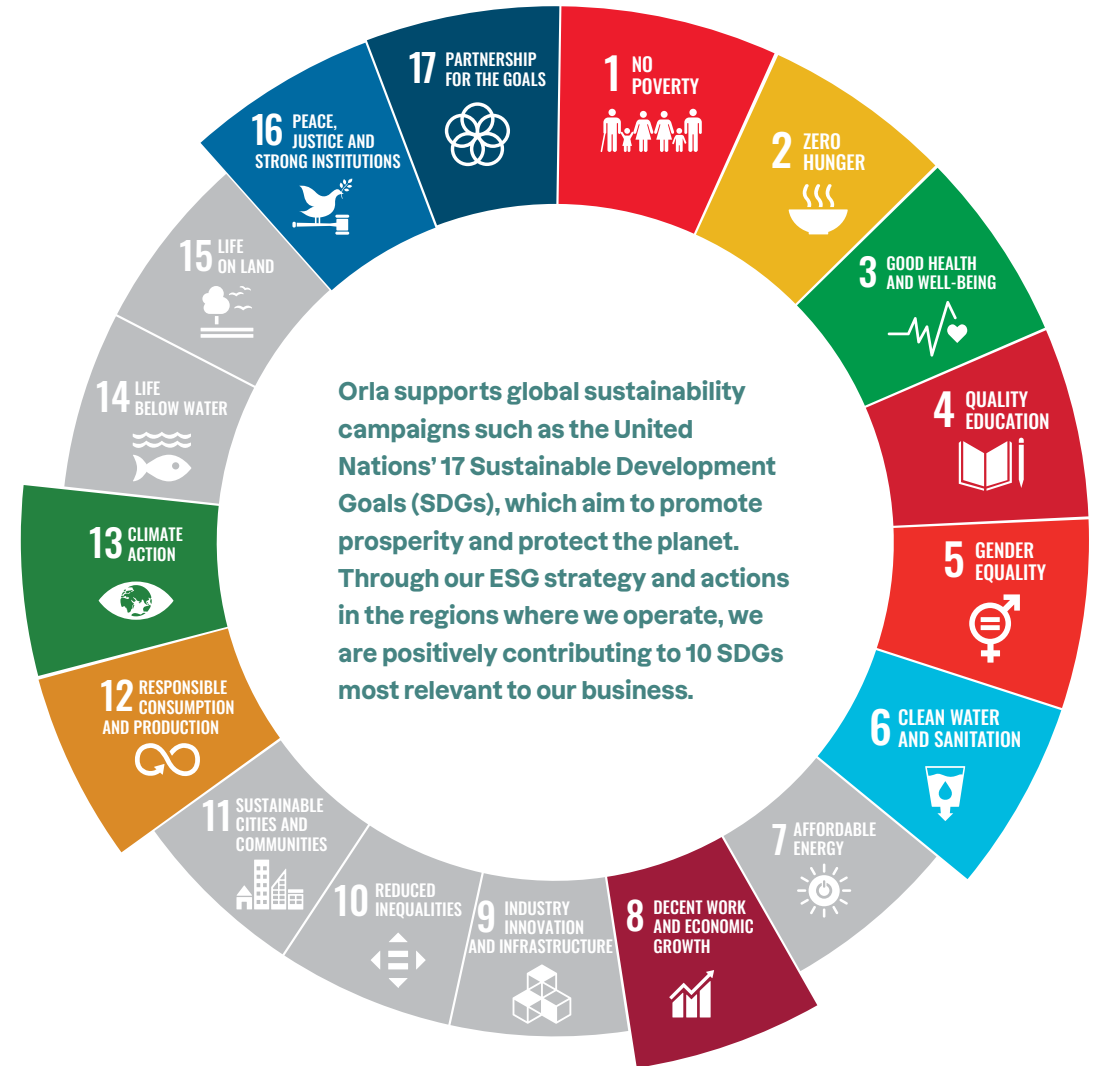
Zero Hunger 2

End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Orla's Contribution

- Support community initiatives aimed at increasing food security, nutrition, and sustainable agriculture.
- Collaborate with small-scale farmers and ranchers to improve irrigation, water conservation, and transportation infrastructure.
- Promote local consumption and facilitate market access opportunities for rural producers

→ [Learn more: Community Relations](#)



Good Health And Well-Being**3**

Ensure healthy lives and promote well-being for all at all ages.

Orla's Contribution

- 1.71 lost time injury frequency rate across all sites in 2023.
- The launch of our community Health Program at Camino Rojo provided 1,772 health consultations and engaged 990 individuals across our communities in health talks.

→ [Learn more: Workforce Health and Safety](#)

**Quality Education****4**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities.

Orla's Contribution

- Support education in rural communities with a focus on kids and female youth; we provide funding to build and maintain educational and sports infrastructure in collaboration with communities and local authorities.
- At our sites in Mexico and Nevada, we offered 6 positions to university students through our on-the-job training initiatives.

→ [Learn more: Community Relations](#)

Gender Equality**5**

Achieve gender equality and empower all women and girls.

Orla's Contribution

- 30% female representation on the Board of Directors in 2023.
- Maintain diversity and inclusion policies and programs.
- Provide education and skills development for women and girls to improve opportunities for them.
- Orla respects all national and international laws designed to protect women and girls.

→ [Learn more: People Management](#)

Clean Water and Sanitation**6**

Ensure availability and sustainable management of water and sanitation for all.

Orla's Contribution

- Promote sustainable water management in the areas of our operation.
- Collaborate with local communities to secure water access and efficient consumption.
- Maintain our community-led water monitoring program across our sites to improve our collaborative and trusted water management model.

→ [Learn more: Water Management](#)

Decent Work and Economic Growth**8**

Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.

Orla's Contribution

- Invest significantly in training, maintain programs and services to protect labour rights, and foster a safe and secure workplace.
- Generate positive economic impact through wages and salaries, contracts with local suppliers, and community investments in social and economic initiatives.
- 49% of our direct employees are from local communities.
- In 2023, we increased our local and community purchases by 69% at Camino Rojo.

→ [Learn more: People Management, Community Relations](#)



Responsible Consumption & Production 12

Supporting action to ensure sustainable consumption and production patterns.

Orla's Contribution

- Minimizing emissions and energy intensity per ounce of gold are key performance indicators for our operations.
- In 2023, we reduced energy intensity by 5%, achieving 2.26 GJ/oz at Camino Rojo, compared to the sector average of 7.3 GJ/oz. As the mine is new, energy consumption may increase over time.
- Camino Rojo also reduced its water intensity ratio by 26% in 2023, using 6.57m³ of water per ounce of gold and maintaining 100% water recycling.

→ [Learn more: Climate Change](#)

Climate Action 13

Take urgent action to combat climate change and its impacts.

Orla's Contribution

- Continue investigating and implementing measures to improve the energy efficiency of our operations and mitigate our carbon footprint.
- Continue to better understand and build our capacity to manage climate-related impacts, risks, and opportunities.
- Adopted the UN Global Compact comprehensive training platform, allowing access to updated knowledge to all of our employees.

→ [Learn more: Climate Change](#)

Peace, Justice, and Strong Institutions 16

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.

Orla's Contribution

- Implement policies, systems, and constant training and reinforcement to support good governance, corporate sustainability, transparency, accountability, and inclusiveness.
- Ensure each operation adopts ethical guidelines including anti-corruption, human rights protection and rule of law-based practices.

→ [Learn more: Corporate Governance and Business Ethics](#)

Partnerships for the Goals 17

Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.

Orla's Contribution

- Collaborate with public and private partners for lasting community impacts.
- Expand partnerships with educational to develop job-related engagement, research, and innovation on critical issues for our communities and operations.
- Contribute to community causes important to our stakeholders, including health, education, nutrition, elder care, and environmental stewardship.

→ [Learn more: Community Relations](#)