

4.3

Community Relations

Our Approach: Making A Positive Contribution

Why it Matters to Orla

Mining companies like Orla have a civic responsibility to consider, and contribute to, the sustainable development and well-being of the communities in which they operate and depend. Businesses that are active in foreign countries, and in rural and remote areas, must also be respectful of local traditions, customs and beliefs, including those of Indigenous Peoples.

Community relations is a way for companies to create and maintain mutually beneficial relationships with host communities and ensure that communities benefit from mining activity in both the short and long-term. Engaging local communities in a meaningful, transparent manner, and incorporating their views, is essential to building positive relationships and goodwill over time. For Orla, community relations and its critical components, such as providing environmental, economic, and social benefits, are prioritized by our stakeholders as a top material issue.

Supporting and collaborating with our communities is crucial, not only because they host our operations but also because our workforce comes from these areas (across our three sites in 2022, close to 60% of our employees were from direct local communities and almost 99% were from our host countries).

Good community relations is an important part of Orla's sustainability approach.



We are committed to:

Developing meaningful and effective community relations strategies

Encompassing all relevant stakeholders, and integrating community relations best practices into our business processes.

Consulting with the people who live and work in our host communities

Identifying local priorities, needs, and development goals.

Establishing grievance mechanisms, based on international best practices



Developing, implementing and investing in socio-economic initiatives

Supporting the development and sustainability of communities and countries in which we operate

Partnering with credible organizations

Working with organizations including non-governmental organizations and local community groups to leverage resources and build capacity

We have active community relations programs at each of our sites, which manage their own budgets and initiatives. Our community and social framework is outlined in our Code of Conduct and Ethics, our Environment, Sustainability, Health and Safety Policy, our Human Rights Policy, and our CSR Policy. These governance documents provide guidance and metrics for effective community relations management.

Pillars of our Approach

Community Engagement

Orla strives to build and maintain open, trusted relationships with our community stakeholders. This includes engaging with key stakeholders, such as local government, community leaders, environmental organizations, and private and communal landowners, to ensure that their voices are heard, and our operations are conducted in a socially responsible manner. We solicit and integrate community input in our decision-making and plans.

At our producing mine, Camino Rojo, we have established a full-time community relations team, a CSR Policy and a community response mechanism to receive, document, and resolve community requests and complaints.

Social Investment

We invest in initiatives that aim to improve well-being and quality of life for a community. Orla provides funding for education, health services, job creation, and local infrastructure, including road maintenance, water collection, and irrigation systems. At Camino Rojo, we invite communal landowners, called Ejidos, to decide and prioritize the focus of the community resources the Company committed to investing every year.

Economic Development

Another priority of Orla's community strategy is to create economic opportunities for local communities, so that we deliver a positive economic impact in the region and ensure that the legacy of our mines continue to support community

development after their closure. We partnered with the State of Zacatecas, the Mexican Center for Competitiveness (CCMX), and private allies to accelerate the entrepreneurial capacity, market access, and diversification of local business owners, most of them, women at the communities near to Camino Rojo.

Human Rights

Our commitment to respect and uphold the rights of everyone affected by our operations is outlined in our main policies and procedures, especially our Human Rights Policy. This commitment includes providing safe working conditions, and ensuring that our operations do not generate a negative impact on local communities. To learn more, refer to the Human Rights section.

Occupational and Environmental Health and Safety

We strive to conduct our business in a safe and environmentally responsible manner. This includes minimizing environmental impacts, such as air and water pollution, and providing employees with a safe and healthy workplace. Additionally, we take all the necessary steps to prevent or mitigate any negative effects of mining activity on public health.



Transparency and Public Disclosure

We are committed to transparency with our local stakeholders. We proactively engage in community meetings and consultations, and publicly disclose information regarding our operations, financial results, and ESG performance.

2022 Highlights

- Orla's community relations teams actively engaged with their host communities, including through one-on-one meetings, group meetings, and public events. As a result of these efforts, in 2022 there were zero delays or disruptions caused by community-related incidents, and few grievances filed by community stakeholders as further discussed below.
- At the Camino Rojo mine, Orla has agreements in place with the Ejidos of San Tiburcio, El Berrendo, La Pardita, and San Francisco de los Quijano, with commitments to deliver land leasing payments and certain social support — such as scholarships, community infrastructure upgrades, social and economic development initiatives, impact investments, food, and medicine to the most vulnerable community members. In 2022, our land access payments and community investments totalled \$4.05 million.

2022 Highlights

\$5.8M

in payments made to communities of influence at our Camino Rojo mine, for land access, salaries to local employees, local procurement, and community investments

\$9.8M

spent on goods and services for our Camino Rojo mine, from suppliers based in the state of Zacatecas, Mexico

- In 2021, we contracted an independent consulting firm to evaluate Orla's CSR program at Camino Rojo and recommend ways to further develop it.
- At our Cerro Quema Project in Panama, we supported the local communities of Tonosi and Macaracas by providing medical equipment, access to water, community infrastructure for education and skills development, and other social assistance.
- At the South Railroad Project in Nevada, in 2022 we donated to a range of non-profits, schools, community events, and youth sport programs such as baseball, softball, football, and soccer. We also initiated a plan to map local stakeholders and enhance engagement at the site.

2023 Focus

- Launch our first sustainable poultry farm to provide eggs to the Camino Rojo operation and other markets, in collaboration with industry partners, local government, and local women entrepreneurs.
- Develop initiatives to support sustainable ranching in areas surrounding our Camino Rojo operation.
- Support local programs for ecosystem preservation and biodiversity protection at Camino Rojo and South Railroad.

2022 Direct Economic Impact in Local Communities



Salaries paid to employees from direct local communities	\$1,551,679	26.7%
Permits, concession, and land compensation to land owners	\$2,601,753	44.8%
Investment in local communities and donations	\$1,447,543	24.9%
Payments to suppliers from direct local communities	\$203,289	3.5%
Total investment in the local communities	\$5,804,264	100%

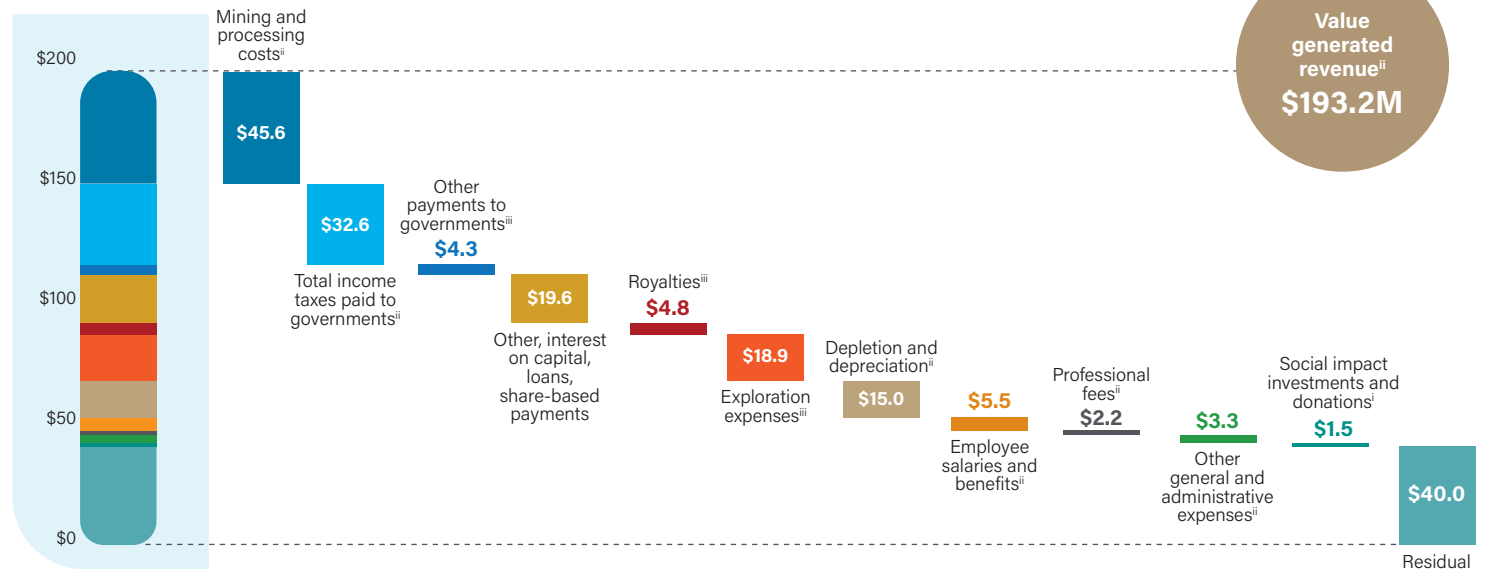
2022 Social Incidents Registered at Camino Rojo

INCIDENTS AND GRIEVANCES	
Insignificant	4
Minor	11
Moderate	4
Major	0
Extreme	0
Total	19

Note: Most incidents were related to land access, local suppliers opportunities and community infrastructure. Of the 19 incidents, we resolved 16 during 2022 and three remain outstanding for resolution in 2023.

2022 Breakdown of Economic Impact

Direct Economic Value Generated and Distributed (\$ MILLIONS)



ⁱ Value includes the most significant investments in community initiatives from local infrastructure, education, health. Camino Rojo, and Cerro Quema.

ⁱⁱ Reported and disclosed in Orla's Consolidated Financial Statements, December 31, 2022 available in our website.

ⁱⁱⁱ Reported and disclosed in Orla's Extractive Sector Transparency Measures Act (ESTMA), available on our website. Orla does not make political contributions.