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Climate Change

Orla is committed to reducing climate risks and being part of the climate solution, which is essential to our purpose of creating net-positive benefits for our stakeholders. We know we can do this by working with our employees, contractors, suppliers, and communities, and by embedding climate considerations into our decision-making and operations, as we endeavour to limit our GHG footprint.

Governance

Our Environmental, Sustainability, Health and Safety (ESHS) Committee oversees and approves climate-related initiatives, policies, and strategies. This Board-level committee ensures Orla's response to climate change is meaningful, supported with adequate resources, and in line with stakeholder expectations. Company performance, plans, and initiatives are reported by management to the Board of Directors monthly, with an in-person meeting on a quarterly basis.

Why it Matters

To tackle the climate crisis and ensure a livable planet, enormous work and collaboration are required to reduce global greenhouse gas (GHG) emissions and support the transition to a lower-carbon economy. Gold mining – and mining in general – is a major industrial activity that generates GHG emissions, including carbon dioxide (CO₂), methane (CH₄), and nitrous oxide (N₂O). Orla's success depends on our ability to effectively navigate and address climate impacts, risks, and opportunities.



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Our [Climate Change Policy](#) outlines our commitments to addressing climate change, from understanding risks to establishing objectives and targets. Our [Indigenous Peoples Policy](#), [Responsible Procurement Standard](#), [Enterprise Risk Management Standard](#), and [Closure and Reclamation Management Standard](#) also have environmental considerations including climate change.

Strategy

Through our Towards 2030 Sustainability Strategy, we are building a road map to decarbonization and taking actions to minimize energy consumption and associated GHG emissions as much as possible. At the same time, we are identifying climate-related risks and opportunities and establishing plans to address them.

We believe that combatting climate change also presents opportunities for Orla. For example, at Camino Rojo we have trucks with Tier 4 engines that have automated optimization features and adjustable idle shutdown settings that reduce costs by conserving fuel. Businesses that can reduce or offset their carbon footprint may attract increased investment as investors seek to decarbonize their portfolios. Other benefits may include reduced exposure to taxes and other measures adopted by governments to decarbonize the economy.

Climate-Related Risk Management

Climate-related risks are captured through our Enterprise Risk Management process and fall primarily into two types: transition risks and physical risks. We continue working to better comprehend these risks for our operations, so that we can prepare accordingly.

Transition Risks

Transition risks are those that occur as a result of the global transition to a low- or zero-carbon economy, as countries and organizations adopt strategies, policies, laws, and tax schemes to address climate change. While these risks are becoming better understood, there is a lot of uncertainty in modelling local variations in climate and in the actions that governments or civil society will take, which poses its own risks for a reporting company.

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial, and local levels. Regulation relating to emission levels (such as carbon taxes), energy efficiency, and reporting of climate change-related risks is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Company's operations. Orla's focus on energy efficiency and decarbonization over



Orla's [Climate Change Policy](#) Commitments

- Integrate consideration of climate-related risks and opportunities into our strategic planning processes.
- Adapt to the potential physical impacts of climate change and increase the resilience of our operations and projects.
- Reduce GHG emissions by promoting resource efficiency and increasing the use of renewable energy sources.
- Establish partnerships—in particular, with local communities and Indigenous peoples—in the regions in which we operate to help increase the resilience of their communities and local ecosystems to the potential physical impacts of climate change.
- Continuously improve the performance of our governance and climate change action plans based on climate change science, regulatory and voluntary frameworks, and international standards.
- Provide timely and transparent disclosure on our climate-related performance, risks and opportunities, including through this report and future reporting.
- Establish measurable objectives and, where appropriate, targets for improved environmental performance and resource utilization.

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time are appropriate mitigations against transition-related risks.

Physical Risks

Physical risks are those that can cause disruption or damage to operations and assets. These risks can be acute (e.g., extreme weather events) or chronic (e.g., changing climate trends) and can lead to significant financial losses if not managed effectively. Orla has partnered with the climate intelligence technology company, Mitiga Solutions, to help us quantify the future exposure of our operations and our critical supply chain to natural hazards.

Following the recommendations by the International Panel of Climate Change (IPCC) and the Task Force on Climate-Related Financial Disclosures (TCFD), we considered six climate hazard categories of both acute and chronic types (namely, heat stress, precipitation risk, wind risk, drought, wildfire, and flooding) and evaluated three possible climate emission scenarios:

- SSP5-8.5: Business as Usual (BAU) — where emissions continue to rise throughout the 21st century unabated.
- SSP2-4.5: Emissions Peak in 2040 — where emissions do not increase beyond 2040.
- SSP1-2.6: Paris-aligned Scenario — where

emissions are compatible with the objectives of the Paris Agreement.

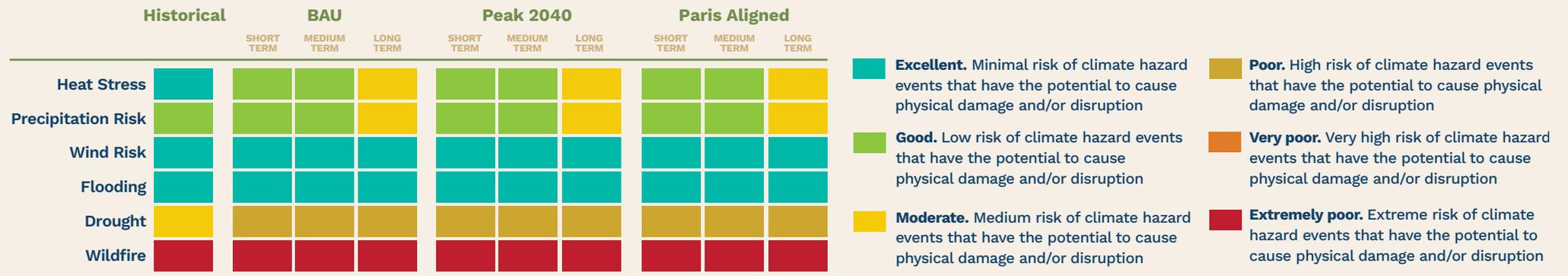
The results of our study are mapped on the diagram below, with risks categorized from minimal risks to extreme risks. As shown, wildfire, precipitation, and drought risks continued as the top concerns in the regions relevant to Orla’s operational mine and our advanced exploration projects. Historically, those three risks were considered most material to mining companies, and, based on the forecasts, will continue to be the most relevant, with a projected increase in risk level under the “Business as Usual” and “Emissions Peak in 2040” scenarios. The scenario analysis helps our teams at sites to better

understand potential changes and prepare plans to adapt, prevent, or minimize those potential physical risks.

Metrics and Targets

At this time, we track Scope 1, 2 and 3 GHG emissions – refer to the Performance section below for our 2024 results. As we mature our processes for identifying carbon reduction projects, as well as capturing and reporting data, we will set annual emission-reduction targets and report progress annually. We will also develop an associated road map that will show how we expect to achieve carbon emission efficiency over time.

Orla’s Average Exposure to Physical Climate Change Risks Under Future Scenarios*



Risks rated Moderate to Extremely Poor can be considered material risks based on Mitiga Solutions’ models

* Scenarios determined for the direct area of influence of Camino Rojo and South Railroad