

# 5.3 Sustainability & Risk Management

## Orla's Risk System

**Orla's Enterprise Risk Management (ERM) system serves as a comprehensive and consistent approach to risk management, enabling us to pursue our business objectives more effectively while demonstrating strong corporate governance practices. The ERM system allows us to identify, evaluate, and prioritize the most significant risks that may have an impact, both positively and negatively, on achieving our strategic goals.**

ERM is integral to our organizational processes, including strategic planning and decision-making, and incorporates our [ERM Standard](#), which is designed to uphold sustainable practices in all our activities so that Orla, as well as our contractors, maintain equally high standards. The requirements in the ERM Standard have been informed by industry best practices, including the World Gold Council's

Responsible Gold Mining Principles, and the Mining Association of Canada's Towards Sustainable Mining initiative.

The accompanying diagram highlights the key principles that guide our ERM system.

## Risk Registry

For each of our operations, we have established an enterprise risk registry using our Company-wide matrix, which our local teams regularly review and update during monthly and quarterly managerial meetings. These sessions involve discussions on specific sustainability-related risks, such as those stemming from climate change, supply chain disruptions, or labour shortages, which could impact the short- and long-term success of our sites.

The likelihood and impact of each risk are rated, taking into account various factors, including geopolitical events and social and business trends in each jurisdiction

## Why it Matters

Risk management forms a fundamental aspect of robust governance and responsible business practices. As a mining company, it is critical that we consistently assess, prioritize, and mitigate the wide-ranging risks that may impact our business and stakeholders. These risks range from labour shortages and supply chain disruptions to social unrest, environmental and health and safety incidents, extreme weather events, and security threats (such as theft, fraud, and cybercrime).



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where Orla operates. The top risks are consolidated at the corporate level and shared with the Senior Leadership Team on a quarterly basis and with the Board on a semi-annual basis.

**Addressing Key Risks**

**Climate change risks**

A changing climate is one of the most complex and challenging risks facing our world today. We continue working to understand potential climate risks and how they may impact our business and stakeholders.

**Cybersecurity risk**

Our information technology (IT) systems, and those of Orla’s third-party service providers and vendors, face increasing cyber security risks in the fast-evolving digital ecosystem. Cyber attacks could result in significant costs, lost sales, fines, and lawsuits, and damage to the Company’s reputation.

To guard against and stay ahead of these evolving threats, we continue to strengthen our cyber resilience by developing and enhancing the controls, processes, and practices designed to protect our systems – including computers, software, data, and networks – from attack, damage, or unauthorized access.

Looking ahead, we plan to further formalize our approach by introducing a dedicated cybersecurity standard to guide and reinforce our practices company-wide.

**Supply chain risk**

Identifying and addressing potential vulnerabilities in our supply chain is an ongoing priority. We rely on local, national, and international suppliers, so it is essential that we carefully monitor third-party risks. Wherever possible, we strive to work with suppliers based in the countries and communities in which we operate. We are also intentional about upholding the financial integrity and ethical sourcing practices of our supply chain with the goal of ensuring there is consistent respect for human rights among all suppliers.

For example, our Finance and Accounting team oversees scrutiny and approval of new vendor registrations across corporate and operational levels. At Camino Rojo, all supplier contracts include provisions on anti-corruption, as well as policies and procedures to mandate that all applicable laws, ethical standards, human rights, and anti-corruption regulations are followed. Suppliers are barred from engaging with clients involved in illegal armed conflicts or human rights abuses, and all Camino Rojo contractors are required to register and demonstrate compliance with tax and

social security obligations every three years.

To further help guide our efforts, we use the Global Slavery Index to evaluate the risk of modern slavery (forced and child labour) in our organization and supply chain. The Global Slavery Index rates risk of modern slavery to be medium in Mexico and low in the U.S. and Canada. We do not use suppliers from any of the top 25 countries with the highest prevalence of modern slavery.

Looking ahead, we remain focused on establishing and honouring policies and practices, and providing transparent reporting, to prevent forced and child labour across our operations and supply chain.

**Geopolitical risk**

Companies with global operations must navigate today’s challenging geopolitical landscape. With two of our principal mineral properties located in Mexico and the United States, Orla faces a diverse array of risks – ranging from permitting challenges, currency fluctuations, and adverse legal developments to political and economic instability that impact our mining activities. We proactively monitor and manage these geopolitical risks through our ERM process.

