



# DELIVERING VALUE WITH PURPOSE

2021

Responsible Gold Mining Report





# OUR PURPOSE

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Miera  
Media Luna



To transform  
finite mineral  
resources into  
lasting prosperity  
by positively  
impacting all the  
lives we touch.









## TOREX GOLD: OUR PURPOSE

At Torex Gold, mining with purpose beyond profit has always been at the heart of who we are. In 2021, our Executive Team worked together to articulate a clear organizational purpose statement – a purpose statement that truly captures who we are as a Company and what motivates our team to deliver their very best every day.

We know the mineral resources we mine are finite. As responsible stewards of these resources, we aim to leave a net positive legacy in the areas in which we operate throughout and after operations. This means respecting the environment and leaving it as good as or better than we found it; creating lasting value in the areas in which we operate; and positively impacting all the lives we touch – including our people, our communities, our business partners, our shareholders, and broader society as a whole.

We wouldn't be able to live our organizational purpose without the strong foundation of our values, which have always been at the heart of how we work, and always will be.

We are proud that we have built a mine in Mexico that has made a positive difference in many lives. As we grow, we look forward to doing more of the same, demonstrating to the world what responsible mining looks like.



# ABOUT TOREX GOLD

Torex Gold Resources Inc. (“Torex Gold” or the “Company”) (TSX:TXG) is an intermediate gold producer engaged in the exploration, development and operation of our wholly-owned Morelos Property, an area of 29,000-hectares in the highly prospective Guerrero Gold Belt located 180 kilometres southwest of Mexico City. The Company is based in Canada, with our Corporate Office located in Toronto, Ontario. Torex is currently the second-largest gold producer in Mexico.

In 2021, our workforce comprised of 1,020 direct employees and 1,689 contractors. We are proud that 99% of our workforce is from Mexico, with over 60% from Guerrero State.

The Company’s mining asset is the Morelos Complex, which includes the El Limón Guajes (“ELG”) Mining Complex, Media Luna Project, processing plant and related infrastructure. Commercial production from the Morelos Complex commenced on April 1, 2016 and an updated Technical Report for the Morelos Complex was released in March 2022. Torex’s key strategic objectives are to extend and optimize production from the ELG Mining Complex, by de-risking and advancing the new Media Luna Project to commercial production, building on ESG excellence, and growing organically through ongoing exploration across the entire Morelos Property and through potential value accretive M&A.

References to Torex Gold throughout this Report include “the Company”, “Torex”, “we”, “us”, and “our”.





# REPORT OVERVIEW

## REPORT OVERVIEW

The 2021 Responsible Gold Mining Report (the “Report”) is the Company’s annual disclosure of our Environmental, Social, and Governance (ESG) performance. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards “Core” option and the Sustainability Accounting Standards Board (SASB) Metals and Mining Sustainability Accounting Standard (Version 2018-10). Indexes for these reporting frameworks are provided on pages 98-104 of this Report.

Energy and climate-related disclosures are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as per the Phase 1 recommendations of the Expert Panel on Sustainable Finance’s Recommendation on Phased-in Approach to the Adoption of the TCFD Framework in Canada. We have also aligned aspects of our supply chain disclosures with the Local Procurement Reporting Mechanism (LPRM) of the Mining Shared Value Initiative of Engineers Without Borders Canada.

This is our seventh annual sustainability report. Report archives can be found on our website at [www.torexgold.com](http://www.torexgold.com).

## BOUNDARIES AND SCOPE

The Report covers our corporate and operational ESG performance for 2021, including our ELG Mine Complex and Media Luna Project. All performance data is current as of December 31, 2021 (unless otherwise indicated). Ongoing ESG initiatives that have progressed in early 2022 are discussed where relevant. ESG Performance Data Tables are also provided in this Report to enhance the scope and depth of ESG performance data disclosures. The ESG Performance Data Tables can be found on page 84.

## RESTATEMENTS

Restatements of performance data and information are provided as applicable throughout the Report, including the associated ESG Performance Data Tables on page 84.

## CURRENCY

All financial figures are stated in United States dollars unless otherwise noted. Some figures and percentages may not add to the total figure or 100 percent due to rounding.

## CAUTIONARY NOTES

Please refer to page 106 for full cautionary notes related to this Report, including notes on “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities laws.

## CONTENTS

Our Purpose	IFC
About Torex Gold	4
Report Overview	5
2021 Highlights	6
A Message from Our CEO	8
A Message from the Chair, Safety and CSR Committee	10
Our Approach	12
Governance	22
Our People	32
Health and Safety	40
Community Relations	48
Environment	60
ESG Performance Data Tables	84
GRI Standards Index	98
SASB Standards Index	103
Local Procurement Reporting Mechanism Index	105
Cautionary Notes	106
Corporate Directory	IBC



# 2021 HIGHLIGHTS

## ENVIRONMENTAL



Formally adopted the **GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT**

**100% COMPLIANCE** with environmental regulations

**RECEIVED ENVIRONMENTAL PERMITS** for early works construction activities for the Media Luna Project

**ZERO REPORTABLE ENVIRONMENTAL SPILLS**

Became a signatory to the **INTERNATIONAL CYANIDE MANAGEMENT CODE (ICMC)**



## SOCIAL



Received  
**2021 SAFETY AWARD**  
from Mining Magazine

**44%** of employees from  
**LOCAL COMMUNITIES**

**90%** of procurement  
**SPEND IN MEXICO**

Spent **\$74.7M**  
in procurement within  
**GUERRERO STATE**

### **ACHIEVED INDUSTRY-LEADING SAFETY PERFORMANCE:**

0.14 lost-time injury frequency per million hours worked<sup>1</sup>

### **AWARDED ESR® 2022**

**DISTINCTION** from the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility in Mexico (AliaRSE) for the fourth year in a row

**\$4.1M** in direct **COMMUNITY INVESTMENT**

### **SUCCESSFULLY NEGOTIATED**

Community Development Agreements (CODECOPs) **WITH 11 LOCAL COMMUNITIES**

## GOVERNANCE



Revised guidelines to  
**ENHANCE SHARE OWNERSHIP** by Executive Team and Board

Achieved **44% FEMALE REPRESENTATION** on Board of Directors

Earned honouree status in The Globe and Mail's 2022 Report on Business "**WOMEN LEAD HERE**" list for the third consecutive year

Achieved **HIGHEST GOVERNANCE QUALITY SCORE RANKING (1) FROM ISS** for the Company's corporate governance practices

**43% FEMALE REPRESENTATION** on Executive Team<sup>2</sup>

<sup>1</sup> As at December 31, 2021 for both employees and contractors over a 12-month rolling period.

<sup>2</sup> Diversity figures current as of March 31, 2022. Note that prior to the departure of the VP, Human Resources and Organizational Effectiveness in March 2022, there was 50% female representation on the Executive team.



# A MESSAGE FROM OUR CHIEF EXECUTIVE OFFICER



Through our investment in Media Luna, and against the backdrop of our core values, we will continue to deliver superior value to our investors while enhancing the lives of so many in our host communities, in Guerrero and beyond.

**Jody Kuzenko**  
*President and CEO*

On behalf of the entire Torex team, I am pleased to welcome you to our 2021 Responsible Gold Mining Report – our key annual disclosure on performance associated with the environmental, social and governance (ESG) topics that are critical to our business and truly define who we are as an organization.

I am particularly pleased that this Report marks the first public disclosure of our new organizational purpose statement: to transform finite mineral resources into lasting prosperity by positively impacting all the lives we touch. This statement was developed after much careful thought and deliberation to choose the right words that embody what we stand for as a Company. From our earliest days, we built our operations in Guerrero State with a view to running a business that was about generating return on investment and profit, certainly – but also about so much more than that. Since then, we have worked day in and day out to minimize our environmental footprint, build trust and partnership with local communities, create prosperity for our people and business partners through well-paying jobs and local procurement, and foster lasting economic development through meaningful community infrastructure and improvement initiatives.

With the recent approval from our Board of Directors of the construction of our Media Luna Project, we have truly laid the foundation for our future. Media Luna will more than triple our existing mine life, and we have plans to

unlock the resource potential that we believe exists through ongoing investment in drilling and exploration so that we may deliver on our goal of developing a multi-decade mining operation. Through our investment in Media Luna, and against the backdrop of our core values, we will continue to deliver superior value to our investors while enhancing the lives of so many in our host communities, in Guerrero and beyond.

As I look back on our 2021 results, while I am proud that we achieved record gold production of more than 468,000 ounces, I am most proud that we did it safely – finishing the year with a lost time injury frequency of 0.14 per million hours worked, a benchmark in the industry. As at the time I am writing this, we have surpassed more than 8 million hours worked without a lost time injury. This relentless focus on safety remains foundational to our culture, our sustained operational excellence, and our ESG leadership position more broadly – it's at the core of who we are.

These results are particularly impressive against the ongoing backdrop of COVID-19. While we had hoped that the pandemic would be behind us in 2021, that was not the case, and I am so proud of every individual on our team that continued to demonstrate their resilience through another year of challenges associated with the persistence of new variants. We continued our robust and multi-layered controls to protect the health and safety of our people and our local communities and to

ensure the continuity of our business. This included partnering with local health authorities to facilitate transportation of employees, contractors, and community members to a local vaccination clinic, and implementing a mandatory vaccination policy in Canada and Mexico to help keep each other safe in the workplace.

There were many other ESG achievements that have made me very proud since our last Responsible Gold Mining Report, including:

- Zero reportable environmental incidents;
- Continued implementation of our Community Development Agreements (CODECOPs) in partnership with 11 host communities, with \$4.1M directly invested in community development and infrastructure projects;
- Completing Year 1 implementation of the requirements of the World Gold Council Responsible Gold Mining Principles (RGMPs), including a public RGMPs Progress Report that was independently assured;
- Becoming a signatory to the International Cyanide Management Code (ICMC);
- Receiving the ESR® 2022 Distinction from the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility in Mexico (AliaRSE) for the fourth consecutive year, for our public and voluntary commitment to implement socially responsible management at our operations in Mexico;
- Recognized by major Canadian and international media for our ESG performance, including receipt of the 2021 Mining Magazine Safety Award for safety excellence, and selection as an honouree on the Globe and Mail “Women Lead Here” list in recognition of the high proportion of women on our executive team;
- Improved significantly on scoring from key ESG ratings agencies from 2020 to 2021 due to ongoing improvements on disclosure, including ISS, MSCI, Sustainalytics, Refinitiv and S&P Global as well as improvement on our 2021 CDP Climate Change Questionnaire.

With respect to climate change, we continued our work to develop a carbon reduction strategy aligned with the TCFD and anticipate disclosing public short and longer-term carbon reduction targets later this year. We completed a detailed energy audit at our ELG



Mine Complex to identify key opportunities for carbon reduction, and with a planned hybrid fleet and wireless background infrastructure for Media Luna, we have designed with the future in mind to reduce our carbon footprint. We are proud that we will become an even bigger part of the solution when it comes to climate change as we become a much more significant copper producer, with approximately 30% of the value of Media Luna residing in copper – a metal that is increasingly in demand to enable technologies the world needs to support a low carbon economy.

Finally, through the adoption of globally recognized standards such as the World Gold Council RGMPs, we are working to enhance our governance over key ESG issues. Importantly, in February 2022, our Board of Directors supported management’s recommendation to formally adopt the Global Industry Standard on Tailings Management (GISTM), with full compliance expected by 2025 for both our existing filtered tailings storage facility at our ELG Mine Complex, and the planned in pit tailings storage facility that will be built as part of the Media Luna Project.

While we have come a long way in our ESG journey, we know there is a lot of good work to be done as we continue to live our organizational purpose. With big growth ambitions ahead of us, we will increase the positive impact we are making in Mexico and beyond, and continue to demonstrate what responsible gold mining looks like. That is the Torex way.

**Jody Kuzenko**

President and Chief Executive Officer



# A MESSAGE FROM THE CHAIR, SAFETY AND CSR COMMITTEE



**At Torex, we have truly embedded ESG governance throughout our organization, from the Board of Directors and our Executive Team, through to operations management and our front-line employees.**

**Jennifer Hooper**  
*Independent Director, Chair of the Safety and CSR Committee*

As Chair of Torex's Safety and CSR Committee, I am proud to work with the Board of Directors in providing strong governance and oversight over environmental, social and governance (ESG) issues that are material to the Company.

At Torex, we have truly embedded ESG governance throughout our organization, from the Board of Directors and our Executive Team, through to operations management and our front-line employees. Operating responsibly is at the core of who we are, and a condition of employment at all levels of the business. We recognize that responsible and sustainable mining starts with the Board of Directors, and we consistently look for ways to incorporate evolving ESG best practices to continuously improve our performance and to sustain our reputation as an industry leader when it comes to mining responsibly.

Torex has a track record of reliably delivering on our commitments with respect to production and cost targets, and our ESG performance this past year was no different. Despite the backdrop of continued challenges associated with COVID-19, I am proud that the Company delivered on the ESG goals that we set out for ourselves, which included achieving a lost-time injury frequency of less than 1.0 per million hours worked for our employees and contractors. This remarkable performance serves as a benchmark in our industry and is a true testament

to the strong safety culture the Company has built over the years. Our relentless focus on managing risk will continue to evolve and get even stronger to ensure that we continue to achieve our goal of no lives lost or changed for our employees and contractors.

As we seek continuous improvement, a key component of our ESG strategy is to adopt and conform to global sustainability performance and disclosure standards, to provide confidence to our Board, our shareholders and all those who share stakes in Torex that we are adhering to the highest level of ethics, rigour and corporate social responsibility. In December 2020, we became a member of the World Gold Council, and in so doing, are working toward compliance with the RGMPs, a set of 10 principles and 51 sub-principles to address key ESG issues material to the gold sector. In October 2021, we publicly disclosed our Year 1 RGMP Progress Report, which was independently assured by KPMG. Completing the Year 1 requirements was a key strategic objective for the Company and one that was tied to our executive compensation and Company-wide incentive plan. We will continue to work diligently toward full compliance with the RGMPs by the end of 2024.

In addition, as part of our commitment to implement the RGMPs, in May 2021, the Company became a signatory to the International Cyanide Management Code (ICMC), a global best practice framework for the safe transport,

handling and use of cyanide. And importantly, earlier this year, the Board passed a motion to formally adopt the new Global Industry Standard for Tailings Management (GISTM) with a view to full compliance by 2025. GISTM is comprised of 77 auditable requirements and reinforces our commitment to effectively and transparently manage risks associated with tailings according to the highest industry standard throughout our entire mining lifecycle.

Another key area of focus for Torex has been maintaining our industry leadership position with respect to diversity and inclusion. With the recent changes made to our Board in 2021, we now have 44% female representation on our Board of Directors. Our Executive Team currently has 43% female representation, and in March 2022 we were proud to be listed as an honouree for the third consecutive year on the Globe and Mail Report on Business "Women Lead Here" list, which determines Canadian corporations with the highest degree of gender diversity among executive ranks. We know we have more work to do in our operations, where there is currently 18% female representation, up from 16% last year. We will continue to look for opportunities to remove real or perceived barriers for women, especially in Guerrero State, who would like the opportunity to come and work with us.

Recognizing the need for urgent action to reduce greenhouse gas emissions and the growing integration of climate change into the decision-making process of our shareholders globally, in 2021 we also made progress in constructing our climate change and GHG emissions reduction roadmap, which we intend to disclose in more detail later in 2022. We have an overall commitment to achieve net zero emissions by 2050 and are defining the nearer-term concrete steps that will allow us to credibly move towards that goal. Importantly, our Media Luna Project has been designed with the future in mind, and will incorporate several key initiatives to reduce carbon emissions, including the adoption of battery electric vehicles for the underground mine. Our Board took a significant step in 2021 to ensure governance of climate issues are well integrated into Board oversight. Two members of our Safety and CSR Committee took a course on climate change governance through the Institute of Corporate Directors (ICD), and our full Board engaged in a "climate change level-set" to understand our governance requirements in this area.

The next 12 months will continue to be critical as we quite literally build our future in Mexico through the Media Luna Project. Fortunately, pandemic-related



health risks are declining as our workforce is now fully vaccinated, and previously high infection rates in the country are starting to decrease. Our community relationships have never been stronger as we continue to make a positive difference in the lives of those we touch. We have every intention of making our next decade of operations successful and to continue to make a positive and lasting impact for all those who have a stake in our Company – including our employees, contractors, shareholders and our local communities. If there's any team that can deliver that future, it is ours.

As Chair of the Safety and CSR Committee, I want to recognize all of our employees, key contractors and our management team for their efforts and accomplishments over the past year. I am proud to call myself part of such a remarkable team and look forward to many more positive things to come as we continue on our ESG journey and transition to the next phase of the Company.

**Jennifer Hooper**

Independent Director, Chair of the Safety and CSR Committee



# OUR APPROACH







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14	OUR APPROACH
14	OUR VALUES
14	SYSTEMS LEADERSHIP
14	MATERIALITY ASSESSMENT
16	SUMMARY OF MATERIAL TOPICS
18	PERFORMANCE ON ESG GOALS AND TARGETS
21	SPOTLIGHT: WORLD GOLD COUNCIL RESPONSIBLE GOLD MINING PRINCIPLES

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## OUR APPROACH

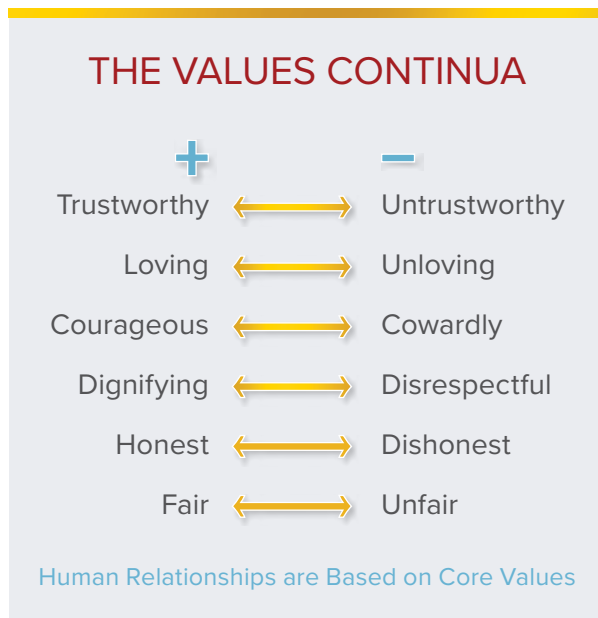
Responsible mining is central to our business philosophy and is embedded in decision making at all levels of the Company from our Board of Directors and Executive Team through to our operations management and individual employees.

We recognize that we operate in a geographic area that is challenging in many ways. That is why we have worked hard from our very beginnings to build a culture and systems that enable productive working relationships that enhance the lives of our team members and neighbouring communities.

## OUR VALUES

At the heart of Torex Gold is a deep commitment to building a mining company with values – one that generates value for our shareholders in a way that embraces innovation and makes a positive difference in people’s lives.

At Torex, we believe in values lived. We guide our behaviour and actions at all levels of the organization using the “Values Continua” as a tool, as we seek to be viewed as a company that truly cares and operates consistently from the “left side” of the figure below.



## SYSTEMS LEADERSHIP

From our beginnings, we have also been guided by our “Systems Leadership” approach, which is aimed at creating a workplace culture that enables positive business outcomes. Systems Leadership is a theoretically-based but practical set of integrated concepts, models and tools that, when used correctly, create the leadership behaviours, systems and symbols that motivate our people to willingly give their very best.

While Systems Leadership has been foundational in terms of building our desired culture, the work has not been in isolation. In parallel paths, we have focused on:

- Getting the right leaders in the right roles. We do this through a very thorough vetting process that not only includes assessing technical and cognitive capability, but also ensures “fit” in terms of the values we live by
- Having a clear set of rules and procedures that make good sense, are enforceable, and are understood by our people in terms of “what” the rules are and “why” they exist
- Connecting the head with the heart. People need a reason to work safely and effectively, apart from compliance with rules and compliance with system requirements. We have worked hard to build a culture based on genuine care, and we place special emphasis on personal relationships with each other, people’s families, and local communities.

## MATERIALITY ASSESSMENT

### Overview

We use materiality assessments and reviews as an approach to identify and prioritize the ESG topic areas that are most important to our business, investors, and stakeholders. We commit to reviewing the materiality assessment at least annually and conducting more comprehensive reviews every three years or when a material change to the business occurs.

For the purposes of this Report, in 2021 we conducted an internal review of the comprehensive materiality assessment that was conducted in 2020, in part, through

a review of the following documents and information to validate the results:

- Review of the RGMPs self-assessment to prioritize areas for ongoing initiatives to address key gaps;
- Reviews of ESG ratings agencies' disclosure requests and Company-specific ratings reports to identify areas for continual improvement;
- Review of international disclosure standards and commitments made by investor and industry groups;
- The comprehensive risk assessment for the Media Luna Project that took place in early 2022.

We also reviewed the results of an external comprehensive human rights impact assessment for the Company that was conducted by international human rights experts in early 2022. The assessment included extensive engagement with our employees and contractors, local communities, and our security providers. Feedback and analysis were provided across a broad range of key ESG topic areas, including labour relations, security, supply chain management, and community relations, thus providing a unique opportunity to validate our current materiality assessment.

There were no significant changes to the material topics identified in the previous 2020 Responsible Gold Mining Report; however, the following topic areas have

been enhanced in terms of increased disclosure and transparency in this Report:

- **Water management**, given the importance of water stewardship and collaboration for our host communities. This Report provides more detailed disclosures on our water management approach, which was strengthened in 2021 through updates to our water management plan. We also completed an external review of our operational water metrics disclosed on page 74 of this Report;
- **Labour relations**, given the opportunity to enhance our disclosures to reflect our corporate and operational focus on positive employee relations and the implementation of robust People Systems;
- **Assessing human rights impacts**, given the key work completed to align with the requirements of the RGMPs. Key disclosures related to our human rights due diligence process are included in this Report;
- **Local procurement**, given the significant economic presence we have locally and in Guerrero State. Disclosures related to local procurement have been enhanced using the LPRM, a disclosure framework developed by Mining Shared Value of Engineers Without Borders Canada.





# SUMMARY OF MATERIAL TOPICS

In 2020, we conducted a comprehensive materiality assessment with the help of a third-party expert on ESG, in order to identify and prioritize ESG topics that are most important to our business and all those who share stakes in Torex. The materiality assessment was reviewed and subsequently validated in 2021.

An overview of our material ESG topics, with a description of how each topic area impacts our business and our stakeholders, is provided in the table below, alongside reference to the associated disclosures contained within this Report.

AREA	DESCRIPTION OF IMPACTS	PAGE
<b>AIR QUALITY</b>	Mining operations generate airborne particulates, including dust. Our operations are in a semi-dry environment, requiring effective management controls to reduce dust generation and to protect the health of our employees, contractors, and local communities.	79
<b>BIODIVERSITY</b>	Our operations are located near a priority region for biodiversity conservation, the Cañón del Zopilote. As a result, we maintain extensive biodiversity programs, often in partnership with local communities and stakeholders, to promote ecosystem stewardship and conservation.	77
<b>BUSINESS ETHICS AND TRANSPARENCY</b>	We pride ourselves as a values and purpose-driven organization and maintain high standards of business ethics to guide our individual and collective behaviours. Transparency is also a core, fundamental value, reflected in our commitment to comprehensive ESG disclosures with a focus on the issues most important to our stakeholders.	26
<b>COMMUNITY RELATIONS</b>	Maintaining constructive, positive relationships with our host communities is at the heart of how we operate. We have established agreements with local Ejidos, the primary landholders that touch our operations, as well as Community Development Agreements (CODECOPs) with eleven local communities. We work with these communities and make significant investments to improve the lives of community members and to create lasting socioeconomic benefits.	48
<b>CORPORATE GOVERNANCE</b>	Robust corporate governance mechanisms are critical for the effective oversight of the Company's affairs. These mechanisms also provide confidence to our investors and stakeholders in our ability to manage risk and deliver on our financial and operational performance.	23
<b>ENERGY AND CLIMATE CHANGE</b>	Mining is an energy-intensive industry. As such, there are significant opportunities to adopt new technologies to drive reductions in energy usage and carbon consumption. Climate change risks may also potentially impact our operational infrastructure. We also recognize the important role that companies such as Torex can play in contributing to the solution on climate change.	64
<b>HUMAN RIGHTS</b>	We recognize that Torex, like all mining companies, has the potential to have adverse human rights impacts on stakeholders without proper controls in place to mitigate potential impacts and risks. We are committed to understanding these potential impacts to mitigate any potential adverse effects.	56
<b>LABOUR RELATIONS</b>	Our business relies on the attraction and retention of a highly skilled workforce. We therefore aim to create a workplace culture that serves as a strategic differentiator, including a strong focus on training and development. Maintaining constructive and positive relationships with the local union is also critical to business continuity and success.	34

As part of our approach to performance and disclosure on ESG, we identify and prioritize ESG topics that are most important to our business and all those who share stakes in Torex.

AREA	DESCRIPTION OF IMPACTS	PAGE
HEALTH AND SAFETY	We have built robust health and safety management systems to prudently manage the inherent safety risks associated with mining. Ensuring no lives are lost or negatively changed as a result of a workplace injury is a primary indicator of our success as a Company.	40
WATER MANAGEMENT	Water is essential in our mining and processing activities and we operate in close proximity to a major waterway. We recognize that water is a key shared resource requiring effective stewardship and collaboration with a broad range of stakeholders. As such, water is a key focus of our community investment and programming with local communities.	73
WASTE AND HAZARDOUS MATERIALS MANAGEMENT	Mining and processing activities generate multiple waste streams and involve the use of chemical reagents. As such, effective management is required to protect the safety of our employees and the surrounding environment.	80









## PERFORMANCE ON ESG GOALS AND TARGETS

### 2021 Progress on ESG Goals and Targets

Setting high standards and clear metrics to drive our ESG management and performance is central to our approach to ESG. To support this, we set annual goals and targets and publicly report on our progress. Our ESG goals and targets are closely linked to our executive compensation and Company-wide performance incentive plan. By linking ESG performance into our broader financial performance, we ensure that ESG is a core part








of our business strategy, development, and growth. This also enables us to ensure excellence in ESG continues to be a strategic differentiator for our Company.

The tables below summarize progress on our 2021 goals and outline our ESG objectives for 2022. Goals marked with an asterisk are directly linked to executive compensation and Company-wide incentive plans.<sup>3</sup>

AREA	2021 GOAL	PROGRESS
SAFETY AND HEALTH	Zero fatalities	 <b>ACHIEVED</b>
	Lost Time Injury Frequency (LTIF) <1.0*	 <b>ACHIEVED</b> The Company ended 2021 with an industry-leading LTIF of 0.14
ENVIRONMENT	Zero reportable spills of 1,000 litres or more that report to a natural water body*	 <b>ACHIEVED</b> There were no spills at the operations that were reportable to environmental authorities
	100% compliance with environmental quality standards	 <b>ACHIEVED</b>
	Continue development of overall climate change and energy management strategy	 <b>ACHIEVED</b> We completed a climate change materiality assessment, enhanced our Executive and Board-level climate governance, integrated climate risks into our overall enterprise risk management (ERM) system, and completed a high-level carbon reductions study. In early 2022, we conducted a detailed energy audit at the operations to enable the setting of short, medium, and long-term targets
	Report against the CDP (formerly Carbon Disclosure Project) Climate Change Questionnaire	 <b>ACHIEVED</b> Received a score of “C” in 2021, an improvement from our 2020 score of “D”. Our response can be found on the CDP public website
	Conduct gap analysis against new GISTM	 <b>ACHIEVED</b> The gap analysis was completed by external experts. With the gap analysis completed, the Board of Directors have approved management’s recommendation to formally adopt the GISTM, with a view to full compliance in 2025
	Become signatory to the ICMC and continue progress towards implementation	 <b>ACHIEVED</b> The Company became a signatory to the ICMC in May 2021. Implementation of an action plan is currently underway with the aim of achieving full certification in 2024



Setting high standards and clear metrics to drive our ESG management and performance is central to our approach to ESG. To support this, we set annual goals and targets and publicly report on our progress.

AREA	2021 GOAL	PROGRESS
COMMUNITY	100% compliance with commitments set out in CODECOPs signed with 11 local communities	 <b>ACHIEVED</b> No deviations from agreements
	Conduct annual monitoring of human rights performance aiming for zero authenticated complaints	 <b>ACHIEVED</b> No authenticated human rights complaints received
HUMAN RIGHTS	Continue implementation of Human Rights Management System in alignment with requirements of the RGMPs	 <b>IN PROGRESS</b> A human rights impact assessment and assessment against the Voluntary Principles on Security and Human Rights (VPSHR) was completed by external human rights experts in early 2022. An action plan is currently in development to address recommendations made by the assessors
	Continue to enhance disclosure on ESG and improve scoring among key ratings agencies*	 <b>ACHIEVED</b> The Company participated in a variety of disclosure exercises and markedly improved ESG scores across several ratings agencies
TRANSPARENCY	Launch new website in H2 2021, with dedicated ESG Reporting Portal	 <b>ACHIEVED</b> We launched new website and ESG Reporting Portal in Q2 2021
	Conduct self-assessment against the World Gold Council RGMPs and obtain independent verification and assurance of the results*	 <b>ACHIEVED</b> We completed the self-assessment with subject-matter experts from our internal ESG Working Group and issued a Year 1 RGMP Implementation Progress Report. KPMG provided independent verification and assurance of the results. This fulfilled the Year 1 implementation requirements defined by the World Gold Council
GENERAL	Continued implementation of digital systems for ESG data management	 <b>IN PROGRESS</b> To conform with Company-wide IT management system development

<sup>3</sup> For additional details on goals and targets that are directly linked to executive compensation and Company-wide incentive plans, see pages 7 and 8 of our Q4 2021 MD&A on our website.

## 2022 ESG Goals and Targets

Goals marked with an asterisk are directly linked to executive compensation and Company-wide incentive plans.<sup>4</sup>

AREA	2022 GOAL
SAFETY AND HEALTH	Zero fatalities*
	No lost time injuries*
	Continue to implement SafeStart® and SmartCap to maintain and build upon safety excellence*
	Finalize and implement our Contractor Safety Management System
ENVIRONMENT	Zero reportable spills of 1,000 litres or more that report to a natural water body*
	Continue the development of our overall climate change and energy management strategy and publicly release short, medium, and long-term energy and greenhouse gas (GHG) emissions targets with the ultimate goal of net zero emissions*
COMMUNITY	Report against the 2022 CDP Climate Change Questionnaire
	100% compliance with commitments set out in CODECOPs signed with 11 local communities
HUMAN RIGHTS	Conduct a socioeconomic benefits study with external experts to measure direct, indirect, and induced benefits for local communities and regional and national stakeholders
	Develop an action plan to address the recommendations made by external experts in our human rights impact assessment and VPSHR
TRANSPARENCY	Update our Company-wide human rights policy to formalize our human rights commitments under one umbrella
	Maintain or improve scoring from key ESG ratings agencies
GENERAL	Continue implementing the requirements of the RGMPs to help achieve full conformance by end-2024*
	Update key ESG policies, including our Diversity Policy, Social Harmony and Human Rights Policy, and Environmental Protection Policy
	Develop an integrated three-year action plan to achieve conformance with key ESG standards, including the ICMC, the GISTM, and RGMPs*

<sup>4</sup> For additional details on goals and targets that are directly linked to executive compensation and Company-wide incentive plans, see pages 7 and 8 of our Q4 2021 MD&A on our website.

## SPOTLIGHT

# WORLD GOLD COUNCIL RESPONSIBLE GOLD MINING PRINCIPLES



We are a proud member of the World Gold Council and are committed to the adoption of the Responsible Gold Mining Principles (RGMPs). Implementing the RGMPs is aligned with our core Company values as well as our longstanding and unwavering commitment to responsible gold mining.

Working with its members, the world's leading gold mining companies, and in conjunction with key industry stakeholders, the World Gold Council developed the RGMPs as a set of 10 Principles and 51 sub-principles to address key ESG issues material to the gold mining sector. The RGMPs were designed to provide confidence to governments, investors, employees, communities, supply chain partners and civil society that gold is produced responsibly.

In 2021, we completed the year-one requirements for implementing the RGMPs, which included a self-assessment against the requirements of the standard. The self-assessment was completed in conjunction with subject matter experts from our operations and Corporate Office through our internal ESG Working Group. We received independent assurance for the self-assessment, and in October 2021 publicly communicated the results through an annual Progress Report, which can be found on our public website.

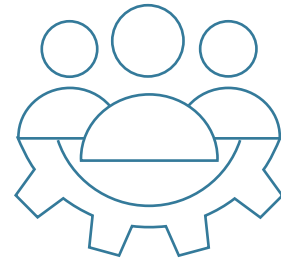
Completing the assessment was a goal directly linked to executive compensation and Company-wide incentive plans. In 2022 we will continue to advance initiatives to achieve full conformance with the RGMPs within the prescribed three-year timeline.



# GOVERNANCE







24	BOARD OF DIRECTORS
25	GUIDING POLICIES
26	BUSINESS ETHICS AND TRANSPARENCY
26	RISK MANAGEMENT
27	SPOTLIGHT: GLOBE AND MAIL “WOMEN LEAD HERE” HONOUREE
29	DIVERSITY AND GOVERNANCE
29	EXECUTIVE TEAM
29	ESG GOVERNANCE
30	CYBERSECURITY
30	PUBLIC POLICY ADVOCACY





Robust corporate governance mechanisms are critical for the effective oversight of the Company's affairs. These mechanisms also provide confidence to our investors and stakeholders in our ability to deliver on financial and operational performance according to industry best practice and with the highest level of ethics, rigour and corporate social responsibility.

## BOARD OF DIRECTORS

Our Board of Directors is the highest governance body within our organization. The Board is responsible for governing the management of the business and affairs of the Corporation. The Board fulfills its oversight responsibilities both directly and indirectly through various committees, including the following:

- 🔦 Audit Committee
- 🔦 Compensation Committee
- 🔦 Corporate Governance and Nominating Committee
- 🔦 Safety and CSR Committee
- 🔦 Technical Committee

In 2021, as part of a broader Board-initiated refresh, our shareholders approved several changes to the composition of our Board of Directors.

The structure of our Board was enhanced in several respects, including its independence. For example, the Board appointed Mr. Rick Howes as Board Chair, who is Independent. In addition, the independence of the Board improved from 80% to 89% in terms of composition and a full 100% of Board Committees are now comprised of Independent Directors.

Our Director tenure metrics materially improved in 2021 due to the appointment of four new Directors, two of whom are female. This also improved the gender diversity of our Board, which is now comprised of 44% women. This proportion of female representation is 22% above the average for companies listed on the TSX and 25% above mining companies listed on the TSX that provided public disclosure by mid-2021.<sup>5</sup> 40% of our Board Committees are now chaired by women, including the Compensation Committee and the Safety and CSR Committee, which is primarily responsible for ESG oversight.

These changes, combined with other corporate governance initiatives, resulted in the Company receiving a Governance QualityScore of "1" from Institutional Shareholder Services (ISS), a leading global proxy advisory firm, which is the highest possible governance score that ISS provides.

<sup>5</sup> Osler, 2021 Diversity Disclosure Practices – Diversity and leadership at Canadian public companies



We received a Governance QualityScore of “1” from Institutional Shareholder Services (ISS), a leading global proxy advisory firm, which is the highest possible governance score that ISS provides.



Details of our Board and Committee mandates, articles and by-laws, and position descriptions can be found on our public website. Full disclosure of our corporate governance practices is contained in our latest Annual Information Form (AIF) and Management Information Circular (MIC), both of which are publicly available on our website.

Additional governance performance metrics are available in the ESG Performance Data Tables on page 84 of this Report.

## GUIDING POLICIES

Our approach to doing business is guided by a set of policies that are applicable across our entire business. They are designed to ensure that personnel at all levels of the organization are aware of their responsibilities and expectations regarding their conduct and behaviour. The policies are developed by executive management and approved by our CEO and Board of Directors. Our main policies related to ESG are listed in the graphic on the left.

In 2022, we will be initiating a review and refresh of key ESG policies, including, but not limited to the following:

- Social Harmony and Human Rights Policy
- Environmental Protection Policy
- Safety and Health Policy
- Diversity Policy
- Code of Business Conduct and Ethics
- Anti-Bribery and Anti-Corruption Policy
- Whistleblower Policy

At the operational level, we also maintain a Social Responsibility Policy for Contractors, which outlines contractor requirements for doing business with the Company. This Policy sets standards of conduct and includes provisions for health and safety, labour requirements, and local hiring and procurement.

**We are committed to conducting our business with the highest standards of ethics and integrity in line with our core values, which include being trustworthy, honest and fair.**

## **BUSINESS ETHICS AND TRANSPARENCY**

We are committed to conducting our business with the highest standards of ethics and integrity in line with our core values, which include being trustworthy, honest and fair. Our Code of Business Conduct and Ethics (the “Code”) outlines the guiding principles and standards of conduct expected of people at every level of our organization, including our Board of Directors.

Our Company is subject to various anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act (CFPOA) as well as Mexican laws and regulations. According to Transparency International’s 2021 Corruption Perceptions Index, Mexico scored 31/100, which indicates a high risk for potential corruption in the jurisdiction in which we operate. We implement a variety of measures to control this risk and promote transparency in our business activities.

Our Anti-Corruption and Anti-Bribery Policy, available on our public website, serves as the foundation of our approach to managing corruption and bribery risks. The purpose of the policy is to guide the Company and its representatives to conduct themselves in an honest and ethical manner as well as to comply with all applicable anti-bribery and anti-corruption laws. The policy contains compliance procedures and mechanisms for reporting potential violations, including a whistleblower mechanism. The policy is communicated to all staff employees through employee onboarding and an annual attestation process. Attestation is required from all staff employees annually.

As per the Company’s Anti-Bribery and Anti-Corruption Policy, the Company prohibits donations or contributions to any candidate for public office or political party in the name of the Company. As a result, we did not make any political contributions to candidates for public office in 2021. We also report our payments to governments annually as per the Canadian Extractives Sector Transparency Measures Act (ESTMA). Our annual ESTMA reports are available on our public website.

Bribery and corruption risks are regularly incorporated into our ongoing risk assessment process. Bribery and corruption risk assessments were also integrated into a third-party human rights impact assessment that the Company completed in early 2022.

We maintain a Whistleblower Policy to promote further openness and transparency. This Policy contains a provision for a whistleblower hotline through which anyone, including all employees, contractors, vendors and members of the public, can submit a complaint regarding potential wrongful behaviour. Complaints can be submitted anonymously, and all complaints are treated confidentially. Retaliation against an individual submitting a complaint in good faith is strictly prohibited.

In 2021, there were no legal actions taken against the Company or its subsidiaries in relation to corruption, anti-competitive, or anti-trust behaviour. There were no incidents in which employees were dismissed or terminated for anti-corruption related issues and there were no contracts with business partners that were terminated for anti-corruption related issues.

## **RISK MANAGEMENT**

We maintain a robust risk management framework to identify, assess, mitigate and control risks across the business.

The Board of Directors is responsible for ensuring that procedures are in place to appropriately manage the principal business risks of the Company and reviewing these risks with the Executive Team to ensure adequate controls are in place to manage the risks appropriately. This includes monitoring the emergence of new opportunities, trends and risks, and understanding the potential implications of these factors on the strategic direction of the Company.



SPOTLIGHT

## GLOBE AND MAIL “WOMEN LEAD HERE” HONOUREE

In March 2022, for the third consecutive year, the Company was named as an honouree to the Globe and Mail Report on Business “Women Lead Here” list, an annual editorial benchmark to identify best-in-class executive gender diversity in corporate Canada. Established in 2020 by Report on Business magazine, the “Women Lead Here” initiative applies a proprietary research methodology to determine Canadian corporations with the highest degree of gender diversity among executive ranks. In total, 74 companies earned the 2022 “Women Lead Here” seal, and we were proud to be among them – one of only nine mining companies to be named to the list.



————— 2022 —————  
**REPORT ON BUSINESS**  
**WOMEN LEAD HERE**

## ~~GREAT FEMALE LEADERS~~ ARE BUILT HERE



We are proud to recruit the best and brightest who have the drive and capability to create positive change. Team members across the company are becoming the next generation of leaders. **Not because they are female, but simply because they are great.**

Torex Gold is a Canadian gold producer, responsibly mining in Mexico.





**We believe that decision-making is enhanced through diversity in the broadest sense, and we have adopted a Diversity Policy to reflect this principle.**

All corporate and operational risks are stored in risk registers, and they are regularly reviewed by senior management. We also conduct regular risk assessments for major projects, the most recent of which was conducted in 2021 and early 2022 for the Media Luna Project, which included specific ESG topic areas such as health and safety, environment, and community relations. Environmental and social risk assessments are also key components of environmental and social impact statements (ESIAs), the most recent of which

was conducted as part of permitting for the Media Luna Project. More information related to project-level risks for the Media Luna Project can be found in Section 25.10 of the Morelos Property NI 43-101 Technical Report dated March 31, 2022, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on our public website.

Board Committees oversee risk management as part of their respective mandates and report quarterly on their activities to the Board. The highest-ranking executives with responsibility for risk management at an enterprise and operations level are our Chief Financial Officer (CFO) and our Senior Vice President Mexico, respectively. Overall ERM accountability rests with our CEO.

More information related to significant risk factors can be found in our 2021 AIF, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on our public website.

## DIVERSITY AND GOVERNANCE

We believe that decision-making is enhanced through diversity in the broadest sense, and we have adopted a Diversity Policy to reflect this principle. In the context of an effective Board, diversity includes expression of thought, business experience, skill sets and capabilities. We believe that diverse skills and backgrounds help create a business environment that encourages a range of perspectives and fosters excellence in corporate governance and the creation of shareholder value.

Our Diversity Policy defines merit as the key requirement for appointment to the Board and employee advancement. In identifying suitable candidates for appointment to the Board or in selecting and assessing candidates for executive positions, candidates are considered on merit against objective criteria regarding experience, education, expertise and knowledge, with due regard for the benefit of diversity.

Currently, the Board is comprised of 44% women, which is approximately 22% higher than the average among TSX-listed mining companies and 25% higher than all TSX-listed companies that provided public disclosure by mid-2021.<sup>6</sup>

## EXECUTIVE TEAM

Our Executive Team is made up of a diverse group of professionals that collectively bring a wide variety of experience in all facets of mining operations and support functions. To ensure we attract the very best talent possible, individuals at the executive level are carefully selected using a thorough selection and vetting process. This process assesses not only technical experience, but also “fit” with our core values and other critical selection criteria including competence, capability, character, and curiosity. We believe this approach has been instrumental in the creation of a diverse workforce and inclusive culture.

At the end of 2021, we achieved gender parity on our Executive Team, with women comprising half its members.<sup>7</sup> This is 32% higher than companies listed on the TSX and 35% higher than the average female composition of executive management teams among TSX-listed mining companies in 2021 that provided public disclosure by mid-2021.<sup>8</sup> With the departure of our Vice President, Human Resources and Organizational Effectiveness, as at March 31, 2022, there was 43% female representation on our Executive Team.

<sup>6,8</sup> Osler, 2021 Diversity Disclosure Practices – Diversity and leadership at Canadian public companies

<sup>7</sup> Note that at time of publishing of this Report, there are seven members of the Executive Team, three of whom are women.

**We recognize that robust ESG performance requires integration throughout the business. Doing so helps embed ESG in core business functions. One of the ways we achieve this is through our Company-wide ESG Working Group.**

## ESG GOVERNANCE

Our Executive Team maintains senior management oversight of ESG topics and issues. The team meets weekly and ESG topics are discussed as part of cross-boundary updates at each weekly meeting. Primary executive accountability for ESG matters rests with our Senior Vice President, Human Resources, ESG & Communications, who reports directly to our CEO.

The Safety and CSR Committee of the Board of Directors maintains Board-level oversight of ESG matters. Executive management reports quarterly to this Committee.


We recognize that robust ESG performance requires integration throughout the business. Doing so helps embed ESG in core business functions. One of the ways we achieve this is through our Company-wide ESG Working Group. This group is comprised of senior corporate and operations leadership representatives across various ESG topic areas. The ESG Working Group is instrumental in providing subject matter expertise for various areas of the business and in advancing ESG initiatives across the Company.

The mandate of the ESG Working Group includes the following activities:

- Provide subject-matter expertise
- Assist with the implementation of global ESG standards, including the RGMPs, ICMC and GISTM
- Assist with various ESG disclosures, including the annual Responsible Gold Mining Report
- Consider and recommend improvements to ESG-related policies and practices of the Company

The ongoing work of this group will continue to be instrumental in advancing key ESG initiatives across the Company.





**We provide annual training to our corporate employees on cybersecurity. In 2021, we achieved a 100% completion rate for the training.**

## CYBERSECURITY

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We implement a variety of specific control measures to manage information technology (IT) risks to protect personal and corporate security. Doing so is critical for reliable and resilient business operations.

We maintain an IT Policy that outlines our approach to managing IT risks. The objective of this policy is to protect IT assets and to mitigate the risk of accidental or intentional disclosure, modification, loss, damage, and/or misuse of information.

As part of its mandate, the Audit Committee of the Board of Directors maintains risk oversight of IT services and systems. The Audit Committee is chaired by Mr. Tony Giardini, who is considered to have expertise in IT and cybersecurity.

Our CFO is the senior-most executive responsible for the management of IT matters. Senior management reports quarterly to the Audit Committee on the Company's cybersecurity risk and IT controls program.

We provide annual training to our corporate employees on cybersecurity. In 2021, we achieved a 100% completion rate for the training. Employees receive annual cybersecurity awareness training by email and online distribution along with frequent phishing simulation tests.

More information related to IT risks and our management controls can be found in our 2021 AIF available on our public website.

## PUBLIC POLICY ADVOCACY

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The Company is a member of multiple industry associations to advocate for relevant aspects of public policy and responsible mining in Mexico. This includes Cámara Minera de México (CAMIMEX), the Mexican Mining Chamber, whose purpose is to foster the positive development of the mining and metals industry in Mexico. With its affiliate companies, CAMIMEX promotes the implementation of best ESG practices to strengthen the performance of member companies.

We are also members of the Guerrero Mining Cluster, which is comprised of mining companies operating in Guerrero State as well as local suppliers. The primary objectives of the association are to foster collaboration between mining companies, local suppliers, and governments as well as to promote responsible mining practices in the State.

The Company is also part of the Canadian Chamber of Commerce in Mexico (CANCHAM), which represents Canadian business interests in Mexico and promotes trade and investment between Mexico and Canada.

While we advocate independently and through these industry associations, we do not make any political contributions to influence public policy. In accordance with our Anti-Corruption and Anti-Bribery Policy, the Company did not make any contributions to candidates for political office in 2021.

Bienvenido!!! Welcome!!!  
**PORTAL #3**  
Mina Subterránea  
"El Limón Guajes"  
Su Seguridad es nuestra prioridad...



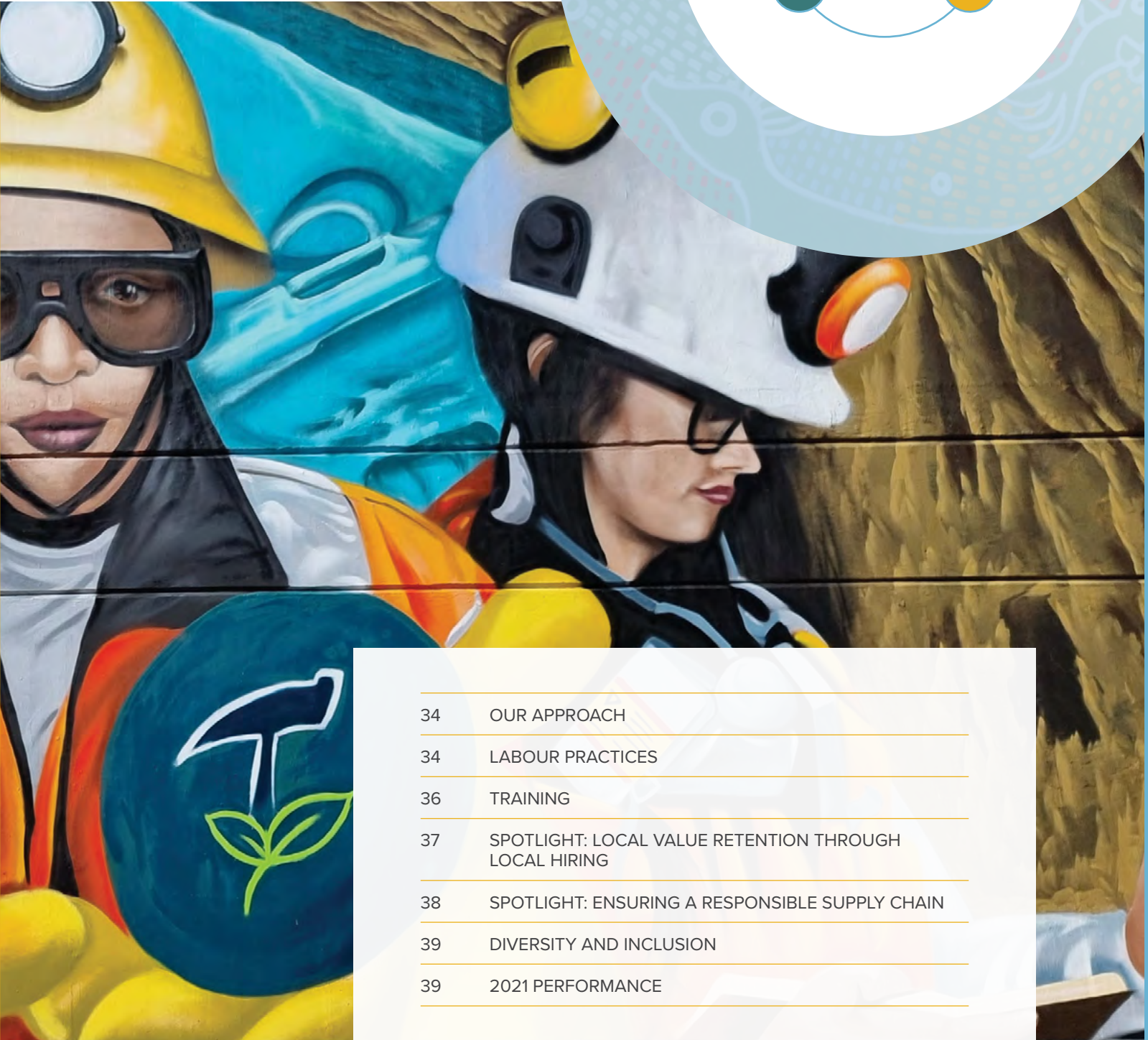


SOCIAL

# OUR PEOPLE







34	OUR APPROACH
34	LABOUR PRACTICES
36	TRAINING
37	SPOTLIGHT: LOCAL VALUE RETENTION THROUGH LOCAL HIRING
38	SPOTLIGHT: ENSURING A RESPONSIBLE SUPPLY CHAIN
39	DIVERSITY AND INCLUSION
39	2021 PERFORMANCE

Mining is a highly complex and labour-intensive industry. As a result, we rely on the talent, dedication, and hard work of our employees to achieve our business success. Recruiting, retaining, and developing the right people in the right roles is a core part of our business philosophy.

## OUR APPROACH

We believe that our workplace culture is a key competitive differentiator for our Company and one that is critical to driving excellence in safety, productivity, innovation, and social responsibility. Our approach to developing an effective workplace culture is grounded in Systems Leadership, with the aim of creating an environment where people willingly give their best.

We have implemented a comprehensive set of 16 "People Systems" to clarify work, pay fairly, fill roles, manage performance, build capability, and resolve complaints. These People Systems are interconnected with a variety of other operational systems, and based on the four key guiding principles of our organization: simplicity, clarity, mutuality and meritocracy.

These systems and tools are used against the backdrop of our values, illustrated on page 14 of this Report, which have guided our behaviours and actions as a Company from our very beginnings. We believe that when we operate on the left side of the values continua, we create productive and long-lasting relationships built on trust that contribute to excellence in business results. These values will continue to guide our behaviours and business philosophy now and into the future.

## LABOUR RELATIONS

All of our operational labour policies and procedures are designed to achieve compliance with all Mexican labour laws and regulations.

Our Code of Business Conduct and Ethics (the "Code") outlines key standards of conduct for establishing a workplace based on respect and dignity. The Code is applicable across the entire Company. As per the Code, we will not tolerate:

- Discrimination against any individual or group based on race, gender, religion, national origin, marital or family status, sexual orientation, age, physical limitation, political affiliation or any other personal characteristics protected by law.
- Intimidation, harassment or bullying of any kind, with harassment being any type of repeated unwelcome behaviour, including sexual, racial, religious, psychological, physical, verbal or other abuse.
- Workplace violence of any kind, with workplace violence being any act in which a person is abused, threatened, intimidated or assaulted in his or her employment.

We maintain a Fair Treatment System, the purpose of which is to resolve employee complaints about perceived unfair treatment in the workplace. This system is comprised of policies and procedures through which employees can issue complaints and ensure their fair resolution. Any employee or contractor may also report concerns to our whistleblower hotline, and they can do so anonymously. A review of our Fair Treatment Policy was conducted as part of the human rights impact assessment that was completed by independent human rights experts in 2022. The assessors found that this procedure is well communicated in the Company, trusted by employees, and transparent.

We maintain a Reglamento Interior de Trabajo (the "Reglamento"), which are internal working regulations that define how the Company will align with, or exceed, requirements set out in Mexican labour laws. The Reglamento includes, among others, the following provisions:

- Company commitments to respect the rights of workers as defined in Mexican legislation, including the international human rights conventions Mexico is party to;





- ☛ Minimum age requirements, which in Mexico is 18, thereby prohibiting child labour in our workforce;
- ☛ Working hours policy, including provisions for overtime pay;
- ☛ Provisions for the fair payment of wages and salaries as well as vacation entitlements;
- ☛ Health and safety provisions, including the right to refuse unsafe work;
- ☛ Equal protections provisions for men and women, including for pregnant and breastfeeding women;
- ☛ A grievance mechanism to resolve complaints fairly and effectively.

We support the rights of our employees to unionize in alignment with Mexican laws and regulations as well

as the core conventions of the International Labour Organization (ILO). As at the end of 2021, 64% of our workforce was unionized and we work diligently to maintain effective relationships with the union.

We maintain five working committees comprised of management and employees, both unionized and non-unionized, which enable constructive relationships based on ongoing dialogue. These include the following committees:

- ☛ Productivity and Training Committee
- ☛ Safety and Health Committee
- ☛ Profit Share Committee
- ☛ Seniority Committee
- ☛ Internal Regulations Committee



Our approach to developing an effective workplace culture is grounded in Systems Leadership, with the aim of creating an environment where people willingly give their best.

These committees, combined with our grievance mechanisms and frequent employee communication routines, help establish a culture of open and transparent feedback.

We maintain a profit-sharing system for our employees in line with Mexican statutory requirements. All our employees – without exception – receive the same health benefits, which is an industry-leading practice in Mexico.

## TRAINING

Training is a central component of our overall approach to organizational effectiveness so that we develop employee capabilities to effectively perform their work. In addition to our technical training courses that build role-specific skills, we provide a program of social process training that helps our employees interact with others in a way that is positive and builds trust. This includes our flagship Working Together program, which is a combination of Systems Leadership theory and hands-on learning aimed at strengthening team leader and team member skills at all levels of the business.

One of our key leadership training programs is our Supervisor Excellence Program (SEP). With the SEP, we aim to develop the capability of our supervisors in Mexico to deliver the business excellence expected on safety, production, and costs. The program is comprised of classroom training, peer learning and individual coaching sessions, which are tightly coordinated to help Supervisors apply what they have learned back on the job. The SEP is designed and delivered in-house by our managers and technical specialists, which is also unique in the Mexican mining sector. Some 79 full-time employee supervisors participated in the program in 2021, representing 1,595 total hours of training for a total of 20 hours of training per person.

In 2021, we launched our Leadership Enhancement Program (LEP), designed for Superintendents, Managers and Directors both in Mexico and in our Corporate Office. The LEP aims to provide team leaders with tools and models to build a positive and productive workplace experience for their teams, and to clarify the work that leaders across the business are expected to do so that productive teamwork is routinely achieved within and across teams.



## SPOTLIGHT

# LOCAL VALUE RETENTION THROUGH LOCAL HIRING

Employment with the Company is one of the top interests for our host communities and we are proud to provide meaningful, well-paying jobs for many local community members.

A key part of our recruitment and hiring strategy is our "Program for Fairness and Transparency in Local Labour Recruitment". This program applies to our operations and contractors on site and is implemented through our Human Resources and Community Relations teams along with a Labour Committee. Clear processes for prioritizing local candidates to fill vacancies in the Company have been well-established through this program. As at the end of 2021, 44% of our employees are from local host communities, with 61% from Guerrero State.







## SPOTLIGHT

# ENSURING A RESPONSIBLE SUPPLY CHAIN

We maintain a Social Responsibility Policy for Contractors to ensure our partners live up to the ESG standards that we expect from those that work with us. This policy includes provisions stating that all contractors and sub-contractors must comply with Mexican labour laws.

We also maintain a system to verify that all contractors have paid Mexican taxes as well as the required social security payments for each employee. Contractors are contractually obliged to send monthly reports of their payroll and certification of the tax payments to our Human Resources department in Mexico.

Establishing safe working conditions is also a key component of a new Contractor Management System that we established in early 2022. Every contractor and their sub-contractor(s) must verify that they have a Health, Safety & Environmental (HSE) Policy and Program, or the core elements of one. The Contractor Management System covers all contractors and sub-contractors.



## DIVERSITY AND INCLUSION

We implement a variety of programs at the operational and community levels to promote the advancement of women. We do so recognizing that mining is traditionally a male-dominated industry with economic benefits disproportionately accruing to men in the form of employment and procurement.

Since 2018, we have implemented a female haul truck driver program to provide well-paying employment for women from our host communities. To date, we have trained approximately 27 women with 16 women currently employed as drivers within our operations.

### People

METRIC	2021	2020
Number of operations employees	1,020	924
Number of operations contractors	1,689	1,675
Percentage of employees from local communities	44	44
Percentage of employees from Guerrero	61	60
Percentage of employees from Mexico	99	99
Total training hours	82,599	45,925
Average training hours per person	35	12

As at the end of 2021, 16% of our operational employees were female, up from 14% in 2020. Within our Corporate Office in Toronto, 39% are female. As at March 31, 2022, 44% of our Board of Directors were female and 43% of our Executive Team is female. For more information on our approach to diversity at the Board and Executive Team levels, see page 24 of this Report.

## 2021 PERFORMANCE

The table below presents key metrics related to our workforce and organizational excellence initiatives. More comprehensive data can be found in the “Our People” section of the ESG Performance Data Tables on page 84 of this Report.



SOCIAL  
HEALTH  
& SAFETY







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42 MANAGEMENT APPROACH

---

43 SPOTLIGHT: CONTRACTOR MANAGEMENT SYSTEM

---

44 SPOTLIGHT: MINING MAGAZINE AWARD

---

44 EMERGENCY PREPAREDNESS

---

45 TRAINING

---

45 2021 PERFORMANCE

---

46 SPOTLIGHT: SAFETY EXCELLENCE THROUGH NEXT GENERATION TRAINING AND TECHNOLOGY

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47 SPOTLIGHT: COVID-19 MANAGEMENT

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Health and safety form the core of our overall success as a Company. We know that when health and safety performance is excellent, excellence in production and other operational aspects follow suit.



Health and safety form the core of our overall success as a Company. We know that when health and safety performance is excellent, excellence in production and other operational aspects follow suit. We also know that excellence in safety performance doesn't "just happen" – it's achieved through a culture of effective leadership, interconnected systems, disciplined adherence to clear rules, and lived values that, in turn, inspire everyone to willingly give their best every day. Over the years, we have built a robust safety culture across our business with the goal of "no lives lost and no lives changed".

## MANAGEMENT APPROACH

Our Safety and Health Policy serves as the foundation of our approach to manage safety and health risks and promote a culture that recognizes safety and health as both individual and collective responsibilities. The policy applies to all employees, contractors, and visitors to our operations, and is publicly available on our website.

We maintain a comprehensive operational Health and Safety Management System that is based on the "plan-do-check-act" model. We implement the system in alignment with Mexican federal labour laws, including

## SPOTLIGHT

# CONTRACTOR MANAGEMENT SYSTEM

In early 2022, we enhanced our integrated safety systems to include a Contractor Management System, which is intended to align contractor work and performance to Torex operational policies, principles and systems. The Contractor Management System includes a clear set of processes to manage the health, safety, environment, and quality (HSE&Q) aspects throughout the bidding, work performance, and assessment stages of managing a contract. This includes:

- Pre-qualification screening requirements, including an evaluation of safety performance and potential risks.
- Once pre-qualified, a requirement to submit an HSE&Q policy or program prior to a job being awarded, and subsequently a detailed site-specific plan before commencing any work. The policies and programs are then scored on a scoring matrix. If a scoring result is below a particular threshold, it will trigger a request for the contractor to review and upgrade their program prior to proceeding with work. If they fail to do so, they will be disqualified from the process.
- During work being performed, the contractor and Torex must perform periodic monitoring and auditing appropriate to the scope and nature of the work being performed, as per the approved HSE&Q Systems implemented at the operations.
- Completing a post-work performance audit.

Adherence to the Contractor Management System is now a requirement as part of all contractual arrangements between Torex, contractors and sub-contractors.

regulations of the Mexican Secretariat of Labour and Social Security. The system is also aligned with the IFC Environmental, Health and Safety Guidelines and IFC Performance Standard 2 on Labour and Working Conditions. A full 100% of our employees and contractors are covered by the system.

The system is led by a team of health and safety specialists at both the corporate and operational levels. Our SVP Mexico, who reports directly to the CEO,

maintains primary system accountability. Our Safety and CSR Committee of the Board of Directors provides Board-level oversight of the system. The system is audited internally on a regular basis and undergoes periodic regulatory audits.

Risk management is a core system element, including clear processes for identifying, analyzing, and evaluating health and safety risks. This includes detailed risk assessment tools, such as bowtie analysis, hazard



## SPOTLIGHT

# MINING MAGAZINE AWARD



We are very proud that our excellence in safety performance has been noticed within our industry by our peers, key mining associations and key mining media. We are very open to sharing the approach we take to ensure we keep our people safe, and to learning from others about where we can improve.

In recognition of our safety excellence, in January 2022 we were awarded a 2021 Safety Award by Mining Magazine, a global industry publication, for our excellence in health and safety management and performance.

and operability studies, and failure mode and effects analysis. Health and safety risks are integrated into our operational risk register, which is monitored weekly by specialist staff. We also use an incident management system for reporting and investigating incidents, near misses, and unsafe conditions.

We provide on-site occupational health services for our employees and contractors. To promote worker health, we provide all our employees with comprehensive private medical coverage.

We also implement a Contractor Management System to ensure robust safety and health management within our contractor workforce. Additional details on our Contractor Management System can be found in the Spotlight on the previous page of this Report.

## EMERGENCY PREPAREDNESS

We implement multiple emergency preparedness and response programs to prevent and respond to accidents and emergencies. Our Emergency Management Plan outlines key criteria for a variety of potential risks that have been identified in relation to people, the environment, the Company's assets, and local communities. The program contains an incident management procedure to define clear processes for a safe and effective response for any potential incident.

We maintain a site-level Emergency Management Team and a hybrid operations and corporate Crisis Management Team. These teams conduct regular crisis management and scenario training to prepare for potential incidents. Managerial responsibility for the Emergency Management Team rests with the SVP Mexico, with responsibility for the Crisis Management Team resting with the VP, Health and Safety. The emergency response programs include multiple mine rescue scenario drills annually.

Stakeholder identification and communication procedures are also in place to enable effective communication with a variety of key stakeholders and regulatory officials at the local, regional, national, and international levels. Specific protocols are in place to ensure transparent communication for these stakeholder groups.

We implement additional protocols and procedures related to accident prevention and emergency preparedness as part of our Environmental Quality and Monitoring Program. This includes procedures for incidents related to hazardous materials. In 2021, we also began updating our emergency response protocols with local communities, which includes training elements for local community members as part of the implementation of the ICMC. We also maintain close relationships with local authorities and nearby mining operations in the event of a major emergency.

## TRAINING

Training is a central component of our health and safety management systems. We provide a variety of traditional and behaviour-based training as well as leadership development programs to embed best safety practices and behaviours at all levels of the organization.

In 2021, we continued the implementation of SafeStart® at our operations and within our Corporate Office. Key elements of the program include providing practical skills and safety awareness training to reduce critical errors that can lead to safety incidents and injuries at work and at home.

In 2021, we also began piloting an innovative fatigue management technology in our operations called SmartCap. SmartCap utilizes electroencephalography (EEG) technology to enable enhanced predictive capacities to detect for drowsiness and fatigue, which is a key safety risk especially for our mobile equipment operators. In 2022, we plan to begin a multi-year strategy to deploy the technology in relevant areas of our operations.

These programs are a core component of our 2022 Safety and Leadership Excellence Plan and complements our Supervisor Excellence Program and Leadership Enhancement Program. The implementation of these programs are directly tied to our executive compensation and Company-wide incentive plans.

Training is also a key component of our Contractor Management System. Contractors and any subcontractors must adhere to a defined set of training modules as a condition of doing business with the Company. Monitoring of the training is completed by the Company to ensure compliance.

Full safety and health training metrics can be found in the ESG Performance Data Tables on page 84 of this Report.

**Factoring in both our employee and contractor workforce, we ended the year with more than 6 million hours worked without an LTI.**

## 2021 PERFORMANCE

We achieved another strong year of excellence in our safety and health performance in 2021. We ended the year recording an industry-leading LTIF of zero for our employees and 0.14 for employees plus contractors on a rolling 12-month basis. This achieved our annual safety goal of a combined LTI of less than 1.0, which was tied to our executive compensation and Company-wide incentive plan. Our combined Total Recordable Injury Frequency (TRIF) was 2.32 as at the end of 2021, an improvement from 2.52 in 2020. Factoring in both our employee and contractor workforce, we ended the year with more than 6 million hours worked without an LTI, and as at March 31, 2022 achieved more than 8 million hours worked without an LTI.

While the Company achieved excellent safety performance, we are not immune to "near miss" events. In November 2021, there was a short-term suspension of blasting activities due to a high potential uncontrolled blasting incident at Media Luna on the south side of the Balsas River. While there were no critical injuries or infrastructure damage, the Company fully investigated the incident to ensure that the appropriate standards were in order prior to resuming production.

Key year-over-year safety metrics are presented in the table below. Comprehensive safety metrics and indicators can be found in the health and safety section of the ESG Performance Data Tables on page 84 of this Report.

## HEALTH AND SAFETY METRICS (EMPLOYEES PLUS CONTRACTORS)

METRIC	2021	2020
Fatalities	0	0
LTIF	0.14	0.15
TRIF	2.32	2.52



SPOTLIGHT

## SAFETY EXCELLENCE THROUGH NEXT GENERATION TRAINING AND TECHNOLOGY

In 2021, we continued implementing a flagship safety training program called SafeStart®. We understand that when personal safety awareness goes up, injuries go down; as such, the program is aimed at providing tools and techniques to help employees become more self-aware to manage the risk of injury beyond just systems and physical controls.

A key element of the program focuses on the four "key states" that are most likely to lead to injury, including rushing, frustration, fatigue and complacency. Importantly, the program recognizes that off-the-job injuries are significantly higher than on-the-job injury rates; therefore, SafeStart® leverages employees' natural motivation and provides techniques to reduce injuries at work, at home and on the road.

We provided over 8,000 hours of training under the program. We will continue to implement the program in 2022. Importantly, our contractors are now required to participate in the program as part of our Contractor Management System.

In 2021, we also began piloting an innovative fatigue management technology in our operations called SmartCap. SmartCap utilizes electroencephalography (EEG) technology to enable enhanced predictive capacities to detect for drowsiness and fatigue, which is a key safety risk especially for our mobile equipment operators. We partnered with the Centre for Research in Occupational Safety and Health (CROSH) at Laurentian University in Sudbury, Ontario and MITACS, a Canadian, national research organization, to deliver the program. In 2022, we plan to begin a multi-year strategy to deploy the technology in relevant areas of our operations.



## SPOTLIGHT

# COVID-19 MANAGEMENT

Since the beginning of the global COVID-19 pandemic, we have worked diligently to maintain business continuity at our operations and protect the health and wellbeing of our workforce and host communities.

We have maintained a multi-layered approach to help mitigate the spread of the virus, including restrictions on access to site, comprehensive screening and testing through a mobile testing facility for all site visitors, and mandatory isolation requirements in the event of a positive COVID-19 test result. In 2021, we also worked with local government officials to coordinate transportation to a local vaccination clinic for our employees, contractors and local community members.

In early 2022, we established a Mandatory COVID-19 Vaccination Policy, which applies at all Company locations in all countries. All employees, contractors and visitors to the operations are required to be fully vaccinated or have a plan in place to do so. Certain medical exemptions are granted on a case-by-case basis.

At the end of March 2022, 99.7% of our employees and 89% of the contractor workforce were fully vaccinated against COVID-19, and 100% of the workforce was at least partially vaccinated.

In 2020, we were proud to be recognized by the national Mexican Institute of Social Security (IMSS) for our efforts in developing COVID-19 precautionary measures and in implementing robust protocols to mitigate contagion risks at the workplace. We will continue to work diligently to contain the spread of new COVID-19 variants as the pandemic transitions to an endemic state.





SOCIAL

# COMMUNITY RELATIONS




50	MANAGEMENT APPROACH
52	SPOTLIGHT: EMPOWERING LIVES THROUGH EDUCATION
53	COMMUNITY DEVELOPMENT
54	SPOTLIGHT: LIFE PLAN PROGRAM
55	SPOTLIGHT: CELEBRATING AND PRESERVING LOCAL CULTURE AND HERITAGE
56	HUMAN RIGHTS
57	SPOTLIGHT: COMMUNITY INVESTMENTS SOUTH OF THE BALSAS RIVER
58	SPOTLIGHT: TREATING VULNERABLE PEOPLE WITH DIGNITY AND RESPECT
59	2021 PERFORMANCE









**Building and maintaining positive, constructive community relationships based on our core values of trust, respect, honesty, fairness, and transparency is critical to earning and maintaining our social license to operate. Doing so is central to our operating philosophy and how we achieve our overall business success.**

## MANAGEMENT APPROACH

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Our Policy on Social Harmony and Human Rights outlines our Company-wide commitment to integrate positive community relations into our overall management systems. Stakeholder engagement is one of seven key components of our Environmental and Social Management System (ESMS) and a social management plan is a key component of our Environmental Quality and Monitoring Program.

We conduct socioeconomic baseline assessments for our major projects. We completed an assessment in 2015 for the ELG Mine Complex as well as an updated assessment in 2021 focused on the communities near the Media Luna Project. We regularly conduct and update stakeholder identification matrixes to identify key stakeholders impacted by our operations. The assessments consistently demonstrate that local communities and State, Federal, and local regulatory authorities, including local municipalities and Ejidos, are the stakeholders with the highest potential impact and influence on our business.

The vast majority of the land in and around our operations is ejidal land, which is a communal form of land ownership. Ejidal land is collectively administered and held by its members (Ejidos) as either common land, which is jointly owned by the members, or as parcels that are held by individual members. We have signed long-term lease agreements with the Río Balsas, Real del Limón, Atzcala, and Puente Sur Balsas Ejidos, and with individuals (ejiditarios/as) who "own" land parcels. In 2021, we paid \$13.1M for these agreements.

A key component of our community relations strategy is to negotiate and maintain unique CODECOPs with the 11 local communities nearest to our operations. More information on these unique agreements can be found on page 53 of this Report.

To ensure frequent, open and transparent communications, our Community Relations and

Public Affairs teams hold monthly meetings with local communities to keep the community informed about developments in our operations and consult on issues and topics as appropriate. We also maintain community relations offices in several local communities to enable community members to access community relations personnel.

In addition, we maintain a grievance mechanism to understand and respond to community concerns. The grievance mechanism is intended to address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all parties. The grievance mechanism was developed in 2013 and is aligned with IFC guidance on addressing grievances from project-affected communities. The grievance procedure is regularly reviewed in the spirit of continuous improvement.

Grievances can be submitted through a variety of means, including monthly community meetings, informal meetings with mine site staff, and the Company's formal grievance procedure. Grievances are classified according to their severity of impact and are subject to corresponding management controls to streamline Company responses and enable effective resolution. The grievance mechanism contains a commitments tracker system to digitally document and register all complaints. The grievance mechanism may be used by stakeholders to address grievances against contractors and subcontractors.

Employment is one of the primary interests for local stakeholders and we aim to fill vacancies locally as a priority. To do so, we implement a local hiring procedure, which includes an established Labour Committee to manage the decision-making process. We pride ourselves on the fact that approximately 44% of our workforce and 50% of our contractors come from local communities, and we will continually seek ways to increase these numbers.



The table below presents key community development metrics for 2021.

### Community Development

METRIC	2021	2020
Community Development Agreements (CODECOPs)	11	11
Direct investment in community projects (millions US\$)	\$4.1	\$4.0
Fondo Minero Payments (millions US\$)	\$34.4	\$16.9



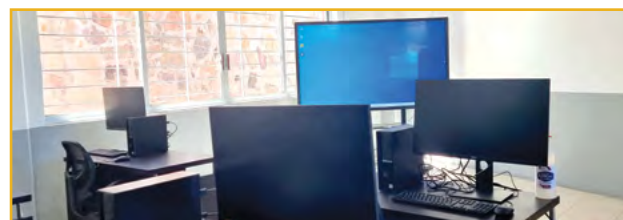
## SPOTLIGHT

# EMPOWERING LIVES THROUGH EDUCATION

Education is one of our major focuses for community investment in partnership with local communities. We do so recognizing that investing in education and skills development is one of the most significant ways we can have a truly lasting impact on the lives of local community members and fulfill our purpose of positively impacting the lives we touch. This is especially important in a region where young students often forego pursuing their education due to a lack of opportunities and existing cultural norms. This is particularly true of young females in the region, many of whom marry young and do not receive a full education.

One of our flagship educational initiatives is our Avanzando Juntos (Advancing Together) scholarship program for secondary and university students demonstrating high academic achievement. Since 2017, we have invested more than \$4 million pesos for 250 scholarships for local community members. At the end of 2021, we launched our most recent scholarship program, which focused on young students from local communities near our Media Luna Project on the south side of the Balsas River. Thirty-eight university students and 17 secondary students enrolled in the program, representing an investment of over \$1 million pesos.

In 2021, we also celebrated the opening of the “Luna de Oro” computer laboratory at the Zumpango campus of the Autonomous University of Guerrero. The laboratory is equipped with 20 high-end computers, an interactive 85-inch smart touchscreen LED screen, and 20 executive desks and chairs. This investment, representing more than \$1.5 million pesos, will support engineering students from the University with their studies.







## COMMUNITY DEVELOPMENT

Community development is at the heart of our approach to building strong community relationships and fulfilling our organizational purpose. We are committed to creating lasting economic prosperity for our host communities and to ensure that they will continue to thrive long after our mining operations are complete.

We implement unique, participatory CODECOPs (Convenios de Desarrollo Comunitario Participativo) in partnership with 11 host communities nearest to our operations. The CODECOPs outline the development commitments made by the Company and the roles and responsibilities of the communities and the Company in designing and delivering local development projects.

Local committees have been established for each CODECOP, which include requirements for female representation. Funding priorities are defined by the CODECOP committee representatives in consultation with community authorities and community members. Doing so helps build capacity in local communities and fosters a sense of ownership in the decision-making process, and the projects themselves.

Typical projects include infrastructure development and improvements, health initiatives, water and sanitation projects, education initiatives, and cultural initiatives. The Company invested approximately \$500,000 as part of

**The Company invested approximately \$500,000 as part of the CODECOPs in 2021 and in 2022 signed new annual agreements with the 11 host communities. In addition, we invested \$3.6 million in other direct community investments in 2021, often in partnership with local government agencies and other organizations.**

the CODECOPs in 2021 and in 2022 signed new annual agreements with the 11 host communities.

In addition, we invested \$3.5 million in other direct community investments in 2021, often in partnership with local government agencies and other organizations. Typical projects are similar to those implemented as part of CODECOP agreements.

In 2021, we also contributed approximately \$34.5 million to the Fondo Minero (Mexican Mining Fund) as per Mexican royalty arrangements. The purpose of the fund has traditionally been to invest in development projects in mining regions throughout Mexico; however, it is now primarily allocated to a federal budget for educational projects and initiatives.



## SPOTLIGHT

# LIFE PLAN PROGRAM

In 2021, we continued to implement our Life Plan Program with local youth in our host communities. Through the program, the Company works with students in their third year of secondary school to encourage them to continue their education and reach their full potential. Key themes are values, safety, health, culture, the environment, and sports. A key focus of the program is on young women from the region.

In 2021, 20 young women from Atzcala participated in the program. As part of the program outcomes, a youth club called the "Eagles of Atzcala" was formed. The club works on developing initiatives to improve waste collection within the community, while gaining skills in program management and fostering a sense of community pride.



SPOTLIGHT

## CELEBRATING AND PRESERVING LOCAL CULTURE AND HERITAGE

Guerrero State is rich in cultural heritage and tradition, with early human settlement dating back over 20,000 years. The region has been inhabited and influenced by several major civilizations dating back to the Olmecs, the earliest known major Mesoamerican civilization and the Aztecs.

We have a longstanding partnership with the Mexican National Institute of Anthropology and History (INAH) to preserve local cultural heritage resources. Cultural heritage baseline studies have been conducted for the ELG Mine Complex and Media Luna Project in partnership with INAH, and we implement their "Chance Finds Procedure" in the event any potential items of significance are found within our operational footprint as part of our Protocol for Safeguarding Archaeological and Paleontological Heritage.

We also regularly support cultural heritage events in our local communities to celebrate a number of Mexican traditions. Below are photographs of celebrations for Day of the Dead, a major annual celebration in Mexico.





Since 2017, we have implemented various training and capacity development initiatives to support improved capture and post-harvest techniques and the establishment of local fishing cooperatives.



A variety of sustainable livelihood programs have also been implemented to diversify economic development and provide long-term benefits lasting beyond the mine. A flagship initiative is a program to support the local fishing industry, which is a key economic activity in the region. Since 2017, we have implemented various training and capacity development initiatives to support improved capture and post-harvest techniques and the establishment of local fishing cooperatives. Programs are typically delivered in partnership with the cooperatives and often with regulatory authorities, including the National Commission of Fisheries and Aquaculture (CONAPESCA). Expert consultants are engaged to provide specialized support and training. The consultants' support enables local fishermen to access funds available through government programs for fishing activities. Support is also given to prevent illegal fishing by providing guidance on ways to become part of fishing cooperatives. With support of the Company, in 2021, 5,500 fingerlings were released into the Balsas River to improve fish supply and quality.

Since 2020, we have also supported Confeciones Luna, a local, female-led garment business that provides

uniforms to the Company. In partnership with a Mexican NGO, PRENDAYUC, we invested in business training and skills support to build capacity and strengthen business management systems. Training is also provided to help the Company seek new customers and markets.

We have also invested in a program for enabling local canteens to provide local catering services to our operations and to serve employees and contractors in local communities. Training is provided on basic business functions, such as basic finance and information systems, as well as food safety. Doing so helps local canteens access contracts with the Company and create value for local business.

In 2022, we plan to complete a socioeconomic benefits study to assess our economic impact on the local and regional economy. The study will include an assessment of our direct impacts, such as jobs, procurement, and government payments as well as indirect and induced economic impacts.

## HUMAN RIGHTS

### Management Approach

Our approach to human rights is grounded in our core values of dignity and respect for people. We recognize that while governments have the primary responsibility to protect human rights, we have a responsibility to respect and protect human rights both directly through our operations and through our business relationships.

Our Social Harmony and Human Rights Policy outlines our Company-wide commitments to respect the human rights of our stakeholders. The Policy is guided by the "Protect, Respect, Remedy" framework of the UN Guiding Principles on Business and Human Rights, the main global framework for business and human rights. The Policy is also applicable to our suppliers, vendors, and other business partners.

In our 2020 RGMR, we committed to conducting additional human rights due diligence to fulfill the requirements set out in the UN Guiding Principles on Business and Human Rights, as well as the World Gold Council RGMPs. We delivered on this commitment by commissioning international human rights experts to conduct a comprehensive human rights impact assessment at our operations in early 2022.

Prior to the assessment, initial training was conducted with the subject matter experts of our internal ESG Working Group.

## SPOTLIGHT

# COMMUNITY INVESTMENTS SOUTH OF THE BALSAS RIVER

In December 2021, we inaugurated several community development projects in Puente Sur Balsas, a local community located near our Media Luna Project.

Representing a total investment of \$3.8 million pesos, projects included road improvements, renovations to the Ejidal House and local health centre, the installation of an internal hydraulic network and the construction of a children's playground.

The projects were delivered as part of the annual CODECOP agreement signed between the Company and the community as well as the Enchulemos Juntos Nuestra Comunidad (Improving our Communities Together program), which is a program focused on the beautification and clean-up of local communities to instill a sense of community pride. This represented the first time the program was implemented on the south side of the Balsas River.

These investments demonstrate our commitment to supporting vibrant local communities and our commitment to investing in community development as we build our future at Media Luna.





## SPOTLIGHT

# TREATING VULNERABLE PEOPLE WITH DIGNITY AND RESPECT



We recognize that vulnerable peoples – including children, people with disabilities, and the elderly – may not be afforded the traditional benefits that mining activities offer, such as employment and local procurement opportunities.

As a result, our Community Relations team implements a wide variety of initiatives to support vulnerable peoples and improve their quality of life. One example is an eye health campaign for elderly members of local communities.

In 2021, the Community Relations team worked in partnership with local officials in eight local communities to deliver the program. Following a free eye examination, more than 200 residents were given free eyeglasses. This was the second eye health campaign conducted in local communities by the Company. Other initiatives include oral health examination campaigns and support for orthopedic devices.

Investing in the basic needs of people stems from our core values and our organizational purpose to have a positive impact on the lives we touch – especially those that need support the most.

The experts then visited our operations in Mexico in February 2022, which involved extensive on-the-ground engagement with our employees, contractors, service providers, security personnel, and local communities. The assessment also included an extensive review of Company policies, procedures, and operational and corporate practices. Key focus areas of the assessment included potential areas of risk and impact – both positive and negative – to identify strengths and potential areas for improvement in the following focus areas:

- 📍 Labour relations
- 📍 Health and safety
- 📍 Community relations
- 📍 Security management
- 📍 Supply chain management
- 📍 Environmental management

Potential risks and impacts were mapped to key international human rights conventions and frameworks, including the Universal Declaration of Human Rights and the Conventions of the International Labour Organization (ILO).

The table below provides key disclosure metrics related to human rights.

### //// HUMAN RIGHTS

METRIC	2021	2020
Percentage of proved and probable reserves in or near Indigenous land	0	0
Operations that have been subject to human rights reviews or impact assessments	100%	100%
Number of authenticated human rights complaints	0	0

In parallel, the assessors conducted a security and human rights assessment to identify potential human rights risks linked to security and to determine the Company’s conformance with the VPSHR. The results showed a high conformance with the VPSHR, with some potential areas for improvement. In 2022, we will prioritize the recommendations to continually improve our security management.

### 2021 PERFORMANCE

As described above, we achieved our 2021 goal of conducting additional human rights due diligence at our operations. We also achieved our goal of zero authenticated human rights complaints against the Company.

In 2022, we will prioritize the recommendations made in the human rights impact and security assessments and develop a work plan to deliver on them. One of the key recommendations is an update to our human rights policy. We will also implement the human rights components of the GISTM as part of our ongoing efforts towards compliance.







# ENVIRONMENT



Photograph by Cristian Nuñez (Junior Geologist at MML)



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62	MANAGEMENT APPROACH
63	SPOTLIGHT: RECOGNITION FOR RESPONSIBLE MINING
64	ENERGY AND CLIMATE CHANGE
69	PERMITTING AND COMPLIANCE
70	TAILINGS MANAGEMENT
72	SPOTLIGHT: GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT
73	WATER MANAGEMENT
75	SPOTLIGHT: PROVIDING ACCESS TO CLEAN, SAFE WATER
76	SPOTLIGHT: PARTICIPATORY COMMUNITY WATER MONITORING
77	BIODIVERSITY AND LAND USE
79	AIR QUALITY
80	WASTE AND HAZARDOUS MATERIALS MANAGEMENT
82	SPOTLIGHT: INTERNATIONAL CYANIDE MANAGEMENT CODE UPDATE
83	SPOTLIGHT: CLEAN AND SUSTAINABLE COMMUNITIES

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Achieving our organizational purpose requires a steadfast commitment to protect the health and safety of those around us, which includes the natural environment.

## MANAGEMENT APPROACH

Our Environmental Protection Policy serves as the foundation of our approach to environmental management. Under the Policy, we are committed to meeting or surpassing regulatory requirements in all our exploration, development, mining, and closure activities, while doing zero harm to the environment beyond our operational boundaries.

We maintain an Environmental and Social Management System (ESMS), which was developed in alignment with the IFC Environmental, Health, and Safety Guidelines and the IFC Performance Standards. The ESMS is also guided by the Equator Principles (EP4, July 2020) requirements. We also maintain an Environmental Quality and Monitoring Program, which is comprised of 16 management plans covering ten material environmental aspects. Our current ESMS will be expanded to include both the ELG Mine Complex and Media Luna.

The ESMS is implemented by a team of environmental specialists at our operations with overall operational

accountability residing with our Senior Vice President, Mexico, who reports directly to our CEO. The Safety and CSR Committee of our Board of Directors maintains Board-level oversight of environmental management and associated performance. Senior management reports to the Committee quarterly on the Company's environmental management and performance.

We conduct environmental and social impact assessments (ESIAs) for all major projects. We completed an ESIA in 2015 for the ELG Mine Complex and in 2021, we completed an updated ESIA for the Media Luna Project. The ESIAs are the primary way in which we identify and assess potential environmental and social risks and impacts for major projects. In turn, they enable the development of mitigation measures that then form the basis of a variety of management plans. The ESIAs, which are submitted to regulatory authorities, form the basis of environmental authorizations, which in Mexico are referred to as a MIA (Manifestación de Impacto Ambiental – Environmental Impact) authorization.



## SPOTLIGHT

# RECOGNITION FOR RESPONSIBLE MINING



In 2021 we were awarded the ESR® 2022 Distinction from the Mexican Center for Philanthropy (CEMEFI) and the Alliance for Corporate Social Responsibility in Mexico (AliaRSE) for the fourth year in a row.

CEMEFI grants the award based on employees' quality of life, environmental performance and management, community relations, ethics, and the Corporate Social Responsibility (CSR) management system.

The award is testament to the hard work and dedication of our Community Relations, Public Affairs and Environment teams and signifies our deep commitment to responsible mining in Mexico.

We submit annual compliance reports to SEMARNAT (Federal Secretariat of Environment and Natural Resources) and PROFEPA (Federal Environmental Protection Agency) – the main environmental regulatory bodies in Mexico. The reports are focused on compliance with our primary environmental authorizations. Our environmental performance is also audited annually by an independent auditor approved by SEMARNAT.

We are committed to enhancing our ESMS by adopting several voluntary global standards. We are currently implementing multi-year work plans to achieve conformance with the following:

- 🔦 RGMPs, a principles-based framework that sets out clear expectations for the gold industry as to what constitutes responsible gold mining.
- 🔦 ICMC, a global best practice standard for the safe transport, handling, and use of cyanide.
- 🔦 GISTM, a global best practice standard for the safe management of tailings.

In 2021, we started a preliminary audit as part of Industria Limpia (Clean Industry), a national environmental audit program established in 1992 by

**We conduct environmental and social impact assessments (ESIAs) for all major projects. We completed an ESIA in 2015 for the ELG Mine Complex and in 2021, we completed an ESIA for the Media Luna Project.**

regulatory authorities in Mexico under the National Environmental Audit Program. Industria Limpia consists of two components, namely an audit of environmental compliance and a review of good environmental practices. The program is voluntary, and certificates are granted for a period of two years. We applied for certification under the program in April 2021.

At the operational level, we also maintain a Social Responsibility Policy for Contractors, which outlines contractor requirements for doing business with the Company. This Policy sets standards of conduct and includes provisions for health and safety, labour requirements, and local hiring and procurement.





## ENERGY AND CLIMATE CHANGE

We recognize that climate change is one of the world's most pressing challenges. Climate change is a systemic risk with the potential to impact our business and stakeholders, including the communities in which we operate, our employees and our partners. We also understand and support the growing integration of climate-related risks and opportunities into investors' investment decision-making processes globally.

### Our Climate Change Commitment

We support the Paris Agreement goals and the recommendations of the TCFD. We believe that the mining sector has a key role to play in reducing global greenhouse gas (GHG) emissions as well as supporting the transition to a lower carbon economy by supplying critical minerals and metals that advance low emissions technologies and solutions.

We recognize that addressing climate change is inextricably linked to our organizational purpose: "To transform finite mineral resources into lasting prosperity by positively impacting all the lives we touch".

### Climate Change Approach

We are committed to analyzing the impacts of climate change on our business activities and integrating climate change factors into our long-term strategic planning. Our approach to climate change is guided by four key pillars, which align to the climate change factors that were identified as having the greatest potential to impact our Company's value through a Climate Change Materiality Assessment:

1. Reduce GHG emissions and climate impacts at our operations and projects
2. Build resilience to the physical impacts of climate change across the Company
3. Increase the use of renewable energy sources
4. Promote efficient use of resources

To support these pillars, our Board of Directors, Executive Team and all employees are expected to support our commitment to:

- Leverage Torex's culture of innovation to drive value through the continued development of an energy management strategy that promotes the adoption of efficient behaviours and solutions for reduced energy usage within our operating environment.

**We recognize that climate change is one of the world's most pressing challenges. Climate change is a systemic risk with the potential to impact our business and stakeholders, including the communities in which we operate, our employees and our partners.**

- Regularly identify and assess low-carbon technology options and renewable energy sources to reduce our GHG emissions intensity for current and future operations.
- Minimize our climate impacts and build resilience to climate change across our operations and projects.

The following sections present our climate-related disclosures, which are partially aligned to the TCFD recommendations. In the second half of 2022, we plan to release a standalone climate change disclosure summarizing our climate change strategy and carbon reduction targets, which are currently under development.

### **Governance**

We are working to integrate climate change governance into all levels of our organization, from the Board of Directors and Executive Team through to operations management and site staff.

We completed a climate governance review in 2021 in conjunction with external experts. The review was conducted in line with governance best practices set out in the TCFD recommendations as well as The Canadian Coalition for Good Governance (CCGG) climate-related guidance. A peer review of climate-related governance practices was also conducted.

The assessment identified areas where we are aligned with best practices, including assigning clear senior management and Board-level accountabilities for climate change management and oversight.

At the executive level, our CEO maintains overall accountability for managing climate-related risks and opportunities with operational accountability resting with our SVP, Mexico. Our Superintendent, Environmental Compliance is responsible for ensuring

that the Company is compliant with the Mexican regulations related to climate change. This includes the maintenance of energy and GHG emissions inventories, which are developed in conjunction with external energy experts and independently verified. Our SVP, Human Resources, ESG & Communications has been assigned senior management responsibility for leading climate-related initiatives across the Company, including the development of overall strategy and commitments as well as associated climate-related disclosures.

The Safety and CSR Committee of our Board of Directors maintains Board-level oversight of the Company's environmental management, including climate change. The Committee is chaired by an independent director, Jennifer Hooper, who is considered to have expertise in climate-related matters. Executive management reports quarterly to the Safety and CSR Committee of the Board on climate-related matters, which have been integrated into quarterly Board meeting business cycles. Major capital expenditures and strategic initiatives related to energy and climate change are reviewed and approves ongoing climate-related commitments and targets.

**In 2021, we provided Board-level training on climate change-related topics. The training was provided by external experts in climate change governance, strategy, and disclosure.**

In 2021, we provided Board-level training on climate change-related topics. The training was provided by external experts in climate change governance, strategy, and disclosure.

Climate-related risks are integrated into our overall ERM system, for which our CFO has primary senior management responsibility. Our SVP, Human Resources, ESG & Communications has been assigned as the owner of climate-related risks and opportunities. The Board of Directors provides oversight of the ERM system and reviews the Company's risk management quarterly.

The Safety and CSR Committee also reviews and approves climate-related disclosures, including those found within this Report.



## Strategy

In 2021, we began developing our climate change strategy in conjunction with external climate experts. We are taking a multi-pronged approach to developing the strategy in alignment with the TCFD recommendations as outlined in the graphic below.

We completed step one of our strategy development in 2021 with a climate change materiality assessment completed in partnership with external experts. More information on the assessment can be found on page 64 of this report. We completed a governance review as part of the strategy development, as discussed on page 65 of this report.

**01**  
CLIMATE CHANGE  
MATERIALITY  
ASSESSMENT

**02**  
GOVERNANCE

**03**  
STRATEGY

**04**  
RISK  
MANAGEMENT

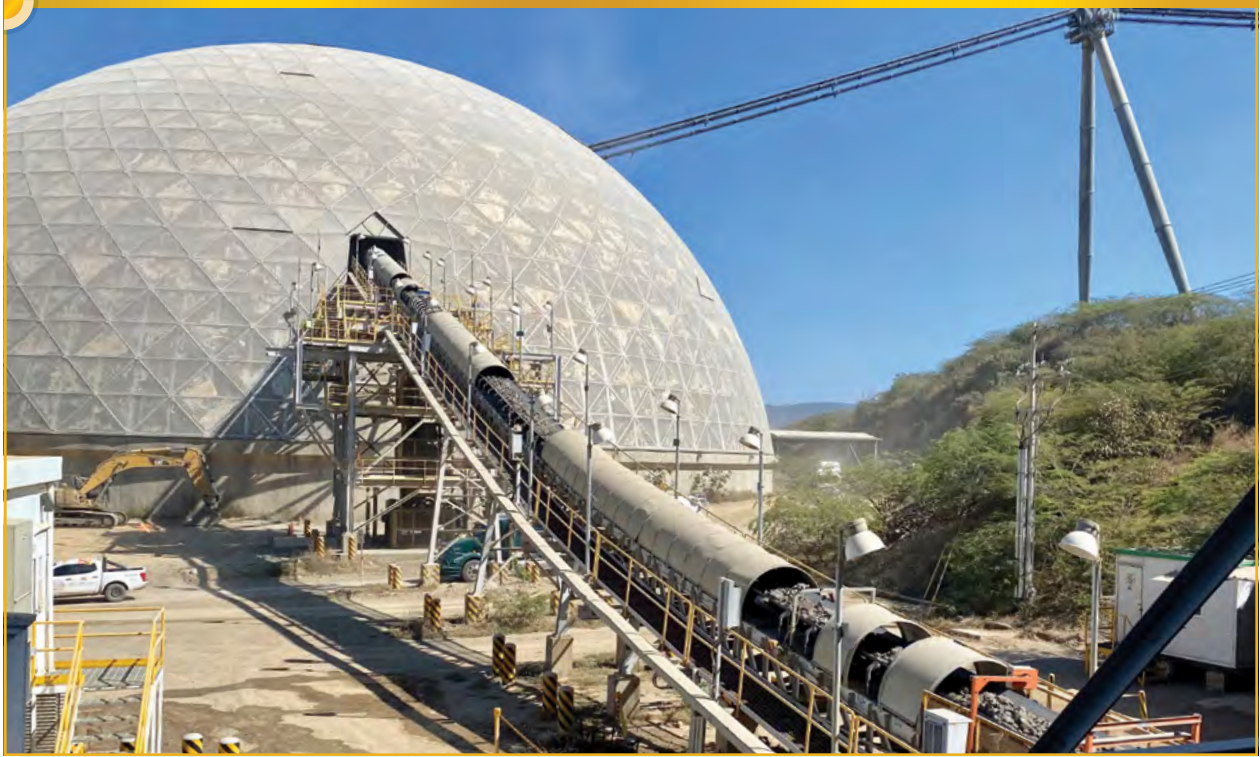
**05**  
METRICS AND  
TARGETS

**06**  
REPORTING AND  
DISCLOSURE

As part of our strategy, we will more regularly assess carbon reduction opportunities as part of our capital investment and decision-making processes going forward. However, we have already implemented a variety of initiatives that will reduce our carbon footprint. For example:

- We currently use an innovative ore conveyance system, RopeCon®, to transport ore from our open pits to our processing facilities. Doing so significantly reduces the need for haul trucks, which are a key source of emissions for mining operations. The RopeCon® produces more than 60% of the energy it consumes, and with this investment, we save approximately 5,520 tonnes of CO<sub>2</sub>e emissions annually.
- In 2021, we signed an agreement to build an 8.5 MWh solar plant to provide renewable energy to our processing facilities. Expected energy cost savings are approximately \$1 million per year over a 20-year lease period, with full payback of the solar plant realized within approximately seven years. The solar plant has the potential to reduce Scope 2 GHG emissions by up to 8.6% and overall Scope 1 and Scope 2 emissions by up to 4.75%. Construction of the solar plant is currently pending environmental permitting.
- In 2021, we began implementing a Ventilation on Demand (VoD) system at our ELG Underground Mine. The system is supported by a fiber optic network to enable a wireless communications system within the mine. The VoD system is expected to reduce our emissions by approximately 900 tonnes of CO<sub>2</sub>e annually. As outlined in the Feasibility Study for the Media Luna Project, we also plan to design the Media Luna Underground Mine to include a VoD system.
- We plan to use a fleet comprised of both battery electric and diesel-powered vehicles at our Media Luna underground mine, with the majority of the lighter-duty fleet being battery electric. It is estimated that this will provide carbon savings of approximately 12,600 tonnes of CO<sub>2</sub>e annually.

A variety of other carbon reduction opportunities were identified as part of a comprehensive energy audit we conducted at our operations in early 2022. These opportunities will be integrated into our emissions reduction roadmap as part of our broader climate change strategy, which will inform the setting of GHG reduction targets and pathways to achieve net zero carbon emissions.



## Risk Management

We are committed to enhancing the integration of climate-related risks into our ERM processes to ensure that the unique nature of climate-related risks is appropriately assessed and prioritized. We will utilize the results from our 2021 Climate Change Materiality Assessment to develop a roadmap for enhanced risk management. This will help us further identify and prioritize climate-related risks and opportunities over the short, medium, and long-term as well as supplement current efforts to embed climate resiliency across the Company.

In 2021, we completed a climate materiality assessment in conjunction with external experts. The assessment examined key climate-related factors using a materiality threshold aligned with Canadian and US securities law materiality definitions as well as the International Financial Reporting Standards (IFRS) materiality definition. The assessment included factors that could be most financially material over short, medium, and long-term timeframes. Key factors that were assessed included the physical and transition risks and opportunities outlined in the TCFD recommendations. Risks and opportunities were assessed using impact and likelihood criteria used in our ERM system to provide alignment and integration with our existing business processes.

Core, material climate-related factors identified included:

- ☛ Policy and legal risks mainly associated with increased carbon pricing by governments;
- ☛ Acute physical risks associated with extreme weather events;
- ☛ Energy source opportunities associated with clean energy sources;
- ☛ Resource efficiency opportunities associated with optimizing energy consumption to reduce operating costs.

Our SVP, Human Resources, ESG & Communications is the designated owner of climate-related risks and opportunities. Our CFO has primary senior management responsibility for our ERM system, with overall accountability resting with the CEO. The Safety and CSR Committee of the Board is the highest body accountable for the oversight of climate-related risks. Climate-related risks and opportunities are discussed at each quarterly Committee meeting. The Board of Directors also provides oversight of the overall ERM system and reviews the Company's risk management quarterly.

We will continue to integrate climate-related risks into our ERM system in 2022, based on the results of the climate materiality assessment we completed in 2021.



## Metrics and Targets

We maintain comprehensive inventories of our energy consumption and associated greenhouse gas emissions, including our Scope 1 (direct) and Scope 2 (indirect) emissions. The inventories are developed by external energy experts annually and the results are verified by independent energy experts. Summary results are disclosed publicly on an annual basis in our Responsible Gold Mining Report. We have publicly reported on our emissions since 2020.

**We are currently in the process of setting short, medium, and long-term energy and GHG reduction targets, with the ultimate goal of net zero emissions, as part of our overall climate change strategy.**

Our primary uses of energy include electricity to power our processing facilities and diesel for mobile equipment, such as our mining fleet. In 2021, electricity and diesel each accounted for half of our energy consumption, and our associated emissions were split evenly between Scope 1 and Scope 2 emissions. Our energy consumption increased by 3% in 2021 from 2020. This was primarily due to a temporary suspension at our operations in the second quarter of 2020 following a decree of the Mexican Federal Government related to COVID-19. Our emissions intensity decreased due to an increase in tonnes

processed and ounces of gold produced in 2021 relative to 2020.

Our energy profile will significantly change once our Media Luna Project is constructed and enters commercial production. Over the life-of-mine, we expect our energy consumption will switch from about 50% electricity and 50% diesel to approximately 70% and 25%, respectively. This is primarily due to increased electrical power loads required for ventilation at the Media Luna underground mine as well as for the conveyance system within the Guajes Tunnel, a portion of which will be built under the Balsas River.

We are currently in the process of setting short, medium, and long-term energy and GHG reduction targets, with the goal of net zero emissions by 2050, as part of our overall climate change strategy. In early 2022, we conducted an energy audit at our operations to identify key carbon savings opportunities. This will enable the development of a roadmap to allow for meaningful pathways towards emissions reductions. We plan to publicly communicate our carbon reduction targets in the second half of 2022.

In 2022, the goal of establishing a net zero carbon commitment by 2050 and developing short and longer-term carbon reduction targets has been linked to executive compensation and Company-wide incentive plans. This decision helps establish climate performance as a key strategic focus for our Company.

The table below presents our key climate metrics. Detailed energy consumption and GHG (Greenhouse Gas) emissions metrics can be found in the ESG Performance Data Tables on page 84 of this Report.

### Energy and GHG Emissions Metrics

METRIC	2021	2020
Scope 1 emissions (t of CO <sub>2</sub> e)	99,248.89	84,402.38
Scope 2 emissions (t of CO <sub>2</sub> e)	97,455.52	106,739.82
Total emissions (Scope 1 + Scope 2 emissions in t of CO <sub>2</sub> e)	196,704.41	191,142.20
GHG emissions intensity (t of CO <sub>2</sub> e per oz gold produced)	0.420	0.444
GHG emissions intensity (t of CO <sub>2</sub> e per t ore processed)	0.044	0.046

## PERMITTING AND COMPLIANCE

Our operations are subject to a variety of environmental laws and regulations in Mexico, including at the Federal and State levels. As per our Environmental Protection Policy, we are committed to meeting or surpassing all legal and regulatory requirements, with a goal of zero harm to the environment.

### Management Approach

We maintain a comprehensive register of our environmental obligations, including all permits, authorizations, and commitments. We also maintain a comprehensive environmental risk register to monitor, manage, and mitigate the 51 environmental risks identified within our baseline natural and industrial risk assessment. Risk monitoring and management are integrated into our overall Environmental Quality and Monitoring Program to maintain legal and regulatory compliance with key environmental aspects, and to drive continual improvement in our environmental performance.

Environmental risks are considered as part of our regular enterprise risk assessments. They are also integrated into project level risk assessments, the most recent

of which was conducted for our Media Luna Project. Environmental and social risk assessments are also central components of our project-level environmental and social impact assessments (ESIAs).

In 2021, our primary compliance activities were related to our environmental authorizations at the ELG Mine Complex and environmental permitting related to the Media Luna Project. We submit annual compliance reports to SEMARNAT, the primary environmental regulatory body in Mexico. In 2021, it was determined that we were in full compliance with all of our environmental permits and requirements.

In May 2021, we received a major environmental permit called a "MIA-Modification" for early works construction activities at the Media Luna Project to access the underground ore deposit. We also received authorization for constructing a tunnel under the Balsas River to transport ore from the Media Luna Project to our ELG processing facilities.

In July 2021, we submitted a major environmental permit application to the Mexican regulatory authorities for a "MIA Integral", which would combine the ELG Mine Complex and Media Luna Project under a single environmental authorization. As part of the permitting





process, we conducted extensive environmental and social baseline studies for the following aspects:

- Flora and fauna
- Water resources
- Geology and soils
- Air quality
- Noise and vibration
- Light and noise
- Socioeconomics
- Visual / landscapes

In 2021, we also continued to advance activities to obtain environmental permits for the following:

- Construction of a solar plant to provide renewable energy to the ELG processing facilities
- Water well concessions on the south side of the Balsas River
- Construction of a landfill at the Media Luna Project

Additional details related to permitting of our Morelos Complex can be found in Section 20 of the National Instrument 43-101 Technical Report for the Morelos Property ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study dated March 31, 2022, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on our public website.

## 2021 Performance

We maintained 100% compliance with our environmental requirements during the year, which was a goal we set in our 2020 RGMR. We also achieved our goal of zero environmental spills of 1,000 litres or more to the receiving environment, a goal that was tied to our executive compensation and Company-wide incentive plans.

## TAILINGS MANAGEMENT

### Management Approach

Our approach to tailings management begins with project design. At our ELG Mine Complex, we designed and constructed a world-class filtered tailings storage facility (FTSF), which is one of the largest globally and one we believe to be best-in-class in the mining industry.

We filter our tailings through a filter press plant near our processing facility, which reduces the moisture content to approximately 17%. The remaining water is collected and sent back to the processing facilities for re-use. In 2021, approximately 2,978 ML of water was recycled through this process.

The tailings are conveyed, placed, and compacted in the storage facility. A buttress of rock on the downstream side adds additional stability and safety. This process significantly conserves water, eliminates the need for tailing embankments, and essentially eliminates the risk



of dam failure, which is a critical consideration given that we operate in a relatively high seismic area.

We have internal technical teams dedicated to monitoring the tailings facility. Site personnel responsible for the operation of the facility complete daily inspections and fill out daily inspection reports. Their work is audited by external experts who inspect the site twice a year in both the wet and dry seasons. The facility is also inspected annually by an independent, third-party consultant.

Going forward, we plan to enhance the management of the FTSF by implementing the Global Standard on Tailings Management (GISTM), a global best-practice standard for the effective and safe management of tailings. For more information on the GISTM, see the Spotlight on the following page.

As part of our Media Luna Project, we plan to begin depositing tailings into one of our open pits that will be mined out. We also plan to recycle a portion of the tailings for backfill in underground mine workings. This

approach will significantly reduce the need for further land disturbances and will help minimize our overall project footprint. This facility has also been designed in accordance with the technical requirements of GISTM.

### 2021 Performance

Our current FTSF operated through all of 2021 with zero discharge to the downstream environment. In addition, lab results obtained throughout the year continue to indicate no acid drainage potential, both at the ELG Mine Complex and at the Media Luna Project. Annual audit and inspection reports from our engineer of record (EoR) continue to demonstrate that our facility is well-managed and is performing in accordance with the intent of the design.

The table below presents key performance metrics related to tailings management. As part of our commitment to implement GISTM, we plan to release annual Tailings Management Reports to provide further disclosures related to our tailings facilities and our progress in implementing the new standard.

#### //// Tailings Metrics

METRIC	2021	2020
Tailings produced (tonnes)	4,512	4,162
Facilities with acid drainage potential	0	0







## SPOTLIGHT

# GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT

We strongly support recent international calls for greater transparency around tailings management as well as efforts to establish more robust international tailings standards. That is why, in 2022, our Board of Directors supported Management’s recommendation to formally adopt the GISTM, the first ever global best-practice standard for the safe and effective management of tailings.

The overarching goal of GISTM is zero harm to people and the environment and requires companies to take responsibility for the safety of their facilities throughout all phases of the mine cycle. The GISTM was released in 2020 following several years of consultations with a broad range of stakeholders after several tragic tailings dam failures throughout the world.

GISTM is comprised of 15 Principles and 77 auditable Requirements, which, according to the International Council on Mining and Metals (ICMM), “embodies a step-change in terms of transparency, accountability and safeguarding the rights of project affected people.”

GISTM applies to tailings facilities throughout the entire mine lifecycle, including closure and post-closure. As such, Torex will be applying GISTM to its existing Filtered Tailings Storage Facility as well as to its planned in-pit tailings facility, as part of the Media Luna Project. We will work diligently to develop action plans to achieve conformance with GISTM within the prescribed five-year timeframe and we will communicate our progress publicly.

Catastrophic dam failures are tragic, avoidable, and unacceptable. We will continue to hold ourselves to the highest standard for tailings management to protect our people, our host communities, and the environment.





## WATER MANAGEMENT

Water is a vital shared resource, and the world faces global challenges related to water scarcity. Access to safe, clean water is a fundamental human right and is essential for sustainable livelihoods and healthy ecosystems.

Water is a key input in our mining and processing activities. Our primary uses of water are in our processing plant, for dust suppression on haul and access roads, and for domestic use.

Our operations are also located adjacent to the Balsas River, which is an important economic and cultural resource in the region. Many of our host communities also face challenges with access to clean and safe water for domestic use and for drinking water. Some local communities rely on surface streams, creeks, and pools for consumption, while others rely on groundwater wells. Water is also used by our host communities for agriculture and livestock.

According to the World Resource Institute's Aqueduct Water Risk Atlas, our operations are located in an area of "medium-high" overall water stress. There are seasonal periods of very dry weather, which can exacerbate challenges for access to reliable water sources, both

for the Company and communities. There are also seasonal periods that bring intense rainfall, which can create challenges for managing water in our process water ponds.

Because water is such an important resource for both the Company and our host communities, water management is one of our top operational priorities. We work diligently to embed effective water management across the business and sustainable water initiatives are a key component of our community development programming.

### Management Approach

Our approach to water management is aligned with IFC Performance Standard 3 on Resource Efficiency and Pollution Prevention, which requires the adoption measures that avoid or reduce water usage so that water consumption at our operations does not have significant adverse impacts on others. Our water management system has been designed to maximize recycling by collecting and reusing water and minimize the potential impact to the environment. Our processing facility is designed as a closed-loop system and, therefore, there is no release of process water, meaning we operate as a zero-discharge water site.



We integrate water risk and impact management as core components of our project-level environmental impact assessments. This includes detailed hydrology, hydrogeology, and aquatic risk and impact assessments. Our most recent assessments were conducted as part of environmental permit application for our Media Luna Project.

Our operations maintain a comprehensive water management plan (Plan Operativo de Manejo de Agua or POMA in Spanish). This plan enables the operations to maintain a consistent and reliable water supply, manage the risk of impacts to the local environment, and protect the health and safety of our employees and local communities. This plan was updated in 2021 as part of our environmental permitting process.

We maintain a comprehensive site-wide water balance model, which was developed in conjunction with recognized engineering experts. The water balance is a key tool to support effective water management at the operations, and to evaluate the movement of water and estimate water storage and flow rates. It was updated in 2021 to reflect operational changes and include the Media Luna Project and will continue to be refined as the Project progresses.

We implement a variety of water recycling initiatives to optimize our water consumption. For example:

- ☛ Process water is re-used from our filtered tailings press facility and returned to the processing plant for re-use. In 2021, we re-used 2,978 megalitres (ML) of water by doing so.
- ☛ We recycle water from our process water ponds. In 2021, we recycled approximately 662 ML of water by doing so.
- ☛ We also re-use water for dust suppression purposes. In 2021, some 180 ML of water was recycled for this purpose.

## //// Water

METRIC	2021	2020
Water withdrawal (ML)	3,500	2,636
Water discharged (ML)	0	0
Water recycled (ML)	977	981
Water recycled (as percentage of total consumption)	46%	58%
Water use intensity (per oz of gold produced)	0.00454	0.00395

We maintain a comprehensive surface and groundwater monitoring program to establish baseline conditions, predict and plan for potential impacts, and ensure ongoing compliance with water regulations. We maintain an operational monitoring network of 45 sampling points from which we conducted 412 samples in 2021. The operations team conducts daily sampling and third-party verification is conducted monthly using a Mexican accredited laboratory. Downstream water sampling is also periodically conducted by an independent, expert third party from the Autonomous University of Guerrero in partnership with local communities. More information on this unique partnership can be found in the Spotlight on the following page.

We use a Web-GIS Dashboard for data management, access, and team collaboration. The system uses the EQUIS data platform to consistently manage and query data. The dashboard contains data collected from groundwater monitoring wells, water supply wells, surface water monitoring locations, and water management ponds.

We maintain a variety of water-related permits, which allow us to discharge water up to 50 times a year. However, we maintain a “zero-discharge” water site as we do not discharge water to local watersheds.

## 2021 Performance

In 2021, there were no water-related non-conformance incidents at our operations and no fines and/or penalties were levied against the Company for water-related incidents. The following table presents key water metrics for 2021. More comprehensive water-related data can be found in the ESG Performance Data Tables on page 84 of this Report. The data was reviewed by an external party to ensure accuracy.

## SPOTLIGHT

# PROVIDING ACCESS TO CLEAN, SAFE WATER

Water is a fundamental human right that is vital for human health and wellbeing. In addition, many of our host communities face challenges with access to safe, reliable water sources. This is why providing access to clean, safe water to local communities is a core focus of our community development programming. Doing so has a profound positive impact on the lives of our host communities.

In 2021, we invested more than \$7 million pesos in an innovative water treatment facility for the towns of Real del Limón and La Fundición. The facility is constructed as an artificial wetland to utilize natural treatment process without the use of chemicals or additives. Training is provided to local community members on the management of the facility so that local communities themselves can operate the facility and help ensure its long-term sustainability.

Also in 2021, we invested \$9.5 million pesos to begin the development of a new groundwater drinking supply well for the towns. The well will provide drinking water for 165 households and over 750 people.





## SPOTLIGHT

# PARTICIPATORY COMMUNITY WATER MONITORING



Being transparent and fair is central to who we are and how we operate as well as the foundation on which our relationships with host communities are built. Working in partnership with communities to understand our impacts has been key to establishing trust and maintaining our social license to operate.

Since 2017, we have partnered with the Autonomous University of Guerrero (UAGro), local fishermen, and local communities on a unique, participatory environmental monitoring partnership in the Rio Balsas and the Rio San Juan. These are important water bodies in the vicinity of our operations and represent key economic and cultural resources for local communities.

Monitoring is conducted for surface water quality and fish health. Experts from UAGro conduct the monitoring in collaboration with independent fishermen as well as local fishing cooperatives, which the Company helped establish and continues to support. The Company also provides training to the cooperatives in best practice aquaculture techniques and annual fingerling campaigns are carried out. This helps to promote the consumption of higher quality fishery products for local communities.

Results of the monitoring programs are shared with local fishermen and communities, and recommendations are made to enhance water management. Recommendations are also made for improved fishing practices.

In February 2022, the sixth annual agreement was signed between the Company and UAGro. At the inauguration ceremony, the Rector of UAGro highlighted the initiative as one built on socially responsible mining practices, objectivity, and accountability to local communities.

## BIODIVERSITY AND LAND USE

We recognize the importance of biodiversity in maintaining ecosystem health as well as growing international calls for business action to help tackle global ecological challenges. Mexico is ranked as one of the most biodiverse countries in the world according to Conservation International. We operate in the vicinity of a priority region for biodiversity conservation – known as the Cañón del Zopilote – demonstrating the need for strong management of biodiversity risks and impacts.

### Management Approach

Our commitment to managing biodiversity is enshrined in our Environmental Protection Policy through which we commit to doing zero harm to the environment beyond our operational boundaries. Our approach to managing biodiversity risks and impacts is aligned with IFC Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources. In accordance with these requirements, we are committed to “no net loss” of natural and critical habitat. We are committed to doing so by offsetting our entire mine footprint in natural habitat areas, with a target of a 3:1 offset to promote a net increase in habitat conservation.

**We are committed to “no net loss” of natural and critical habitat, in accordance with IFC Performance Standard 6 on Biodiversity Conservation and Sustainable Management of Living Natural Resources.**

Biodiversity risk and impact assessments are key components of our overall project-level environmental and social impact assessments. The most recent biodiversity baseline studies were completed in 2021 as part of permitting activities for the Media Luna Project. The baseline studies identified two at-risk fauna species, namely the margay, a small wild cat native to Central and South America and the military macaw, a large parrot and medium-sized macaw. We implement special conservation and monitoring programs for these species, in addition to a designated program for the lesser long-nosed bat. The studies also identified two at-risk flora species.







**We maintain an extensive reforestation program as part of our biodiversity offset commitments. In 2021, we planted over 88,000 trees using 22 native species across 137 hectares**

are also building a nursery at our Media Luna Project site to support reforestation efforts on the south side of the Balsas River, which has a planned production capacity of 40,000 plants per season.

We regularly partner with local communities on biodiversity enhancement initiatives. One example is a partnership established in 2016 with the communities of San Pedro and San Felipe Chichila. The focus is on preserving water resources, as Chichila is located at the head of the Cocula River basin. We contribute to the conservation area “Cerro Los Manantiales”, which is classified as a Natural Protected Area. It has a certificate granted by SEMARNAT through the National Commission for the Protection of Natural Areas (CONANP) that endorses the biological and hydrological importance of this ecosystem.

As part of the mine planning process for the Media Luna Project, and beyond our regulatory commitments, we included a conservation area of 84.3 hectares to extend our biological corridor and preserve the site’s landscape and biological components.

In 2021 and 2022, we completed a comprehensive update of our mine closure plan, which covers both our existing operations as well as the Media Luna Project. The primary objectives of the plan are to protect public health and safety while restoring land to a productive, post-mining land use while maintaining a healthy ecosystem. Progressive reclamation will occur as our Media Luna Project progresses and will continue until 2054. The table below presents key metrics related to biodiversity and land use. More comprehensive data can be found in the “Biodiversity and Land Use” section of the ESG Performance Data Tables on page 96-97 of this Report.

Baseline studies inform our associated Biodiversity Management Plan developed in conjunction with key stakeholders and regulatory agencies. This plan is incorporated into the overall operational environmental and social management system. This plan also includes an Integrated Flora and Fauna Management Program. As part of this program, we maintain an extensive monitoring program, including special monitoring programs for at-risk and vulnerable species identified in baseline studies.

We maintain an extensive reforestation program as part of our biodiversity offset commitments. In 2021, we planted over 88,000 trees using 22 native species across 137 hectares. To date, we have planted more than 400,000 trees across approximately 560 hectares. Many of the reforestation areas selected are adjacent to local communities.

The reforestation program is supported by a nursery located near our processing facilities, which has a production capacity of 120,000 plants per season. We

### //// Biodiversity and Land Use

METRIC	2021	2020
New land disturbed (ha)	34	0
Area reforested (ha)	137	105
Native trees planted	88,000	66,745



## AIR QUALITY

Our operations generate fugitive air emissions, including from haul trucks, vehicle traffic, and waste rock storage facilities. In addition, air quality – particularly dust emissions – is one of the most important environmental impacts identified by several of our host communities.

### Management Approach

Our approach to managing air quality impacts is compliant with all applicable Mexican regulations. We conduct air quality baseline studies for major projects, the most recent of which was conducted in 2021 as part of environmental permitting for the Media Luna Project.

We control dust generated from haul truck and vehicle movement through regular watering of haul and access roads. In doing so, we recycle treated process water to promote water conservation and resource efficiency. We also use a specialized dust suppressant in sensitive receptor areas on haul and access roads. Water sprinklers are attached to crusher feed hoppers and the main ore stockpile at the ELG processing facilities is domed. Given that the Media Luna Project is an underground mining operation with ore processed at existing processing facilities, we expect

**We control dust generated from haul truck and vehicle movement through regular watering of haul and access roads. In doing so, we recycle treated process water to promote water conservation and resource efficiency.**

dust generation to be reduced when the mine enters production.

The Company operates a network of six air quality monitoring stations in the project area to help maintain compliance with Mexican regulations. The stations monitor for Total Suspended Particles (TSP),  $PM_{10}$ , and  $PM_{2.5}$ . Some of the stations also measure for gases, including carbon monoxide, nitrogen oxides, and Sulphur oxides.

Four of the monitoring stations are in local communities that could be most impacted by dust generation, including Nuevo Balsas, San Miguel Vista Hermosa, Puente Sur Balsas, and one between Real del Limón and La Fundición.





Air quality monitoring results are submitted to the environmental authorities annually. The data shows that air quality monitoring results are consistently below maximum permissible levels as defined by Mexican regulations. However, we will continue to explore opportunities to further reduce dust generation to help mitigate potential impacts.

### 2021 Performance

In 2021, we met all our permit requirements related to air quality. The table below presents key air quality data for our operations. More comprehensive data can be found in the “Air Quality” section of the ESG Performance Data Tables on page 84 of this Report.

### //// Air Quality

METRIC	2021	2020
So <sub>x</sub> (ppm)	70.48	70.48
PM <sub>10</sub>	Average of 31.3 µg / m <sup>3</sup> Hr	Average of 19.2 µg / m <sup>3</sup> Hr
PM <sub>2.5</sub>	Average of 20.5 µg / m <sup>3</sup> Hr	Not measured

## WASTE AND HAZARDOUS MATERIALS MANAGEMENT

Our operations generate a variety of waste that can be both hazardous and non-hazardous. Through the mining process, we generate waste rock, which is non-economically viable material.

We also generate tailings, the leftover material after rock is processed. We recognize that responsibly managing waste is a core element of responsible resource development.

## Management Approach

Our approach to waste and hazardous materials management is aligned with IFC Performance Standard 3 on Resource Efficiency. Our Environmental Protection Policy outlines our Company-wide commitments to identifying, assessing, and managing potentially harmful pollutants.

We currently manage three waste rock storage facilities (WRSFs) at the ELG Mine Complex. We will also be constructing two WRSFs at the Media Luna Project. All the WRSFs have been designed based on geotechnical stability and geochemical characterization studies. The latter studies have shown that none of the facilities have the potential for acid rock drainage. As our Media Luna Project enters commercial production, we will transition to entirely underground operations, which will significantly reduce waste rock generation and resulting environmental footprint. The ELG WRSFs will then enter the closure phase.

Our tailings facilities, current and planned, also do not show the potential for acid rock drainage. Our tailings disclosures are presented on page 70 of this Report.

We operate a landfill for non-hazardous waste near the town of Nuevo Balsas. The facility will require additional volume as the Media Luna Project is constructed and

**As part of our Environmental Quality and Monitoring Program, we maintain a Solid Waste Management Plan and a Special Waste Management Plan that are aligned with Mexican environmental legislation, namely the General Law for the Prevention and Integral Management of Waste.**

enters production. The extended facility will have a double liner with a leak detection / leachate collection layer under the extension. We are also constructing a landfill at the Media Luna Project. The proposed landfill design is a trench cell method with a double liner and leak detection system.

As part of our Environmental Quality and Monitoring Program, we maintain a Solid Waste Management Plan and a Special Waste Management Plan that are aligned with Mexican environmental legislation, namely the General Law for the Prevention and Integral Management of Waste. Solid urban waste – generated primarily in administrative and camp areas – is segregated into various sub-streams.





## SPOTLIGHT

# INTERNATIONAL CYANIDE MANAGEMENT CODE UPDATE

We hold ourselves to high standards in our efforts to protect the environment and the health and safety of our employees, contractors, and local communities. That is why in May 2021 we became a signatory to the International Cyanide Management Code (ICMC), a global best practice standard and certification program for the safe transportation, management, and disposal of cyanide.

By doing so, we delivered on a goal we set in our 2020 Responsible Gold Mining Report. We will continue to implement a multi-year action plan to achieve full conformance and certification within the 3-year compliance period.

All organic waste is used in restoration areas, while plastic and aluminum are removed by a government-accredited contractor. A full 100% of special handling waste is recycled.

We support local companies in removing the waste from our operational area for alternative use and donate plastic cartons, cans, aluminum, copper, iron, and plastic to local communities for reuse. All hazardous waste is controlled and stored in metal drums and transferred to a warehouse before being removed by a government-accredited contractor.

We have specific vendor requirements for the final disposal of hazardous waste. Priority is given to companies that use waste management alternatives in the following order: recycling, co-processing, and confinement.

### 2021 Performance

The table below presents key disclosures related to chemicals consumption and waste generation.

### Waste Management

METRIC	2021	2020
Waste rock generated (kt)	34,923	36,657
Acid-potential waste rock generated (kt)	0	0
Cyanide consumption (tonnes)	21,158	12,418
Domestic waste generated (tonnes)	87,216	81,875

SPOTLIGHT

## CLEAN AND SUSTAINABLE COMMUNITIES

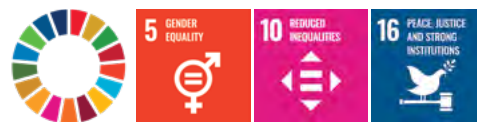
In 2021, we restarted the Clean and Sustainable Communities program, which we began implementing in 2017. The focus of the program is on environmental awareness and training for youth in local communities.

The program is delivered through a series of workshops delivered in partnership with a local, award-winning non-profit, Cerrando el Ciclo ("Closing the Cycle"). The program kicked off in September 2021 in Atzacala where a youth club called the "Eagles of Atzacala", established with the support of the Company, attended a workshop focused on recycling. Twenty youth participated in the program where they also learned techniques on how to make handicrafts with waste from their homes.





# ESG PERFORMANCE DATA TABLES



## GOVERNANCE

### Director Independence and Tenure

METRIC	2021	2020
% of Directors Independent	89	80
% Committee Independence		
Audit Committee	100	100
Compensation Committee	100	100
Corporate Governance and Nominating Committee	100	100
Safety & CSR Committee	100	100
Technical Committee	100	75
Average Director tenure <sup>1</sup>	2.7	6.4

<sup>1</sup> As at the end of the 2021 calendar year

### Director Diversity

METRIC	2021	2020
% of Directors male	56	70
% of Directors female	44	30
Average Director age <sup>2</sup>	59	58

<sup>2</sup> As at the end of the 2021 calendar year

### Executive Team Diversity

METRIC	2021	2020
% male	50	60
% female	50	40

### Anti-Corruption and Whistleblower Metrics

METRIC	2021	2020
Corruption incidents	0	0
Whistleblower complaints	3	0
Attestation to anti-corruption policies (%)	100	100
Total hours of anti-corruption training	No specific training	26

## VALUE SHARING



### //// Economic Value Generated and Distributed (Millions of USD)

METRIC	2021	2020
Revenue	\$855.8	\$789.2
Production costs	\$304.9	\$277.2
Mine capital expenditures	\$230.4	\$166.0
Salaries paid	\$67.4	\$64.3
Payments to local, state, and federal governments	\$200.5	\$180.6
Direct Community Investments <sup>1</sup>	\$4.1	\$4.0
Fondo Minero Payments <sup>2</sup>	\$34.5	\$16.9
Payments for local land agreements	\$13.5	\$10.2

<sup>1</sup> Includes CODECOP contributions for community development and direct community investment

<sup>2</sup> Note these funds were paid in the calendar year in respect of the previous year. In Q1 2022, \$34.6M was paid to the Fondo Minero in respect of 2021 and will be reported in our 2022 Responsible Gold Mining Report.

### //// Local Procurement Spend (Millions of USD)

METRIC	2021	2020
Host communities (local companies) <sup>3</sup>	\$9.1	\$4.4
Host state (other Guerrero-based companies) <sup>4</sup>	\$65.6	\$38.0
Host country (other Mexico) companies	\$371.5	\$336.6
Total Mexican spend	\$446.2	\$379.0
International companies	\$48.1	\$48.5
TOTAL	\$494.3	\$427.5

<sup>3</sup> Local companies are defined as companies domiciled in mine-impacted communities

<sup>4</sup> Figures are exclusive of the local companies spend values

### //// Local Procurement Spend (as % of Total Spend)

BUSINESS UNIT	2021	2020
Host communities (Local companies)	2%	1%
Host state (other Guerrero-based companies) <sup>7</sup>	13%	9%
Host country (other Mexico) companies	75%	77%
Total Mexican spend	90%	89%
International companies	10%	13%

<sup>7</sup> Figures are exclusive of the Local companies spend values





## HEALTH AND SAFETY

### //// Injury Statistics

METRIC	2021			2020		
	Employees	Contractors	Total	Employees	Contractors	Total
Fatalities	0	0	0	0	0	0
Lost time injuries	0	1	1	0	1	1
Total recordable injuries	6	11	17	7	10	17
Near misses	49	43	92	31	45	76

### //// Safety Indicators<sup>1</sup>

METRIC	2021			2020		
	Employees	Contractors	Total	Employees	Contractors	Total
Hours worked	2,708,475	5,048,223	7,756,698	3,093,233	3,639,744	6,732,977
Fatality rate	0	0	0	0	0	0
LTIF <sup>2</sup>	0	0.2	0.14	0	0.27	0.15
TRIF <sup>3</sup>	2.22	2.18	2.32	2.26	2.75	2.52
AIF <sup>4</sup>	12.92	11.49	11.99	7.76	8.24	8.02
NMIF <sup>5</sup>	18.09	8.52	11.86	10.02	12.36	11.29

<sup>1</sup> All rates are based on a 12-month rolling average and are calculated per million hours worked

<sup>2</sup> Lost Time Injury Frequency

<sup>3</sup> Total Recordable Injury Frequency

<sup>4</sup> All Injury Frequency

<sup>5</sup> Near Miss Incident Frequency

### //// Safety Management

METRIC	2021			2020		
	Employees	Contractors	Total	Employees	Contractors	Total
% employees covered by safety management system	100	100	100	100	100	100
% employees covered by joint worker-management committee	100	N/A	N/A	66	N/A	66
Fines levied for non-conformance	0	0	0	0	0	0

### //// Safety Training

METRIC	2021			2020		
	Employees	Contractors	Total	Employees	Contractors	Total
Total employees trained	1,035	5,348	6,383	671	4,026	4,697
Total managers trained	9	N/A	9	8	Not Available	8
SafeStart® training hours	7,712	372	8,084	648	N/A	648
Total training hours	24,843	57,756	82,599	10,629	35,296	46,555
Average training hours per person	24	11	35	15	8	12



## EMPLOYMENT

### //// Employment

METRIC	2021	2020
<b>Corporate</b>		
Total employees	41	40
<b>Operations</b>		
Staff employees	363	320
Non-staff employees	657	604
Total employees	1,020	924
Contractors	1,689	1,675

### //// Employee Origin

METRIC	2021	2020
<b>Corporate</b>		
International employees	1	0
<b>Operations</b>		
Local communities	454	410
Guerrero State	629	153
Mexico	1,010	914
International	10	10



### //// Employee Origin (as % of Total Employment)

METRIC	2021	2020
<b>Corporate</b>		
International employees	2%	0%
<b>Operations</b>		
Local communities	44%	44%
Guerrero State	61%	60%
Outside of Guerrero	39%	39%
Mexico	99%	99%
International	1%	1%

### //// Contractor Origin

METRIC	2021	2020
<b>Operations</b>		
Local communities	336	319
Guerrero State	849	725
Mexico	1,680	1,666
International	9	9

### //// Contractors Origin (as % of Total Contractors)

METRIC	2021	2020
<b>Operations</b>		
Local communities	20%	19%
Guerrero State	51%	43%
Mexico	100%	99%
International	<1%	1%

### Employee Turnover

METRIC	2021	2020
<b>Corporate</b>		
Male turnover rate	33%	17%
Female turnover rate	19%	13%
Total turnover rate	27%	16%
<b>Operations</b>		
Male turnover rate	11%	6%
Female turnover rate	12%	7%
Total turnover rate	11%	6%

### New Employee Hires

METRIC	2021	2020	
<b>Corporate</b>			
New male hires	Below 30 years of age	0	0
	30-50 years of age	6	4
	50+ years of age	3	3
New female hires	Below 30 years of age	0	0
	30-50 years of age	3	1
	50+ years of age	1	0
Percentage of roles filled internally	7	13	
<b>Operations</b>			
New male hires	Below 30 years of age	77	28
	30-50 years of age	66	44
	50+ years of age	2	1
New female hires	Below 30 years of age	23	4
	30-50 years of age	21	6
	50+ years of age	0	0
Percentage of roles filled internally	45	12	



### //// Diversity

METRIC	2021	2020
<b>Corporate</b>		
Total female employment	16	15
Total female employment (as % of total employment)	39%	38%
Females in management or higher positions (%)	17%	23%
<b>Operations</b>		
Total female employment	164	127
Total female employment (as % of total employment)	16%	14%
Females in management or higher positions (%)	30%	20%

### //// Labour Relations

METRIC	2021	2020
<b>Operations</b>		
% of employees covered by collective bargaining agreements	64%	66%
Strikes or lockouts	0	0

### //// Employment by Age

METRIC	2021	2020
<b>Corporate</b>		
<30	0	1
30-50	27	24
50+	14	15
<b>Operations</b>		
<30	275	244
30-50	681	628
50+	64	52

### Training<sup>1</sup>

METRIC	2021	2020
<b>Corporate</b>		
Total hours of employee training	830	848
Average hours of training per employee	20.5	20
<b>Operations</b>		
Total hours of employee training	24,843	10,629
Average hours of training per employee	24	16
Total hours of contractor training	57,756	35,926
Average hours of training per contractor	11	9

<sup>1</sup> Training was largely reduced due to the COVID-19 pandemic beginning in Q1 2020.

## COMMUNITY



### Community Agreements

METRIC	2021	2020
Number of agreements signed	11	11
% compliance with agreements	100	100

### Community Investment (Millions of USD)

METRIC	2021	2020
Amount invested in CODECOP projects	0.5	0.9
Amount invested in non-CODECOP projects	3.6	3.1
Total community investment	4.1	4.0
Fondo Minero Payments <sup>1</sup>	34.5	16.9

<sup>1</sup> Note these funds were paid in the calendar year in respect of the previous year. In Q1 2022 \$34.6M was paid to the Fondo Minero in respect of 2021 and will be reported in our 2022 Responsible Gold Mining Report.

### Community Grievances

METRIC	2021	2020
Number of grievances	8	10
Grievances resolved	8	7
Outstanding grievances	0	3



//// **Non-Technical Delays**

METRIC	2021	2020
Delays caused by community-related issues	0	0



**ENVIRONMENTAL COMPLIANCE**

//// **Environmental Monitoring**

METRIC	2021	2020
Water quality monitoring points	45	41
Water quality samples	412	309
Air quality monitoring points	6	6
Air quality samples	24	23

//// **Environmental Compliance (% Compliance to Statutory Monitoring Plan and Standards Requirements)**

METRIC	2021	2020
Water quality	100	100
Air quality	100	100

//// **Reportable Environmental Incidents**

METRIC	2021	2020
Reportable to SEMARNAT <sup>1</sup>	0	0
Significant fines <sup>2</sup>	0	0
Significant spills <sup>3</sup>	0	0

<sup>1</sup> Mexican Secretariat of Environment and Natural Resources

<sup>2</sup> Significant fines are defined as fines levied by SEMARNAT and/or reportable in our annual Financial Statements

<sup>3</sup> Significant spills are defined as spills reportable to SEMARNAT and/or reportable in our annual Financial Statements



## ENERGY AND EMISSIONS<sup>1</sup>

<sup>1</sup> The following data has been prepared with reference to the *Corporate Accounting and Reporting Standard (Revised Edition)* developed by the Greenhouse Gas Protocol of the World Resources Institute (WRI) and the World Business Council on Sustainable Development (WBCSD). Reporting boundaries are based on “financial control”. Emissions factors include Global Warming Potentials (GWP) from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report. All stated emissions are covered under an emissions-limiting regulation or program within Mexico.

### //// Energy Consumption

ENERGY SOURCE	2021	2020
Electricity purchased MWh <sup>2</sup>	230,391	216,073
Diesel from mobile sources (L)	29,808,719	27,344,472
Diesel from stationary sources (L)	1,273,981	962,806
Gasoline (L)	1,823,266	1,224,617
Natural gas (L)	0	0
Propane (L)	27,028	39,389

<sup>2</sup> All electricity is purchased from Federal Electricity Commission power plants in Guerrero

### //// Energy Consumption and Intensity

METRIC	2021	2020
Total energy consumption (GJ)	2,070,106	1,897,802
GJ/oz gold produced	4.42	4.41
GJ/tonne processed	0.46	0.46

### //// Greenhouse Gas Emissions (Tonnes of CO<sub>2</sub>e)

METRIC	2021	2020
Scope 1 (direct) <sup>3</sup>	99,248.89	84,402.38
Scope 2 (indirect) <sup>4</sup>	97,455.52	106,739.82
Scope 3 <sup>5</sup>	Not measured	Not measured
TOTAL <sup>6</sup>	196,704.41	191,142.20

<sup>3</sup> Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records and warehouse data were used to verify data.

<sup>4</sup> Emissions factors provided by the Comisión Federal de Electricidad (CFE) were used to calculate Scope 2 emissions. Calculations include CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O. Purchasing records were used to verify data.

<sup>5</sup> We do not currently calculate Scope 3 emissions although we plan to do so as part of our ongoing energy and climate change strategy.

<sup>6</sup> Scope 1 + Scope 2 emissions.



//// Greenhouse Gas Emissions Intensity (Tonnes of CO<sub>2</sub>e)

METRIC	2021	2020
Per oz gold produced	0.420	0.444
Per t ore processed	0.044	0.046

//// Renewable and Non-Renewable Energy Consumption (as % of Overall Consumption)

METRIC	2021	2020
Renewable	0	0
Non-renewable	100	100

//// Electricity Purchased by Source (%)

METRIC	2021	2020
Grid	100	100
Non-grid	0	0



**WATER<sup>1</sup>**

<sup>1</sup> 2020 water metrics have been re-stated following a detailed review by third-party water experts. Continual improvement measures continue to be implemented at the operations to enable more precise measurement of water and to provide additional transparency around water management.

//// Water Inflows (ML)<sup>2</sup>

YEAR	FRESH SURFACE WATER		GROUNDWATER			THIRD-PARTY WATER	PRODUCED WATER	TOTAL WITHDRAWAL
	Net Runoff <sup>3</sup>	Other <sup>4</sup>	Mine Dewater <sup>5</sup>	Groundwater <sup>6</sup>	Ore <sup>7</sup>			
2021	1,914	0	0	1,451	135	0	0	3,500
2020	1,235	0	0	1,276	125	0	0	2,636

<sup>2</sup> Water inflows is the sum of all water drawn into our operations from all sources (including surface water, ground water, rain water, water from another organisation/municipal provider).

<sup>3</sup> Includes net runoff collected in tailings storage facilities (runoff minus evaporation).

<sup>4</sup> Includes diversions from rivers, streams, creeks, etc.

<sup>5</sup> Includes water dewatered from the mines.

<sup>6</sup> Water abstracted from borefields for use at the mine and by the community.

<sup>7</sup> Entrainment in incoming ore.

//// Water Diverted, Discharged, or Stored From Mine Operations (ML)

YEAR	DIVERTED WATER <sup>8</sup>	DISCHARGED <sup>9</sup>	STORED (+ = INCREASE) <sup>10</sup>
2021	792	0	281
2020	443	0	(64)

<sup>8</sup> Diverted water is water that is routed to sediment ponds and returned to the system. Equals the Net Runoff - Pond Usage - Pond Storage.

<sup>9</sup> Discharged water is water that is discharged into local water bodies after use or storage.

<sup>10</sup> Water stored in ponds and mine pits (+) or water removed from storage(-).

//// Total Water Usage at Site (ML)

YEAR	MINE SITE & MINE CAMP CONSUMPTION <sup>11</sup>						RECYCLED <sup>12</sup>	PERCENTAGE RECYCLED <sup>13</sup>
	Groundwater - Mill	Groundwater - Mill Camp & Admin	Ponds - Mill	Ore - Mill	East Pit - Dust Suppression	Total Used <sup>11</sup>		
2021	857	290	662	135	180	2,124	977	46%
2020	316	403	663	125	193	1,700	981	58%

<sup>11</sup> Consumption/Total Use = Water used at the Mill or at the Mill Camp. Does not include water used for community provisions.

<sup>12</sup> Recycled water = ore moisture and runoff used from the ponds.

<sup>13</sup> As percentage of total use.

//// Wellfield Use (ML)

YEAR	PROCESSING <sup>14</sup>	MINE DOMESTIC <sup>15</sup>	COMMUNITY DOMESTIC <sup>16</sup>	COMMUNITY DUST SUPPRESSION <sup>17</sup>
2021	857	290	119	208
2020	316	432	192	336

<sup>14</sup> Total wellfield water use that relates to processing plant operations.

<sup>15</sup> Total wellfield water use that relates to mine camp and admin use.

<sup>16</sup> Total wellfield water use that relates to community domestic activities.

<sup>17</sup> Total wellfield water use that relates to dust suppression offsite (i.e. within the community).

//// Water Use Intensity (ML)

BUSINESS UNIT	PER OZ GOLD PRODUCED	PER TONNE ORE PROCESSED
2021	0.004537	0.000471
2020	0.003949	0.000408





## WASTE AND MATERIALS

### Waste Generation

BUSINESS UNIT	2021	2020
Tailings produced (kt)	4,512	4,162
Waste rock generated (kt)	34,923	36,657
Acid-potential waste rock generated (kt)	0	0
Domestic waste (L)	87,216	81,875
Assay waste (tonnes)	1,180,331	4,899,688
Waste incinerated (m <sup>3</sup> )	0	0
Waste to landfill (m <sup>3</sup> )	87,216	81,875
Mineral processing waste (tonnes)	4,512	4,162

### Waste Recycled

BUSINESS UNIT	2021	2020
Metal (tonnes)	1,763	1,291
Plastic (tonnes)	111	8
Waste oil (L)	363,800	251,657
Waste rock (m <sup>3</sup> )	34,923	36,657

### Chemicals Consumption

BUSINESS UNIT	2021	2020
Cyanide (tonnes)	21,158	12,418



## BIODIVERSITY AND LAND USE

### Land Disturbance

METRIC	2021	2020
Area of land package (ha)	29,000	29,000
Disturbance in current year (ha)	34	0
Disturbance to date (ha)	667	667

//// Land Rehabilitation

METRIC	2021	2020
Rehabilitated in current year (ha)	0	0
Fully remediated to date (ha)	21.21	21.21

//// Reforestation

METRIC	2021	2020
Hectares reforested	137	105.19
Native trees planted	88,000	65,745

//// Protected Species

METRIC	2021	2020
IUCN red-listed species identified	5	0

**AIR QUALITY**



//// Air Quality

METRIC	2021	2020
SO <sub>x</sub> (ppm)	70.48	70.48
NO <sub>x</sub> (ppm) <sup>1</sup>	Not measured	Not measured
PM <sub>10</sub> (particulate matter)	Average of 31.3 µg / m <sup>3</sup> Hr	Average of 19.2 µg / m <sup>3</sup> Hr
CO (ppm)	109.88	194.77
VOCs (ppm)	339.07	344
Lead	Nil	0
Mercury	Nil	0

<sup>1</sup> Excludes N<sub>2</sub>O.



# GRI STANDARDS INDEX

## General Disclosures

GRI 102: ORGANIZATIONAL PROFILE		PAGE/REFERENCE
102-1	Name of the organization	4
102-2	Activities, brands, products, and services	4
102-3	Location of headquarters	4
102-4	Location of operations	4
102-5	Ownership and legal form	4
102-6	Markets served	2021 AIF, p. 13
102-7	Scale of the organization	
	ai. Total number of employees	87
	aii. Total number of operations (1)	1
	aiii. Net sales	468,823 ounces of gold for \$855.8M in revenue
	aiv. Total capitalization	\$1.16B CAD as at April 27, 2022
av. Quantity of products or services sold	468,823 ounces of gold	
102-8	Information on employees and other workers	32
102-9	Supply chain	38, 43, 53
102-10	Significant changes to the organization and its supply chain	None
102-11	Precautionary Principle or approach	62-63
102-12	External initiatives	30, 107
102-13	Membership of associations	30, 107
GRI 102: STRATEGY		PAGE/REFERENCE
102-14	Statement from senior decision-maker	8-9
GRI 102: ETHICS & INTEGRITY		PAGE/REFERENCE
102-16	Values, principles, standards, and norms of behaviour	3, 14
102-17	Mechanisms for advice and concerns about ethics	25-26, 50
GRI 102: GOVERNANCE		PAGE/REFERENCE
102-18	Governance structure	25-26
GRI 102: STAKEHOLDER ENGAGEMENT		PAGE/REFERENCE
102-40	List of stakeholder groups	50
102-41	Collective bargaining agreements	34-35

GRI Standards Index 2021 - Continued

102-42	Identifying and selecting stakeholders	50
102-43	Approach to stakeholder engagement	50
102-44	Key topics and concerns raised	50
<b>GRI 102: REPORTING PRACTICE</b>		<b>PAGE/REFERENCE</b>
102-45	Entities included in the consolidated financial statements	4
102-46	Defining Report content and topic Boundaries	5
102-47	List of material topics	16-17
102-48	Restatements of information	4
102-49	Changes in reporting	4
102-50	Reporting period	4
102-51	Date of most recent Report	4
102-52	Reporting cycle	4
102-53	Contact point for questions regarding the Report	107
102-54	Claims of reporting in accordance with the GRI Standards	5
102-55	GRI content index	98
102-56	External assurance	Assurance was provided for energy consumption disclosures and a third-party review was conducted of water data disclosures

//// **Economic Performance**

<b>GRI 201: ECONOMIC PERFORMANCE</b>		<b>PAGE/REFERENCE</b>
201-1	Direct economic value generated and distributed	85
201-2	Financial implications and other risks and opportunities due to climate change	67
<b>GRI 203: INDIRECT ECONOMIC IMPACTS</b>		<b>PAGE/REFERENCE</b>
203-1	Infrastructure investments and services supported	53
203-2	Significant indirect economic impacts	53
<b>GRI 204: PROCUREMENT PRACTICES</b>		<b>PAGE/REFERENCE</b>
204-1	Proportion of spending on local suppliers	85
<b>GRI 205: ANTI-CORRUPTION</b>		<b>PAGE/REFERENCE</b>
205-1	Operations assessed for risks related to corruption	26
205-2	Communication and training about anti-corruption policies and procedures	26
205-3	Confirmed incidents of corruption and actions taken	Zero
<b>GRI 206: ANTI-COMPETITIVE BEHAVIOUR</b>		<b>PAGE/REFERENCE</b>
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Zero



### //// Environment

GRI 302: ENERGY		PAGE/REFERENCE
302-1	Energy consumption within the organization	93-94
302-2	Energy consumption outside the organization	93-94
302-3	Energy intensity	93-94
GRI 303: WATER AND EFFLUENTS		PAGE/REFERENCE
303-1	Interactions with water as a shared resource	73-74
303-2	Management of water discharge-related impacts	73-74
303-3	Water withdrawal	73-74
303-4	Water discharge	73-74
303-5	Water consumption	73-74
GRI 305: EMISSIONS		PAGE/REFERENCE
305-1	Direct (Scope 1) GHG emissions	93
305-2	Energy indirect (Scope 2) GHG emissions	93
305-4	GHG emissions intensity	93-94
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	80
GRI 306: EFFLUENTS AND WASTE		PAGE/REFERENCE
306-1	Water discharge by quality and destination	73-74
306-2	Waste by type and disposal method	80-82
306-3	Significant spills	Zero
GRI 307: ENVIRONMENTAL COMPLIANCE		PAGE/REFERENCE
307-1	Non-compliance with environmental laws and regulations	Zero

### //// Social

GRI 403: OCCUPATIONAL HEALTH AND SAFETY		PAGE/REFERENCE
403-1	Occupational health and safety management system	40-47
403-2	Hazard identification, risk assessment, and incident investigation	40-47
403-3	Occupational health services	40-47
403-4	Worker participation, consultation, and communication on occupational health and safety	40-47
403-5	Worker training on occupational health and safety	40-47
403-6	Promotion of worker health	40-47
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	40-47

GRI Standards Index 2021 - Continued

403-8	Workers covered by an occupational health and safety management system	40-47
403-9	Work-related injuries	86-87
403-10	Work-related ill health	86-87
<b>GRI 404: TRAINING AND EDUCATION</b>		<b>PAGE/REFERENCE</b>
404-1	Average hours of training per year per employee	91
404-2	Programs for upgrading employee skills and transition	36
404-3	Percentage of employees receiving regular performance and career development reviews	91
<b>GRI 405: DIVERSITY AND EQUAL OPPORTUNITY</b>		<b>PAGE/REFERENCE</b>
405-1	Diversity of governance bodies and employees	84
<b>GRI 406: NON-DISCRIMINATION</b>		<b>PAGE/REFERENCE</b>
406-1	Incidents of discrimination and corrective actions taken	84
<b>GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING</b>		<b>PAGE/REFERENCE</b>
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Zero
<b>GRI 408: CHILD LABOUR</b>		<b>PAGE/REFERENCE</b>
408-1	Operations and suppliers at significant risk for incidents of child labour	Zero
<b>GRI 409: FORCED OR COMPULSORY LABOUR</b>		<b>PAGE/REFERENCE</b>
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Zero
<b>GRI 412: HUMAN RIGHTS ASSESSMENT</b>		<b>PAGE/REFERENCE</b>
412-1	Operations that have been subject to human rights reviews or impact assessments	100%
412-2	Employee training on human rights policies or procedures	56
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	56-59
<b>GRI 413: LOCAL COMMUNITIES</b>		<b>PAGE/REFERENCE</b>
413-1	Operations with local community engagement, impact assessments, and development programs	100%
413-2	Operations with significant actual and potential negative impacts on local communities	100%
<b>GRI 419: SOCIOECONOMIC COMPLIANCE</b>		<b>PAGE/REFERENCE</b>
419-1	Non-compliance with laws and regulations in the social and economic area	Zero



### //// G4 MM Supplement

GRI G4 MM		PAGE/REFERENCE
MM-1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated	96
MM-2	The number and percentage of total sites identified as requiring biodiversity management plans according to stated criteria, and the number (percentage) of those sites with plans in place	77
MM-3	Total amounts of overburden, rock, tailings, and sludges and their associated risks	70-71, 80-82
MM-4	Number of strikes and lockouts exceeding one week's duration, by country	Zero
MM-5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities	Zero
MM-6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples	N/A
MM-7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes	35, 37, & 50
MM-8	Number (and percentage) of company operating sites where artisanal and small-scale mining (ASM) takes place on, or adjacent to, the site; the associated risks and the actions taken to manage and mitigate these risks	N/A
MM-9	Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process	Zero in 2021
MM-10	Number and percentage of operations with closure plans	2 and 100%

# SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) INDEX

## //// SASB Index

GREENHOUSE GAS EMISSIONS		PAGE/REFERENCE
EM-MM-110a.1	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	68
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	66
AIR QUALITY		PAGE/REFERENCE
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NO <sub>x</sub> (excluding N <sub>2</sub> O), (3) SO <sub>x</sub> , (4) particulate matter (PM <sub>10</sub> ), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	97
ENERGY MANAGEMENT		PAGE/REFERENCE
EM-MM-130a.1	(1) Total energy consumed	93
	(2) Percentage grid electricity	94
	(3) Percentage renewable	94
WATER MANAGEMENT		PAGE/REFERENCE
EM-MM-140a.1	(1) Total fresh water withdrawn	94
	(2) Total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	94
EM-MM-140a.2	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	Zero
WASTE AND MATERIALS MANAGEMENT		PAGE/REFERENCE
EM-MM-150a.1	Total weight of tailings waste, percentage recycled	96
EM-MM-150a.2	Total weight of mineral processing waste, percentage recycled	96
EM-MM-150a.3	Number of tailings impoundments, broken down by MSHA hazard potential	70
BIODIVERSITY		PAGE/REFERENCE
EM-MM-160a.1	Description of environmental management policies and practices for active sites	62
EM-MM-160a.2	Percentage of mine sites where acid rock drainage is:	
	(1) Predicted to occur	Zero
	(2) Actively mitigated	Zero
	(3) Under treatment or remediation	Zero
EM-MM-160a.3	Percentage of (1) proved and (2) probable reserves in or near sites with protected conservation status or endangered species habitat	77



SECURITY, HUMAN RIGHTS, AND RIGHTS OF INDIGENOUS PEOPLES		PAGE/REFERENCE
EM-MM-210a.1	Percentage of (1) proved and (2) probable reserves in or near areas of conflict	100%
EM-MM-210a.2	Percentage of (1) proved and (2) probable reserves in or near Indigenous land	Zero
EM-MM-210a.3	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	56
COMMUNITY RELATIONS		PAGE/REFERENCE
EM-MM-210b.1	Discussion of process to manage risks and opportunities associated with community rights and interests	50
EM-MM-210b.2	Number and duration of non-technical delays	Zero
LABOUR RELATIONS		PAGE/REFERENCE
EM-MM-310a.1	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	90
EM-MM-310a.2	Number and duration of strikes and lockouts	Zero
WORKFORCE HEALTH AND SAFETY		PAGE/REFERENCE
EM-MM-320a.1	(1) All-incidence rate	86
	(2) Fatality rate	86
	(3) Near miss frequency rate (NMFR)	86
	(4) Average hours of health and safety training	87
BUSINESS ETHICS AND TRANSPARENCY		PAGE/REFERENCE
EM-MM-510a.1	Description of the management system for prevention of corruption and bribery throughout the value chain	26
EM-MM-510a.2	Production in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	26
ACTIVITY METRICS		PAGE/REFERENCE
EM-MM-000.A	Production of (1) metal ores and (2) finished metal products	468,823
EM-MM-000.B	Total number of employees, percentage contractors	87

# LOCAL PROCUREMENT REPORTING MECHANISM INDEX

## //// LPRM Index

LPRM 100: CONTEXT FOR LOCAL PROCUREMENT DISCLOSURES		PAGE/REFERENCE
101	Mining company name	Torex Gold Resources
101	Mine site name	Minera Media Luna S.A. de C.V.
101	Reporting period	January 1st to December 31st 2021
101	Stage of assets	Production and development
101	Estimated mine life	2033
101	Average number of workers	87
LPRM 200: PROCUREMENT SYSTEMS		PAGE/REFERENCE
201	Policy on local suppliers	38, 43
202	Accountability on local suppliers	38, 43
203	Major contractors and local suppliers	43
204	Procurement process	38, 43
LPRM 300: LOCAL PROCUREMENT SPENDING BY CATEGORY		PAGE/REFERENCE
301	Categorizing suppliers	43
302	Breakdown of procurement spend	85
LPRM 400: LOCAL PROCUREMENT DUE DILIGENCE		PAGE/REFERENCE
401	Due diligence process	43, 56-59
402	Anti-corruption policy	26
403	Training and guidance for suppliers	43
LPRM 500: METHODS TO INCENTIVISE LOCAL PROCUREMENT		PAGE/REFERENCE
501	Commitments	53-56
502	Preference in scoring of bids	Not yet established
503	Preference in scoring of bids for significant local contributions	Not yet established
504	Non-scoring methods to incentivise local purchasing	Not yet established
505	Supporting suppliers to understand the tender process	43
506	Special payment procedures for local suppliers	Not yet established
507	Encouraging procurement from particular groups	53-56
LPRM 600: EXTERNAL COMMITMENTS AND OBLIGATIONS		PAGE/REFERENCE
601	Regulations	N/A
602	Other agreements and contracts	37, 43





## CAUTIONARY NOTES

This report contains “forward-looking statements” and “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information also includes, but is not limited to: we aim to leave a net positive legacy in the areas in which we operate long after we finish operations - this means respecting the environment and leaving it as good or better than we found it; creating lasting value in the areas in which we operate; and positively impacting all the lives we touch – including our people, our communities, our business partners, our shareholders, and broader society as a whole; with the recent approval from the Company’s Board of Directors of the Media Luna Project, the Company has laid the foundation for its future; Media Luna will more than triple the Company’s existing mine life; the Company has plans to unlock the resource potential through ongoing investment in drilling and exploration so to deliver on the Company’s goal of developing a multi-decade mining operation; through the Company’s investment in Media Luna, the Company will continue to deliver superior value to investors while enhancing the lives of so many in the host communities, in Guerrero and beyond; the Company’s expectation that it will be in full compliance with GISTM by 2025 for both the existing FTSF at the ELG Mine Complex, and the planned in pit tailings storage facility that will be built as part of the Media Luna Project; commitment to building a mining company with values – one that generates value for shareholders in a way that embraces innovation and makes a positive difference in people’s lives; the commitment to reviewing the materiality assessment at least annually and conducting more comprehensive reviews every three years or when a material change to the business occurs; the commitment to understanding these potential impacts to mitigate any potential adverse effects; the aim to create a workplace culture that serves as a strategic differentiator, including a strong focus on training and development; the Company’s implementation of an action plan with the aim of achieving full certification in 2024 with the ICMC; the Company continuing to advance initiatives to achieve full conformance with the RGMPs within the prescribed three-year timeline; the plan to complete a socioeconomic benefits study to assess the economic impact on the local and regional economy; the Company will implement the human rights components of the GISTM as part of ongoing efforts towards compliance; the plan to use a hybrid fleet at the Media Luna underground mine, with the majority of the lighter-duty fleet being battery electric; the estimated carbon savings from the implementation of the hybrid fleet; the plan to release annual Tailings Management Reports to provide further disclosures related to the tailings facilities and progress in implementing the new standard; the Company will work diligently to develop action plans to achieve conformance with GISTM within the prescribed five-year timeframe and communicate progress publicly; progressive reclamation will occur as our Media Luna Project progresses and will continue until 2054; the Company will continue to explore opportunities to further reduce dust generation to help mitigate potential impacts; the proposed design for the extended landfill facility for non-hazardous waste will have a double liner with a leak detection / leachate collection layer under the extension; the proposed design for the additional landfill facility at the Media Luna Project is a trench cell method with a double liner and leak detection system; the Company will continue to implement a multi-year action plan to achieve full conformance with the RGMP and certification within the 3-year compliance period; the 2022 ESG goals and targets; commitment to meet or surpass all legal and regulatory requirements, with a goal of zero harm to the environment; statements regarding risk identification, assessment, mitigation measure and monitoring; continued advancement of the permitting for the Media Luna Project; the design of the water management system to maximize recycling of water; the design of the processing plant as a closed loop system so that the operations are a zero discharge water site; plans to build a solar plant and expected reduction in GHG emissions; primary objective of the closure plan is to restore the land to a productive, post-mining land use; commitment to prevent and minimize impacts of the operations on air quality by following air quality guidelines and regulatory requirements. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “aim”, “plans”, “expects”, “estimates”, “intends”, “anticipates”, “believes”, “goal”, “strategy” or “potential” or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “commitment to” or “will be taken”, “occur”, or “be achieved”. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including, without limitation, risk associated with the ability to accurately identify and assess issues that are important to stakeholders and the ability to identify, assess, mitigate and monitor risks to the enterprise and those risk factors identified in the Company’s technical report titled “Morelos Property - NI 43-101 Technical Report - ELG Mine Complex Life of Mine Plan and Media Luna Feasibility Study” dated effective March 16, 2022 (Technical Report) and the Company’s annual information form (AIF) and management’s discussion and analysis (MD&A) each available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company’s website at [www.torexgold.com](http://www.torexgold.com). Forward-looking information is based on the assumptions discussed in the Technical Report, AIF and MD&A and such other reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, and other factors that management believes are relevant and reasonable in the circumstances at the date such statements are made. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, whether as a result of new information or future events or otherwise, except as may be required by applicable securities laws.

# CORPORATE DIRECTORY

## BOARD OF DIRECTORS 2021

### Rick Howes

Chairman of the Board

### Jody Kuzenko

President & CEO

### Frank Davis

Director (Independent),

### Tony Giardini

Director (Independent), Chair of Audit Committee

### Jennifer Hooper

Director (Independent), Chair of Safety and CSR Committee

### Jay Kellerman

Director (Independent), Chair of Corporate Governance and Nominating Committee

### Rosie Moore

Director (Independent)

### Roy Slack

Director (Independent), Chair of Technical Committee

### Elizabeth Wademan

Director (Independent), Chair of Compensation Committee

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### Jody Kuzenko

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We welcome feedback on this Report or on any other aspect of sustainability at Torex Gold Resources.



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