

SOCIO-ECONOMIC CONTRIBUTIONS

OUR MANAGEMENT APPROACH

We invest in local communities near our operations with the goal of promoting community sustainable development. We establish participatory processes to identify socioeconomic development programs and investments that can provide long-term benefits beyond the life of the mine. Our community investment programs are designed in close partnership with local communities and guided by collaborative processes. These initiatives include comprehensive baseline studies, surveys, and formal consultation processes. Our programs are directed towards the priorities identified by local communities, within Pan American Silver pillars and standards. We closely monitor the effectiveness of our programs and provide space for adjustments and improvements based on the needs and priorities of each community. We also create economic benefits directly in host countries and communities through wages, local procurement, education, training, taxes and royalties paid to governments, and infrastructural improvements.

Policies

- [Global Human Rights Policy](#)
- [Global Anti-Corruption Policy](#)
- [Inclusion & Diversity Policy](#)
- [Social Sustainability Policy](#)

Standards and Guidelines

- The Community Development Initiative (CDI) Toolkit guides the development and implementation of our socio-economic programs, as well as their impact assessment.

Plans, Programs, and Initiatives

- Participatory processes such as baseline assessments conducted jointly with communities help us understand the existing social context, our operations' actual and potential impacts, and community needs and interests. This collaborative process with our local partners enables us to identify opportunities for long-term investment. Baseline assessments are updated when designing new programs or initiatives with Communities of Interest.
- Natural leader focus groups are conducted when appropriate to engage with and seek input from community leaders, including individuals who are neither elected nor part of a formal group.
- Our programs and initiatives stem from communities' feedback. We respect their culture and beliefs to make those programs thrive.
- Education programs are designed in collaboration with the local education authorities to improve educational opportunities for individuals of all ages, especially vulnerable groups in the local communities. These programs include (a) literacy and education for children and adults, (b) scholarships for university students, (c) support for teachers, including payment of wages, professional training, and provision of food and housing if needed, (d) donation of school materials to students, (e) career guidance counselling services for students in their last year of high school, and (f) support for environmental education programs.
- Health programs, also coordinated with the local

authorities, include initiatives and efforts to boost local healthcare services, emphasizing nutrition and vulnerable populations. Overall, our projects aim to broaden the reach and to improve the quality of healthcare in the communities near our operations.

- Our economic development projects are designed to create sustainable economic opportunities by supporting local families or groups with alternative incomes to mining, such as animal husbandry, agriculture, tourism, or manufacturing. We provide capacity building, training, equipment, tools, supplies, and other support during a specified time frame. Socio-economic development programs focus on development that surpasses the life of the mine, creating a legacy and an economic opportunity to communities in carefully designed programs that are intended to offset in part the economic changes triggered by mine closure.
- Investments are made in local infrastructure and social services near our operations only when deemed necessary, as we consider these initiatives a central tenet of government development.
- Local procurement initiatives to engage with and build the capacity of local suppliers aim to create indirect employment opportunities for community members and local businesses. These initiatives are coordinated with the Compliance Officer and our contracts department at each site. Our aim is to support local businesses by providing them with the necessary guidance and

resources to meet our business standards and needs. We provide support on: (a) business skills, such as accounting and bookkeeping; (b) bidding processes; (c) Pan American Silver's business standards and protocols; and (d) health and safety training for contractors.

Monitor and Evaluate

- The Mining Association of Canada (MAC)'s Towards Sustainable Mining (TSM) Indigenous and Community Relationships Protocol provides a standard process for community engagement against which operations self-assess their performance.
- The TSM Indigenous and Community Relationships Protocol external verifications are completed by independent auditors every 3 years at frequencies recommended by the MAC.
- Social Sustainability audits help us verify that our community investment programs meet our Social Sustainability Policy and that the CDI Toolkit guidelines have been applied. The audits also assess our progress in fulfilling our commitments.

Accountability

- The Vice President of Social Sustainability, Diversity, and Inclusion leads social sustainability programs.
- The Senior Vice President of Corporate Affairs and Sustainability oversees social sustainability in the Company.
- The Board Communities and Sustainable Development Committee has oversight of the Company's community investments.