

RELATIONSHIPS WITH COMMUNITIES AND INDIGENOUS PEOPLES

OUR MANAGEMENT APPROACH

Collaborating with host communities through open and honest engagement is our basis for building social acceptance in the countries in which we operate. Accordingly, we use participatory processes and social performance tools to identify and manage our actual and perceived impacts, and to evaluate the effectiveness of our performance.

Guided by our corporate policies, our goal is to maintain open dialogue and engagement, crucial to proactively managing social risk. This allows us to better understand the concerns and interests of Communities of Interest (COIs)⁽¹⁾, and effectively address and support them in an open and timely manner. Pan American Silver has established five pillars that are core to our work with communities: local economic development, health, education, local employment and procurement, and infrastructure investment.

Policies

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

Standards and Guidelines

- The Corporate Social Closure Standard establishes the minimum requirements for developing and implementing social closure plans that reflect local conditions, COIs' social interests and expectations, and legal requirements. Collaborating with local communities while planning the closure stage ensures they have a say in decision-making. This is particularly important as, ultimately, the community will be left to face the outcomes of the closure planning decisions once the Company is no longer present.

Plans, Programs, and Initiatives

- COI mapping helps us identify relevant stakeholders, improve our engagement, and understand risks. Mapping includes vulnerable groups that may be disproportionately affected by our activities.
- Participatory baselines, cultural studies, and perception assessments, conducted jointly with communities and third parties, create opportunities for effective dialogue and are essential to helping us understand social context, actual and potential impacts of our operations on our host communities, and community needs and interests.

- Response mechanisms at each site help us understand and respond to community questions or concerns around perceived or actual impacts from our activities.
- Our annual COI survey helps us identify local communities' issues, priorities, and topics of concern.
- Our commitment to achieving free, prior, and informed consent (FPIC) for impacts on rights of directly-affected Indigenous Peoples is in alignment with the Mining Association of Canada (MAC)'s Towards Sustainable Mining (TSM) Indigenous and Community Relationships Protocol.

Monitoring and Evaluation

- Our social risk assessment tool helps sites identify and manage social risks.
- Sustainability performance indicators track our social performance, including that of our community development projects.
- Sustainability audits are conducted to evaluate our social performance, including the effectiveness of our community programs, the conditions of our mine camps, and facilities including employees' and contractors' living conditions.
- The TSM Indigenous and Community

Relationships Protocol is used by sites to self-assess performance and implement action plans for continuous improvement.

- TSM Indigenous and Community Relationships Protocol external verifications are completed by independent auditors every three years at frequencies recommended by MAC.

Accountability

- Local management, through the Social teams at each mine or project, is responsible for ongoing engagement and implementing social management systems that meet corporate commitments and initiatives.
- The Vice President of Social Sustainability, Inclusion and Diversity leads social performance and sustainable development programs and initiatives.
- The Communities and Sustainable Development Committee of the Board oversees the Company's overall social performance.

(1) We use the Mining Association of Canada (MAC)'s definition of Community of Interest (COI), which includes all individuals and groups that have an interest in or believe they may be affected by decisions regarding the management of our operations.