



Equinox Gold Corp. ESG Performance and Targets Conference Call Transcript

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Speakers: **Rhylin Bailie**
Vice President, Investor Relations

Christian Milau
Chief Executive Officer

Georgina Blanco
Vice President, External Affairs and Social Responsibility

Dennis Wilson
Vice President, Health, Safety and Environment

Doug Reddy
Chief Operating Officer

Operator:

Welcome to the Equinox Gold Corporate Update on ESG Performance and Targets.

As a reminder, the conference is being recorded. After the presentation, Management will respond to asked questions. If you are participating through the webcast, you may submit a question in writing by using the text box in the lower left corner of the webcast frame. If you are listening by phone, you may submit your questions in writing by email to ir@equinoxgold.com.

I would now like to turn the meeting over to Rhylin Bailie, Vice President, Investor Relations, for Equinox Gold. Please go ahead.

Rhylin Bailie:

Thank you, Ariel and thank you everybody for joining us today for our first ESG-focused investor call.

We will of course be making a number of forward-looking statements today, so please do visit our website, EDGAR and SEDAR to read the rest of our continuous disclosure documents. We will also do our best to avoid using too many acronyms, but there may be a few that pop in there, so there is an acronym slide available on the presentation deck that you can download from the webcast.

I will now turn the call over to Christian Milau, our CEO, for opening remarks.

Christian Milau:

Thanks Rhylin and, yes, welcome everyone to the first call, and this is on the back of our second ESG report, so if you want to have a look at that, please go to our website. We continue to make improvements on our disclosure and are really proud of the work done over the last year.

I just want to briefly discuss the ESG Management strategy and introduce the team. Mostly, it'll be myself, Dennis, and Georgina talking today, but most of the rest of the team is in the room. This really is a team effort, and we do have a working group that's very active in ESG and I wanted to give them all a chance to answer your questions at the end, if you have any. I want to briefly discuss the ESG strategy, and, importantly, our vision, which is to be a sustainability leader, which comes straight from the top.

We have very strong engagement from our ESG Committee and our whole Board, and particularly Ross Beaty, who is an environmentalist at heart, but he also happens to be a miner, and we believe strongly in that the two can coexist. Again, we're temporary custodians of the sites where we operate and we want to leave behind a positive legacy and to reclaim the sites in a good manner, and so all of that filters in and through everything that we do and the way we think here, and so we're committed to this strategy, right down to the people with the boots on the ground.

I want to turn over to Slide No. 5 here and look at our vision and values. As we say very directly there, we want to responsibly and safely produce over a million ounces of gold per year while ensuring that we're creating value for all stakeholders. This is a strategy that we've had in place for a number of years now. It encompasses all the things that we believe in, and we do want to have tangible economic and social benefits to our community partners that will endure beyond the life of mine as well.

When you look at our values of excellence, integrity, accountability, and teamwork, which define our culture, they also guide all of our actions, and we hope that you can see that throughout the way we operate in all the locations that we're in.

Also, in terms of an ESG strategy, we really believe fundamentally we're not just doing this as a window dressing or a green washing exercise. This has to fundamentally impact our business. Nowadays, particularly, we're seeing greater investor demand that companies reduce their impact, their emissions, their environmental impact as well, and report on that progress in a very transparent manner, and many investors will just simply not invest, as you know, without a comprehensive ESG disclosure and improvement platform in place with various companies in our sector nowadays.

One key area that we've been planning and working on has been our GHG reductions today—Dennis will talk a bit more about that later—but we also believe fundamentally, when we look at an area like that, it needs to be good business as well as good for the ESG front. What we're doing is looking at areas where we can actually reduce our footprint, maybe save us some money, potentially reduce the tax burden in the long term. Here, in Canada, there'll be a \$170 per tonne tax by 2030. We want to do our best to mitigate our footprint before that time. Also, we think, in the long term, too, the cost of capital is going to go up for either debt financing or equity funding and investment in the long term if we don't address this. So, it's coming, and it's coming very quickly, and we've found in the last couple of years the focus on this area has been very, very big, and so it's really been an integral part of our strategy.

Turning over to the ESG strategy and performance, I'm just going to briefly touch on a couple of slides here and then pass it over to Georgina and Dennis.

I want to look at Slide 7 in the 2021 Report Card. We always report on this in our Management Circular in our year-end meeting that Ross attends with us, but I just wanted to highlight we're very proud that we've been able to improve on a few of our metrics.

- We've improved our Total Recordable Injury Frequency Rate by almost 20%.
- We've improved our Significant Environmental Incident Frequency Rate by over 50%.

Those are good results over the prior year for a young company.

- We're also starting to implement in areas such as the Mining Association of Canada's Towards Sustainable Mining protocols. Dennis will talk a bit more about that.
- We've rolled out an Enterprise Risk Management system across the organization, which goes from the ground up, right up to here to Vancouver and the corporate office.

We also want to acknowledge areas where we haven't achieved the goals that we intended. One particular area, of course, is the blockade that we had at Los Filos in the middle of the year. We're hopeful those issues are behind us, and I know Georgina will touch more on that, and she has some intimate knowledge of that situation and will cover that in a slide later on, but we're really looking to achieve a significant improvement in our ESG ratings as well on the back of all this.

Despite expanding our disclosure with quarterly online reporting and some further key metrics, we hope that over the next few years we can just continue to evolve and address the gaps that we still have, and we acknowledge those at this stage. Over the long run, we just want to make gradual, continual progress, and that's one of our key fundamental plans here.

Turning over to the next slide, on the 2021 performance highlights, I'll just briefly touch on these again.

We've been really working on collecting baseline data required to understand things like our energy

consumption and GHG emissions. During 2021, we set some short-term targets, reducing our emissions by about 5%. We achieved those last year. In the next 12 months, Dennis is working very hard on setting some additional medium- and long-term targets. We want to take the time to do that, and methodically think through that and have a plan, and not just set a 2050 target for net-zero and not have a plan to back it up in the mid- and shorter-term.

Also, during 2021, I'm very proud of how all of the sites around the world—well, actually, 2020 and 2021—operated and dealt with COVID. I think we made a positive impact on our communities and our workforce. People felt safe to come to work. We've implemented strategies that are all tailored for the local sites, and we've really had very little, if almost no, disruption in a material way at any of our locations.

I'm going to turn over now on to the next slide to Georgina.

Georgina Blanco:

Thanks, Christian. We wanted to focus our reporting efforts to the issues that are most relevant to our business and to our stakeholders. For that, we hired a firm to conduct this materiality assessment and they used artificial intelligence to identify issues of interest, relevance, and impact, and sources like online user medium, corporate reports of our peers, new regulation and policy-making, voluntary initiatives in the countries where we operate.

Out of this extended data analysis, we came up with 23 topics that are most relevant to our business today. With those 23 topics, we then sent out a survey to our direct stakeholders that included employees, contractors, investors, directors, and our community partners. In that survey, we asked them to rank those 23 topics in the order of most importance for them. The results of both the external data sources and our stakeholders surveyed results were plotted in the matrix that you can see in this slide, ranking them from low to high importance. From that analysis, we identified nine key issues that are most relevant for our business and our stakeholders. Although all of the topics are important, we make sure that we do report on these issues.

So, now we are going to turn to start with the governance aspect. We know that the governance is what guides our policies and guides all of our actions as a Company. As already mentioned, we have three layers of ESG leadership and oversight. We have the Environmental, Social, and Governance

Committee in the Board of Directors that oversees performance and provides feedback to our ESG strategy.

We also have a ESG Working Group, comprised of the VPs of each relevant department, and this group meets regularly to discuss, develop, and implement our ESG initiatives and plans. This group is also accountable for ESG performance. Of course, we have our site teams, employees, and contractors who are responsible for implementing our strategy on a day-to-day basis.

If we continue to the next slide, I would like to highlight three key achievements on the governance side that we had in 2021.

- We published our Environment and Climate Change policy, as well as our Social Responsibility and Human Rights policy. These two policies are very important, because they state our commitments that we have as a Company, and it states the principles that guide our actions.
- Also, by the end of 2021, all of our employees, directors, contractors, and Management completed the Code of Ethics and Policy Compliance training. This was important to ensure that everybody understands what our principles are in our day-to-day performance and actions. This training included information on the use of the whistleblower mechanism that we have. In 2021, we received 44 submissions through the hotline. All of these submissions have been reviewed and addressed. We can say that people feel comfortable on using this to raise their issues, because we see that they are, indeed, using the hotline.
- We also committed last year to achieve 30% of female representation on our Board of Directors by the AGM of 2023.

If we go to the next slide. During 2020, we became members of four important associations that we believe are the ones that most represent our profile as a Company.

- As signatories of the United Nations Global Compact, we are committed to its principles for environmental protection, human rights, labour standards, and ethical business practices.
- Also, compliance with the Responsible Gold Mining Principles of the World Gold Council has

been reflected in our policies and standards. Also as Christian mentioned, we're implementing the Towards Sustainable Mining protocols of the Mining Association of Canada at all of our operations.

- In regards to the cyanide goal, the International Cyanide Management Institute, we have certified two new mines in compliance with the cyanide goal in 2021, and we have now three certified mines, and are expected to certify three more in 2023.
- Regarding reporting frameworks, we have significantly increased our disclosure to include GRI and SASB indicators in our 2021 report, and last year, for the first time, we reported also to CDP and published our Tailings Management Overview Report.

Now, going to the industry standards. I already mentioned the TSM protocols. We have set the target this year of achieving 75% to Level A of all the indicators by the end of this year. For that, we have conducted self-assessments at all of our operations to identify where the gaps are, so we can focus our efforts more efficiently to reach this level, and we want to complete 100% of indicators to Level A by the end of next year.

In regards to the Responsible Gold Mining Principles, we are also working to achieve full compliance by 2024. This is following guidance of the World Gold Council that allows a three-year period of implementation to the principles.

As members of the United Nations Global Compact, we have also conducted an analysis of the Sustainable Development Goals that are most relevant and that we can impact more directly with our activities. We are focusing initially our efforts to four SDGs that we believe we can have a very positive impact and contribute to the achievement of these global goals. The idea is, once we focus on this, we can be increasing our focus also to other goals.

If we go to the next slide, I'm going to turn it over now to Dennis, our Vice President for Health, Safety, and Environment.

Dennis Wilson:

Good morning everybody.

Yes, probably, obviously, the principal highlight here is zero fatalities, and we're very, very proud of our safety performance across the Company.

I want to emphasize that the results that you see here, the 3.05 Total Recordable Injury Frequency Rate and the 0.68 Lost Time Injury Frequency Rate, they're both per million hours worked, not 200,000, as is normally reported in Canada or in the U.S. Because we're a more global Company and because we have more mines elsewhere, we choose the million man hours to report against.

A couple of things in the slide.

We've got a couple of very good initiatives that have been started in the last year or so. One of those has been our monthly incident review, where we have the C-suite, we have senior Management, we have Management from all sites attending a call that goes through the incident investigations of significant incidents across our Company, so we're able to really analyze the adequacy of the investigation and ask a lot of questions, and really make sure we get the most out of the investigations in terms of learnings for all of our sites, which has been a very positive thing for us.

The other thing is we've introduced an annual safety award. Our first award was our Chairman's Safety Award. It was basically the site that had the best Total Recordable Injury Frequency Rate across the Company. That's now morphed into not only that award but into the COO's Award, which is for the most improved Total Recordable Injury Frequency Rate, and the CEO's Award, which is a very exciting award, I think. We have Safety Leaders from each site nominated to a panel at corporate, where the person is selected, and we have a winner selected out of the nominations. This year, we had a first, second, and third nominated workers who've been given these awards. I've met each of those and it's been treated very, very—it's been very exciting to be able to meet these people that are—and the sites are very, very proud of these people at each site. So, it's been a very positive thing and been taken very well.

Thanks, and now I'm going to hand over to—on the public health side, sorry, I think Christian sort of said everything. I think things are toning down at our sites when it comes to COVID, but we're quite proud of the fact that we're able to maintain the health and safety of our workforce and not lose any days of production due to COVID. It's been a very—we've handled it very successfully, I felt.

Next slide, and now back to Georgina for the strategy on social engagement and development.

Georgina Blanco

Thanks, Dennis.

Our strategy for social engagement and development is based on three principles: engagement, participation, and collaboration. These principles are the foundation to create sustained economic development and improved wellbeing in the regions where we operate. These principles also are the basis for developing all our standards and tools, procedures that our sites have in their engagement with local communities.

If we now turn to the next slide.

We have more than 20 communities at our sites that they consider as being local. These are the communities that are closest to our mines, and we recognize that local employment and procurement opportunities, business opportunities for these communities is of very relevance and importance for them, and for us, of course. All of our sites support and contribute to improve wellbeing in these communities, from promoting programs to promote sports, with health campaigns, cultural events, and also in productive projects and income-generating programs.

But, again, employment and business opportunities at the mine is of most relevance, so we are proud to say that almost 100% of our workforce comes from the country of operations, and more than 80% of our workforce also comes within the state or the province where our mines are located. This is very important for us because we're promoting and are giving priority to hire locally. Also, last year, 95% of our procurement spend went to in-country suppliers and more than 20% to the local municipalities where our mines are located. So, all of this contributes to the economic development and wellbeing of the regions where we operate.

If we go to the next slide. Human rights have been a very important focus for us in 2021. We approved, as already mentioned, our Social Responsibility and Human Rights policy. This policy states our commitments to respecting the rights of all people and contributing to improve the quality of life as sustainable development of the areas where we operate.

We held last year a training course for our Leadership Teams, and also hired an independent consultant to conduct a human rights risk assessment of all our operations, including two site-specific assessments at Los Filos and Aurizona. The risks that were identified were entered into our Enterprise Risk Management system, so we could monitor and mitigate and avoid any issues or negative impacts on human rights.

This assessment also helps us to ensure that our actions are not infringing any human rights, and at the same time identify areas where we can also contribute positively for these areas. The assessments focus on the areas where we can have a greater impact for the right holders, so this includes labour and working conditions; community environmental health; community cultural, social, and economic rights; Indigenous people's rights; also lands rights and security; and, of course, ethical business and practices.

Now, the next steps on this area in 2022, we are developing a human rights due diligence framework, so that we can make sure that we have a system in place to regularly identify and mitigate any potential impacts on human rights.

Go on to the next slide, please, Rhylin.

Inclusion and diversity, as mentioned, we are also very committed to it. We committed to 30% representation of women on the Board by 2023. We also recognize that diversity is a wider topic than just gender. It includes also other types of backgrounds. We want our workplaces and our workforce and representatives, from the Board to Management, at all levels, to be representative of the communities where we operate.

Currently, the percentage of female employees at each of our sites really varies significantly. We have 10% at Mesquite and then 37% at Greenstone, for example. Fourteen percent of our direct employees Company-wide are female, while at the Vancouver office, this percentage goes to 35%. So, in our operations, we are in the average that is considered to be the average for the mining industry globally, that has been established by the World Bank in a study conducted in 2019, to be between 8% and 17%.

So, what we did in 2021 in this regard was to review our hiring processes, and we made sure that we

use inclusive language and promote diversity for the candidates, so we focus on removing barriers for candidates from diverse backgrounds to apply to job positions. Also, last year, we started participation, and we actually just finished that program. We joined the United Nations Global Compact Target Gender Equality Program, where we joined other companies in a journey to learn from each other, learn what has worked to increase diversity in the workplace, and learn from each other. This program is helping us in developing a diversity strategy Company-wide that we are developing this year, 2022.

If we go now to the next slide. In April of 2021, we acquired 60% interest in the Greenstone project in Ontario. We are very proud of the work that the team at Greenstone have been doing in building trustful and strong relationships with our Indigenous partners there. The project already had long-term relationship agreements in place with four First Nations, and the Métis Nation of Ontario as well. They're currently working very well through Implementation Committees to make sure that all the agreements in place are achieved.

We are committed also to ensuring that all the community members are participating and benefiting at every step of project development and then during operations, when we start operating the mine. Right now, we're only just over six months through a two-year build, and so far more than 40% of the contract value has been awarded to Indigenous businesses to date, and more than 20 Indigenous joint ventures have been created to support project development.

We are also working with our Indigenous and community partners to run training programs so that community members can get the skills required to obtain jobs for the mine operation phase because we know that those jobs will last for the whole life of mine, and they create longer term opportunities either with Equinox Gold, but also with other projects in the region. Actually, if you haven't done so, we have a short video in our website with highlights from the ground-breaking ceremony conducted last year in October, and you can hear there some comments from all of the leaders of each of the Indigenous communities with whom we have these agreements.

Going to the next slide. From a community engagement perspective, in 2021 we focused our efforts on public health, not only because of the COVID-19 pandemic but also raising awareness to other types of illnesses. We conducted health campaigns, for example, at different sites in the different countries where we operate.

We started increasing our face-to-face interactions as the restrictions of COVID-19 also started being lifted in the different places where we operate, but even though maybe the face-to-face engagements were being limited, we made sure that communication was always open, a channel of communication was always open, especially to hear any complaints or concerns from the communities where we operate. In 2021, we received 137 complaints, of which most of the concerns were regarding environmental issues, such as related to water, related to dust, noise, and vibration, and at the end of the year all but one complaint had been addressed and resolved, and that one complaint that was still ongoing this year has been addressed already and resolved.

I think that it is important also to mention that we encourage our sites to report all complaints or concerns received by communities, because what matters is that we listen and resolve these concerns. We began standardizing also last year our reporting of feedback, so we can better analyze where areas to prioritize our efforts are and we can minimize any adverse impacts and find areas where we can have most meaningful contributions.

Next steps in this year, 2022, we will be continuing working towards the implementation of TSM protocols, where, as already mentioned, our target is to achieve Level A in most of the indicators by the end of this year, and we are also working to develop our Equinox Gold Social Management Standards, that we provide a guide to all of our sites to have consistency and that can establish what are our commitments and the minimum that we want to have to guide our performance, and from there any improvements that we can make also for continuous improvement.

Going to the next slide. Of course, yes, Los Filos, we had a very public community issue there in 2021, in the blockade we had at Los Filos mine. Los Filos is a complex mine site. It's large. We have community agreements, land agreements, and social collaboration agreements with three different communities, and we try to always keep a good balance among the three communities in the benefits that we can provide to all three of them.

We knew that Los Filos had a history of blockades from the start of its operation in 2007, and this year what happened is that one of the communities and one of the union sections wanted more benefits that exceeded the already agreed in contract, of the benefits that were agreed with the Company. It's important to mention that the issues raised in the blockade, they don't have to do with the mine operation.

It's been very clear to our communities and to workers that they want the mine to be operating, but we understand that they want to have more benefits, more employment opportunities to their own people, but we need to make sure, as mentioned before, that we keep a fair balance to all of these three communities with whom we have agreements. We cannot offer benefits or opportunities to one community that would disadvantage another.

Throughout these experiences at Los Filos, we have always focused our efforts in building strong relationships, regaining trust between the Company and the communities, and we always have prioritized open and transparent dialogue. We believe that any disagreements can be resolved through dialogue. For example, last year, in November I think a very important meeting that we had with the three community leaders in the same room with Christian, our CEO, and our Chairman, Ross Beaty, where we could all share experiences and expectations, and the will to take the mine forward in a different type of relationship for the years to come.

If we go now to the next slide on community development. We do understand the importance of socio-economic contributions that mining brings to the communities where we operate. Last year, we contributed more than \$40 million in community contributions, direct community contributions, that benefited infrastructure, education, sanitation, health, and also, the economic benefits through wages and salaries, that I already explained. Most of our—or the vast majority of our workers are from the communities where we operate. That reached almost \$200 million last year, and that is in addition to the procurement spend that last year accounted for more than \$190 million. All of these contributions stay in the areas where the mines are located, benefiting not only the communities, but the states, provinces, and the countries where we operate.

I am now going to turn it over to Christian to talk about one of our most important projects, infrastructure community projects of last year.

Christian Milau:

Yes, thanks, Georgina.

I did want to jump in and just talk to this one about the Aurizona Village and the water situation there. It's a site that's very close to my heart. It was the first project we were involved in, actually, here. It's in the Northeastern part of Brazil, but the Northwestern part of Maranhão state here, where the mine's

located, and it's a very subsistence farming and fishing area, and we're the major industry there, and so we're very proud to be a key part of society there.

In late March last year, there was an exceptionally heavy rain period. It does rain there during that period of the year, but almost 500 millimetres of rain happened in 48 hours, which is a one in 10,000 year rain event. Again, we all have to acknowledge that those things are becoming more common. What we ended up with was widespread flooding in the region, which washed out many roads, increased the turbidity in waterways, and impacted local sources of drinking water, which, interestingly enough, was very similar to what happened here in British Columbia late last year: roads were washed out, turbidity in water, and a real impact on the community here as well in a wider way.

The government took the lead here in Vancouver to try and deal with that in British Columbia. We took a very responsible lead, we think, on helping to resolve the situation there in Maranhão. The mine site team, I have to give them credit, they jumped to the situation very quickly, restored road access to the village, delivered bottled drinking water, and installed and filled potable water tanks throughout the village. We helped to repair and upgrade their water treatment facility, which was outdated and not being managed very well, and really was not capable of managing that level of change and impact.

We offered to work with the community very closely. We continued to deliver bottled water and potable water while we worked on that actual project. We actually delivered—and you can see it in the picture there—I actually got to visit and drink the water myself not too many months ago—and we actually delivered that towards the end of last year and it's now fully implemented.

Unfortunately, during that period, we did see significant interest on the social media front and some rhetoric online. A lot of it was led towards saying there was a tailings dam failure there, which is clearly inaccurate information, and obviously we're very closely regulated and managed in terms of the tailings dam and all of our impact on the local area. It was really localized flooding of the lagoons and the rivers in the area that impacted the water, and it was nothing to do with tailings dam. I just want that to be very clear.

So, at the end of the day, we opened up and commissioned that new facility. We've done some training with the public authorities, and we've passed that back to them. It is their responsibility to take on managing that site and not our job, but we felt that we could be a good community member and actually

participate along the way and provide some of the capital and expertise. So, we're really proud of this Sustainable Community Investment Project and we think it really will support this project in the long term in an area that needs the investment.

I just wanted to say a couple of words on that, so thanks, and I'll pass it back to Dennis now on the environment.

Dennis Wilson

Okay, to Slide 28.

Yes, I guess we sort of mentioned some of these highlights, but I'll just go through a couple of things. One thing to mention, we use the Significant Environmental Incident Frequency Rate to measure our performance against. It's very similar to the way you would measure Lost Time Injury Frequency Rate, or like a health and safety measure. The reason we do that is because we want to make the link between what our workforce actually does and environmental incidents, and also, as we expand as a Company, then we can use a rate to measure our performance without having to be too disruptive through the year I guess with our KPIs.

Another thing that probably is worth mentioning is we have a very prescriptive measure or a definition of what "significance" actually is, and you'll see it at the bottom of the page there. That's our definition that we use. I guess anything that's reported or even notified to a government authority would make its way into the definition of significance. We have quite a tight definition of significance, but even with that, we only had 13 of the 126 reported environmental incidents. We encourage reporting of every environmental incident, every spill. Everything that's considered an environmental incident, we encourage that reporting. Of the 126, 13 were considered significant. That helped us to achieve our target of—I think our target was 1.6 for the year and we came in at 0.68, so we did very well when it came to that.

This year, we're putting together our Environmental Management Standards, much as we've already got a set of health and safety measurement standards. Georgina mentioned that she's putting together the Social Management Standards for the Company, and we're adopting the Environmental Management Standards as well.

So, the next slide, water management. Our objective, really, is in line with the traditional reduce/reuse/recycle way of managing water. We try and minimize the amount of water that we actually need to run our process. As with most mining companies, we reuse most of the water that comes into that process. We're still gathering baseline data around some of our water metrics, so you'll see a lot more water metrics come in the future.

I guess one of the other things to mention is that we have—well, we're setting vastly settings across our Company, from extremely dry areas such as at Mesquite and Castle, where we have a significant negative water balance, and then areas where we have a net positive water balance, such as at Los Filos. So, we're implementing TSM this year. TSM encourages the adopters to look beyond their fence line with their water balances and to be a part of a catchment-wide conversation around how to address water-related risks and opportunities. So, you'll see a lot more activity around that as we start to adopt TSM in the future.

Next slide, waste rock and tailings management. During 2021, we put together our Commitments document, that you'll be able to find online the Tailings Management Overview Report. That was our first report we put out of that nature. It's to address some of the questions and queries from the Church of England letter that went around to all mines regarding tailings. So, we put that together, and I encourage you to have a look at that document. It'll also show you exactly what our commitments are with Global Standards.

The Global Tailings Standard that's now being adopted by many companies, we're adopting it, but we're adopting it through TSM first. So, we're adopting it the same way that the Mining Association of Canada has addressed it. We're giving priority to TSM in the Tailings Management protocol, which is very similarly aligned in many ways. Once we get to the point where we have that fully implemented, then we'll be adopting the remaining parts of the Global Tailings Standard.

I guess another thing to mention is that we have an independent Tailings Review Board for our tailings dam at Aurizona, and it's also in operation at Greenstone, as well. For our other sites, we do use third-party inspections and we do have third-party oversight, as well, but at those two, at Aurizona and at Greenstone, we have an independent Tailings Review Board.

Next slide, energy and greenhouse. This year's been spent—I guess the main highlight for last year was the 5% reduction in greenhouse that we actually achieved from our first target that we set in 2021. This year, we're setting a short-term target. It will probably come in a lot lower than—well, maybe lower than 5%, as we start to—there's less low-hanging fruit in terms of energy efficiency, but we're still going to set a short-term target that will allow us to—and which will have a real beneficial effect on the operations.

Our focus has been towards reducing mid-term targets and long-term targets to support a net-zero target for a future date, so you'll be seeing a lot more of—by the end of this year, we will have set our long-term target with established milestones, which we think are very important and really what investors really want to see, like how you actually want to get to that net-zero milestone. Also, by the end of the year, we're looking at having a TCFD report that will go through our financial risks, as well as our climate-related physical risks. Anyway, you'll see more of that before the end of the year. In 2021, we also reported for the first time on CDP. We'll be doing that again this year.

There's been a lot of work done on different projects, and some of those have been looking at advanced studies using solar and wind power, and also for all of our projects. We're just trying to get our head around exactly how we're going to achieve that net-zero target.

On the next slide, you'll see a lot of graphs around our GHG emissions on energy consumptions, Scope 1 and 2 emissions. Our Company, as far as our benchmarking, we sit around the average overall, when you take all of our sites into account. We sit around the average for the greenhouse intensity. So, on a CO2 tonnes a minute per ounce, we sit around the average for the sector.

On biodiversity and mine closure, I think it's important to say that we have purchased and protected 7,000 hectares of undisturbed land in Brazil. Our permit requires us to do that, but it's very much a good conservation project and very, very positive. Also, we use progressive reclamation across all of our sites, and during the year, we reclaimed 114 hectares of land.

In the future, we're adopting TSM, as has been mentioned several times, and one of the things that that actually promotes is looking to get other parties, third parties, such as universities, to take part in research, which is a positive contribution to conservation in the area. We've got several cases of that—well, we've got several partners that we've actually dealt with, with some of our sites. One of those is

around Golden Eagle at Castle, where we're doing some research around it, as well as several other projects across our Company.

With that, I'll turn it back to Christian.

Christian Milau:

Thanks, Dennis.

On the last slide, really on Slide 34, are our 2022 targets. We set those at the beginning of the year. They're available on our website and available in our Management Circular. We commit to those and then we measure ourselves against them as Ross joins us at our year-end review. So, we watch that very carefully and we manage it very carefully. We're striving to be better every year and we do look at how we can continue to move towards being a leader in this space in terms of responsible mining and sustainable development.

We're a fairly young Company, and after two significant acquisitions in the last two years during the middle of COVID, maybe we're playing a little bit of catch-up here, but I think our disclosures have come a long way in the last two years when you look at our ESG Report, and even this call is an inaugural call, and so we're really proud of the people and processes we've been able to put in place in a very short period of time, with very little interaction, personally. We've been doing a lot of it remotely, and we've been able to communicate those objectives, we hope, to you, as an investor.

We'll continue with our quarterly reporting and of our key metrics on our website, so please keep an eye on that. We'll continue to add data and information as we can, and as the baseline data comes in over the next year, and we'll continue to give ourselves stretch targets. We're always improving. We're not perfect in every area. We know we've got some weaknesses in areas we need to do better in, and we'll continue to focus on those, and we identify those as key risk areas.

We're keen to get your feedback, and as Georgina explained, we do reach out for feedback every year to see what are areas of importance in the sector and to you, as stakeholders, in our business.

I do want to thank the team. It goes all the way down to the people on the ground who actually deliver what we do on a day-to-day basis. It's been a heck of an effort over a very challenging last two-year period, where we've really created this Company of a substantial size.

I do want to conclude by stealing a few words from Ross, which I know he likes to say, but a good company provides its returns to its shareholders and a great company provides excellent returns for all stakeholders, and that is certainly our goal, and I hope you see in our vision and in our performance that's where we're aiming and where we're heading.

I think I'll stop now and open it up to questions.

Rhylin Bailie:

Perfect. Thank you very much.

Operator, can you please remind our listeners how to ask a question?

Operator:

Certainly. Once again, if you are participating through the webcast, you may submit a question in writing by using the text box in the lower left corner of the webcast frame. If you are listening by phone, you may submit your questions in writing by email to ir@equinoxgold.com.

I will now hand the meeting back to Rhylin Bailie, who will moderate the Q&A session.

Rhylin Bailie:

Thank you.

Christian, we've got a question about the Aurizona water issue. "There still seems to be a misconception that the Aurizona Village did not have access to reliable drinking water. Can you please address that?"

Christian Milau:

Yes, sure. Like I said earlier, there has been some inaccurate information, and probably some misleading information online on that.

We jumped on that situation to help the community very quickly, number one, in just providing access to water and access to the village very quickly, but also trying to address the long-term solution. Literally, within a few days, we approved improvements to the whole water system. I think Ross and myself actually stepped on the ground there in sort of late last year and basically drank the water from our facility, which was in the process of being finally commissioned and actually handed over to the community, and so now it is operating. It's got much greater capacity.

We actually found some things out, as you do when you renovate a system or a home or whatever, that things like pipes and access to sort of other regions of the village that really weren't getting good access could be improved, and I think we provided that. Even in the interim, we were able to provide access to that water. So, I really do feel strongly that we've done the right thing there, and we've continued to provide that. We've had good feedback from the community leaders and from the locals, which a lot of them actually work for us. We've had a lot of good feedback from them.

Rhylin Bailie:

Thank you very much.

A question about Los Filos. "Do you feel you've got the stability there? Have you changed your long-term mine plan as a result of those changes, and sort of what things are you working on that you think will continue to give you stronger relationships going forward?"

Christian Milau:

Yes, let me start with that, and Georgina or Doug, please jump in if you have any comments to add.

As we all know and say, and it's a very commonly used cliché, trust is built over time, and it's easily lost. Unfortunately, during that period after we bought it, I'd say the trust level from both sides, with the communities and us, has obviously dropped and we're in the process of recovery there. We've had three quarters, I think, now of sort of operations in a pretty steady state. We do believe that we're on the right path and things are improving.

We've made some changes, partly to senior personnel, and actually putting in place people who have more experience dealing with these specific types of situations, with the culture, the language, operating a mine in this region, and I think we've made positive strides in that sense. Georgina was

actually very actively involved in resolution there. I think we acknowledge that we want to provide as much benefit into communities as possible.

The challenge we do have there is there are three communities, and they all want as much of the benefit as possible, so we play almost a mediator-type role, and we have to operate a mine safely and efficiently over time. I think we've tried our best to be as flexible in providing as many opportunities, jobs, and access to those opportunities as possible, to each of those communities, without any detriment to the other communities, because we tend to have to negotiate on a one-on-one basis between the communities.

It was a really great opportunity for Ross and myself to sit in the room, literally, with the three senior leaders of each community in the same room for the first time in many, many years. I think the common thing that came out of it, as Georgina said, is everyone wants this mine operating long term. It's a huge benefactor to the communities in terms of jobs, employment income, all the social benefits which we provide, and the opportunities for long-term other industries to grow around this.

We're also taking onboard how can we also play a part in this community by doing things that are not just mining. Simple little examples—and, again, others please jump in and add—but doing things around restoration of lands, which the communities have been asking for. The agave plants are a really important part of the local community, which are non-mining, clearly, and create another almost industry for them. We've been able to help restore some of those. That creates a partnership and some work outside of actually mining, where there has been, obviously, some conflict over the last year.

I think it's also just the commitment here, and as Ross—Ross speaks fluent Spanish and was able to say very clearly to them, “We want to be here for the long term. We think this is a great place to work and a great deposit, and also some great mining experience and knowledge in the region, and now we have to find a way to work together as partners going forward.”

There has to be lines drawn at certain points, which we obviously did when we were going through negotiations, where we can't disadvantage others, and we have to operate our mine safely and carefully. So, we tend to have to draw the line when it encroaches upon our contractors and our underground and our open pit operations, where it does compromise safety, health, and other factors that are critical to mining.

Rhylin Bailie:

Perfect. Thank you.

A question about emissions. “On Slide 32, you talk about your GHG emissions. You talk about Scope 1 and Scope 2. When do you intend to address Scope 3 emissions?”

Dennis Wilson:

Yes, there are parts of our business that are already reporting some of those. Unfortunately, that’s not the case in all parts of the Company, so we’ll probably take the template that’s used in—well, Brazil has started to report some of those—we’ll take that and as we develop our Energy Management Standard, we’ll be addressing that. So, I would say within the next 12 months, we start to report some of that metric.

Rhylin Bailie:

Thank you.

A question from Wayne Lam, our analyst at Royal Bank of Canada. “You’ve talked a bit about carbon pricing in Canada. Have you done any analysis on what that impact might have on Greenstone, and do you have any detail on whether the tax will apply on full emissions or just a certain portion of emissions from that mine site?”

Christian Milau:

Let me start with an overall comment on that, and Dennis or Doug, please jump in on any specifics you have.

Certainly, we do take it into account, and we do see there’s a real opportunity there to look at moving to, call it greener power and energy sources, but it will take a bit of time. That area of Ontario is opening up and we see real government support and a focus in Ontario to moving towards those cleaner energy sources over time. We’ve been working and partnering with the First Nations with our initial energy inputs, and I think over time you’ll see us moving towards something that’s more grid and hydro-electric power-oriented, but it will take time. I don’t have a defined timeline for that, but I certainly hope in the next sort of medium term here that we’re moving towards that, which will reduce it very significantly.

As we've discussed, probably on prior calls before, our primary emissions, 80%, 90% come from energy into our plant sites, and as well into our generally diesel fleets, and as we see more and more announcements—I even saw one this morning—everyone's moving towards more efficient plant input energy sources, but also now the trucks are becoming more efficient and moving to clean energy sources, so I think those will be two key target areas, and in Ontario particularly, I think that energy input for our plant site in the mid-term, we are going to work hard with the government to move it across, as most other mines actually in Ontario are, to hydroelectric power.

Dennis Wilson:

I guess to support that, we have had an external report on what the cost of a decarbonized economy will have on Equinox, generally, not just in Canada, but in the U.S. and in Brazil and in Mexico, as well.

As I mentioned during the talk, we are putting together a TCFD-related report, a compliant report, for the end of the year, and when we do that, it'll have not just what the costs are, but how we're going to mitigate those costs in the longer term, so that we reduce that risk. We're just working on the ways we're going to reduce that risk at the moment.

Christian Milau:

I do think it's been a really eye-opening exercise to go through that process for a new, young company. Potential impacts are tens of millions of dollars in the long term if you don't deal with these emissions and move towards that net-zero in a reasonable period of time, and that's what's focusing the mind, and, Wayne, as you suggest, Canada has been very clear and focused, so that one will be addressed very, very much in that mid-term process.

I believe the other countries will follow suit, to a certain degree, maybe not to the same extent, but I think this is a global phenom that's happening and anyone who doesn't follow suit will be left behind, and I think companies will address it and move in that direction over the mid-term here.

Rhylin Bailie:

It's sort of a follow-up question to that. "You mentioned that you're working with consulting companies to look at how to offset your emissions. Will you be reporting on that, and what kinds of things are you considering, like carbon credits, new technologies?"

Dennis Wilson:

Yes, we will be reporting on that with that TCFD report. I guess the approach that we've taken, it's three-pillared. The first is to become as energy-efficient as you can, because, obviously, you don't want to bring in renewables to just make wasted energy. That doesn't make any sense. So, the first part is to become as efficient as we possibly can. As those energy-efficiency projects become more and more expensive, then it becomes—it brings up more of your renewables and other more capital-intensive projects become economically more viable.

At the very end of it is the carbon credits. So, we're keeping our eye on that space. It's a little grey to us at the moment, but we're doing our research at the moment, because we realize at the very end of this, whatever amount of emissions we have, we may have to offset. That's our last resort, and to be honest, it's the greyest area at the moment, so we're waiting to the very end before we actually make that decision.

Christian Milau:

I do think that will be one of the key tools in our toolbox, but as Dennis said, that'll be one of the last ones we'll use. There probably will be some residual that we'll have to deal with, and it may be through the credits process but let us get through our mid- to longer-term planning, disclose some information, and then we can talk a little more specifically about maybe that residual rump that we need to deal with.

Rhylin Bailie:

Thank you.

Another question from Wayne Lam at RBC. "Your flagship Los Filos asset is also amongst the highest emissions assets in the portfolio. Are there any easy wins that can be made there in terms of reducing emissions, and is there a trade-off between additional capital that you're willing to commit to these initiatives versus the need for community stability?"

Doug Reddy:

Los Filos, given that it has three open pits and two underground that feed into the leach pad, it ends up being the truck fleet that is the big diesel consumer. We would like to be able to look at alternative trucks in Mexico. It is a bit of a hindrance right now because of the way the government policy has prevented us from being able to adopt some of the new technologies for trucks, so it's counter-intuitive.

We would like to see that change and be able to conceive of being able to change to a more efficient truck fleet, but, in the meantime, we are doing other things wherever possible, especially on the leach pad, to be more efficient. This doesn't relate to GHG reductions, but obviously things where we can be doing the water conservation we possibly can do or looking at alternate ways to generate power.

The team at site has been very, very proactive in putting forward lots of concepts or ideas that we're looking into, and we have a group here that's also been following on trying to do the initial engineering to see if there's any fruit that can be had through the various concepts at Los Filos, but it is a challenge at that site.

Christian Milau:

Two of the specific areas that I know the team is looking at, and they mention it here in our recent update with them, they're looking at solar power for certain parts of the site, and also looking at ways to manage the fleet and reduce consumption and make it more efficient. Those are kind of low-hanging fruit that maybe don't solve the bigger problem, but they certainly help along the way in the early days.

Dennis Wilson:

It's probably worth mentioning, we share experiences from all sites. Just as I sort of mentioned on the health and safety side with those investigations, we try and get key learnings from everywhere to make sure that we're better managing our sites. Doug's part of an energy and greenhouse working group that we have, that has all of the sites, all of the country heads, as a part of that meeting. So, yes, we're always on the lookout for energy-efficiency projects at all of our sites that make sense.

Doug Reddy:

One other thing at Los Filos is all of our electric power comes in from a grid that is being fed into by a nearby, very large reservoir and hydroelectric facility, but the grid also has non-renewable energy coming into it. We can't call it renewable or green energy because it has portions of the power in the national grid of Mexico that come from non-renewable sources as well. So, it ends up looking worse than it probably really is, given that if you looked at the proportion that's on the overall grid for that region, it would be far greener, but we can't do that. It's just not allowed.

Dennis Wilson:

That's right.

Rhylin Bailie:

Perfect.

Well, at the moment, we have no further questions. If you do think of questions that you didn't have time to ask, please do email us and we'll get in touch with you as soon as we can.

I will turn the call over to Christian Milau for closing remarks.

Christian Milau:

Yes, thanks, Rhylin, and I appreciate everyone taking the time today, just over an hour, for our inaugural call. We'll just continue to improve and focus on providing more information so you can keep an eye on this part of our business because it is an integral part and a pillar of what we're doing, and thanks for taking the time today.

Rhylin Bailie:

Thank you very much. Operator, you can now conclude the call.

Operator:

Thank you. This concludes today's presentation. Thank you for participating and have a pleasant day.