

# Climate Action

## WHY THIS TOPIC MATTERS TO EQUINOX GOLD

Climate change is a global risk that will affect the ecosystems and the economies of every country and every city across the globe. In 2018, the [Intergovernmental Panel on Climate Change](#) warned that global temperature increase must not exceed 1.5°C this century to avoid catastrophic impacts from climate change. Over the last few years, Equinox Gold and our local communities have experienced firsthand the impacts of climate change, with extended rainy seasons in Brazil and more frequently occurring extreme weather events at several mines.

Against this backdrop, industries and governments worldwide are mobilizing to reduce energy consumption and greenhouse gas (GHG) emissions in a collective international effort to protect our planet for future generations and steer the global economy toward a net-zero path. At Equinox Gold, reducing our climate footprint is not just the right thing to do – it is fundamental to the long-term success of our Company. We recognize our responsibility to stakeholders to evaluate, manage and, where possible, mitigate potential impacts of climate change on our operations. At the same time, new products, technologies and government incentives related to addressing climate change may provide opportunities that benefit our business.



## Our Approach

We take responsibility for mitigating the impact of our operations on the climate and support the goals of the Paris Agreement to reduce GHG emissions.



### MORE INFORMATION

- [Climate Action Report](#)
- [Environment and Climate Change Policy](#)



## Climate Strategy

Addressing climate change is a key component of our ESG strategy. We are committed to being part of the solution to mitigate climate change and are taking action to reduce our GHG emissions, support climate solutions and steward a more sustainable environment.

Since 2020 we have taken important steps to understand our carbon footprint, identify opportunities for improvement and create an achievable climate roadmap to guide our actions. We have also adopted leading industry standards, including the United Nations Global Compact, the World Gold Council's RGMPs and the Mining Association of Canada's TSM protocols to guide and help improve our performance.

Building on this strong foundation of guiding principles, our climate action strategy sets an ambitious but achievable target to achieve a 25% reduction in our GHG emissions by 2030. This target applies to our Scope 1 and Scope 2

GHG emissions compared to our "business-as-usual" forecast GHG emissions in 2030 if no intervention measures were taken. To establish this target, we used baseline GHG emissions data, life-of-mine production forecasts, a detailed assessment of climate-related risks and opportunities at all of our mine sites, and a review of industry standards and available technology. We currently do not track or report Scope 3 emissions. For more information, refer to our [2022 Climate Action Report](#).

TARGET

# 25%

reduction of our Scope 1 and Scope 2  
GHG emissions by 2030

## GHG Reduction Initiatives

To reach our targets, we continue to implement initiatives at our operating mines aimed at reducing both GHG emissions and operating costs. We are also considering GHG emissions mitigation opportunities at our development projects so we can achieve both production growth and our climate-related objectives.

Nearly all of the Company's emissions (over 96%) come from diesel combustion onsite in mobile equipment and from electricity generation, either onsite or offsite, for fixed equipment. Focusing our GHG emissions reduction strategies in these areas will have the most impact towards achieving our 25% by 2030 reduction target. As such, our near-term initiatives centre on more efficient diesel and electricity use and, where possible, sourcing electricity from green power sources.

## Climate Risk

We continue analyzing the risks and potential impacts of climate change on our operations and the regions in which we operate. Such risks are considered and overseen through our Enterprise Risk Management (ERM) process. During 2021 we conducted a Climate Risk Assessment to identify, assess and rank climate-related risks, as well as establish response and mitigation strategies for each risk. We also engaged an independent third party to further analyze these risks under different climate scenarios.

These analyses determined that climate change-related physical impacts on our facilities and infrastructure (as a result of extreme weather events such as heavy precipitation and hurricanes) and possible new regulations (e.g., increased pricing of GHG emissions, enhanced emissions reporting obligations) are the most immediate risks to our business. For more information, refer to our [2022 Climate Action Report](#).

# Accountability

Equinox Gold’s Board provides strategic oversight regarding the Company’s GHG emissions reduction planning and management of climate-related risks and opportunities with the intention that our response to climate change enhances shareholder value. Two Board-level committees are directly involved in oversight of Equinox Gold’s GHG emissions reduction and climate-related risk management strategy:

- The Environment, Social and Governance Committee oversees ESG matters, including target setting and management of GHG emissions and energy initiatives.

- The Audit Committee oversees the Company’s ERM process, including risks associated with climate change.

Senior management is responsible for managing and evaluating the Company’s environmental performance, setting climate-related commitments and targets, setting and managing strategies to ensure we meet our commitments and targets, managing climate-related risks and leveraging climate-related opportunities. Equinox Gold ties a portion of management compensation to performance against climate-related goals. We also have an Energy and GHG Management Committee,

comprising senior management from both our corporate and operations teams, with the mandate to ensure we progress toward our objectives related to energy efficiency and GHG emissions reduction.

Our Director of Environmental Affairs is responsible for collecting and compiling site emissions data, coordinating GHG emissions reduction initiatives with the mine sites, collecting and compiling data related to GHG emissions reduction initiatives, and the management of climate-related risks and opportunities.

Responsibility for energy and carbon management spans all levels of our organization but is really led by our mine sites. Mine site management are responsible for determining targets for their mine sites, managing GHG emissions, implementing GHG emissions reduction initiatives, and communicating the importance of the Company’s GHG emissions reduction efforts to our workforce.

More information about our governance around climate change is available in our [2022 Climate Action Report](#).



# Our Performance in 2022

# 5.8M

gigajoules of energy consumption

# 10%

reduction in Scope 1 and Scope 2 emissions

# 341,147

tonnes of CO<sub>2</sub>e emissions

- Reduced GHG emissions by 10%, with 341,147 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e) emissions during 2022 compared to 378,463<sup>1</sup> in 2021
- Developed a climate action strategy with the target to reduce GHG emissions by 25% by 2030
- Entered into renewable energy power contracts for select Brazil operations

During 2022 we undertook extensive work across the Company to develop a climate action strategy and approve a GHG emissions reduction target (25% reduction by 2030). We developed, assessed and prioritized a list of potential GHG emissions reduction initiatives. The effort was coordinated by Equinox Gold’s corporate office, with the mine sites providing potential opportunities, information about available equipment and operating parameters specific to each mine site. In addition, to better understand the potential impacts of changing weather patterns, rising global temperatures and extreme weather events on our operations, in 2022 we hired a third party to review the physical climate-related risks at all of our operating sites. The study looked at a 30-year time horizon and considered several parameters including drought, flood, increased risk of wildfires, sea level rise and temperature

extremes, and determined that Equinox Gold’s facilities are operating in locations facing moderate physical risk, with the most significant exposure being to water stress, wildfires and heatwaves at our USA and Brazil operations.

All of this work was summarized in our inaugural [Climate Action Report](#), which was released in February 2023. The report is aligned with the disclosure guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). We also submitted our second year of data to CDP.

Equinox Gold entered into wind power contracts for our Santa Luz and Fazenda mines starting on January 1, 2023 that are expected to result in nearly \$42 million in savings over the 10-year contract. Aurizona has signed a contract to use solar power starting on January 1, 2024 with the expectation of saving \$30 million over the 11-year contract.

In Brazil, the amount of hydro power available depends on the quantity of rainfall. Following a significant drought year in 2021, excessive rain in 2022 resulted in the cleanest grid power in over a decade, decreasing our emissions by 25,000 tonnes of CO<sub>2</sub>e.

At Los Filos, we engaged our employees in a campaign to identify opportunities

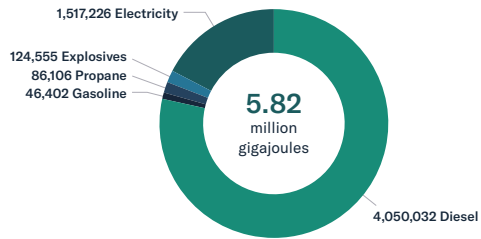
to reduce GHG emissions at the site. Employees presented and pilot-tested four different proposals. The initiative chosen for immediate implementation was haul truck load optimization, with the team trying to load the trucks as closely as possible to design load parameters. Adding on average an extra 10 metric tonnes of material to each truck (29 trucks in total) decreased total operating hours by approximately 14,500 hours, decreased fuel consumption by 1.2 million litres of diesel and decreased GHG emissions by 3% (3,200 tonnes of CO<sub>2</sub>e) in 2022 while also improving our operational efficiency in the open pit mines.

In the following charts, we show the energy consumption, GHG emissions and energy intensity at our producing sites. Mercedes is not included as Equinox Gold divested this asset in April 2022. Santa Luz was commissioned in 2022 and began commercial production in October of the same year; we expect Santa Luz to decrease its energy intensity as operations stabilize.

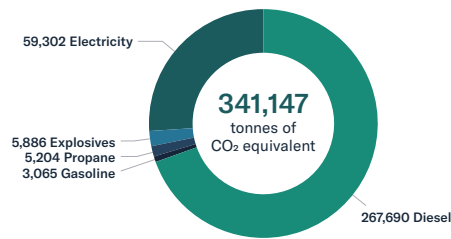
Equinox Gold uses emission factors from the TSM Energy and Greenhouse Gas Emissions Management Reference Guide, 2014, to calculate Direct (Scope 1) GHG emissions, and uses emission factors from respective government or regional utility disclosures to calculate grid electricity (Scope 2) GHG emissions.

<sup>1</sup> In 2021 we reported 385,978 tCO<sub>2</sub>e; however, this number has been revised to 378,463 tCO<sub>2</sub>e based on updated emission factors for consumables and the regional grid.

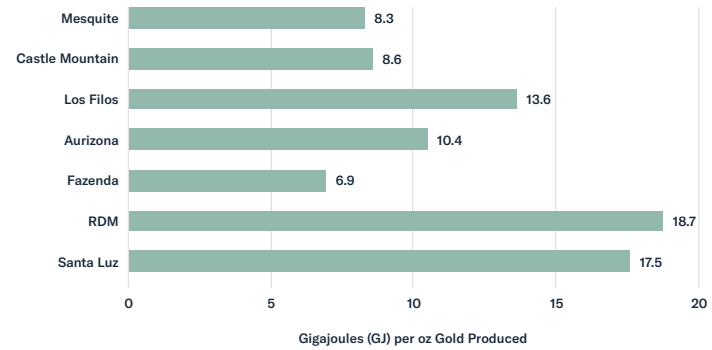
**2022 GHG EMISSIONS BY SOURCE (GJ)**



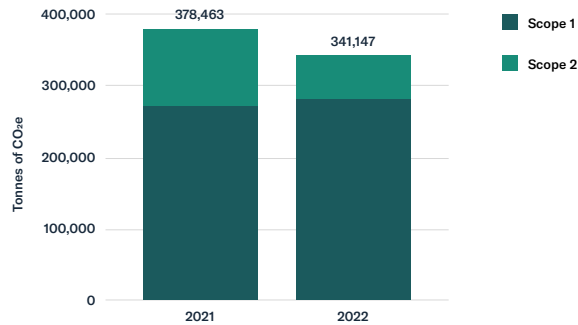
**2022 ENERGY CONSUMPTION BY SOURCE (tCO<sub>2</sub>e)**



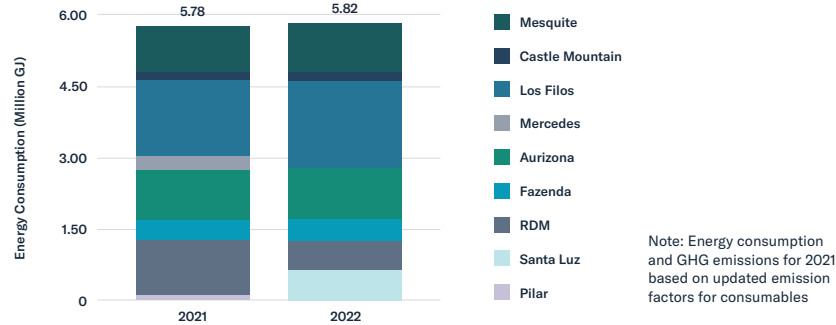
**2022 ENERGY INTENSITY BY SITE (GJ PER OZ GOLD PRODUCED)**



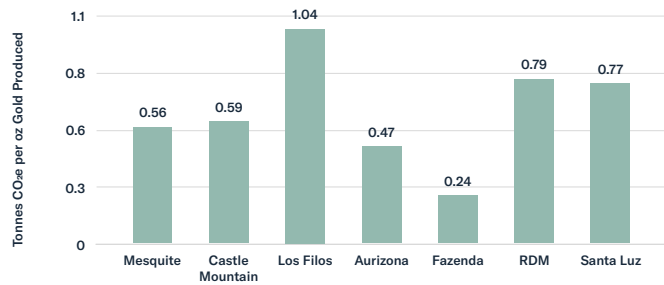
**2021 AND 2022 SCOPE 1 AND SCOPE 2 EMISSIONS (tCO<sub>2</sub>e)**



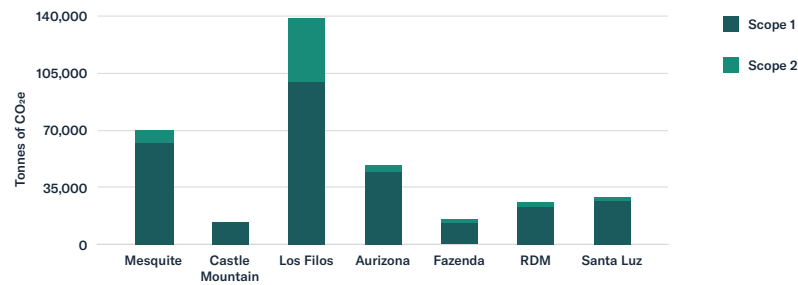
**2021 AND 2022 ENERGY CONSUMPTION BY SITE (GJ)**



**2022 GHG EMISSIONS INTENSITY BY SITE (tCO<sub>2</sub>e PER OZ GOLD PRODUCED)**



**2022 SCOPE 1 AND SCOPE 2 EMISSIONS BY SITE (tCO<sub>2</sub>e)**



**PRIORITIES FOR 2023**

- Coordinate GHG emissions reduction initiatives with the mine sites.
- Collect and compile site emissions data to monitor progress with GHG emissions reduction initiatives.
- Implement renewable power purchase agreement at Santa Luz and Fazenda.

