

Fortuna's Sustainability Framework

Fortuna's sustainability framework is an integral part of the Company's business framework which is defined by its vision, mission, values and approach to Sustainability.

Vision

Be valued by our stakeholders as a sustainable company and a leader in the precious metals industry.

Mission

Create sustainable value through growth of our mineral reserves, metals production and the efficient operation of our assets, while remaining firmly committed to safety, and to social and environmental responsibility.

Values

- We value the health and safety of our employees. We do not tolerate unsafe actions or conditions.
- We value the environment. We adhere to strict environmental standards and mitigate our impact.
- We value our communities. We show respect for cultural diversity and work as a strategic partner to enable the sustainable development of our neighboring communities.
- We value a commitment to excellence. We achieve high standards and the best practices.
- We value integrity. We act in accordance with our philosophy.

Approach to Sustainability: Mining with Pride and Purpose

Fortuna sees sustainability as the creation of long-term economic, social, and environmental value for our shareholders and stakeholders. This understanding has led us to make a fundamental commitment to integrate sustainability into our governance, business strategy, organizational culture and day-to-day operations.

Our vision is to be valued by our stakeholders as a sustainable company that goes beyond "zero harm", and produces net positive effects for society, by being at the forefront of the implementation of precious metals industry current practices. Our actions must serve all stakeholders, maximizing benefits for shareholders, employees, suppliers, communities, and more, and doing these actions to a high standard will create even more long-term value for our stakeholders. To achieve this, we optimize our efforts toward robust governance, operational excellence, and transparency. It will reduce our risks and increase our efficiency while maximizing the opportunities for the business and its partners.

We strive to be recognized for our ESG goals and performance by our investors, our employees, our local communities, and our host-countries. We aim to continually improve our sustainability performance, so that year after year we remain a high-performance, resilient and trustworthy company.

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Our Sustainability Framework

Our sustainable development framework is structured around three levels:

1. Core Elements and Pillars
2. Organizational Components
3. Management System Key-Elements

1. CORE ELEMENTS AND PILLARS

Our sustainability framework is made up of three core elements that are Environment, Social and Governance (ESG), and six pillars that support them.

Core Element #1 - Environment

Proactively manage environmental risks associated with our activities, with the primary goal of attaining zero harm.

Pillar #1 - Environment

Minimize our impact on the environment to preserve it for future generations

Core Element #2 - Social

Create a culture of health, safety and social responsibility, a safe and supportive workplace, and develop constructive relationships with our stakeholders.

Pillar #2 - Communities

Be a catalyst for sustainable development independent of the presence of the Company in the community

Pillar #3 - Occupational Health and Safety

Demonstrate commitment in everything we do

Pillar #4 - Human Resources

Attract and train a workforce which draws on the local stakeholder community

Core Element #3 - Governance

Implement high management and reporting standards, respect human rights and maintain enhanced ethical business practices.

Pillar #5 - Systems and Disclosure

Implement high management and reporting standards

Pillar #6 - Human Rights and Ethics

Be a responsible producer

2. ORGANIZATIONAL COMPONENTS

Our sustainability framework is comprised of four organizational components:

- A. Functional Governance
- B. Sustainability Strategy
- C. Risk Management
- D. Metrics and Targets

For each component, key operating rules are defined and must be implemented to ensure the effective implementation of our business approach (mission, vision, and values).

A. Functional Governance

To ensure an operational governance of sustainability matters at all levels of the organization, the Company has defined mandates, responsibilities, accountabilities, policies, and tools related to sustainability-related risks and opportunities covering all its business units. At Fortuna, we consider that the following key elements of operational governance shall be implemented:

- **Sustainability Committees** at different levels of the Organization, including: (i) Board of Directors, (ii) corporate management, (iii) regional, and (iv) operational (subsidiary) level. Committee meetings are scheduled on a regular basis and, at the Board and corporate level are governed by a specific charter, which explicitly mentions the committee's duties and responsibilities, the oversight of key material issues related to sustainable development, such as safety, climate change, human rights, community relations, water, tailings and other material issues as appropriate.
- **Financial incentives** implemented as long-term and short-term incentives at corporate and subsidiary levels, and are tied to the achievement of sustainability key performance indicators.
- **Accountable Executive** formally identified for ESG and sustainability matters from the Executive leadership team and reports directly to the CEO or CFO. The Accountable Executive leads the Company's development and implementation of sustainability and ESG strategy in order to maintain the value of the Company's assets, and to improve the long-lasting quality of the Company's operations while addressing key stakeholder expectations.
- **Corporate Policies** communicate the philosophy and expectations of our organization. New or revised policies are managed through an internal process that includes the Board of Directors and the Accountable Executive. The policies are disclosed publicly, and employee awareness-raising sessions on the policies are held periodically.
- **Corporate Standards** communicate the rules and requirements applicable to all processes and operations throughout the Organization. They apply to all directors, officers and employees of the Company and its subsidiaries.
- **Disclosure and Reporting** ensures transparency on our sustainability governance, management systems and performance using recognized materiality assessment, disclosure and reporting guidance such as from International Financial Reporting Standards (IFRS), International Sustainability Standards Board (ISSB), Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI) and other relevant disclosure and reporting initiatives recognized by the mining sector. An annual sustainability report is published and made public in the second quarter of each year, in addition to any other required regulatory disclosure.

B. Sustainability Strategy

Based on identified sustainability-related risks and opportunities that can reasonably be expected to affect the company, a sustainability corporate strategy is developed to address material and/or important issues. At Fortuna, our Sustainability Strategy is based on the following key elements:

- **Alignment and integration** of the sustainability strategy within the vision and mission of the company and the core elements and pillars of this sustainability framework, and the company's overall strategy.
- **Timeframe** for implementing the strategic plan, which is defined over a period of 3 or 5 years.
- **Objectives** are defined with specific, measurable, achievable, relevant, and time-bound (SMART) goals that align with the company's mission and vision.
- **Target** define a desired outcome or result.
- **Approach and measurement:** The strategy defines how the objectives and targets will be achieved and how they will be measured, reported and reviewed.

C. Risk Management

The identification, assessment, prioritization, monitoring, and communication of sustainability-related risks and opportunities is integrated into the company's Enterprise Risk Management (ERM) management process. At Fortuna, we consider the following to be the key elements of Sustainability Risk Management:

- **Alignment with Sustainability Strategy.** Risk Management is part of strategic planning and execution, it is not separate from the strategy.
- **Documented processes and related policies.** The process to identify, assess, prioritize and monitor sustainability-related risks and opportunities follows a pre-determined methodology set by the company's governance policies, which focus on ensuring a consistent approach towards managing and overseeing risk.
- **Risk Response Plans.** When residual risks are above the organization's risk acceptability, actions, considering an ALARP (as low as reasonably possible) approach, are implemented to mitigate or eliminate risks.
- **Monitoring and reporting.** Risks, opportunities, and action plans are regularly monitored, and progress and changes are reported in accordance with defined processes and policies.

D. Metrics and Targets

The Company develops targets and/or performance indicators which are required to meet its objectives in relation to its sustainability-related risks and opportunities. This includes monitoring the progress towards any targets the entity has set, and any targets required to be met by law or regulation. At Fortuna, we consider the following are the key elements in setting Sustainability Metrics and Targets:

- **Alignment with Sustainability Strategy and Risk Management.** Metrics and targets are used to appreciate the desired outcome or result expected of the strategy.

- **The Metrics** identified, used and monitored for each sustainability-related risk and opportunity that could reasonably be expected to affect the company.
- **The Method** used to calculate the metric and the inputs to the calculation, including the limitations of the method used and the significant assumptions made.
- **The targets** set to monitor progress towards achieving its strategic goals. The setting of targets should consider: quantitative or qualitative specificity, period of measurement, period from which progress is measured, milestones and interim targets; performance against each target and an analysis of trends, revisions to the target and an explanation for those revisions.

3. MANAGEMENT SYSTEM KEY ELEMENTS

To support the Organizational Components, Management System Key Elements must be implemented at operational level. At Fortuna, we consider that 17 key elements need to be part of our Sustainability Management Systems. This approach is aligned with the international management standards such as ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems).

1) Leadership and Commitment

The Company's Leadership is accountable and responsible for Sustainability results and the implementation of management systems in all operations, activities, and processes. The Leadership is responsible for defining policies, standards, and procedures, leading by example, setting objectives, and providing sufficient resources for the system and controls implementation to ensure the expected compliance.

2) Role, Responsibilities and Accountabilities

All workers must have well defined responsibilities and accountabilities. Fortuna and all subsidiaries must ensure that all workers are fully aware of Sustainability responsibility according to their role in the Company.

3) Risk Management

All planning and decision making must be made under risk evaluation to ensure that activities and operations will have risks under control. All subsidiaries must have a process implemented to identify, assess, and manage all risks related to Sustainability.

4) Legal and Other Compliance

The Company conducts its business in accordance with the applicable legal and regulatory requirements in the jurisdictions where it operates. The subsidiary leaders are responsible for considering identification, assessment, and compliance management of the Sustainability related requirements.

5) Objectives and Planning

The Company has strategic objectives and targets that drive its mission in all levels of the organization. Yearly the Company's Leadership updates the annual objectives considering: (1) operational performance improvement, (2) full implementation of Sustainability policies, (3) key items of the sustainability global strategy and, (4) applicable requirements identified by the Sustainability Management System.

6) Awareness, Training and Competence

The Company will ensure that workers demonstrate competencies prior to being authorized to execute any activity under the Company's management. Workers must be aware of the risks and trained to comply with all of the Company's and subsidiaries' Sustainability standards, procedures, and legal requirements, in accordance with their role in our organization.

7) Communication

The Company and all subsidiaries must ensure an effective process for regular internal and external communication regarding Sustainability to stakeholders at all levels, considering workers, interested parties, relevant communities, contractors, and visitors to the Company's sites.

8) Documents and Standardization

All Sustainability policies, standards, procedures, and relevant documentation are managed, maintained and disclosed by a management system, ensuring that they are updated and available to workers and leaders, and used in the Company's training sessions.

9) Operational Control

The risk management process establishes the controls, requirements, and rules with which all operations and activities under the Company's management must comply. All subsidiaries and operations must establish and implement controls for Sustainability risks. The Company's corporate Leadership may establish requirements that must be followed by all operations, such as critical control technical standards for safety, tailings management, water management, and others.

10) Management of Change

Internal and external changes can impact the organization's Sustainability risks. Changes can be under installations (equipment change and acquisition), technology (new ore treatment or material input), processes (change in the procedures or variables outside the original process range), and people (organizational structure, role changes), and they can be temporary or permanent. All the subsidiaries must identify and assess the risks of the changes before implementation, and manage their impacts before, during and after the change implementation.

11) Contractor Management

All subsidiaries must ensure that the Sustainability risks associated with contractors are managed and controlled to ensure compliance with the corporate and subsidiaries' requirements. All major contractors, as defined in the corporate standard, are required to demonstrate Sustainability competence.

12) Emergency and Crisis

All subsidiaries must ensure prevention, preparedness, response, and recovery from potential emergencies and/or crises that may impact or jeopardize business continuity, implementing established resources and plans. The Corporate Crisis Management Team can be activated in accordance with the corporate standard.

13) Monitoring, Measurement and Evaluation

The Company must monitor Sustainability criteria and indicators in all operations to measure the effectiveness of the management systems and controls implemented, and to evaluate the overall performance of the organization.

14) Audit

The Company and all subsidiaries must effectively implement and maintain periodic audit processes to measure compliance with Sustainability management system requirements.

15) Management Review

Senior management at the corporate and subsidiary levels must review the organization's Sustainability management system at planned intervals, to ensure its continuing suitability, adequacy, and effectiveness.

16) Incident Management

At Fortuna, all operations leaders are responsible for ensuring that all incidents are reported, recorded, and investigated and corrective actions are taken to prevent recurrence of similar incidents. All subsidiaries must learn from their own incidents and significant incidents in other subsidiaries.

17) Nonconformity and Corrective Action

Nonconformities related to Sustainability management compliance are reported and analyzed. Timely corrective actions must be taken in order to eliminate root causes and prevent future occurrences.