2022 Climate Action Report

A TCFD ALIGNED DISCLOSURE

AGNICO EAGLE

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Introduction

About this Report

This Climate Action Report—the first released in connection with our Net-Zero by 2050 emissions target—is being launched at a time when climate change is acknowledged as one of society's greatest challenges and a major focus for Agnico Eagle Mines Limited (Agnico Eagle). The risks associated with a changing climate have never been clearer and Agnico Eagle understands the importance of managing climate-related risks to build a more resilient company, capitalize on future opportunities, and communicate to our stakeholders effectively.

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board (FSB) in 2017, with the aim of driving more effective climate-related disclosures that could promote more informed decisions. A core element of the TCFD framework is governance around climate-related risks and opportunities, with particular attention to board oversight and management's role, as well as the need to embed climate change implications into the organization's strategy, risk management, and metrics and targets. In 2020, we aligned the Energy and Climate Change section of Agnico Eagle's Sustainability Report with the TCFD and in 2021, we formally committed our support for the TCFD.

Agnico Eagle is also an active member of the World Gold Council (WGC) and the Mining Association of Canada (MAC) and we are committed to applying the Responsible Gold Mining Principles (RGMPs) and Toward Sustainable Mining (TSM) guidelines respectively. In 2021, the WGC announced that its members, 33 of the world's most forward-thinking gold miners, have committed to reporting their positions and progress on climate-related risks in line with the recommendations of the TCFD. This coincided with the MAC's publication of the TSM Climate Change Protocol—an update to the 2021 TSM Energy Use and GHG Emissions Management Protocol. The TSM Climate Change Protocol is well aligned with the TCFD framework, including recommendations to implement corporate commitments, governance, and processes at the board and management levels to support the consideration of climate change implications in business strategy.

The structure of this report aligns with the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets. It supplements our 2021 Sustainability Report and 2021 Annual Report, both of which examine aspects of climate change and business risks and opportunities. Additionally, it is aligned with the UN Sustainable Development Goals (SDGs) and our response to CDP (formerly known as the Climate Disclosure Project).

In 2021, Agnico Eagle formally committed support for the TCFD. Our Approach to Climate Change page 7 is guided by the TCFD's framework of recommendations and supported by the best practice and implementation guidance provided by the TCFD. For Agnico Eagle, TCFD provides both a structure and framework for disclosures, as well as guidance on initiatives and actions.

Agnico Eagle has worked alongside the MAC since 2010 to help develop and implement the TSM initiative. TSM is a globally recognized sustainability program that supports mining companies in managing key environmental and social risks. In 2021, TSM launched the TSM Climate Change Protocol, designed to minimize the mining sector's carbon footprint, enhance climate change disclosures and strengthen the sector's ability to adapt to climate change. Since its launch, Agnico Eagle has made continuous performance improvements and implemented the best practice recommendations developed through the TSM Climate Change Protocol.

As a member of the WGC, Agnico Eagle is a supporter of the RGMPs and draws best practice recommendations for climate from RGMP Principle 10. In 2021, the WGC announced all members have committed to reporting their positions and progress on climate-related risks in line with the recommendations of TCFD.

Based on the importance of managing and disclosing climate related-risks and opportunities for Agnico Eagle and our stakeholders, we intend to publish an annual Climate Action Report as part of our regular sustainability reporting.

About Agnico Eagle

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Our business strategy focuses on geological regions with strong gold endowment in stable global jurisdictions, with a commitment to being both a good employer and a good neighbour.

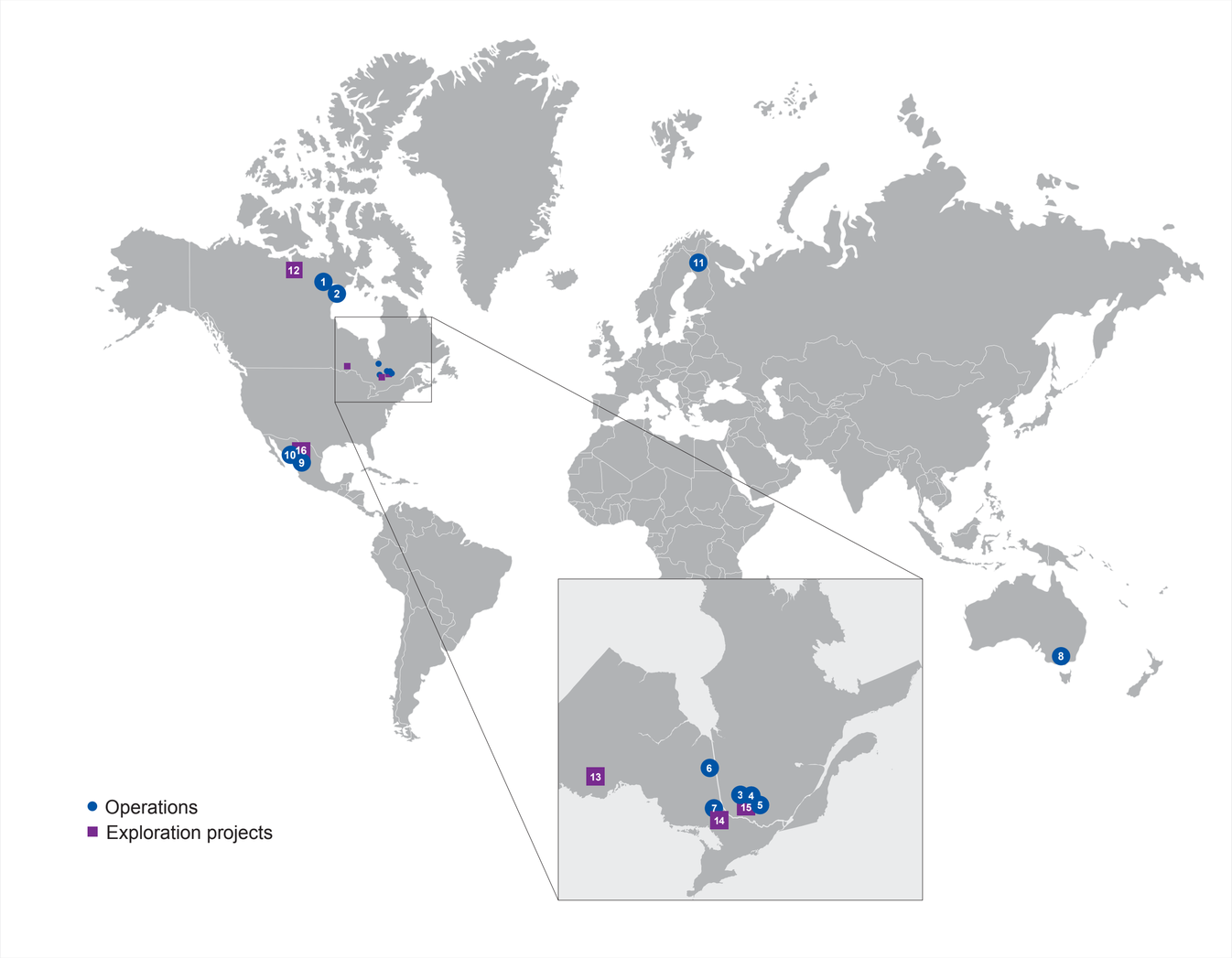
We are committed to not only meeting, but going beyond regulatory requirements for health, safety, environmental, social and governance matters. We continue to integrate sustainability considerations into our business strategy as well as in the way we plan and manage our activities. Sustainability is a fundamental value during all phases of operation, from exploration to reclamation. We assess potential impacts and risks associated with our activities across the whole life cycle of our projects and operations, including the potential impacts of possible acquisition and divestiture decisions, based on these values.

Operations

1. **Meadowbank Complex (100%)** Nunavut, Canada
2. **Meliadine (100%)** Nunavut, Canada
3. **LaRonde Complex (100%)** Quebec, Canada
4. **Goldex (100%)** Quebec, Canada
5. **Canadian Malartic (50%)** Quebec, Canada
6. **Detour Lake (100%)** Ontario, Canada
7. **Macassa (100%)** Ontario, Canada
8. **Fosterville (100%)** Victoria, Australia
9. **Pinos Altos Complex (100%)** Chihuahua State, Northern Mexico
10. **La India (100%)** Sonora State, Northern Mexico
11. **Kittilä (100%)** Lapland, Northern Finland

Exploration Projects

12. **Hope Bay (100%)** Nunavut, Canada
13. **Hammond Reef (100%)** Northwestern Ontario, Canada
14. **Kirkland Lake Regional (100%)** Northeastern Ontario, Canada
15. **Canadian Malartic – Odyssey project (50%)** Quebec, Canada
16. **Santa Gertrudis (100%)** Sonora, Mexico



AMMAR AL-JOUNDI

Message from Our President and CEO

Climate change is global in nature, but its impacts are being felt closer and closer to home.

Hurricanes and floods that rip apart towns, droughts that bring fires and disease: more and more, the climate crisis is impacting our families, our friends and our communities.

Agnico Eagle's employees, neighbours and operations are experiencing it too. Our mines in Canada and Finland are stewarding an excess of water while those in Mexico and Australia can be challenged to conserve this increasingly scarce resource. We recognize the important role industry plays in addressing climate change.

This is Agnico Eagle's inaugural Climate Action Report and in these pages, you will learn about the actions we have taken, and are taking, to be among the industry's lowest greenhouse gas (GHG) emitters, as well as our strategies to adapt to and mitigate the impacts of climate change.

You will read about the detailed work our sustainability, energy and innovation teams have undertaken to develop a credible pathway to decarbonization—disciplined work that has helped us establish an interim carbon reduction target of 30% by 2030 and a goal of achieving Net-Zero carbon emissions by 2050.

As a sustainability leader in the global mining industry, we aim to be a climate action leader too. We hold ourselves accountable to the highest ESG standards and this will not change. We are committed to improving/maintaining our position as one of the lowest GHG intensity emitters per ounce (oz) of gold for a senior gold producer.

Our climate reduction strategy is integrated with our business strategy and revolves around three strategic pillars: performance; pipeline; and people. We will focus on what we are good at, finding technical and innovative solutions to complex problems—namely employing technology to increase our energy efficiency, reduce our dependence on fossil fuels and decarbonize our operations—and we will put the human and financial capital in place to align our actions with our commitments. Looking to the future, we expect that decarbonization will be one of the key criteria through which any potential mergers or acquisitions will be made at Agnico Eagle.

Since our emissions are comparatively low, the next significant step on our pathway requires others to join us. In order to meet the climate crisis head on, we need governments—national, territorial, provincial, regional and local—to establish the energy infrastructure required in off-grid communities that will enable our collective transition away from diesel fuels to green, renewable energy.

On behalf of everyone at Agnico Eagle, I want to thank our Steering Committee on Climate-related Risks and Opportunities for their extensive work in developing our Climate Action Plan and targets, and for moving us further along the decarbonization pathway to Net-Zero.

AMMAR AL-JOUNDI
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Our Decarbonization Pathway To Net-Zero

Agnico eagle has established an interim carbon reduction target of **30% reduction in absolute Scope 1 and Scope 2 emissions by 2030** (based on 2021 levels) and a goal of achieving **net-zero carbon emissions by 2050**.

CAROL PLUMMER

Message from Our Chair of the Steering Committee on Climate-related Risks and Opportunities

Agnico Eagle is taking action to decarbonize our operations, mitigate the impacts of future climate change, and contribute to a low-carbon economy. We remain committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures. Last year we publicly stated our commitment to achieve Net-Zero carbon emissions by 2050. We also continued to enhance our carbon reporting of Scope 3 emissions, strengthened our climate change governance structure, and began climate-specific risk and opportunity assessments. In this inaugural 2022 Climate Action Report we are announcing an interim carbon reduction target of 30% by 2030, and outlining our plans to achieve both our interim and long-term targets.

Achieving our targets will require a shift in our collective thinking. We must instill a low-carbon culture across Agnico Eagle, where we aim to be more efficient in every action we take. Like our safety-first mindset, it is the small daily actions that can have the biggest impact on reducing our carbon footprint.

Our pathway to decarbonization

We are building and aligning our pathway to decarbonization around the three strategic pillars of Agnico Eagle's business strategy—performance, pipeline and people.

PERFORMANCE

We are taking several actions to improve our performance and reduce our overall GHG emissions. Our initiatives are designed to enhance our energy efficiency, advance our technology transition, and accelerate our shift to renewables—with a focus on electrification, innovation and the pursuit of alliances to advocate for the greening of electrical grids.

PIPELINE

We are aligning our project planning and business processes around our interim and long-term GHG emission reduction targets. We are also engaging with governments and our peers to spur on funding for renewable energy initiatives and technology transition.

As we build or add new projects to our pipeline, we will include forecast carbon costs into our economic evaluations. We will also incorporate the impacts of physical and transition climate risks, as well as adaptation and resiliency measures, into our project planning, operations and closures.

PEOPLE

So much of our success along this decarbonization pathway requires the support of our people and governments that represent them. From policy makers to our Board of Directors and site Climate Action Teams, the climate crisis requires all of us to take action to support a low-carbon future as we build the next generation of mines.

Going forward, we will continue to explore technology and solutions to improve our carbon performance and accounting, so we remain a leader in low-carbon production and best practices even as we continue to grow.

I want to thank all Agnico Eagle employees for advancing our sustainability performance and culture, and for joining us on this pathway to Net-Zero.

CAROL PLUMMER
EXECUTIVE VICE PRESIDENT, OPERATIONAL EXCELLENCE

Our Approach to Climate Change

Our Approach

The latest findings from the Intergovernmental Panel on Climate Change (IPCC), coupled with growing global extreme weather events, make clear our climate is changing faster than the world can keep up with and we must make urgent progress toward reaching Net-Zero emissions by 2050. As such, governments are expected to accelerate climate policy in response, and stakeholders—including investors, employees, communities, governments and civil society—expect businesses like Agnico Eagle to reduce GHG emissions and support the transition to a low-carbon economy.

Agnico Eagle is addressing this need by planning for both the physical and transitional risks and opportunities that stem from climate change. We do this by proactively working to mitigate emissions as quickly as feasible, preparing the company for a low-carbon economy, and regularly and transparently communicating our climate-related progress and performance, and the risks and opportunities we can reasonably foresee. We feel delaying action on addressing the multi-dimensional challenge of climate change is not a viable option and recognize the important role we have in working alongside governments and communities to mitigate risks, while continuing to grow our operations.

Did you know?
Gold's Role in a Low-Carbon Economy

Beyond the traditional socio-economic value generated in host regions from gold mining—such as employment opportunities, capacity building, procurement, sustainable infrastructure, investments, royalties and taxes—due to its unique physical properties, gold can also play a vital role in technologies that may help facilitate the transition to a low-carbon future.

As described by the WGC[1], gold—often overlooked as an industrial material—has considerable potential in a range of applications that can help reduce GHG emissions. These include using gold catalysts to help convert CO_2 into other types of useful fuels; using gold nanoparticles to enhance hydrogen fuel cell performance; and using gold to improve photovoltaics in solar panels, thereby creating more energy. Although work remains to be done in these areas, Agnico Eagle is keenly aware of its responsibility to our communities and society to support the transition to a low-carbon economy and we will continue to seek opportunities to do so.

1 WGC, 2019. https://www.gold.org/goldhub/research/gold-investor/gold-investor-february-2019/13644

Our Climate Strategy

Agnico Eagle's ability to consistently execute our business strategy provides the foundation upon which we aim to respond to the various climate-related risks and opportunities that could occur. In 2017, we released our first Energy and Greenhouse Gas Management Strategy, which outlined our commitment to implement sustainable energy cost and efficiency improvements, reduce our carbon footprint, and include climate adaptation measures into all aspects of our operations. We rely on our three pillars —Performance, Pipeline and People—to build on this strategy and form the basis of Agnico Eagle's approach.

Our three-pillar strategy allows Agnico Eagle to manage climate-related risks and opportunities, reduce our GHG emissions, build capacity, and act on climate change, while ensuring our operations are increasingly resilient. These efforts will not only mitigate our risks but also enhance our business and support the overall transition to a more sustainable future, which leads to long-term success for the company.

PERFORMANCE

- Maintain our position among the lowest GHG emission senior gold producers, backed by the strong technical expertise required to achieve sustainable energy efficiency improvements and successfully manage large, complex projects.
- Optimize energy use, deploy clean energy solutions at the mine sites, and shift to renewable energy sources.

PIPELINE

- Maintain our reputation for being a transparent operator active in politically-stable jurisdictions based on a regional platform model for developing projects.
- Build our pipeline in a manner that aligns with our Climate Strategy.

PEOPLE

- Leverage the skills and experience of our employees.
- Leverage our relationships and partnerships with governments, peers and communities to better support transition initiatives and advocate for clean power.
- Develop key partnerships with governments and along the value chain to develop strategic ideas that have benefits beyond our organization.

Reducing Our Emissions: Mitigation Hierarchy

We will prioritize our emissions reduction investments according to the hierarchy that follows:

DECARBONIZE

Find solutions to reduce carbon emissions at our locations that balance our climate ambitions with our financial framework.

Includes: Electrifcation, Operational Efficiency

INNOVATE

Invest in innovative solutions that will scale and increasingly reduce our emissions over time and reduce our reliance on offsets.

Includes: Renewable fuels, grid shift, future technologies

OFFSET

Invest in offsets for any emissions that can't be reduced directly through low-carbon solutions that are high quality and deliver community co-benefits.

Includes: Carbon offset sourcing strategy focused on locally meaningful action alongside high-integrity credits

Decarbonization Program

To support our GHG emission reduction targets and provide governance to our planning, investments, and research and development, our decarbonization program includes multi-disciplinary working groups operating in the following workstreams:

ACCOUNT

- Establish clear responsibilities for climate-related risks and opportunities
- Maintain and improve systems to collect, collate and report Agnico Eagle's energy and emissions data
- Implement systems and processes necessary to include climate-related considerations in business planning
- Evaluate potential offsetting opportunities

ABATE

- In collaboration with site Climate Action Teams, identify energy efficiency projects and initiatives at the site level to reduce GHG emissions
- Prioritize abatement projects using Key Performance Indicators such as cost per tonne abated
- Collaborate with key suppliers and joint venture partners on decarbonization strategies and implement strategic sourcing approaches
- Implement renewable and cleaner energy solutions

ADAPT

- Prepare the company for future climate related risks and opportunities
- Understand the risks and opportunities from forecasted physical climate change at our operations and surrounding communities, and implement action plans to address
- In collaboration with Finance team, evaluate and prioritize investments using climate-related considerations
- Develop partnerships to further climate related research and development and capitalize on knowledge sharing

ADVOCATE

- Work with governments to facilitate support and funding, and promote importance of low-carbon grid
- Ensure consistent internal and external communications for multiple stakeholder groups
- Promote climate change awareness and performance in Agnico's supply chain
- Collaborate with industry organizations and help advance the industry's response to climate change

Approach to Scenario Analysis

As part of our ongoing efforts to plan for a low-carbon economy and meet the requirements of TCFD reporting, Agnico Eagle has conducted a preliminary scenario planning exercise. Scenario planning describes possible future environments companies might face over a set time period.

By engaging in scenario analysis, Agnico Eagle can explore a wide range of economic, regulatory, technological, and societal conditions, and consider how the company's businesses and strategies might fare under varying operating environments. Since the future is inherently uncertain, we do not assign probabilities to scenarios nor plan for a probable scenario; rather, we examine the resilience of our strategies to differing futures and adjust accordingly. Therefore, these scenarios are not predictions of the future and do not represent forecasts.

Introduction to the Scenarios

We recognize we are at the start of a profound shift toward a low-carbon economy. It will take time to update infrastructure, for technologies to become implementable, and other obstacles to be addressed. We expect carbon neutrality will be reached by different industries and regions at different times. Our scenario analysis focuses on the 2030 to 2050 time period, as decarbonization of the mining sector will be well underway during this period and it is not so far in the future to be completely speculative.

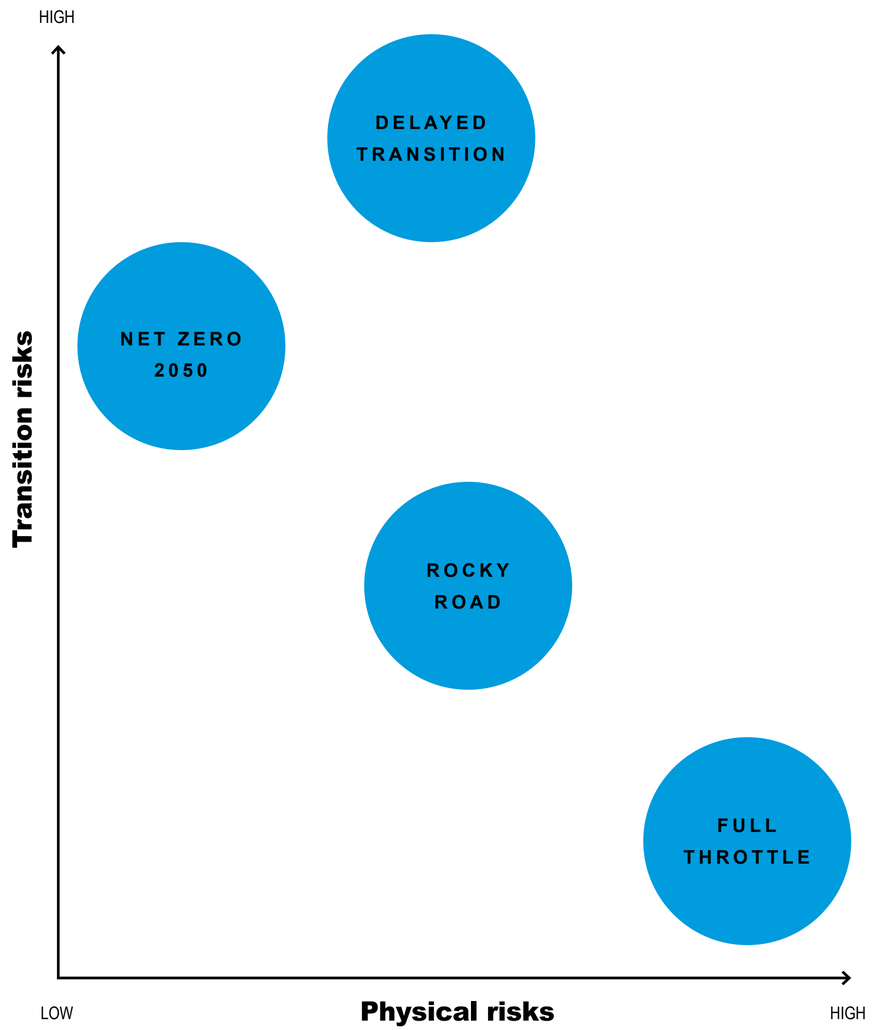
Four reference scenarios were selected based on scenarios developed by the IPCC and the International Institute for Applied Systems Analysis (IIASA). These scenarios cover a wide range of plausible futures and inform our decisions toward a climate-resilient strategy by combining pre-defined Representative Concentration Pathways (RCPs) which describe different levels of GHGs and other radiative forces that might occur in the future, and Shared Socioeconomic Pathways (SSPs) which look at different ways in which the world might evolve in the absence of climate policy and how different levels of climate change mitigation could be achieved when the mitigation targets of RCPs are combined with the SSPs. The selected scenarios are visualized in the infographic on the right.

Resilience of Agnico Eagle's Strategy

In 2022, Agnico Eagle evaluated each scenario against our strategies to assess our resilience to climate change and to confirm our systems and business is robust in various potential futures. The themes we identified as critical to the success of our strategy are electrification, public policy, finance, reputation and suppliers.

This scenario development process helps identify risks and opportunities as we work toward our goal to achieve Net-Zero no later than 2050, while allowing Agnico Eagle's leaders and subject matter experts to discuss associated challenges.

Although scenario analysis will continue, the process impresses on us the importance of proactively managing climate-related risks while maintaining the flexibility to allow us to be responsive to a changing environment. Based on the results from our first scenario analysis, we believe we are investing in the appropriate assets, technologies, and products to increase our resiliency with various outcomes. However, we recognize the process of climate scenario analysis is evolving and we expect the approaches and data quality to improve over time, which will further contribute to our understanding of climate risks and opportunities and help strengthen our resilience and adaptation to climate change.



Risk scenarios

NET ZERO 2050	This scenario is designed to test whether the organization is strategically aligned with the goals and targets of the Paris Agreement and whether Agnico Eagle is well-positioned to weather high levels of transition risks. This scenario accounts for a wide range of transition risks in the context of an orderly transition. There is also a low but non-zero exposure to physical risks due to locked-in climate change at current levels of warming. This scenario builds on SSP 1 and RCP 1.9, putting it in line with the TCFD expectation for a 1.5°C scenario.
DELAYED TRANSITION	This scenario is designed to test whether the organization is well-positioned to face a volatile and uncoordinated socio-political environment, while also experiencing moderate levels of physical risks. This scenario accounts for transition risks that may occur in the context of a disorderly transition which creates uncertainty and turbulence for business. There are also elevated physical risks compared to Net-Zero 2050 due to a slower transition overall. This scenario builds on SSP 4 and RCP 3.4, reaching a global average temperature of 2 – 3°C by 2100.
ROCKY ROAD	This scenario is designed to test whether the organization is well-positioned to face a turbulent and hostile geopolitical environment where climate policy is overshadowed by regional security concerns and resource scarcities. This scenario accounts for transition risks that arise in the context of geopolitical rivalries, and elevated physical risks in the context of limited attention and investment into global adaptation and mitigation. This scenario builds on SSP 3 and RCP 4.5, reaching a global average temperature of 2 – 3°C by 2100.
FULL THROTTLE	This scenario is designed to test whether the organization is well-positioned to face high physical risks with implications to safety, business continuity and revenue potential. This scenario assumes de facto zero climate policy in practice and hence minimum transition risk, but the acceleration in fossil fuel use leads to high exposure to the full gamut of physical risks. This scenario builds on SSP 5 and RCP 8.5, reaching a global average temperature of >5°C by 2100.

Governance

Climate Change Policy

Climate change is governed through Agnico Eagle's Sustainable Development Policy. This includes a commitment to Respect our Environment, which encompasses several policy directives that support our climate change action and climate-related risk and opportunity management.

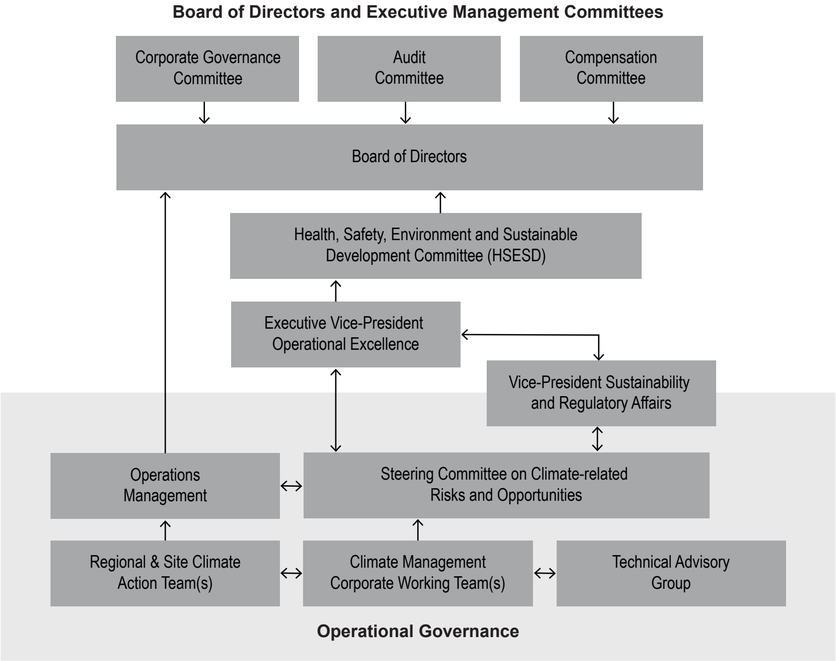
Putting these policy directives in the context of climate change and climate action, means:

- **Minimizing risks associated with managing tailings, mine waste and water** by evaluating the impact that forward-looking climate data could have on design criteria for tailings, waste, and water management.
- **Identifying, evaluating and responding to watershed-related risks and opportunities to reduce cumulative impact on other users** by embedding climate-related data into water balances and water management planning, where appropriate.
- **Implementing measures to conserve natural resources including energy and water** by undertaking energy efficiency initiatives across our sites (see page 22).
- **Implementing measures to reduce our GHG emissions and address the effects of climate change on our operations** by implementing a decarbonization program (see page 9) and undertaking physical risk assessments for all our sites (see "Physical Climate Risks" on page 17).
- Implementation of this policy and oversight of climate-related risks and opportunities, and climate action, is integrated at the Board, executive, and operational levels.

Governance Structure

Our governance structure creates clear lines of accountability, gives us flexibility to adapt to unforeseen circumstances, and ensures sustainable practices are considered in all aspects of our business. Within this governance structure, accountability for climate matters sits at the Board level with the Health, Safety, Environment and Sustainable Development (HSESD) Committee, at the Executive Level with the Steering Committee on Climate-related Risks and Opportunities and at the site level with Operations Management and Climate Action Teams.

Each operation is responsible for identifying and implementing energy efficiency and emissions reduction initiatives to align with corporate-level targets and metrics. They are also responsible for identifying, assessing and managing site-level physical and transition risks or opportunities arising from climate change.



Executive Oversight and Board Involvement

At the Board level, climate matters are presented to the HSESD Committee of the Board of Directors. Updates are provided at minimum at each quarterly Board meeting.

At the executive level, corporate oversight and implementation of climate-related risks and opportunities are the direct responsibility of the Steering Committee on Climate-related Risks and Opportunities, chaired by the Executive Vice-President, Operational Excellence. The Steering Committee on Climate-related Risks and Opportunities includes participation from other executives across the company including the President and CEO, the Chief Operating Officers, the Chief Financial Officer and the Vice President of Sustainability and Regulatory Affairs. The Steering Committee is responsible for recommending the strategic vision for the Company on climate issues to the Board. Once approved, the Steering Committee is responsible for guiding the Climate Change Working Group and sites toward achieving the approved vision. The Steering Committee is also responsible for reviewing and providing guidance on the recommendations of the Climate Change Working Group regarding decarbonization and management of climate-related risks and opportunities.

The Climate Change Working Group is comprised of wide representation from business functions including Finance, Procurement, Sustainability, Maintenance, Investor Relations, Business Strategy, and Technical Services. The Climate Change Working Group is responsible for developing a strategic plan for decarbonization and climate resilience, providing technical support and guidance to the sites and technical teams, and building integration and cohesiveness of climate-related initiatives company-wide.

ESG Performance Incentives

Employee remuneration at all levels and locations is tied to individual and/or operational performance, the objectives for which are set annually. Short-term incentive compensation (i.e. annual bonus) for Executive Officers is broadly based on the Company's three pillars: people, performance, and pipeline. For 2021, 25% of the short-term incentive plan was linked to sustainability performance. In 2022, the process for updating compensation drivers for reaching our emissions reduction target and integrating consideration of climate risk and opportunities into the operational process began.

Climate Action Teams

Our governance structures focus on strong ownership at the operational level, giving accountability and flexibility to sites to mitigate climate-related risks and realize opportunities within the context of each operation. This governance approach ensures that climate matters, along with risk assessment and mitigation measures, are integrated into the day-to-day management of our business.

To ensure a strong level of accountability at site-level, with appropriate support from the business, in 2021 and 2022 we established Climate Action Teams.

Climate Action Teams at each site include each site's Energy Champion and each site's Risk Management and Monitoring System (RMMS) Champion. Teams were mandated to consider topics in all four major workstreams—Account, Abate, Adapt, and Advocate.

All operating sites across Agnico Eagle have formed a Climate Action Team and in 2023, these teams will continue to meet regularly with quarterly meetings. Initial activities focused on energy efficiency and decarbonization (see page 9) and physical climate risk assessment (see page 17).

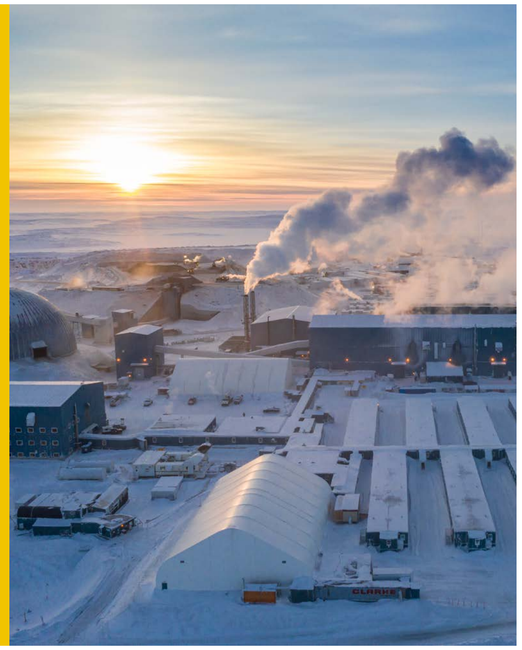
Engagement with our Stakeholders on Climate Change

Engagement with our key stakeholders—from local communities and rightsholders, to our investors—helps to enhance mutual understanding of interests, concerns and objectives, while also strengthening relationships throughout the mining life cycle.

The transition to a low-carbon economy and the physical impacts of climate will create significant societal and technical challenges. Agnico Eagle engages with industry partners, governments, local communities, Indigenous communities and other stakeholders on the topic of climate change and will continue to do so. Our engagement approach includes one-on-one dialogue with government representatives and other key stakeholders, participation in industry association committees, working with community groups and associations, and collaborating on research projects.

Did you know? CO_2 removal

Agnico Eagle works with universities and research groups in the regions where we operate to develop innovative and practical solutions for the entire life cycle of a mine. In 2021, Agnico Eagle began supporting a research project on carbon capture utilization and storage led by one of our metallurgists in Nunavut. The project focuses on different ways to utilize or sequester carbon in the mining process and the economic potential of available technologies. We believe that investing in research and development on technologies for a low-carbon future benefits not only our organization but the industry as a whole.



SAMPLE OF ENGAGEMENT ACTIVITIES

Associations & Committee Participation

- Mining Association of Canada's Climate Change Task Force
- Arctic Economic Council Responsible Resource Development Working Group
- World Gold Council's Environmental, Social and Governance Task Force

Suppliers

- Engage with key suppliers and manufacturers regarding available and upcoming technologies' potential to deliver abatement and economic opportunities
- Stakeholder mapping to identify potential new partnerships and consultations
- Collaboration on pilot testing Battery Electric Vehicles

Communities

- Participate in a local committee to establish an action plan for nature-based solutions to climate change for the region of Preissac in Abitibi
- Collaborate with Inuit and government representatives on the Kivalliq Hydro-Fiber Link Project

Research Institutions

- Support project with the University of Laval on carbon capture and sequestration
- Projects on impacts of climate on operation and closure
- Participation in Canada Mining Innovation Council on BEV and Comminution

Stakeholder Advisory Committee

- Present and receive feedback on the Company's Climate Action Plan

Employees

- Energy efficiency campaigns in Nunavut to encourage low carbon culture
- Recognition of good moves and ideas of employees that improve energy efficiency and reduce carbon

Stakeholder Advisory Committee

Agnico Eagle's Stakeholder Advisory Committee (SAC) is a group of independent individuals from an array of stakeholder groups who are selected to be representative of Agnico Eagle's external stakeholders. In 2021, the SAC made recommendations to Agnico Eagle relevant to climate change. Agnico Eagle has worked to integrate these recommendations, addressing them through our approach to climate change and across governance, strategy, risk management, and metrics & disclosures.

Sample of Actions Taken

SAC RECOMMENDATION	ACTION / CONSIDERATION
Review and consider engaging with the Taskforce on Nature-related Financial Disclosures (TNFD).	In 2022, we conducted an initial gap analysis against TNFD requirements.
Review and consider joining the Science Based Targets initiative (SBTi) to reduce GHG emissions, and establish ambitious medium-term targets.	Following a thorough review, Agnico Eagle decided to set an ambitious interim target, however our 2030 target has not been approved and validated by the SBTi.
Update the materiality assessment in light of recent developments regarding climate change.	Updates to Agnico Eagle's materiality assessment are in progress and are expected to be released in our 2022 Sustainability Report.
Conduct site-level climate change risk assessments in collaboration with local communities.	In 2022, Agnico Eagle conducted initial site-level climate risks assessments internally. We plan to share the results of those with local communities in 2023 and we will work to integrate community participation in the process further.
Assess the potential impact of acquisitions on the company's emissions baseline and performance (recognizing these sources of emissions are treated differently within established emissions protocols).	Assessment of the potential impacts of acquisitions on the company's emissions baselines and performance is integrated as part of our project evaluation process, where impacts could be material.
Explore additional opportunities for collaborations with governments, industry, and communities.	We continue to engage and explore for additional collaboration opportunities. In 2022, Agnico Eagle joined the town of Preissac's committee to establish an action plan for nature-based solutions to climate change, applied for funding opportunities for decarbonization projects, and worked with numerous industry associations on advancing climate-related issues.
Increase the proportion of energy from renewable sources, where possible.	We continue to identify and evaluate opportunities to increase the proportion of energy from renewable sources, including maintaining a Power Purchase Agreement (PPA) in Mexico for solar power and pursuing the installation of local renewable energy in Nunavut.

Risk Management

Assessing & Managing Climate-related Risks and Opportunities

At Agnico Eagle, our goal is to ensure our portfolio delivers on expectations and lowers operational risk. To achieve this, we identify, assess and manage risks using our RMMS. In 2021, Agnico Eagle completed a corporate assessment using updated RMMS consequence criteria suitable for assessing climate-related financial risk and opportunities.

In 2022, we continued our efforts to identify and assess our climate-related risks and opportunities. Our site-based Climate Action Teams participated in climate risk assessment workshops. With the assistance of independent specialist consultants, each site assessed its forward-looking climate-related physical risks and discussed potential consequences and mitigation measures. We will be using site climate risk assessments to develop strategies to harden our sites to climate change, as well as to expand our engagement with employees and communities about climate-related issues.

Additionally, our corporate sustainability team participated in the initial stages of our scenario analysis process, which is discussed on page 10. We will use the results of the scenario analyses and site-level climate risk assessments to test the resiliency of our climate change strategy, ensuring we have a robust strategic plan to manage climate-related risks and realize climate-related opportunities.

System Updates to Reflect Climate Change

As part of our approach to climate change, we recognized the need to update our RMMS to better incorporate climate-related risks and opportunities. Traditionally, risk management uses a historical perspective to inform current probabilities and impacts; however, climate change introduces the need to look to the future to understand the probabilities and impacts of climate-related risks and opportunities.

As a result, we have updated our probability descriptors to incorporate a forward-looking perspective, and we consider the speed of onset of a particular risk or opportunity. We have also updated our impact descriptors to incorporate climate change into several thematic areas, such as our financial position and strategy.

With our updated RMMS, we are better able to identify and monitor our climate-related risks and opportunities and communicate those results. Relevant risks that could materially affect our business, including our financial results, are discussed in “Risk Factors” in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities.

Physical Climate Risks

We identified chronic and acute physical risks that could impact our sites in the future. Given the uncertainty of the climate future that will materialize and our need to manage future climate risks, we used RCP8.5 as the basis for our physical risk assessments. This will ensure that we employ robust risk mitigation measures at our sites during operational and closure periods. Hazards for each site were assessed using a baseline period and three 30-year time periods.

When evaluating physical risks to our operating sites, we analyzed changes that may impact the sites directly, as well as changes that may impact the upstream supply chain or downstream access to markets. We evaluated a wide range of hazards, working with specialists to draw on climate data, and supported site-level Climate Action Teams, using their deep on-site operating expertise to evaluate sensitivity and impacts of changes to physical climate factors.

Physical Climate Risks Identified

CHRONIC PHYSICAL HAZARDS

- Monthly temperature (mean and max)
- Monthly precipitation
- Heat stress
- Cold stress
- Water stress
- Permafrost

ACUTE PHYSICAL HAZARDS

- Heat wave
- Cold wave
- Maximum precipitation (1-day and 5-day)
- River flooding
- Drought
- Coastal flooding
- Wildfire
- Erosion
- Blizzards and wind
- Changes to sea ice formation and patterns
- Increased mobilization of talik[1] water
- Changes to animal migration routes and timing

1 A layer of year-round unfrozen ground that lies in permafrost areas.

Some of the most significant risks that were identified from the physical risk workshops are shown below.

RISK	POTENTIAL IMPACTS	MITIGATION MEASURE SUMMARY
Gradual temperature increases at our northern operations.	• Permafrost degradation. • Implications for water management. and quality at several facilities and infrastructure. • Increased restrictions on employee productivity and movements. • Increased cooling requirements • Implications for length of exploration season. • Changes to local animal and vegetation biodiversity.	• Redesign of infrastructure to accommodate increased temperatures and permafrost changes. • Site-specific modelling incorporating climate change scenarios. • Implementation of new water treatment solutions • Increased monitoring of critical infrastructure and process inputs. • Education and awareness sessions with communities on climate change.
Increased water stress in arid environments.	• Reduced water availability and/or quality. • Reputational damage related to water consumption.	• Improved water management. • Engagement with local communities. • Monitoring of ongoing water stress situations and climate projections. • Incorporate climate projections into long-term planning. • Explore the feasibility and need for new water technology options.
Increased frequency and intensity of wildfire.	• Infrastructure damage. • Reduced production. • Increased insurance costs. • Employee injuries or fatalities. • Damage to service or supply chain infrastructure, and local communities.	• Ongoing monitoring of active wildfire situations to enable proactive behaviour. • Continual review of crisis management response. • Enhanced risk assessments for key infrastructure, e.g., ANFO storage areas. • Improved vegetation management around mine site. • Employee training.

Transitional Climate Risks

In 2021, we considered transition risks for all our jurisdictions during our initial corporate climate-related risk and opportunity assessment.

THE TRANSITION RISKS SPANNED ALL FOUR MAJOR CATEGORIES:

1 Policy & Regulation/Legal
2 Market
3 Technology
4 Reputation

The most significant risks that were identified are included in the table below.

RISK	IMPLICATIONS	MITIGATION
Carbon pricing	• Increased operational costs due to emissions volume. • Reduced competitiveness against peers operating in other regions.	• Explore decarbonization and efficiency improvement initiatives to reduce emissions. • Incorporate decarbonization costs into relevant growth strategies.
Increasing cost of fuel	• Increase in costs for operations with high fuel dependencies.	• Explore opportunities for fuel switching and electrification.
Industry stigmatization and exposure to litigation	• Reduced social acceptability impacts investments and regulatory approvals.	• Engage directly with stakeholders on climate change issues. • Support industry organisations on climate change work.

In 2022, we began scenario planning and analysis, which is discussed in more detail on page 10. Using four scenarios with differing levels of transition and physical risk, we will better understand the transition risks we may face in the future as well as their impacts and timings. Our next steps will be to continue to refine our climate strategy to ensure our continued resiliency, based on the future we believe we will operate in. To do this, we will prioritize certain strategic and operational initiatives, and continue to monitor and respond to the evolving climate situation.

Climate-related Opportunities

In addition to addressing climate risk, Agnico Eagle also works to leverage climate-related opportunities. For our Northern sites, particularly Kittila, Hope Bay, Meliadine, and Meadowbank, results of the assessment process found changes to the physical climate may bring opportunities, such as increased shipping access due to reduced sea ice or the increased feasibility of some water treatment technologies.

We also pursue transitional climate-related opportunities that assist the company, industry and communities to better respond to a changing climate. It is broadly recognized that innovation and collaboration with internal and external networks is essential to speeding up the transition. As part of our decarbonization journey, Agnico Eagle is engaging internally and externally on several technologies and approaches to capitalize on opportunities related to climate change. These include:

- Continued focus on energy efficiency and management, notably by developing Monitoring Operation and Data Analytic Centres to enable integration of energy data in our daily decision-making to reduce our carbon emissions, as well as by unlocking productivity and cost benefits.
- Participating in industry-level innovation projects for efficient material movement.
- Funding internal studies on low-carbon material handling technologies such as trolley assist and vertical conveying.
- Integrating Battery Electric Vehicle (BEV) technology into operations and project studies while maintaining continuous engagement with suppliers to improve technology.
- Evaluating hydrogen propulsion technology with a collaborative study being conducted in 2022, and ongoing monitoring of government policy and manufacturer applications in larger open pit applications.
- Exploring the potential of CO_2 sequestration in tailings material based on the naturally occurring reaction between CO_2 and alkaline metals such as Calcium or Magnesium forming solid carbonates.
- Developing a better understanding of the forested areas under Agnico Eagle's management to find ways to strengthen the uptake of carbon and improve our land management practices.
- Supporting the development of innovative and modular low carbon power generation technologies, which are especially valuable in the context of our off-grid mines where reliable generation is critical to safety.
- Engaging with independent renewable energy providers to better understand expected performance and benefits in order to implement a sustainable long-term solutions.

Metrics and Targets

Our Climate Targets

Metrics and targets guide our efforts to execute our three-pillar climate strategy and help manage our operations to achieve Net-Zero emissions by 2050. These targets are driven by both risks and opportunities related to climate change and will help shape the future of our business. On the following pages, we report our progress in 2021, in line with TCFD recommendations.

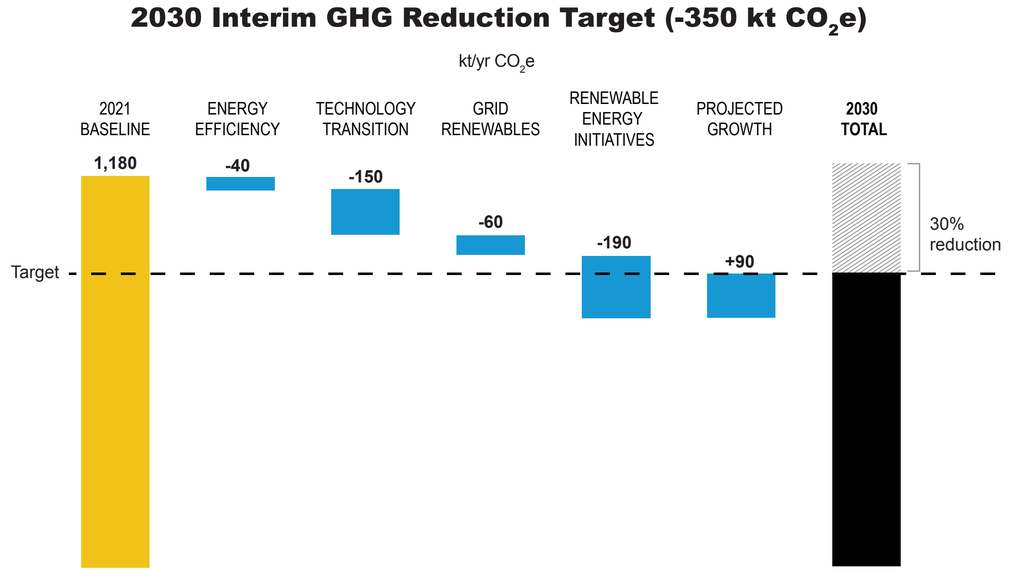
Net-Zero interim target of a 30% reduction in absolute Scope 1 and Scope 2 emissions by 2030 (based on 2021 levels)

Agnico Eagle's Net-Zero Commitment and 2030 Interim Target

Our approach to addressing climate change has accelerated in recent years in keeping with the scale and urgency of the issue. In 2021, the Board of Directors approved Agnico Eagle's commitment to achieve Net-Zero by 2050 and formal support of TCFD. In 2022, we are proud to announce that a Net-Zero interim target of a 30% reduction in absolute Scope 1 and Scope 2 emissions by 2030 (based on 2021 levels) has also been approved. Our interim emissions reduction target is defined as an absolute reduction in the amount of Scope 1 and Scope 2 GHGs emitted to the atmosphere from our operations in the target year, relative to the base year.

This interim target includes further integration of climate change considerations into Agnico Eagle's financial framework and linking performance against targets to executive remuneration from Fiscal Year 2023 onwards, including considering a cost of carbon in financial decisions.

PATHWAY TO 2030



NOTES:
Emission reductions are rounded to the nearest ten thousand; total reduction may not sum due to rounding.

Includes Scope 1 and 2 emissions only; Scope 3 emissions excluded.

Chart may not include all potential growth which will need to be accounted for in reduction of emission as well. Does not include Canadian Malartic Mine.

Additional projects or areas of focus may be identified.

Some initiatives require collaboration with others which makes the amount of reduction before 2030 uncertain.

The values shown for reduction are an approximation based on our current status.

Criteria For Updating Baseline

Based on guidance from the GHG Protocol by the World Resources Institute and World Business Council for Sustainable Development, Agnico Eagle will update our baseline if there is a change greater than +/- 10% to our Scope 1 and 2 or 3 baseline year emissions as a result of a major change in calculation methodology or a change in company profile (divestments/acquisitions).

In line with our Net-Zero ambition, we conducted preliminary modeling in 2021 and 2022 to enable us to define the key actions and goals needed for our 2030 interim target and Net-Zero transition by 2050 target. Our modeling identified three primary areas of focus across all our operations—Energy Efficiency, Technology Transition, and Increased Renewable Energy (via both Agnico Eagle developed renewable energy solutions and through the shift to increased renewables expected on our public electricity grids).

Energy Efficiency

Energy efficiency solutions focus on identifying opportunities and reducing our energy use at the site level. We measure our Scope 1 and 2 energy and fuel consumption on a monthly basis to communicate and evaluate site-level efficiency metrics. In 2021 and 2022, we conducted decarbonization and energy mapping workshops for each site to identify potential reduction opportunities and help define the investments required. Projects identified include energy management systems, heat recovery systems, ventilation-on-demand projects, increased tire pressure monitoring and various other energy efficiency initiatives. The initiatives identified were prioritized for investment or further study based on their potential and alignment with our climate strategy. We currently expect a potential benefit of reducing 40 ktCO_2e per year by 2030 across our portfolio from energy efficiency and optimization projects.

Technology Transition

Initiatives categorized as technology transition projects generally focused on electrification of material handling equipment and use of alternative and more sustainable fuel types. This includes implementing trolley assist at Detour, an increase in the use of BEVs where commercially available, and substituting a portion of diesel fuel use with renewable diesel or biodiesel fuel. We currently expect a potential benefit of reducing 150 ktCO_2e per year by 2030 across our portfolio from technology transition projects.

Grid Renewables

As part of our approach to reducing the carbon intensity, or 'greening' of the electrical grids that supply energy to our sites, we continue to focus on industry and government engagement to stress and reinforce the importance of access to a low-carbon grid to Agnico Eagle, especially in Ontario, Nunavut, Australia and Finland. Governments and our local electricity suppliers play a role in our decarbonization journey, particularly as industry moves towards electrification as a pathway to net-zero, and we need them to continue to do their part while we do ours. An example of this is the continued and clear support for the Kivalliq Hydro-Fibre Link to provide renewable electricity and high-speed Internet to the Kivalliq region of Nunavut. Although each regional grid will see different shifts in both positive and in some cases negative trends, we expect a potential benefit of reducing 60 ktCO_2e per year by 2030 across our portfolio due to the greening of the public grids where we operate.

Increased Renewable Energy

The most substantial opportunity to reduce emissions is by developing or deploying cleaner energy solutions at our operations. In the near term, we are exploring various power purchase agreements to support reduction, and in the long term, we are exploring partnerships to advance the development of renewables at our operations. This includes studying renewable energy solutions at Fosterville in Australia, Kittila in Finland, Meliadine in Canada, and La India and Pinos Altos in Mexico. We expect a potential benefit of reducing 190 ktCO_2e per year by 2030 across our portfolio from using renewable energy solutions (i.e. not including any public grid shift).

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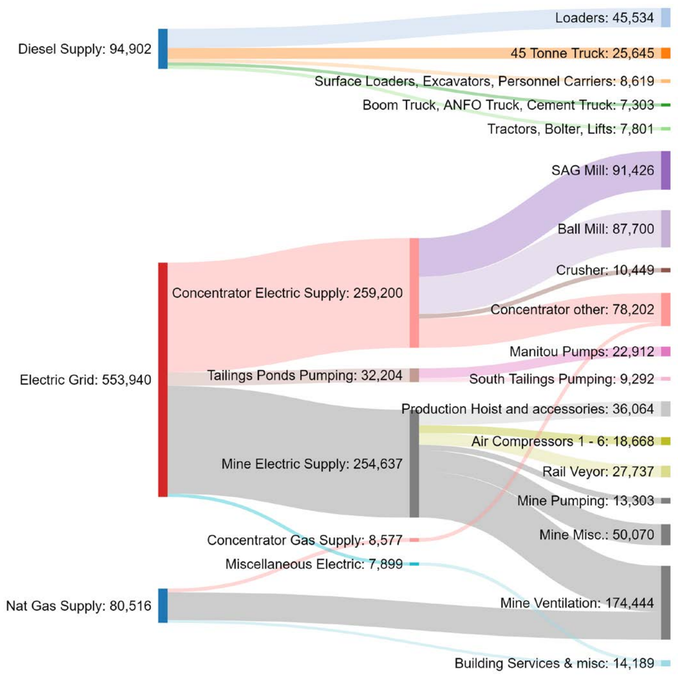
SAMPLE ENERGY MAPPING WORKSHOP RESULTS



DECARBONIZATION PATHWAY SPOTLIGHT

Technology Transition

Electrification of Mining

At Agnico Eagle we look for innovative ways to adopt new technology to reduce emissions and combat climate change across our operations. Our efforts are focused on electrification and the use of alternative and more sustainable fuels.

Continuing to expand the use of BEVs into our operations where clean energy is available is one of the key components of our strategy to reach Net-Zero by 2050 and our interim target of 30% by 2030.

BEVS HAVE THREE KEY BENEFITS FOR UNDERGROUND MINING:

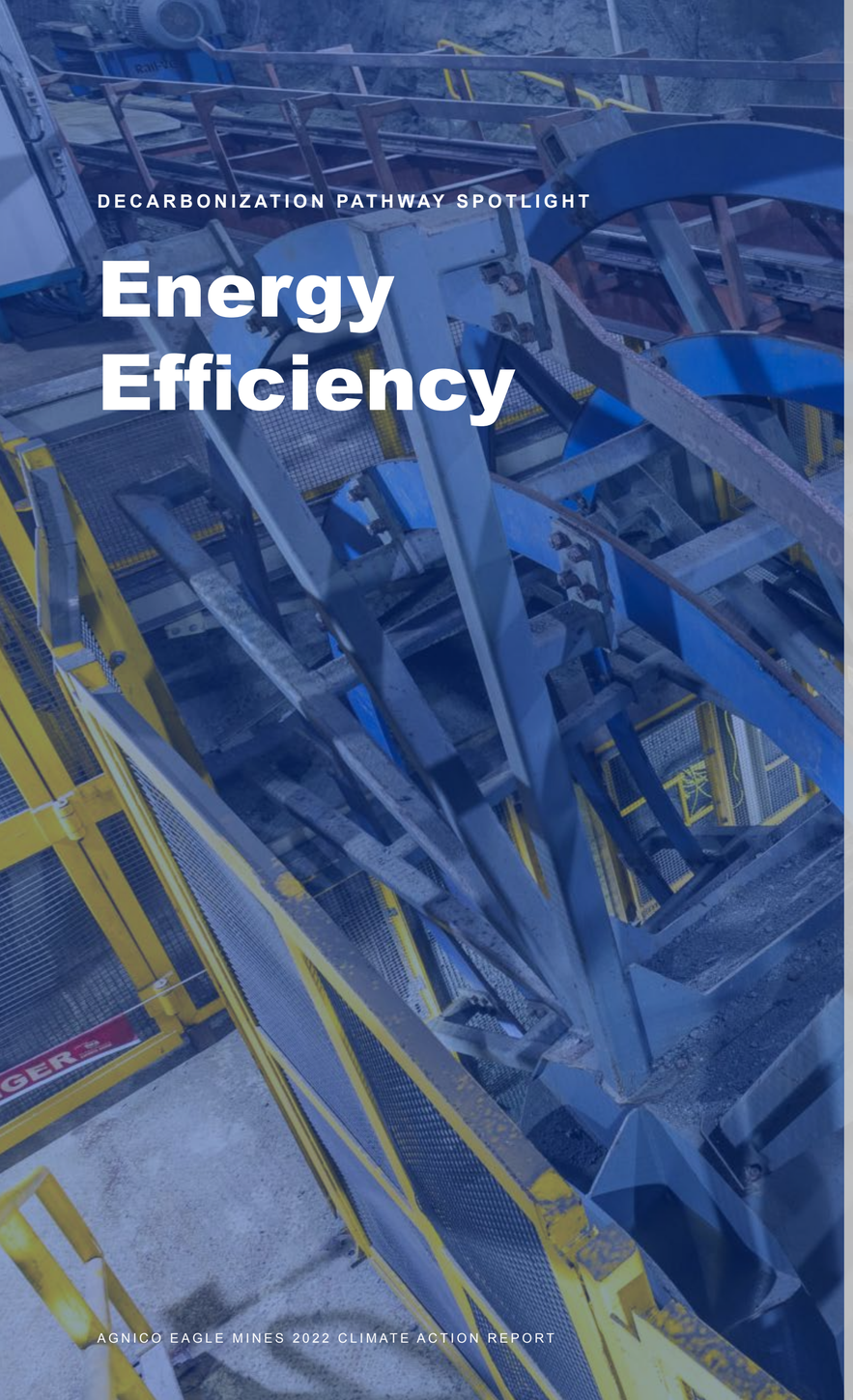
1. No direct carbon emission, which keeps the air cleaner within the mine
2. Less heat, which helps manage the temperature underground, and
3. Less noise and vibrations, which improve working conditions for drivers and underground workers in close proximity to the vehicles.

In Canada, our Macassa Mine in Kirkland Lake, Ontario, has been an industry leader in the adoption and utilization of BEVs. Starting in 2011, Macassa was an early adopter of battery electric scoops and now utilizes 22 scoops and six battery electric trucks.

At our Detour Lake Mine in Northeastern Ontario, we recently completed conceptual studies of an autonomous haulage system and adopting a Trolley-Assist Haulage program for our haul fleet. The Trolley-Assist program showed positive NPV and ESG impact with a potential annual carbon reductions of up to 96 $ktCO_2e$ (which can be up nearly a third of our expected direct emissions at Detour). Our Technical Services team is currently running a prefeasibility study to help us fully understand the benefits of bringing this electrification technology to Detour Lake.

We are also trialling two of the first Sandvik Battery Electric Loaders operating in the world at our LaRonde Mine in Cadillac, Northwestern Quebec and our Fosterville Mine in Bendigo, in the State of Victoria, Australia.

Our Kittila Mine in Northern Finland, has been a participant in the Sustainable Intelligent Mining Systems project, under the European Union's most extensive research and innovation program, Horizon 2020. Our role in the project has been to test three battery-powered mining machines, developed and manufactured by Epiroc, a Boomer E2 Battery drill rig, a MT42 Battery mine truck and a ST14 Battery scoop tram.



DECARBONIZATION PATHWAY SPOTLIGHT

Energy Efficiency

Reducing energy use at our sites

Energy is both a large component of Agnico Eagle's operating costs and the primary driver of our GHG emissions. That's why, to meet our reduction targets, we continue to explore technologies and solutions to reduce our energy use and improve energy efficiency at the site level.

Effective energy management not only reduces GHG emissions, it improves the costs of our current operations and has the potential to improve the economics of opportunities in our pipeline.

In Finland, Agnico Eagle has committed to the Energy Efficiency Agreement[1] and our Kittilä mine team has developed energy-efficiency initiatives to reduce its overall energy needs and costs. For example, waste heat from the oxygen plant and processing activities is used to heat all of the mine site's buildings, as well as its underground facilities. The site also automated its ventilation system to help reduce the use of liquid propane gas and electricity.

Our LaRonde complex in Quebec has introduced ventilation-on-demand at its LZ5 mine while opting for ventilation-on-planning at its LaRonde mine. While both are focused on reducing energy consumption for ventilation, the first allows for the management of underground ventilation remotely from the surface based on real-time needs, while the latter allows for the management of ventilation based on the weekly work plan. The complex also uses a heat recovery system at its new tailings filtration plant to heat the building during winter.

At our Meliadine mine in the Canadian Arctic's Nunavut territory, we rely on diesel for energy and as such, we find creative ways to efficiently use and re-use the energy produced onsite. For example, ultra-efficient generators produce power to run the process plant and other facilities. The exhaust heat from these generators is recovered through a heat exchange system which in turn is used to heat the camp facilities and the multi-service building where the maintenance shop and most offices are located.

1 Voluntary Energy Efficiency Agreements are an important part of Finland's energy and climate strategy. Chosen in cooperation by the Government and industrial/municipal associations, they are a tool to fulfil the EU energy efficiency obligations set for Finland without resorting to legislation or other coercive measures.

DECARBONIZATION PATHWAY SPOTLIGHT

Renewable Energy

In the past few years, as part of our effort to decarbonize our operations and develop a path to net-zero, we have been increasing our interest in, and development of, renewable energy solutions for our operations. We're doing this by taking a collaborative approach, working with governments and communities in the regions where we operate to identify and move projects forward, and develop the understanding required for clean and renewable energy at our sites. In addition to helping meet climate change objectives, these projects provide an opportunity to diversify our energy supply chain and further our engagement with local and Indigenous communities.

Specific activities currently underway include:

- ✓ Ensuring each site has energy plans, load forecasts, and resource assessments to support clean energy development
- ✓ Working on specific demand-side diesel reduction projects such Detour's trolley assist and wind turbines in Nunavut
- ✓ Sharing data and information with project developers to size and plan for clean energy project integration
- ✓ Providing subject matter expertise to communities and stakeholders on the development on decarbonization solutions
- ✓ Coordinating with government agencies and industry partners to align funding programs and policies
- ✓ Exploring the impacts of new and emerging technologies on existing operations

While we work to advance clean energy projects and support other diesel reduction activities, we are also focused on advocating for access to clean and renewable power. We need all levels of government to establish both the energy and regulatory infrastructure required to enable our collective transition away from fossil-fuel based sources to renewable energy.

Did you Know?
Kivalliq Hydro-Fibre Link

The proposed Kivalliq Hydro-Fibre Link is an Inuit led renewable energy and broadband internet national infrastructure project. The Project project envisions 1,200km of high voltage and over 370 km of lower voltage electricity transmission lines built to link five communities in the Kivalliq region of Nunavut (Arviat, Baker Lake, Chesterfield Inlet, Rankin Inlet and Whale Cove) to the Manitoba electricity and fibreoptic grids. The project will be rated at 150 megawatts (MW) of capacity and have a fibreoptic bandwidth capacity of at least 1,200 gigabits per second (Gbps). This Inuit-led project will be Nunavut's first infrastructure link to southern Canada and will provide enough power and fibreoptic internet capacity for the Kivalliq region for generations to come.

In 2021 and 2022, the Canadian government announced it is investing over $11.5 million in cumulative funding to support the development work for the Kivalliq Hydro-Fibre Link project, including the preliminary data collection and analysis as well as consultation with Inuit in Nunavut and First Nations communities throughout Manitoba.

Measuring Performance

We have reported annually on key environmental and Corporate Social Responsibility performance metrics since 2009. Since then, we have increasingly provided data related to GHG emissions, energy use, initiatives to transition to Net-Zero, and risk management, among other performance indicators. To manage climate risks and opportunities, our primary metrics are GHG intensity per ounce of gold produced, total Scope 1, 2 and 3 GHG emissions, and energy consumption and composition.

GHG Emissions and Intensity Performance

For direct (Scope 1) and indirect (Scope 2) GHG emissions, we report our performance on a monthly basis internally, and on an annual basis externally, using both absolute tonnes of GHG (CO_2e) and GHG production intensity. Energy usage and intensity for fuel and electricity consumption is monitored systematically. GHG emissions are calculated in line with GHG Protocol Standards and Scope 1 GHG emissions for Nunavut, Quebec and Ontario are reported to authorities for regulatory carbon pricing programs that require independent verification by a qualified third party. For Scope 3 emissions, we report our estimate annually using incurred expenses and industry averages.

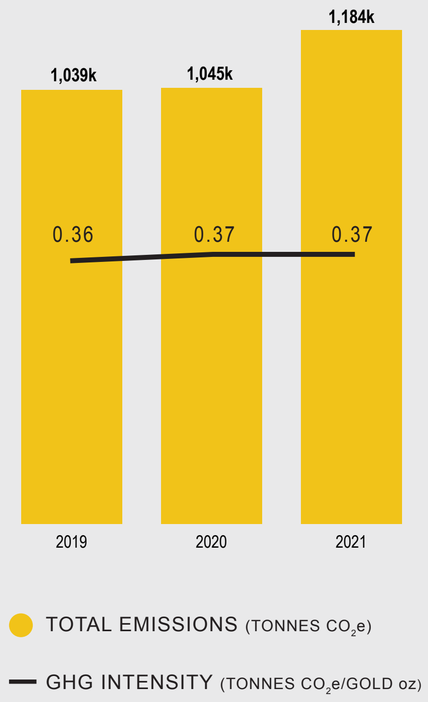
As shown in the Total GHG Emissions Figure, direct (Scope 1) and indirect (Scope 2) GHG emissions increased from previous years for a combined amount of 1,184 k tonnes of CO_2e in 2021. This is mostly attributed to increased production at our Nunavut and Detour Lake operations, and increased energy intensity in Australia.

Our largest source of direct GHG emissions is diesel fuel consumption for mobile equipment and electricity generation, while most Scope 2 emissions come from the purchase of electricity in Mexico, Finland and Australia where a significant proportion of the grid is powered by non-renewable electricity. Our average GHG emissions intensity (tonnes of CO_2 equivalent per oz of gold produced) has remained stable for the last few years with a combined GHG intensity of 0.37 tonnes of CO_2e per oz of gold produced in 2021. Total combined 2021 Scope 3 GHG emissions are estimated at approximately 2.3 million tonnes of CO eq. Most of these emissions (68%) come from the purchase of standard goods and services from carbon intensive industries such as chemicals, mining services and construction.

Agnico Eagle is among the leaders in GHG emissions performance. In 2021, eight of our 11 operations outperformed the industry average[1] for GHG emissions intensity per gold ounce produced, which allows Agnico Eagle to have one of the lowest GHG emission intensities of any senior gold producer.

Total GHG Emissions

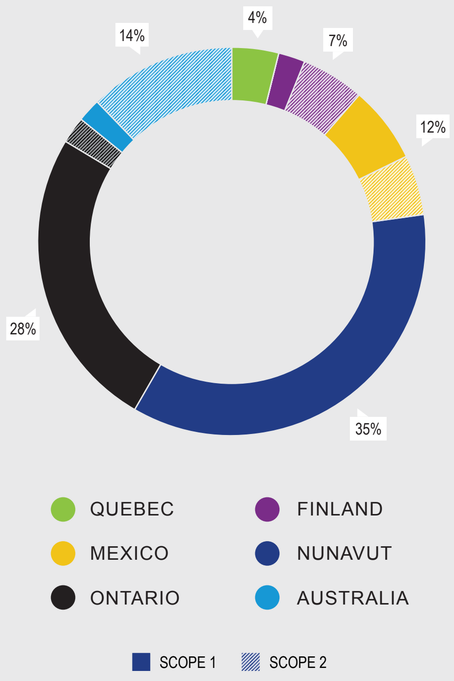
Scope 1 and 2 and Emissions intensity
(tonnes of CO_2e by gold oz)[2]



2 Does not include Canadian Malartic emissions

2021 Proportion of New Agnico Eagle's Total GHG Emissions

Scope 1 and 2 by Region[3]



3 Does not include Canadian Malartic emissions

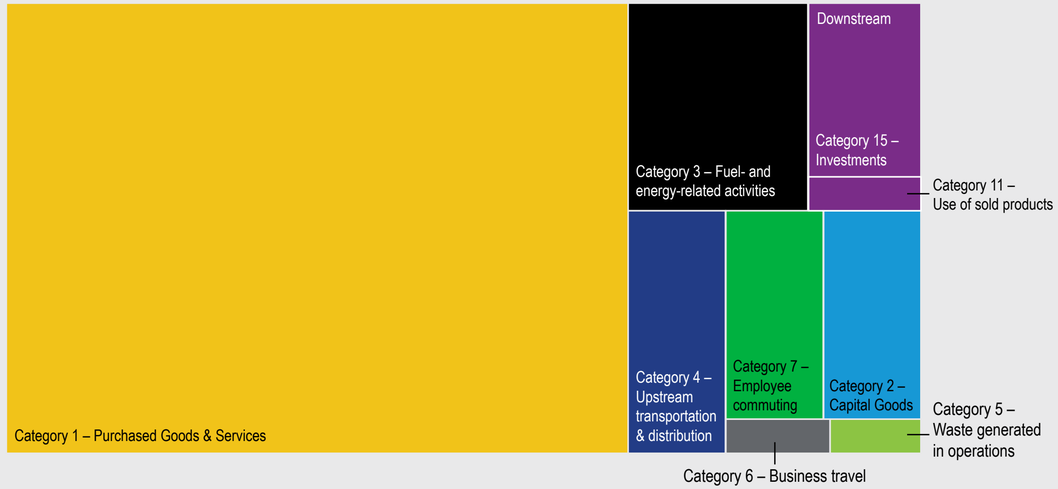
1 Industry average of 0.697 tCO_2e for Scope 1 and 2 emissions per ounce of gold produced, as per S&P Global Market Intelligence 2021.

Scope 3 Emissions

Scope 3 emissions are indirect emissions associated within our value chain such as goods and services, upstream transportation and distribution, and employee commuting. Currently, we estimate and report our Scope 3 emissions annually using incurred expenses and industry averages as described in the GHG Protocol Standard. This includes spend-base emission factors developed by Quantis for most categories and categorizing over 1,100 suppliers into 24 different activity types.

Given the approximate nature of this assessment and the rapidly evolving practice, it is expected that our Scope 3 assessment may vary in the coming years and as such, our climate targets do not include Scope 3 emissions. However, since a significant amount of our impact is in our supply chain, we began identifying priority suppliers in 2022 to increase awareness and better understand our Scope 3 performance. We do this through direct engagement with each priority supplier and by requesting vendors to respond to the CDP Supply Chain Climate Change questionnaire to better communicate their potential climate-related risks and opportunities. We will continue to work on improving our Scope 3 assessments to better understand emissions occurring in our value chain, so we can better identify and collaborate on suitable reduction opportunities.

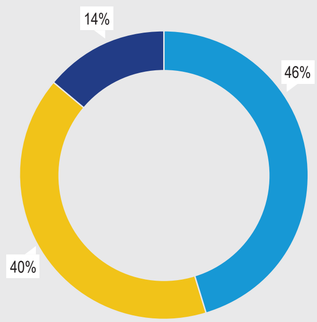
Breakdown of 2021 Scope 3 Emissions (2,299,491 tCO_2e total)[1]



1 Category 15 includes 50% of Canadian Malartic Scope 1 and 2 emissions

2021 Electricity Consumption by Source

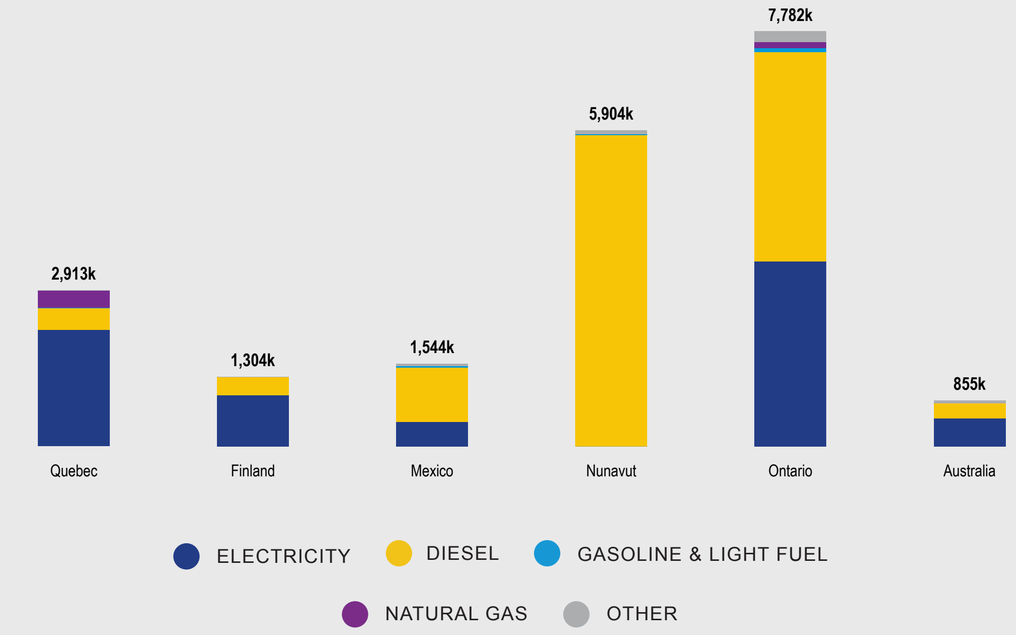
- **Non-Renewable Electricity Generated On-site (kWh)**
- **Non-Renewable Electricity Purchased from Grid (kWh)**
- **Renewable Electricity Purchased from Grid (kWh)**



Energy Consumption and Composition

We use a variety of energy sources including electricity, diesel, gasoline, propane and natural gas for our operations. Purchased electricity and diesel are the most significant energy sources. Most of our electricity comes from non-renewable resources. The sources of electricity vary considerably depending on the location of our operations with some of our more remote operations powered by onsite diesel generators, while our Quebec and Ontario operations benefit from connection to a low emission public grid powered almost entirely by hydroelectricity for Quebec and hydroelectricity and nuclear for Ontario.

2021 Energy Consumption by Type (GJ)



Agnico Eagle is committed to producing an annual Climate Action Report and to continuously improving the rigour, transparency and accountability of our climate-related financial disclosures.

Any relevant risks that could materially affect our business, including our financial results, are discussed in “Risk Factors” in our most recent Form 40-F/AIF on file with the SEC and Canadian provincial securities regulatory authorities. As we continue to increase our disclosures, your feedback is a key element of our reporting process. It helps us address the issues that matter most to our stakeholders. If you have any recommendations or feedback on this report, please contact us at SD@agnicoeagle.com.

Appendix

Performance Data

Energy Consumption within the Organization

	GLOBAL	ABITIBI, QUEBEC, CANADA	LARONDE	GOLDEX	FINLAND	KITTILÄ	MEXICO	PINOS ALTOS	LA INDIA	NUNAVUT, CANADA	MEADOWBANK	MELIADINE	HOPE BAY	ONTARIO, CANADA	MACASSA	DETOUR LAKE	AUSTRALIA	FOSTERVILLE
Fuel Consumption	**12,723,525**	**742,593**	551,854	190,739	**352,290**	352,290	**1,091,245**	430,607	660,639	**5,904,033**	3,448,967	1,785,644	669,422	**4,298,654**	261,674	4,036,980	**334,710**	334,710
Diesel (GJ)	**11,710,685**	**410,532**	297,251	113,281	**335,397**	335,397	**1,013,083**	385,770	627,313	**5,815,164**	3,386,752	1,761,474	666,939	**3,854,761**	79,878	3,774,884	**281,748**	281,748
Biodiesel (GJ)	**54,382**	**0**	N/A	N/A	**N/A**	N/A	**0**	N/A	N/A	**0**	N/A	N/A	N/A	**54,382**	54,382	0	**N/A**	N/A
Light Fuel & Gasoline (GJ)	**120,355**	**5,998**	4,806	1,192	**N/A**	N/A	**29,443**	13,055	16,388	**11,081**	6,036	5,045	N/A	**73,832**	6,227	67,605	**0**	0
LPG (GJ)	**17,980**	**0**	N/A	N/A	**N/A**	N/A	**17,980**	16,719	1,261	**0**	N/A	N/A	N/A	**0**	N/A	N/A	**N/A**	N/A
Propane (GJ)	**194,381**	**0**	N/A	N/A	**7,745**	7,745	**0**	N/A	N/A	**243**	197	8	39	**139,070**	3,454	135,616	**47,322**	47,322
Lubricating Oils & Greases (GJ)	**8,140**	**0**	N/A	N/A	**N/A**	N/A	**0**	N/A	N/A	**8,140**	7,810	N/A	329	**0**	N/A	N/A	**N/A**	N/A
Natural Gas (GJ)	**430,856**	**315,932**	242,737	73,195	**N/A**	N/A	**0**	N/A	N/A	**0**	N/A	N/A	N/A	**114,924**	114,924	N/A	**N/A**	N/A
Explosives (GJ)	**186,747**	**10,131**	7,061	3,070	**9,148**	9,148	**30,739**	15,062	15,677	**69,405**	48,172	19,117	2,115	**61,685**	2,809	58,875	**5,639**	5,639
Total Electricity Consumption (kWh)	**2,433,511,739**	**602,926,012**	433,955,756	168,970,257	**264,290,730**	264,290,730	**149,565,234**	127,046,832	22,518,402	**313,116,043**	152,893,779	115,488,586	44,733,678	**958,971,735**	161,640,209	797,331,525	**144,641,985**	144,641,985
Total Electricity Consumption (GJ)	**8,760,635**	**2,170,532**	1,562,239	608,292	**951,446**	951,446	**538,434**	457,368	81,066	**1,127,217**	550,417	415,759	161,041	**3,452,295**	581,904	2,870,391	**520,711**	520,711
Renewable Electricity Purchased from Grid (kWh)	**988,972,508**	**602,926,012**	433,955,756	168,970,257	**20,826,110**	20,826,110	**13,702,831**	13,702,831	0	**0**	0	0	0	**315,501,701**	53,179,629	262,322,072	**36,015,854**	36,015,854
Non-Renewable Electricity Low Carbon Electricity Purchased from grid (kWh)[11]	**136,215,442**	**0**	0	0	**136215442.2**	136,215,442	**0**	0	0	**0**	0	0	0	**0**	0	0	**0**	0
Non-Renewable Electricity Purchased from Grid (kWh)	**971,356,554**	**0**	0	0	**107,249,178**	107,249,178	**112,011,211**	112,011,211	0	**0**	0	0	0	**643,470,034**	108,460,581	535,009,453	**108,626,131**	108,626,131
Non-Renewable Electricity Generated On-site (kWh)	**336,967,235**	**0**	0	0	**0**	0	**23,851,192**	1,332,790	22,518,402	**313,116,043**	152,893,779	115,488,586	44,733,678	**0**	0	0	**0**	0
% Renewable Electricity Consumption	**41%**	**100%**	100%	100%	**8%**	8%	**9%**	11%	0%	**0%**	0%	0%	0%	**33%**	33%	33%	**25%**	25%
% Low Carbon Electricity Purchased	**6%**	**0%**	0%	0%	**52%**	52%	**0%**	0%	0%	**0%**	0%	0%	0%	**0%**	0%	0%	**0%**	0%
Total Energy Consumption (GJ)	**20,275,880**	**2,913,125**	2,114,094	799,031	**1,303,736**	1,303,736	**1,543,815**	883,177	660,639	**5,904,033**	3,448,967	1,785,644	669,422	**7,781,556**	873,529	6,908,027	**855,421**	855,421

1 Technologies that are not completely renewable but generate lower amounts of carbon emissions such as nuclear power.

Energy Intensity

	GLOBAL	ABITIBI, QUEBEC, CANADA	LARONDE	GOLDEX	FINLAND	Kittilä	MEXICO	PINOS ALTOS	LA INDIA	NUNAVUT, CANADA	MEADOWBANK	MELIADINE	HOPE BAY	ONTARIO, CANADA	MACASSA	DETOUR LAKE	AUSTRALIA	FOSTERVILLE
Electricity Intensity (per tonne of ore processed) (KWh/t)	**52.4**	**103.3**	146.5	58.8	**128.8**	128.8	**18.9**	66.9	3.7	**56.8**	42.8	67.3	196.4	**37.6**	487.3	33.1	**213.4**	213.4
Energy Intensity (per tonne of ore processed) (GJ/t)	**0.44**	**0.50**	0.71	0.28	**0.6**	0.64	**0.19**	0.47	0.11	**1.07**	0.97	1.04	2.94	**0.31**	2.63	0.29	**1.3**	1.26

Greenhouse Gas (GHG) Emissions

	GLOBAL	ABITIBI, QUEBEC, CANADA	LARONDE	GOLDEX	FINLAND	KITTILÄ	MEXICO	PINOS ALTOS	LA INDIA	NUNAVUT, CANADA	MEADOWBANK	MELIADINE	HOPE BAY	ONTARIO, CANADA	MACASSA	DETOUR LAKE	AUSTRALIA	FOSTERVILLE
Direct GHG Produced (Scope 1 (tCO_2e))	**890,475**	**48,459**	35,820	12,639	**25,430**	25,430	**75,995**	29,599	46,396	**418,815**	244,075	127,580	47,160	**298,666**	16,584	282,082	**23,110**	23,110
Indirect GHG Produced (Scope 2 (tCO_2e))	**293,428**	**301**	217	84	**61,424**	61,424	**61,185**	61,185	0	**0**	0	0	0	**28,769**	4,849	23,920	**141,749**	141,749
Proportion of GHG Emissions by Operation	**100%**	**4%**	3%	1%	**7%**	7%	**12%**	8%	4%	**35%**	21%	11%	4%	**28%**	2%	26%	**14%**	14%
Total GHG Produced (Scope 1 and 2 (tCO_2e))	**1,183,904**	**48,760**	36,037	12,723	**86,854**	86,854	**137,180**	90,784	46,396	**418,815**	244,075	127,580	47,160	**327,435**	21,434	306,002	**164,859**	164,859
GHG Intensity (tCO_2e/tonne ore treated)	**0.03**	**0.01**	0.01	0.00	**0.04**	0.04	**0.02**	0.05	0.01	**0.08**	0.07	0.07	0.21	**0.01**	0.06	0.01	**0.24**	0.24
GHG Intensity (tCO_2e/gold ounce produced)	**0.37**	**0.02**	0.09	0.09	**0.36**	0.36	**0.67**	0.65	0.73	**0.54**	0.75	0.33	0.84	**0.31**	0.10	0.43	**0.32**	0.32

Scope 3 Estimate GHG Emissions (tCO_2e)

Upstream	GLOBAL
Category 1 - Purchased Goods & Services	**1,565,540**
Category 2 - Capital Goods	**115,102**
Category 3 - Fuel- and energy-related activities	**203,535**
Category 4 - Upstream transportation & distribution	**130,595**
Category 5 - Waste generated in operations	**16,593**
Category 6 - Business travel	**18,656**
Category 7 - Employee commuting	**116,429**
Category 8 - Upstream leased assets	**0**
Category 9 - Downstream transportation & distribution	**0**

Downstream	GLOBAL
Category 10 - Processing of sold products	**356**
Category 11 - Use of sold products	**22,175**
Category 12 - End-of-life treatment of sold products	**356**
Category 13 - Downstream leased assets	**0**
Category 14 - Franchises	**0**
Category 15 - Investments	**110,154**
Total Scope 3 (tCO_2e)	**2,299,491**

Glossary of Terms

AIF—Annual Information Form

CDP—Carbon Disclosure Project, an annual reporting framework to disclose climate-related actions.

GHG—Greenhouse Gas(es).

IPCC—Intergovernmental Panel on Climate Change

Physical Risk—Risks, such as flooding or wildfires, that arise from the physical impacts of climate change.

RCP (or RCPs)—Representative Concentration Pathway(s), which refers to climate scenarios of a given radiative forcing, e.g., RCP8.5 with a radiative forcing of 8.5Wm-2. Each RCP implies differing levels of physical risk.

RGMP—Responsible Gold Mining Principles, a framework developed by World Gold Council related to ESG performance.

RMMS—Risk Management Monitoring System.

SSP (or SSPs)—Shared Socio-economic Pathway(s), five distinct trajectories examining socio-economic changes projected to 2100.

TCFD—Task Force for Climate-related Financial Disclosures, a reporting framework developed by the Financial Stability Board.

Transition Risk—Risks that arise from the societal response to climate change with the transition toward a low-carbon future.

TSM—Towards Sustainable Mining, an initiative to improve environmental and social responsibility developed by the Mining Association of Canada.

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as “forward-looking statements”. Such statements include, without limitation, statements regarding the Company’s future plans in the areas of climate change action, including targets for GHG reductions and the plans to achieve those targets, sustainable development and the environment. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such statements reflect the Company’s views as at the date of this report and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. For a detailed discussion of such risks and other factors that may affect the Company’s ability to achieve the expectations set forth in the forward-looking statements contained in this report, please see the Company’s Annual Information Form for the year ended December 31, 2021 filed with Canadian securities regulators on SEDAR at **www.sedar.com**. Other than as required by law, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

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