

May 30, 2011

## Statement from Barrick Gold Corporation concerning the North Mara Mine, Tanzania

### **INTRODUCTION**

Barrick Gold Corporation, and its affiliates and subsidiaries, operate in some of the most challenging environments in the world. Among Barrick's operations and affiliates, the Mara region of Tanzania, in which African Barrick Gold (ABG) owns and operates the North Mara mine, is especially challenging. The North Mara mine is located in a very remote, underdeveloped part of the country in close proximity to the Kenyan border. In-migration from other areas and countries is rampant and law enforcement capacity is limited, making the area a magnet for transients, criminals and organized crime. Civil unrest due to poverty is a particular problem in the area, a fact widely recognized by Tanzanian authorities.

The vast majority of people living near North Mara share the same desire for security and safety as ABG and its employees. To that end, ABG is working with Tanzanian authorities to address a variety of issues that impact the community, particularly related to law and order. The end goal is to make this area safer for residents of the community and for the men and women who work at the mine.

### **THE INVESTIGATION**

It is against this background that ABG recently notified Barrick that it had received highly disturbing allegations of sexual assaults by the police and ABG security against local women. Following recent events at the Porgera Joint Venture in Papua New Guinea, employees have a [heightened sensitivity to these issues](#). ABG has also been pursuing enhancements to its human rights program generally, in parallel to Barrick commencing its new human rights compliance program. Employees raised these allegations to external investigators retained by ABG to inquire into an unrelated matter.

Immediately upon receipt of the allegations, consistent with its corporate policies, ABG deployed an investigative team to conduct preliminary inquiries. Shortly thereafter, ABG notified Barrick of the issues, and launched a full investigation. The investigation has identified credible evidence of sexual assaults by members of the Tanzanian police and employees of ABG's security unit. The investigation is ongoing.

Barrick is a member of the Voluntary Principles on Security and Human Rights. Consistent with the requirements of the Voluntary Principles, which also guide relevant ABG policies, ABG has met and briefed senior law enforcement officials and urged the police to conduct their own investigation. Police have deployed a senior police official and have further committed to deploy a senior level investigations unit to North Mara in the coming days. ABG and Barrick also have engaged with a variety of stakeholders regarding these issues. We intend to report publicly on the findings and recommendations of the investigation when it is concluded.

Barrick is deeply distressed by the evidence that has emerged. Its policies, and those of ABG, are unambiguous in their requirements. Both companies are aligned in their zero tolerance approach to human rights violations. For both companies, any employee implicated in human rights violations or other serious criminal acts will be terminated. Any employee who has direct knowledge of but fails to report human rights violations, or other serious criminal acts, of employees or public security will be terminated. Any employee who misleads or hinders investigators inquiring into human rights violations or serious criminal acts will be terminated.

Barrick and ABG also have long engaged in dedicated human rights training for the companies' security forces. Police assigned to provide security to the operation also receive human rights training, which ABG provides or arranges. ABG has entered into a written agreement with the police, consistent with the Voluntary Principles, in which the police agree to respect international human rights norms. The expectations and demands of ABG could not be more clear. The work of the police in the area, and that of ABG security, is by no means easy. Most security providers serve with honor, everyday undertaking genuine physical risks. Barrick's appreciation of the critical work provided by the police and ABG security must be acknowledged.

However, Barrick is unwavering in its commitment to eradicate human rights violations at all of its operations and those of its affiliates. These deplorable crimes, if confirmed, are neither acceptable nor excusable. They send a clear message to us that we have not met the promises we have made to the community, and to ourselves, to pursue responsible mining in every location where we and our affiliates operate. We can, and will, do more.

## **STRENGTHENING THE COMMUNITY**

ABG has undertaken substantial efforts to strengthen and improve conditions in the communities near the North Mara mine, which face significant social and economic challenges. ABG remains committed to the long-term future of the mine and to assisting these communities going forward. Building on this commitment and efforts to improve relations with the community, ABG has recently:

- Increased the size of the local Community Relations team to 50 full-time employees with expertise in social management, with plans to hire additional senior management with expertise in Corporate Social Responsibility.
- Implemented a formal grievance procedure at North Mara to allow local stakeholders to have any complaints investigated and resolved.
- Trained and employed local community members to act as village liaison officers and established liaison centres within the community to facilitate two-way information and dialogue.
- Developing a 'Conflict Reduction' project involving ABG's community relations and security teams and is working with the community to address legacy resettlement and village benefits agreement issues.

As part of Barrick's responsible mining approach, we are committed to maximizing the social and economic benefits of our business to improve quality of life wherever we conduct our business. Consistent with Barrick's approach, ABG has recently:

- Increased North Mara's annual community relations budget to \$2 million, with over \$1 million dedicated to community investments annually. A further increase in expenditures is planned.
- Invested \$40 million to connect North Mara to the Tanzanian power grid, thereby linking the Mara region to the national electricity network. With this new infrastructure in place, government and local villages are now able to gain access to electrical power.
- Matched a USAID contribution of \$300,000 to the Tanzania Chamber of Minerals and Energy for a new public health service focusing on under resourced local villages surrounding North Mara.

ABG also invests in a variety of ongoing programs and initiatives to improve health care and education, to develop the skills of ABG's 4,800 employees (90 per cent of whom are Tanzanian) as well as other Tanzanians to work in mining or become industry suppliers. Along with providing over 1,000 jobs, North Mara purchased \$30 million worth of goods and services from Tanzanian businesses in 2010.

In addition, over 5,000 students in the Mara region have attended school through a one per cent village royalty program at the North Mara mine since 2004. In 2008, Barrick formed the Lake Zone Health Initiative which created a cooperative community health strategy across the private sector, government and NGOs. This health initiative, which continues under ABG, is making it possible for companies, the government, health NGOs and donors to work collaboratively together to enhance services and combat HIV, malaria and TB. ABG is also partnering with Volunteer Surgical Missions Australia - Tanzania, which offers free surgery for patients with burns and cleft palates. The next mission is due to arrive in the Mara region imminently.

## **IMPROVING THE SECURITY FUNCTION**

In addition to community initiatives, ABG is also making numerous improvements to the security function, aligned with international human rights standards. These efforts will enhance the security environment at the mine in order to protect employees and the wider community.

This involves:

- A review of the security perimeter at North Mara, resulting in the installation of additional perimeter fencing and walls.
- Installing CCTV cameras in sensitive areas.
- Implementing personal radio tracking.
- Upgrading procedures for escalation of human rights allegations.
- Strategically redeploying female ABG security officers (who make up 25% of the security force).

- Reviewing options for in-car video cameras.
- Mandatory human rights training for ABG security has recently been upgraded to encompass sexual assault issues, and such training has now been completed.
- Conducting a safety education program with the local community to improve understanding of the inherent dangers associated with illegal mining and intrusions on to the mine site.

ABG has also established a new partnership with Search for Common Ground (SFCG), a leading international NGO that has been in the Mara region meeting with the community. SFCG is providing training on human rights to the police and is engaged in conflict minimization training.

## COMMITMENT TO PROTECTING HUMAN RIGHTS

Building on ABG initiatives to improve the security function and strengthen support to the community at North Mara, with Barrick's assistance, ABG will undertake the following actions:

- Engage with NGOs and government partners to identify and develop specific initiatives on violence against women in the Mara region, including assessing the viability of establishing a health center in the Mara region that could provide physical and psychological treatment for victims of sexual violence and raise awareness of gender violence. This initiative could be undertaken in conjunction with one or more partners with a track record of success in the region.
- Develop an appropriate remedy program for victims of sexual assault, aligned with international human rights norms.
- Review program dealing with violence against women in the Mara region, which would encompass causes and mitigation strategies in order to maximize the effectiveness of company interventions.
- Examine alternatives to existing arrangements with public security providers at North Mara, while ensuring the safety of ABG employees.

Barrick will also:

- Commit to conducting human rights assessments at Barrick operations and projects, including those of its affiliates and subsidiaries. ABG sites will be included in this process. The assessments will be conducted by third-party experts and encompass leading human rights indicators, including sexual violence.
- Commission a study by third-party experts to identify best practices in preventing and dealing with human rights abuses, including sexual violence, that may occur in conjunction with extractive operations.
- Continue to institute a new, global human rights compliance program, designed to be aligned with the framework proposed by U.N. Special Representative on business and human rights and transnational enterprises, John Ruggie. The program will

encompass all Barrick operations and sites, and cover all employees and third party suppliers. Among its numerous elements are:

- new human rights, labour and indigenous persons policies;
- new procedures for reporting and investigating human rights allegations;
- new procedures related to employee hiring;
- due diligence requirements for certain employees and third party suppliers;
- new mandatory terms for employment and third party contracts;
- human rights training for employees, suppliers and others.

Barrick will provide updates on these initiatives as they are pursued, and will continue to engage with stakeholders to identify other initiatives to strengthen human rights at our operations and those of our affiliates.

## **Conclusion**

Spanning nine countries on five continents, Barrick and its affiliates operate mines in a number of developing regions, where infrastructure and government services are often limited and widespread poverty exists. Barrick's 20,000 employees work, live and engage with local communities that are highly diverse and have a range of needs, expectations and challenges. At each of these sites, Barrick brings the same strength of commitment and dedication to responsible mining, seeking to partner with the local community to better the lives of all impacted by our operations.

## **Media Contact**

Andy Lloyd  
Senior Manager, Communications  
+1 416 307 7414  
[alloyd@barrick.com](mailto:alloyd@barrick.com)