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Response to Walrus Article

The Walrus magazine recently published a lengthy article about the Porgera Joint Venture mine in Papua New Guinea. We would like to take this opportunity to provide some additional perspective on a number of the issues raised in the piece.

Since Barrick was founded in 1983, we have understood that our host communities and governments must see value from mining. After all, the resources that we mine belong to them and, for us to be successful, we must earn and maintain their support. We are, therefore, and always have been, committed to making a positive difference in the communities where we live and work.

While the majority of our gold production comes from North America, we have interests in a number of mining operations in complex regions with significant social and economic challenges. This includes poverty, crime, civil unrest and violence against women in some places, often exacerbated by limited law enforcement capacity and government services.

The highlands of Papua New Guinea face many of these challenges. Barrick began operating there in 2006 when we acquired an interest in the Porgera Joint Venture mine through the acquisition of mining company Placer Dome. Currently, we hold an interest in the mine through Barrick Niugini Ltd. (BNL), an independent company that operates the joint venture on behalf of its owners, including Barrick (47.5 percent), Zijin Mining (47.5 percent), local landowners (2.5 percent) and the Enga provincial government (2.5 percent).

Community Engagement

The Porgera Joint Venture has been actively engaging local communities around the mine for more than 25 years. While these communities continue to face significant challenges, the mine has been a major driver of socio-economic development in the region, and a source of stable employment and economic opportunity for thousands of local families.

The mine's contributions include projects to improve access to basic services like health care and education, supporting the construction of essential infrastructure, like roads and hospitals, contributing to initiatives to combat HIV/AIDS, and partnering with the government to preserve large areas of untouched alpine rainforest.

Since 2006, the Porgera Joint Venture has paid more than \$690 million in salaries. Over the same period, taxes and royalties totaled more than \$390 million, while purchases from Papua New Guinea businesses exceeded \$1.4 billion. More than 4,000 employees and contractors work at the mine. Ninety-two percent of them are citizens of Papua New Guinea and more than 35 percent are from the Porgera region.

These are real and tangible benefits that have helped the lives of thousands of people, and would not have been possible without mining. They stand in stark contrast to the suggestion in the Walrus article that corporate social responsibility is merely a public relations ploy. Such claims show a fundamental misunderstanding of how responsible, modern mining works today and how partnerships between mining companies and community and government partners can contribute to sustainable development.

We recognize that we don't get everything right and the mine encourages members of the community to bring forward their concerns. The Porgera Joint Venture has a well-known and accessible grievance process in which any member of the community can lodge concerns or complaints relating to the mine. Specially trained grievance officers work to resolve every claim in a fair and timely manner.

Sexual Assault and Human Rights

Violence against women remains a severe problem in Papua New Guinea. Approximately two thirds of all women in the country have reported being victims of domestic violence. In a 2011 study commissioned by Barrick, 86 percent of women surveyed in the Porgera region said they had been victims of physical violence and 79 percent reported suffering some form of sexual violence.

The mine has not been immune from this challenge. When credible allegations of sexual assault by mine employees came to light in 2010, Barrick conducted extensive inquiries and commissioned an independent investigation. A number of employees who were implicated in or had knowledge of sexual assaults were terminated and the company handed over all relevant information to the police, urging a full criminal investigation.

These incidents were horrific and we have worked ever since to raise awareness about and prevent gender-based violence at the Porgera Joint Venture and everywhere we operate.

At Porgera, the company worked with stakeholders to develop the Porgera Remediation Framework, an independently administered program to compensate victims of sexual violence. The Framework was launched in 2012 after 18 months of extensive consultation and research with leading national and international experts in human rights. It was independently administered by highly qualified Papua New Guineans, including Dame Carol Kidu, a former parliamentarian and cabinet minister in Papua New Guinea, and Ume Wainetti, the National Director of the Papua New Guinea Family and Sexual Violence Action Committee.

It marked one of the first attempts by any company at a comprehensive remediation program aligned with the UN Guiding Principles on Business and Human Rights.

It was open for two years and, during that time, 120 women—more than 90 percent of the women who filed eligible claims—resolved their claims under the Framework. The Framework was implemented in good faith as a meaningful and organized response to a deplorable situation. It was, as we have openly acknowledged, not without its challenges. Barrick commissioned an independent assessment of the Framework after all claims had been processed, and made that report public to share valuable lessons.

The Framework was just one of several major initiatives undertaken by the company in the wake of the allegations at Porgera. Recognizing a need to formalize our commitment to respect human rights everywhere we operate, Barrick also developed a company-wide human rights policy and human rights compliance program. As a result, thousands of employees at Porgera and other Barrick operations around the world now receive human rights training annually.

The Porgera Joint Venture has also been a major supporter of the Restoring Justice Initiative, a multi-stakeholder collaboration between local government, businesses, community leaders and non-governmental organizations that has helped reduce tribal conflict, improve law and order and spur community development in the Porgera Valley. The mine has also organized human rights training for local police and provided funding to the Porgera District Women's Association to assist victims of sexual and domestic violence.

The Porgera Joint Venture also supported the appointment of Ila Geno as independent observer for human rights in the Porgera Valley. Mr. Geno, a highly respected former Chief Ombudsman of Papua New Guinea, provides another avenue for members of the community to report concerns about human rights in a safe and confidential manner.

The challenges of mining in Porgera are clearly significant and complex. Yet we remain optimistic about the real contribution and opportunities that mining can bring, and, indeed, that mining has brought to the Porgera Valley. By developing partnerships of depth and trust with the community and government, we can advance together with our partners, help reduce poverty, generate sustainable economic development, and improve access to human rights and the rule of law.