

# 3 OUR HOST COUNTRIES AND COMMUNITIES

**\$1 135 million**  
ECONOMIC VALUE DISTRIBUTED

**+25 000**

CHILDREN RECEIVED PRIMARY OR SECONDARY

EDUCATION AT THE **50** SCHOOLS WE HAVE BUILT AROUND OUR OPERATIONS

**\$5.79 million**

ALLOCATED TO COMMUNITY DEVELOPMENT COMMITTEES

COMPLETED FEASIBILITY ON  
**TRANSFORMING MORILA**  
FOOTPRINT INTO AN AGRICULTURE HUB

**\$440 million**

SPEND WITH LOCAL SUPPLIERS

**↑5%**

THIS REPRESENTS 35% OF OUR TOTAL PROCUREMENT SPEND

**↑55%** INCREASE

IN VOLUNTARY TESTING AND COUNSELLING FOR HIV

**+630 000**

CONDOMS DISTRIBUTED

PARTNERSHIPS WITH **GIZ** AND  
**Songhai** TO SUPPORT  
AGRIBUSINESS PROJECT DEVELOPMENT

Despite the vast natural resource wealth they possess, our host countries – Mali, the DRC and Côte d'Ivoire – are some of the most socially and economically challenged countries in the world. The deep partnerships we have with our host countries are based on the shared ambition to use the development of a national asset to spark thriving economies and generate social uplift for citizens. Community and economic development issues are therefore fundamental to our day-to-day work and several of these issues appear as priorities in our materiality assessment.

In this chapter we address our policies and performance in regards to:

- creating national economic value
- developing local supply chains
- community development
- community health programmes
- closure planning.

In this chapter we also report on human rights and resettlement activities.

### Creating national economic value

All our host countries are also joint owners of our mines, and have at least a 10% stake in the mine operating in their country. This means that, as well as taxes and royalties, we also make significant contributions to their treasuries through dividends once the capital investment is repaid. Our host countries are also EITI compliant and we are committed to full disclosure of all payments made to government.

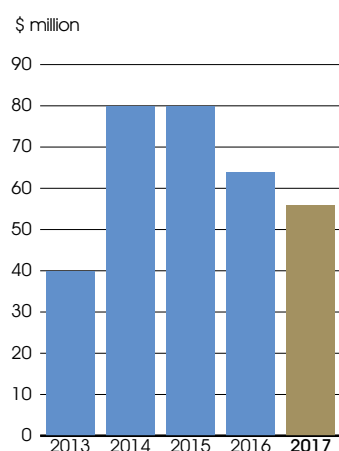
As shown in the *economic value statement* table, Randgold generated total economic value for its host countries of \$1 135 million, including nearly \$300 million in payments to governments for taxes, duties and dividends.

Alongside contributions to government treasuries, we also make significant direct investments and contributions for the development and maintenance of local infrastructure and facilities. Key infrastructure established in recent years includes roads, power facilities, and border crossings.

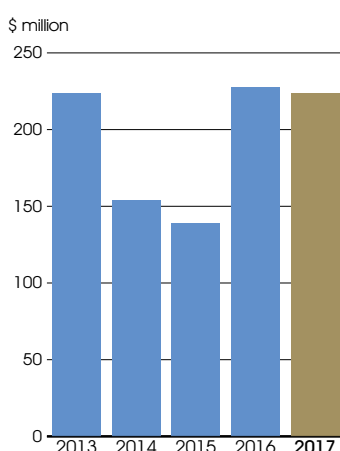
On top of these contributions, our local first procurement prioritisation policy, means we utilise our supply chain and procurement to multiply our positive impact on local, regional and national economies. Our long term ambition is to help develop diverse and thriving economies that are sustainable beyond the life of the mine.

## TOTAL TAXES AND DIVIDENDS TO HOST COUNTRIES

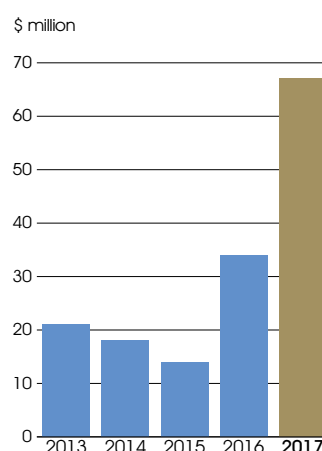
### Democratic Republic of Congo<sup>1</sup>



### Mali<sup>1</sup>



### Côte d'Ivoire



<sup>1</sup> Includes 100% of Morila and Kibali.

## ECONOMIC VALUE STATEMENT

For the year ended 31 December (\$'000)	2017	2016	2015
<b>ECONOMIC VALUE GENERATED</b>			
Gold sales <sup>3</sup>	1 654 329	1 546 029	1 394 889
Finance income <sup>3</sup>	6 018	1 553	4 222
Sundry Income (net) <sup>3</sup>	–	–	2 042
Government portion of Morila <sup>1</sup>	–	–	2 564
Total economic value generated	1 660 347	1 547 582	1 403 717
<b>ECONOMIC VALUE DISTRIBUTED OR TO BE DISTRIBUTED</b>			
Operating costs <sup>2</sup>	555 794	557 060	620 962
Finance costs <sup>3</sup>	3 107	3 193	1 229
Employee salaries, wages and other benefits before taxes	105 780	100 572	77 588
Dividend payments to providers of capital	94 046	61 705	55 744
Payments to governments (including corporate taxes, custom duties, dividends)	299 825	248 809	182 602
Exploration and corporate expenditure <sup>3</sup>	49 549	43 010	48 885
Sundry net expenses	22 771	21 765	–
Community investment <sup>4</sup>	4 242	4 404	5 486
Total economic value distributed or to be distributed	1 135 114	1 040 518	992 496
Economic value retained and reinvested	525 233	507 064	411 221

The information in this economic value statement is extracted from the financial statements, underlying accounting records and other financial data. This non-GAAP information is, however, intended to summarise the overall contribution of the group to its stakeholders and is not intended to replace or provide an alternative to the audited IFRS financial statements.

<sup>1</sup> This amount represents 50% of the dividends paid to the State of Mali, and is also included in 'Payments to governments'. The State of Mali's attributable portion of the Morila operation is not included in the Randgold financial statements.

<sup>2</sup> Total cash costs excluding royalties, salaries, employment taxes and custom duties.

<sup>3</sup> Refer to page F-36 of the financial statements for further information on this figure.

<sup>4</sup> Total spend on community development, including advantageous infrastructure development and philanthropy. This figure represents Randgold's total equity stake in community investment.

## Developing sustainable local supply chains

### Our policies

Excellent supply chain management is essential to the efficient functioning of our mines. It also provides an excellent catalyst to spark entrepreneurship, stimulate economies and improve standards in our host communities and countries. Our supply chain policies and procedures prioritise the use and development of local suppliers wherever practicably possible.

We choose our suppliers based on a combination of quality, cost, location and compliance with our policies and standards. Supplier due diligence is a fundamental part of our supplier selection process and as shown in the *integrating sustainability concerns into our supply chain* table, continues throughout the life of a supply agreement.

Our pre-supply checks include, prequalification checks, including know your supplier checks to identify any potential legal, ethical or reputational risks. All supplier contracts include mandatory clauses to ensure they (and sub-contractors) adopt our human rights (including preventing modern slavery), anti-corruption and environmental policies. We also conduct weekly and monthly supplier performance assessments that include KPIs linked to sustainability factors. Where suppliers fail to meet a performance target of 80%, we introduce corrective action plans. We also conduct a number of formal supplier audits every year.

## INTEGRATING SUSTAINABILITY CONCERNS INTO OUR SUPPLY CHAIN

Pre-contract	Contract	Post-contract
All suppliers undergo prequalification assessments that check sustainability credentials including human rights and modern slavery risks.	Compliance with Randgold's human rights policy, anti-corruption policy, environmental standards and Code of Conduct are mandatory clauses in all supplier contracts.	A range of weekly, monthly and annual supplier performance assessments and audits are carried out across the supply chain to ensure all contractual obligations are honoured.  Grievance and whistleblowing mechanism enable effective and confidential reporting of any violations by employees or external stakeholders.
At group-level, forward-looking risk assessments also seek to identify and consider sustainability risks across Randgold's supply chain.		

We pay particular attention to the management systems and performance of our tier one suppliers ie those who are most critical to the mine's supply chain or who supply high-risk products such as explosives or cyanide. We require tier one suppliers to be certified to the appropriate international industry best practice standard such as the cyanide code. We also have a target for all tier one suppliers to be certified to ISO 14001 and OHSAS 18001 or there are other recognised environment and health and safety management standards in place.

Within our onward supply chain, the gold we produce is transported to Rand Refineries in South Africa. Rand Refineries is certified by the London Bullion Market Association (LBMA) and conforms to LBMA Responsible Gold Guidance to ensure it does not source gold from areas and operations that contribute to the financing of conflict or the degradation of the environment.

### Our performance

In 2017, we spent a total of \$440 million on goods and services from 717 local suppliers, this is an increase of 5% on last year and represents 35% of our total procurement spend in 2017. Some examples of local suppliers include:

- **At Kibali:** Our third hydropower station Azambi is being built by Congolese contractors - this is a first in the DRC and a way for us to prove that local companies are capable with a bit of help, a collective of tailors provides PPE for the mine and other local companies. We worked with the tailors and facilitated training and oversight from international PPE company North Safety to enhance skills and ensure high quality products are delivered.
- **At Loulo-Goukoto:** The hauling contractor for the Loulo-Goukoto road is a local company, SFTP from the Kayes region. As part of our original agreement we provided SFTP with the trucks to use for hauling and provided additional training for their drivers. They now own much of their own equipment and service contracts with other mines in Mali and West Africa. We have engaged SFTP as our mining contractor for the planned Baboto expansion project at Loulo-Goukoto.

- **At Morila:** the mining contractor for the Domba pit, is EGTF, a local company and a first time miner. We are committed to working with EGTF to help grow them into a successful mining company.

During 2017, we increased our focus on supplier sustainability by introducing additional sustainability related issues into the supplier due diligence questionnaire. This includes asking for evidence of any certification to internationally recognised environmental or safety standards, or a willingness to work towards compliance with international standards. 78 of our suppliers have provided evidence of certification to the OHSAS 18001 safety standard.

We continued to assess supplier performance against a range of KPIs including those linked to sustainability on a weekly and monthly basis. We also maintained our formal supplier audit programme, and developed corrective action plans where necessary. In 2017 we developed four formal corrective action plans.

For local suppliers we apply an approach of engagement rather than enforcement, and work with potential local suppliers to help them meet our standards and integrate our policies into their businesses. For example, should a local business or entrepreneur wish to provide goods and/or services to our operations but do not meet some elements in our required standards we aim to facilitate training and mentoring support from leading international companies to help build up local capacity and ensure compliance.

We also encourage our contractors to be engaged members of the local communities, for example by offering apprenticeships and training opportunities to local youth, making charitable donations or contributing to community development projects. For example, FEA, the catering firm for the Loulo-Goukoto complex, helps provide local farmers with a market for their produce, and in 2017 bought large quantities of vegetables, meat and produce from local community providers. They also run training programmes in local villages.

CASE STUDY

## EGTF MINING NEW OPPORTUNITIES AT MORILA

Groupe EGTF is Mali's leading construction company in the mining industry and the company has a long history with Randgold.

The company's founder, Diakaridia Traore, first worked with Randgold at the Syama mine and with his colleagues saved enough money to buy a car in order to travel to Morila to work on the construction there. Nearly 20 years later, EGTF is back at Morila, but instead of one car, the company now has a fleet of large trucks and is working as the mining contractor for the Domba satellite pit.

Production superintendant Boubacar Sogodogo, himself a former Syama employee, explains, "Randgold is like a big brother to EGTF, the companies have grown together. Mark trusts EGTF to do a good job and that is exciting, but it is also stressful. Randgold have high standards and expectations, which can be tough. But we know they want us to succeed and when we ask they share their knowledge and provide support. It is good opportunity for us to gain new skills. Like Randgold we want to employ and train Malians to expand the benefit."



*As part of our commitment to improving access to education, we have built two nursery schools for villages near our Tongon mine in Côte d'Ivoire.*



*We build community health clinics around all our mines.*



*During 2017 we built or rehabilitated 70 boreholes for our local communities.*



*As part of our closure planning and to spur local economic development and help ensure food security, agribusiness initiatives such as fish farms have been established at all our mines.*



Soap used at Loulo-Gounkoto is supplied by the local women's association, who we trained in soap making as part of our investment in local economic development.



In 2017 we entered into an agreement with the Ivorian government to improve access to water around the Tongon mine.



Local women's associations also received training in jam making and now supply FEA the caterer for Loulo-Gounkoto with jam and peanut butter.

## Community development

### Our policies

The local communities around our mines provide us with talented workers and suppliers and provide a secure environment for our mines. That gives our company a significant advantage, and in return we invest in catalysing lasting advancement in education, healthcare and economic opportunity.

Our policy is to put the local community themselves in the driving seat of this development, through the establishment of elected community development committees (CDCs). These committees consist of local leaders as well as women and youth group representatives who become responsible for the allocation of a community investment budget within five sustainable development categories:

- education
- primary health
- food security
- potable water
- local economic development

We also strive to ensure that projects which enhance skills and economic opportunities for women are appropriately supported throughout all our local communities.

### Our performance

In total \$5.79 million was allocated to CDCs in 2017 for spending on community development projects. These include:

#### ■ Education

During 2017 we invested more than \$1 million on community education projects. This includes:

- the construction of nursery schools in the villages of Pougbe and M'bengue and four onsite teacher houses near the Tongon mine in Côte d'Ivoire
- the construction of secondary schools for the villages of Kenieba, Mahinamine and Koundan near the Loulo-Gounkoto complex, and contributions towards school supplies such as library books and teachers' salaries for schools near the Morila mine in Mali
- the restoration of schools and the payment of exam fees for disadvantaged students
- training of 162 local headmasters near Kibali in the DRC.

■ **Health**

We invested almost \$500 000 to support community health initiatives in 2017. This includes:

- the construction of maternity clinics for the villages of Ganoza and Maitulu near the Kibali mine in the DRC
- building housing for doctors, midwives and nurses and the rehabilitation of the Lycee Houphonet Boigny hospital near the Tongon mine in Côte d’Ivoire
- a financial contribution toward the building of a new hospital in Watsa village, DRC, and a range of community anti-malaria initiatives
- HIV/AIDS and infant mortality programmes near Kibali in the DRC.

■ **Food security**

We invested almost \$1.5 million in community food security and agriculture project during 2017. This includes:

- the purchase of seeds, fertilisers and tractors for community agriculture projects near Loulo-Goukoto complex in Mali
- the establishment of community piggeries in villages near our mines in both Côte d’Ivoire and the DRC
- the establishment of cocoa and coffee plantations in the community near Kibali in the DRC.

■ **Water**

We invested more than \$720 000 on projects to improve access to potable water for communities near our operations. This includes:

- the construction and rehabilitation of 30 boreholes for communities along the Aru-Doko road and the construction of 40 water fountains in Durba near Kibali in the DRC
- the installation of solar water pumps for Sanso market gardens near Morila in Mali
- public-private partnership with the government of Côte d’Ivoire to improve water pipelines and towers in villages near the Tongon mine.

■ **Economic development**

We invested nearly \$2 million in economic development projects for our local communities. This includes:

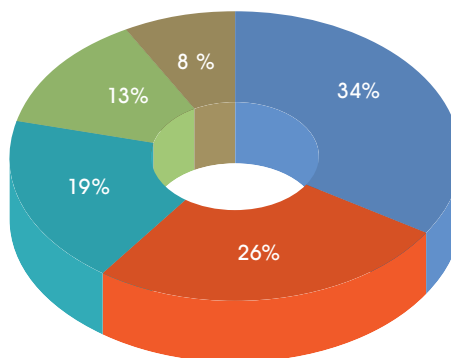
- the construction of community abattoirs and training of local butchers in Mali and Côte d’Ivoire
- providing sewing training to local women near Kibali so they can become part of a cooperative that provides artisanal products to boutiques in the United States
- the purchase of grain mills for use by community and women’s groups near the Loulo mine in Mali
- construction of a community run restaurant and hall facility near Tongon.

**OUR COMMUNITY SPEND**

\$	2017	2016	2015
Loulo	625 870	848 410	901 510
Goukoto	918 009	590 831	1 418 431
Morila	1 140 496	1 640 258	1 307 054
Tongon	1 148 716	1 045 084	642 509
Kibali	1 955 527	2 200 068	2 000 000
Group	5 788 618	6 324 651	6 269 504

**2017 COMMUNITY SPEND BY PROJECT TYPE**

- Economic development
- Food security
- Education
- Water
- Health



## \$5.79 MILLION INVESTED IN SUSTAINABLE COMMUNITY DEVELOPMENT PROJECTS IN 2017

### MALI

**Loulo-Goukoto** total community development spend of \$1.5 million.

Some examples of the spend:

- \$370 000 on education projects such as the construction of Mahinamine and Kenieba high schools, and the installation of internet in school offices.
- Over \$800 000 was invested in the development of agriculture and economic development projects, including the establishment of five incubator farms as part of the second phase of training for students at the Agri-college.

**Morila** total community development spend of over \$1.1 million.

Some examples of the spend:

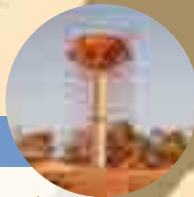
- Investment in drinking water projects such as the construction of boreholes for the Sanso women's market gardens and extensive investment in agribusiness enterprises.



### CÔTE D'IVOIRE

**Tongon** total community development spend of \$1.1 million. Some examples of the spend:

- \$130 000 on community health projects such as accommodation for nurses and midwives, Kationron health clinic and the provision of medicines and supplies.
- \$233 000 on community education projects including the construction of two nursery schools.
- \$510 000 for the drilling of boreholes, construction of water towers and maintenance of water pipelines.
- \$350 000 was invested in agribusiness and economic development projects.



### DRC

**Kibali** total community development spend of \$2.0 million. Some examples of the spend:

- \$165 000 invested in community health projects including: a new hospital in Watsa and the construction of a clinic in Surur.
- \$430 000 went towards food security initiatives such as cocoa, maize and coffee projects.
- \$400 000 invested in access to water projects including the construction of water storage and treatment facilities and the establishment of 35 water fountains through Durba, and 30 boreholes for communities along the Aru-Doko road.





CASE STUDY

# COMMUNITY TRAINING SPARKS NEW OPPORTUNITIES

For the past few years, as part of our ongoing commitment to community development, the workshop at our Morila mine in Mali has taken on a group of 20 trainees from the community each year to provide them with training in areas such as electrical engineering and engine rewinding.

The training provides attendees with additional skills and work experience and increases their employment options, with some of the best graduates from the course offered contracts with the mine. For example, all engines from our Tongon mine over the border in Côte d'Ivoire are now sent to the workshop at Morila for repair, helping the trainees learn their trade. It is also a practice which saves us time and money over sending the engines for repair in Côte d'Ivoire. Our hope is some graduates will form their own companies so we can continue to send Tongon engines to their businesses for repair after the mine closes.

Adiaraou Mariko, a 23 year old from Domba is one of the 2017 batch of trainees. she explains, "I have studied electricity in Bougoni and my dream is to be an electrician, so this is a fantastic opportunity for me to learn and get experience. My father used to work at Morila so I know this is a good place to train, and he is happy I have the opportunity to get experience here. I have learned how to change lamps, connect power, connect circuits and work on overhead power lines. Normally to get this sort of experience I would have to move away from my home and my community. My goal is to have my own company and workshop, so I can work on some projects for my community, maybe with solar power and with the agripole when the mine shuts down."



*The goal of electrical engineering trainee Adilarou Mariko is to have her own company and workshop.*



## CASE STUDY

# DURBA SUMMER SOCCER SCHOOL IMPROVES RISK AWARENESS

Soccer is a hugely popular game in our host countries, and most of our mines have inter-department or inter-village leagues, and lively discussion can often be heard on site regarding the latest matches and the performance of international teams and players. At our Kibali mine in DRC, we decided to use this passion for football as a means to provide additional training and knowledge, and in 2017 ran a summer soccer school for local young people, to both improve their soccer prowess but also as a forum to raise awareness of HIV/AIDS and malaria, as well as good citizenship and civic responsibility.

In total 100 children between the ages of 10 and 18 were selected to attend the summer school, which ran for three weeks. The schools consisted of a mix of outdoor practical skills training and theoretical lessons, including HIV and malaria awareness sessions, good waste management, civic duties, good citizenship and sexual and reproductive health.

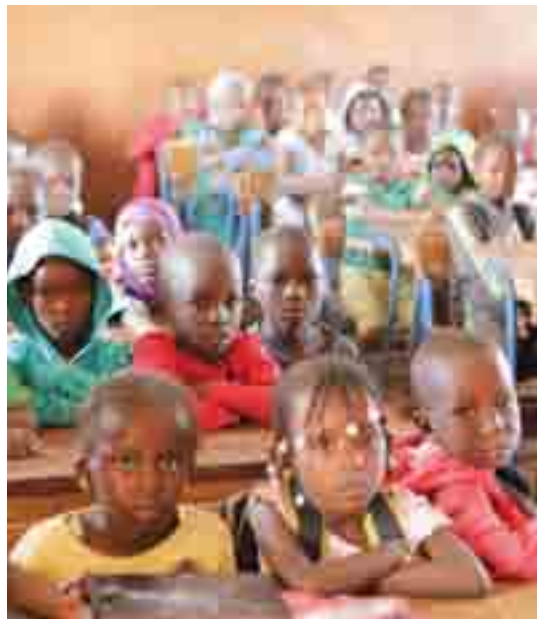


### Raising educational achievement

Education is a human right, yet across the world more than 120 million children a year do not complete primary education. In our countries of operation, access to education and literacy levels tend to be underinvested, and there is a direct and indisputable link between access to quality education and economic and social development. For that reason education is an important part of our community development strategy.

Randgold's investment in education goes beyond the bricks and mortar needed to build a school, and seeks to improve the quality of teaching provided at school, improve class sizes, ensure access to electricity and potable water, reduce absenteeism, drive up pass rates and open up opportunities for further education. Our strategy is to work with leading NGOs (such as World Education – see case study on page 156) and regional authorities to provide quality training for teachers and headmasters, and engage families. We also make direct financial contributions such as providing bursaries and prizes for top performing students, and covering exam fees for underprivileged students.

In total, we estimate that more than 25 000 children receive primary or secondary education each year at the 50 schools we have built around our operations. We have also trained 350 teachers for these schools, and in 2017 funded exam fees for over 6 000 pupils.



## CASE STUDY

## IMPROVING EDUCATIONAL OUTCOMES WITH NGO WORLD EDUCATION

In 2015, we began a partnership near our Loulo-Goukoto complex in Mali with internationally recognised NGO World Education. The initial work we did with them was to assess the state of education in the local communities and to develop and implement strategies to improve education outcomes for the region.

Since then, World Education has worked in partnership with the regional ministry of education (CAP) to improve teacher training, ensure regular school inspections take place and to improve engagement with parents.

CAP Head Ernest Diarra explains how the partnership has improved education standards for the region, "The first thing we can see is the communities are more focused on education; there used to be a lot of absentees, now there are less. This is due to two reasons - there is a bursary programme so students and their families are motivated to learn and secondly, World Education has worked hard to get parents involved with education, particularly mothers. Many schools now have student mothers associations who will follow up any unexplained absentees and act and talk to other parents about the importance of education."

Ernest continues, "Another thing we can see is that teachers are more motivated and effective. We can see this because the success rate in exams is increasing. Some schools have totally transformed from having very low pass rates to having some of the best rates in the region. There is still a long way to go but things are moving in the right direction."

The Mahinamine Student Mother's Association, is an example of one of World Education's initiatives. The association was established in January 2017, when World Education invited parents from Mahinamine school to attend a meeting. From that meeting, 14 women volunteered to form an association and were provided with a loan of 500 000 FCFA (about \$1 000) to generate income for themselves, on the proviso that a proportion of the association's income is to be donated to the school every quarter to help with maintenance costs. The association has also established themselves as a constant presence at Mahinamine school, with at least three of the 14 women at school during class time.

Association member Nastou Togola explains, "We listen to the attendance check and watch for anyone who is not there or who is late, and we visit their houses and their parents to find out why they are late or not at school. During break many children often go to the river to wash, so one of is always there during break to make sure children come back from break on time. We also talk to other parents about the importance of school and ask them not to give their children work during school time".

Another association member, Penda Kante, continues, "We do this for the future of the children and the development of our village."



## CASE STUDY

# FINANCING A HEALTHY NEST EGG

Tuo N’Golo is a chicken farmer near our Tongon mine in Côte d’Ivoire. He has accessed capital on several occasions from PAMF-CI, the local microfinance institution set up and funded by Randgold, and he uses the funding to improve or expand his facilities and to buy additional stock or equipment.

He now has a farm with over 1 000 birds, which deliver approximately 30 plates of 30 eggs a day, and approximately 500 broilers in growth at any point in time. He sells his eggs and chickens in the local community and to the mine, and says he can barely keep up with demand. He is also a regular user of microfinance.

Tuo explains, “Over the last five years I have taken out five loans from PAMF-CI. The smallest was 2.5 million FCFA (\$4 725) and the last was 4 million FCFA (\$7 560), which I paid back in 10 months instead of 12. These loans have helped me to build new sheds for layers. It is hard to believe I started with just 50 chicks, I now have more than 1 000 and I am going to keep growing. I want to build another shed for broilers. As soon as a batch is ready it is sold, and I have people visiting just to find out if my broilers are ready for sale.

I have also used part of my microfinance loan to buy a maize mill, which is in the village for people to rent from me for a small fee. My ambition is to be an entrepreneur with many businesses.”

He continues, “When I first looked for a loan, I tried a couple of places, but PAMF-CI was the only one who would help me. They provide good opportunities for us.”

“I won’t say it was easy to get the loan, I had to prove I had a plan to make a business, and they spoke to me about money management and the importance of paying back.”



### Microfinance

Our host communities face many problems. A shortage of entrepreneurs is not one of them. However, access to the capital necessary to start and expand businesses is. That is why we have worked to support the development and establishment of accredited microfinance institutions in our host communities.

All our host communities now have microfinance institutions set up by Randgold - these are CAMIDE at Morila, PAMF-CI at Tongon, Nyesigiso at Loulo-Goukoto and Uele Coopec at Kibali. Communities near Kibali also benefit from a microfinance programme run by an order of local Nuns. The nuns focus in particular in providing access to capital for female entrepreneurs.

During 2017, collectively these institutions have provided over \$400 000 in loans to local entrepreneurs for a diverse range of projects from fashion to farming.

### Health in the community

#### Our policies

Our community healthcare strategy is to provide free basic medical care to our workforce, their immediate families and to community members within a 15km radius of each mine. It is a policy that pays dividends in terms of improved worker performance, reduced absenteeism and maintaining our social license to operate. Thus access to quality healthcare is a key priority of our community development efforts.

To fulfil this strategy, we establish health clinics and provide medical equipment and medicines at every mine site and in nearby villages, with the aim of passing control and responsibility for the latter to local doctors and regional health authorities over the medium term.

Our community health programmes also work to tackle the burden of some of the most pressing community and global health problems, paying particular attention to malaria, HIV, Hepatitis B and diarrheal diseases in line with the UN SDGs.

#### Our performance

During 2017 our clinics conducted over 82 000 medical consultations for employees, their dependents and community members, a 5% increase in the total number of consultations provided in 2016.

#### TOTAL MEDICAL CONSULTATIONS

	2017	2016	2015
Total number of medical consultations	82 792	78 496	80 758
Employees	75%	72%	69%
Employee dependents	16%	16%	18%
Local community	10%	12%	13%



## CASE STUDY

# TRANSFORMING HEALTHCARE IN RURAL CÔTE D'IVOIRE

M'bengue is a town about 30km away from our Tongon mine, it is also the closest hospital to our operations. However, until recently it was little more than a small community hospital and any incident of a serious nature had to be referred to the larger hospital at Korhogo 85km away on poorly maintained roads. However, with the advent of a new specialised surgical building built by Randgold, M'bengue hospital is set to transform into a regional hospital.

The new facility boasts two operating rooms, two sterilisation rooms and two post-surgery recovery rooms with capacity for eight beds. The new facility was built in consultation with the Ivorian ministry of health, with a specialist technician overseeing the plans and construction to ensure it was built to national standards. Another funder was supposed to supply the equipment for the surgical unit, however they had to withdraw support at the last minute. We have since partnered with the NGO CURE to provide the equipment and are expecting to open the doors soon.

Despite the delay, staff are excited about the new development, the chief nurse Jean Bleu Kahazlou explains, "I have worked here for more than 10 years. Even before they built the surgical unit, Randgold provided us with a lot of support, medicines and equipment, advice from their doctors and access to their ambulance. They are always there for us. When I started here we were just two nurses and one doctor. Now we are four nurses, two doctors and two midwives and two technical staff for the laboratory. With the new facility we are set to become a general hospital for the region. The new surgical facility will mean we can treat trauma cases, serious wounds, complicated childbirth and gynecological problems without people having to travel far, which is better for the patient and for their families as they can easily visit without having to take time from work. We used to have to borrow the ambulance from the mine to get people to Korhogo."

She continues, "We have already seen a change in people's behaviour. In the past, just 100 or maybe 200 people would attend the clinic. Now it is over 500 people. The most common complaints we see are malaria and respiratory infections and trauma. People used to see traditional healers, now they may still see them but they come to us too for advice and medicine."



**Tackling the scourge of malaria**

Malaria is one of Africa’s biggest killers. The World Health Organization estimates there were 216 million cases of malaria in 2016, mainly in sub-Saharan Africa. In the areas around our mines it has a major impact both on health and economic development.

At Randgold, we measure the impact of malaria on our business by the number of working days lost to the disease. In 2017, 23.6% of all our workforce absences were due to malarial illness. Thus it is in the interests of our business, our workforce welfare and our host countries and communities for us to help tackle the disease. Reducing and ultimately eliminating malaria from our communities of operation is one of our key health goals, and we have a target of 10% year on year reduction in malarial incidence rates.

We spent a total of \$791 761 in the fight against malaria in 2017.

During 2017, while we did not meet our target of a 10% year on year reduction in the group malaria incidence rate, we were still encouraged that our work continues to deliver reduced instance of malaria. Over the medium term we have seen real benefits and impact from our anti-malaria work, with malaria rates more than halving at all of our operations. At Tongon, for example, incidence has fallen from over 130% in 2010 to just over 30% at the end of 2017, and at Morila, it has dropped from 113% in 2000 to just over 10% in 2017.

**MALARIA INCIDENCE**

%	Baseline Year	2017	2016	2015
Morila	192.0 (2000)	10.7	12.6	22.5
Loulo	51.1 (2005)	22.9	27.8	44.2
Goukoto	74.0 (2011)	37.4	39.7	46.3
Kibali	113.1 (2011)	28.1	26.4	35.7
Tongon	132.7 (2010)	32.7	32.5	42.2
Group		27.4	28.1	38.9

**HOW WE TACKLE MALARIA**





#### Reducing HIV prevalence in our communities

The World Health Organisation regards HIV/AIDS as a severe development crisis for Africa. It is estimated that HIV/AIDS related deaths, illnesses and worker absenteeism has reduced economic growth rates in some parts of Africa by as much as 2%.

We partner with expert NGOs to develop awareness raising and education programmes to slow and halt the spread of HIV/AIDS through behaviour change throughout all our host communities. This includes:

- Training peer educators to work in the community.
- Encouraging safe sex by distributing free condoms; 630 000 condoms were distributed in 2017, 22% more than 2016.
- Promoting VCTs. In 2017 we provided 10 876 free VCTs to our workforce and local communities, a 55% increase on 2016.
- Referring anyone who tests positive to counselling and for antiretroviral (ARV) drugs.
- Working with local sex workers to sensitise them to the risks of HIV/AIDS and ensure they practice safe sex and are voluntarily tested on a regular basis.

The HIV rate across the group for 2017 was 1.33%, an 18% reduction on 2016.

#### HIV PREVALENCE RATES

%	Baseline Year	2017	2016	2015
Morila	0.6 (2000)	0.33	0.1	0.2
Loulo	0.7-1.3 (2005)	1.28	1.6	1.8
Goukoto	0.7 (2011)	0.76	0.9	0.5
Kibali	3.2 (2011)	3.50	3.4	7.3
Tongon	17.7 – 37.6 (2010)	1.03	1.76	0.0 <sup>1</sup>
Group		1.33	1.6	2.3

<sup>1</sup> Zero incidence rate at Tongon in 2015 is perhaps attributable to a low number of VCTs conducted at Tongon during the year.

#### VCTS CONDUCTED

	2017	2016	2015
Morila	1 205	930	808
Loulo	3 743	2 567	2 358
Goukoto	1 571	1 443	650
Kibali	1 457	1 330	35
Tongon	2 900	796	576
Group	10 876	7 066	4 427



## Planning for closure and growing agribusiness legacies

### Our policies

Closing a mine is a complex process which carries significant environmental, social, and economic consequences. We believe that the successful closure of a mine is as important as the successful construction and operation of a mine and, done well, can leave a positive legacy for communities for generations to come. However, if not done correctly, mine closure can leave behind a legacy of unproductive land and damaged ecosystems.

Our policy is to start planning for a mine closure at the design stage, and no operations begin before we have closure plans that are agreed with government and communicated to all impacted communities. Closure plans include a ringfenced proportion of the annual budget to ensure all closure obligations are adequately funded, and each mine's closure plan is guided by the specific legislative requirements of its host country and IFC guidelines. As part of our closure plans, we strive to keep the overall footprint of the mine to a minimum and undertake continuous land rehabilitation throughout mine life. Our aim is to restore original biodiversity and a healthy operating ecosystem at the earliest possible time. All mine closure plans are reviewed and updated regularly.

Our closure plans also aim to leave behind a sustainable economic legacy from which our host communities can benefit. Throughout the life of the mine we work to build the skills and capacity of local communities for non-mining income generation, provide training for alternative forms of employment and use our supply chain to promote entrepreneurship. In particular, we invest heavily in the development of agriculture and agribusiness at all our mines as an important part of their closure plans.

### Our performance

All our mines have detailed and ongoing closure plans in place and we continued to refine these throughout 2017. Closure is now looming for two of our mines, Morila in Mali and Tongon in Côte d'Ivoire.

Morila is scheduled to cease operational life by early 2020, and the bulk of mining operations have already stopped. Aside from the development of a small satellite pit with a limited life span, Morila is now a tailings reprocessing operation. With this in mind we continued to ramp-up the investment in agribusiness and economic development on the site to transform it into an agricultural centre for the region.

Morila now has 24 floating fish cages and a further 12 fish ponds, while the poultry project with more than 29 000 laying hens now produces around 700 000 eggs every quarter and generated more than \$710 000 in revenue during 2017. We have continued to work with and accept guidance from representatives from the Songhai project which is one of the most successful agribusiness initiatives in Africa. Members of the Morila closure committee, community representatives and local authorities were sent to visit the Songhai project in Benin. Other plans for Morila's closure include utilising existing infrastructures, the club and entertainment facilities on site to create. The Morila project and closure plan now has widespread government support and agreement. The facing page provides an aerial view of how we expect Morila to look soon after closure.

At Tongon, mining is currently scheduled to cease in 2021, however we are currently investing in significant exploration across the permit and region to replace depleting reserves and extend Tongon's operational life. At the same time we have started to prepare the detailed closure plans for Tongon and are making significant investments in agriculture including fish farms on local dams, 3 000 hectares of maize, pork and poultry projects. The fish farms and fishing around Tongon is so successful that fishmongers from the distant city of Korhogo now regularly travel to Tongon for fish, while the maize sales generated significant revenues last year. During 2018, we will host a series of monthly workshops with local government to further develop and prepare Tongon for closure.

As part of our ongoing closure planning, we continue to invest in the development of sustainable agribusiness legacies at our other mines. At Loulo-Gountoko, the agricultural college (profiled in our 2015 sustainability report) continues to be a success and provides eggs, chicken, beef, milk and vegetables to the local community. The first intake of students have now progressed onto the second phase of training, and are working in five teams on their own incubation farms, establishing cattle, fish, poultry and vegetable projects. We have also entered into a €1 million cooperation agreement with GIZ to integrate the college into the Kayes region's economic development plan. At Kibali, we continue to develop a series of agribusiness initiatives, including the establishment of cocoa and coffee pilot projects and fish farms that produced over one tonne of fish in 2017. Farming initiatives also produced 13 tonnes of feedstock and 2.5 tonnes of pork which was sold to our mine caterers ATS.

## OUR VISION FOR MORILA



# DEVELOPING AGRIBUSINESS LEGACIES

## 1 FISH

At Morila 24 floating cages and 13 earth ponds produced 23.76 tonnes of fish and generated \$67 000 in revenue.

At the Loulo-Gouunkoto agricultural college 4 earth ponds produced 0.9 tonnes of fish sold to mine caterer FEA.

At Tongon floating cages generate \$5 000 in income.

At Kibali 24 community earth ponds were built and produced 1.7 tonnes of fish.

## 2 MAIZE AND GRAINS

Maize and grains were planted throughout local communities around Tongon, Kibali and Loulo-Gouunkoto.

840 tonnes of maize was produced around Kibali, and a trial commercial maize farm has been established to drive production to scale. 34.95 tonnes of grains was produced in communities around Loulo- Gouunkoto.

\$13 000 revenue from maize projects at Tongon.

## 3 COFFEE

A coffee nursery of 150 000 seedlings has been established at Kokiza engineering site at Kibali. We are working to identify experienced coffee growers in the community to receive saplings and additional training. The development of about 60ha of coffee around Kibali is expected

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## 7 BUTCHERY AND ABATTOIR

A community butchery and abattoir built in Pougbe village near Tongon is scheduled to open in 2018.

A community abattoir was built near DK village. Mine caterers FEA contributed to the construction costs and provided training, including in hygiene and safety standards, to 40 local butchers. The abattoir now supplies meat to FEA.

## 8 POULTRY

At Morila, 3 laying houses with about 29 500 laying hens produced 7.9 million eggs generating \$654 000 in income. Kibali poultry projects now produce more than 70 000 eggs for sale each quarter, and 3 tonnes of broilers. Poultry projects at Tongon generated \$60 000 revenue from egg and broiler sales. Mine caterers FEA bought \$95 000 of chickens from Loulo-Gouunkoto poultry projects in 2017.

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#### 4 COCOA

Cocoa pilot project was established at Kibali, with 16ha of cocoa already planted. A further 100ha of community land has been identified for out-grower project.

50 locals trained in cocoa farming and production. 300 000 seedlings in the nursery awaiting plantation in the community.

#### 5 FRUIT

8ha of Mango at Morila, producing 281kg of mango for sale in the community and to Del Monte. Mango yields expected to increase as trees mature. Planting of 415ha of mango, 65 ha of banana and 8.5ha of papaya planned as part of closure plans. 3ha of pineapple planted among mango at Morila producing 19kg of fruit for sale at Morila.

#### 6 VEGETABLES

24.2 tonnes of vegetables produced by the Loulo-Goukoto agricultural college, \$12 000 vegetable sales to the mine caterers FEA. \$500 in tomato and cucumber sales at Tongon in 2017.

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TRAINING CENTRE

#### 9 PORK

Pork projects are underway at Kibali and Tongon. Two community piggeries with a total of 93 pigs established in Pougbe and Sekonkaha at Tongon. In 2017, the Kibali pig project supplied 2.5 tonnes of pork to the mine caterers ATS .

#### 10 AGRIBUSINESS CENTRE

Phase two training now underway at the college, with 5 incubation farms for dairy, beef, fish, poultry and vegetables starting. Second intake of students to starting in 2018. More than 1 000 applications for 100 places received. €1 million partnership agreement for project with GIZ.

## Human rights and security forces

### Our policies

In the remote areas of Africa where we work, there is often a need to reinforce knowledge of and respect for human rights. Therefore we take extra care to ensure human rights are protected throughout our value chain.

At policy level, our group wide Human Rights Policy covers the protection of human rights in employment, community resettlement and engagement of private security forces. Our Code of Conduct, anti-corruption and anti-bribery policies, and Conflict Free Gold Policy also make reference to the protection of human rights. These policies form an important part of induction training and we provide specialised standalone training programmes for all security personnel, including compulsory training in the UN Voluntary Principles on Business and Human Rights.

Randgold monitors that security forces implement the company's human rights policy by ensuring that:

- Strict due diligence procedures are in place prior to recruitment, including a requirement to be accredited according to relevant UN agencies.
- Contractual requirements include human rights clauses.
- Compulsory training is provided for all security providers in the UN Voluntary Principles on Business and Human Rights.
- A formal disciplinary procedure is in place should any personnel be subject to credible allegations of serious human rights abuse.

Our policy is not to arm the security forces at our mines, and we do not provide benefits to any armed groups who have committed or been accused of human rights violations. Instead we rely on the strong partnerships we build with our host countries to keep our mines secure. Our mines are also protected by local police and government forces which sign legally binding contracts to uphold the Universal Declaration of Human Rights in all safety, security and policing matters.

Within our supply chain we undertake significant due diligence during the supplier selection and check to make sure any potential supplier does not have a record of human rights infringements. Respect for human rights is further entrenched in our value chain through the inclusion of detailed human rights obligations in all supplier contracts. This ensures that all our contractors have a legal duty to comply with our zero tolerance approach to bribery, forced, bonded and vulnerable labour, corporal punishment and infringements of freedom of association.

Any grievance marked as human rights related received through our community grievance mechanism is marked for immediate attention by management.

### Our performance

Randgold has never been subject to any allegations of serious human rights abuses or breaches of humanitarian law, and this remained the case in 2017.

Throughout the year there were no significant incidents resulting in injury to security personnel and all our security personnel active in 2017 have received human rights training. None of the 95 grievances registered in our grievance mechanism in 2017 were human rights related.

### Resettlement

The development or expansion of a mine sometimes necessitates the relocation of local communities and people away from their homes, farms and pastures. The act of resettling a community is one of the most sensitive challenges a mining company can face, and if resettlement is not well planned and carefully managed it can result in government fines and cause lasting harm to relationships with local communities.

### Our policies

Our policy is to avoid the need for resettlement of people or communities as far as practicably possible. But where resettlement is necessary, we work to ensure that the affected parties are fully engaged and help shape the process, and to ensure their standard of living is improved or at the very least restored.

In line with IFC performance standards for land acquisition and involuntary resettlement, our resettlement policy puts the affected person or community at the centre of the process. The starting point of any resettlement is a Public Participation Process (PPP). The PPP encourages all opinions and grievances to be heard and fed into the compensation process. The results of the PPP are then used to develop a resettlement action plan (RAP) which must be agreed upon by all parties, prior to the occurrence of any resettlement.

We aim to maintain any community structures wherever possible and respect sites of cultural and religious significance. The implementation of our RAPs is always monitored by independent third parties.

### Our performance

During 2017 two resettlements took place. The largest of these involved the relocation 1 500 households from Gorumbwa to Kokiza near our Kibali mine in the DRC, to allow for the development of the Gorumbwa satellite pit. As part of the RAP, the affected households were offered the choice of a new house built by the mine and cash compensation for any lost crops, or a cash settlement to build their own home. 97% of all households opted for cash settlement. Currently, 154 houses are being built by the mine, and the remainder are either being built by the homeowner themselves or an appointed builder of their choice.

In line with IFC performance standards, affected parties also received training, as required in areas such as house construction, financial management, human and civil rights, agriculture and livestock management and environmental training and waste management.

Other infrastructure built as part of the RAP includes seven churches, 21 new classrooms, two health centres, two public toilets and 2 800 desks for schools. 11 boreholes were also drilled to ensure access to potable water. The Gorumbwa RAP had a budget of \$23.9 million.

The second relocation in 2017 was the relocation of 27 households at Domba in Mali to allow for the development of the Domba satellite pit. This was completed without issue.

#### RESETTLEMENT DATA

	Projected for 2018	2017	2016	2015
Number of households resettled	986	513	1	25
RAP expenditure	\$2.5 million	\$21.9 million	\$0.8 million	\$1.7 million



## NOS VIES EN PARTAGE FOUNDATION

Alongside our work on socio-economic development within our countries of operation, we have also set up a philanthropic organisation - the Nos Vies en Partage foundation. The title translates as sharing prosperity.

Nos Vies en Partage is a charitable foundation that aims to extend the benefits of development beyond Randgold's host communities and countries, to other parts of developing Africa. The foundation has a particular focus on women and children, who benefit least from economic growth, particularly that wrought by gold mining, which remains a male dominated industry, particularly in sub-Saharan Africa.

Since inception in 2014, the foundation has delivered support either through the provision of equipment or through financial assistance to 55 charities across 15 Sub-Saharan African countries, including Benin, Cameroon, the Republic of Congo, Nigeria and Togo, as well as our host countries.

The bulk of Nos Vies en Partage's funds have been raised through biannual month long fundraising and adventurous motorcycle rides led by Randgold CEO Mark Bristow. The last took place in 2016 and was a ride from Mombasa on the East coast of Africa across the continent to the mouth of the mighty Congo River on the West Coast.

Some of the organisations receiving support from Nos Vies en Partage include:

- **Family care, Uganda:** An organisation that runs projects focused with poverty alleviation in Northern Uganda. Recent projects include the establishment of a school for war orphans.
- **One Heart, Kenya:** A non-profit organisation that aims to break the cycle of poverty and change the future for orphans and abandoned children in Kenya.
- **Association pour la Promotion Rurale (APRU), DRC:** An association providing psychological assistance to young people released by the Lord's Resistance Army to help them transition back into society.
- **ONG Wo Pile Sanga Orphanage Côte d'Ivoire:** An orphanage caring for children orphaned by war and AIDs as well as handicapped and abandoned children.
- **Association des personnes Handicapées de Dakar Plateau (BASE) Senegal:** A volunteer association providing computer, literacy and social skills training for disabled and handicapped people in Senegal.
- **AMALDEME, Mali:** A care and training center for mentally handicapped children.



