

## **Newmont Ghana's response to Ghanaweb's publication "Massive demo against Newmont at Birim North"**

**May 2014**

Newmont Ghana appreciates the opportunity to respond to the report carried by the news portal [www.ghanaweb.com](http://www.ghanaweb.com) on agitations by a section of the youth related to the Akyem mine.

We do respect the rights of our community members and other stakeholders to freely express their grievances and present any issues for redress. Ahead of the said demonstration and even after, Newmont Ghana held series of engagements with identified community leaders and youth over their dissatisfaction with the finite number of jobs that the Akyem Mine requires to run its operation.

There is ongoing dialogue to mutually resolve the concerns raised and arrive at reasonable outcomes that are acceptable to all parties concerned. We welcome the opportunity to engage further with them and others on these issues to arrive at a mutually satisfying conclusion and also safeguard the peaceful co-existence we enjoy with community members near the Akyem operations.

Newmont Ghana, like all our operations around the globe, is sensitive to the impacts our operations may have on host communities as well as the opportunities they may bring for the communities and the country at large. As a matter of policy therefore, we proactively engage with all relevant stakeholder groups and work to responsibly address their needs.

Within our eight years of working in Ghana, Newmont has made community development a very important component of our operations and have taken proactive steps to make our communities central to our day to day activities; an effort that earned Newmont Ghana the award of the **Best Community Interaction Mining Company in West Africa** in March of this year.

### *Redressing employment concerns*

We recognize the desire of the youth in the Akyem area communities to find decent jobs, especially within the current challenging economic climate in Ghana and around the world. We are happy that our presence in Akyem is helping to solve some unemployment challenges in the communities and beyond. However, the company cannot employ everybody who desires a job in the mine and this has been explained in many community consultative meetings.

In line with our commitment of bringing sustainable socio-economic development to host communities, we, in partnership with our community and local government stakeholders, have collectively established the Social Responsibility Forum (SRF). The SRF is an important and unique innovation in corporate social responsibility in Ghana and defines key issues that the company and the communities need to address. The SRF is composed of various community

representatives and provides a sustainable development platform for making decisions on funding priorities for community development and social responsibility programmes.

More importantly, the SRF also serves a key medium for deliberating on issues of mutual interest. As part of our commitment of providing employment for our host communities, we have together with the SRF deliberated on and drawn up an employment agreement which spells out guidelines for employing locals within the Akyem host communities. The Employment Agreement outlines strictly adhered to provisions which ensures:

- Where skilled labour is to be employed, the company employs people who have the requisite qualification and experience as it determines fit. The company makes its employment process well known in the communities using existing communication mechanisms.
- Where unskilled labour is to be employed, the Company makes its best efforts to employ solely (i.e. 100%) from amongst only validated citizens of the communities who satisfy the company's internal assessment criteria established for the employment of unskilled labour.
- With regard to skilled labour engagement; when the company has to employ skilled people and there are applicants with comparable qualification and experience the company gives preference to those applicants who are validated community citizens.
- The company has adopted a policy that ensures that at least 35% of the national workforce, including skilled workers employed by contractors, originate from host communities.

In compliance with this Agreement, we have currently hired about 43% of our total workforce from the host communities. This number excludes our contractor workforce which has approximately 49% local-local employees. We welcome the challenge to explore feasible mechanisms to increase the numbers with the limited job opportunities available. Through our community relations team, we have strived to ensure that all local employment goes through the agreed validation processes. This, we have committed ourselves to prior to the start of production at our Akyem mine.

Newmont Ghana continues to maximize opportunities for local community youth in job areas requiring semi and skilled job requirements. To provide local youth with specialized employable skills tailored to the mine's operational needs, we have instituted a four-year Apprenticeship programme which trains locals from Akyem area communities to acquire specialised employable skills so they can take advantage of employment opportunities primarily in our company's maintenance unit. Over 200 young men and women from the host communities have so far benefitted from this programme and have been employed by the mine.

#### *Delivering on sustainable socio economic development commitments*

The vision shared with our stakeholders is that the Akyem host communities will have an enhanced quality of life and experience improvements in their socio-economic well-being, with

corresponding improvement in health, education, and training opportunities that hopefully will transform their lives throughout the life of mine and beyond.

Additionally, we will replicate our flagship Newmont Ahafo Community Development Foundation (NADeF) at the Akyem mine. We are currently in the process of signing a formal development foundation agreement with the host communities. The agreement will serve as the mechanism for managing our sustainable community development commitment to the Akyem host communities.

Newmont Ghana will contribute US\$ 1 for every ounce of gold produced and 1% of our annual net profit into a fund to finance the activities of the Foundation. Through a two-year consultative process, the communities through the representatives on the SRF have decided to focus on the areas of human resources development, Infrastructure projects, economic empowerment, local grant making, sports and youth development, cultural heritage and natural resource protection. This we believe will stimulate long term development benefits which will begin to address many needs and interest of the host communities.

#### *Livelihood restoration*

To minimize our impacts on host communities, we are collaborating with partners to restore the livelihoods of those impacted by our operational activities and, as reasonably practicable, contribute to the improvement of their quality of life.

We have developed and are implementing comprehensive and well-established livelihood restoration and community development measures which enhance the livelihoods and economic well-being of those directly impacted by our mining activity. These programmes, which are regularly monitored, evaluated and reviewed, also contribute to the general community-wide development.

Our impact mitigation programmes in Akyem include the Agricultural Improvement and Land Access Programme (AILAP), Mobrowa (Vulnerable People's Programme), the Livelihood Enhancement and Community Development Programme (LECDEP) and the Influx Management Programme.

#### *Ensuring high environmental performance*

Newmont Ghana remains committed to high standards of safe environmental practices and we collaborate with both regulators and other stakeholders to continuously improve our environmental and social performance.

Our Akyem mine operates in compliance with the applicable environmental laws and regulations and adheres to best practices in environmental management and performance. We subscribe to the Ghana Environmental Protection Agency's annual AKOBEN environmental rating and disclosure programme. The AKOBEN audit measures the environmental performance of mining and manufacturing companies based on their day-to-day operational performance. The audit

process has assisted our Akyem operation to further refine its environmental management programmes and practices.

Our Akyem mine continues to create shared value which is a trademark of Newmont operations elsewhere. Together with host communities, stakeholders and partners, we will continue to create positive development impacts in and around the Akyem operational area that will extend beyond the life-of-mine, help strengthen community resilience and contribute to sustainable development outcomes.