



BARRICK

BARRICK GOLD CORPORATION

Annual Report on Barrick's
Voluntary Principles on Security and Human Rights Program

2014

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Forward

Assessing and managing security and human rights related risks at our mine sites is an important part of fulfilling the commitment we have made to respect the human rights of the individuals and communities affected by our operations and to conform to the Voluntary Principles on Security and Human Rights (VPSHR, or Voluntary Principles). These commitments are embedded in our corporate culture and are aligned with Barrick's *Vision and Values*, as well as all Barrick corporate policies such as the *Code of Business Conduct and Ethics*.

We require each operational site to adhere to Barrick's Code of Business Conduct and Ethics and human rights requirements, and we provide support and guidance to assist them in complying with that mandate. The Company explores and operates in places in the world where our employees and assets may need to be protected from various security threats. We recognize that security challenges vary greatly by location, as do the human rights related risks. To proactively identify and manage such challenges and risks we have developed a global Security Policy, and a comprehensive Security Management System.

Barrick takes a global approach to security to provide for consistent strong direction, to spread the use of best practices worldwide, and to ensure effective management of the local security teams at our various locations. Our security approach is based on respect for people and human rights, and is guided by the VPSHR.

Barrick began to implement the Voluntary Principles in 2007 through the carrying out of an independent, external risk assessment at a number of its sites. The Company formalized its commitment to the VPSHR in 2009 when the Executive Management and Board of Directors approved a corporate-wide *Security Policy* that explicitly commits the company to be guided in its actions by the VPSHR. Additional policies, standards and procedures have since been developed to implement specific elements of the Voluntary Principles into all of the Company's internal security practices. Barrick formally applied and was accepted to join the VPSHR in 2010. Since 2010, the Company has aimed to continuously improve its security and human rights practices at the operational level through ongoing internal and external assessments of our conformance to the VPSHR. In an effort to increase the transparency of our security and human rights related policies, procedures and programs, we have produced this report. We hope that this document will help to share our learning and best practices in this area, and help us to continue to improve our program.

Mark Wall
Vice President Asset Protection and Crisis Management
February 2015

1 Human Rights Governance of the VPSHR at Barrick

A. Our Commitment

“Barrick commits to respecting human rights wherever it does business, and recognizes the equality and dignity of the people with which we interact every day. Respect for our stakeholders is part of our core values, which guide us in all we do.” This commitment is reflected in our Human Rights Policy (<http://www.barrick.com/files/governance/Barrick-Human-Rights-Policy.pdf>), and our Corporate Code of Business Conduct and Ethics (<http://www.barrick.com/files/governance/Barrick-Code-of-Business-Conduct-and-Ethics.pdf>), which form the basis of the Company’s human rights management systems. These framework documents address major policy issues relevant to human rights, including the Voluntary Principles on Security and Human Rights (VPSHR), the Conflict-Free Gold Standard, the UN Guiding Principles on Business and Human Rights, public policy involvement, business ethics, fraud and corruption, and transparency.

As a formal signatory of the Voluntary Principles and member of the VPSHR Plenary, Barrick is strongly committed to implementing the VPSHR across its medium to high-risk sites. The Voluntary Principles guide and dictate our overall approach to the provision of security on a global basis. That includes our engagement with host nation military and police representatives that provide external security and response assistance, as well as private security providers, ensuring that human rights principles are reinforced in contractual requirements. The Voluntary Principles also help our formulation of guidelines and training on the use of force. Barrick’s formal commitment to the VPSHR can be found in its *Security Policy* at <http://www.barrick.com/responsibility/security/default.aspx>.

B. Security Management System

Barrick has established a comprehensive Security Management System that enables the Company to manage and respond to security challenges wherever the company operates, including those related to human rights. The Security Management System incorporates the implementation of the Voluntary Principles through, primarily, the *VPSHR Standard*. The *VPSHR Standard* and accompanying internal and external audit protocols are the key internal drivers of performance in this area. The Vice-President, Asset Protection and Crisis Management oversees the operational implementation of the VPSHR and works closely with other departments such as Corporate Social Responsibility (including Community Relations), Safety and Health, Human Resources, and the Office of the General Counsel to ensure policy and procedural coherence in implementation. For example, the Security department works with such departments to identify human rights related risks, consult with the community about security and human rights related issues, train employees and contractors on human rights, and follow up on security and human rights related allegations or grievances. Barrick’s Security Management

System can be found at: <http://www.barrick.com/files/security/Barrick-Security-Management-System.pdf>)

C. Monitoring and Reporting

Monitoring

Barrick conducts internal and third party assessments of its conformance to the VPSHR at all medium to high-risk sites. Sites in the United States, Canada and Australia do not normally undergo assessment, as the risk of human rights and security related violations at these operations is extremely low.

The Security team of Barrick's Community, Health, Environment, Safety and Security (CHES) group carries out annual site-based internal audits on VPSHR related procedures, such as the Use of Force. Two independent consulting groups, Bureau Veritas and Avanzar LLC, carry out external assessments of Barrick's conformance to the VPSHR. Bureau Veritas, Barrick's external social auditors, provides assurance on an annual basis for the Company's Sustainability Report by using the ICMC Assurance Procedure. As part of the process to assure against the Company's material sustainable development risks and opportunities, Barrick used Bureau Veritas as an additional assurance mechanism to assess the implementation of the Voluntary Principles at selected sites. Avanzar's founder was an early participant in the drafting of the Voluntary Principles. Avanzar is widely respected for its work conducting security and human rights related risk assessments in the extractive industries, and has been conducting independent VPSHR compliance assessments for Barrick since 2006. As part of its work, Avanzar assesses each site's level of adoption and implementation of Barrick's VPSHR related policies and procedures, the effectiveness of their VPSHR program (including risk management), and stakeholder perception of the site's performance with regards to security and human rights.

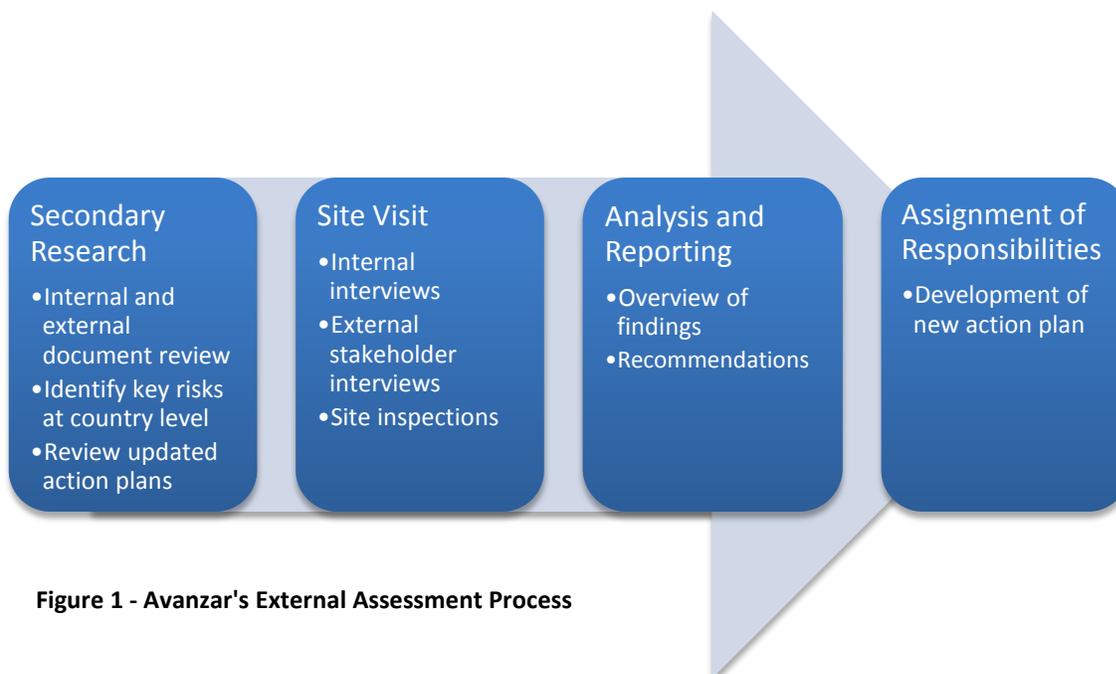


Figure 1 - Avanzar's External Assessment Process

Avanzar's reports are utilized strictly for internal purposes. Sites are held accountable for addressing performance gaps and human rights related risks through Barrick's internal action tracking management system. In addition, site-based security personnel have specific VPSHR related performance objectives on which they are evaluated annually. Ongoing internal and external monitoring and evaluation of sites' conformance to the VPSHR has helped to mitigate human rights and security related risks, strengthen sites' relationships with public and private security, and expand site level implementation of the VPSHR. It has also helped the Company to identify best practices, share learning across sites, and promote continuous improvement.

Reporting

Barrick submits a report on progress to the VPSHR plenary on an annual basis. A summary of VPSHR related initiatives is also provided in the Company's annual Sustainability Reports (<http://barrickresponsibility.com/additional-information/governance/security-and-the-voluntary-principles/>). As a member of the ICM, Barrick's public reporting is aligned to the requirements of the Global Reporting Initiative.

2 Implementation of the VPSHR at Barrick

A. Risk Assessment Process

Barrick categorizes each of its operations as Level 1, 2 or 3, according to the local security risk, with Level 3 sites having the greatest security risks. Specific elements of the Voluntary Principles are incorporated into the Company's risk assessment tool, including such things as: the strength of the rule of law in a country; documented security and human rights violations; and institutional strength of public security. A review of human rights reports by governments, international agencies and non-governmental agencies, combined with on-the-ground interviews with governmental, non-governmental and community actors inform this risk assessment.

In addition to the corporate level risk assessment, each Barrick site is required to complete an annual security risk assessment that includes an assessment of security and human rights related risks (e.g., the risk of public security using excessive force while managing a security incident on a Company site). Sites are required to identify both existing and additional controls to avoid or mitigate such risks. Avanzar's external assessments are also used to identify potential security and human rights related risks at the site level.

B. Relationship with Private Security

Barrick uses Company security officials and/or private contractors to provide security at some sites, depending on the operating context in which the sites are located. The Company carries out due diligence on each private security provider that it employs, including researching the following:

- Professional reputation in the country or industry;
- Reported cases of violence by its personnel;
- Awareness of security and human rights issues;
- Screening procedures for its security personnel;
- Training programs on the use of force and other VPSHR-related elements;
- Codes of conduct; and
- Employment history of security guards (e.g., whether they are ex-military or police).

In its contracts, Barrick requires all private security contractors to be compliant with the Voluntary Principles, as well as Barrick policies and procedures relating to such things as the Use of Force and the Security Code of Conduct. In addition, VPSHR training is carried out with private security personnel at all Barrick sites on an annual basis.

C. Relationship with Public Security

Barrick operates in over a dozen countries and must consider the legal and political context in each country it operates. If external public security is necessary to protect its assets, Barrick sites engage with public security officials about the potential arrangements. Engagement includes clarifying expectations related to the conduct of the public security officials while providing the external site support and alignment under national or international laws or standards.

To date, most sites where public security forces provide some additional external services, security have established a written agreement with the government incorporating adherence to national laws and regulations governing public security agency conduct, the Voluntary Principles, the United Nations Basic Principles on the Use of Force and Firearms for Law Enforcement Officials, the United Nations Code of Conduct for Law Enforcement Officials and/or international standards on the use of force procedure. In addition, training on the VPSHR and international law enforcement principles is provided to public security officers that directly support Barrick sites.

D. Engagement with Government and Civil Society

Barrick consults with government and civil society to help identify potential security risks, anticipate conflict situations, and promote awareness of human rights issues. All sites have developed a stakeholder engagement plan to proactively consult key stakeholder on major

issues including security and human rights. All sites are also required to implement a trusted and accessible grievance mechanism that allows community stakeholders to raise major concerns related to security and human rights (see more in Section E). Barrick conducts periodic assessments at each site to ensure that the mechanisms work effectively to surface and address stakeholder concerns thus reducing the potential for conflict.

E. Security and Human Rights Grievance Management Systems

As part of the overall human rights approach, Barrick has internal global procedures that outline the processes through which employees can notify management of potential human rights violations, and how alleged human rights violations will be investigated. Employees are also routinely encouraged to use Barrick's "Compliance Hotline" to report information related to any potential human rights violations they might witness or hear about.

As a fundamental principle, Barrick emphasizes and requires that all rumors of possible human rights violations be reported; employees should not refrain from reporting because they feel they do not possess enough details, or because they do not believe that the information they have is credible. To date, a variety of security related issues have been reported, including allegations of police and private security using excessive force, and being involved in harassment (including sexual harassment).

In addition to the Compliance Hotline, [Barrick's Community Relations Management System \(CRMS\)](#) requires that all sites establish a grievance mechanism designed to receive and respond to complaints from key external stakeholders. Internal audits confirm that communities in which Barrick operate have access to a simple and culturally sensitive process through which they can provide feedback and seek resolution to legitimate concerns.

Regardless of the channel through which allegations of negative human rights impacts are reported, Barrick procedures require that these allegations be investigated, with the nature and extent of the investigation depending on the circumstances. Typically, for serious potential human rights breaches at sites, they strive to ensure independence in their investigations. Such investigations may be conducted by retaining external investigators. They may also be conducted through the corporate investigations unit, which is located in Barrick corporate headquarters. This unit is jointly supervised by the Office of General Counsel and Vice President, Asset Protection and Crisis Management, and reports on investigative activity to a committee of the Board of Directors.

For official government investigations, Barrick requires their staff to provide full cooperation with government investigators through the provision of information and data relevant to the allegations. Where practicable, the Company stays abreast of the status of the investigation through continuous contact with the government and public security. An example of such follow up can be drawn from the Porgera mine where a number of human rights related allegations involving Special Callout Public Security Forces were registered with the site's

Community Relations department. The site passed the information onto the Special Callout Investigator for a formal investigation. An independent observer for the Porgera mine follows up with such investigations to determine their outcome and report back to the Company (see more in Section 3).

3 Salient Security and Human Rights Risks and Impacts

A. Salient risks

In alignment with the requirements of the United Nations Guiding Principles on Human Rights, Barrick aims to identify and mitigate its salient human rights risks associated with our operations, including our partners, suppliers, and contractors. Barrick's risk assessments have found that the greatest security and human rights related risks surface in countries where public security institutions have a poor human rights record, the rule of law is fragile and accountability for public security transgressions is weak.

Barrick's risk assessment process has identified a number of human rights and security related risks at our operations, including:

- Public or private security personnel using excessive force when managing a security situation at or in relation to the mine site;
- Public or private security personnel harassing or intimidating stakeholders in or around the mine site;
- Public or private security personnel using company equipment (e.g. vehicles) in carrying out human rights violations; and
- Internal and external stakeholder fear of reporting human rights allegations involving public or private security.

Barrick strives to mitigate these risks in a variety of ways, including through policies, procedures, training, engagement, and in the case of Porgera, supporting an independent observer.

B. Initiatives, Programs and Procedures to Address Security and Human Rights Related Risks

To address human rights and security related challenges and mitigate associated risks, Barrick sites take an integrated approach involving civil society, and the government. For example, the Country and/or Regional Security Managers continue to schedule meetings between Barrick Corporate Managers visiting the country and high-ranking police officials at which Barrick's commitment to implementing the VPSHR is emphasized. In Peru, Barrick has participated in a

number of Working Group meetings on the VPSHR. Such meetings included presentations by various member companies on their VPSHR implementation, engagement with the Peruvian government to encourage it to become a formal member of the VPSHR, and presentations by the PNP on what it is doing to help implement the VPSHR in Peru.

At the operational level, security personnel, in collaboration with other departments, have engaged in a variety of initiatives to address site specific security and human rights related risks. The following initiatives have been carried out at Barrick sites to address specific risks related to public security:

Porgera Joint Venture, Papua New Guinea

- Through its support of the Restoring Justice initiative (RJI), an independent entity dedicated to promoting the rule of law and law and order in the Porgera valley, Barrick's Porgera mine site engages regularly with the local police, local community leaders and local business leaders on promoting international best practice in relation to human rights and security. In the past year, RJI has made significant advancements on training for law enforcement officials on human rights and security and sexual harassment in the Porgera valley. The RJI also seeks to reduce conflict in the community and promote community access to basic human rights by supporting, enhancing and strengthening the law and justice service delivery in the Porgera District. In 2014, the RJI was able to help prevent violent tribal fights by encouraging the Leaders Interest Group and the Business Interest Group to dialogue with rival tribes to try to resolve conflict in a more peaceful way. In addition, Barrick supported the establishment of a Family Sexual Violence Unit in the Porgera Valley, the first established in any Police District in PNG or where a Mine operating. For more information, see: <http://barrickbeyondborders.com/people/2014/11/neighborhood-watch-how-the-restoring-justice-initiative-addresses-law-and-order-challenges-in-the-porgera-district/#.VNpn4bR9nww>



Figure 2 - Members of the RJI and Family Sexual Violence Unit

- Upon deployment of the Special Callout Public Security Forces to the Porgera Valley, there was a lengthy discussion with the Callout Commander and his command team about Barrick's commitment to the VPSHR, and expectations with regards to the respect for human rights and international principles related to forced evictions. A copy of an eviction training primer was provided to the Callout Commander, which was included in the basic training materials.
- Barrick supports former PGN Chief Ombudsman to act as an Independent Observer to conduct oversight of the Company's and public security forces' activities during the Special Callout and to follow up on investigations related to allegations of human rights abuse involving public security at the mine site. The Washington based international NGO Fund for Peace is also engaged by Barrick to work with the Independent Observer and provide advice and support.

Lumwana, Zambia

- The Security department carried out surveys with community members about violence in the community, and site security to gain feedback on how to improve its programs and security arrangements.
- In an effort to address violence against women in and around the site, the Company established a partnership with White Ribbon, an NGO focused on mitigating gender-based violence through education and engagement with men and boys. This NGO visited the Porgera Valley.
- The site facilitated training on security and human rights for the Lumwana East Crime Prevention Unit, including those who do not provide direct services to the company's operations. In addition, Lumwana has carried out VPSHR and use of force training with members of the Mukumbi Royal Establishment, leaders from a local community of impact.

Veladero, Argentina

- The site has promoted the VPSHR with external stakeholders through the distribution of booklets regarding security and human rights to local community members and public security. In addition, the Security chief and superintendent teach courses at the local university to police recruits.

C. Human Rights Impacts

When negative human rights impacts are identified, Barrick strives to take a culturally appropriate and thoughtful approach to remediation. For serious negative human rights impacts, Barrick has developed corporate procedures to guide internal personnel in assessing

how remediation of negative human rights will be handled. In assessing when remediation may be appropriate and the nature of the remediation to be provided, Barrick is particularly sensitive to the importance of victim participation, stakeholder input, as well as the potential need for independence from the operational unit that may be involved in the negative impact. While remedies for negative human rights impacts will naturally differ depending on the circumstances, in-kind remediation is often preferred to cash. Sites have adopted guidelines that consider such factors as: the degree and nature of the harm suffered, whether mine personnel were involved and on duty, whether third party perpetrators used mine resources or committed an act related to their contracted duties, the nature of the evidence in support of the claim, the individual's age and personal circumstances, and local laws.

Examples of Barrick Remediation Frameworks

Porgera Joint Venture, Papua New Guinea

In 2010, allegations of sexual violence by Porgera PJV security personnel surfaced in a report published by Human Rights Watch, as well as through independent and internal investigations conducted by Barrick. A Human Rights Remediation Framework has been developed in response to specific incidents of sexual violence by security personnel against women in the Porgera Valley. The Framework, referred to locally as “the Olgeta Meri Igat Raits (literally, ‘All women have rights’), is aligned with the UN Guiding Principles on Human Rights and was developed over an 18-month review, analysis and consultation process. The Framework is designed to be easily accessible to women residing in the local communities, respectful of local circumstances and traditions, and to be independent of Barrick and the PJV mine to ensure the privacy and confidentiality of women submitting claims.

The Framework contains two components: an individual remediation program and a community level program designed to address the broader challenge of violence against women in the Porgera Valley. The individual remediation program is managed independently of Barrick by the Emerging Markets unit of Cardno, an international development and infrastructure consultancy.

Over the past three years, Cardno has:

- Implemented a claims process designed to meet the needs of women in the Porgera Valley who have been the subject of sexual violence or abuse by current or former employees of the PJV;
- Made remedies available to individual complaints, including the facilitation of effective access to justice mechanisms, access to medical care and psychosocial support, provision of fair and appropriate financial reparations for personal harm or economic damages suffered; and support for small business development and economic livelihood projects.