

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.

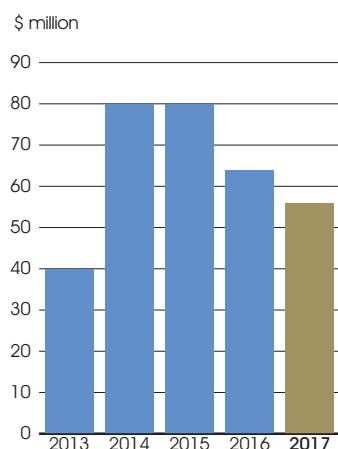
As shown in the *economic value statement* table, Randgold generated total economic value for its host countries of \$1 135 million, including nearly \$300 million in payments to governments for taxes, duties and dividends.

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.

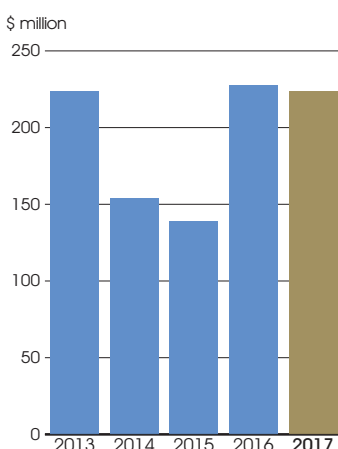
On top of these contributions, our local first procurement prioritisation policy, means we utilise our supply chain and procurement to multiply our positive impact on local, regional and national economies. Our long term ambition is to help develop diverse and thriving economies that are sustainable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

TOTAL TAXES AND DIVIDENDS TO HOST COUNTRIES

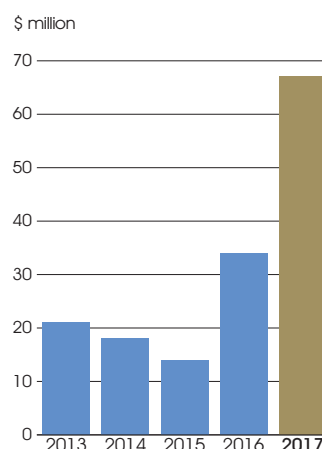
Democratic Republic of Congo¹



Mali¹



Côte d’Ivoire



¹ Includes 100% of Morila and Kibali.

ECONOMIC VALUE STATEMENT

For the year ended 31 December (\$'000)	2017	2016	2015
ECONOMIC VALUE GENERATED			
Gold sales ³	1 654 329	1 546 029	1 394 889
Finance income ³	6 018	1 553	4 222
Sundry Income (net) ³	–	–	2 042
Government portion of Morila ¹	–	–	2 564
Total economic value generated	1 660 347	1 547 582	1 403 717
ECONOMIC VALUE DISTRIBUTED OR TO BE DISTRIBUTED			
Operating costs ²	555 794	557 060	620 962
Finance costs ³	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 ³	49 549	43 010	48 885
Sundry net expenses	22 771	21 765	–
Community investment ⁴	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.

¹ 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.

² Total cash costs excluding royalties, salaries, employment taxes and custom duties.

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

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