

Alongside formal training, our workforce received significant informal training – such as skills shadowing. The value of this can be difficult to quantify, however, we estimate that each full time employee at our mines receives approximately 24 hours of informal training and skills development every year.

We also welcomed approximately 600 local student stagiaires to participate in practical training sessions across all our operations.

INDUSTRIAL RELATIONS

Our policies

The right to freedom of association is enshrined in law in all our countries of operation and we welcome all forms of labour union representation among our workforce. Our partnership approach underpins all our industrial relations.

Union representatives participate in the leadership of our mines for example by attending each mine's quarterly board meetings, and are able to view and comment on management's presentations and voice any general issues of concern. They also participate in management cost reviews and regular dialogues with each mine's general manager.

Our CEO Mark Bristow meets with union representatives during board meetings, at strategic planning meetings (at least annually), at ad hoc meetings and through holding mass employee meetings at each mine twice a year. All staff are invited to attend these public forums and they provide an important opportunity for staff to raise issues or ask any questions they feel important directly with the CEO.

A key policy in our prevention of strikes and stoppages is the signing of a Mine Level Agreement (MLA) at each mine that is reviewed every three years. MLAs are agreed between the local unions and management and set out mutually agreed rules for each mine on detailed items such as salary increments or the parameters of acceptable behaviour in a strike situation.

Our performance

We estimate that approximately 85% of our employees are union members with the remaining 15% set apart only due to a long term incentive programme we introduced for senior employees.

Industrial relations was generally calm across all mines in 2016. There were three industry-wide strikes totalling 12 days during May, June and July in Mali. This included a five day strike from 27 June to 1 July, although this did not significantly affect production. The strikes were a result of national union issues rather than any conflict specific to Randgold's mines. In each case all employees were reminded that we respect their right to adhere to a legal strike though they must not prevent employees willing to work to exercise such right. The strikes were only partially followed by Randgold unions and employees, did not significantly impact production and anecdotal evidence suggests our work attendance rates on these national strike days were much higher than our industry peers in the country.

There were also many strikes that were avoided during the year due to our active and constant communication with employees and their representatives, helping them to agree to packages that benefit all in the business. For example, in Côte d'Ivoire we intervened to prevent a contractor-related strike over cost of living rises and helped the supplier in question to resolve the issue directly with the unions.

The MLAs for both Loulo and Tongon mines were signed and renewed for another three years in 2016. A small number of positions were retrenched in 2016 as part of closure planning for our Morila mine, which is due to cease operational life in 2019.

ARTISANAL MINING

Our policies

Illegal artisanal mining (ASM or *orpailleurs*) took place on four of our sites in 2016: the Loulo-Goukoto permits in Mali; the Tongon permit in Côte d'Ivoire; and our Kibali concession in the DRC.

The presence of these miners on our sites is problematic because there is no monitoring of human rights infringements such as child labour. Their activity, if not structured, can increase poverty, degrade land, increase insecurity and release dangerous chemicals, including cyanide and mercury, into the environment and water supply. For example, at the Loulo-Goukoto complex, water testing of the Falémé River conducted downstream of ASM sites showed high levels of contaminants and dangerous pollutants in the river.

In line with both IFC guidelines and International Council on Mining and Metals guidance, our policy for managing illegal ASM within our permits and host communities is based on a no conflict and no invasions approach. We state that wherever possible we will work with our host countries' governments to offer alternative livelihoods either on our mines or in new economic activities such as agriculture. We also seek to work in partnership with our host communities, NGOs, international institutions and regional and national governments to develop mutually beneficial long term strategies.

Our performance

ASM activity reduced significantly at our Kibali and Loulo-Gounkoto permits in 2016, though remained constant at our Tongon permit.

At Kibali the illegal ASM community was reduced by over 75% following the creation of peaceful corridors, as described in the case study below. This success is the result of a long multi-stakeholder consultation, involving national government, NGOs and the ASM community – all of which enabled the creation of designated ASM corridors near our permit.

Despite improvements, ASM remains an issue at Loulo-Gounkoto, where there is a significant community of orpailleurs on a site adjacent to the Gounkoto haul road, posing a security threat to our surrounding communities. We have identified some land within our permit where orpailleurs are already located for the creation of official ASM corridors, and will seek further assistance from the Malian government in 2017 to transfer the property to the ASM community.

As of last year our group social and environment officer, Hilaire Diarra, has been chairman of the Mali Mining Industry Committee on Artisanal Mining – a committee that brings together government partners, representatives from other Mali based mining companies, local authorities and representatives from the ASM community – to support the Malian government's action plan to end illegal mining.

CREATING PEACEFUL CORRIDORS

In 2016 we made significant reductions to the ASM population at the Kibali mine, and we have been able to peacefully relocate over 75% of the illegal miners.

Early in the year, relationships were tense and it appeared that it would be a very challenging year.

In March, despite a history of peaceful dialogue with the ASM community around Kibali, some members of the community including unemployed youths demonstrated in local villages and attempted to reopen closed quarries. The demonstrations escalated to attacks on police stations and the army was brought in to restore peace. Following the demonstrations we engaged with the Dutch ASM-focused NGO PAX and held a number of workshops to help restore peace in the nearby town of Aru.

Once peace was restored, dialogue between Kibali and the local community resumed – this time with the support and involvement of the government and PAX (who helped to represent the ASM community). With the support of government, we were able to propose the establishment of dedicated corridors of land just outside the Kibali permit for ASM use. The corridors consist of six adjacent plots to be owned and mined by ASM collectives and are administered by the local youth association. Kibali provided geologists to evaluate and provide reports on the gold profile of the land.

While small pockets of ASM activity still remain on our permit, it is greatly reduced and our relationship with the ASM community has greatly improved. Encouragingly armed with their own land to mine and a professional geology report, the ASM community is now looking for outside mining partners to help scale up and professionalise their activities.