

AGNICO EAGLE MINES LIMITED

# The Future Is Mine

2014 SUSTAINABLE DEVELOPMENT SUMMARY REPORT



AGNICO EAGLE

# Message from Louise Grondin

Senior Vice-President, Environment and Sustainable Development



Agnico Eagle is determined to contribute positively to the future of our employees and surrounding communities. The theme of this year's report – The Future Is Mine – reflects this determination. We believe that by providing our stakeholders with the skills and opportunities that mining can bring, we can help empower them to control their own destiny.

We understand that to maintain and strengthen our stakeholder relationships, we must continue to be responsive to their needs and evolving expectations, respectful of their values and responsible in the way we manage our business. We hold ourselves to a high standard of accountability and in today's complex and interconnected world, we are committed to being open and transparent.

In 2014, we undertook a number of initiatives to enhance our bond and level of trust with our stakeholders:

## Responsive, Respectful, Responsible Mining

**Responsive Mining:** In 2014, the Mining Association of Canada (MAC) took a huge step forward by adopting disclosure of payments of taxes and royalties to governments as best practice. Agnico Eagle is a strong supporter of this initiative which aligns directly with increased public demand for more transparency. We carried this drive for responsive mining locally at our mines, by creating local mechanisms to address community concerns (e.g., community response mechanisms and liaison committees).

**Respectful Mining:** Each of our divisions developed community engagement plans – the purpose of which is to engage in a respectful dialogue with key stakeholders so that we can work together toward a common goal of social acceptability. Social acceptability is now an objective for all our new projects and an integral part of our corporate strategy.

**Responsible Mining:** We continued to develop our Responsible Mining Management System (RMMS). This system integrates our commitments in health and safety, the environment and community relations.

On a final note, while Agnico Eagle achieved our best ever safety performance in 2014, we were saddened to report the fatality of a contractor at our Pinos Altos shaft project in northern Mexico. This tragic accident drives us to continue strengthening our health and safety awareness and culture and to work diligently toward our goal of a workplace with zero accidents.

## Agnico Eagle At-a-Glance

Agnico Eagle's mission is to build a high-quality, easy to understand business – one that generates superior long-term per share returns for our shareholders, creates a great place to work for our employees and contributes positively to the communities in which we operate.

In 2014, we set a new record for gold production, with strong performance at all our mines and the acquisition of a 50% interest in the Canadian Malartic mine. Looking toward the future, we also increased our growth potential with the discovery of the Amaruq deposit in Nunavut and the addition of new prospects: in Mexico with the acquisition of Cayden Resources, and in Ontario with the acquisition of our 50% interest in Osisko Mining Corporation.

### NORTHERN BUSINESS

#### Operating Mines

##### ■ KITTILA

Lapland, Finland

Underground mine in northern Finland

**2014 payable production:** 141,742 ounces of gold

**Employees and contractors:** 728

Kittila, located in northern Finland, is extracting ore from one of the largest known gold deposits in Europe. Its proven and probable reserves\* contain 4.5 million ounces of gold (29 million tonnes at 4.9 grams of gold per tonne of ore mined [g/t]). Ore has been mined from underground since 2010.

##### ■ LAPA

Quebec, Canada

Underground mine in Abitibi region, Quebec

**2014 payable production:** 92,622 ounces of gold

**Employees and contractors:** 313

Lapa, a small underground operation near LaRonde, has entered its last two years of operation based on the current life-of-mine plan. Proven and probable reserves\* are 170,000 ounces of gold (0.9 million tonnes at 5.8 g/t gold).

##### ■ LARONDE

Quebec, Canada

Underground mine in Abitibi region, Quebec (gold, silver, zinc, copper)

**2014 payable production:** 204,652 ounces of gold

**Employees and contractors:** 1,042

LaRonde has proven and probable reserves\* of 3.4 million ounces of gold (21 million tonnes at 5.2 g/t), 19.4 g/t silver, 0.64% zinc and 0.25% copper.

##### ■ GOLDEX

Quebec, Canada

Underground mine in Abitibi region, Quebec

**2014 payable production:** 100,433 ounces of gold

**Employees and contractors:** 363

Goldex has proven and probable reserves\* of 0.3 million ounces of gold (7.1 million tonnes at 1.5 g/t).

##### ■ MEADOWBANK

Nunavut, Canada

Open pit mine in Nunavut Territory, northern Canada

**2014 payable production:** 452,877 ounces of gold

**Employees and contractors:** 1,033

Meadowbank open pit mine is Agnico Eagle's largest gold producer with 1.2 million ounces of gold in proven and probable reserves\* (12 million tonnes at 3.08 g/t).

##### ■ CANADIAN MALARTIC

Quebec, Canada

Open pit mine in Abitibi region, Quebec

**2014 payable production:** 143,008 ounces of gold (on a 50% basis)

**Employees and contractors:** 955

Canadian Malartic – in which Agnico Eagle has 50% ownership – is currently Canada's largest operating gold mine. It has 4.33 million ounces of gold in proven and probable reserves\* (127 million tonnes at 1.06 g/t) on a 50% basis.

#### Advanced Exploration Project

##### ■ MELIADINE

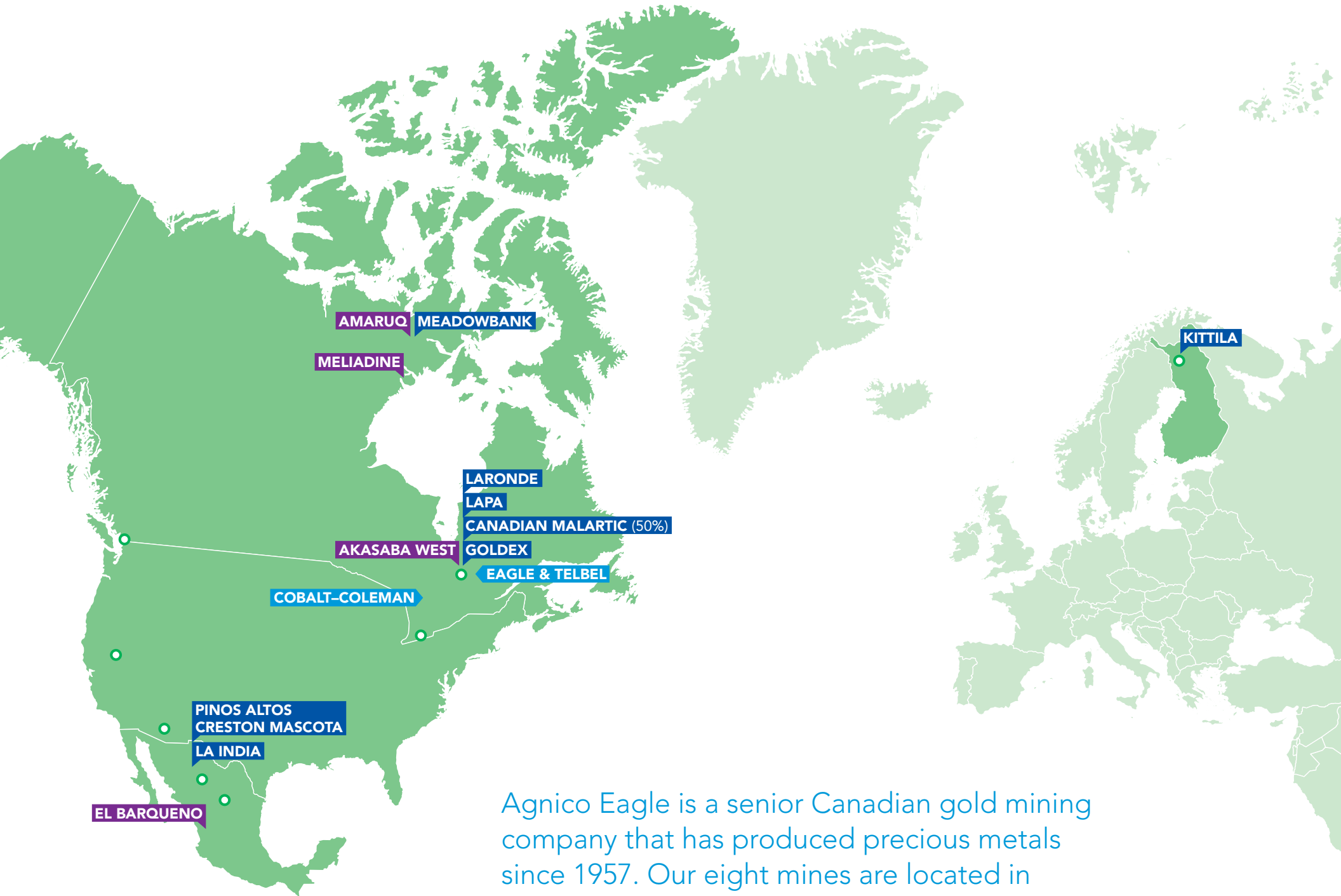
Nunavut, Canada

Advanced-stage gold project in Nunavut Territory, northern Canada, located in Canada's Low Arctic

**Employees and contractors:** 110

The project has 3.3 million ounces of gold in proven and probable reserves\* (13.9 million tonnes at 7.44 g/t) and a large mineral resource.

The Project Certificate for the Meliadine Gold Project has been issued setting out the terms and conditions under which the project can proceed. This Certificate now allows us to apply for the various operating permits, licences and authorizations that are required to start construction and operation of a gold mine at Meliadine.



Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Our eight mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these regions as well as in the United States.

- Operations
- Exploration Projects
- Closed Sites
- Offices

## SOUTHERN BUSINESS

### Operating Mines

#### ■ PINOS ALTOS AND CRESTON MASCOTA

Chihuahua State, Mexico

Open pit and underground mine with milling and heap leach operation in northern Mexico (gold, silver byproduct)

**2014 payable production:** 218,861 ounces of gold

**Employees and contractors:** 1,890

Pinos Altos – including Creston Mascota – has proven and probable reserves\* containing 2.0 million ounces of gold and 49.2 million ounces of silver (24 million tonnes at 2.6 g/t gold and 63.6 g/t silver).

#### ■ LA INDIA

Sonora State, Mexico

Open pit mine with heap leach operation in Mulatos Gold Belt in Sonora State, Mexico

**2014 payable production:** 75,093 ounces of gold

**Employees and contractors:** 424

La India mine achieved commercial production in February 2014 and has proven and probable reserves\* of 0.7 million ounces of gold (24.9 million tonnes at 0.9 g/t).

## CLOSED SITES

### ■ COBALT-COLEMAN PROPERTIES

Ontario, Canada

Mining activities ceased in 1989; post-closure monitoring and maintenance is carried out. We are in the process of updating and resubmitting the closure plans for our properties in Cobalt by the end of 2016.

### ■ EAGLE & TELBEL

Quebec, Canada

Mining activities ceased in 1993; the closure strategy is being updated.

## EXPLORATION

● **Exploration Offices:** Vancouver, British Columbia, Canada; Chihuahua, Chihuahua State and Hermosillo, Sonora State, Mexico; Kittila, Lapland, Finland; Reno, Nevada, USA; Val-d'Or, Quebec, Canada

## ADMINISTRATION AND SUPPORT OFFICES

● Chihuahua and Hermosillo, Mexico; Espoo, Finland; Tucson, Arizona, USA; Abitibi, Quebec, Canada; Toronto, Ontario, Canada

\* 2014 Reserves and Resources – See more at [www.agnicoeagle.com](http://www.agnicoeagle.com)

## ABOUT THIS REPORT

This report summarizes Agnico Eagle Mines Limited's 2014 Sustainable Development (SD) Report. If you would like a more detailed review of our performance, please consult the full SD report which is available in PDF format online at [agnicoeagle.com](http://agnicoeagle.com). Our full report has been prepared in accordance with the Sustainability Reporting Guidelines (G3) developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated in the Mining and Metals Sector Supplement. It also reports on our performance under the Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) Initiative. For more details on Canadian Malartic's sustainable development performance (50% owned by Agnico Eagle), please refer to the website [canadianmalartic.com](http://canadianmalartic.com)



**On the cover:** Agnico Eagle believes we can contribute positively to the future of our communities by encouraging and often investing in economic development projects that help diversify the economy.

All funds unless otherwise specified are reported in US\$.

# Our Approach to Sustainable Development

At the core of our sustainable development (SD) program we are committed to creating value for our shareholders while operating in a safe, socially and environmentally responsible manner and contributing positively to the prosperity of our employees, their families and the communities in which we operate. This has translated into the four fundamental values of our SD Policy: operate safely, protect the environment and treat our employees and communities with respect.



## RESPECT FOR OUR EMPLOYEES

We aim to maintain a safe and healthy workplace that is based on mutual respect, fairness and integrity.

To achieve this we:

- Ensure that no discriminatory conduct is tolerated in the workplace;
- Provide a fair and non-discriminatory employee grievance system;
- Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- Employ and promote employees on the basis of merit;
- Provide fair and competitive compensation;
- Enforce a drug and alcohol free workplace;
- Maintain the confidentiality of collected personal and private information about employees;
- Recognize the right of employees to freedom of association;
- Provide appropriate training and development opportunities;
- Consult, communicate and provide appropriate support to employees during their association with Agnico Eagle.

## OPERATE SAFELY

We believe that all loss due to accidents or incidents is preventable. We aim to operate a safe and healthy workplace that is injury and fatality free. We believe that if we all work together, we can achieve zero accidents in the workplace and enhance the well-being of employees, contractors and communities.

To achieve a safe and healthy workplace we:

- Use sound engineering principles in the design and operation of our facilities;
- Provide appropriate training for all employees, at all levels of exploration, development, construction and operations;
- Minimize the generation of hazardous conditions and ensure controls are in place;
- Maintain occupational health and industrial hygiene programs;
- Provide appropriate tools to carry out the work safely and efficiently;
- Maintain a high degree of emergency preparedness to effectively respond to emergencies.

## Responsible Mining

Our goal is to further promote a culture of excellence that encourages our employees to continuously improve their skills and to not only meet, but exceed, regulatory requirements for health, safety and the environment.

In 2014, we continued to integrate sustainability into all aspects and stages of Agnico Eagle's business – from our corporate objectives and executive responsibility for “maintaining high standards in sustainability” to our exploration and acquisition activities, day-to-day operations and ongoing site closure plans. This integration will allow employees to take greater ownership of implementing responsible mining practices.

We are integrating these practices through the development and implementation of an in-house Health, Safety, Environment and Community Relations Management System, known as our Responsible Mining Management System (RMMS). The RMMS is consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System. It also integrates other industry standards such as the Cyanide Management Code and the Mining Association of Canada's Towards Sustainable Mining Initiative.

In 2014, as part of the development of our RMMS, we carried out a company-wide risk assessment exercise to identify and evaluate health and safety risks – as well as risks to the environment and local communities. In 2015, each operation will prepare and implement an action plan to reduce the highest risks identified during that evaluation.

We also prepared a Standards Manual containing 17 elements – each of which is a required step leading to the improved management of our health and safety, environment and community relations performance. Our goal is to implement a process by which risks are assessed, mitigated, monitored and reviewed on a regular basis. This will enable us to meet not only our commitments but also the evolving expectations of our stakeholders. It will also allow us to be better equipped to face the future challenges of mining.

Engaging with community stakeholders is central to the RMMS and is an important component of being a responsible miner.

Towards Sustainable Mining (TSM) is the Mining Association of Canada's commitment to responsible mining. It helps drive performance and ensure that key mining risks are managed responsibly. Members demonstrate leadership by: engaging with communities; driving world-leading environmental practices; and committing to the safety and health of employees and surrounding communities.

Agnico Eagle aims to achieve an overall TSM Level A rating at all of our facilities. We have also completed a self-assessment against the TSM indicators and will undertake an external verification of our TSM performance in 2015, with a goal of achieving Level A in each TSM protocol.

## AT AGNICO EAGLE WE:

- Respect and value our employees because our progress is built on their competence, capacity and engagement;
- Empower our employees to work collaboratively in a culture where safety and respect are paramount;
- Use industry best practices and innovation to continuously improve our environmental, safety and community relations performance;

- Act in a socially responsible manner and contribute to the future of the communities in which we operate;
- Work together with all of our employees and other stakeholders to create growth and prosperity;
- Learn from our past experiences on the path to continuous performance improvement;
- Design and operate our facilities to ensure that effective controls and technologies are in place to minimize and mitigate the identified risks;

- Implement emergency response plans to eliminate or minimize and mitigate the impacts of unforeseen events;
- Evaluate, control, eliminate or minimize risks through the implementation of a Responsible Mining Management System.



## PROTECT THE ENVIRONMENT

We aim to minimize the effects of our operations on the environment and to maintain its viability and its diversity.

To achieve this we:

- Minimize the generation of waste and ensure its proper disposal;
- Manage tailings, waste rock and overburden to ensure environmental protection;
- Implement measures to conserve natural resources such as energy and water;
- Implement measures to reduce emissions to air, water and land, and to minimize our footprint;
- Implement measures to reduce our greenhouse gas emissions and address climate change;
- Integrate biodiversity conservation and land use planning considerations through all stages of business and production activities;
- Rehabilitate sites to ensure physical and chemical stability and in consultation with the communities in a timely manner.

## RESPECT FOR OUR COMMUNITIES

We aim to contribute to the social and economic development of the communities associated with our operations.

To achieve this we:

- Provide a confidential complaint reporting mechanism to report unethical, illegal or irresponsible behaviour;
- Ensure that no child labour or any form of forced or compulsory labour is permitted in the workplace;
- Uphold fundamental human rights and respect cultures, customs and values of all affected by our activities;
- Foster an open, transparent and respectful dialogue with all communities of interest and ensure that activities on private lands and indigenous lands are performed with the free prior, informed consent of the land owners;
- Support local communities and their sustainability through measures such as development programs, sourcing goods and services locally and employing local people;
- Provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, human rights abuses or breaches of international humanitarian law.

As part of the integrated Responsible Mining Management System (RMMS), we carried out a company-wide risk assessment to identify and evaluate the impact of our activities and associated levels of risk on health, safety, the environment and community relations. In 2015, each operation will prepare and implement an action plan to reduce the highest risks identified during that exercise.

### PLAN

- Element 1: **Policy**
- Element 2: **Legal and Other Requirements**
- Element 3: **Risk Management**
- Element 4: **Modification Management**
- Element 5: **Objectives and Targets**

### DO

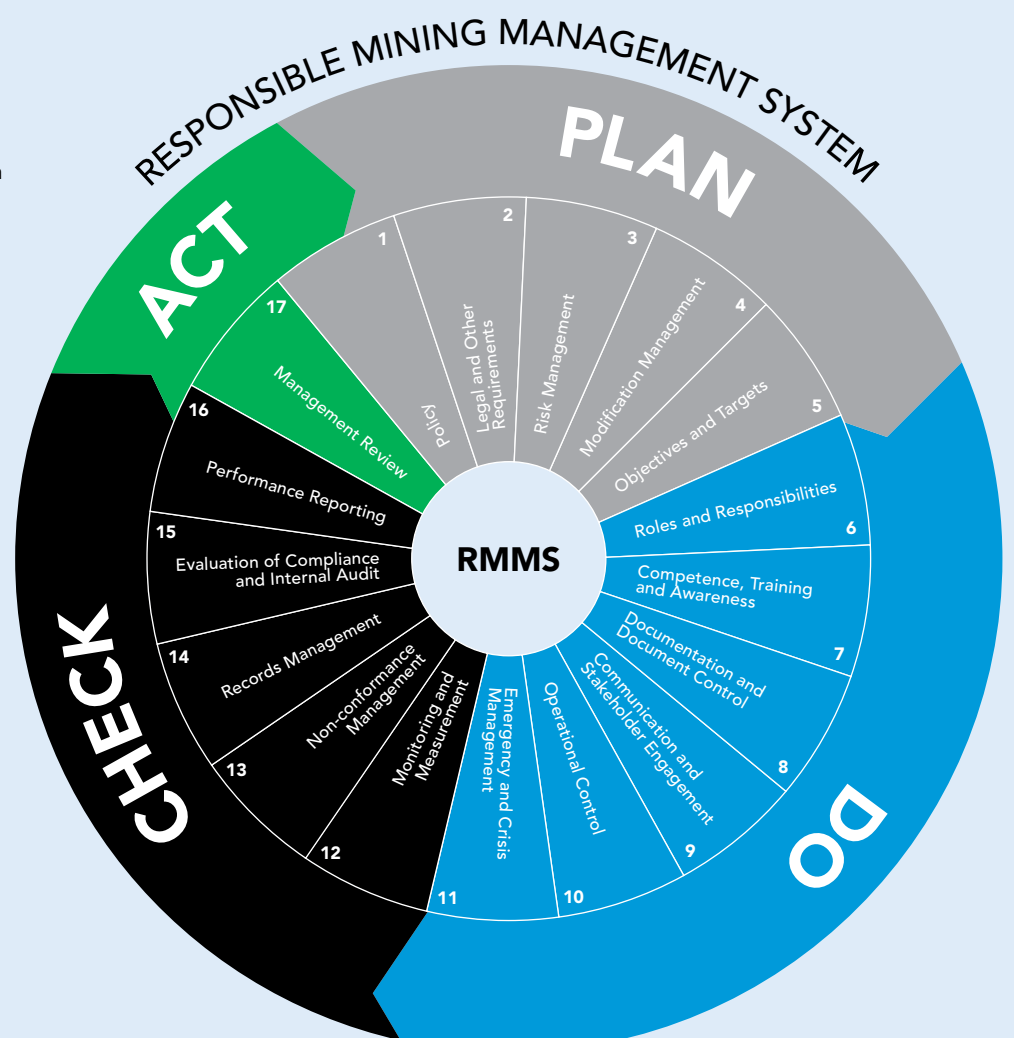
- Element 6: **Roles and Responsibilities**
- Element 7: **Competence, Training and Awareness**
- Element 8: **Documentation and Document Control**
- Element 9: **Communication and Stakeholder Engagement**
- Element 10: **Operational Control**
- Element 11: **Emergency and Crisis Management**

### CHECK

- Element 12: **Monitoring and Measurement**
- Element 13: **Non-conformance Management**
- Element 14: **Records Management**
- Element 15: **Evaluation of Compliance and Internal Audit**
- Element 16: **Performance Reporting**

### ACT

- Element 17: **Management Review**

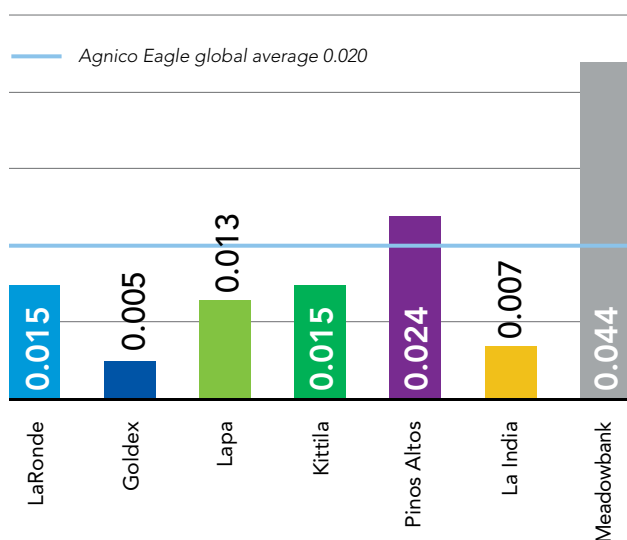


# 2014 Performance Summary

Our safety-first culture and social responsibility leadership were acknowledged in 2014 through various milestone achievements and awards. Agnico Eagle improved its performance during the year in the areas of health and safety, water management and community engagement. We also identified opportunities to improve our energy management and greenhouse gas emissions as we move into 2015:

**28% reduction**

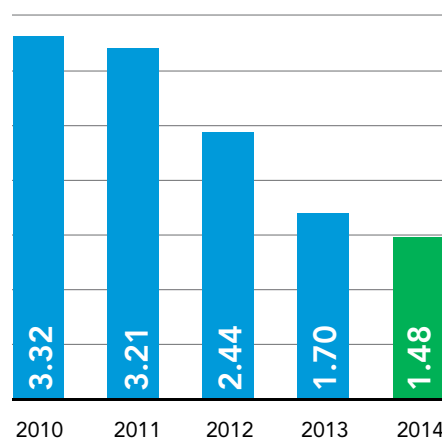
IN GLOBAL AVERAGE GHG EMISSION INTENSITY FROM 0.0285 IN 2013 TO 0.0204 IN 2014



**GHG Emission Intensity**  
(tonnes of CO<sub>2</sub> equivalent per tonne of ore processed)

**13% reduction**

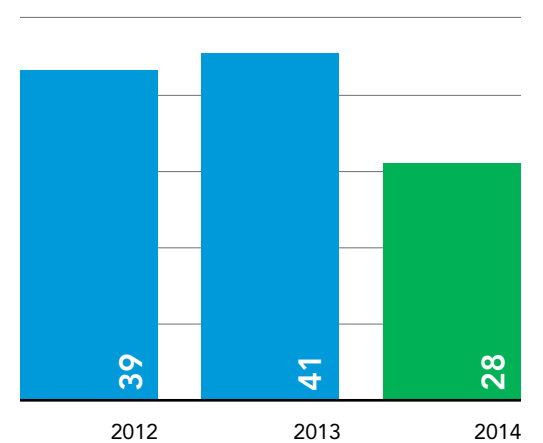
IN OUR COMBINED LOST-TIME ACCIDENT AND RESTRICTED WORK FREQUENCY



**Combined Lost-Time Accident Frequency**  
(per 200,000 person hours worked)

**32% reduction**

IN INFRACTION NOTICES RECEIVED AT CANADIAN MALARTIC\*



\* Agnico Eagle became a 50% owner in June 2014.

**Number of Infraction Notices Received**  
(Canadian Malartic Mine)

## IN 2014, WE CONTINUED TO INTEGRATE OUR SUSTAINABLE DEVELOPMENT PROGRAM INTO ALL ASPECTS OF OUR BUSINESS:



### EMPLOYEES

- Meadowbank received an Award for Excellence in Information Technology for its online learning management and orientation program. The same project went on to win a Silver Award at the Canadian Awards for Training Excellence.
- Agnico Eagle Mexico sites (Pinos Altos, Creston Mascota and La India) were recognized in the Great Place to Work (GPTW) rankings for Northwest Mexico.
- Each year we honour an Agnico Eagle employee who best exemplifies the legacy of our founder Paul Penna, who believed in supporting the well-being of employees and the communities in which we operate. The 2014 Paul Penna Award went jointly to Charlie Tautuaqjuk of the Meadowbank mine and Megan Difrancescantonio at our Toronto office. Agnico Eagle donated C\$10,000 to the community initiative or charity of choice on behalf of Charlie and Megan. Agnico Eagle also donated C\$2,500 to the community initiative or charity of choice on behalf of everyone who was nominated for the Paul Penna Award.



### SAFETY

- Our combined lost-time accident and restricted work frequency was 1.48 – a 13% reduction from the previous year's performance and substantially below our target rate of 2.1. This is the fourth year in a row we have posted our lowest ever combined rate. Unfortunately, after operating 1,370 days without a fatality at all of our operations, a tragic accident took the life of a contract employee at our Pinos Altos underground shaft project. A joint investigation of the accident – which happened on November 28th – was carried out with the regulatory authorities and the mining contractor to understand what led to the accident and to prevent a similar occurrence in the future.
- The Quebec Mining Association recognized 20 supervisors from the LaRonde, Lapa and Goldex mines for achieving more than 50,000 hours without any compensable accidents and 15 of our supervisors at Canadian Malartic were recognized for achieving 50,000 to 300,000 consecutive hours without any compensable accidents from July 1, 2013 to June 30, 2014.
- Agnico Eagle was honoured with a Safety Performance Award at the Intelx Software User Conference for demonstrating outstanding improvements in health and safety performance.
- At the Underground Mine Rescue Regional Competition in Mexico, Ruben Lucero, Plant Maintenance Manager at Creston Mascota, took first place in the BG-4 equipment bench-man event, which is a simulation to repair respiratory equipment. The Creston Mascota Aguilas Doradas team took second place in the first aid event and the Pinos Altos underground mine rescue team finished seventh out of 10 teams.



Agnico Eagle is committed to helping the communities in which we operate by improving the educational outcomes of their youth.

**4,200** scholarships

HAVE BEEN GRANTED BY AGNICO EAGLE MEXICO TO STUDENTS AT PRIMARY AND SECONDARY SCHOOLS NEAR PINOS ALTOS OPERATIONS SINCE 2010.

**“We want to ensure students receive the maximum benefit from attending classes, so we have also made monthly food pantry contributions to help run the school canteens. Since 2010, we have made almost a thousand pantry contributions to canteens at the kindergarten, elementary and secondary schools in our operating communities.”**

GILDARDO MONTENEGRO, AGNICO EAGLE MEXICO

#### THE FUTURE IS EDUCATION

In Mexico – like anywhere else in the world – the future of the country depends on the capacity of its youth to face the economic, social and environmental challenges that lie ahead. As a responsible miner, Agnico Eagle is committed to helping the communities in which we operate to improve the educational outcomes of their students.

Agnico Eagle Mexico has been providing support for many years in the form of scholarships to students at the primary and secondary school levels. In 2014, 154 students were granted scholarships of whom 110 were from the Municipality of Ocampo. Agnico Eagle has granted a total of 4,200 scholarships since 2010.

On July 25, 2014, Agnico Eagle Mexico signed an agreement with the Municipality of Ocampo to help build a new educational facility in Basaseachi, which will be affiliated with Chihuahua’s Technical University. This facility is intended to support regional higher education programs for youth living around the Pinos Altos and Creston Mascota mines. Agnico Eagle will provide up to MXN\$1 million worth of construction materials towards building the new educational centre.



#### ENVIRONMENT

- Our average direct greenhouse gas (GHG) emission intensity (the tonnes of CO<sub>2</sub> equivalent per tonne of ore processed) for all of our operating mines in 2014 was 0.0204, a 28% reduction from 0.0285 in 2013. The largest contributor to this reduction was our Meadowbank mine. This remotely located mine produces its own electricity from diesel fuel. In 2014, Meadowbank introduced a new fuel consumption control system that tracks and controls the consumption of each piece of equipment, which reduced overall fuel consumption from 69.8 million litres to 64.3 million litres.
- Three of our operations – Kittila, Meadowbank and Pinos Altos – were audited under the International Cyanide Management Code and were found to be substantially compliant. They are now working to resolve the few remaining gaps identified to achieve full compliance. Certification is expected to follow in 2015.
- An infraction was received in February 2014 for a category 3 environmental event that occurred in December 2013 at the LaRonde mine when a puncture in the tailings pipeline led to a discharge into a ditch at the periphery of the minesite. The tailings were immediately removed and no further action was necessary. A category 3 event causes moderate, reversible environmental impact with short-term effect and requires moderate remediation. The Canadian Malartic mine, in which Agnico Eagle acquired a 50% ownership in 2014, received 28 infractions mostly related to noise, blasting fumes and overpressure. This is a 32% reduction from the number of infractions received in 2013.



#### COMMUNITIES

- Agnico Eagle Mexico was recognized for the seventh consecutive year by the Chihuahuan business foundation, Fundación del Empresariado Chihuahuense A.C., with an award of distinction for being a “Socially Responsible Company.”
- Agnico Eagle was awarded the top prize for “Responsibility” by the Central Abitibi Chamber of Commerce and Industry. This award recognizes companies that demonstrate effective management and sound governance of their social responsibility programs.
- Goldex was recognized for its contribution to the local community by the Val-d’Or Chamber of Commerce with an award for its “Contribution to Economic Development.”
- The Meadowbank mine was named in a list of the Top Northern Employers by *Up Here Business* magazine.
- Public hearings on our Meliadine project took place in August 2014, in Rankin Inlet, Nunavut. At the hearings, the results of the environmental assessment – both the identified impacts and mitigation measures – were presented to the local population and regulators. The project was accepted and a Project Certificate was issued by the Nunavut Impact Review Board. This certificate sets out the terms on which the Meliadine project can proceed with applying for permits to construct and operate the mine. The Inuit Impact and Benefit Agreement with the Kivalliq Inuit Association is being finalized.



Our mine rescue teams help to maintain a high degree of emergency preparedness to effectively respond to emergencies on site.

**13% reduction**  
IN COMBINED LOST-TIME  
ACCIDENT AND RESTRICTED  
WORK FREQUENCY

## Health and Safety

We believe that all loss due to incidents or accidents is preventable. We aim to operate a safe and healthy workplace that is free from injury and fatality, and we believe that if we all work together, we can achieve zero accidents in the workplace and enhance the well-being of employees, contractors and communities.

In 2014, our combined lost-time accident and restricted work frequency was 1.48 – a 13% reduction from the previous year’s performance and substantially below our target rate of 2.1. This is the fourth year in a row we have posted our lowest ever combined rate. It also reflects a total of 94 accidents that resulted in either lost time or assignment to light duty while the employee fully recovered. This compares to 123, 151, 197 and 163 similar accidents in 2013, 2012, 2011 and 2010, respectively.

Additionally, Canadian Malartic’s combined lost-time accident frequency was 1.52 for 2014, a 50% reduction from the previous year’s performance.

We are committed to maintaining the highest health and safety standards possible. Our long-term goal is to strengthen our health and safety culture with more individual accountability and leadership, to reach the ultimate goal of a workplace with zero accidents. For 2015, our corporate objective is 1.7 – a significant reduction from the 2014 objective of 2.1.

In 2014, we created a forum for the health and safety, environment, community relations and communications personnel across Agnico Eagle divisions, including exploration, to share best practices. The group meets through regular conference calls to work collaboratively on resolving issues. We also made it our standard practice to appoint a sustainability specialist to our project evaluation teams to ensure environmental and social issues are considered as early as possible in the project evaluation process. This move recognizes that

for a project to be designed with sustainability in mind, sustainable development elements must be considered.

During the year, we provided extensive health and safety training to all supervisory levels and to our employees. We use the “supervisory formula” and its main tool – the work card – which engages everyone in an active leadership role with the collaboration of their supervisors and their colleagues. It also encourages safety planning discussions and follow-ups. Everyone, from directors to the superintendents, supervisors and miners at all levels of our operating divisions, has been trained to use the supervisory formula.

In 2014, we began collecting data on leading indicators (as compared to lagging indicators such as accident frequency) which demonstrate a consistent improvement in our health and safety management program. These indicators are: hours of safety training provided, time to complete corrective actions after an incident, and reporting of near-miss incidents. We also developed a dashboard to help supervisors and management follow industrial hygiene data. This dashboard – which was first piloted at Meadowbank and will be implemented progressively at other divisions – reduces the time required to analyze data, which will help us take any necessary action sooner by looking at industrial hygiene trends.

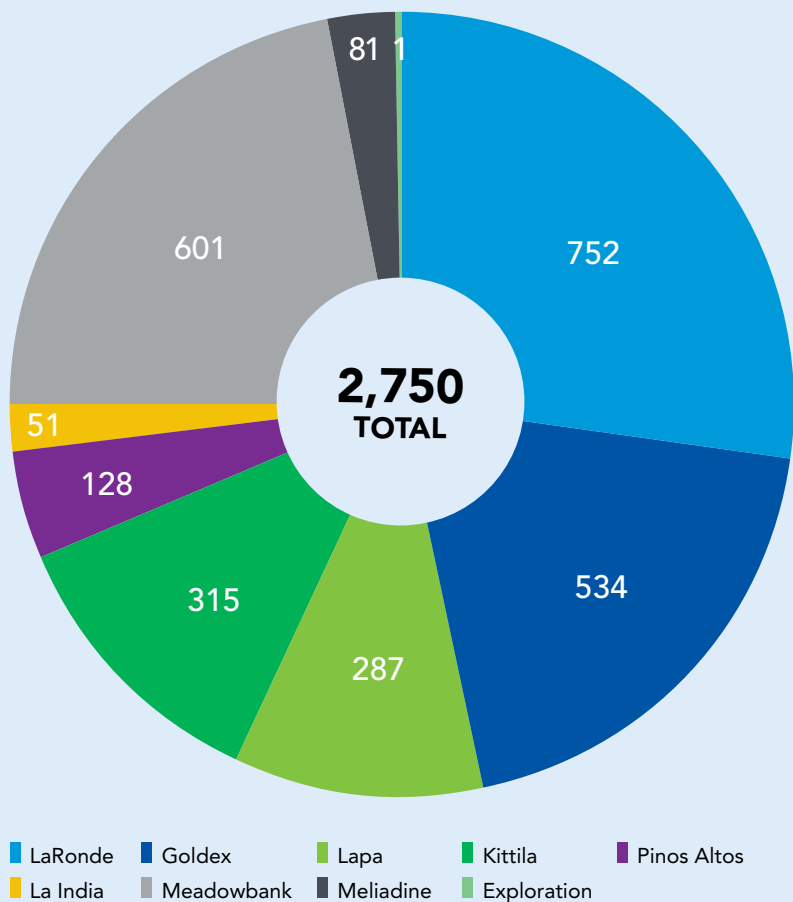


Agnico Eagle has developed a dashboard tracking tool called “Helios” that will greatly assist in managing industrial hygiene trends at each operation.



# Health and Safety Performance

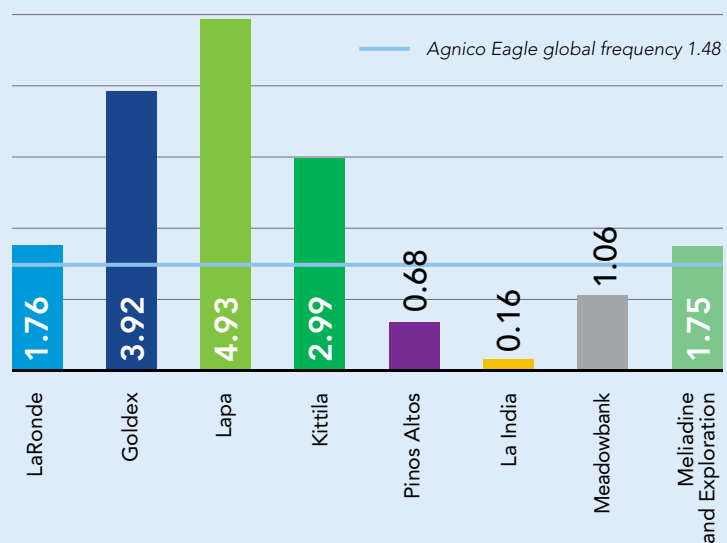
THE BEST WAY TO MANAGE ACCIDENTS IS TO PREVENT THEM FROM OCCURRING. AGNICO EAGLE IS TAKING A PROACTIVE APPROACH TO INCIDENT REPORTING AND INSPECTIONS IN AN EFFORT TO PREVENT ACCIDENTS BEFORE THEY HAPPEN.



**Number of Reported Accidents**

## 0 accident goal

WE BELIEVE IF WE ALL WORK TOGETHER, WE CAN ACHIEVE ZERO ACCIDENTS IN THE WORKPLACE.



**Combined Lost-Time Accident and Restricted Work Frequency**

Note: The Canadian Malartic mine performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).

LaRonde's new water-based cooling system is helping us mine at a depth of over 3,000 metres below surface, while maintaining worker protection.



**5,000 tonnes**  
OF COOLING POWER ARE DELIVERED BY LARONDE'S NEW WATER-BASED UNDERGROUND AIR COOLING SYSTEM

**"We took on the challenge of finding new ways to cool down the air to a level where work could proceed without affecting workers' health. We turned to South Africa for design advice, where some of the deepest mines on the planet are operating cooling systems."**

CHRISTIAN QUIRON, MAINTENANCE SUPERINTENDENT, LARONDE MINE

### A COOL FUTURE

Mining at our LaRonde mine in northwestern Quebec is now done at a depth of over 3,000 metres below surface. At such depths, the rock mass temperature is between 35°C and 40°C. Combined with the additional heat coming from the engines of mining equipment, air temperature can increase even more.

LaRonde has an extensive ventilation system that pushes cool air down from surface but, along the way, even the cold winter air is warmed to a level that could make it both unsafe and unhealthy. Worker protection protocols – in place for a number of years – require workers, depending on their type of work and location, to take a break at regular intervals when the temperature rises above a certain level (varying between about 28°C and 32°C). As the mine became deeper, however, this protocol was not sufficient to ensure we achieved our objectives for both worker protection and daily mine production.

The LaRonde team designed a water-based cooling system in 2012, which forces 1,000,000 cubic feet per minute of air to travel through mist chambers and cools the air by 10°C to 12°C. The system was installed at level 262 – or 2,620 metres below surface – over 2012 and 2013 at a cost of approximately \$15 million. In 2014, the system delivered 5,000 tonnes\* of cooling power.

\* One tonne of cooling power is the amount of energy required to melt one tonne of ice over a period of 24 hours.



Our operations conduct regular environmental effects monitoring in all receiving waterbodies.

**25% decrease**  
IN FRESH WATER WITHDRAWAL  
FROM ALL SOURCES

## Environment

We focus on limiting our environmental impacts by using natural resources efficiently, by preventing or limiting emissions and by reducing waste. Each of our operations is required to identify, analyze and manage its environmental risks and to work in a transparent manner with local stakeholders.

### ENERGY USE

Our total energy use in 2014 was mostly affected by an increase in production from Goldex's full year of operation and from the La India mine coming on line. Our total electricity consumption increased by 16% to 819 GWh in 2014 from 705 GWh in 2013. Consumption at Goldex rose to 122 GWh in 2014 from 54 GWh in 2013. The construction of an electrical line to Creston Mascota has limited the need for electricity production to periods when the regional electrical grid is down. Pinos Altos/Mascota has therefore decreased its electricity production by 3.7 GWh. However, La India is not linked to the electrical grid and must produce its own electricity, adding 11.7 GWh to electricity production in 2014. Overall, the amount of electricity generated and consumed at the Meadowbank, Goldex, Pinos Altos/Mascota and La India sites increased by 7% to 157 GWh in 2014 from 148 GWh in 2013.

Total diesel fuel consumption increased slightly to 107 million litres in 2014 from 101 million litres in 2013. La India production alone added almost 11 million litres of fuel, but this was partially offset by better control over fuel consumption at the Meadowbank mine, the closing of the Oberon Weber pit at Pinos Altos in June, and the fact that electricity for Creston Mascota was supplied via a transmission

line. Diesel fuel usage per tonne of ore processed fell by 29% to 5.68 litres per tonne from 8.01 litres per tonne in 2013 because of the additional production at Goldex and La India.

During the year, natural gas usage increased by 7% over 2013 levels, to 11.4 million cubic metres (m<sup>3</sup>), in part because of the full year of mining at Goldex and because of the higher demand related to mining at deeper levels at LaRonde.

### GREENHOUSE GAS EMISSIONS

We calculate direct and indirect greenhouse gas (GHG) emissions on a monthly basis and report these figures annually to the Carbon Disclosure Project (CDP), both in tonnes of GHG and in intensity, which is the amount of emissions per tonne of ore processed.

Greenhouse gases were mostly affected by the increased production from Goldex and La India, and the fact that La India produces electricity solely from diesel fuel. In 2014, Agnico Eagle's total direct GHG emissions were 317,349 tonnes of CO<sub>2</sub> from all sources – including fuel used to generate power, fuel for mining vehicles, natural gas for heating and explosives used in blasting at our operating mines.

This compares to 297,138 tonnes of CO<sub>2</sub> in 2013. Our total indirect GHG emissions were 67,768 tonnes of CO<sub>2</sub> equivalent in 2014, compared to 60,768 tonnes in 2013.

Total overall GHG emissions (direct and indirect) were 385,117 tonnes in 2014, an 8% increase from 357,387 tonnes in 2013. However, the increase was partially offset by improved control at Meadowbank. In 2014, our average GHG emission intensity (the tonnes of CO<sub>2</sub> equivalent per tonne of ore processed) for all of our operating mines was 0.0204, compared to 0.0285 in 2013. This represents a 28% reduction in Agnico Eagle's global average GHG emission intensity.

As part of the TSM initiative, energy management processes were implemented that will lead to better control of energy consumption and therefore of GHG emissions. Energy reduction initiatives are often led by our employees, who regularly identify small incremental steps that can be taken to improve overall energy performance.

## WATER MANAGEMENT

Proper management of our water usage and effluent discharges is a significant component of the environmental management programs at all of our mining operations. The increased production at Goldex and La India affected our total water consumption. In 2014, the total water consumed by Agnico Eagle from all sources was 6.1 million m<sup>3</sup>, up 9% from 5.6 million m<sup>3</sup> in 2013. The replacement of fresh water with water from the High-Density Sludge (HDS) thickener overflow at LaRonde, coupled with the installation of a new water settling arrangement underground, all partially offset the overall increase.

Our withdrawal and use of fresh water from all sources was 0.32 m<sup>3</sup> per tonne of ore processed, down from 0.43 m<sup>3</sup> in 2013, which represents a 25% decrease and reflects the increased tonnage from Goldex and La India, as well as our continuous improvement efforts.

Because each cubic metre of fresh water brought into our facilities needs to be managed and treated, it makes good economic sense to maximize water recirculation and minimize the quantity of new water brought in. We also manage all surface water at our sites to divert “clean” or unimpacted precipitation runoff – snowmelt and rainwater – away from our work areas wherever practical. We collect precipitation runoff from impacted lands, monitor its quality and release or treat it as necessary, to ensure protection of the surrounding aquatic environment. At our Pinos Altos mine, domestic waste water is collected on site, treated and then used for dust control along the roads in the open pit mine.

Recycled wood pallets from the Meadowbank mine are now being used by local woodworking students to build sleds and other products.



**500** pallets

**IN THE FIRST NINE MONTHS SAVED FROM LANDFILL AND PUT TO USEFUL PURPOSES**

## EFFLUENT DISCHARGE

In 2014, the total volume of effluent discharged from all of our mining operations was 7.9 million m<sup>3</sup>, down from 10.8 million m<sup>3</sup> in 2013, representing a 27% decrease. This decrease was mostly due to the completion of dewatering for the Vault pit at Meadowbank and the increased water recirculation at Goldex because of its full year of production.

Conversely, the Kittila mine, which is mining at deeper levels, requires more dewatering underground and, therefore, has seen its water discharge to the environment increase.

The water discharge intensity in 2014 was 0.42 m<sup>3</sup> per tonne of ore processed, as compared to 0.74 m<sup>3</sup> in 2013, a 43% decrease. This large intensity drop was due to the fact that La India, with its 4.4 million tonnes of processed ore, operates in a closed circuit without any discharge.

As prescribed by the Global Reporting Initiative (GRI) guidelines, we can attest that none of the effluents discharged from our operations has a significant impact on the receiving waters. The LaRonde, Goldex and Pinos Altos mines discharge into small drainage watercourses, none of which is classified as environmentally sensitive; they are not listed as protected waterbodies and do not contain protected (i.e., endangered or threatened) species. The Lapa and Kittila mines discharge into wetland areas, none of which is considered environmentally sensitive nor are they listed as protected wetlands. The Meadowbank

mine discharges into a relatively large lake which is not classified as environmentally sensitive, nor is it listed as a protected waterbody and it does not contain protected species.

All of our operations have stringent regulatory requirements that must be met at the point of effluent discharge. The requirements were established taking into account the capacity of the receiving water to receive these effluents without resulting in unacceptable harm. Our operations also conduct regular environmental effects monitoring programs in these receiving waterbodies as well as downstream, to check for ecological effects from our effluent discharges. Based on all of these measures, we are confident that our effluent is not significantly affecting these receiving waters.

**“When the landfill site is full to capacity it is covered with waste rock from the mine. Mining permits only allow us to dispose of waste in limited areas and the quantity of reusable wood disposed in the landfill sites was a growing concern.”**

LISA RAGSDALE, SENIOR PRODUCTION GEOLOGIST, MEADOWBANK, AND MEC CO-CHAIR

### REDUCING FUTURE DEMAND ON NORTHERN LANDFILL SITES

*Finding innovative solutions to reduce Meadowbank's environmental footprint*

In 2014, the employee-led Meadowbank Environmental Committee (MEC) successfully launched a “Wood Pallet Recycling Project” in response to rapidly filling landfill sites at the mine.

The MEC recognized that wooden shipping pallets – on which everything from oil barrels to food supplies arrive at the minesite – could be reused in the Baker Lake community for small household construction projects and at the high school in its woodworking skills program.

According to Lisa Ragsdale, Senior Production Geologist at Meadowbank and MEC Co-Chair, “Being so far north, waste does not decompose, primarily because of the extreme cold. Typical bugs that decompose waste in landfills in the south do not survive in the north. As a result, it takes centuries for waste to decompose and disappear. If you drop a piece of litter on the tundra today it will be there 100 years from now.”

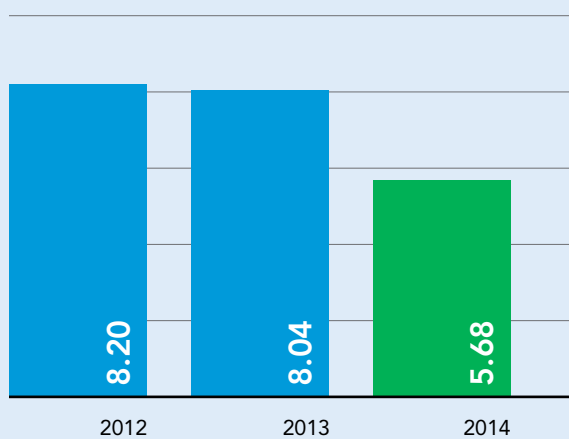
As the Meadowbank mine is located in the Low Arctic and above the tree line, wood materials are an expensive commodity for most communities. The MEC raised its idea for a Wood Pallet Recycling Project with the nearby Hamlet of Baker Lake and asked for suggestions about how the wood might be reused. A local shop teacher offered to take extra wood so that he could teach his students basic woodworking skills. Some of the other products now being produced from the waste wood include model kayaks, sheds, outbuildings and sleds.

Since the wood recycling project started in March 2014, Meadowbank has diverted 10 seacans full of wood pallets from its landfill. Each seacan holds 50 or more pallets, so in the first nine months of the project, more than 500 pallets had already been saved from the landfill and put to useful purposes.

# Environmental Performance

**29%**  
reduction

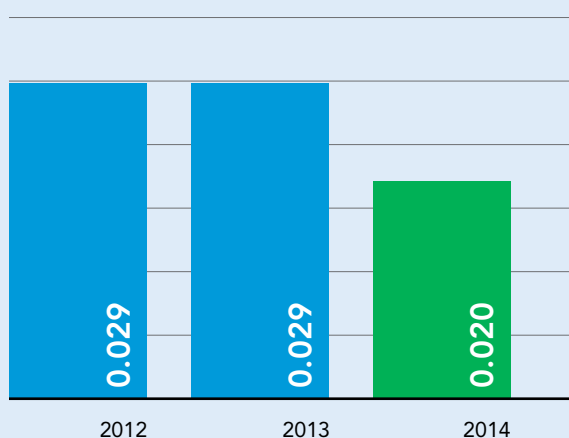
IN DIESEL FUEL USAGE PER TONNE OF ORE PROCESSED



**Total Diesel Consumption Intensity**  
(000s litres/tonne of ore processed)

**28%**  
reduction

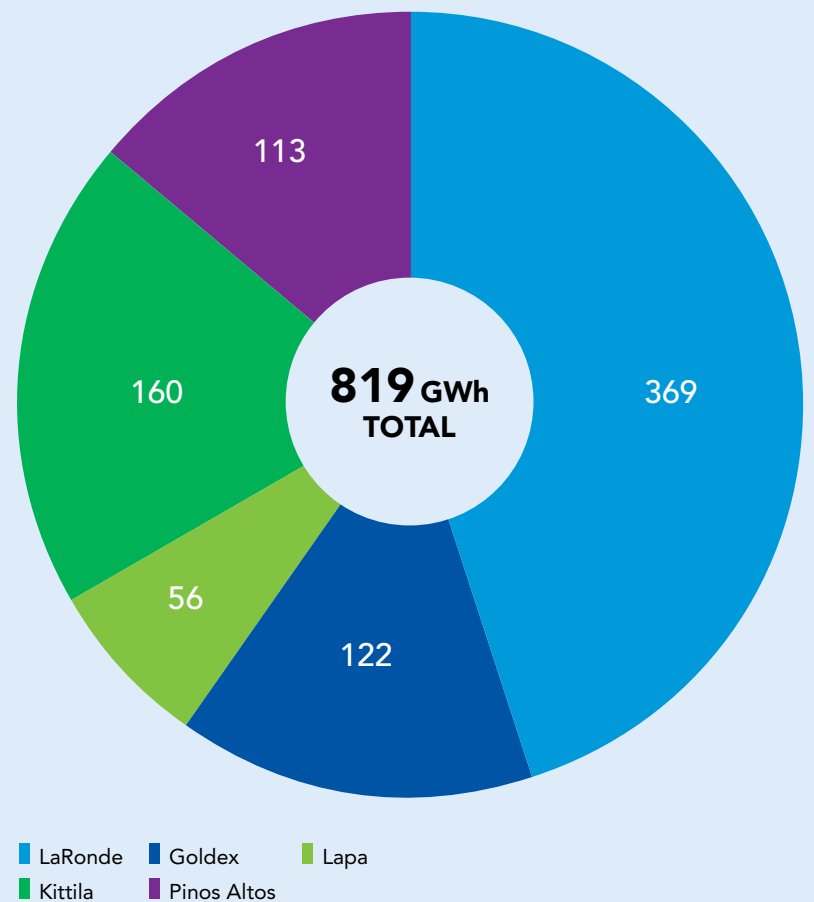
IN AGNICO EAGLE'S GLOBAL GHG EMISSION INTENSITY



**Total GHG Emission Intensity**  
(CO<sub>2</sub> equivalent tonnes/tonne of ore processed)

**16% increase**

IN ELECTRICITY CONSUMED FROM THE GRID



**Electricity Purchased from the Grid in 2014 by Site**

Note: The Canadian Malartic mine environmental performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).



In 2014, at each of our facilities with active tailings ponds, we asked the dam designers to review the design and operational integrity of our tailings impoundments.

## WASTE MANAGEMENT AND TAILINGS

Mining by its nature generates large volumes of waste rock and tailings – this is especially true for gold mining where ore grade is expressed in grams per tonne. Tailings are what remain of the ore after the gold and byproduct metals have been extracted. These tailings are typically silt-sized particles mixed with process water. Not all tailings and waste rock are hazardous. The waste rock and tailings at both Goldex and Pinos Altos, for example, have no acid-generating potential and no, or low, metal-leaching potential.

In 2014, Agnico Eagle's mining operations generated 55.7 million tonnes of waste rock compared to 51.5 million tonnes in 2013. The majority of the increase was due to the start-up of the La India mine which in 2014 produced 5.2 million tonnes of waste rock. Compared to 2013, when 3.95 million tonnes of waste rock were used in tailings dam construction at LaRonde, Kittila, Meadowbank and Pinos Altos, in 2014 only 1.68 million tonnes were used for that purpose. A total of 11.6 million tonnes of mill tailings were produced in 2014 as compared to 10.5 million tonnes in 2013. The increase was associated with the full year of production at Goldex. Approximately 29% of tailings at LaRonde were returned underground as backfill, compared to 42% at Goldex and 35% at Pinos Altos.

## RESPONSIBLE MANAGEMENT

Five of our operations have active tailings impoundments: Pinos Altos, LaRonde, Goldex, Kittila and Meadowbank. In the wake of a breach of a tailings impoundment at another mining company's operation in British Columbia in July 2014, Agnico Eagle took steps to ensure our commitment to responsible tailings management. At each of our facilities with active tailings ponds, we asked our dam designers to review the design and operation and provide a justification as to why a similar incident could not occur at these locations. In 2015, we are also planning a third-party expert review of all our tailings impoundments. An external dike review board is already in place at our Meadowbank mine to perform an ongoing review of the dewatering dikes and the tailings pond. We are currently reviewing the need to implement an expert review board at our other locations.


## ENVIRONMENTAL INCIDENTS

We believe there are lessons to be learned from each environmental incident, irrespective of its gravity. All environmental incidents are recorded in our Intelix database and, depending on their potential consequences, they are also investigated. The vast majority of our environmental incidents are spills. In 2014, we recorded a total of 203 spills.

Only one spill resulted in a notice of infraction in 2014. It occurred in December 2013 at the LaRonde mine, and it pertained to a tailings line puncture that led to tailings reaching a ditch outside the mine boundary. The tailings were immediately removed and no further action was necessary. We recorded it as a category 3 incident.

The Meadowbank mine experienced a few isolated non-compliance events at the Portage attenuation pond effluent. This effluent has now been shut down permanently. One non-compliance event was also experienced at the Vault pit attenuation pond effluent. The investigation pertaining to a seepage event from the Meadowbank waste rock pile that occurred in 2013 continued throughout 2014. The La India mine received a notice of infraction in September 2014 from a regulatory inspection of the segregation of wood and scrap metal.

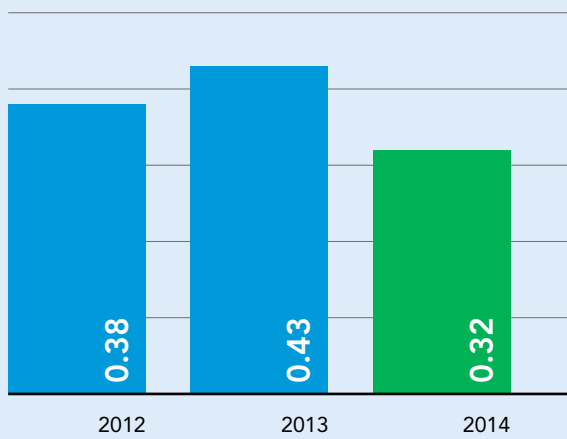
Canadian Malartic received 28 infraction notices in 2014, mostly related to noise, blasting fumes and overpressure. This is a 32% reduction compared to the number of infractions received in 2013. The number of complaints received from the public in 2014 decreased when compared to the two previous years. People's concerns about noise have significantly reduced over time; however, blasting is still a top community concern.

 For further details on our environmental performance, please refer to the Sustainability section on the Agnico Eagle website.

**25%**

**decrease**

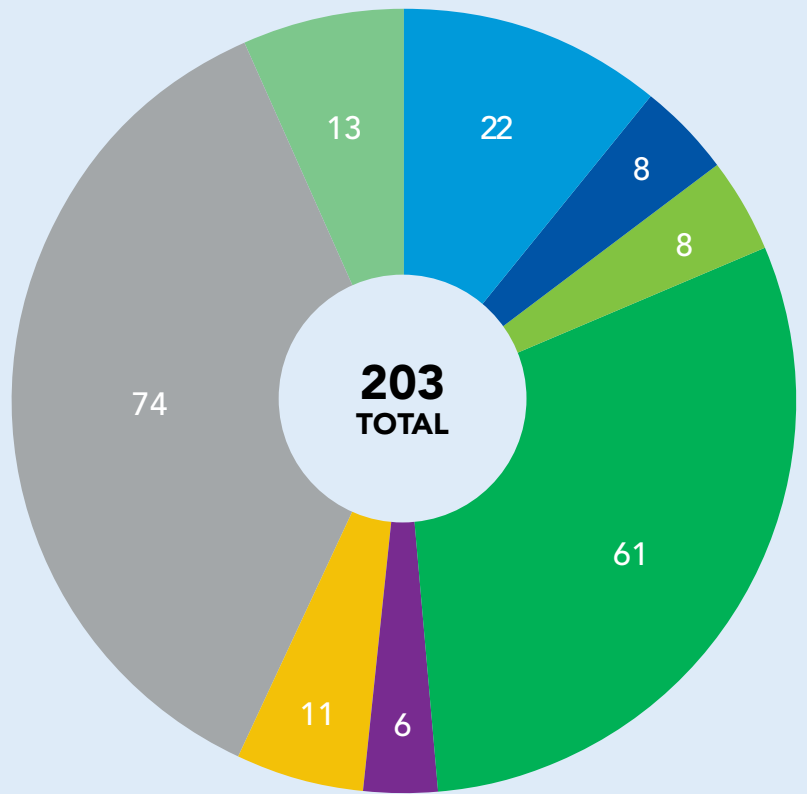
**IN WATER USE INTENSITY**



**Water Use Intensity**  
(m³/tonne of ore processed)

**5% reduction**

**IN TOTAL NUMBER OF SPILLS**



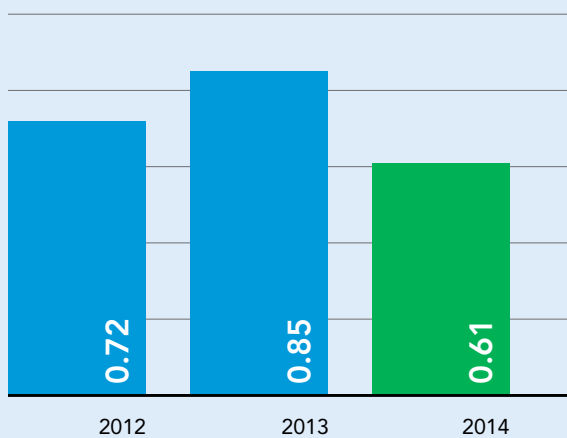
■ LaRonde ■ Goldex ■ Lapa ■ Kittila ■ Pinos Altos  
■ La India ■ Meadowbank ■ Exploration

**Total Number of Recorded Spills in 2014**

**28%**

**reduction**

**IN NATURAL GAS USAGE PER TONNE OF ORE PROCESSED**



**Total Natural Gas Consumption Intensity**  
(000s of m³/tonne of ore processed)

Note: The Canadian Malartic mine environmental performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).

Kittila mine is building a district heating system to take advantage of its waste heat. The new system will connect several buildings and will replace a mine air ventilation heating plant that runs on fuel.



**20 MW of energy**

**IS THE AMOUNT OF RECOVERED HEAT FROM THE SCRUBBER THAT COULD BE USED AT THE KITTILA MINE**

**“The district heating network creates a unique situation for Kittila with very little fossil fuel needed for heating. The heat available from the oxygen plants and scrubber will be enough for current heating requirements and alternative sources of heat will only be used on very cold days or when the processing plant is not operating and no waste heat is generated.”**

ANDRE WAGENINGEN, MANAGER, TECHNOLOGY AND DEVELOPMENT

**RECYCLING WASTE HEAT**

*Finding ways of using waste heat to reduce energy demand*

Our minesites are taking advantage of the waste heat produced through their electrical power generators to help heat buildings and mine ventilation air, reduce their overall costs and minimize their carbon footprint.

Electrical power generators are typically equipped with a heat recovery system. Meadowbank’s heat recovery system, for example, is connected to a glycol network that transports the recovered heat to the various sectors the site wants to heat: mill, truck shop, offices, main camp, kitchen and gymnasium. As a rule of thumb, every megawatt of electricity consumed at Meadowbank produces half a megawatt of thermal heat.

Kittila mine successfully uses the waste heat of its oxygen plants to heat some of the mine ventilation air. This, in combination with a ventilation-on-demand system, has reduced the use of liquid propane gas for mine ventilation air heating by 80%, and electricity used for ventilation by 50%.

Kittila is currently upgrading the scrubber in its processing plant, which will make available 20 megawatts of waste heat. The mine will build a district heating system – similar to a centralized heating system used in cities in Finland – to take advantage of this waste heat. It will connect several buildings and warehouses and will replace a mine air ventilation heating plant that runs on fuel.



We ensure our employees have the tools and skills they need to perform their jobs efficiently and safely. We emphasize health and safety training to ensure our employees are achieving our workplace health and safety standards.

**6,200** people  
 WORKED FOR AGNICO EAGLE  
 EITHER AS EMPLOYEES OR AS  
 CONTRACTORS DURING 2014  
 (EXCLUDING CANADIAN MALARTIC).

## Employees

The quality of our people has always been Agnico Eagle’s competitive strength and advantage. It is critical to our future success that, even as we grow and expand our global footprint, we maintain our corporate culture in which every person is treated with dignity and respect, and people interact on the basis of collaboration, commitment and dedication to excellence.

### TRAINING AND DEVELOPMENT OPPORTUNITIES

We want to ensure our employees have the tools and skills they need to perform their jobs efficiently and safely and to achieve their full potential. We continue to provide training that enhances employees’ personal and career development opportunities. We place a particular emphasis on health and safety training, to ensure our employees are achieving Agnico Eagle’s workplace health and safety standards.

Training constitutes a particular challenge for our fly-in fly-out Meadowbank operation because employees are only on site 50% of the time. For this reason, an e-learning platform was developed to allow personnel to receive training even when they are not present at site. Previously, employees had to complete two full days of training on site to receive the necessary job-specific training. Now, after completing their three hours of at-home training, employees are ready to come to work and have a safe and productive shift. This major change in approach has already saved more than \$2 million annually.

### MAXIMIZING LOCAL EMPLOYMENT

Our goal is to hire 100% of our workforce, including our management teams, directly from the local region in which each of our global operations is located.

At Pinos Altos, for example, 100% of the workforce is from Mexico. The majority of personnel are hired from northern Mexico, with 74% of the workforce at Pinos Altos and 66% at La India coming from the northern states of Chihuahua, Sonora and Sinaloa – most of whom are drawn directly from local communities within a 10-kilometre radius of the mine.

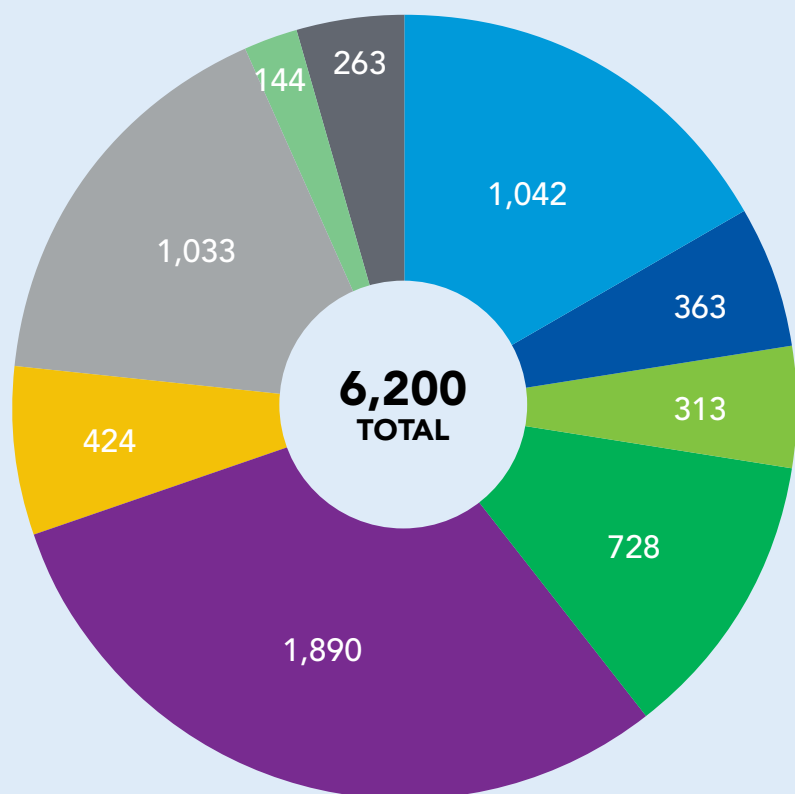
In northern Canada, we remain focused on creating sustainable jobs and careers in mining for the Inuit population. We have developed work readiness programs for new recruits and career path planning programs for our Inuit workforce – a key factor in the training component of our IIBA (Inuit Impact and Benefit Agreement) for the Meliadine project. Approximately 34% of our local mine workforce is drawn from Inuit of the Kivalliq region of Nunavut.

We also made a substantial three-year investment – beginning in 2012 – in Mining Matters’ Aboriginal Education and Outreach Programs, to help demonstrate to young people that there are interesting jobs, careers and a future for them in the north and that the mining industry can be a key source of those opportunities.

### EMPLOYEE VALUES AND COMMITMENT

Each year, we honour an Agnico Eagle employee who best exemplifies the legacy of our founder Paul Penna, who believed in supporting the well-being of employees and the communities in which we operate. The 2014 Paul Penna Award went jointly to Charlie Tautuaqjuk of Meadowbank mine and Megan Difrancescantonio at our Toronto office. Charlie, our Senior Coordinator of Community Relations in Nunavut, was honoured for his work with the Baker Lake Community Wellness Committee, where he helps Inuit, in particular children and youth, learn the importance of choosing a healthy lifestyle and being productive members of their community. Megan, who works in Corporate Human Resources, was honoured for her work at Sunrise Therapeutic Riding and Learning Centre in Milton, Ontario, which provides therapy to special needs children and adults through therapeutic equestrian programs. Agnico Eagle donated C\$10,000 to the community initiative or charity of choice on behalf of Charlie and Megan. We also donated C\$2,500 to the community initiative or charity of choice on behalf of everyone who was nominated for the Paul Penna Award.

# Workforce

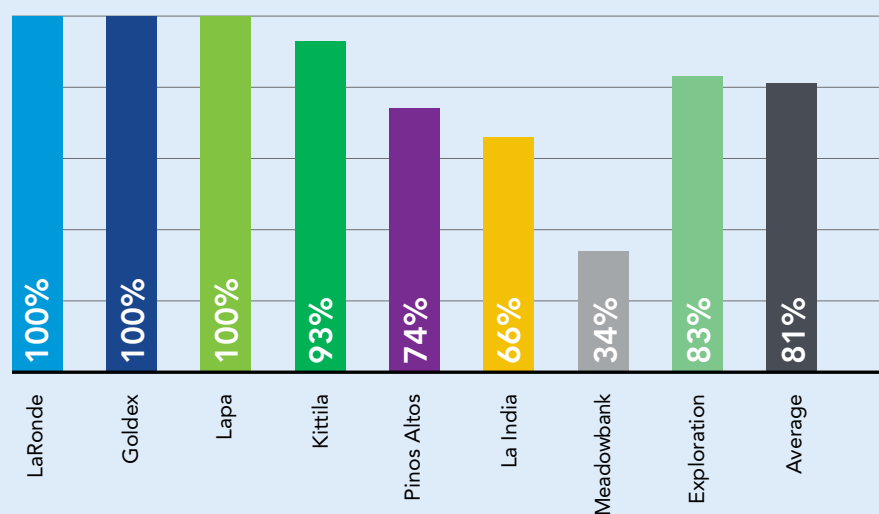


■ LaRonde    ■ Goldex    ■ Lapa    ■ Kittila    ■ Pinos Altos  
■ La India    ■ Meadowbank    ■ Exploration    ■ Corporate and Administration

**Total Workforce by Region**

## 100% local hires

OUR GOAL IS TO HIRE 100% OF OUR WORKFORCE, INCLUDING OUR MANAGEMENT TEAMS, DIRECTLY FROM THE LOCAL REGION IN WHICH OUR OPERATIONS ARE LOCATED.



**Workforce Hired from the Local Community**

Note: The Canadian Malartic mine performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).

We communicate our engagement survey results back to our employees and management teams. We then conduct follow-up focus groups at each operation to address any concerns in detail and develop site-specific action plans.



## 92%

**EMPLOYEE APPROVAL RATING FOR AGNICO EAGLE'S SOCIAL RESPONSIBILITY PROGRAM – THE HIGHEST RANKING IN THE 2014 EMPLOYEE SURVEY**

**“As an organization we have always believed in engaging our people and developing a transparent and open culture.”**

SEAN BOYD, CHIEF EXECUTIVE OFFICER

### OUR FUTURE IS OUR EMPLOYEES

As we grow our business, it is important that we understand the needs and expectations of our employees – so that we can help them perform at their best and contribute to Agnico Eagle's overall business success.

In 2014, we conducted an engagement survey to measure our progress on key issues raised during the previous survey three years earlier. We seek open and honest feedback from employees about our performance. Our goal is to remain an employer of choice in the regions where we operate.

In 2014, 2,227 employees participated in the survey – an outstanding 86% participation rate among the employees across Agnico Eagle's Canadian divisions and the Kittila mine in Finland invited to participate. This compares with a 2011 participation rate of 68%, which included our employees in Finland and Mexico.

Employees ranked us highly for our record of performance on issues related to social responsibility, work-life balance, employee engagement and our commitment to health and safety. They also identified performance management, job security and career growth, compensation, and the need to align actions and behaviours with our corporate vision as areas that require improvement in the future. These issue rankings are similar to the 2011 survey results.

We have communicated the survey results back to our employees and management teams. We are conducting follow-up focus groups at each operation so we can address concerns in more detail and develop site-specific as well as corporate action plans.



Our community investment program targets strategic health, education and capacity-building initiatives. In Mexico, we provide scholarships to primary and secondary school students.

**\$4 million**

INVESTED IN OUR LOCAL COMMUNITIES IN 2014. SINCE 2009, AGNICO EAGLE'S COMMUNITY INVESTMENTS HAVE TOTALLED \$18 MILLION.

## Communities

We act in a socially responsible manner and contribute to the communities in which we operate in order to make a difference in their everyday lives. We are committed to working with our employees and other stakeholders to create growth and prosperity, which allows all stakeholders to benefit from our mining activities.

### COMMUNITY ENGAGEMENT

In 2014, each of our divisions completed a stakeholder mapping exercise, which was used to develop site-specific community engagement plans. The main objective of these community plans is to engage in a respectful dialogue with key stakeholders. We want our stakeholders to understand our activities and our priorities, but we also want to know what their concerns are so that we can work together toward a common goal of social acceptability.

Social acceptability is now an objective for all our new projects. As early as possible in the project development phase, we want to engage with stakeholders to assess the impacts of the project on social acceptability; and use, in order of preference, an approach of avoiding, reducing or mitigating these impacts. Our exploration teams always assign a person with the responsibility for community relations, irrespective of the size of the project.

In 2014, Agnico Eagle launched a new "Speakers Program" featuring a group of more than 25 trained employees from our Abitibi-based operations in Quebec. These employees travel throughout their community to help raise the level of awareness and understanding about the mining industry. They attend town hall meetings, business functions, schools and

other citizen forums to share insights into company programs and plans, such as our future recruitment needs, technological innovations, health and safety protocols, or environmental protection measures.

During the year, each of our sites also created community response mechanisms and established community liaison committees. Establishing such mechanisms and committees is now part of our RMMS standard, and we have developed guidelines to help new operations implement these best practices.

### PREPARING FOR THE FUTURE

In our communities we continue to support training and capacity-building programs that provide new business and career opportunities. In Nunavut, for example, we have formed a partnership with various groups to develop a skills training program aimed at developing skilled welders who are able to work in the mining industry, including at our Meadowbank mine and Meliadine advanced-stage gold project.

The program is delivered through a partnership between Northern College of Timmins, Ontario, the Hamlet of Arviat, with support from the Kivalliq Mine Training Society, Agnico Eagle and the Government of Nunavut. In December 2014, six students completed the second delivery of the program. They will join seven graduates from the first delivery of the program who have already entered the workforce. Since 2010, Agnico Eagle has invested \$1.1 million in Arviat's Mine Training Centre.

### INVESTING IN OUR COMMUNITIES

In 2014, our community investment program continued to target initiatives that enable each of our operating communities to benefit from economic development in their region, even after mining ceases. Our goal is to provide both Agnico Eagle and our host communities with optimum returns on our investments in strategic health, education and capacity-building initiatives. In 2014, we invested almost \$4 million in our local communities. Since 2009, Agnico Eagle's community investments have totalled \$18 million.

In 2014, Agnico Eagle spearheaded a unique fundraising initiative with our gold industry peers to support the Princess Margaret Cancer Foundation. Six gold bars, weighing a total of 2,400 troy ounces – totalling \$3.28 million in value – were donated by Agnico Eagle, Barrick, Goldcorp, IAMGOLD, Kinross, New Gold, Primero, Silver Wheaton and Yamana. The funds will go towards several transformation initiatives, including the recruitment of a further 26 international cancer experts.

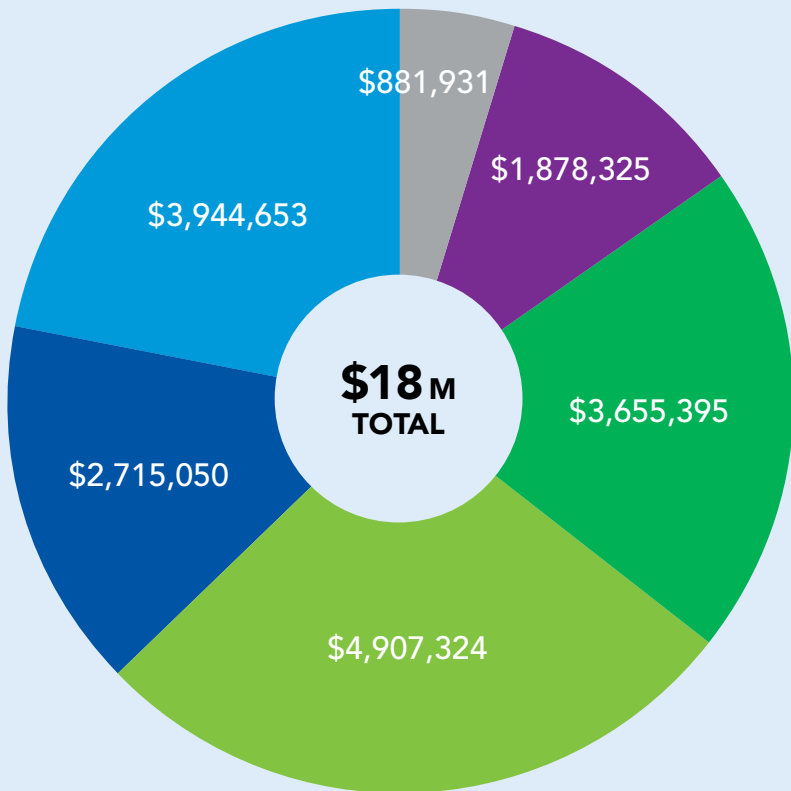
The Fonds Essor Canadian Malartic (FECM) was established by Canadian Malartic's previous owner with a mission of benefiting the population of Malartic through six areas of focus: education, environment, health and well-being, sports and recreation, arts and culture, and support for low-income families. In 2014, FECM distributed approximately \$97,000 across these six areas.



# Community Investment

**\$18 million**

TOTAL COMMUNITY INVESTMENT GLOBALLY SINCE 2009

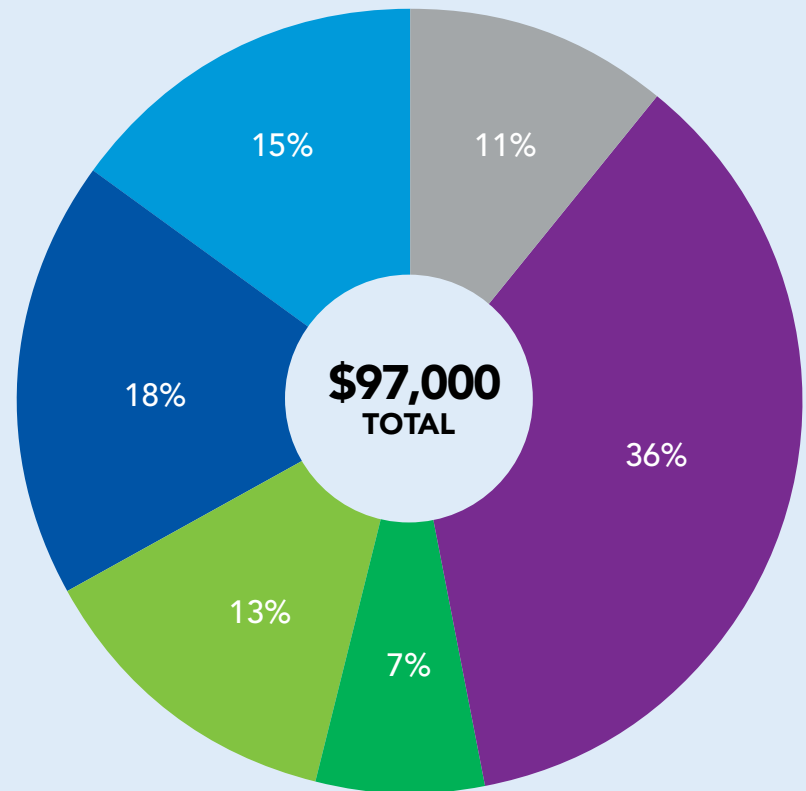


2009 2010 2011  
2012 2013 2014

**Community Investment Globally**

**\$97 thousand**

FONDS ESSOR CANADIAN MALARTIC DISTRIBUTED APPROXIMATELY \$97,000 IN THE COMMUNITY OF MALARTIC IN 2014.



Low-income families Arts and culture Sports and recreation  
Education Health and well-being Environment

**FECM Community Contributions**  
(Canadian Malartic)

Note: The Canadian Malartic mine performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).

We welcome community residents to learn more about our business. At Kittila, we host an annual open house and we circulate newsletters and articles in the local newspaper that provide details on our latest activities.



**20 kilometres**

IS THE DISTANCE BETWEEN THE KITTILA MINESITE AND THE LOCAL TOWNS OF LEVI AND KITTILA. THOUSANDS OF TOURISTS VISIT THE REGION EACH SKI SEASON.

**“The main economic driver in the region has long been tourism, with the Levi ski resort drawing thousands of tourists from Finland, Europe and Asia. From the mine’s inception, the community made it clear that in order for the Kittila mine to be socially acceptable, it should not negatively impact tourism.”**

INGMAR HAGA, VICE-PRESIDENT, EUROPE

### KITILA COMMUNITY LIAISON COMMITTEE

In 2014, the Kittila mine established a Community Liaison Committee (CLC) to nurture dialogue between the mine and its local stakeholders – and to help ensure the mine maintains its level of social acceptance in the local communities of Levi and Kittila.

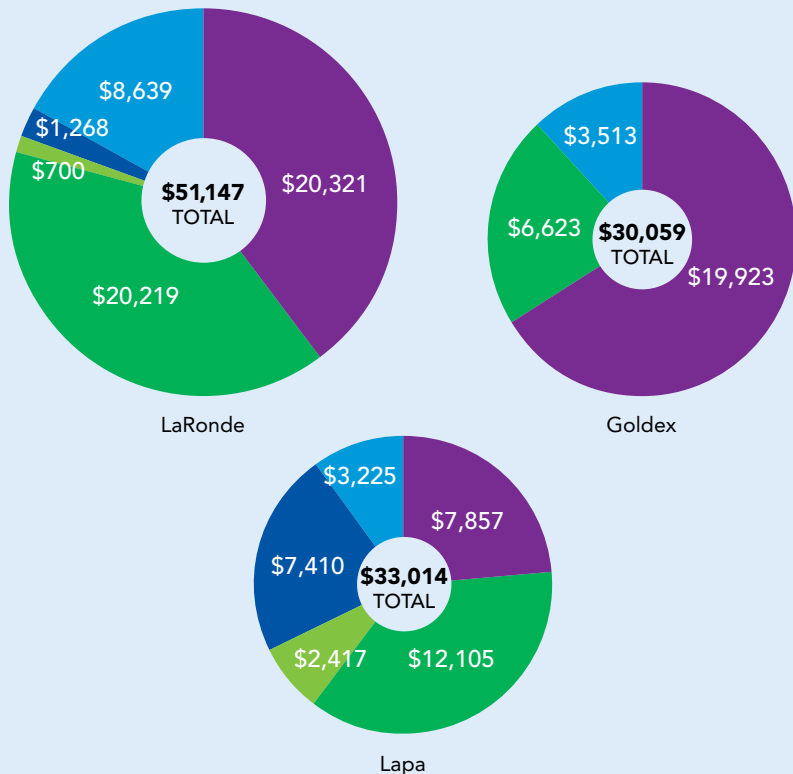
A variety of local stakeholders sit on the committee, including a school curator, representatives from the local reindeer herding co-operative, village representatives, members of association groups, the Levi Tourist Office and the local nature conservation group, local parish members and representatives from the local government of Kittila.

The CLC acts as a forum for exchanging information and for bringing issues of concern to stakeholders to the mine’s attention. The committee – the first of its kind in Finland and based on the Mining Association of Canada’s Towards Sustainable Mining Initiative – aims to meet two to three times a year, with the venue alternating between the village and the mine. Meetings are held primarily to address issues related to the mine, but other themes can also be raised. At the March meeting, for example, discussions ranged from the status of the Kuotko mining project to the expansion of production capacity and information on Kittila’s employees. The CLC’s work is supplemented by an annual open house, as well as newsletters and articles in the local newspaper.

# Overall Economic Contributions

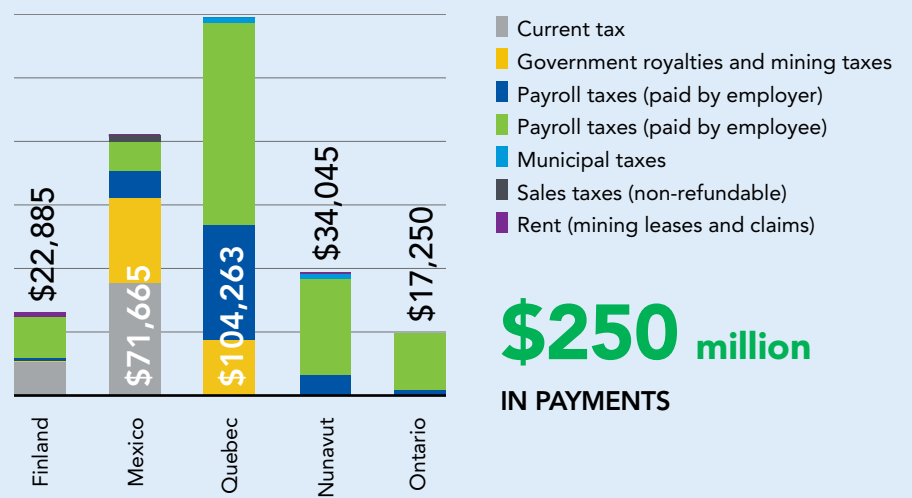
**\$114 million**

IN ROYALTIES PAID TO THE GOVERNMENT OF QUEBEC SINCE 2010



2010 2011 2012  
2013 2014

Quebec Royalties Paid on a Mine-by-Mine Basis since 2010 (\$000s)



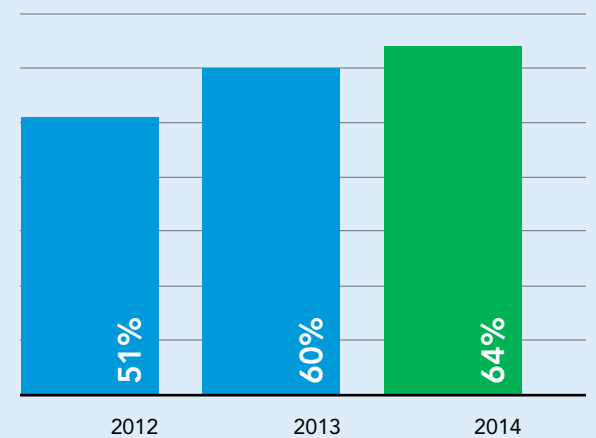
2014 Payments to Government (\$000s)

Current tax  
Government royalties and mining taxes  
Payroll taxes (paid by employer)  
Payroll taxes (paid by employee)  
Municipal taxes  
Sales taxes (non-refundable)  
Rent (mining leases and claims)

**\$250 million**  
IN PAYMENTS

**\$400 million**

SPENT IN 2014 ON THE PROCUREMENT OF LOCAL GOODS AND SERVICES



Proportion of Spending on Locally Based Suppliers

Note: The Canadian Malartic mine performance data can be found in the full SD report at [canadianmalartic.com](http://canadianmalartic.com).

## Economic Value

In 2014, Agnico Eagle provided over \$362 million in wages and benefits to our global workforce, paid \$250 million in taxes to all levels of government, and through our mines spent just over \$400 million on the procurement of local goods and services. We recorded net income of \$83.0 million, and for the fourth straight year reported record annual gold production.

### GENERATING EMPLOYMENT AND ECONOMIC BENEFITS

We believe the biggest contribution we can make to the well-being of our host communities is to provide long-term employment and economic development opportunities. In 2014, Agnico Eagle paid \$362 million in global employee compensation. Through the payment of wages and benefits, we contributed approximately \$236 million to the economy of Canada, \$36 million to the economy of Finland and approximately \$49 million to the economy of Chihuahua and Sonora states in Mexico.

Although we do not measure the direct and indirect economic impact of employee wage spending on local goods and services, it is an important factor in Agnico Eagle's overall economic contributions to our host communities.

### TAX AND ROYALTY PAYMENTS

In 2014, the Canadian mining industry adopted disclosure of payments to government as best practice. Agnico Eagle is a strong supporter of this initiative which is in direct response to increased public demand for more transparency. We will continue to increase our level of disclosure on tax payments to governments in order to highlight our economic contribution to public finances.

In 2014, we made payments in taxes and royalties to governments at all levels totalling \$250 million. We contributed approximately \$104 million in taxes and royalties to Quebec, Canada; \$34 million in taxes and royalties to Nunavut, Canada; \$17 million in taxes to Ontario, Canada; \$23 million in taxes and royalties to Finland; and approximately \$72 million in taxes and royalties to Mexico. Tax contributions to governments comprised 13% of our gross revenue in 2014.

### BUYING LOCALLY

Agnico Eagle prefers to buy from local suppliers as a way of supporting our communities, stimulating the local economy and minimizing the environmental impact of transporting materials from distant locations to our sites. Local suppliers must still meet the same criteria that all potential suppliers must meet in order to do business with our Company. In 2014, our mines spent just over \$400 million on the procurement of local goods and services, with local procurement representing an average of 64% of our total procurement spending in 2014.

At Agnico Eagle we empower our employees to: work collaboratively in a culture where safety and respect are paramount; act in a socially responsible manner and contribute to the future of the communities in which we operate; and work together with all of our employees and other stakeholders to create growth and prosperity.



## Governance

Our governance practices guide our behaviour and performance, helping to ensure we act in an ethically responsible manner and uphold our core values.

Agnico Eagle has a Code of Business Conduct and Ethics that provides a framework for directors, officers and employees on the conduct and ethical decision-making integral to their work. We have also adopted a Code of Business Ethics for consultants and contractors. The Audit Committee of the Board of Directors is responsible for monitoring compliance with these codes. In conjunction with the codes, we have established a “whistleblower” toll-free ethics hotline for anonymous reporting of any suspected violations or concerns regarding accounting, internal accounting controls or other auditing matters, code of conduct violations, ethical conflicts, environmental issues, and health and safety issues. Each quarter, a report is submitted to the Audit Committee outlining the number and type of complaints received since the previous report.

An Anti-Corruption and Anti-Bribery Policy has also been adopted by the Company. In addition, the Company’s activities are audited against the Conflict-Free Gold Standard of the World Gold Council.

**Management Accountability:** Our sustainable development program and values are integrated at the operational, executive and Board levels. Corporate oversight and implementation of the program are the direct responsibility of two executive officers – the Senior Vice-President of Human Resources, who is responsible for human resources, and the Senior Vice-President of Environment and Sustainable Development, who is assisted by the Vice-President of

Environment for environmental oversight and by the Vice-President of Health and Safety and Community Relations for health and safety and community engagement oversight.

Processes are in place to ensure that sustainable development matters (health and safety, environment and social acceptability) are integrated into the day-to-day management of our business at the operational level.

Reporting on sustainability matters is also part of the monthly operational report provided to management. These reports include key performance indicators which have been established for water use, energy use and greenhouse gas emissions. During the Quarterly Business Review meetings, which involve the operations managers and executive team, sustainable development issues are typically presented and discussed. Risk assessments with identification of mitigation measures are also covered. Finally, sustainable development matters are presented to the Health, Safety, Environment and Sustainable Development Committee of the Board of Directors at each Board meeting.

Tailings management is one of the highest risk areas for any mining operation. We have adopted a tailings management standard to ensure a framework is in place to fulfill our commitments to responsible tailings management.

**Management Diversity:** Our Board consists of 12 directors, of whom all but one director are independent. The Board of Directors recognizes that diversity is important to ensuring the Board

as a whole possesses the qualities, attributes, experience and skills to effectively oversee the strategic direction and management of the Company. It considers diversity to include different genders, ages, cultural backgrounds, race/ethnicity, geographic areas and other characteristics of its stakeholders and the communities in which the Company is present and conducts its business. The Board of Directors does not set any fixed percentages for any specific selection criteria as it believes all factors should be considered when assessing and determining the merits of an individual director and the composition of a high functioning Board. The proportion of women is currently 27% of the non-executive directors and the proportion of non-resident Canadians is currently 27% of the non-executive directors.

**Stakeholder Advisory Committee:** We have established a Stakeholder Advisory Committee (SAC) to help us make strategic links and to complement our existing local stakeholder engagement activities. This approach also supports our global efforts to engage with our stakeholders on a regular basis and in a meaningful way. The SAC provides us with constructive feedback from a diverse group of priority stakeholders. It provides advice on building a focused sustainability strategy and a business case for our investments in sustainability as well as reviewing our sustainability initiatives – including our environmental and social policies, programs, operational performance, communication and engagement.

At Agnico Eagle we respect and value our employees because our progress is built on their competence, capacity and engagement. Norman Eherk is an apprentice welder at Meadowbank.



# TRUST RESPECT EQUALITY FAMILY RESPONSIBILITY

## AGNICO EAGLE'S FIVE PILLARS

At Agnico Eagle, our efforts are supported by our Five Pillars: Trust, Respect, Equality, Family and Responsibility. These pillars define who we are and guide us in everything we do. They are a vital link to our history, central to our culture and an essential element to our success.



## AGNICO EAGLE

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