

We make mining work

2019



Agnico Eagle Mines Limited
Sustainable Development Report



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About This Report

About This Report

The 2019 Sustainable Development Report marks the 11th year that Agnico Eagle Mines Limited (“Agnico Eagle” or the “Company”) has produced a detailed account of our health, safety, environmental and social performance. It is intended to give a better understanding of how the Company manages the challenges associated with health, safety, environmental and social risks. This report reflects our performance from January 1 to December 31, 2019.

This report has been prepared following the Global Reporting Initiative (GRI) Standards: Core Options, with additional mining industry specific indicators incorporated into the Mining and Metals Sector Supplement. New in our 2019 report is the inclusion of Sustainability Accounting Standards Board (SASB) Metals and Mining disclosures and metrics, which identify financially material sustainability topics and metrics relevant for our industry. For more information about our disclosures against these frameworks, see Agnico Eagle Global Performance Summary Data (page 66). For detailed GRI and SASB files visit our [website](#).

The Canadian Malartic Mine (50% Agnico Eagle) sustainable development performance is published in a separate report that can be found on the website canadianmalartic.com.

Unless otherwise specified, all funds are reported in USD and all information in this report is as of December 31, 2019.

We Make Mining Work


The theme of Agnico Eagle’s 2019 sustainable development report reflects our long-standing approach to doing business – which is to responsibly develop mineral resources for the benefit of all.

Everywhere we operate, we make mining work by:

- being reliable and honouring our commitments;
- innovating and using technology to improve our results and reduce our impact on the environment, the people and surrounding communities;
- having open minds and being a trusted community partner;
- offering mutual respect and ensuring everyone’s voice is heard;
- sharing opportunities with our communities and partners; and
- building, earning and continuing to maintain the trust of our stakeholders, on whom so much of our success depends.

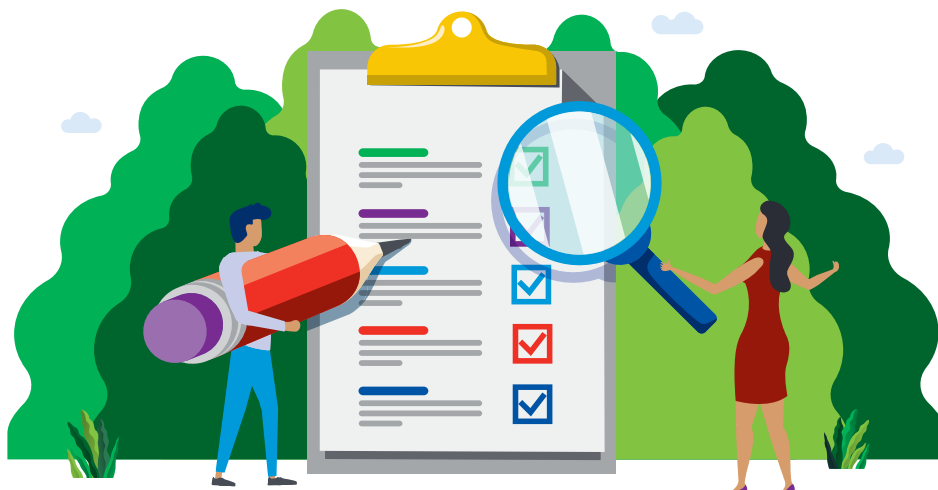
We believe that in order for mining to work, it must work for all stakeholders. It is the way we have done business for over 60 years; it is the way we intend to do business for decades to come.

We will continue to collaborate with our stakeholders to create growth and prosperity, allowing key stakeholders to benefit from our mining experience.



Contact Us

We invite your comments and questions about this report. To learn more, please visit our website at agnicoeagle.com or send us an email at SD@agnicoeagle.com

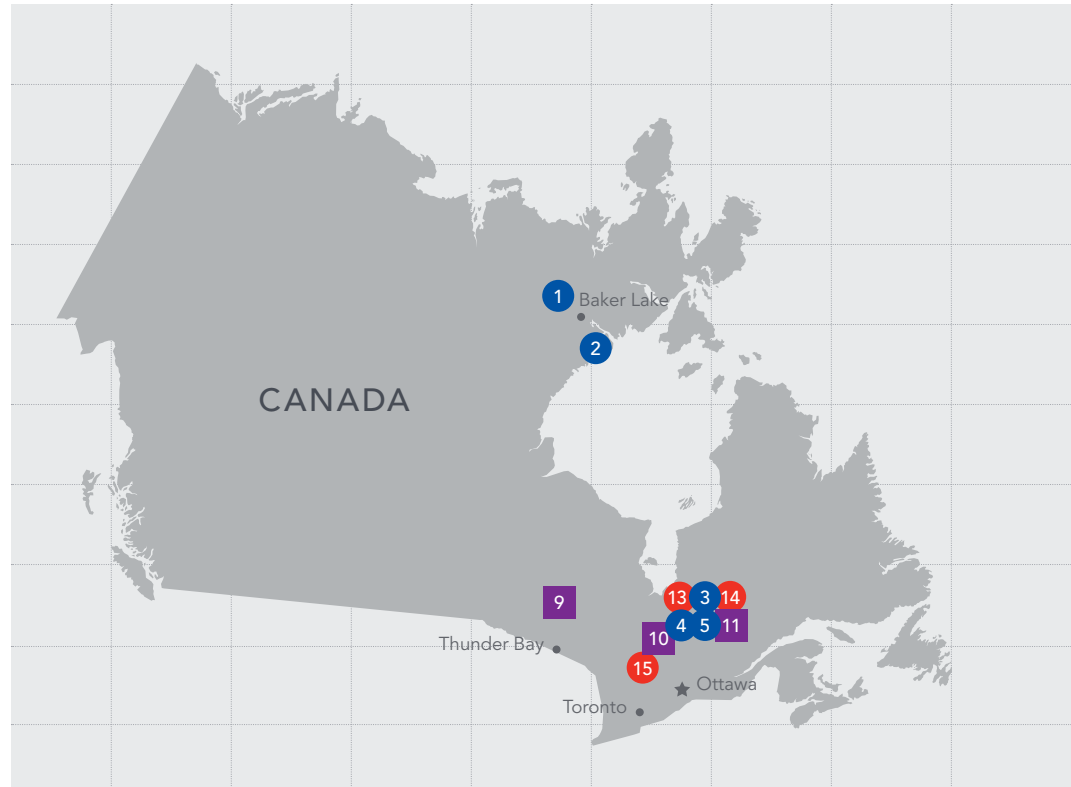




Agnico Eagle At-a-Glance

Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957.

Our operating mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these countries, as well as in the United States and Sweden.



Mineral Reserves and Mineral Resources

For a detailed description of the Company's mineral reserves and mineral resources, please see the Company's news release dated February 13, 2020 at agnicoeagle.com.

● Operating Mines

1. Meadowbank Complex

Nunavut, Canada
Open pit mine in northern Canada

2019 payable production (ounces of gold):

193,489¹

2. Meliadine Mine

Nunavut, Canada
Underground mine in northern Canada

2019 payable production (ounces of gold):

238,394¹

3. LaRonde Complex

Quebec, Canada
Underground mines in Abitibi region

2019 payable production (ounces of gold):

LaRonde Mine	LaRonde Zone 5 Mine
343,154	59,830

4. Goldex Mine

Quebec, Canada
Underground mine in Abitibi region

2019 payable production (ounces of gold):

140,884

5. Canadian Malartic Mine²

Quebec, Canada
Open pit mine in Abitibi region

2019 payable production (ounces of gold):

334,596¹

6. Kittila Mine

Lapland, Finland
Underground mine in northern Finland

2019 payable production (ounces of gold):

186,101

7. La India Mine

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

2019 payable production (ounces of gold):

82,190

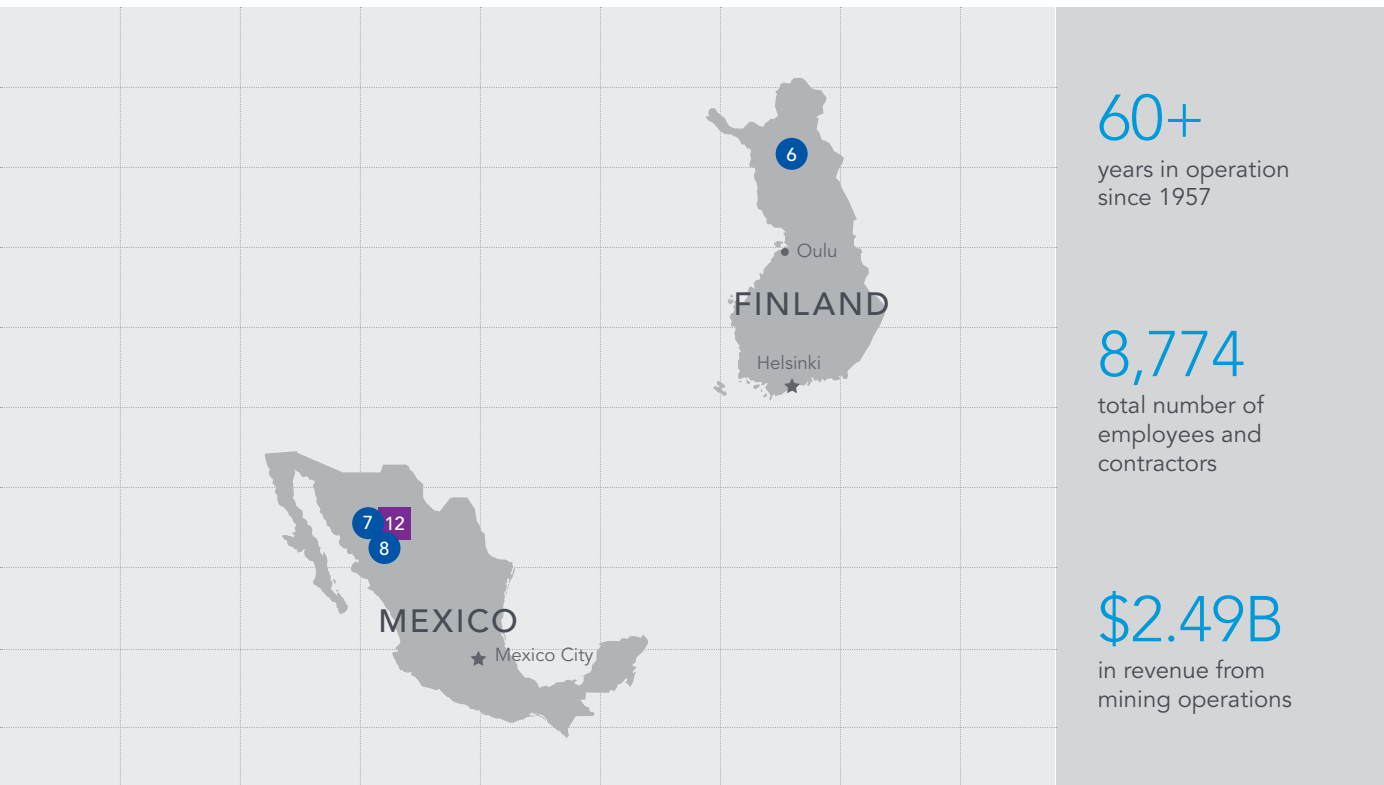
8. Pinos Altos & Creston Mascota Complex

Chihuahua State, Mexico
Open pit and underground mines with milling and heap leach operations (gold, silver by-product)

2019 payable production (ounces of gold):

Pinos Altos Mine	Creston Mascota Mine
155,124	48,380

1. Includes pre-commercial gold production of 35,281 ounces at the Meadowbank Complex; 47,281 ounces at Meliadine; and 3,137 ounces at Canadian Malartic, respectively.
2. 50% ownership.



■ Exploration Projects

9. Hammond Reef Northwestern Ontario, Canada

The Hammond Reef gold exploration project is an open pit project. Measured and indicated mineral resources have been outlined.

10. Kirkland Lake Northeastern Ontario, Canada

The Kirkland Lake project covers approximately 27,312 hectares and mineral reserves and mineral resources have been outlined on several properties.

11. Canadian Malartic – Odyssey, East Gouldie & East Malartic Projects² Quebec, Canada

Potential new source of underground ore located east of the Canadian Malartic mill.

12. Santa Gertrudis Sonora, Mexico

A historical heap leach operation that produced approximately 565,000 ounces of gold from 1991 to 1994.

● Closed Sites

13. Lapa Quebec, Canada

Mining activities ceased on December 31, 2018. Closure and rehabilitation activities are underway.

14. Eagle & Telbel Quebec, Canada

Mining activities ceased in 1993. Infrastructure areas have been rehabilitated and revegetated. Post-closure monitoring and maintenance activities are carried out. The Company is also currently testing some rehabilitation techniques to allow for more permanent solutions to close the tailings storage facility.

15. Cobalt-Coleman Properties Ontario, Canada

Mining activities ceased in 1989; post-closure monitoring and maintenance are carried out. Updates of the closure plans were approved by government authorities in 2019 and rehabilitation work is ongoing.

Offices

Exploration

- Vancouver, Canada
- Chihuahua & Hermosillo, Mexico
- Kittila, Finland
- Barsele, Sweden
- Reno, USA
- Val-d'Or, Canada

Administration and Support Services

- Chihuahua & Hermosillo, Mexico
- Kuopio, Finland
- Rouyn-Noranda, Preissac and Val-d'Or, Canada
- Toronto, Canada



A Message from Our CEO

Agnico Eagle’s reputation as a high-quality, low-risk, sustainable gold company is supported by our culture of operating with the best interests of our key stakeholders in mind – investors, employees, communities and governments. Those interests include generating superior long-term returns for our shareholders, creating a great place to work for our employees and making a positive contribution to the communities and countries in which we operate.

SEAN BOYD
Vice-Chairman and
Chief Executive Officer

In 2019, we continued to create growth and prosperity, allowing all stakeholders to benefit from our mining experience. We successfully commissioned two new mines in the Canadian Arctic, leading to record production for our Company. In addition to the \$5 billion Agnico Eagle has invested to build our Nunavut mining platform, we have worked closely with our Inuit partners to make critical investments in the social, economic, transportation and energy infrastructure of the territory. Agnico Eagle will continue to advance Indigenous participation in our mining projects, targeting initiatives that provide high-quality employment and training programs, along with business development and financial compensation.

Facing the Future with Confidence

During this global pandemic crisis, fulfilling our corporate responsibilities has never been so challenging or so critical to our collective social, economic and environmental well-being.

Agnico Eagle will continue to go above and beyond to protect the health and safety of our employees and our local communities, and to keep our business strong. We will remain a strong and efficient operator, a thoughtful employer and an unwavering supporter to our local communities and governments. We will continue to act quickly and do the right thing, remaining as agile and resilient as possible in order to face the future with confidence.

Working together in the spirit of cooperation, we will overcome one of the greatest challenges faced in generations.

– Protecting our employees:

Agnico Eagle is sparing no effort to support our employees both physically and financially. We have taken extraordinary measures to continue improving our hygiene protocols and the protection of our workers from COVID-19.

– Protecting our communities:

We are working closely with community authorities and businesses to support the most vulnerable people in our society and to provide critical health, safety, food and other supplies where the need is greatest.

– Protecting our operations:

While our operations have been negatively impacted as we temporarily reduce activities at several sites, we have the financial strength and resilience to weather this pandemic crisis and to protect the continuity of our business.

We will maintain the highest standards in order to provide a healthy and safe working environment in each of our operations, now and for the future.

Our safety performance improved throughout the year compared to 2018 and three of our sites achieved their best-ever safety performance. However, we must never be content with accidents occurring on sites and we must be relentless in reducing injuries in the workplace to achieve our goal of zero severe accidents.

I firmly believe Agnico Eagle has a very bright future, largely due to our strong culture and our commitment to our employees and communities. Together, we make mining work for the benefit of current and future generations.

A Message from Our Senior Vice-President

Since my arrival at Agnico Eagle 15 years ago, I have witnessed first-hand the respect this Company holds for our people, our host communities and the environment. I have had the pleasure of working at Agnico Eagle mines in Quebec and Finland, as well as with the teams in Mexico and Nunavut. It is clear to me that our culture and values transcend borders and time.

For over 60 years, Agnico Eagle has worked hard to earn our reputation as a partner of choice within the industry by operating with respect for others, building trust, being reliable and sharing opportunities.

We are determined to ensure that mining works for everyone – for our employees, stakeholders and the communities, including Indigenous communities, where we operate. We believe that responsible growth not only sustains our business, it can bring prosperity for the benefit of future generations.

That is why, when exploring in a new region, we aim to develop a platform from which multiple mines could be discovered and operated over decades, while building capacity at the individual, community and business level. Whether training an entry level employee to operate equipment in our mines, working with local communities to build critically needed facilities, or contracting local businesses to provide services to our sites, our goal is to provide a better quality of life for all.

Agnico Eagle has always made mining work by treating our employees and communities with respect, and by taking our environmental responsibilities seriously.

Respect for employees: The health and safety of our employees is paramount. We have made significant strides in improving our safety record over the past decade, but to achieve safe production and zero severe accidents will require new energy, technology and discipline.

In 2019, Agnico Eagle reduced its combined global accident frequency rate by 23% and our LaRonde, Goldex and Kittila mines achieved record safety performance. We continue to work toward having every job, every day, completed safely. In order to mitigate workplace risk and keep our people safe, we adopt a mindset where we are each responsible for our own safety,

along with the safety of everyone and everything around us. We aspire to achieve continuous improvement in all areas of our business and in 2020, we will strive to reduce workplace injuries and reach our goal of zero serious accidents.

Respect for communities:

We have enhanced and deepened our engagement with Agnico Eagle's community stakeholders, collaborating closely to identify and invest in community-based priorities, provide good quality job opportunities, and to maintain social acceptance of our mining activities. We are guided by the needs of each community, ensuring our investments are helping to achieve common community goals – whether pledging funds to address youth mental health issues in Nunavut, or helping the town of Yepachi with repairs to their school classrooms.

Respect for the environment:

Maintaining our social license to operate depends extensively on our ability to respect our environmental commitments and improve our environmental performance. Agnico Eagle continues to enhance our accountability and transparency on these issues, working to reduce our energy use and greenhouse gas emissions, and meeting our stewardship obligations through enhanced water, tailings and waste management programs. Our sites continue to innovate in order to adapt to changing climates in the world, and to mitigate the impact of climate extremes and unpredictable weather events.

Agnico Eagle will continue to make mining work for our stakeholders by building trust, sharing opportunity and operating with respect for others. In 2020, we will continue to enhance our track record of sustainable business success, value creation and social responsibility.



A stylized, handwritten signature in black ink, appearing to be 'CP'.

CAROL PLUMMER
Senior Vice-President, Sustainability



Our Approach

Agnico Eagle promotes a culture of excellence that encourages our employees to continuously improve their skills and performance and to not only meet, but exceed, regulatory requirements for health, safety and the environment.

We continue to integrate sustainable development considerations into our business strategy as well as in the way we plan and manage our activities.

Our Sustainable Development Policy highlights our commitment to health and wellness, to the protection of Human Rights, and to minimize risks associated with the management of tailings and water. We regularly review our Sustainable Development Policy and in 2019, we updated it to reflect our commitments to the new Towards Sustainable Mining (TSM) water management protocol and the World Gold Council's Responsible Gold Mining Principles (RGMP).

Sustainability is fundamental to all phases of our operations from exploration to reclamation. We assess potential impacts and risks associated with our activities across the whole lifecycle of our

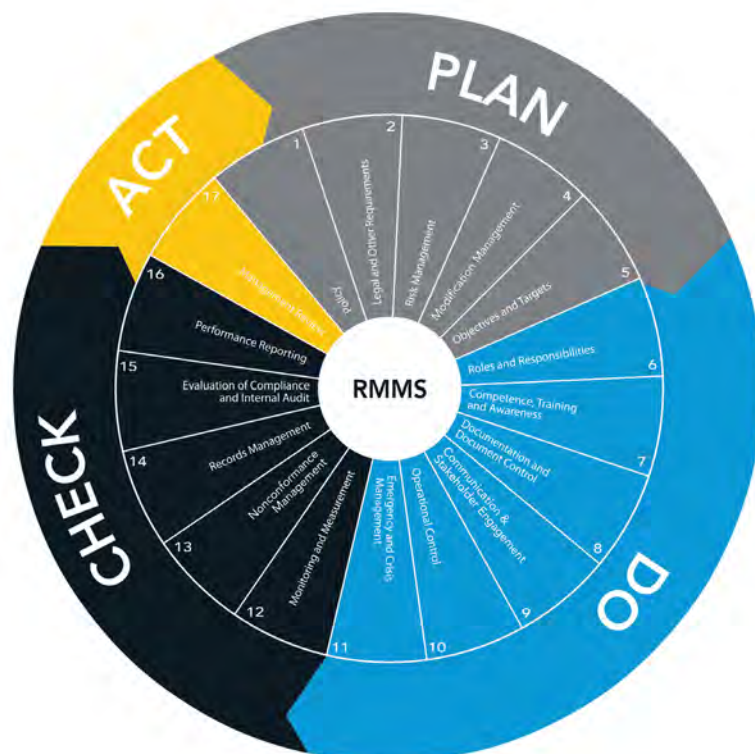
projects and operations, including the potential impacts of possible acquisition and divestiture decisions, based on our sustainability values.

In 2019, we continued to strengthen the governance of our critical infrastructure including all tailings and water storage facilities. All operating sites have clearly defined roles and responsibilities for the management of their critical infrastructure, including a responsible person (RP), an engineer of record (EoR), a design engineer (DE) and an independent review board (IRB). Agnico Eagle is convinced that this governance model results in better risk management.

We are committed to implementing standards developed through international initiatives, principles, codes and programs to which Agnico Eagle is a signatory.

Risk Management and Monitoring System

The Risk Management and Monitoring System (RMMS) is the foundation for managing the commitments made in our Sustainable Development Policy and under the international and national initiatives, codes and programs to which we are a signatory. Our RMMS is aligned with the intent of the ISO 14001 Environmental Management System and the ISO 45001 (Occupational health and safety management systems).



Towards Sustainable Mining

The Mining Association of Canada's (MAC) Towards Sustainable Mining (TSM) initiative promotes best practices in environmental protection, energy efficiency, community engagement, safety and transparency. TSM external audits are a condition of membership in MAC and are performed every three years, with the next one scheduled for 2021. Annual self-audits are also carried out. Both external and self-audits are disclosed publicly mine by mine on the MAC website.

Cyanide Code

The Kittila, Pinos Altos, La India and Meadowbank mines are certified as compliant with the International Cyanide Management Code – a voluntary program developed under the guidance of United Nations Environmental Program in partnership with members of the International Council on Metals and the Environment. The LaRonde and Meliadine mines are working toward their first certifications in 2021 and 2022, respectively. The audit reports are disclosed publicly on the ICMC website mine by mine.

Conflict-Free Gold Standard

Agnico Eagle understands that operating responsibly and maintaining the trust of our stakeholders requires that we demonstrate that the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international law. As such, we have adopted and implemented the World Gold Council's (WGC) Conflict-Free Gold Standard (CFGS). Annual audit and certification reports are available on our [website](#).

Responsible Gold Mining Principles

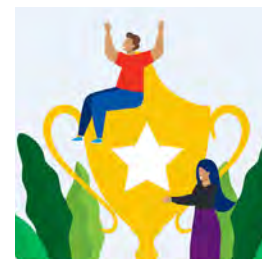
In 2019, the WGC launched the RGMP, a new framework that sets out clear expectations for consumers, investors and the downstream gold supply chain as to what constitutes responsible gold mining. The WGC has set out the Principles that it believes address key environmental, social and governance concerns for the gold mining sector. As a member of the WGC, we have committed to implement the Principles and complete an external verification within three years. In 2019, we completed a gap analysis to identify the areas not covered by the commitments that we have already made.

Voluntary Principles

The Voluntary Principles on Security and Human Rights (VPs) guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. Agnico Eagle began adopting the VPs in 2016 and became a formal member in 2017.

The United Nations Sustainable Development Goals

Agnico Eagle is working to support progress on the Sustainable Development Goals (SDGs). We recognize that the mining industry has an opportunity to positively contribute to all 17 of the SDGs. You will find SDG Spotlights describing how our activities are related to the SDGs on our [website](#).



2019 Awards and Recognition Highlights

Corporate Knight's 2019 list of Canada's 50 Best Corporate Citizens

Kittila
Regional Developer in Lapland Award

Abitibi
Community Engagement Award (in large business category)

Mexico
Diversity and Inclusion Award in the category of more than 500 employees
Inducted to the Great Place to Work Hall of Fame

Pinos Altos and Creston Mascota
Human Rights Compliance Award
Corporate Social Responsibility Award

Nunavut
Best Surface Rope Rescue – Mine Rescue Competition

For more information on our awards and recognitions visit our [website](#).

Our Sustainability Commitment

We are committed to creating value for our shareholders while operating in a safe, socially and environmentally responsible manner, contributing to the prosperity of our employees, their families,

the communities and respecting human rights, cultures, customs and values of those impacted by our activities. This translates into four fundamental objectives:

Respect Our Employees



Respect Our Environment



Operate a Safe and Healthy Workplace



Respect Our Community





2019 Performance Highlights

We are committed to maintaining high performance standards in health, safety, environment and community development. Sustainable development is integrated into our business strategy and our management principles. For Agnico Eagle, this is a non-negotiable item of good management.

Health, Safety and Wellness

See page 20 for more details.



0

Fatalities

3

Severe Accidents

0.99

Combined Lost-time Accident
and Restricted Work Frequency

Environmental Stewardship

See page 28 for more details.



520,832

Greenhouse Gas (GHG) Produced
(Tonnes of CO₂ Equivalent)

0.027

CO₂ Equivalent/
Tonnes of Ore Treated

9.532 Mm³

Freshwater Withdrawn

Our People

See page 44 for more details.



59%

Local Workforce

16%

Women in the Workforce

442

Inuit Employees in Nunavut

Socio-Economic Development

See page 54 for more details.



\$7.4M

Community Investments




\$637M














Wages and Benefits

\$865M

Payments to Local Suppliers

Our Objectives & Targets

 Achieved
  On Track
  Not Achieved

Topic	2019 Target	2019 Status	2020 Objective
Governance			
Public Policy	Support our Inuit partners in advocating for federal investment in public infrastructure in Nunavut		Continue to support our Inuit partners in advocating for federal investment in public infrastructure in Nunavut Work with Indigenous partner groups in Quebec to advocate for a formula with the Government of Quebec to share mining royalties
Health and Safety			
Health and Safety	Achieve a combined Global Accident Frequency below 1.10		Achieve a combined Global Accident Frequency below 1.05
Personal Injuries	Zero fatalities		Zero fatalities
Environmental Stewardship			
Environmental Compliance	Develop and implement action plan to reduce probability and consequence of incidents (2019–2020)		Finalize Environmental Incident Management Standard
	Achieve zero major (level 4) or critical/extreme (level 5) environmental incidents		Achieve zero major or critical/extreme environmental incidents
Environmental Closure	Continue reclamation of orphan site “Manitou” in co-operation with Quebec Ministry of Energy and Natural Resources		Continue reclamation of orphan site “Manitou” with Quebec Ministry of Energy and Natural Resources
	Complete closure of underground infrastructure and dismantling of equipment at Lapa Mine		Continue dismantling of surface infrastructure and rehabilitation work, transportation of waste rock to the LaRonde Mine
Tailings and Waste	Finalize the implementation of the governance model in line with TSM Tailings Protocol		Update risk assessment of critical infrastructure (2019–2020)
Climate Change	Implement measures to reduce the GHG emissions and consider effects of climate change		Prepare first Climate Action Plan Strategy and initiate risk assessment in line with TFCD ¹ requirements
Our People			
Employment, Jobs	Continue implementation of initiatives to support long-term goal of increasing local employment toward 100%		Implement workforce management process to ensure all reasonable steps are taken to provide long-term sustainable jobs for our people
Diversity and inclusion	Develop an action plan to increase diversity and foster an inclusive workforce		Implement actions to increase diversity in the workplace
Socio-Economic Development			
Community Satisfaction	Identify/prioritize initiatives to help support community satisfaction and development		Continue to negotiate relevant agreements with First Nations for projects in Ontario and Quebec Implement the <i>Good Neighbour Guide</i> for operations in Abitibi
Stakeholder Engagement	Engage with Indigenous groups around our existing mines and projects as part of our reconciliation commitment		Enhance our process in order to align expectations between Indigenous groups, government and Agnico Eagle Audit stakeholder mapping process

1. Task Force on Climate-related Financial Disclosure



Stakeholder Engagement

Engagement with our key stakeholders – from our local communities and rightsholders to our investors – helps to enhance our mutual understanding of interests, concerns and objectives, while also strengthening relationships throughout the mining life cycle.



We have a unique responsibility to ensure we are addressing the evolving needs and priorities of our business as well as those of key stakeholders.

Our approach is to foster an open, transparent and respectful dialogue that encourages collaboration and builds long-term trust-based relationships. Direct engagement with local stakeholders is fostered by our presence in the communities, information sessions, open dialogue, availability to local media and access to a confidential grievance reporting mechanism.

Stakeholder Advisory Committee

We have established a Stakeholder Advisory Committee (SAC) to provide us with feedback on our corporate social responsibility efforts and to complement and help us make strategic links to our existing local stakeholder engagement activities. This is a group of independent but interested individuals coming from a varied array of stakeholders selected to represent Canadian society at large. This approach also supports our global efforts to engage on a regular basis and in a meaningful way. The SAC was established in 2011 and has met annually since then.

2019 SAC Key Recommendations

Developing a Climate Change Strategy and Partnerships

- Develop a robust climate change strategy that addresses physical and transition risks, leverages opportunities and enhances Agnico Eagle's reputation as an industry leader by integrating social and environmental aspects.
- Focus on adaptation and resilience. Incorporate Indigenous knowledge to inform the climate change strategy and monitoring program.

Achieving Social Acceptability

- Adopt a people-centric approach, recognizing that achieving social acceptability is about relationships.
- Create a common vision with communities and jointly approach governments on initiatives.
- Strive to ensure that the economic benefits of mining in Indigenous communities are focused on the needs of the entire community.
- Openly negotiate impact benefit agreements.
- Tailor social investments to community development priorities.
- Develop a strategy to support the development and advancement of our Inuit employees to the senior management level and support more meaningful Indigenous employment overall.
- Consider and address the impacts of employment practices (e.g., fly-in fly-out) on communities.
- Integrate Indigenous traditional knowledge into monitoring programs and closure planning.

Other

- Review risk practices related to low likelihood, high consequence events to ensure these are not gaps or blind spots.
- Engage mine management in evaluating the efficacy of sustainability standards and practices on the ground.
- Improve the sustainable development report by:
 - Reporting on current / former employee illness and disease rates.
 - Providing a definition of what constitutes 'local' for local procurement.
 - Providing a breakdown of grievances impacting women and children.
- Invest in independent social science research.

2019 Key Engagement Topics



Our Workforce

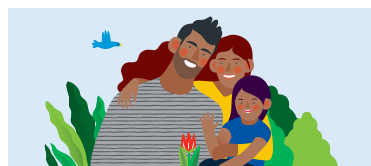
Key Topics

- Leadership transition
- Employment stability

Our Response

- Implement a Senior Leadership Transition Plan.
- Implement a workforce management team and improved tools to enable quicker analysis and improve workforce decisions.

→ See *Our People* page 44 to learn more.



Communities

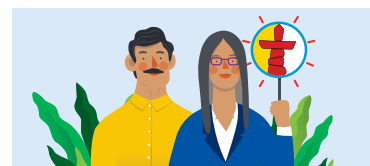
Key Topics

- Local employment
- Community investments
- Complaints and grievances management

Our Response

- Hold employment information sessions in remote communities and booths at local job fairs.
- Implement social investment policies for donation requests and engage with communities to ensure investments are aligned with community priorities and our values.
- Hold regular community information sessions. All operations have a community complaints response system in place.

→ See *Socio-Economic Development* page 54 to learn more.



Indigenous Governments

Key Topics

- Impact benefit agreements
- Cultural awareness
- Indigenous employment

Our Response

- Conduct regular audits of compliance of current agreements. Actively negotiated with relevant rightsholders to finalize additional agreements.
- Work with local Indigenous groups to implement and update cultural awareness training for our operations.
- Human resources and recruitment teams work to identify and address barriers to Indigenous employment.

→ See *Socio-Economic Development* page 54 to learn more.



Governments and Regulatory Bodies

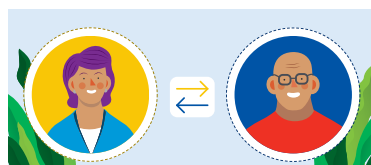
Key Topics

- Socio-Economic Development
- Climate Change and GHG Reduction
- Wildlife Protection
- Tailings, Waste and Water Management
- Noise, Air and Vibration

Our Response

- Collaborate with relevant associations and agencies on projects and initiatives.
- Comply with required reporting and disclosures.
- Raise awareness of initiatives and build a strong platform for advocacy by participating in regional and national conferences.

→ See *Socio-Economic Development* page 54, *Environment* page 28, *Governance* page 15 to learn more.



Suppliers

Key Topics

- Increased opportunities for local businesses
- Health and Safety

Our Response

- Work with local businesses to support increasing their capacity.
- Negotiate tailored contracts with local suppliers to enable success in supplying operations.
- Ensure participation of contractors in on-site Health & Safety Committees.

→ See *Socio-Economic Development* page 54, *Health, Safety and Wellness* page 20 to learn more.



Investors and Analysts

Key Topics

- Environment, Social and Governance (ESG) performance data
- Business Sustainability
- Workforce diversity

Our Response

- Improve access to ESG performance data by providing GRI and SASB results.
- Publish our Diversity and Inclusion Policy and created a Diversity and Inclusion Council.

→ See *Our People* page 44, *Agnico Eagle Global Performance Summary Data* page 66 to learn more.



Sustainability Materiality Assessment

As a global mining company, we have a unique responsibility to ensure we are addressing the evolving needs and priorities of our business as well as those of key stakeholders – including shareholders, employees, contractors, business partners, communities, rightsholders, governments and others.

Our sustainability materiality assessment serves as a guide in deciding what to prioritize in our sustainability initiatives along with what is relevant to disclose in our sustainability reporting. We reviewed our materiality assessment on a regular basis and completed a full update in 2019.

A material issue with respect to sustainability initiatives is one that:

- has significant current or potential impact on the Company over the next three to five years; and
- is of significant concern to our key stakeholders.

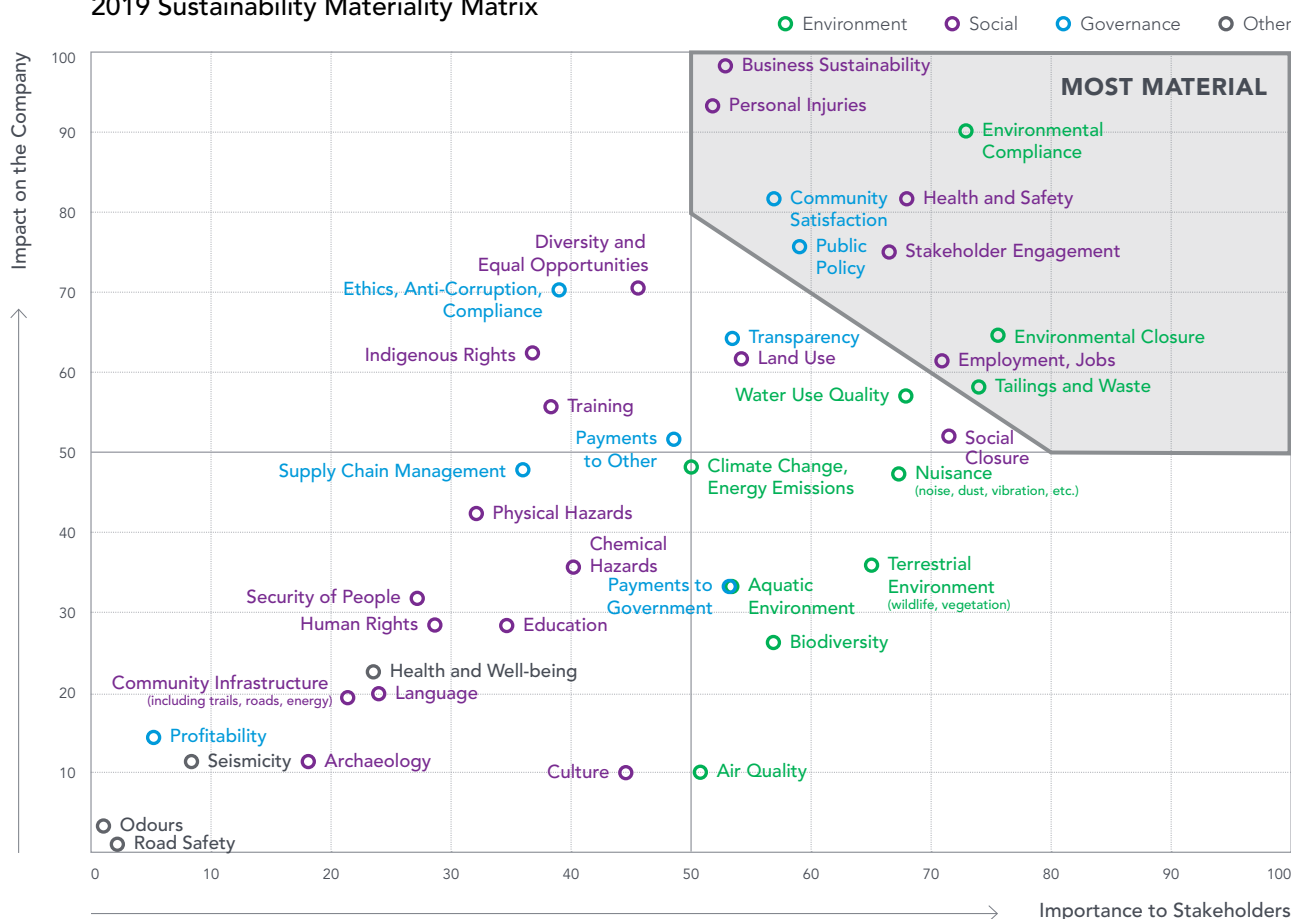
Our 2019 materiality assessment with respect to sustainability initiatives identified the following topics that will be our focus during 2020/2021:

- Environmental Closure
- Tailings and Waste
- Environmental Compliance
- Employment, Jobs
- Health and Safety
- Stakeholder Engagement
- Public Policy
- Community Satisfaction
- Business Sustainability
- Personal Injuries

Our Materiality Process:



Figure 1.
2019 Sustainability Materiality Matrix



The topics that were considered most material with respect to sustainability matters are:

Environmental Closure

Rehabilitate sites to ensure long-term physical and chemical stability.

→ See page 39 for more.

Tailings and Waste

Strong governance of critical infrastructure and optimization of waste management practices.

→ See page 36 for more.

Environmental Compliance

Ensure the highest standard of compliance with applicable laws, regulations, Company policy and stakeholder commitments in a transparent way.

→ See page 38 for more.

Employment, Jobs

Provide long-term sustainable jobs for our people.

→ See page 48 for more.

Health and Safety

Operate a safe and healthy workplace that is injury and fatality free. Enhance the well-being of our employees, contractors and communities.

→ See page 20 for more.

Stakeholder Engagement

Foster an open, transparent and respectful dialogue with stakeholders.

→ See page 10 for more.

Public Policy

Partnering with local stakeholders and industry to promote public policy related to infrastructure development in remote areas, employment training, land use management and wildlife protection.

→ See page 19 for more.

Community Satisfaction

Address complaints and concerns in a timely and respectful manner. Maintain a social license to operate.

→ See page 58 for more.

Business Sustainability

A high-quality business that generates superior long-term returns, allowing investment in the renewal of our reserve base and continued employment and business opportunities for our host communities.

→ See page 17 for more.

Personal Injuries

Provide appropriate equipment and training for all employees to safely perform their duties. Maintain a high degree of emergency preparedness to effectively respond in the event of an emergency.

→ See page 23 for more.





Governance

Strong governance strengthens our practice, performance, and helps uphold our core values in an ethically responsible manner.

It is why we have adopted clear policies regarding ethical conduct, adherence to strict human rights protection standards and public disclosure of information on our practices and payments. In particular, Agnico Eagle began adopting the Voluntary Principles on Security and Human Rights (VP) in 2016. The VPs are standards to help extractive sector companies balance their obligation to respect human rights while protecting the assets and people at their operations.



Governance in Action

Ensuring Environmentally Sound and Socially Responsible Resource Development

“We take the opportunity as a Board to visit Agnico Eagle’s mine sites and to meet and ask questions of the people who are directly responsible for ensuring healthy, safe and environmentally responsible operations.

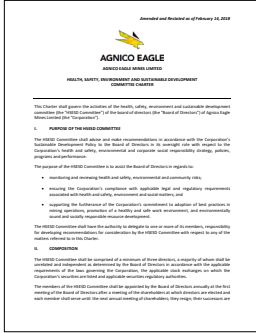
Equally important is that our sites have all adopted the same best practices and management frameworks, which allows our internal and external stakeholders to fully measure and understand our performance.

Strong governance and oversight of Agnico Eagle’s sustainability performance is critical to maintaining the confidence and trust of not just our shareholders, but also our employees. It is also critical at the community level – wherever we operate, Agnico Eagle aspires to be the employer and partner of choice.”



DEBORAH McCOMBE

Member, Agnico Eagle Board of Directors; Chair of the Health, Safety, Environment & Sustainable Development Committee of the Board



Health, Safety, Environment and Sustainable Development Committee Charter

Management Accountability

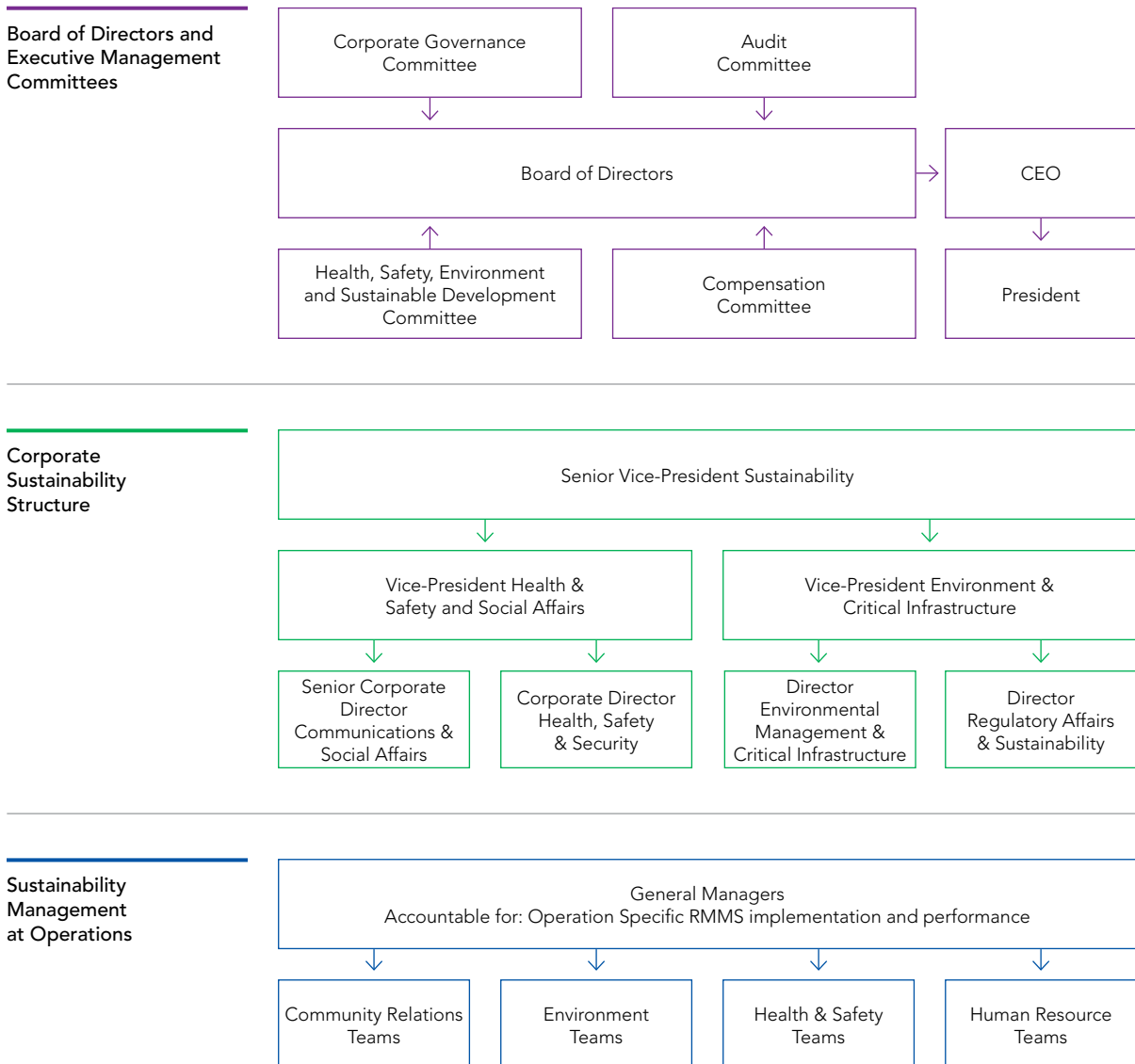
Sustainability is integrated throughout the management structure at the Board, executive and operational levels, as illustrated in Figure 2. This wide base of accountability is one way in which we make mining work.

At the **Board level**, sustainable development matters are presented to the **Health, Safety, Environment and Sustainable Development (HSESD) Committee** of the Board of Directors at each quarterly Board meeting.

At the **executive level**, corporate oversight and implementation of the sustainable development program are the direct responsibility of one executive officer – the Senior Vice-President Sustainability who reports directly to the President. The Corporate Sustainability team is responsible for overseeing our sustainability strategy, and, in collaboration with the operational teams, for setting and implementing goals, and for measuring progress of key performance indicators.

At the **operational level**, processes are in place to ensure that sustainable development matters, along with risk assessment and mitigation measures, are integrated into the day-to-day management of our business. General Managers are responsible at the site level for the implementation of our RMMS, adherence to our Sustainable Development Policy and continuous improvement towards sustainability goals.

Figure 2. Sustainability Management Structure



The ABCs of Our Guiding Principles

Agnico Eagle developed a series of Guiding Principles to reinforce our management approach and culture throughout the Company.

A

Anchored in our values

- Open and transparent communications;
- Safe production;
- Highest standards of honesty, responsibility and performance;
- Highest levels of employee engagement;
- Sharing and developing employees' skills and expertise; and
- Maintaining our entrepreneurial skills and innovative spirit.

B

Based on collaboration

- Encouraging respectful open debates and healthy discussions; and
- Recognizing success resulting from both exceptional contributions and teamwork.

C

Clear and simple

- Simple practices based on common sense;
- Clarity on people's roles and contributions; and
- Alignment of employees and management on our business priorities.

Business Sustainability

Our mission is to build a high-quality, easy-to-understand business, one that generates superior long-term returns for our shareholders, creates a great place to work for our employees and contributes positively to the communities in which we operate. Making mining work for all is fundamental to our company's culture.

Our business strategy is centred on three pillars: performance, pipeline, people (see Figure 3).

Figure 3.

Three Pillars of Our Business Strategy



Performance

- Execute on our Five-Year Plan
- Optimize our Assets



Pipeline

- Build Reserve and Resource Life
- Add High-quality Development Assets



People

- Maintain an Engaged Workforce
- Improve Operational Efficiency



For more information on our business performance see our [2019 Annual Report](#).

Business Conduct and Ethics

Agnico Eagle's [Code of Business Conduct and Ethics](#) outlines the standards of ethical behaviour we expect from our people and those working on our behalf around the world. The Code applies to all directors, officers, employees and agents and commits them to conducting business in accordance with all applicable laws, rules and regulations and to the highest ethical standards.

We have also adopted a Code of Business Ethics for consultants and contractors and a [Supplier Code of Conduct](#). The Audit Committee is responsible for monitoring compliance with the adopted codes. We have established a toll-free "whistleblower" ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including concerns regarding accounting, internal accounting controls or other auditing matters, Code of Conduct violations, ethical conflicts, environmental issues, harassment or discrimination.

In 2019, we received five complaints through the whistleblower hotline. Three of the reports were in relation to human resources matters, one was in relation to allegations of procurement irregularities and one was in relation to environmental concerns. Each of these cases was closed following an investigation (four) or were closed on the basis that no investigation was necessary (one).



We have finalized a set of consequence severity criteria specific to human rights and security and once a risk assessment of the new criteria is completed in 2020, our Canadian and Finnish operations will undergo independent assessment against the Voluntary Principles.

Anti-Corruption

We aim to conduct business in accordance with all applicable laws, rules and regulations and the highest ethical standards. We do not tolerate bribery or corruption and we are committed to acting professionally, honorably and with integrity in all business dealings and relationships. Operations and business activities are assessed on a periodic basis to ensure that the requirements of our [Anti-Corruption and Anti-Bribery Policy](#) and applicable procedures and guidelines are met. In 2019, no instances of fraud were reported to the Audit Committee and there were no legal actions for anti-competitive behaviour, anti-trust, or monopolistic practices.

Security and Human Rights

We conduct business in regions where human rights laws are respected and promoted, and we are committed to upholding fundamental human rights as defined in the United Nations Universal Declaration of Human Rights. This includes providing assurance that our operations will not support, benefit or contribute to unlawful armed conflict, human rights abuses, or breaches of international humanitarian law. We report on overall implementation of these matters through MAC's Towards Sustainable Mining annual progress report, the [Voluntary Principles on Security and Human Rights \(VPs\)](#) annual report and the [World Gold Council Conflict-Free Gold Assurance Report](#).

In 2019, we completed an independent assessment of the VPs at Pinos Altos. The assessment found robust human rights and security training programs, sound screening procedures, and proactive engagement with public security and the community on human rights related issues. Notably the assessment revealed the site's positive relationship with the surrounding communities which, in turn, has positive impacts on security.

As part of our RMMS risk assessment process we have included a set of **consequence severity** criteria specific to human rights and security in our evaluation matrix. In 2020, each mine will complete a risk assessment with the new criteria. Once the assessment is complete, our Canadian and Finnish operations will undergo independent assessment against the VPs.

Public Policy Initiatives

We focus on partnering with local stakeholders and industry to engage on public policy initiatives that support the sustainability of our industry and that of the communities in which we operate. Our priorities include initiatives related to infrastructure development in remote areas, training support, streamlining the permitting process, land use management and wildlife protection.

2019 Major Initiatives:

- Met with the Government of Nunavut, Nunavut Tuungavik Inc. and Inuit organizations to raise awareness of Nunavut project economics and royalties;
- Worked with the Government of Canada and Inuit organizations to identify funding streams and support for wind turbines in Nunavut and training programs for Inuit;
- Engaged with the Government of Nunavut regarding the industry’s role in housing initiatives;
- Engaged with the Government of Canada, Government of Nunavut, Inuit organizations and Non-Governmental Organizations on wildlife protection and land use management; and
- Advocated to the Government of Quebec in support of efforts to mitigate the costs associated with negotiating impact benefit agreements with First Nations and sharing of mining duties already paid to government.

Tailings Management Standard

Responsible tailings management is part of the commitments made in our Sustainable Development Policy, it means we are committed to managing tailings facilities to minimize effects on the environment and protect the health and safety of our employees and communities.

To fulfill our commitment to responsible tailings management we locate, design, construct, operate, decommission and close tailings facilities while ensuring that:

- All structures are stable;
- All solids are managed within designated areas;
- All aspects of tailings management comply with regulatory requirements, Company standards, sound engineering principles and applicable industry best practices, including the principles of MAC’s Tailings Guide; and
- Leadership, personal commitment and accountability from all employees and contractors involved in tailings management is promoted.

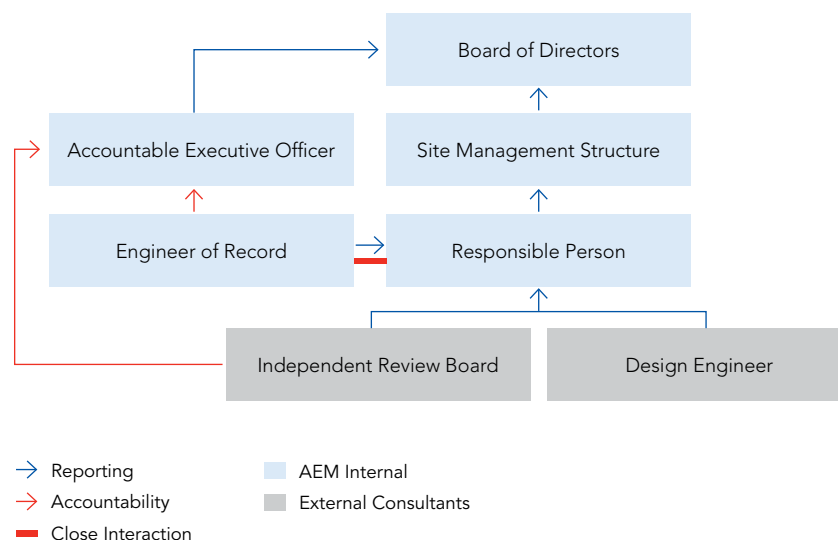
We continue to implement MAC’s tailings management governance model which provides clear accountability for tailings management (see Figure 4). For more details on our tailings management and our tailings performance see page 36 or consult our [Tailings Summary Report](#).



2019 Tailings Summary Report

Figure 4.

Governance Structure for Tailings Management at Agnico Eagle



Being accountable, being safe



2019 Key Highlights

0.99

Combined lost-time accident and restricted work frequency – employees and contractors

20,384,101

Hours worked, the highest in Agnico Eagle's history

0

Fatalities

0

Lost-time accidents at La India

Health, Safety and Wellness

We are committed to maintaining the highest health and safety standards possible. Our long-term goal is to strengthen our health and safety culture through individual accountability and leadership, and is accompanied by aspirational zero harm safety targets and leading performance indicators.

Mining poses workplace risks that we continuously seek to identify and mitigate in order to achieve safe production. Protecting the health and safety of employees, contractors and communities is fundamental to the long-term success of the industry. The human and economic cost of occupational accidents can be significant, and the industry needs to take responsibility to reduce all operational risks. Agnico Eagle believes that all work can be carried out safely throughout the life cycle of our operations and we regularly measure and verify our performance, striving for continuous improvement.

Hazard Identification and Risk Assessment

We use the *Supervision Formula* as a daily risk assessment tool at all Agnico Eagle sites. This tool gives all workers clear roles, responsibilities, and expectations for mitigating, reporting and communicating risks. We continue to develop additional support tools and training to ensure the optimum use and success of the *Formula* at our operations.

Identifying and mitigating hazards and risks is a key component for ensuring health and safety of all workers at our sites. We are focused on prevention and use a risk-based approach consistent with the ISO 45001 – Occupational Health and Safety Management System. We maintain a risk register at all our operations and risks are reviewed at regular intervals. Any unmitigated significant risk is reported annually to Agnico Eagle’s Board of Directors. We complete regular inspections and audits to ensure the highest standard of health and safety at our operations.

We report all incidents involving workers at our sites. We perform thorough investigations to understand root causes of incidents and to implement appropriate mitigation measures. We believe in sharing lessons learned across our operations and divisions, promoting the use of “safety shares” during not only Health and Safety (H&S) meetings but all meetings across the company, whether they are operational or management meetings, to raise awareness about safety across all levels of the organization. Additionally, all our operations have H&S committees in place that review and discuss health and safety issues at regular intervals.

Being prepared to respond to all forms of emergency remains a key element of our health and safety program. Each of our mining operations has its own Emergency Response Plan and has personnel trained to respond to safety, fire and environmental emergencies. Each site also maintains appropriate response equipment.

Infectious Diseases: Prevention and Management

Preventing and managing the spread of contagious diseases is essential for protecting our workers and keeping our operations running smoothly.

Our health and safety staff are trained on outbreak management and each operation has protocols in place to maximize prevention and decrease the spread of illness. Up-to-date information on Agnico Eagle’s approach can be found on our [website](#).



Our Health, Safety and Wellness Commitment

We believe that all accidents/incidents are 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 this, we:

- Use sound engineering principles in the design and operation of our facilities;
- Promote overall health and wellness and establish programs to protect them;
- Provide appropriate training for all employees to safely perform their duties;
- Identify, prevent, eliminate or mitigate the risks to health, safety and industrial hygiene;
- Maintain occupational health and industrial hygiene programs;
- Provide appropriate tools to work safely and efficiently; and
- Maintain a high degree of emergency preparedness to effectively respond to emergencies.



Global Safety Performance

There were no fatal accidents in 2019. The 2019 combined lost-time frequency (LTA) and restricted work (RW) frequency was 0.99 for employees and contractors. This is an improvement, compared to the previous year (1.28 See Figure 5), especially considering the extensive construction activity onsite in Nunavut in 2019.

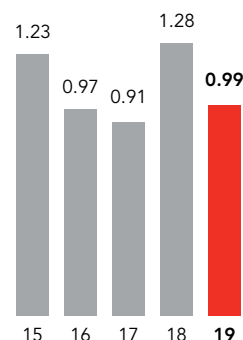
La India registered “0” zero lost time accidents in 2019. With the exception of Meadowbank, (2019 LTA and RW 2.61 against an objective of 2.25) all Agnico Eagle operating mines achieved an LTA and RW frequency below their respective 2019 objectives.

In 2019, we welcomed 1,219 new employees to our sites. Our performance is a testimony to our capacity to instill Agnico Eagle’s safety values to new employees and demonstrates that the *Supervision Formula* is the right tool to entrench safe production attitudes and behaviours. Our improved global performance again demonstrates Agnico Eagle’s capacity to engage with all employees and integrate our safety values and practices into their daily work habits.

2019 Key Trends

Figure 5.
Combined Lost-Time Accident and Restricted Work Frequency (per 200,000 hours worked)

23%¹
decrease from 2018



1. The percentage in Figure 5 was restated from 29% to 23% and the number of new employees from 960 to 1,219.



Our Emergency Response Teams are trained to respond to emergencies on our sites, as well as assist neighbouring communities in times of need.

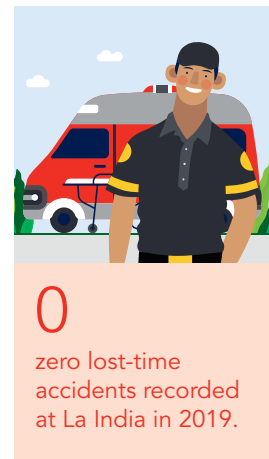
Our main safety challenges were at our Meadowbank Complex and Meliadine Mine in Nunavut, where 63% of the accidents (lost time and light duty assignment) in 2019 occurred despite these sites representing less than 30% of our total hours worked. In total, 65 of 101 accidents recorded by the Company were registered at these sites. An action plan is in place in Nunavut to reduce workplace accidents, including an awareness campaign, and *Supervision Formula* training.

In 2019, there were fewer near misses experienced by employees, mainly due to a comprehensive review of recorded near misses and the implementation of appropriate mitigation measures across our operations with a view to eliminate the hazard or reduce its probability of occurrence.

Personal Injuries

Despite our improved performance, three of our colleagues suffered severe accidents that resulted in a limb amputation (leg, arm, finger). These accidents were fully investigated to ensure that measures are taken to avoid re-occurrence. We provided ongoing support to the employees and their families impacted by these traumatic injuries.

Overall at our sites, 101 people experienced a workplace accident during 2019 that kept them from returning to their regular job the next day. Our sites continue on the journey to providing all employees with an accident free work environment and, to that end, all of our sites have detailed action plans in place with the goal of mitigating risks and preventing workplace accidents.





Health, Safety and Security Initiatives and Training

Safety remains a priority for Agnico Eagle, our employees and contractors. We are proud to have implemented several health and safety initiatives across our sites this year including:

1

Providing new driver awareness training to 160 Meliadine employees.

2

Continue implementation of automation at our LaRonde and Goldex sites, thus reducing human exposure in higher risk areas.

3

Installing a high energy fence at Pino Altos to control the risk of falling rocks.

4

Offering a workshop at LaRonde focused on taking a proactive approach to safety.

5

Introducing quarterly health and safety meetings in our Exploration Division.



Agnico Eagle's goal is to ensure our workforce has the knowledge, tools and training they need to perform their duties in an optimal and safe manner.



Safety remains a priority for Agnico Eagle, our employees and contractors.

Did You Know?

Our mine rescue teams are considered among the best in the industry. They regularly participate in industry competitions to further develop their skills and share best practices.

In 2019:

- **La India** earned the “Casco de Plata” Award for safety from the Mining Rescue Association of the Mexican mining industry.
- Edith Lafontaine from the **LaRonde** Mine received Red Seal recognition for her high degree of experience and mine rescue skills from Sauvetage Minier Québec.
- **Meadowbank’s** Mine Rescue team won Best Surface Rescue Mission at the Annual Mine Rescue Competition in Yellowknife.



Our Goldex mine is the only mine in Quebec to be certified “Entreprise en santé” (healthy business) for their effort in promoting wellness and healthy life habits.

Featured Story

Wellness at Work

Healthy Business: Why Physical and Mental Well-being are Key to Healthier and Safer Workplaces

Climbing a mountain at work sounds like a tough day at the office – but not at our Goldex Mine in Quebec. To raise money for local charities in the Val-d’Or region and help its workforce stay active, the Mine hosted a 10 km climb up the ramp from the very bottom of the mine – 1.2 km underground – to the surface, at an incline of 15%.

According to Armand Turcotte, Health and Safety Counsellor, the Goldex Mountain Challenge-Mont Goldex Ascension is both tough and rewarding. “It’s a great activity that takes about three hours and challenges participants in a safe and accessible way! The fact that we can raise money for different organizations in need is an added bonus.”

This is exactly the kind of out-of-the-box thinking Agnico Eagle’s Occupational Health and Safety teams are pursuing globally across our mine sites. According to Janie Blanchette, Health & Safety and Emergency Measures Counsellor, staying active and engaged is the key

to mental and physical well-being, both at home and in the workplace.

“Thanks to the initiatives put in place since the beginning at Goldex, we are seeing concrete results on several levels, particularly in terms of the participation of our employees, but also, importantly, in the adoption of long-term healthy lifestyles. In just a few years, we have gone from reaction to prevention. For the Company, the results are overwhelmingly positive.”

Coaching for Health, Coaching for Life

To encourage active lifestyles, Goldex has an on-site gym where employees can join classes or yoga in addition to outdoor training sessions several times a week. The Mine also offers themed nutrition weeks and has a full-time kinesiologist and nurse who offer annual checkups and personalized exercise programs. In the field, we develop programs with contractors, such as drilling contractors, to help them stay healthy and reduce the number of incidents related to muscular fatigue.

Beyond physical health, the Mine offers various mental health awareness programs for employees. In 2019, 20 Goldex supervisors followed a coaching program to improve their knowledge on handling difficult psychological health situations in the workplace. All of these initiatives have helped

Goldex maintain its BNQ certification (Bureau de normalisation du Québec) and status as an *Entreprise en santé – Healthy Business*.

Healthier Lifestyles, Healthier Communities

Active healthy lifestyles are almost a given in Kittila, Finland. Each year this region of Lapland hosts the Visma Ski Classics – one of the most prestigious long-distance cross-country ski championship events in the world – as well as the Levi Extreme Triathlon, both of which are sponsored in part by our Kittila mine.

It should be no surprise that many of our Kittila employees are fitness fanatics who regularly use the local parks, trails and recreational facilities to ski, swim and hike. The Mine promotes active lifestyles by offering free ski lift tickets and memberships to community gyms.

Onsite, Kittila’s Human Resources and Health and Safety teams offered well-being programs and events in 2019 designed to improve employee physical and mental health including: training sessions on time management; stress and recovery analysis and coaching; and two days of well-being training for everyone at the mine, 480 people in total. This two-day session covered essential concepts connected with sleep and well-being, work community skills, nutrition and physical exercise. The training

included fitness evaluations that measured employees' heart rate, blood pressure, weight and body mass.

Kittila also hosted an Occupational Well-being Week in October, challenging its entire workforce to increase their personal well-being and that of their colleagues. During the Week the team:

- launched the BREAK PRO app, available to all employees, to encourage exercise during breaks. A group of five instructors, led by an occupational physiotherapist, supervised workplace workouts at the mineral processing plant, underground mine, mine office, and administration building.
- held an open-house with Kittila's occupational health partner, now located onsite, to introduce its versatile occupational health-care services, including new e-services such as its *24/7 Call a Nurse Service*. The Mine's health care pool now consists of a doctor specializing in occupational health, an occupational health nurse, as well as a psychologist, physiotherapist and dietician.

- participated in the national Workday of Dreams and celebrated Positive Friday by challenging employees to think of well-being at work ideas. The Mill team won with its idea to have everyone stand during the morning production meetings and for each "speaker" to stand on one foot while talking. After only 13 minutes, the showcase meeting turned out to be physical, efficient and fun!

According to Heini Hämäläinen, Human Resources Superintendent: "Well-being is important for both individuals and the entire community. Healthy employees work more efficiently and safely in the workplace, and they may be able to instill interest in healthy living and well-being in their colleagues too. This will continue to be a key area for Kittila and we have a strong mandate and support from management. Each year we update our well-being action plan in collaboration with employees and health partners. It's really important to listen to our employees, since they are the best experts."

Continuous Improvement

In 2020, our objective is to improve our global accident frequency, and have no serious accidents. We believe that, as part of our accident investigation process, conducting root-cause analysis and regular audits will contribute to achieving this global objective.

We will emphasize the need to continuously improve processes and procedures related to machine-guarding across all sites, and we will continue to reduce exposure to contaminants in the workplace.

In order to achieve and surpass our 2020 safety objectives, we will continue to enhance and optimize the use of the *Supervision Formula* tool, as well as applying a management system approach to reducing security risks and improve our overall performance.



Our Kittila mine in Finland promotes active lifestyles by offering free ski lift tickets and memberships to community gyms.

We Make Mining Work

To **make mining work** requires mutual respect and understanding between ourselves, our colleagues and our communities.



For more stories, please visit:
www.agnicoeagle.com/sustainability/stories-and-videos/

Managing Our Environment Responsibility

2019 Key Highlights

520,832

Tonnes (CO₂ equivalent) of GHG Scope 1 & 2 emissions produced by our operations

17.41 Mm³

Water released to our environment from all our mining operations

0

Number of significant environmental incidents

68%

Of our electricity is from renewable sources

9.532 Mm³

Of freshwater withdrawn from all sources

13.1M

Tonnes of tailings generated¹

1. The total tonnes of tailings generated was restated from 13.37M to 13.1M.

Environmental Stewardship

To make mining work we need to minimize our environmental footprint by using natural resources efficiently, by preventing or limiting emissions and by reducing waste. Each of our operations is responsible to identify, analyze and manage environmental risks and to work in a transparent manner with local stakeholders, building a foundation of trust and cooperation.

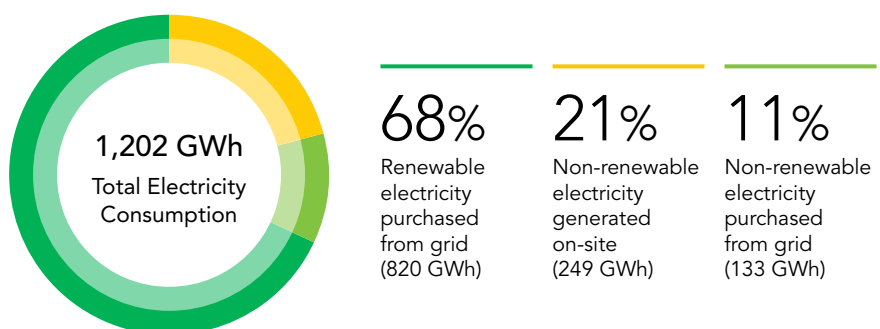
Mining operations can have direct and indirect impacts on all aspects of the environment, including but not limited to climate, water, air, and biodiversity. Continued residual impacts of legacy mine sites and recent serious tailings facility failures at other mining company sites around the world, including the tragic failure in Brazil in 2019, are a stark reminder of the industry's critical role in protecting both the environment and human health. Climate change, water scarcity, and loss of biodiversity are major global concerns that may have significant local impacts. There is a growing expectation for industry, government and civil society to come together to address these challenges. Agnico Eagle is committed to working with all of our stakeholders to find innovative solutions and face the challenges ahead.

Energy and Climate Change

Agnico Eagle recognizes the important role the industry plays in addressing climate change and is actively working on initiatives to help reduce our carbon footprint while continuing to grow our operations.

Agnico Eagle uses a variety of energy sources including electricity, diesel, gasoline, propane and natural gas for our operations. Electricity and diesel are the most important energy sources. Overall, 68% of the electricity is from non-carbon emitting sources, primarily hydroelectricity. Our annual electricity consumption increased by 7.8% to 1,202 Gigawatt hours (GWh) in 2019 as shown in Figure 8. This increase is largely attributed to the opening of the Meliadine Mine in Nunavut.

Figure 6.
Electricity Consumption by Type





Our Environmental Commitment

We aim to eliminate, minimize and mitigate impacts of our operations on the environment and maintain its viability and diversity. To achieve this, we intend to:

- Minimize the generation of waste and ensure its proper disposal;
- Minimize risks associated with managing tailings, mine waste and water by employing Best Available/Applicable Practices (BAP);
- Identify, evaluate, and respond to watershed related risks and opportunities to reduce cumulative impact on other users;
- Implement measures to conserve natural resources including energy and water;
- Implement measures to reduce emissions to air, water and land, and to minimize our footprint including minimizing deforestation;
- Implement measures to reduce our greenhouse gas emissions and address the effects of climate change on our operations;
- Integrate biodiversity conservation and land use planning considerations through all stages of our activities; and
- Rehabilitate sites to ensure long-term physical and chemical stability in a consultative manner.

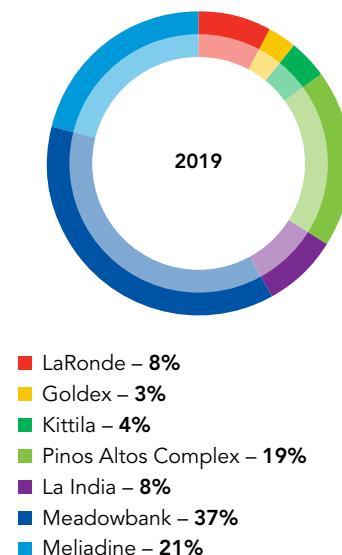


In 2019, several energy reduction initiatives were implemented to optimize the growing energy demands of our Nunavut operations including the insulation of remote buildings, the installation of a composter, to minimize the use of the incinerator, and a campaign to encourage employees at camp to reduce their energy consumption.

Increasing the proportion of non-carbon emitting electricity sources is important for Agnico Eagle to meet our long-term energy and greenhouse gas (GHG) objectives. Agnico Eagle believes that by working closely with local businesses, communities, and governments we can find solutions that not only reduce our carbon footprint but provide emission reductions for the region as a whole in addition to creating economic benefits. This is really what makes mining work and this is why we are pursuing a wind farm project at the Meliadine Mine and continue to support initiatives for infrastructure development that would bring hydroelectricity and fibre-optics connectivity from Northern Manitoba to the Kivalliq region. In Mexico, we are working with stakeholders to gain approval for the construction of a power line that would bring electrical power to supply La India mine and reduce our fuel consumption.

2019 Key Trends

Figure 7.
Proportion of GHG Emissions by Site



We monitor direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions on a monthly basis and report them annually to the CDP both in tonnes GHG (CO₂ equivalent) and in intensity, which is the number of tonnes of GHG (CO₂ equivalent) per tonne processed. Agnico Eagle is committed to including estimates of other indirect emissions that occur in our value chain (Scope 3) disclosures in the coming years.

Total direct and indirect GHG emissions were 520,832 tonnes of CO₂ equivalent in 2019, an increase of 27% from 2018. This is attributed to the opening of the Meliadine mine, which accounts for 21% of emissions and the increased energy intensity. Nunavut operations account for 58% of Agnico Eagle's total GHG production.

Our average GHG emissions intensity (tonnes of CO₂ equivalent per tonne of ore processed) for all of our operating mines increased by 30% from 0.021 in 2018 to 0.027 in 2019 as shown in Figure 9. This is attributed to the addition of Meliadine operation, the beginning of ore hauling between the Amaruq deposit and the mill at Meadowbank, and less throughput at our operations in Mexico and Finland. LaRonde and Goldex reduced their

GHG emission intensity by 3% and 6%, respectively. Higher throughput at both mines and the increased utilization of the Rail Veyor at Goldex improved the operations' efficiencies reducing the energy use per tonne of material mined.

One of the most important challenges our industry faces is the ever increasing energy intensity. Ore grades are declining and orebodies are getting deeper and more challenging to mine, so the energy required to produce the same amount of gold is actually increasing faster than the rate of production. The increased hauling distance at our Meadowbank Complex – in addition to the continued need for diesel power generation at our sites in Nunavut and Mexico – make us, in the short term, dependent on fossil fuels for our continued operations.

We understand that we are at a critical juncture in the climate crisis and we know that the status quo cannot be maintained. We believe in the importance of making both short- and long-term goals to tackle our emission reduction objectives. Currently, all our sites are implementing GHG reduction initiatives (see Figure 10 on the following page) and in 2020, we will prepare our first Climate Action Plan in line with the recommendations of TCFD.



Since 2014, the Kittila Mine has been successfully recycling the waste heat it recovers from its plants and processes to help reduce the mine's overall energy needs and costs.

Figure 8.
Total Electricity Consumption
(GWh)

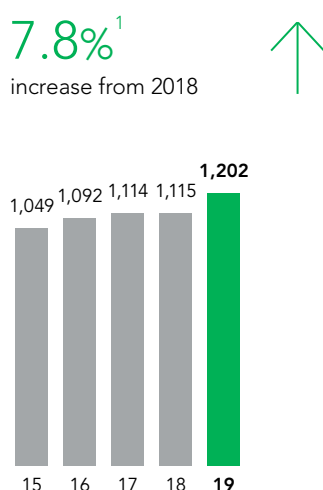
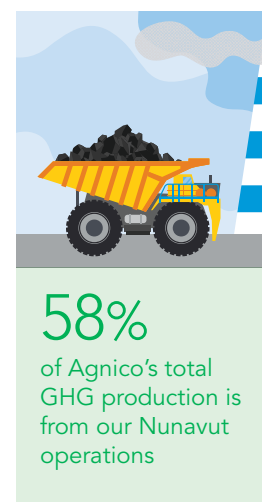
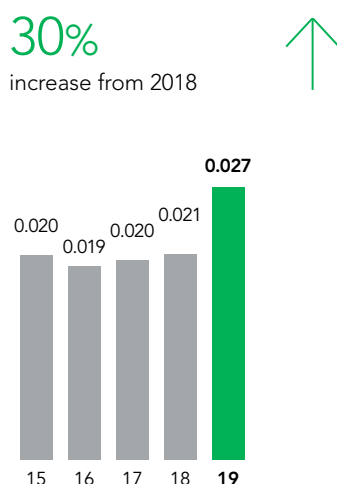


Figure 9.
Global Average GHG Emission Intensity
(tonnes of CO₂ eq. per tonne of ore processed)



1. The percentage in Figure 8 was restated from an increase in total GHG emissions of 27% to an increase in total electricity consumption of 7.8%.



Figure 10.
Our Operations: GHG Reduction Initiatives

Operation	Initiatives
Kittila	<ul style="list-style-type: none"> - Implemented district heating underground allowing for the recycling of waste heat recovered from the mine's ventilation and exhaust systems - Removal of 2 vessels and oil tanks for water heating (1,000 MWh/per year in savings) - Testing battery-powered mining equipment
LaRonde	<ul style="list-style-type: none"> - Installed electric car charging stations for employees
Goldex	<ul style="list-style-type: none"> - Increased the use of the all-electric Rail Veyor system - Installed electric car charging stations for employees - New 100% electric pick-up trucks for surface operations
Meadowbank	<ul style="list-style-type: none"> - Insulation of remote buildings - Study to use power plant waste heat as a heating source for underground at Amaruq
Meliadine	<ul style="list-style-type: none"> - Improved heat recovery system design - Installed energy efficient diesel generators
Pinos Altos	<ul style="list-style-type: none"> - Continued installation of LED lights and solar lights - In-situ Cattle Soil Regeneration Program reducing the need for hauling top soil
La India	<ul style="list-style-type: none"> - Used fuel additives to reduce diesel fuel consumption
Toronto Head Office	<ul style="list-style-type: none"> - Installed electric car charging stations for employees



Our Goldex mine reduced its GHG emission intensity by 6% in 2019. Higher throughput and the continued success of the Rail Veyor improved overall efficiency.

Water Management

Water stewardship is using water efficiently, maintaining water quality, and engaging with communities to collaboratively manage shared water resources through the mining life cycle. Water is an important interface between our operations, various regulatory agencies, our surrounding communities, environmental protection organizations, and the public in general. Through this interface, we are able to demonstrate how we make mining work by committing to responsible water use and protection of water quality.

In 2019, we drafted a corporate standard (CS) for Water Management. The CS lays out industry leading practices for integrated water management, will help ensure consistency, and support our operations in meeting MAC-TSM's new Water Stewardship protocol. In 2020 the CS will be presented to senior management, our project teams, and our operations for implementation across the Company.

In 2019, the total fresh water withdrawn by Agnico Eagle from all sources was 9.532 million m³ (Mm³), which is a 30% increase from 7.340 Mm³ in 2018. The increase can be attributed to the commencement of production at Meliadine, the start of the in-pit tailings deposition at Meadowbank that impacted our ability to recycle process water, and some adjustments at Goldex in how data is reported.

Our total water use was 0.49 m³ per tonne of ore processed, up from 0.37 m³ per tonne in 2018, which represents a 33% increase as seen in Figure 11. This is attributed to the increase of freshwater use as mentioned above, and lower throughput at Meadowbank, our Mexico operations and Kittila.

In 2019, our water discharge to the environment was 17.4 Mm³ an increase of 78% from the previous year. This increase can be attributed to the dewatering needed for operation of the Whale Tail pit (Meadowbank Complex) and also the exceptionally high precipitation in Nunavut and Abitibi.



In 2019, we drafted a corporate standard for Water Management, that lays out industry leading practices for integrated water management.

2019 Key Trends

Figure 11.

Fresh Water Use Intensity

(m³ of water per tonne of ore processed)

33%
increase from 2018

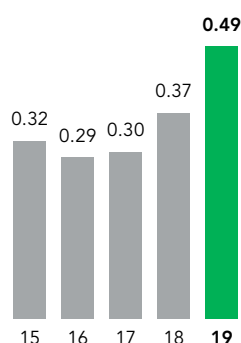
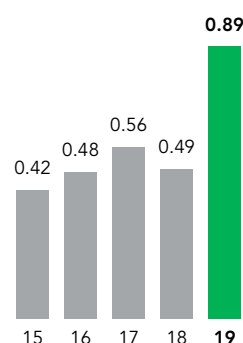


Figure 12.¹

Water Discharge Intensity

(m³ per tonne of ore processed)

83%¹
increase from 2018



30%
increase in total
fresh water
withdrawn by
Agnico Eagle from
all sources

1. The percentage in Figure 12 was restated from an increase of water discharge of 78% to an increase of water discharge intensity of 83%.



Featured Story

Our Cows Are Green — How Cattle Are Contributing to Soil Regeneration

In January 2019, our environmental team at Pinos Altos began implementing a unique initiative to improve soil regeneration that could be applied at other mining facilities.

During the closure and decommissioning process of mines, companies often lack sufficient topsoil to complete environmental revegetation activities. Pinos Altos tackled this problem by searching for alternative methods to promote revegetation of the Oberon de Weber Waste Rock Storage Facility without requiring organic soil to be brought in from offsite.

They decided to test a regenerative method known as **Ultra High-Density Grazing with Cattle (UHDG)**, which is widely used in the ranching business. This method mimics the effect of large herds of grazing herbivores that group together and move constantly, trampling the ground and plants. The soil is naturally broken up and oxygenated, with dead plant matter and animal waste being incorporated into the soil in the form of nutrients.

Understanding this dynamic led Pinos Altos to acquire 100 cows and construct pastures, or small enclosures, on 8-hectares of land where the cattle would be allowed to graze. The team then began using a special livestock feed which increases the highly active microbial environment of the cows' four-chamber digestive system. At the end of the cycle, plant residue, manure and soil is mixed naturally improving the nutrient level in the process.



How Green Are Our Cows?

Here are some results of our Green Cow Initiative:

Natural generation of fertile soil, providing 90% of plant cover.

Identification of 16 different species of native flora, stimulated growth of native plants in less time than traditional methods (five months versus 18 months).

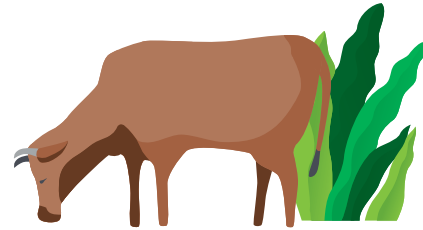
Return of wildlife and micro fauna native to the area.

Positive balance between carbon emissions and sequestration.

Returned part of the landscape to its natural state and improved water capture.

Decrease in the use of fossil fuels to effect rehabilitation and therefore reduced GHG emissions.

Development of new skills for people in the community which are 100% applicable elsewhere in the region.



By using this foraging and feeding method, and with the movement of the herd at regular intervals, in a specific grazing pattern, the team was able to improve soil health and eliminate the need for adding topsoil in their environmental reclamation activities. Another benefit is that the heavy machinery usually used in reclamation is not needed.

After a successful six-month pilot project, the team expanded the project and began working with the same UHDG herd on a larger revegetation project. This method stimulates vegetation in less time than traditional methods, and soon the cows will graze on the very grass the UHDG revegetation process helped to produce, thereby creating a 100% sustainable project and ecosystem.

Blanca Paola Cázares Pérez, Environment, Health & Safety Manager says, "We believe that we are the first mining Company to employ this method of soil regeneration – but I'm quite sure we won't be the last. The impact of this project could potentially be far-reaching because it can easily be replicated at other mining sites and it can provide significant community benefits through the use of local labour, supplies and services, as well as by improving the surrounding environment."

We Make Mining Work

To **make mining work**, innovation leads our thinking and guides our actions.



For more stories, please visit:
www.agnicoeagle.com/sustainability/stories-and-videos/



We closely monitor waste rock usage and are committed to finding opportunities to optimize use while ensuring the highest standard of environmental protection.

Tailings and Waste Management

Agnico Eagle has developed stringent guidelines that govern management of our Tailings Storage Facilities (TSFs) to ensure that all infrastructures, whether operating or closed, meet or exceed regulatory requirements and industry standard practices or guidelines.

Agnico Eagle is committed to continually improving the management of our facilities by developing and incorporating best practices. Agnico Eagle has appointed an **Accountable Executive Officer (AOE)** for all Agnico Eagle TSFs. In this oversight role, the AOE reports yearly to our Board of Directors on the compliance of our TSFs to regulatory requirements and guidelines; as well as on whether all Agnico Eagle operations have the tools, staff and budget to continue to meet or exceed these standards. An **Independent Review Board** has been appointed for all Agnico Eagle operations and is composed of highly reputable and competent individuals with tailings management expertise. Additionally, **Responsible Persons** and **Engineers of Record** have been assigned for all operating sites.

Agnico Eagle has taken these actions as part of our Company's commitment to the safe and responsible management of our TSFs. While strengthening our governance model and clarifying the chain of accountability, Agnico Eagle recognized the important role and competence our in-house experts bring to this critical work.

In 2019, we implemented additional measures to adhere to the updates in the latest version of MAC's (TSM) Tailings Management Protocol. Governance changes included in the updated MAC Tailings Guide will ultimately have a significant and positive impact on the risk profile of our infrastructure at all phases of the mine life-cycle – through design, construction, operation and closure.

In addition to TSF governance, Agnico Eagle has embarked on updating our risk assessment of all critical infrastructure. This work was initiated in 2019 and will continue in 2020, with the aim of achieving a more systematic, consistent and quantitative assessment of the risk profile of different critical infrastructure.



Our new Meliadine mine in Nunavut adopted filtered tailings technology which is considered best available technology for the region and will facilitate an easier and more robust closure at the end of operations.



Agnico Eagle is a partner of the UQAT– Polytechnique Research Institute on Mines and Environment in Quebec that is developing and applying innovative and practical environmental solutions to issues associated with mine waste, tailings and water management.

In an effort to improve the design of mine waste and water management infrastructure and tailings storage facility design we continue to collaborate with different partners. Agnico Eagle is active on the board of the International Network of Acid Prevention (INAP). Additionally, as a partner of the UQAT– Polytechnique Research Institute on Mines and Environment in Quebec – Agnico Eagle supports and participates in research projects that address current and upcoming environmental challenges. Through this partnership, we aim at developing and applying innovative and practical environmental solutions to issues associated with mine waste, tailings and water management, as well as mine site reclamation.

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. We closely monitor waste segregation and rock usage and are committed to finding opportunities to optimize use while ensuring the highest standard of environmental protection.

In 2019, the total ore tonnage processed through our milling and heap leach facilities was approximately 19.57 million tonnes (Mt), a decrease of 3% compared to 2018. The tonnage of ore placed on heap leach facilities was approximately 6.5 Mt, as compared to 7.8 Mt in 2018. This decrease is attributed to the reduction of pit tonnage at Pinos Altos, which is the main source of heap leach ore at this mine.

The total amount of tailings produced by the milling operations was approximately 13.1 Mt, as compared to 12.4 Mt in 2018, an increase of 6%. This increase can be attributed to the start of production at Meliadine. From the 13.1 Mt of tailings produced in 2019, approximately 3.8 Mt or 29% were returned underground as backfill. The remaining tonnage of 9.3 Mt was deposited on surface at our tailings storage facilities either as slurry, or as thickened or filtered tailings. This compares with 9.4 Mt in 2018. It should be noted that Meliadine is using filtered tailings, which is considered best available technology for the region. This approach, although higher cost during operations, facilitates an easier and more robust closure at the end of operations.

In 2019, Agnico Eagle’s mining operations generated 39.9 Mt of waste rock compared to 46.6 Mt in 2018. This reduction is attributed to the fact that the Pinos Altos Complex decreased its volume of waste rock mined by 45% due to the decrease in open pit production in both mine units, which offset the fact that Kittila, Meliadine and La India mines increased their volume of mine waste due to new development.





Environmental Compliance

Environmental impacts are managed through our Risk Management and Monitoring System (RMMS). Activities that can have environmental impacts are identified and assessed. Relevant control measures are implemented, maintained and verified. Emergency response plans are developed and tested. We monitor and manage environmental compliance at every stage of the mine life cycle. Every mine and exploration project reports environmental incidents into our internal online database and tracking system.

Each operation has a dedicated environmental department that ensures environmental impacts and incidents are managed according to procedure. Incidents are categorized (e.g., spill, nuisance from dust, etc.) and evaluated in terms of their consequence and probability, according to a 5X5 matrix (see Figure 13). The consequence, from negligible to extreme/critical, is defined by looking at the severity of impacts on the ecosystem, land use, water, and by looking at the cost of remediation and legal aspects. Agnico Eagle considers any incident with a consequence of 4 or higher as a significant incident.

Based on our incident consequence criteria there were no major (level 4) or extreme/critical (level 5) incidents at our operations in 2019. We reported a total of 996 incidents: 971 spills, one gas release, three confining infrastructure non-performance, one uncontrolled discharge, 12 exceedances of vibration limits and eight exceedances of water quality or quantity limits. The three confining infrastructure non-performances reported pertain to surface erosion events on internal dikes and spillway at the Manitou site where Goldex tailings are used for rehabilitation. For the uncontrolled discharge, a water flow higher than usual was observed at the toe of the Waste Rock Storage Facility (WRSF) dike at Amaruq. Work was initiated to pump out the WRSF collection pond to decrease the water flow. All these events were remediated rapidly and had no significant environmental consequences.

Incident reporting, investigations and mitigation are well-entrenched practices; we continue to focus on improving the quality of the reports and on prevention. A prevention action plan is being developed to further reduce incidents.



Based on our incident consequence criteria there were no major or extreme/critical incidents at our operations in 2019.

Figure 13. Consequence and Probability Matrix

Consequence	Probability				
	Very Low 1	Low 2	Moderate 3	High 4	Very High 5
Extreme/Critical 5	Medium (5)	Medium (10)	High (15)	Very High (20)	Very High (25)
Major 4	Low (4)	Medium (8)	High (12)	High (16)	Very High (20)
Moderate 3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Minor 2	Low (2)	Low (4)	Medium (6)	Medium (8)	Medium (10)
Negligible 1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Potential environmental impacts are evaluated according to their probability and consequences. The consequence is defined by looking at the severity of impacts on the ecosystem, land use, water, and by looking at the cost of remediation and legal aspects.

Environmental Closure

Closure and reclamation are core elements of our business since ore bodies are finite and therefore exhausted over time. In accordance with best practices, we integrate closure considerations early in operations planning and engineering processes. We are committed to rehabilitating our sites to ensure long-term physical and chemical stability, in consultation with nearby communities and in a timely manner. Successful closure and reclamation is part of how “we make mining work”.

Lapa

Lapa Mine ceased production at the end of 2018. All clean-up, dismantling and equipment recovery works for the underground mine were successfully completed during the first quarter of 2019 and all openings to surface were secured. Transfer of both underground and surface equipment to other Agnico Eagle divisions or sale to third parties have been successful with over 95% of mobile equipment finding a second life. Modular administrative buildings will be moved to another mining project in 2020. All remaining surface infrastructure was sold to a regional contractor who specializes in refurbishing and reusing used infrastructure and equipment. A mine water storage pond was completely

reclaimed with the removal of the dikes and excavation of accumulated sediments. Dismantling of all electrical installations and reclamation of some surface areas were completed. Hydrocarbon decontamination of buildings is underway in preparation for building demolition work in 2020. Stored waste rock was transported to the LaRonde site for construction purposes during 2019 and will continue in 2020. Once all stored waste rock has been trucked to LaRonde, with surface infrastructure recovered and the land revegetated, the Lapa property reclamation will be considered complete. With the early decision to process Lapa ore at the LaRonde Mine, 10 km away, Lapa is a tangible example of a mine design where post closure was considered from the outset of project planning one of the key elements to make mining work.

Cobalt Legacy Sites

Agnico Eagle holds the mining and surface rights to a significant portion of the historic mining camp in the Cobalt-Coleman area (about 230 properties). Most of these sites were operated and closed well before we acquired the properties. From 1957 to 1989, our silver division operated 23 mines, four mills and one refinery in the Cobalt-Coleman area. We remain present in the community and after several years of identifying,

We are committed to rehabilitating our sites to ensure long-term physical and chemical stability, in consultation with nearby communities and in a timely manner.



Reclamation activities at the Lapa mine commenced in 2019 and will be completed in 2020.



Agnico Eagle and the Government of Quebec came up with an innovative solution to an environmental problem being caused by the orphaned Manitou acid-generating tailings facility by using sulphide-free and cyanide-free tailings produced by the Goldex mine to cover the tailings.



From tailings to Trumpeter swans thanks to a win-win partnership at Manitou. Learn more on our [blog](#).

characterizing and rehabilitating priority mine hazards, Agnico Eagle is recognized as a leader in risk management of mining legacies in the area. All work is performed in close collaboration with the authorities and the community. An extensive georeferenced information database has been developed and is now a reference for other local surface rights owners and land users. Agnico Eagle led the creation of a regional water quality expert committee that aims to better understand the current water quality in a situation complicated by the interconnectivity of mine workings under the responsibility of multiple owners.

LaRonde Complex

In 2019, LaRonde initiated a project to transition tailings management of this 30+ year old mine from slurry tailings to filtered tailings (dry) deposition. This important implementation of a best available technology offers several advantages such as optimization of the current tailings storage facility footprint in the coming years, increased physical stability of tailings during operations and optimization of the final reclamation concept for the site. The project involves the construction of a tailings filtration plant and a water basin that will be operational by 2021. During the year, LaRonde advanced progressive rehabilitation work such as backfilling a ventilation raise that is no longer required, replacing a concrete cap and dismantling an old electrical sub-station.

Goldex Mine

In collaboration with the Ministry of Energy and Natural Resources of Quebec, we continued reclamation work of the orphan site "Manitou", located about 20 kilometres east of the Goldex Mine site. Since 2008, Goldex's tailings have been used to build an inert cover to reclaim the orphaned Manitou TSF. The Manitou-Goldex project is an example of how we can partner with government to make mining work. This innovative approach will also reduce the total site rehabilitation cost for the government.

Pinos Altos and Creston Mascota Complex

Production at the Creston Mascota Mine will cease in 2020. Gold inventory in the heap leach installation will be reduced through natural washing over the course of a year. Plant dismantling will start once this inventory reduction is completed. In the meantime, reclamation work will proceed for waste rock storage facilities and open pits.

Joutel Legacy Sites

In 2019, we initiated the pre-feasibility study for an improved concept for the TSF rehabilitation.

Biodiversity

Agnico Eagle is dedicated to supporting biodiversity and integrating conservation actions into our planning and operations. We recognize that our biodiversity footprint extends beyond the limits of our properties to areas of immediate influence. Careful land use planning, done in consultation with local communities, is another way for us to make mining work. It allows us to identify critical habitat and species, and put forward initiatives to monitor, study, protect and support ecosystems now and in the future.

Kittila Mine – Finland

Kittila volunteers participated in a habitat improvement project to make the Parvajoki River more suitable for brown trout.

Nunavut Operations

Ongoing community-based monitoring of caribou migrations. Meadowbank Complex reviewed and improved their Caribou migration management protocol.

Joutel Legacy Site – Quebec

We partnered with Université du Québec en Abitibi Témiscamingue (UQAT) for two projects: 1) To determine the impact of mine footprints on plant diversity and 2) To evaluate how former mining ponds are used by waterfowl in the boreal landscape. This knowledge will support improved closure design and implementation.

Akasaba Project – Quebec

We partnered with UQAT with two 5-year projects studying the endangered Woodland Caribou (Val-d’Or population).

LaRonde and Goldex Mines – Quebec

We participated in a regional initiative in collaboration with UQAT, the Montreal Biodome and other industrial partners to help the Monarch butterfly (and all butterfly species) and bee populations by selecting revegetation species for our rehabilitation actions that support their life cycle.

Cobalt Legacy Sites

Our rehabilitation actions in this former mining camp have been adapted when possible to allow the creation of protected bat habitats in old mine adits with the installation of bat gates which are essentially very robust gates that prevent human intrusion but allow bats to use old mine workings as habitat.

Mexico Operations: Pinos Altos

Agnico Eagle donated trees and time for reforestation work in an area within Basaseachi which was damaged by forest fires in the last drought season.

By partnering with the governments of Mexico and the United States, we support the protection of the endangered bald eagle, whose habitat extends from Mexico to Canada.



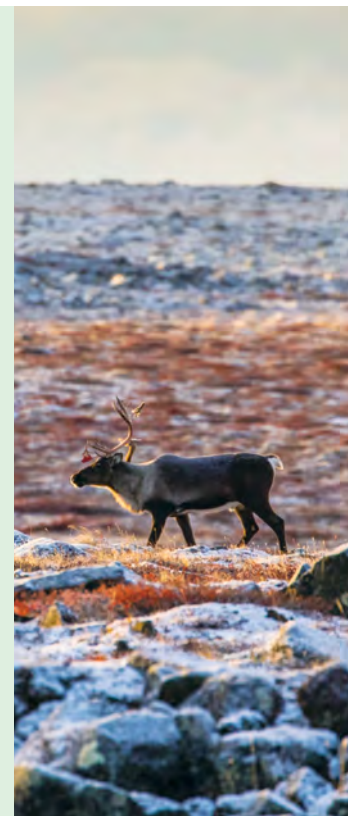
Agnico Eagle is committed to integrating biodiversity conservation and land use planning considerations through all stages of business and production activities.

Wildlife Management During Caribou Migration in Nunavut

Agnico Eagle is sensitive to the local concerns about caribou and believes in working together with local stakeholders towards a long-lasting partnership in wildlife management; we recognize that caribou are an integral part of the Inuit culture and need to be protected.

Agnico Eagle has developed Wildlife Management and Response Plans for both the Meadowbank Complex and Meliadine Mine. These Plans were reviewed and approved by government authorities and Inuit organizations. Implementation is overseen by the Environment department of each site.

- As part of Agnico Eagle’s Wildlife Management Protocol, Caribou have the right-of-way on all roads;
- Speed limit on the All Weather Access Road (AWAR) is 50 km/hr;
- Traffic and mining activities are suspended when caribou are in close proximity to the AWAR and the mine site;
- Wildlife surveys are completed daily along the AWAR and at the mine during the caribou migration; and
- A Terrestrial Advisory Committee (TAG) consisting of representatives from Inuit organizations, government and Agnico Eagle evaluate caribou migration situation on a daily basis and provide direction on the level of activity we could operate based on the real time data and our caribou management protocol.





Our exploration team in Mexico has a number of initiatives in place to minimize its environmental footprint including, wherever possible, no new roads are built, instead old roads are rehabilitated, and drilling sites are accessed by foot.

Featured Story

Integrating Sustainability Into Our Exploration Activities — Understanding and Respecting Our Neighbours

The arrival of an exploration team in a community is often the first contact local residents have with a mining company. It is also the first step to building trust and positive relationships, which are key to gaining and maintaining our social license to explore, and potentially to operate a mine in the region.

That is why, from the onset of our exploration work, Agnico Eagle's geologists focus on understanding and being respectful of the needs of the community and the local environment.

According to Guy Gosselin, Agnico Eagle's Senior Vice-President of Exploration, "Maintaining our social license is a key element of achieving Agnico Eagle's business objectives. That license depends on our ability to respect our environmental and social commitments and on building strong, mutually beneficial relationships with our many stakeholders. Our exploration teams work hard to meet the expectations of communities near our activities, and to be a good neighbour wherever we are exploring."

In **Nunavut** for example, which is a vast remote territory, our geologists explore the landscape using mainly helicopters, as do others in the region. This can create extensive air traffic which can potentially be considered as a disturbance. Our Nunavut exploration team uses radio announcements and our local Facebook pages to inform communities of helicopter movements and other exploration activities. The team also ensures all proper procedures are followed so as to minimize the disturbance on the natural habitat, animals or residents and their boating activities. Any noise or nuisance complaints that we receive are investigated and acted upon as quickly as possible.

The team is also implementing a land-use mapping project to enhance the sharing of information about access to the territory for pleasure boat users, hunters, fishermen, trappers etc. The map will highlight protected areas which must be avoided at all times.

In Mexico, respect for the environment and communities goes hand in hand with our exploration work. The goal is to generate minimum impact on the environment and respect local community customs, while simultaneously generating maximum social and economic benefits.

Our Mexican exploration team has a number of initiatives in place to minimize its environmental footprint:

- **Minimizing the impact of drilling activities:** Priority is given to using portable and compact equipment to work in small areas in order to minimize vegetation clearing and soil removal. Wherever possible, no new roads are built, instead old roads are rehabilitated, and drilling sites are accessed by foot.
- **Preserving natural resources:** Rainwater collection systems for domestic use are installed at our exploration camps to meet, as much as possible, the camp's water needs and reduce the need to search for local water resources. Additionally, any water used for drilling activities is decanted and reused, reducing overall water consumption. Our camps use solar energy systems for lighting.
- **Integrating biodiversity conservation:** We monitor the wildlife that moves within our project areas to ensure conservation and protection. Wildlife is rescued and relocated when personnel or wildlife are endangered. In 2019, we relocated 15 animals of different species to other areas.
- **Promoting re-vegetation efforts and education:** Since 2017, 6,000 trees have been planted in communities near our exploration projects. We involve youth in these activities, highlighting the importance of trees in their environment. We donated 3,000 tree plants of native species, produced in our nursery, to local farmers who use them as natural fences to protect their crops.

Our goal is to generate minimum impact on the environment and respect local community customs, while simultaneously generating maximum social and economic benefits.



In Mexico, we donated 3,000 tree plants to local farmers to use as natural fences to protect their crops.

We Make Mining Work

To **make mining work**, from the onset of our exploration activities we focus on understanding and respecting the needs of the community and the surrounding environment.



For more stories, please visit:
www.agnicoeagle.com/sustainability/stories-and-videos/

Fostering diversity, choosing civility

2019 Key Highlights

8,774

Employees and contractors worked for Agnico Eagle worldwide at the end of the year

100%

Of our workforce from Pinos Altos and La India mines are from Mexico

16%

Of our employees are women

244,798

Of training hours delivered to Agnico Eagle employees in 2019

442

Employees at our Nunavut operations are Inuit

21%

Of our new hires are women



Our People

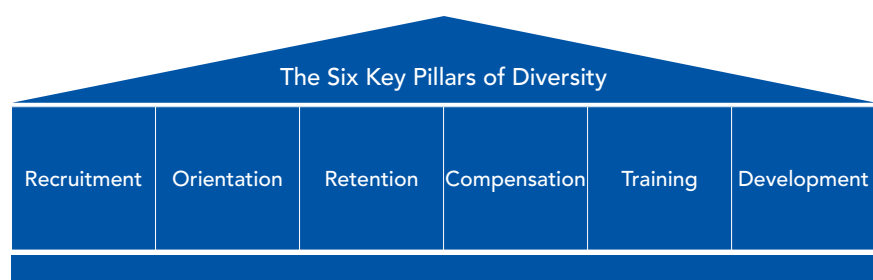
Agnico Eagle’s people and culture have always been a competitive strength and advantage. It is critical to our current and future success that we maintain our culture, ensuring that each person is treated with dignity and respect, and that we interact on the basis of collaboration, commitment and dedication to excellence. This is our way to make mining work.

The mining industry can play an important role in social and economic development by providing high-paying jobs and promoting the development of a more skilled local workforce. The demand for highly skilled employees continues to increase as technological innovation, particularly automation, shifts the roles of frontline workers. Adapting to the drivers shaping the future of work is key to building a resilient and successful organization. A key element is recognizing the value in attracting and retaining a diverse workforce while working collaboratively with stakeholders to find solutions to build a more inclusive industry. We are responding to these trends by creating local employment opportunities, supporting the development of employee skills, implementing workforce management processes, and supporting initiatives to continue to diversify our workplace.

Diversity and Inclusion

Diversity and inclusion are fundamental to Agnico Eagle’s core values of Family, Trust, Respect, Responsibility and Equality. We are committed to engaging, developing and retaining the best people and empowering everyone with equal access to opportunities and recognition. As such, we have adopted a Diversity and Inclusion Policy that outlines our commitments and responsibilities, and, in 2019, we created a Diversity and Inclusion Council. The council itself is fairly diverse: of the nine members, six are women, two are at the Vice-President level, one is a mine general manager, one is of First Nations origin, and Abitibi, Nunavut, Mexico and Finland each have a representative. The Council identified six key pillars of diversity in the way we treat people within our organization as seen in Figure 14 and we are now reviewing and creating action plans to identify and eliminate barriers to diversity and inclusion within each.

Figure 14.
Key Pillars of Diversity





Our Commitment to Employees

We aim to maintain a safe and healthy work environment that is based on mutual respect, fairness and integrity. To achieve this, we:

- Do not tolerate discriminatory conduct 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; and
- Consult, communicate and provide appropriate support to employees.



Our Board of Directors recognizes that diversity is important to ensuring that the Board, as a whole, possesses the attributes, experience and skills to effectively oversee the strategic direction and management of the Company. Women represent 30% of the Board directors, and we appointed these women as chairs of the Health, Safety, Environment and Sustainable Development Committee and the Audit Committee of the Board of Directors.

In 2019, we continued to work toward building a more diverse workforce that includes under-represented groups, such as women and Indigenous Peoples. At the end of 2019, women made up 16% of Agnico Eagle's total workforce and 20% of Agnico Eagle's corporate executives. We continue to identify and work to mitigate systemic barriers to the participation and advancement of women in the global mining industry. In 2018 and 2019, our Finland and Nunavut operations conducted 'civility in the workplace' training which addressed issues such as inclusion and harassment. In 2020, our corporate office is developing a leadership module that will include training material on civility, collaboration and inclusivity.

Notably, at our Northern operations we focus on eliminating barriers for Inuit women, who represent 34% of our Inuit workforce, including support for their participation in non-traditional activities such as underground mining and haul truck driving. We have a suite of programs and initiatives aimed at increasing our diversity and inclusion in the North including: cultural awareness training; encouraging female and Inuit representation on worker Collaboration Committees; and providing an Inuit role model program. At our Meadowbank Complex women represent 21% of Agnico Eagle's workforce, the highest of any of our mining operations.

At our Northern operations we focus on eliminating barriers for Inuit women, who represent 34% of our Inuit workforce.



Our Workforce Demographics

Figure 15.
Our Workforce in 2019

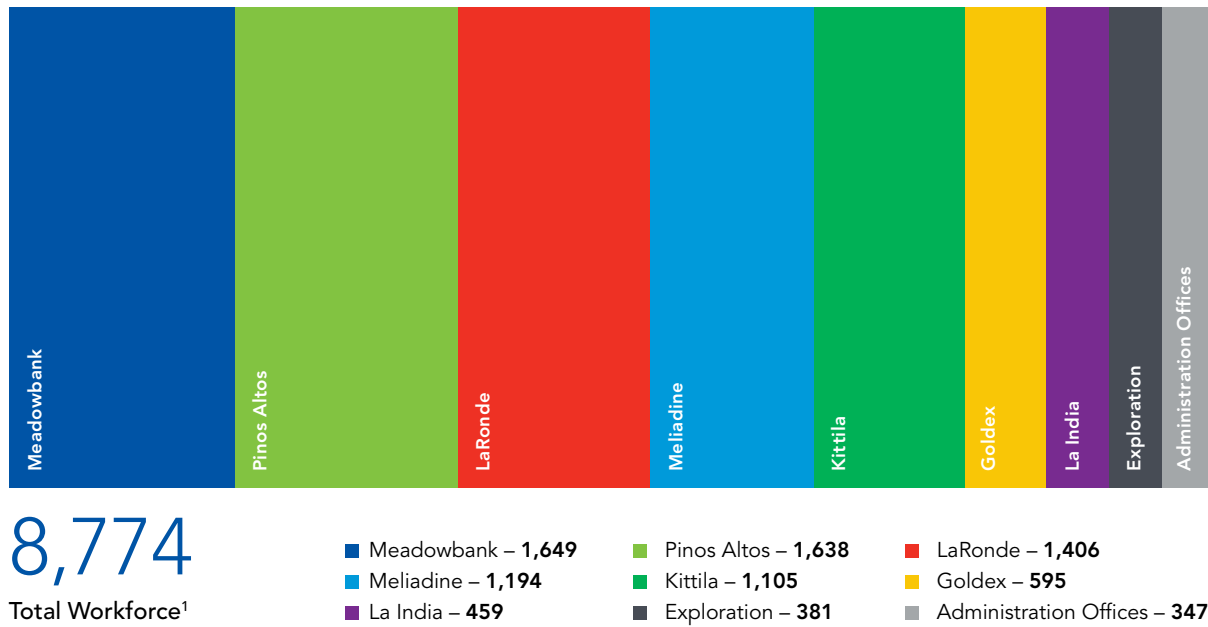


Figure 16.
Workforce by Employment Type

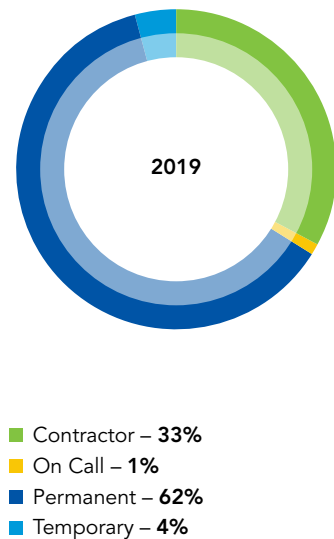


Figure 17.
Agnico Eagle employees by Age and Gender

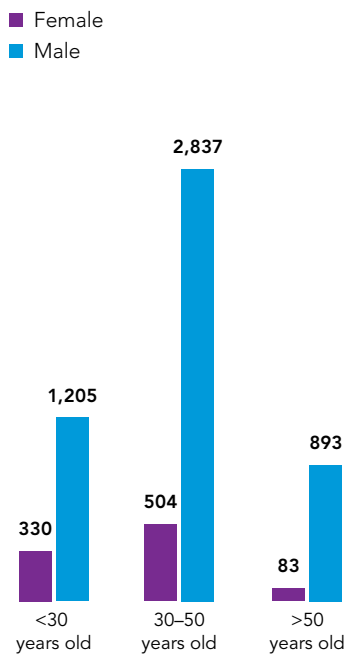
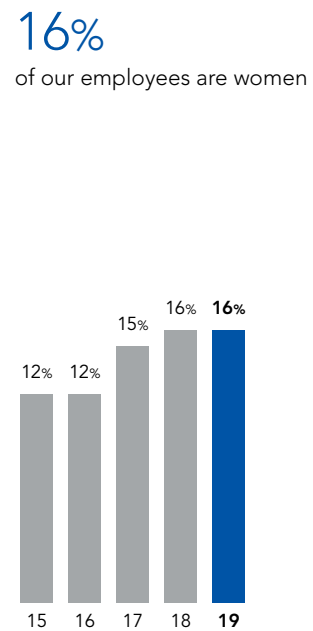


Figure 18.
Female Representation at Agnico Eagle



1. Total Workforce includes employees and contractors from all operations, all exploration sites, and our Head Office and Regional Offices.



Did You Know?

In 2019, La India received the Diversity and inclusion Award from Great Place To Work Mexico in the category organizations with more than 500 employees.



11%
increase in hiring Inuit employees at our Nunavut operations in 2019.

Maximizing Local Employment

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

Our Kittila, Goldex and LaRonde mines are almost 100% operated by persons living locally or in the region. At Kittila, our employees come mainly from Finnish Lapland, while employees at Goldex and LaRonde come mainly from the Abitibi region in Quebec, Canada.

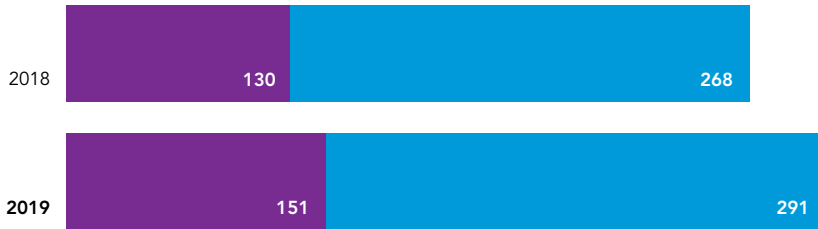
At Agnico Eagle Mexico, 100% of the workforce is from Mexico, with the majority living in the northern states of Chihuahua, Sonora and Sinaloa. We continue to work on recruiting and retaining employees from smaller communities in proximity to the mine sites.

In Northern Canada, we remain focused on creating sustainable and high-quality jobs and careers in mining for the Inuit population with long-term objective of obtaining 50% Inuit employees for all of our Nunavut operations. In 2019, our Nunavut operations employed 442 Inuit, an increase of 11% from 398 Inuit employees in 2018 (see Figure 19).

We have developed extensive Work and Site Readiness programs that are designed to prepare candidates from the Kivalliq region for work with Agnico Eagle. We have renewed our focus on supporting our Inuit employees, career development and building capacity in our Northern based workforce. After consultation with Inuit employees, our Nunavut Community Relations, Education & People Development Team launched the Rapid Inuit Specific Education (RISE) program to give Inuit employees the support and skill development needed to excel in more senior roles.

Figure 19.
Inuit Employment

■ Female
■ Male



442

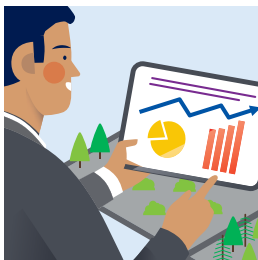
Total Inuit Workforce



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



Our people development and training approach includes both company-wide and site-specific initiatives.



244,798

hours of training were provided to our employees for an average of 47 hours per employee across our mining operations in 2019.

Retaining, Training and Developing Our People

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

Our people development and training approach includes both company-wide and site-specific initiatives. This approach ensures that we build and attract talented people to support operational continuity across all phases of our projects.

Strong leadership is essential for the continued success of our operations and with many executives approaching retirement, we have implemented a Senior Leadership Transition Plan that includes developing successors with on-the-job assignments, temporary job re-assignments, exposure to investors, and coaching.

At our mine sites, we focus on developing training initiatives to develop skills of the local workforce, and prepare our employees for future demands.

In Nunavut, our career path program creates upward mobility opportunities for employees; an on-site adult educator supports the local workforce in developing essential skills, including literacy and numeracy competencies; and we offer two pre-employment programs. At Kittila, the Mine developed a “new line manager” training initiative to support leaders in developing the skills they need to be successful in their new roles. In Mexico, nearly 300 employees participated in a training program designed to develop competency in “positive collaboration through communications”.

Employee Turnover

Retaining a diverse and talented workforce is important for maintaining our competitive strength and advantage. For an overall understanding of workforce dynamics and changes, we track permanent employee turnover which covers instances of an employee exiting employment through dismissals, resignations or company reorganization.

Our operations monitor the causes of employee turnover and adjust recruitment and retention strategies accordingly.

Table 1.
Employee Turnover by Gender 2019

	Turnover Female Employees	Turnover Male Employees	Total Turnover
Total	14.7%	8.8%	9.6%

Featured Story

Stepping Up to a Mining Career — How Agnico Eagle is Growing Our Inuit Workforce

A long-term goal at our Nunavut operations is to develop our people so that one day our mines will be operated and run by Nunavummiut. We know this is possible, we have achieved it at our sites in Europe and Mexico.

Agnico Eagle is doing everything we can to help unlock the power of training to fill available job opportunities from the Kivalliq region. In 2019 alone, we invested nearly \$8 million CAD and provided 25,000 hours of training for our Inuit workforce. We continue to collaborate with local governments to create skill development, employment readiness and retention programs. We also offer Inuit employees an opportunity to enroll in our Apprenticeship Program for a multitude of trades related to the mining industry.

In 2019, our People Development team in Nunavut introduced a new program that helps Inuit from Kivalliq communities take their first step into a career in underground mining. The training program, which

began in August, had its first eight graduates by December 2019 – each of whom has already landed their first job in the mining industry.

Following 28 days of surface and underground training, these individuals completed Meliadine's Underground Trainee Program and are now working at Meliadine as Class 2 Service Miners. The next group of four trainees is set to start classes in January 2020 and should complete their training by February 2020.

Philemon Desrochers-Gagnon, Mine Superintendent at Meliadine, says, "This program is specifically tailored to Inuit and provides them with extensive hands-on experience. The goal is to have the trainees ready to work after 28 days. So far, the trainees have been very enthusiastic about the program and we are contemplating offering it every month, rather than every two months. We want this program to be as inclusive and diverse as possible and I am pleased that we had our first female trainee, in our very first session of the program, who graduated in September.

The Underground Trainee Program consists of two 14-day paid training sessions, given by qualified Inuit trainer Albert Kimaliardjuk. Under his guidance, the trainees receive in-class and on-site training – learning how to drive 30-ton haul trucks on surface and underground, as well as job shadowing with skilled mining operators and completing other assignments.

Once graduated from the Trainee Program, the Class 2 Service Miners enter Agnico Eagle Meliadine's Underground Mining Career Path, which offers even more opportunities. The long-term goal is to fill every entry level position of the Underground Mining Career Path with successful Inuit trainees, who can then take the next steps in their mining career.

Would the newly trained miners encourage others to take the Underground Trainee Program?

Randy Kataluk:

"Don't be intimidated because it's underground and working with big machinery. The support from the rest of the team, the trainers and the underground miners is incredible. I never thought we would get that much support."

Pelagie Niviatsiak:

"I would tell them to try because it is a good experience and a good challenge. It looks difficult but once you get into it, you get excited that you will be able to drive and go underground and become a miner."



After 28 days of surface and underground training (from left to right) Pelagie Niviatsiak, Stewart Aggark, Jerry Angidlik, Albert Kimaliardjuk (Trainer) and Randy Kataluk completed Meliadine's Underground Trainee Program and began working at Meliadine as Class 2 Service Miners.

We Make Mining Work

To make mining work, we empower people and share opportunities.



For more stories, please visit:
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Over the next decade, the mining industry needs to attract thousands of new workers. There are many opportunities to pursue a career path whether as a geologist, an underground miner or an environmental technician that is both meaningful and rewarding.

Featured Story

Rewarding Careers — Mining Offers a World of Opportunities

Mining remains an attractive industry for people looking for their first job or seeking the next step in their career. Research¹ indicates that in Canada alone, the mining industry will need close to 80,000 new workers over the next decade.

The industry offers competitive wages, engaging work, and many opportunities for advancement and training. Whether as a geologist, an underground miner or an environmental technician, there are many opportunities to pursue a career path that is both meaningful and rewarding.

Getting that message out to all age groups kept Agnico Eagle's Human Resources teams busy throughout 2019.

In Nunavut, exposing high school students to the benefits of a career in skilled trades is an opportunity to advance their education and consider the mining industry as a potential employer. For the 7th year, Agnico Eagle supported the annual Trades Awareness, Skills and Knowledge (TASK) week at Jonah

Amitnaaq Secondary School in Baker Lake, which offered 70 students (Grades 10-11-12) the chance to learn from trade experts and earn a school credit toward their high school diploma. "TASK Week is designed to motivate students to think about what they want to do after graduation, with trade skills such as electrical, plumbing and the culinary arts providing them with the freedom and opportunities to travel and enjoy a satisfying career and a better life for their families," comments Anick Veillette, Senior Coordinator, Education and Development.

Nunavut's People Development Team took up the challenge of motivating students to think about their future careers by introducing its first-ever student camp – the Qamani'tuaq Summer Camp in Baker Lake, which offered 35 young people, between the ages of 9 and 15, the opportunity to attend week-long sessions in one of three different disciplines – science, cooking or sports.

1. Source: MiHR – 2020 Canadian Mining Labour Market Outlook

Agnico Eagle's Amy Tremblay-Lemay, who organized the camp, comments, "Our goal was to help these young people learn valuable technical and interpersonal skills in a fun and active environment. We also wanted to give them the opportunity to learn more about the world around them, whether through science, sport or the world of cooking."

Agnico Eagle employees pitched in and helped teach many of the sessions, including a geology lesson in how gold is formed in the natural world. Designed to provide life-long skills in a fun and physically active learning environment, campers learned new communication and interpersonal skills that will help them in school and in their future careers.

Further south, our LaRonde Mine hosted 22 local citizens during a *Working at LaRonde Workshop*, which highlighted different jobs available in the mining industry, career opportunities at LaRonde, and Agnico Eagle's commitment to diversity and equity. Some LaRonde employees also joined the session to describe the work they do and to talk about the benefits of a career in mining.

For over 10 years, our Kittila Mine in Finland has worked closely with schools in the Lapland area to provide young people with an opportunity to learn more about the

modern world of responsible mining. In 2019, Kittila offered summer jobs and internships to over 70 students, many of whom are pursuing college or university level technical or science studies.

Markus Piekkari, now Tailings Storage Facility Construction Engineer at Kittila, was one of the Mine's first summer employees. Working with the mine exploration team encouraged him to study process and environmental technology at the University of Oulu. "At first, I studied technology in general, but as my studies went on, I became more interested in environmental technology. In 2014, I joined Kittila's Environment, Quality and Tailings Management Department. From my first summer job to where I work now, I didn't realize how big this discipline would grow. I like the way we work trying to find new, sustainable solutions as our project expands."

Adds Keith Harris-Lowe, Agnico Eagle's Vice-President People, "Mining is an increasingly diverse and technological industry, and one that places importance on corporate social responsibility. Agnico Eagle wants to engage with young people and people in mid-career to let them know that we offer a career of growth, challenge and opportunity."

Mining remains an attractive industry for people looking for their first job or seeking the next step in their career.



In Nunavut we helped to motivate students to think about their future careers by introducing its first-ever student camp which offered young people the opportunity to attend week-long sessions in one of three different disciplines – science, cooking or sports.

We Make Mining Work

To **make mining work** we create meaningful opportunities for people and communities.



For more stories, please visit:
www.agnicoeagle.com/sustainability/stories-and-videos/

Strengthening our ties, deepening our engagement

2019 Key Highlights

\$7.4M

In community investments

\$865M

In local procurement spend

0

Number of significant
community disputes

\$45M

Total contributed in community
investments since 2009

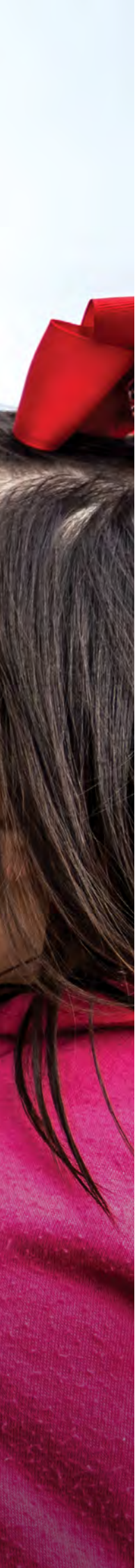
59%

Proportion of spending with
locally based suppliers¹

\$637M

Paid to employees in wages
and benefits

1. The total local procurement spend was restated from \$839M to \$865M, and the total proportion of spending on locally based suppliers from 62% to 59%.



Socio-Economic Development

We act in a socially responsible manner and contribute to the communities in which we operate in order to make a positive difference in their everyday lives. We are committed to working with our employees, other stakeholders and rightsholders to create growth and prosperity, allowing everyone to benefit from our mining experience, hence making mining work for all.

The dynamics and expectations of communities and Indigenous Peoples for the resource industry have changed dramatically in the last decade. Fostering positive and collaborative relationships with local communities is essential for building the foundations of a successful project and delivering socio-economic benefits. Failure to acknowledge and address community concerns would pose a real risk to an operation and is harmful to the industry as a whole. Acting in a socially responsible manner and delivering on sustainable development objectives means companies must go beyond acceptability and work in partnership with others to leave a positive legacy for host communities. That is why we take a life cycle approach to our relationship and initiatives with local communities and Indigenous Peoples.

Community Engagement

We want our local stakeholders to understand our activities and priorities, and we also want to know their concerns. Community relations and stakeholder engagement is integrated into our RMMS, ensuring our sustainability programs remain focused on stakeholder priorities and social risks are regularly assessed.

As early as possible in the project development phase, we engage and partner with local stakeholders to assess the levels of social acceptability and potential impacts of the project within the host community. This allows us to mitigate potential negative impacts, and discover opportunities for collaboration, avoiding potential conflict and building community relationships on a foundation of trust and transparency.

Figure 21 on page 57 describes some of the ways we engage with key stakeholders during the life cycle of our mining projects. We adapt our initiatives to address the communication preferences of impacted communities; specific circumstances related to remote locations; and, to ensure any agreements align with local, provincial and/or national jurisdiction requirements.



Our community relations programs and stakeholder engagement are focused on helping our stakeholders to understand our activities and priorities, and we also want to know their concerns.



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



Our Commitment to Communities

We aim to contribute to the social and economic development of sustainable 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 and any form of forced and compulsory labour are permitted in the workplace;
- 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, and informed consent of the land owners or rightsholders;
- Support local communities and their sustainability through measures such as development programs, locally sourcing goods and services, and employing local people;
- Provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law;
- Seek to preserve cultural heritage from adverse impacts associated with project activities;
- Seek to avoid involuntary resettlement. Where this is unavoidable, proceed on the basis of meaningful consultation with affected communities; and
- Do not explore or seek to develop new mining operations in an area designated as a World Heritage Site.



Indigenous Relations

Agnico Eagle supports the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and applies its principles, norms and standards through our Indigenous Peoples Engagement Policy. Our approach focuses on establishing mutually beneficial, cooperative and productive relationships.

In 2019, we continued to implement our Corporate Strategy to contribute to Canada's reconciliation process¹. In 2019, a key component was our commitment to early meaningful engagement, building respectful relationships, and obtaining the free, prior, and informed consent (FPIC) of Indigenous Peoples before proceeding with economic development projects. More specifically we:

- Met with the newly elected Chief and Council of Beaverhouse First Nation, Matachewan First Nation, Timiskaming First Nation and the Abitibiwinni First Nation.
- Continued to implement exploration agreements with four First Nations regarding the Kirkland Lake project.
- Launched a collective environment committee with the five Indigenous Nations with traditional territories in the Kirkland Lake area for future advanced exploration work related to the Upper Beaver project.
- Continued to manage the Resource sharing Agreements with eight First Nations and a Shared Interest Agreement with the Métis Nation of Ontario in the area of the Hammond Reef project.
- Carried out spring and fall ceremonies with our Indigenous Nation partner for the Hammond Reef project.
- Continued discussions between the LaRonde Division and the Abitibiwinni First Nation for a collaborative agreement.
- Included the Indigenous Nations aspect of a number of exploration and mining projects in assessments for potential investment.
- In Nunavut, we continued to enhance relationships with the Inuit association, as well as IIBA (Inuit Impact Benefits Agreement) implementation for Meliadine, Meadowbank and Amaruq.

1. The Truth and Reconciliation Commission of Canada (TRC) published its *Call to Action Report* in 2015. The report made 94 recommendations in the areas of child welfare, youth, sports, education, language and culture, health and justice to redress the legacy of residential schools and to advance the process of Canadian reconciliation.

Figure 20.

Agnico Eagle’s Indigenous Peoples Engagement Policy Commitments



Figure 21.

Examples of Community Engagement Initiatives During the Mining Life Cycle



During all phases of the mining life cycle we strive to:

- Communicate information through a variety of media including local radio and newspapers, flyers, videos, social media and community meetings;
- Make information accessible in the local language(s) and provide translation;
- Have processes to include vulnerable groups² in community engagement initiatives;
- Engage with local stakeholders to identify community needs and priorities for social investments that respects our values;
- Collaborate and partner with local stakeholders to mitigate and avoid social impacts;
- Advertise local employment and local business opportunities;
- Uphold clear grievance processes and mechanisms;
- Align engagement plans with stakeholder mapping; and
- Publicly disclose results of impact assessments.

2. Vulnerable groups are defined as groups at higher risk of being subjected to social, economic or environmental impacts of our organization’s operation. Vulnerable groups vary by operation and can include youth, elders, women, people with disabilities, Indigenous Peoples and ethnic minorities.



60% of resolved complaints resulted in implementation of action plans to address the root cause of the complaint.

Tracking Community Feedback and Issues

We are committed to improving our social acceptability performance. Our community relations efforts focus on getting community feedback on current or proposed activities and on identifying and resolving issues. These issues are often identified through phone calls, emails, individual meetings, public or community liaison meetings, community-specific hotlines, our whistleblower hotline, or through our social media channels and websites and then logged in our database. These multiple feedback channels allow stakeholders to communicate with us via their preferred method.

Significant Disputes

Significant disputes refer to a sustained conflict between Agnico Eagle and the local community and/or Indigenous Peoples that cannot be resolved by the parties involved and requires legal or other third-party intervention. In 2019, Agnico Eagle did not experience any such significant disputes at any of our sites.

Complaints

Complaints are any notification given by a community member, group or institution, to the Company or division, that they have suffered some form of offence, detriment, impairment or loss as a result of business activity and/or employee or contractor behaviour. All complaints are managed in accordance with our operations' local community grievance process. All received

complaints are acknowledged, assessed, and a response is communicated to the complainant. We work on replying and resolving issues in a timely manner and implementing action plans to address root causes of complaints.

In 2019, we received a total of 48 complaints for all our mining sites and 37 (77%) of the complaints were resolved by the end of the year. Most unresolved complaints were received in the last quarter and remain open for resolution in 2020. Most of the complaints made in the year were related to nuisance of mining activities (vibrations, dust, noise) or health and safety (road traffic) (see Figure 22). Of the resolved complaints, 29 (60%) resulted in the implementation of action plans to address the root cause of the complaint.

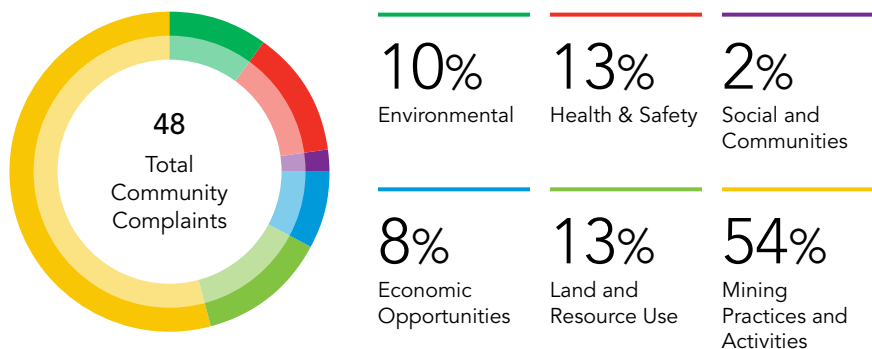
Generating Economic Benefits

We generate direct economic value in the countries, regions and communities where we operate through tax and royalty payments, local hiring and procurement, and community investments. We work together with communities to assess potential opportunities to enhance local economic benefits and create economic prosperity beyond the life of mine.

We publicly disclose on an annual basis specific payments to governments, including taxes and royalties, as per the Canadian Extractive Sector Transparency Measures Act (ESTMA). For more detailed information on our financial performance refer to our [Annual Report](#).

Figure 22. 2019 Complaints Received by Category

In 2019, we experienced zero significant disputes at any of our sites.





Our goal is to build social and economic capacity in each community, and to help provide a better quality of life for our employees, their families and their communities.

Employment Wages and Benefits

In 2019, Agnico Eagle provided \$637 million in wages and benefits. 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 economic contributions to our host communities.

Community Investments

In 2019, our community investment program continued to target initiatives that enable each of the communities where we operate 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 return on our investments in strategic health, education and capacity-building initiatives. Since 2009, Agnico Eagle's community investments have totalled over \$45 million.

In 2019 alone, Agnico Eagle contributed over \$7.4 million to various local organizations and events. The majority of funds went to economic development initiatives (60%), education funding (13%), and promotion and sponsorship (11%) (See Figure 24 on the following page).

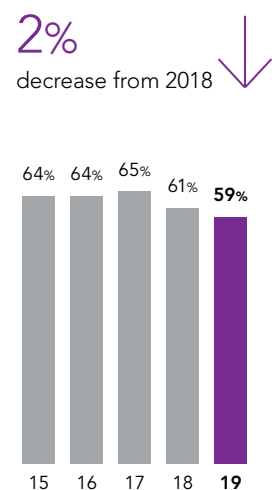
Buying from Local and Indigenous Suppliers

Agnico Eagle strives, where feasible, to buy goods and services from locally based suppliers as a way of supporting the economic vitality of our communities, while at the same time reducing the environmental impact of transporting materials and people from distant locations to our sites. Local suppliers must meet the same criteria that all potential suppliers must meet in order to do business with our Company. In 2019, our mines spent \$865 million on the procurement of local goods and services. This represents 59% of all procurement spending in 2019.

In Nunavut, Indigenous procurement is a key element of our Inuit Impact Benefit Agreements (IIBAs) and is characterized as businesses registered with Nunavut Tunngavik Incorporated (NTI). In 2019, 58% (\$378 million) of Meadowbank and Meliadine procurement spending was with Indigenous, NTI-registered suppliers. Our Nunavut operations work closely with the Kivalliq Inuit Association (KIA) to address challenges and enhance opportunities for businesses in the region. To promote and facilitate access to business opportunities, we provide workshops and assistance to Inuit firms in addition to entrepreneurial training.

We work on engaging with local suppliers for all phases of the mining life cycle. In 2019, 82% of our exploration contracts in Kirkland Lake were with companies that had joint ventures with First Nations for a total Indigenous procurement spending of approximately \$4 million.

Figure 23. Proportion of Operations' Spending on Locally Based Suppliers¹



1. The figure for 2018 has been restated due to an error in calculation.



Figure 24.
2019 Community Investments

In 2019 alone, Agnico Eagle contributed over \$7.4 million to various local organizations and events.



\$4.4M

Economic Funding



\$937k

Education Funding



\$838k

Promotion and Sponsorship



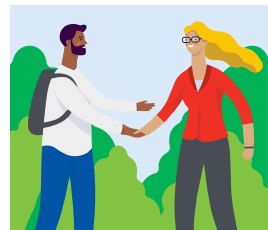
\$522k

Sports



\$345k

Culture



\$204k

Professional Sponsorship



\$146k

Health



In 2019, our community investment program continued to target initiatives that enable each of the communities where we operate to benefit from economic development in their region.

Featured Story

Miners of Hearts — A Decade of Social and Economic Impact in Mexico

Agnico Eagle has been operating in Mexico for over 10 years and in that time, we have proactively worked alongside community stakeholders to make a difference in the lives of the people and communities that surround our operations.

Our Mexican operations have grown to include three mining sites (Unidad Minera Pinos Altos, Unidad Minera Crestón Mascota, Unidad Minera La India), four exploration sites (Pitaya, Santa Gertrudis, El Barqueño, Morelos Sur), and more than 1,900 employees (100% Mexican).

The past decade has seen significant social and economic development in the region, with Agnico Eagle Mexico's approach to community relations at the heart of profound advancements in educational, health and community well-being.

Diony Campos, Superintendent of Community Relations at Pinos Altos says, "It is a very hands-on approach we take to community relations and it is designed to address the specific needs of each community. We take the time to consult with local citizens and gain consensus on community priorities. In one community that might mean fixing a road, in another it might mean buying medical equipment. Our goal is to build social and economic capacity in each community, and to help provide a better quality of life for our employees, their families and their communities."

Providing a Better Quality of Life

As a key stakeholder in our host communities, we continue to support health, education and community priorities that will have a long-term and positive impact on local citizens and communities.

In 2019, the team donated new eye glasses and lenses to more than 260 people in neighbouring communities around Creston Mascota; supported the opening of the Health Care Center near La India, with a donation of medical



equipment; built a shelter for the Juan Escutia Indigenous primary school in Yepachi; and, donated materials to repair classroom ceilings.

Agnico Eagle's Community Relations teams hosted various Children's Day celebrations throughout the year, providing 2,000 children with an opportunity to participate diverse activities. The team also helped organize Good Deeds Day events, part of a global campaign which began in 2017 to put into practice the idea that everyone can do good things, big or small, to improve the lives of others and make a positive change in the world. The team has been hosting Good Deeds Days for over three years, with a goal to empower community members to help each other and promote positive attitudes.

Additionally, Agnico Eagle continued to advance rehabilitation work on access roads in various communities near the Pinos Altos, La India and Creston Mascota sites and installed a children's play area in the town of Piedras Azules.

We Make Mining Work

To make mining work, we leverage local experience to bolster our experience.



For more stories, please visit:
www.agnicoeagle.com/sustainability/stories-and-videos/

Promoting a Healthy Environment

The team continued to advance and bring awareness to key sustainability issues and programs throughout the year.

Agnico Eagle launched a major water project in Yepachi, which was identified as a community priority, by bringing together municipal officials, a local contractor and the local Water Committee to develop a joint-working strategy. Pinos Altos also participated in a municipal recycling fair in Chihuahua. Other initiatives included:

- On World Environment Day, we hosted a mine tour and drawing contest dedicated to *Sustainable Mining and Communities*, with 644 primary school children joining in the fun.
- We launched a reforestation Campaign *Voluntree* to reinforce the benefits of a healthy environment, with more than 100 people planting 230 native pine trees.
- As part of the *No Plastic Pollution* campaign, Agnico Eagle and its key suppliers collected 1,200 kg of plastic bottles for the Mexican Association in Chihuahua, with the proceeds providing financial support to children with cancer.
- We hosted a Responsible Mine-Good Deeds Day event, with over 2,000 people in attendance and featuring workshops and sessions on: used oil collection, renewable energy and re-vegetation.



Featured Story

Community Wellness — Addressing Common Community Goals

In the summer of 2019, Agnico Eagle celebrated the opening of two new mines – the Meliadine Mine and the Amaruq Whale Tail deposit in Nunavut. Capturing the headlines was the news that the Company was investing \$1 million CAD toward community initiatives in both Baker Lake and Rankin Inlet, for a total of \$2 million CAD to support seven legacy projects.

Equally newsworthy was the approach taken at the community level to identify and arrive at these funding decisions.

In Baker Lake, where Agnico Eagle's nearby Meadowbank mine has been bringing employment and economic activity for over 10 years, a community-based wellness study (the Baker Lake Wellness Implementation Report) carried out by Agnico Eagle and the community was used to better define community priorities and goals.

With the study findings in hand, an extensive community evaluation process was undertaken to make decisions about Agnico Eagle's community investments.

Initiatives were identified and evaluated based on criteria including strategic alignment, sustainability of the initiative, as well as the overall

impact on the community.

The community agreed the following initiatives would be prioritized:

- The Baker Lake Abluqta Society will receive \$500,000 CAD over five years to establish a food bank and help address food insecurity in the region.
- The Hamlet of Baker Lake Fire Department received \$250,000 CAD to purchase a garage to house and secure its new ambulance and provide better community health and emergency care to its citizens.
- Baker Lake Search & Rescue received \$150,000 CAD to acquire sophisticated drone technology and training, as well as other equipment related to implementing more effective search and rescue operations – a critical need in remote northern communities.
- Baker Lake's Department of Recreation received \$100,000 CAD to purchase a new sound and lighting system to support various social events at its Community Centre.



In August, Agnico Eagle commemorated the opening of our new Amaruq satellite mine with a celebration day in the community of Baker Lake, Nunavut.



Improving Community Wellness

The Baker Lake Wellness Implementation Report and Plan studied how the Meadowbank operations have impacted the wellness of Inuit residents in Baker Lake (both positively and negatively), and identified opportunities where Agnico Eagle could work with the community to improve community wellness. The project selection process was conducted by an internal committee that used the information from key inputs to evaluate projects with respect to a specific series of criteria – strategic alignment, project sustainability, community outreach and reputation – to make its funding decisions. The choices were also validated by key community members prior to the funding announcement. This methodology allowed Agnico Eagle to select initiatives that were highly valued by the community and respond to their self-identified priorities.

“This extensive community evaluation process was very useful in ensuring our community investments support critical needs in the community, such as addressing and improving rescue operations, food insecurity and physical health. It’s a process that we are using in other regions as well.”

DOMINIQUE GIRARD
Vice-President, Nunavut

For example, while Rankin Inlet did not have a wellness study or findings to refer to, the community worked with Agnico Eagle to address long-standing community goals.

The community agreed the following initiatives should be prioritized:

- Rankin Inlet Fire Department received \$250,000 CAD toward its New Regional Fire Training Centre, which will allow firefighters to train for emergencies in a safe, realistic environment. This legacy project will help make surrounding communities safer and better prepared to deal with emergencies.
- The Iltaqsinig – Nunavut Literacy Council received \$250,000 CAD toward the purchase of a building in Rankin Inlet to serve as its permanent headquarters for Kivalliq and regularly offer literacy training programs to Nunavut adults, youth and community members.
- The Iltaqsinig – Nunavut Literacy Council will receive an additional \$500,000 CAD over the next five years to help promote and advance adult and youth literacy skills across the territory. These training programs are often life-changing and are key to growing Nunavut’s literacy rates.

Going forward, Agnico Eagle plans to continue to refine and improve its approach to community investment programs in order to enhance community-based wellness and to address common community goals.

We Make Mining Work

To make mining work requires imagination, listening, and a deep commitment to helping people and communities.



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Featured Story

Social Acceptance — Building Good Community and Neighbour Relations

LaRonde is Agnico Eagle's oldest and deepest mine. Open since 1988, LaRonde has now reached a depth of more than 3,000 metres below surface, making it the deepest mine in the Americas.

The deeper we mine, the more mining induced seismic activity is experienced at LaRonde as the rock mass readjusts itself. Most of the activity remains unnoticed by neighbouring communities but, in some cases, it can be heard on surface within and outside the limits of our property. In some cases, this seismic activity is felt by our neighbours in the surrounding communities of Cadillac and Preissac.

In 2019, in order to address rising concerns of neighbours, LaRonde consulted with local citizens to jointly develop a **Good Neighbour** framework, which is aimed at establishing positive neighbourly relations. Following a phased collaborative process, the proposed framework was presented at a public meeting last November. The framework was reviewed and validated by local citizens and officially came into force on January 1, 2020.

A Collaborative and Respectful Process

As part of LaRonde's community consultation process, the mine's general manager – along with its management and community relations teams – met with local stakeholders to agree on the essential conditions for good community and neighbour relations, including measures and actions taken to prevent, manage and mitigate the impacts of LaRonde's mining activities. The site held workshops with citizens, private consultations with under-represented neighbours in the workshops, and met with members of the Cadillac Neighbourhood Council and the Preissac Municipal Council to gain their insights and feedback.

After extensive discussions, the **Good Neighbour** framework was developed to address four key aspects: damage to property; disturbance related to seismicity; support for community development; and knowledge acquisition.

According to Christian Goulet, General Manager, LaRonde actively engaged with its neighbours on this issue in order to reinforce good community relations. "We always want to live in harmony with our neighbours. With the continuation of deep operations, seismicity will remain present for the next few years. We reached out in order to identify and resolve, as early as possible, any community concerns about our activities. We also wanted to ensure we are systematically and appropriately dealing with any complaints by people impacted by

our mining activities. Our goal is to always be a good neighbour and to maintain social acceptance of our mining activities."

Building on this approach, our Goldex Mine is currently working on a similar collaborative process to address community concerns specific to its neighbourhood. A first version was presented to local citizens in the spring of 2020 and should be validated and rolled out by summer 2020.

We Make Mining Work

To make mining work, we approach community issues with mutual respect and understanding.



For more stories, please visit:
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Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as “forward-looking statements”. Such statements include, without limitation, statements regarding the Company’s future plans in the areas of sustainable development, health, safety, environment and community development. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such statements reflect the Company’s views as at the date of this report and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. For a detailed discussion of such risks and other factors that may affect the Company’s ability to achieve the expectations set forth in the forward-looking statements contained in this report, please see the Company’s Annual Information Form for the year ended December 31, 2019 filed with Canadian securities regulators on SEDAR at www.sedar.com. Other than as required by law, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.



Agnico Eagle Global Performance Summary Data¹

Operations

GRI 301-1 SASB EM-MM-000.A	Production	2019	2018	2017	2016	2015
	Total Ore Processed (tonnes)	19,565,207	20,109,520	21,222,813	21,176,764	20,369,073
	Total Gold (oz)	1,447,547	1,278,069	1,396,288	1,370,373	1,385,531

Health, Safety & Wellness

Global Safety Performance		2019	2018	2017	2016	2015
GRI 403-09 SASB EM-MM-320a.1	Person-Hours Worked	20,384,101	20,227,598	18,110,348	16,702,903	14,995,802
	Number of Fatalities	0	0	0	1	0
	Accident Frequency (combined lost-time accidents and restricted workcases per 200,000 person hours worked by employees and contractors)	0.99	1.28	0.91	0.97	1.23

Environmental Stewardship

Energy & Climate Change		2019	2018	2017	2016	2015
GRI 302-1 SASB EM-MM-130a.1	Energy Consumption					
	Total Electricity (GWh)	1,202	1,115	1,114	1,092	1,049
	% Renewable Electricity	68%	75%	74%	76%	75%
	Total Energy Consumption (GJ)	9,342,624	8,183,269	8,165,242	7,644,178	8,578,403
GRI 302-3	Energy Intensity					
	Electricity Intensity (per tonne of ore processed) (GWh/t)	61.4	55.4	52.5	51.5	51.5
	Energy Intensity (per tonne of ore processed) (GJ/t)	0.48	0.41	0.38	0.36	0.42
GRI 305-1 SASB EM-MM-110a.1	Direct (Scope 1) GHG Emissions (tonnes of CO ₂ E)	442,418	332,437	335,519	325,922	337,190
GRI 305-2	Indirect (Scope 2) GHG Emissions (tonnes of CO ₂ E)	78,413	78,909	79,136	74,488	70,281
GRI 305-4	Total (Scope 1 + 2) GHG Emissions (tonnes of CO ₂ E)	520,832	411,346	414,655	400,410	407,471
	GHG Intensity (tonnes of CO ₂ eq. per tonne of ore processed)	0.0266	0.0205	0.0195	0.0189	0.0200
GRI 305-7 SASB EM-MM-120a.1	Air Emissions					
	Nitrogen oxides (Nox) (tonnes)	12,068	8,889	9,075	8,788	9,081
	Sulfur Oxides (Sox) (tonnes)	791	582	606	584	607

1. All data excludes Canadian Malartic

Environmental Stewardship (continued)

Water Management		2019	2018	2017	2016	2015
GRI 303-3 SASB EM-MM-140a.1	Water Withdrawal					
	Total Water Withdrawn (m ³)	9,532,210	7,339,775	6,449,267	6,115,542	6,650,639
	Surface water (m ³)	8,154,296	6,165,977	5,458,138	4,940,103	5,645,775
	Groundwater (m ³)	1,366,616	1,172,260	988,805	1,172,350	1,001,818
	Third-party water (m ³)	11,299	1,538	2,324	3,088	3,046
	Water Withdrawn Intensity (m ³ of water per tonne of ore processed)	0.49	0.37	0.30	0.29	0.32
GRI 303-4	Water Discharged					
	Total Water Discharged (m ³)	17,407,896	9,771,778	11,855,280	12,066,968	9,843,008
GRI 303-5 SASB EM-MM-140a.1	Water Consumption					
	Total Water Used (m ³)	24,950,028	20,206,694	19,865,414	18,182,510	20,059,203
	Total Water Recycled (%)	62%	64%	71%	69%	67%
Tailings & Waste Management						
GRI 306-2 SASB EM-MM-150a.1	Mineral Wastes					
	Total Waste Rock Mined (tonnes)	39,937,032	48,581,325	44,750,770	30,980,763	56,866,861
	Total Tailings Produced (tonnes)	13,076,790	12,382,580	12,533,384	12,927,355	12,629,883
	Total Mineral Wastes (tonnes)	53,013,822	60,963,905	57,284,154	43,908,118	69,496,744
	% Tailings Recycled	29%	24%	23%	20%	19%
GRI 306-2 SASB EM-MM-150a.2	Non-Mineral Wastes					
	Total Hazardous Waste (tonnes)	6,025	5,723	13,110	4,997	N/A
	Total Domestic (non-hazardous waste) (tonnes)	23,442	18,988	17,863	19,004	14,234
	% Domestic Waste Recycled	40%	54%	45%	42%	65%
	Total (hazardous + domestic) (tonnes)	29,466	24,711	30,973	24,001	N/A
GRI 306-2	Total Wastes (tonnes)	55,114,165	60,988,616	57,315,127	43,932,119	N/A
Environmental Compliance						
GRI 306-3	Significant Spills					
	Number of Significant Spills	0	0	0	2	2
	Total Volume (L) of Significant Spills	–	–	–	30,000,000	1,988
GRI 307-1	Environmental Fines and Sanctions					
	Total Number of Fines and Sanctions	0	0	2	0	0
	Monetary Value of Fines (\$CAD)	–	–	\$53,970	–	–



Our People

Workforce Composition		2019	2018	2017	2016	2015
GRI 102-08	Total Workforce	8,774	8,698	7,867	7,080	6,710
SASB EM-MM-000.B	Contractors	2,922	2,888	2,477	2,108	1,714
	Employees	5,852	5,810	5,390	4,972	4,996
	% Contractors	33%	33%	31%	30%	26%

Diversity and Inclusion

GRI 405-1	% Female Employees ¹	16%	16%	15%	14%	12%
	% Female Board of Directors	30%	30%	25%	25%	25%

Retaining, Training and Developing Our People

GRI 401-01	Total Permanent Employee Turnover ¹	507	496	568	329	460
	Permanent Employee Turnover Rate (%) ¹	9.6%	9.5%	13.1%	8.1%	10.7%
	Training					
	Average Hours of Training per Employee	47	25	56	45	31
GRI MM04 SASB EM-MM-310a.2	Number of Strikes and Lockouts	0	0	0	0	0

Socio-Economic Development

Generating Economic Benefits		2019	2018	2017	2016	2015
GRI 204-1	Proportion of Spending on Local Suppliers					
	% Local Spend	59%	61%	65%	64%	64%

1. Data from 2015–2017 only includes active operations, exploration and office numbers are not included

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