

# OceanaGold Sustainability Report 2014

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Committed to Sustainable  
Mining Development



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## CEO Message



### Our values: Respect, Integrity, Teamwork, Innovation, Action, Accountability

Throughout my 30 year career in mining, I have tried to articulate what I believe mining is really all about. Mining is not just about tonnes and grade, digging material from the ground and making products required by our society. Of course doing all of these technical things well is essential in running a good mining business. However it is the social and softer issues that also drive a strong mining company; one that is respected by communities, governments, shareholders and the general public as being a good corporate citizen that people are proud of because the company is making a substantial contribution to the betterment of the society.

It is a fact that most mines we develop are in remote locations, often in developing countries. Therefore, when we develop and operate our mines we are often in the front line of the more difficult community issues like poverty, inequality and cultural division. As a result, we have a unique opportunity to tackle these challenges whilst not usurping the responsibility of the government of the region and the autonomy of communities themselves. We strive to be a partner in the development of the society and this means being engaged with our communities, caring for and improving the environment, and striving to ensure that each time our employees and contractors end their work day and leave an OceanaGold site, they are safe and healthy when returning home to their families. In addition, and in cooperation with governments, we strive to maximise the benefits to host communities, provinces and countries in which we operate through skills development and education, infrastructure development in remote locations, employment opportunities, and creating long term sustainable businesses that will last well beyond the life of the mine.

In a nutshell, what we do as miners is turn resource capital, what is in the ground, into human capital to enhance the wellbeing and quality of life of societies in which we work. That's my definition of mining and what gets me up in the morning. I believe that it is also what underpins the values and culture of our Company. As CEO of OceanaGold, I am very proud of what we do for sustainable development and our contribution to the enhancement of society. I am also very proud of our people who work for OceanaGold, who share the same passion for why we do what we do, often in difficult and trying conditions.

Our latest Sustainability Report demonstrates our continued progress and journey toward sustainable development. It highlights our achievements over the past year and opportunities to improve going forward as we seek to make our vision as the partner, employer and mining company of choice closer to reality. I commend this report to you and warmly welcome any feedback you may have on how we can further improve our sustainability program.

Mick Wilkes, Managing Director and CEO  
March 2014



## Our Vision

**We will be a mid-tier, multinational gold producer delivering superior shareholder returns in a safe and sustainable manner by developing and operating high quality assets. We will be the partner, employer and mining company of choice.**

Our vision puts sustainable development at the forefront of what we do. It is based on a commitment to making sure our operations enrich, empower and improve the lives of our stakeholders, which include our communities and employees by creating a positive, long-lasting legacy that respects human rights and delivers enduring benefits and opportunities beyond the life cycle of our operations.

Our vision also underpins our projects and programs, ensuring we never take for granted the importance of our social license to operate or lose sight of the fact that sustainable development is an ongoing journey requiring continued review and improvement and close collaboration with our stakeholders.

As a growing, multinational company that is seeking to be the partner, employer and mining company of choice, we have a responsibility to set the bar high, to lead by example and pursue best practice sustainable development across our business where possible. The key to our vision is our core corporate values of respect, integrity, teamwork, innovation, action and accountability and is executed by our diverse workforce.

Each year, we seek to enhance how we communicate our sustainability programs, goals and our achievements and to identify areas to improve upon. This review is an important part of our annual and long-term business planning. It drives our commitment to improving the social, economic and environmental wellbeing of our communities and employees and is designed to provide them with opportunities today and tomorrow.

### The Transformation Continues

This year has been a transformative one for OceanaGold with the addition of our newest mine Didipio, which has increased gold production by 45% and has added copper to our production base while lowering our overall cost profile. Importantly, as we continue to grow, our ability to advance sustainability programs and deliver economic benefit grows too. Didipio has demonstrated this, where the direct and indirect benefits it contributes to the Philippine economy has made it a significant economic driver in the region.

In 2013, we also expanded our global footprint into the Americas, accelerating our transition into an emerging multinational gold producer. Here we will build on over 23 years of sustainable mining development in New Zealand and the Philippines to unlock the value, opportunities and benefits that exist for our new stakeholders in El Salvador.

2013 was also a challenging year for the gold sector as the drop in gold price required significant but necessary changes be made to existing operations. These changes mostly impacted our New Zealand operations. We worked closely with our stakeholders including affected communities, employees and labour unions to mitigate, as much as possible, the social and economic impacts of the changes made to our operations.

For the last six years, we have tracked and compared our sustainability performance using independently verified data collection protocols with the aim of achieving year on year improvement. Our reporting framework is based on the internationally recognised Global Reporting Initiative (GRI).

This report provides an overview of our operations and projects globally, using sustainability data recorded by our business units in New Zealand, the Philippines and El Salvador. The content is based on what is material to the Company and our stakeholders. It builds on previous reports and highlights our expanding human rights, water management and community empowerment initiatives.





# Performance Highlights

## Corporate Governance and Stakeholders

- > Established a new set of corporate sustainability performance targets.
- > Established a Sustainability Steering Committee to drive sustainable development programs including full adoption of the Equator Principles by the end of 2014.
- > Reduced unresolved company complaints from 55 in 2012 to 15 in 2013.

## Environment

- > Exceeded all Philippines reforestation requirements by planting 336 hectares of plantation forest representing 176,603 trees.
- > Awarded 'Most Environment Compliant' industry by Philippines Department of Environment and Natural Resources.
- > Reduced the total amount of waste to landfill across all operations.

## Community

- > Employed 98% Filipino workforce of which 55% are from Didipio and adjacent communities.
- > Used 100% Philippines and 80% New Zealand based contractors.
- > Graduated over 700 employees, contractors, and members of the community at the Didipio Training Academy.

## Health and Safety and Workplace

- > Worked 10 million man hours at Didipio with no Lost Time Injury (as at March 20, 2014).
- > Reduced total company Lost Time Injury Frequency Rate to 1.0 from 1.76 in previous year.
- > Increased the female proportion of the total workforce to 18% from 13% in 2012.

*Rehabilitated waste rock stack  
at Macraes Goldfield, New Zealand  
Right: Didipio Emergency Response Team,  
on the island of Bohol, Philippines*



## Our People

Our people are the foundation of our growth and success, working to our core values of respect, integrity, teamwork, innovation, action and accountability, every day.

In 2013, OceanaGold's performance was driven by a diverse and committed workforce, most of whom are sourced from the communities and regions around our operations. By hiring locally wherever possible and investing in the training and development of our valued workforce, we provide rewarding and stimulating employment opportunities that increase our business productivity and enable partnerships with our communities.

Each of our employees is an ambassador of the Company, representing us and who we are with our communities and other valued stakeholders. We put great thought and effort into human capital programs providing our people with an opportunity to grow their careers and be a proud member of OceanaGold.

Our vision is to be the partner, employer and mining company of choice. Our commitment to our people is based on this vision and ensuring all who work with us, now and in the future, benefit and are inspired by the experience.

## In The Spotlight: First female executive

In early 2013, Liang Tang was appointed Corporate Secretary and Legal Counsel at OceanaGold, which marked the first female member of the Company's executive leadership team. Liang has brought experience and leadership in corporate governance and legal affairs.

Liang earned her Bachelor of Commerce degree and Bachelor of Laws degree both from the University of Melbourne in Australia. Prior to joining OceanaGold, Liang worked at the private law firm Kelly Hazell Quill Lawyers and also worked as an accountant and tax consultant at the accounting firm Ernst & Young.

Liang joined OceanaGold's legal and company secretariat team in April 2009 and quickly excelled in her responsibilities that include legal affairs, compliance and corporate governance. Today, as a member of the executive team, Liang and her team play an important role in enhancing the Company's corporate governance framework to meet the growing needs of our stakeholders as we expand our footprint to new jurisdictions.



# Corporate Governance

We are committed to the highest standards of corporate governance. We demonstrate this by continued evaluation of our performance and establishing new initiatives to meet our responsibilities and continue to enhance stakeholder confidence in the integrity of OceanaGold.

An example of this is the development of corporate sustainability objectives in environment, community and health and safety. Whereas in the past we've set site objectives in these areas, we now fully align site objectives with corporate sustainability performance targets.

OceanaGold's corporate governance is managed by our Board of Directors which adheres to a list of Company Charters and Policies including the Corporate Social Responsibility (CSR) Policy. A full list and details of our Company Charters can also be found on our website: [www.oceanagold.com](http://www.oceanagold.com)

In 2013, the Company established a Sustainability Steering Committee (SSC) to proactively drive sustainability initiatives across the business. Comprising members of our executive and corporate sustainability teams, the SSC is accountable for delivering on our existing commitments and identifying new opportunities to enhance and broaden our sustainability program to meet the growing needs of our stakeholders.

Current SSC priorities include full adoption of the Equator Principles by the end of 2014, establishing new partnerships with non-government organisations (NGOs) including our current work with the International RiverFoundation (IRF), update corporate and business unit stakeholder mapping, communications and reporting and upholding our commitment to human rights. The SSC is also overseeing redevelopment and update of our existing policies, including but not limited to, the Corporate Social Responsibility (CSR), health and safety, environment and community policies.

As our growth and development continues, we will continue tracking our sustainability progress each year against Key Performance Indicators (KPI), Global Reporting Initiative (GRI) indicators and industry best practice to deliver progress and innovation in corporate governance and sustainable development.

*Historic mine in the Macraes Goldfield,  
New Zealand*



## Stakeholders

Meeting the needs and expectations of our stakeholders is of great importance to us. Their involvement in our activities and satisfaction with what we do is the cornerstone of our success. Whether internal or external stakeholders, all are given the same level of respect, commitment and value.

Internal Stakeholders	External Stakeholders
Employees	Our communities and its residents
Contractors	Government regulators
Service providers	Investment community
Business partners	Suppliers
Mining industry peers	Lending institutions

As we have grown, so too have our stakeholders. The El Salvador acquisition has increased our stakeholder groups in the Americas, while shareholder diversity has also increased on the back of continued growth and success of our Company.

Recognising the need to make sure our sustainability programs meet the growing needs of our stakeholders, the Sustainability Steering Committee (SSC) has begun updating its stakeholder management plans. This entails a review of the Company's stakeholders and identifying their needs through collaboration and third-party socio-economic assessment. The input from these activities feed into the creation of customised community programs designed to deliver benefits, build capacity and create opportunities today and beyond the mining operation life cycle. The socio-economic assessments will also help us measure the performance of our sustainability program and identify areas for further improvement.

Our Grievance Management process is a critical component of our stakeholder management program. Formal and informal mechanisms are provided at our operations for community consultation and comment regarding our activities.

Business Unit	Number of Complaints	Unresolved Complaints (as at end 2013)
New Zealand	0	0
Philippines	55	15

As at the end of 2013, our New Zealand operations had received zero community complaints, as was the case in 2012. In the Philippines, Didipio registered 55 complaints of which 15 were unresolved at the end of the year. This result is lower than in 2012 where we completed the year with 55 unresolved complaints. Creation of the grievance management process and a dedicated team to address the complaints and concerns of our stakeholders is attributed to the lower number of unresolved complaints year-on-year. The majority of unresolved Philippines complaints relate to previous surface rights activities and road right of way issues. All are currently under review as we continue working closely with the local government unit (Barangay Council) and the parties involved.

## In The Spotlight: Didipio Emergency Response Team – a call to duty

In August of 2012, the Didipio operations successfully recruited Roumel Estimada as its experienced coordinator of the Didipio Mine Emergency Response Team (Didipio ERT or ERT). Roumel, a registered nurse at the Veteran's Regional Hospital emergency room in Bayombong, assembled and trained the Didipio ERT. While serving as the Vice President for Operations of the Nueva Vizcaya Provincial Disaster Risk Reduction Management Council (NV-PDRRMC), Roumel gained first-hand knowledge of the government's disaster response system.

Today, the Didipio ERT has grown considerably and comprises four teams. The Alpha and Bravo teams consist of more experienced rescuers, while the Charlie and Delta teams serve as training grounds for less experienced rescuers.

The Didipio ERT played a critical role in rescue operations at two major natural disasters that impacted the Philippines in 2013: the earthquake on the island of Bohol and Typhoon Haiyan in Tacloban City.

On October 15, 2013, the island of Bohol in the Visayas was hit by a 7.2 magnitude earthquake. The Didipio ERT was dispatched by General Manager Brennan Lang to provide rescue and relief assistance in collaboration with the Philippines Mine Safety and Environment Association (PMSEA).

On November 8, 2013, Tacloban City also in the Visayas region saw mass destruction and devastation as a result of Super Typhoon Haiyan, the strongest typhoon to have ever hit the Philippines. The Didipio ERT along with an international contingent rushed to the centre of the impacted areas and provided rescue and relief to the hundreds of thousands of victims of the disaster.

In the aftermath of these two significant events, the Didipio ERT received a commendation from the PMSEA and on behalf of the Honourable Governor Ruth R. Padilla of the Province of Nueva Vizcaya, the PDRRMC presented the Didipio ERT with an award of appreciation and recognition for their assistance in Tacloban City.

West Coast Region near Reefton  
Goldfield, New Zealand





Protect.  
Restore. Enhance.  
Committed  
to excellence in  
environmental  
management.





## 2013 Environment Achievements

Didipio	<ul style="list-style-type: none"><li>&gt; Increased the amount of water recycled at the operation to 75%.</li><li>&gt; Reduced the total amount of waste to landfill by 71%.</li></ul>
Macraes	<ul style="list-style-type: none"><li>&gt; Managed environmental impacts to maintain the number of 'moderate' or 'major' environmental incidents at zero.</li><li>&gt; Installed a nephelometer (dust measuring instrument) and associated meteorological station in the Macraes Village.</li></ul>
Reefton	<ul style="list-style-type: none"><li>&gt; Managed environmental impacts to maintain the number of 'moderate' or 'major' environmental incidents at zero.</li><li>&gt; Completed 5.5 hectares of restoration in line with available areas and seedling availability.</li></ul>

## 2014 Corporate Environment Targets

Lagging Indicators	<ul style="list-style-type: none"><li>&gt; Nil breaches of Environmental License Conditions.</li><li>&gt; No 'moderate' or 'major' environmental incidents.</li></ul>
Leading Indicators	<ul style="list-style-type: none"><li>&gt; Annual Environmental Compliance Audit evaluation improvement of 15% across the Business Units.</li><li>&gt; Water use is measured and monitored and targets established for each Business Unit.</li><li>&gt; Energy use efficiency is measured and monitored and targets developed by each Business Unit.</li></ul>



## Environment

We are committed to responsible environmental management at our operations and projects globally. Our overarching goal is compliance with the applicable statutory requirements in the countries we operate and wherever possible, we work to exceed industry benchmarks to achieve excellence in all aspects of our environmental management.

This commitment is practically demonstrated by our environmental performance in New Zealand, one of the world's most environmentally conscious nations. For 23 years, we have operated sustainably there and have set the benchmark in rehabilitation and sustainable development. This knowledge and experience has allowed us to implement a range of innovative environmental programs and research across our operations including the Philippines.

The Environmental Management System (EMS) used by our business units is based on universally accepted ISO 14001 standards. Our performance is monitored and assessed using environmental management data protocols that include Key Performance Indicators (KPI) in the following key areas:

- > Compliance
- > Energy Use and Greenhouse Gas Emission
- > Waste Management
- > Water Management
- > Biodiversity and Land Management.

In 2013, our pursuit of environmental excellence saw us awarded the annual 'Most Environment Compliant' industry by the Environment Management Bureau (EMB), a division of the Department of Environment and Natural Resources (DENR) in the Philippines.

This year we will consolidate and advance these gains. We will undertake targeted planting projects and environmental restoration, seek continued improvement in our environmental compliance audits and build a water treatment plant and hazardous waste storage facility at Didipio. We will look to leverage our proven track record for environmental success in new jurisdictions such as El Salvador.

Each year our environmental programs and policies are reviewed. The latest version of OceanaGold's Environmental Policy can be found on our website: [www.oceanagold.com](http://www.oceanagold.com)

## Environmental Compliance

At OceanaGold, environmental compliance is an integral component of our environmental management program. It applies to all aspects of our development projects and operations and is included in all aspects of our mining lifecycle: exploration, development, operation, decommissioning, closure and site rehabilitation.

Our site-based environmental monitoring programs are comprehensive and focus on key environmental factors including ground and surface water quality, stream sediments, site biodiversity, aquatic biological diversity, effective tailings dams and waste rock stacks, noise and dust management.

In 2013, we installed a nephelometer (dust measuring instrument) and associated meteorological station in the Macraes Village. This will allow the continuous monitoring of total suspended particulate and ensure best practice air quality management including pollution and climate monitoring for our Macraes' community and employees.

At Reefton, we continued implementation of the Environmental Monitoring System (EMS) in alignment with ISO 14001 and at Didipio we continue to work towards implementing our Environment Management System in accordance to ISO14001. The ISO14001 certification audit is planned for 2014 at Didipio.

### Environmental Non Compliance

Business Unit	2001	2012	2013	Event Classification
Macraes	2	2	0	Minor
Reefton	4	2	1	Minor
Didipio	0	0	2	Moderate

Our New Zealand operations at Macraes and Reefton recorded zero 'moderate' and 'minor' environmental impacts in 2013. A single, technical non-compliance was recorded at Reefton when dust limits at a designated sample point were exceeded after a farmer applied lime to the paddock where a dust monitor is located. New Zealand's West Coast Regional Council confirmed the exceeded limit was a result of dissolved dust and not a result of the operation.

At Didipio, two moderate environmental incidents were recorded when an overflow from the site sewage treatment plant occurred during a power outage caused by Typhoon Labuyo in August. The incidents were ranked as moderate which have a low environmental impact but which could occur repeatedly with a higher potential level of environmental impact.

Corrective and preventative actions were implemented immediately to avoid reoccurrence. A standby generator has been installed to ensure uninterrupted power generation at the sewage treatment plant in the event of future power outages.

## Energy and Greenhouse Gas

Our energy and greenhouse gas objectives are outlined in OceanaGold's Environmental Policy. We review this regularly to identify opportunities to reduce our energy consumption.

We are a partner to the Negotiated Greenhouse Gas Agreement (NGGA) with the New Zealand Government and have met our NGGA reporting obligations and submitted annual 'Milestone Reports' on our greenhouse gas emissions performance to the Government over the past five years.

In 2013, Macraes recorded a 11% reduction in direct greenhouse gas emissions due to lower diesel fuel consumption from reduced use of haulage trucks. Direct energy consumption at Macraes was also reduced by 17% in 2013 due to lower diesel fuel use.

Indirect greenhouse gas emissions and energy rose slightly due to higher electricity use caused by processing harder ore through the plant requiring additional power.

At Reefton, direct greenhouse gas emissions rose by 18% due to increased fuel consumption from the addition of five new haulage trucks and excavator to improve pit production and from increased haulage distance. Indirect energy use dropped by 3% due to reduced electricity use.

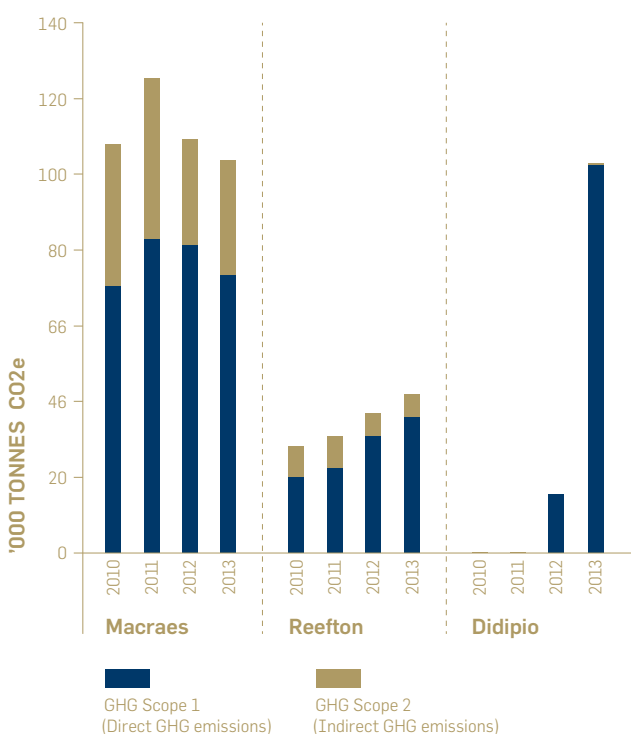
Didipio's commencement as a large scale gold operation in 2013 significantly increased diesel fuel consumption resulting in higher direct greenhouse gas emissions and energy use compared with its previous exploration, development and construction phases.

Currently, all Didipio's power is generated from diesel fuel, however in 2013 the Company commenced a study to connect the operation to the national power grid. By connecting to the power grid, the Didipio operations will significantly reduce diesel fuel consumption and lower direct greenhouse gas emissions.

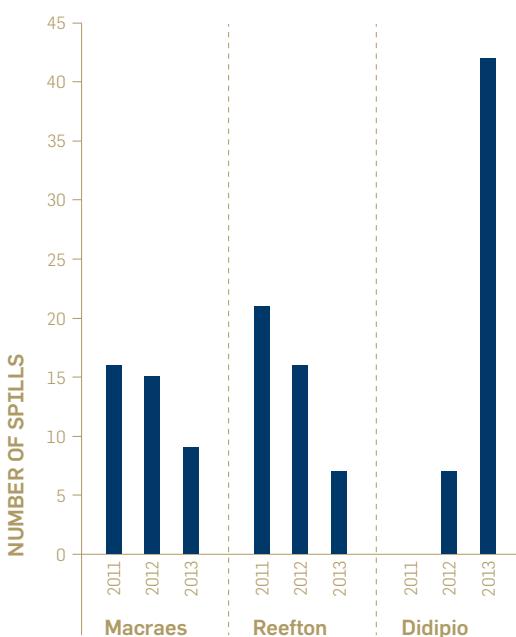
## Environmental Spills

As part of our strict focus on understanding and preventing hydrocarbon spills at the new operation, all spills have been reported and recorded irrespective of the quantities involved. This reporting requirement is likely to drive a greater diligence in managing hydrocarbons on site and fewer spills are expected in 2014 in line with our New Zealand Operations. In 2013, all spills were minor. New Zealand operations experienced a reduction in spills year-on-year and the aggregated volume of these spills was approximately 1,955 litres. At Didipio, 2013 marked the first full year of data at the operation. As a result, there was a year-on-year increase in total spills recorded and the total aggregated volume of these spills was approximately 500 litres.

### Greenhouse Gas Emissions



### Environmental Spills





# Waste Management

Our waste management objectives are guided by OceanaGold's Environmental Policy and directed at site level through our Health, Safety and Environment Compliance Standards and Site Procedures.

In 2013, all operations reduced their total amount of waste to landfill and overall waste generated increased slightly on 2012. Our waste reporting registers and waste segregation and recycling programs are important tools to achieve continued reduction in overall waste and waste to landfill at our operations.

## Non-Hazardous Waste

### Macraes

- > A slight 1.2% increase in waste produced on previous year
- > 12% reduction in waste sent to landfill compared with 2012

### Reefton

- > Similar amount of waste produced to previous year
- > 59% reduction in waste to landfill compared with 2012

### Didipio

- > A slight 1.7% increase in waste produced on previous year
- > 71% reduction in waste to landfill compared with 2012.

## Hazardous Waste

All hazardous waste at our New Zealand and Didipio operations is removed from site by approved and licensed contractors.

This year, we will construct a Hazardous Waste Storage Facility at Didipio to achieve best practice storage methods for hazardous waste comprising mainly used engine oil, prior to its removal and disposal by licensed contractors. In 2013, the New Zealand operations sold nearly 450,000 litres of used oil to local businesses and re-used 360,000 litres in the operations.

## Tailings Management

Our tailings management uses the highest standards of disposal and includes transport to a single facility with perimeter deposition and no other materials of any description placed in these facilities.

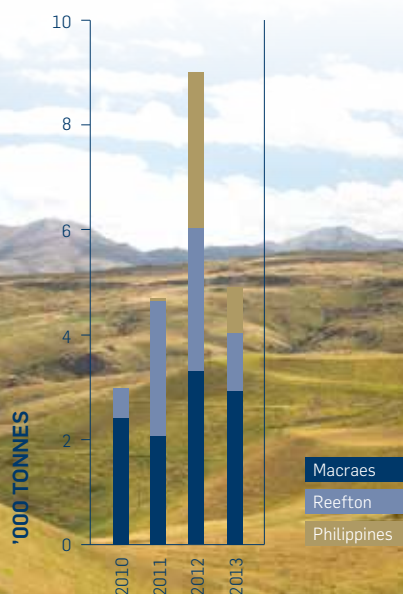
Our monitoring practices include the following elements listed below. Note, only the Macraes process plant uses cyanide in the gold extraction process.

- > Daily water sampling of tailings discharge, reclaimed tailings return water, Carbon-in-Leach (CIL) tails discharge and INCO discharge. (Macraes only) INCO is the company whose patented technology is used globally to destroy cyanide before it is pumped to the tailings impoundment
- > Continuous cyanide detoxification using the INCO process with online monitoring (Macraes only)
- > Daily sampling and analysis of the INCO discharge stream to ensure cyanide levels are below the INCO destruction detection limits (Macraes only)
- > Daily inspections and quarterly planned maintenance of the pipelines, valves and discharge spigots of the tailing impoundments and seepage systems
- > Daily monitoring of the water levels in the tailing impoundments and seepage systems
- > Daily monitoring of wind/weather for dust suppression at the tailings dam.

The Didipio tailings storage facility has been engineered to withstand a maximum category credible earthquake and typhoon. In 2013, we began building a water treatment plant to further improve the quality of the water above and beyond the levels required in our tailings discharge permit. This plant will be completed and operational in 2014.

In 2013, Macraes undertook an innovative tailings rehabilitation trial on the surface of its tailings impoundment prior to seeding for the purposes of dust suppression. The results of the trial are currently being analysed.

## Waste to Landfill



Rehabilitation matching the landscape in best-in-class restoration at Macraes Goldfield, New Zealand

# 11%

Reduction in direct greenhouse gas emissions from Macraes

# 46%

Overall Company reduction in waste sent to landfills

# Water Management

Water plays a key role in all modern day mining including exploration drilling, mineral processing, tailings storage, rehabilitation and restoration. Water is also a critical source of life that all species depend on. It is therefore important that all resource extraction companies effectively manage water use and take all necessary measures to mitigate contamination and maximise recycling.


OceanaGold places great importance on effective water management and demonstrates this by implementing the extensive experience gained from over 23 years operating in New Zealand and now the Philippines, our focus on industry best practice and through strategic partnerships.

Our water quality and usage data is managed and collected through our data management protocols which help us identify ways of reducing surface water usage while increasing recycled water consumption. We have built a strong track record in water management during our two decades of sustainable operation in New Zealand where we introduced new and innovative water management programs to reduce our water usage through increased recycling.

We have also worked hard to develop strong partnerships with like minded organisations such as the International RiverFoundation (IRF), a not-for-profit international group that works together with other organisations around the world to fund and promote the sustainable restoration and management of river basins. In conjunction with the IRF, we're currently examining ways to enhance the quality of life of communities that depend on the local tributaries.

The Company is committed to working collaboratively with regulatory agencies in the Philippines to address the adverse impacts of small scale tunneling and alluvial mining in the area of the Didipio Mine, where small scale operations have been the single largest contributor to decades of environmental degradation and pollution of the Didipio River.

In 2013, the Company began building a water treatment plant at Didipio to further improve the quality of the water above and beyond the levels required in our tailings discharge permit.



## 22%

Reduction in water usage across  
New Zealand operations

## 75%

Percentage water recycled at Didipio  
compared with 0% in 2012

*Trout Hatchery at the Macraes  
Goldfield, New Zealand*



## In The Spotlight: Building community champions in effective river basin management

OceanaGold believes that through collaboration with communities, government and non-government organisations (NGOs) more results can be achieved. In July 2013, OceanaGold partnered with the IRF, a Brisbane based environmental NGO that works in partnerships around the world to fund and promote the sustainable restoration and management of river basins.

The aim of the partnership is very clear: to create better environmental and social conditions for the people relying on rivers for agriculture, drinking water and daily needs and to further develop support for community and business partnerships across the Philippines.

Through the partnership, we will look to identify new opportunities in water management and promote and educate members of our communities to become champions of sustainable rivers through effective management of local tributaries.

The partnership has set an ultimate goal to qualify the Didipio catchment for the world renowned International Riverprize Award in five years time. The Riverprize recognises best practice in river basin management.

OceanaGold will continue to seek out partnerships globally to achieve common goals and leave a positive, long-lasting legacy.

### Water Consumption

In 2013, total water consumption at our New Zealand operations was again reduced. The majority of all water used at Macraes, Reefton and Didipio was also recycled. While our intention is to maximise recycled water at each operation, the actual amount recycled is largely dependent on annual rainfall in our mine catchment areas throughout the year. A lower amount of rainfall would require the operations to draw an increased amount of surface water while a higher amount of rainfall would provide enough water that can be recycled.

#### Macraes

- > Reduced total water consumption by 14% over 2013
- > Approximately 87% of water used at Macraes is recycled, a small reduction on 90% the previous year

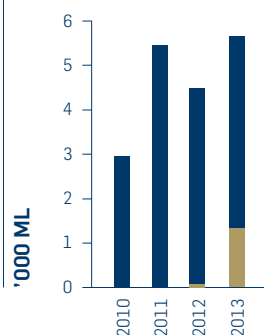
#### Reefton

- > Reduced total water consumption by 27% over 2013
- > Approximately 67% of water used at Reefton is recycled, compared with 75% the previous year

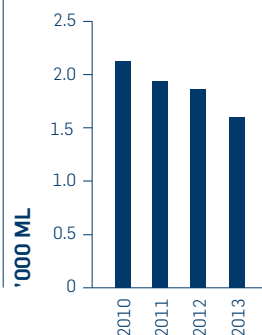
#### Didipio

- > Increased water consumption to approximately 2.27 million litres from 2012 as a result of the commencement of full scale operations. The Didipio Mine began operating in late 2012
- > Approximately 75% of the water used at Didipio is now recycled, compared with 0% the previous year.

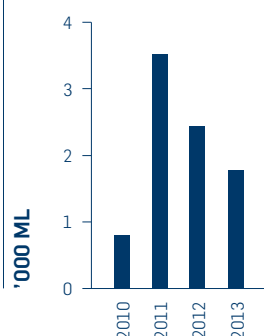
OceanaGold



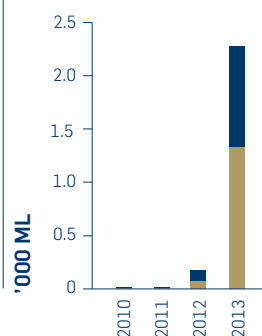
Macraes



Reefton



Philippines



Surface water

Groundwater



# Biodiversity & Land Management

Protection of the rich biodiversity and unique natural environments encompassing our New Zealand and Philippines operations is the focus of our land management program.

We are committed to delivering land use initiatives that minimise our environmental footprint, enhance and strengthen the biodiversity of the areas in which we operate and provide long lasting benefits for local communities and stakeholders in these regions.

## Biodiversity

Each year we undertake environmental research and associated programs designed to support the biodiversity and heritage at each of our sites. In 2013, these included: baseline surveys and management plans associated with aquatic and terrestrial ecology on site; analysis of the effects of mining in our rivers and waterways; species monitoring; and pest and weed removal.

The information gathered is then used to help plan and support the biodiversity of these areas and their distinct indigenous species. It also forms the basis of our research into ways of increasing biodiversity through the management and removal of introduced pests and weed varieties.

During the year, we maintained our commitment to Macraes commercial trout hatchery in conjunction with Fish and Game New Zealand. The hatchery produced 10,000 trout which were released into surrounding lakes and rivers.


In 2014, specific initiatives planned include wilding pine removal from the Cranky Jim's covenant area at Macraes and the development of a complete pest and weed control manual for the site.

At Didipio, 179,603 trees were planted over 336 hectares of land as part of our AgroForestry program. This is a 28% increase on the 139,662 trees planted in 2012. These plantings are part of our Community Partnership Plantation Program (CPPP) that supports a government initiative to reverse decades of deforestation by the Philippines logging industry.

Launched in 2012, the CPPP underlines our commitment to Philippine President Benigno S. Aquino III's National Greening Program, which specifically seeks to plant 1.5 billion seedlings on 1.5 million hectares of public lands nationwide in six years, from 2011 to 2016. Large tracts of land in the country are now devoid of trees with small shrubs and grasses replacing the old growth forest. The country, which is already prone to many typhoons each year, has become more susceptible to landslides and soil erosion. OceanaGold has committed to planting one million trees over 5 years, including a further 200,000 indigenous or commercial plantation seedlings in 2014.

Central to these initiatives is our commitment to the development of commercial plantations that provide long term income and employment opportunities for local farmers. In partnership with OceanaGold Sustainable Agroforestry Inc. (OGSAI) and the residents of barangay Tucod, we have developed a new central tree nursery at Tucod. This nursery includes a demonstration agroforestry farm, clonal nursery and training facilities where farmer partners will be trained in various agroforestry activities.

At Macraes, near its tailings impoundment wall, the Company raises 10,000 trout each year in the Macraes Trout Hatchery. Each year, the Company hosts fishing days and also releases trout into nearby rivers.



# 179,603

Total number of trees planted in the Philippines in 2013

# 428

Total number of hectares rehabilitated at Macraes to date



## In The Spotlight:

### Long, rich history of cohabitation: mining and agriculture

Subsequent to the year end, the Macraes Goldfield successfully poured its 4 millionth ounce of gold marking another major milestone for OceanaGold and for the Otago region on the south island of New Zealand. For the past 23 plus years of operation at Macraes, the Company and its predecessors have demonstrated strong community stewardship and environmental leadership.

For the past two decades, the Macraes Goldfield has been a major part of the agriculture industry in the Otago region. The area around Macraes is classed as "Otago dry hill country" and is used for sheep and cattle grazing with some outlying farmers diversifying into small conifer plantations and some deer farming.

One of the most defining features of our Macraes operation is the strong proof that mining and agriculture can very easily co-exist. This is evident by driving past the hundreds of hectares of rehabilitated land which was once used for mining but where now thousands of sheep and cattle graze.

Approximately 250 hectares of land that was once used for mining has been rehabilitated by the Company into pasture and native grass and tussocks and are casually grazed. Over 9,800 hectares of land around the current Macraes Mine is owned by the Company but has been leased to local landowners who use it for agricultural purposes. This amount of land can sustain as many as 33,000 breeding ewes (sheep) or nearly 10,000 one-year old heifers (cows).

Our Macraes operation has the strong support of our local farmers and clearly demonstrates that mining and agriculture can coexist.

### Rehabilitation

Our land rehabilitation program is comprehensive and driven by our commitment to best practice restoration and biodiversity protection. In New Zealand, our environmental bonds total nearly NZ\$40 million, while in the Philippines we have turned our statutory rehabilitation responsibilities into opportunities to provide training and employment for local communities.

At Macraes, we have built an excellent record of rehabilitation success. Rehabilitation is undertaken progressively with the end land use being improved pasture for agriculture. Rehabilitation of disturbed areas at Macraes involves the following steps:

- > Stripping and stockpiling of topsoil prior to mining activities. Wherever possible topsoil is taken directly to rehabilitation sites for spreading
- > Temporary seeding of any topsoil stockpiles to minimise erosion and dust
- > Stockpiling of oxidised rock or direct carting to rehabilitation sites
- > Once a section of waste rock stack is complete, shaping the final surface and covering with a layer of oxidised rock followed by a layer of topsoil
- > Prompt seeding and fertilising
- > Follow-up weed and pest control
- > Regular fertiliser application if the site is being actively grazed with stock.

In 2013, a further 8 hectares of rehabilitation to the Frasers East waste rock stack brought to 428 the total number of hectares rehabilitated to date. Macraes also has a strong program planned for 2014, with at least 1,600 native plants earmarked for planting at the Highlay Creek and Cranky Jim's covenant areas and within the general locality of Top Tipperary Storage Facility.

At Reefton, progressive restoration continued, with an additional 5.5 hectares of disturbed mine area being restored with a variety of native species. A formal monitoring system was also established to measure rehabilitation success. This innovative system includes a series of photo-monitoring points to visually indicate planting progression. A further 10 hectares of land rehabilitation is planned at Reefton in 2014.

At Didipio, we maintained our involvement in the Mines Rehabilitation Fund Committee responsible for engagement with local communities on the eventual Didipio Mine closure and reforestation in 2028.

Rehabilitated mining land now used for livestock grazing, New Zealand  
Left: Water quality sampling at Lone Pine water storage dam at the Macraes Goldfield, New Zealand



Festival at Kasibu, Nueva  
Vizcaya, Philippines







# Our licence to operate through opportunity and empowerment.



## 2013 Community Achievements

Didipio

- > Sustained enterprise development in the community by maintaining long term contracts with a local community owned corporation valued at US\$1.0 million in aggregate.
- > Spent over US\$2.4 million on capital infrastructure construction and improvements in Didipio and adjacent communities including roads, canals, schools and other community infrastructure.

Macraes

- > Assisted the Golden Point Trust to update the Butter and Egg Trail Booklet, a self guided driving tour of the Macraes and Moonlight areas promoting tourism in the region.
- > Provided funding for a second teacher at the local Macraes Moonlight School in 2013.

Reefton

- > Agreed to a three year support plan for a Miners Recreation Centre in Greymouth to provide for the development of the facility.
- > Sponsored and supported out-of-district school visits providing learning opportunities around all aspects of mining including geology and the environment.

## 2014 Community Targets

Lagging Indicators

- > Number of unresolved community complaints is less than 10% of total complaints.

Leading Indicators

- > Concrete 1.5 km of farm-to-market road and 2 km of roads in Didipio.
- > Complete >90% of planned community and socially responsible activities.
- > Complete a household survey in the Philippines and El Salvador every 2 years beginning in 2014.
- > Launch partnership with Mining Matters Canada.

Concreting segment of farm-to-market access road, Philippines



## Community

Our commitment to the economic empowerment and social health of communities surrounding our operations is integral to our business planning and decision making.

We respect the human rights of all and work hard to build and nurture strong, lasting partnerships with local communities and organisations. It's one of our most important and meaningful investments.

We focus on effective, targeted community development programs that aim to deliver enduring social and economic benefits. Investments into our communities from revenue generated by the business have clearly demonstrated the opportunities that exist for community members and the broader region in which we operate.

In New Zealand and the Philippines our community investment initiatives are guided by OceanaGold's Corporate Social Responsibility (CSR) Policy, a copy of which is available on our website: [www.oceanagold.com](http://www.oceanagold.com)

Over the last five years we have implemented and sponsored a varied number of community development programs in the areas of health, education, infrastructure development, training, employment and livelihood, agricultural research, culture, sport and youth development. As we continue to grow, our capacity to expand and enhance these important programs will also increase.

OceanaGold's sustainability steering committee is currently updating its stakeholder management process which includes the update to stakeholder maps. The Company is also embarking on third-party socio-economic baseline assessments that will act as a major input to the enhancement of our community programs and will serve as a tool to measure the success and performance of these programs.



Barangay Dibibi tree plantation,  
Philippines

## In The Spotlight:

### Protecting the environment and creating opportunities in agroforestry

Under the OceanaGold's Community Partnership Plantation Program (CPPP) which is part of the Company's broader AgroForestry initiatives, we partnered with the GEA Timber and local farmers to establish a commercial tree plantation in the barangay of Dibibi in 2012. This program continued to advance in 2013 with completion of a 100 hectare plantation that includes fast growing tree species such as Acacia Mangium, Gmelina and Bagrass which are often used for timber production.

Overall, a total 63 farmers/families participated by leasing their land to the program. In return, the participants receive rental fees for a period of 10 years, direct employment opportunities and receive a share of the income once the trees have matured. The program has been highly successful and there is a significant expression of interest from additional families from neighbouring communities to participate in the next phase.

One beneficiary of the commercial plantation is Connie Tilitil, an Ibaloi (Indigenous Peoples from northern Philippines) who was from the Benguet of Cordillera Region. Connie moved to Dibibi with her late husband in 1975 working together as farmers to support their five children. Connie lost her husband in 1999 after a long illness and together with her eldest children worked to support the family.

In 2012, Connie leased four hectares of her family land under the commercial plantation program. She has stated that her income from the plantation has supported her family's needs and subsidised the education costs of her youngest daughter who will be graduating with a Bachelor of Business Administration in 2014.

Connie plans to lease an additional three hectares in 2014 in the next phase and is looking forward to the plantation harvest revenue continuing to support her and her family.

## Human Rights

98%

Percentage of Filipino employees  
at the Didipio operation.

55%

Percentage of Didipio workforce  
from local communities.

At OceanaGold, we are strongly committed to the respect and protection of human rights including the rights of indigenous peoples across our global operations. Our human rights program is based on honouring the cultures and practices of indigenous peoples and upholding the human rights of employees and members of the communities where we operate.

We demonstrate our commitment to human rights through our support of the Voluntary Principles on Security and Human Rights. These principles were developed to guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms.

This involves making sure our employees, contractors and stakeholders are aware of their human rights and the commitment we have made to uphold and protect these rights as outlined in the United Nations Declaration of Human Rights, international humanitarian law and the laws and regulations of the countries in which we operate.

Central to our human rights commitment is the engagement strategies we have put in place to encourage dialogue, participation, transparency and the resolution of issues that will safeguard the human rights of our stakeholder groups and deliver long lasting social and economic opportunity for our communities.

As we expand our footprint to new areas of development including El Salvador, we will apply the same principles of respect and commitment to human rights, utilising our 23 plus years of strong community relations experience.



DiCorp shuttle service  
at Didipio Mine, Philippines



### Training, Education and Due Diligence

Training is another key component of our human rights responsibilities in the Philippines. To thoroughly explain and implement the Voluntary Principles on Security and Human Rights, we consulted with an independent third party organisation to run a comprehensive workshop and training program for all employees, key stakeholders and interested community members. A full audit of our human rights observance and activities in 2013 is also expected to be undertaken by this independent group in 2014.

Together with the Philippines Commission on Human Rights Region 2, we have conducted a number of joint activities and human rights training courses for our staff and management, security personnel, local officials and the community. We utilise training and auditing to ensure all practices are in accordance with Philippines labour laws, including the protection of children from labour.

Effective engagement strategies that promote dialogue, transparency and the timely resolution of issues also demonstrate our human rights commitment. In the Philippines, any conflicts are swiftly referred to the Community Partnership Department where they are managed and resolved via a Grievance Management process.

### Indigenous Peoples

We strongly support and uphold the Indigenous Peoples Rights Act of 1997 in the Philippines. This legislation recognises and protects the rights of indigenous peoples as contained in the Philippine Constitution.

We develop our business activities within the principles of Consultation and Participation and Free and Prior Informed Consent with indigenous peoples. We find new ways of engaging with and honouring the culture and practices of indigenous peoples. We have recently completed the free and prior informed consent process with the National Commission of Indigenous Peoples in the Philippines and entered into a Memorandum of Agreement (MoA) with an indigenous tribe on one of our tenements. The MoA permits us to enter the area on the basis that we implement a number of targeted community development programs agreed with indigenous leaders.

The Macraes and Reefton operations are on land over which the Iwi (Maori people) of the Ngāi tribe have an interest. The sub-tribe, Kāti Huirapa ki Puketeraki is mana whenua (people of the land) for Macraes and the Te Rūnanga o Ngāti for Reefton. Both tribes have interests in our operations and we respect their human rights by maintaining ongoing liaison and consultation with them on all aspects of our operation from exploration through to mining operations.

Cultural Impact Assessments (CIA) commissioned for our Macraes and Reefton operations has enhanced indigenous consultation in New Zealand. Prepared by the Iwi, the CIAs consider the impact our operations may have on Iwi cultural values and significant sites. In 2013, the Reefton operation and local Iwi Te Rūnanga o Ngāti Waewae signed a Memorandum of Understanding (MoU) to work together for the mutual benefit of both parties. The MoU includes the social, economic and environmental benefits we will provide in return for land access.

### Human Rights Activities in the Philippines

Our commitment to human rights in the Philippines is demonstrated by our longstanding partnership with the Commission on Human Rights and innovative community development and employment programs that create opportunity through benefits.

#### Local Employment Opportunities

As part of our human rights commitment to improving the lives and future employment opportunities of our people and communities, we utilise a local hiring policy where practical. This policy is strongly preferential and ensures we hire first from Didipio and nearby communities, then the host provinces of Nueva Vizcaya and Quirino and finally the national Philippine employment pool. Our target is 100% Philippine employees and use of Philippine based contractors and suppliers.

Using the standard mining multiplier effect, the Company estimates that over 12,000 direct and indirect jobs have been created as a result of the Didipio Mine. As at the end of 2013, the mine itself currently had a workforce of 1,810 of which, 98% are Filipinos including 55% from Didipio and adjacent communities.

To provide our predominantly unskilled local community members with the skills necessary to work in our mining operation, we established the Didipio Training Academy in 2012. The Academy and its curriculum provide the skills and knowledge necessary for local people to obtain the government regulated certification required to operate heavy machinery.

The investments we have made at the Didipio operation and on education and training programs have provided valuable social benefits for local workers by allowing them to work close to home and their families, whereas in the past they would have sought employment elsewhere and often overseas.

	Didipio contractors	Didipio Operations/Project
Total workforce	1,296	514
% of workforce from the Philippines	99%	95%

### Human Rights Activities in New Zealand

Our commitment to human rights in New Zealand is demonstrated by our wide-ranging and diverse investment in a range of community programs covering health, education, sport and youth development, heritage, the environment and tourism. These programs are structured in consultation with community representatives to enrich and improve the quality of life for our Macraes and Reefton communities.

In New Zealand, we also use a local hiring policy which gives available community members the training opportunities and skills required to work in our exploration and mining operations. This policy provides economic and social benefits for local employees who are able to secure rewarding employment close to home and their families.

## Philippine Communities

Our commitment to the Philippines is founded on the Social Development and Management Plan (SDMP) under which we spend 1.5% of Didipio's total operating costs on a range of community development programs. The SDMP's objective is to provide sustained improvement in the living standards of the host (Didipio) and nine surrounding communities by helping them define, fund and implement these programs.

SDMP projects are identified and prioritised by each community and municipality based on the needs of their residents and in accordance with the SDMP Memorandum of Understanding (MoA) agreed with these communities in 2012. In 2013, the majority of SDMP expenditure was on infrastructure programs with education and capacity building also large funding recipients.

In 2013, the Company spent approximately US\$2.4 million on community projects and activities.

Project highlights this year included:

- > Infrastructure (52%) – medical clinic construction, main access road improvements, construction of multi-purpose halls and school buildings, school facility improvements, farm-to-market road upgrades, canal construction, water system rehabilitation, community hall repairs, bridge renovation, multi-purpose drying pavement for farm produce and facility fencing
- > Education (18%) – full and partial teacher salary subsidies, educational materials and computer equipment purchase, school facility maintenance and upgrade, school activities support and scholarship grants
- > Capacity Building – (18%) 2014 SDMP planning workshop, 5 Year SDMP planning workshop, administrative, engineering and project monitoring and evaluation expenditures for SDMP project implementation, SDMP assessment and capacity building workshop with partner communities and 2012 SDMP Fund external audit
- > Sports and Socio Cultural Development (6%) – town fiesta support, community sports summer leagues assistance, musical instrument and native costume purchase, local church improvements and senior citizens financial assistance
- > Enterprise Development and Agriculture (3%) – animal vaccination, tilapia and swine production, farm inputs and poultry, aqua culture and egg production livelihood projects
- > Health (3%) – midwife and health worker salary payments, mobile medical and optical missions and medicine purchase and distribution.



Young Didipio visitor participating in agroforestry event, Philippines



## Education Program

Investment in education initiatives is an integral component of our sustainable development program in the Philippines. Since 2007, we have helped fund many different programs designed to give our communities the opportunity to improve their education and equip the education system with the tools needed to facilitate learning. Our education program includes three main components; subsidy to teacher salaries, additional classroom construction and scholarship grants and education assistance.

In 2013, we provided full or partial subsidisation to 36 daycare, elementary and high school teachers including 10 in Didipio. We achieved this by working collaboratively with government agencies such as the Department of Social Welfare and Development to coordinate funding of the education system.

Scholarship grants and education assistance are also important parts of our education program. We currently provide scholarships to 95 students and education assistance to an additional 99 students. Most of these students are enrolled at the Nueva Vizcaya State University and the new Quirino State University. In 2013, 6 scholars graduated, with 3 finishing a Bachelor's Degree and the other 3 completing their Master's Degree. Since 2007, 56 of our college scholarship recipients have graduated and of that number, approximately 17 are employed by OceanaGold or working with our main contractors Delta or the Didipio Community Development Corporation.

In 2014, we will continue these important education investments and seek new opportunities by working closely with the Didipio and neighbouring communities and government agencies.

Additionally, the Didipio operation is seeking to partner with Mining Matters, a Canadian based not-for-profit organisation that educates aboriginal communities in Canada on mining operations, technology, geology and social topics. The partnership will mark the first time in its 20-year history that Mining Matters will take their program outside Canada.

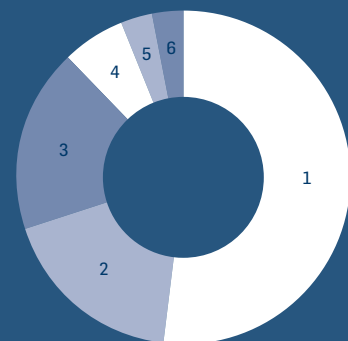
# US\$2.4m

Approximate community spend at Didipio and neighbouring communities

# 194

Total number of students given scholarship or education assistance by OceanaGold

## Annual 2013 SDMP Cost by Components



- 1 Infrastructure 52%
- 2 Education 18%
- 3 Capacity building 18%
- 4 Sports & socio-cultural 6%
- 5 Enterprise development & Agriculture 3%
- 6 Health 3%



Class in session at the Didipio Elementary School, Philippines

## In The Spotlight:

### Why we work: the heart and soul of our Company

On May 11 2013, four days ahead of the official grand opening of the Didipio Mine, OceanaGold opened its doors to the families of its employees and contractors for a day of fun, food and games. The event which drew hundreds of attendees from neighbouring communities gave families an opportunity to see for themselves, the hard work their loved ones had put into building one of the more successful Filipino mining projects in recent history.

Hundreds of children filled the event area which featured exhibit booths, contests, music and presentations. Visitors had an opportunity to learn about the Didipio Mine and the effort that went into developing the site, about the many community programs and initiatives the Company has initiated and the employees who make the operation a success. Curious children enjoyed observing the bubbles forming in a miniature flotation processing unit and had a firsthand look at how gold mining works.

Didipio children's band: Drum & Lyre performed a rendition of the Philippine national anthem during the opening act. The band was also a recipient of a donation from the Children's Hour, a non-government agency focused on children programs and education. Didipio Mine employees donated an hour's wage to the Children's Hour, and in turn, the institution donated a new set of drums and lyre equipment to the local school.

To commemorate the event, each family was given the chance to take home a family photo with the mine facilities in the background and each visitor was also given an OceanaGold hat and t-shirt.

#### Didipio Community Development Corporation

In 2011, OceanaGold assisted its host community Didipio in establishing the Didipio Community Development Corporation (DiCorp). Owned by the long term residents of Didipio, DiCorp employs over 300 employees mainly from our local communities and contracts awarded by the Company, if renewed to life of mine, amount to over \$40 million. DiCorp provides mine services to the Didipio operations such as farm-to-market access road maintenance, housekeeping, catering, laundry, waste and recycling, employee transport and construction equipment hire services, concentrate loading and handling and camp maintenance.

In 2013, DiCorp increased its spend on host community suppliers by 296%, while use of local suppliers rose from 67 in 2012 to 83 in 2013. During the year, DiCorp emerged as the fastest growing business in the province of Nueva Vizcaya.

In addition to DiCorp, the Didipio operations have directly and indirectly created new business opportunities and expanded the need for agricultural products. The operation currently spends approximately \$4.5 million annually on food and supplies from local businesses for the Didipio Camp.

#### Community Activities in the Greater Philippines

OceanaGold's community initiatives in the Philippines extend beyond the provinces of Nueva Vizcaya and Quirino. Outside Didipio and its adjacent communities, we demonstrated our commitment to the greater Philippines through programs and assistance that focus on communications, relationship building, environment and support.

In 2013, our community programs included a wide range of activities and initiatives. Some examples include:

- > Medical and optical missions that provided treatment to approximately 900 patients
- > Invested in infrastructure projects including a new water system that services 100 households
- > Reforested 36 hectares of land and donated approximately 700 mahogany seedlings as part of our broader agroforestry program
- > Enhanced communications with our stakeholders through the Information, Education and Communication (IEC) program which aims to increase awareness and knowledge of the objectives and benefits of mineral exploration and development
- > Provided assistance to natural disaster rescue and relief including the provision of medicines, water, blankets and logistical support in the aftermath of Category 5 Super Typhoon Haiyan which caused mass devastation and casualties when it hit the central Philippines on 8 November 2013.





## New Zealand Communities

Our community involvement in New Zealand has spanned over 23 years and is a highly valued component of our Macraes Goldfield and Reefton Goldfield operations.

It includes direct financial support to communities and stakeholders in various areas. Our people and contractors also provide a range of 'in kind' support based on their skills, knowledge and experience in these areas.

Coupled with this support, our sustainable procurement policy ensured that 80% of all New Zealand operational expenditure in 2013 was committed to suppliers with a primary base and/or significant operational or supply presence in New Zealand.

This year, we contributed approximately US\$261,000 to our New Zealand communities for support and initiatives including:

- > The Otago Medical Research Foundation
- > Macraes Village
- > Sponsorship of various school and community groups within the East Otago area
- > Sponsorship of sports teams such as the Dunedin Nuggets Basketball and Otago District Rugby teams
- > Greymouth Miners Recreation Centre
- > Macraes Commercial Trout Hatchery
- > Recycling bags for Macraes residents.

At Macraes, we assisted the local Golden Point Trust establish an inventory of photographs of the historical Macraes district. To enhance and expand local tourism, we also helped the Trust update its self-guided driving tour booklet of the Macraes and Moonlight areas.

A community milestone was reached at Reefton, where we agreed to support a three year plan to develop a Miners Recreation Centre in the local town of Greymouth. This will be a valuable and much used community resource when complete, improving the social and sporting amenity of Greymouth for residents and visitors.

With the drop in the gold price in 2013, the Company re-optimised its mine plans at Macraes and Reefton which resulted in a reduction of mine life and reduction of the workforce at these operations. These changes will ultimately have an impact on our communities in New Zealand. We have worked closely with our stakeholders including our employees and communities to assist with life after the mine.

In 2014, Macraes will provide the Golden Point Trust with the assistance necessary to undertake a significant community heritage project in the district and also look to establish the Macraes Community Development Trust with a Trustee appointed from OceanaGold.

One of Reefton's key 2014 community objectives is sponsorship and support for out-of district school visits which provide learning opportunities around all aspects of mining including geology, mining engineering and the environment.

Macraes employee shuttle bus leaves mine site, New Zealand

**296%**

Increase in DiCorp spend on host community suppliers

**80%**

Percentage of NZ spend on local suppliers



*Panoramic view of the Reefion  
Goldfield, New Zealand*





# Building a safe and rewarding workplace for our people.





## 2013 Healthy and Safety Achievements

- |         |  |
|---------|--|
| Didipio | <ul style="list-style-type: none"><li>&gt; No Lost Time Injuries and Total Recordable Injury Frequency Rate less than 4.0.</li><li>&gt; Achieved over 90% compliance on management team monthly safety activities.</li></ul> |
| Macraes | <ul style="list-style-type: none"><li>&gt; Increased task safety observations to greater than 1,500.</li><li>&gt; Achieved the targeted safety leadership training.</li></ul>  |
| Reefton | <ul style="list-style-type: none"><li>&gt; Completed the defined number of risk assessments.</li><li>&gt; Achieved TRIFR less than 28.</li></ul>   |

## 2014 Company Health & Safety Targets

- |                    |   |
|--------------------|---|
| Lagging Indicators | <ul style="list-style-type: none"><li>&gt; Total Recordable Injury Frequency Rate less than 5.</li><li>&gt; All Injury Frequency Rate less than 40.</li></ul>   |
| Leading Indicators | <ul style="list-style-type: none"><li>&gt; Annual Safety Management System Audit evaluation improvement of 15% across the business units.</li><li>&gt; No safety actions in excess of 14 days overdue.</li><li>&gt; Less than 10% of all outstanding actions become overdue.</li><li>&gt; Near miss and hazard reporting is twice the number of incidents reported (ie. Ratio of 2:1 for Near miss and hazard reporting vs. incidents).</li></ul> |

Leah Manguba – Plant Metallurgist,  
Philippines; Checking measurements



## Health and Safety and the Workplace

The health and safety of our employees, contractors and local communities is paramount. Their well-being underpins our licence to operate and is the foundation on which we build our success.

Improving our health and safety performance is an ongoing priority and we strive to create a mindset in which our workforce believes that an incident and injury free workplace is achievable in today's mining industry. Effective training and education are critical to developing this mindset and to highlighting the principle that all incidents and injuries are preventable.

### Health and Safety Management

To meet our goal of an incident and injury free workplace, a combined commitment from management and our employees and contractors is necessary. To achieve this, we operate an overarching health and safety framework with annual improvement targets marked 'Specific', 'Measurable', 'Achievable', 'Realistic' and 'Time framed' (SMART). We have also developed specific Key Performance Indicators (KPIs) that refer back to the SMART targets and track our health and safety performance over time.

In addition to this structure, we utilise our Health, Safety and Environment Compliance Standards manual against which all sites are audited each year and which are based on industry best practices. Tracking this data year on year allows us to accurately assess our performance and find opportunities for further improvement, training and development.



Ronald Rodriguez – Grinding Operator,  
Philippines; Loading grinding media into the mill

### In The Spotlight:

#### Safety first: one of our great achievements

When construction of the Didipio Mine recommenced in June 2011, the Company quickly identified a need to drive a culture of safety into the day to day operations of a mainly Filipino workforce who were not accustomed to working with a "safety first" mindset.

The Company has worked closely with its workforce and contractors in establishing a best practice health and safety program consisting of comprehensive and continuous training, increased task based observations by supervisors and daily safety meetings before the start of each shift. This training has been reinforced with strong messaging from the top levels of the organisation and the senior leadership team at the operation. Additionally, safety achievements have been recognised and awarded while safety issues are publicised, discussed and addressed immediately.

Today, the Didipio operation is an example of health and safety excellence in the mining sector and in the broader Asia Pacific region. Subsequent to the year end and on March 20 2014, the operation recorded 10 million manhours or 606 days without a lost time injury, a remarkable feat and a clear demonstration of the Company's commitment to safety and the importance we place on operating with our own and the safety of others in mind.

In 2012, the Didipio Mine was awarded a plaque of appreciation by the Mines and Geosciences Bureau in the Philippines for its health, safety and environment program. This accomplishment marked the first time a mining company in the region has received the award.

## Health and Safety Statistics

# 10 million

Number of man hours worked at Didipio without a lost time injury (as at March 20, 2014)

# 32%

Reduction in the Company's Total Recordable Injury Frequency Rate from 2012

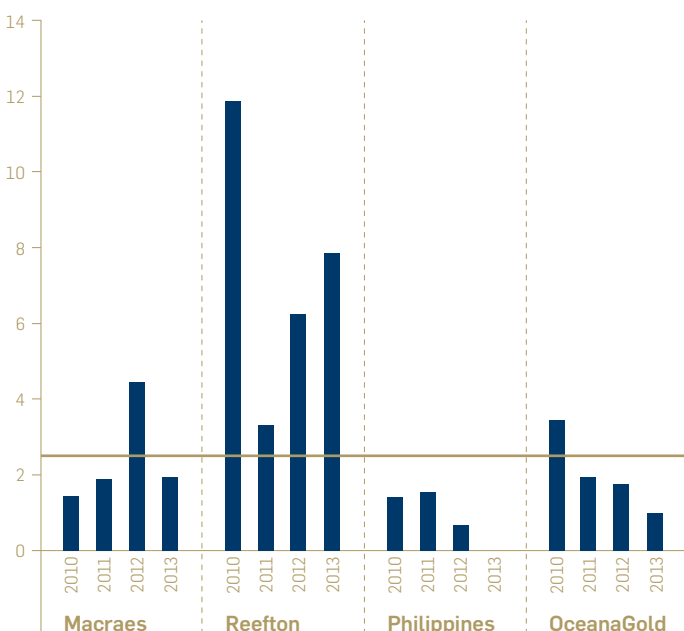
Our unwavering focus on health and safety delivered significant improvement in 2013. Our overall Lost Time Injury Frequency Rate (LTIFR) was 1.00 (per million man hours) well below the Australian mining industry average of 2.5 and an improvement on 1.76 in the previous year. Our Total Recordable Injury Frequency Rate (TRIFR) also dropped from 8.09 in 2012 to 5.49 in 2013, a 32% reduction.

Macraes reduced its number of Lost Time Injuries (LTI) to 3, compared with 7 the previous year and its LTIFR from 4.44 to 1.93 in 2013. Reefton recorded 5 LTI, one more than the previous year and a corresponding increase in LTIFR from 6.24 to 7.86 in 2013. The very thorough nature of our LTI reporting requires all injuries of even the most minor nature be recorded.

At Didipio, zero LTI were recorded thus reducing Didipio's LTIFR to zero. The last LTI recorded at the operation was in July 2012. This is an exceptional achievement and demonstrates the success of our health and safety awareness and training programs in the Philippines that have created a culture in which a safe working environment and injury prevention is paramount. Didipio's TRIFR also fell to 1.89 from 3.22 the previous year.

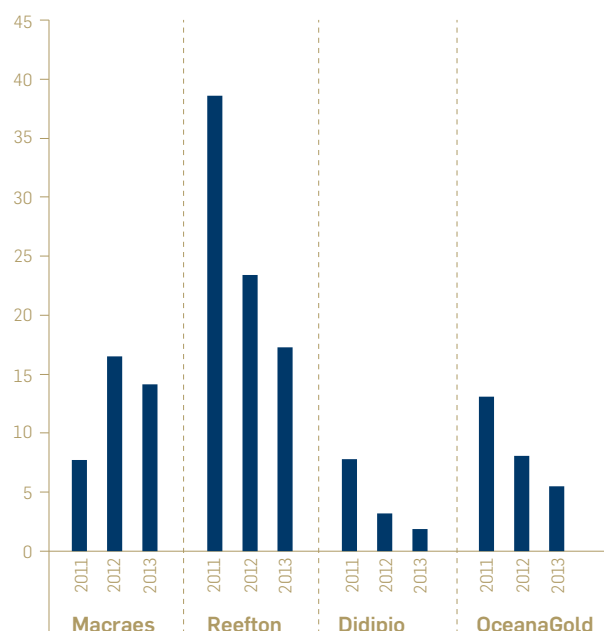
In 2014, we will continue to work hard at reducing all injury types using our best practice health and safety training programs to build further on the success achieved at Didipio. At Macraes and Reefton, we will implement principal management hazard plans as required under New Zealand's new safety legislation and at all sites, we aim to improve the annual safety management system audit score by a further 15%.

Lost Time Injury Frequency Rate (LTIFR)



— Western Australia mining industry average (2012/13)

Total Recordable Injury Frequency Rates (TRIFR)





## Health and Safety Training

Ongoing health and safety training is instrumental in creating a workforce mindset that believes an incident and injury free workplace can be achieved.

Every year our New Zealand and Philippines operations and exploration business units implement a number of health and safety training programs to raise awareness and equip our employees and contractors with the knowledge, skills and understanding to operate safely at work.

In New Zealand, our Macraes and Reefton operations undertook the following health and safety training:

- > Health and safety training induction
- > First aid
- > Job Safety Analysis (JSA) manual handling
- > Working at heights and confined space
- > Tunnel manager training
- > Drug screening
- > Emergency response.

At Macraes and Reefton, we achieved 90% attendance at safety leadership training and at Reefton, 80% of planned monthly risk assessments were completed, site safety boards were introduced to enable effective communication of safety related matters and alerts and increased emphasis was placed on hazard reporting. Macraes and Reefton also increased work place safety interaction of supervisory and senior staff which included a program of regular and targeted task based observations set as individual Key Performance Indicators (KPIs) for employees.

Continued improvement of our New Zealand health and safety training program in 2014 will include a major underground emergency training exercise involving emergency services and our crisis management team at Macraes.

At Didipio, our outstanding health and safety achievements in 2013 were driven by 90% compliance with monthly safety activities including:

- > Contribution to toolbox meetings
- > Safety tours and observations
- > Participation in safety investigations
- > High visibility compliance including safety pre-starts.

The Didipio Central Safety Committee continues to oversee a site specific emergency management plan which includes safety induction training for all employees in the areas of basic first aid, hazard identification and risk identification and assessment.

Didipio's innovative 'Journey to Safety' program which provides staff with a safety passport earned by reporting hazards, participating in safety contacts, attending safety training and undertaking safety observation was also instrumental in achieving no LTI in 2013. This program awards 'safety miles' that are tracked and when milestones reached, a small reward memento is presented to employees recognising their excellent safety performance.

Didipio's health and safety training initiatives are complemented by the Didipio Training Academy which trains and provides the federal government accreditation necessary for local community members to work in our exploration and mining operations.

## In The Spotlight: Building capacity for new opportunities

At the end of 2012, the Company along with its mining contractor Delta Construction began the Didipio Training Academy, a hands-on heavy machinery training school. The Academy provides an opportunity for members of the community to earn their certification from the Technical Education and Skills Development Authority (TESDA) in the Philippines and be allowed to work in the mining sector.

Since its inception, the Didipio Training Academy has become recognised as a national training centre by the government of the Philippines and the TESDA and is now the only Assessment Centre for heavy equipment operations in the region.

Additionally, the OceanaGold/Delta partnership has expanded to include DiCorp. This has resulted in the program being expanded to include skills development for residents seeking to work in the hospitality and automotive sectors.

Since start of the program in December 2012, over 700 employees, contractors, and members of the community have completed their training program at the Academy and more than 220 have received their TESDA certification. This includes 5 local women graduates who are now employed as heavy machine operators for the Company. An additional 23 women are currently enrolled in the training program.

# Employment Statistics and Diversity

We are committed to providing a safe and rewarding work environment for our people. Our business growth and success relies on ensuring our employees feel valued, are empowered and have opportunities to develop their skills wherever possible.

To realise our overarching vision of being an employer of choice, we invest substantial time and resource in developing employee programs that focus on honesty and integrity, values, diversity, equity, harassment and talent management.

Our Employee Code of Conduct governs our employees day-to-day activities and can be found on our website: [www.oceanagold.com](http://www.oceanagold.com)

## Employment Status

Total full-time employees increased from 1,171 in 2012 to 1,328 this year. This growth reflects the commencement of the Didipio operations and our El Salvador acquisition. In 2013, we also employed 1,450 contractors across our operations and 48 part-time staff.

New Zealand full time employees reduced from 748 in 2012 to 709 in 2013, with 154 contractors employed. The reduced workforce is a result of changes made to the operations due to the lower gold price environment.

In the Philippines, full-time employees increased by 26% from 407 in 2012 to 514 in 2013 as we transitioned from the construction phase to the operations phase. Local contractor use also remained high at 1,296 in 2013.

Our local hiring policy makes sure the majority of employees at our operations are sourced from local and adjacent regions. In the Philippines, 98% of our operations workforce are Filipino, 55% of which are from local community areas.

Melbourne head office full time employees also increased from 16 to 20 this year, while El Salvador added a further 5 full-time employees and 24 part-time staff to our total employment number.

## Staff Turnover

Staff turnover at our New Zealand operations was impacted by restructuring of the Dunedin head office and cost saving measures undertaken at Macraes and Reefton. Macraes staff turnover was 33% and Dunedin head office 61%. Reefton staff turnover was 28% in 2013.

Philippines employee turnover remained low at 5%, compared with 4% in 2012, confirming our status as a preferred employer in the region and increased full-time employment opportunities.

Melbourne employee turnover also remained similar to the previous year at 13% when compared with 12.5% in 2012.

## Gender Diversity

Male employees account for the majority of our full time workforce reflecting the fact that mining related roles have historically been held by males. However, our efforts to promote and encourage greater gender diversity in recent years have resulted in increased female employees who now account for 18% of our total full time workforce.

This trend is reflected in the Philippines, where 16% of the total full-time workforce is female compared with 13% in 2012. New Zealand full time female employees jumped to 14% of the total New Zealand workforce compared with 13% in 2012. Melbourne female employees slightly increased in 2013 to 9 full-time staff women.

In 2013, the Company added its first female executive and additionally, 33% of our professional workforce is now comprised of female employees. This is a step in the right direction on gender diversity and we aim to continue achieving strong gains in female employment in the years ahead.

13%

Increase in employees across the Company

16%

Percentage of female employees across the Company

From Left to Right: Vanessa Aliaga, Desiree Baldevino, Racquel Duhalngon, Jury Baguilat, & Alice Gayamo – Part of Philippines HR Team; Collaborating on new ideas



# Talent Management

We work hard to provide the most effective opportunities for personal and professional employee development. Our staff are encouraged and rewarded for participating in our talent management programs which aim to improve productivity, job satisfaction and professional development.

In New Zealand, our five year old Mind4Gold program continued to deliver enhanced training, development and succession planning talent management outcomes. Mind4Gold offers our New Zealand employees a range of courses designed to improve their skills, knowledge and readiness for further professional responsibility.

In 2013, courses offered included:

- > Performance management
- > Professional and leadership development
- > Human relations corrective action
- > Training workshops on bullying and harrasment.

In the Philippines, we invest considerable time and resource in on-the-job training which includes our comprehensive health and safety training and reward programs. Our Didipio Training Academy also provides the training required to achieve certification as a skilled worker in our exploration and mining operations.

Coupled with these programs, we also undertook the following talent management initiatives in the Philippines in 2013:

- > Leadership training for supervisors and managers
- > Intercultural and teambuilding training
- > Personality development
- > Skills training
- > Train the trainers
- > Basic newswriting training.

As Didipio continues to expand and mature we will increase the range and variety of professional and personal development opportunities available to our valued Philippines staff.

## In The Spotlight: A forester's legacy: Tennessee Baguilat

A young lady from Didipio vowed to keep the forest green and robust beyond the life of the mine. Tennessee Baguilat, who passed the forestry board examination in 2006, began her career with OceanaGold later in that year.

As a member of the Environment Department at the Didipio Mine, Tennessee successfully spearheaded reforestation projects, soil and water conservation, re-vegetation of disturbed slopes, water quality monitoring in streams and solid waste management.

Tenet, as she is fondly called by co-workers, is one of the children of the late Didipio village Chief Paulino Baguilat, a staunch advocate of responsible mining. During his term as barangay chief, Kapitan Paul actively demonstrated that agriculture, forestry and mining can co-exist. Tenet has taken her father's dream and begun transforming it into reality today.

In 2013, Tenet joined OceanaGold Sustainable Agro-forestry Inc. (OGSAI), a sister company established to fulfil the Company's commitment to the National Greening Program of the government.

Tenet played a critical role in launching the Commercial Tree Plantation Program in 2013 to reforest an initial area of 100 hectares in the barangay Dibibi near the Didipio Mine. Trees can be harvested after 10 years and farmers can claim their share from the sale of the lumber and other wood products.

Non-tenured areas such as watershed catchments in Kasibu have been supervised by Tenet. With both approaches working, our champion forester and future leader hopes to see the dreams of her father become a reality.



Training and skills development  
at Didipio, Philippines

# OceanaGold Sustainability Report

## 2014 - G3.1 Content Index

### Profile Disclosures

Profile Disclosure	Disclosure	Full/Partial Disclosure
1.1	Statement from the most senior decision-maker of the organization.	pg 4
2.1	Name of the organization.	OceanaGold
2.2	Primary brands, products, and/or services.	2014 Factbook
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	2013 Annual Information Form
2.4	Location of organization's headquarters.	Melbourne, Australia
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	2014 Factbook
2.6	Nature of ownership and legal form.	2013 Annual Information Form
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	2014 Factbook
2.8	Scale of the reporting organization.	2014 Factbook
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	2013 Annual Information Form
2.10	Awards received in the reporting period.	pgs 6, 9
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Dec 31, 2013
3.2	Date of most recent previous report (if any).	May 17 2013
3.3	Reporting cycle (annual, biennial, etc.).	Annual
3.4	Contact point for questions regarding the report or its contents.	info@oceanagold.com
3.5	Process for defining report content.	pg 5
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	pg 5
3.7	State any specific limitations on the scope or boundary of the report.	pg 5
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2013 Annual Information Form
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	None
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	pg 5
3.12	Table identifying the location of the Standard Disclosures in the report.	pgs 38, 39
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	2013 Annual Information Form
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	2014 Factbook
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	2013 Annual Information Form
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Shareholder queries <a href="http://www.oceanagold.com/investors-and-media/shareholder-information/">http://www.oceanagold.com/investors-and-media/shareholder-information/</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	pgs 6, 8, 12, 22, 32 2013 Annual Information Form <a href="http://www.oceanagold.com">www.oceanagold.com</a>
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	pg 8 <a href="http://www.oceanagold.com">www.oceanagold.com</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	pgs 5, 8, 12-14, 25
4.14	List of stakeholder groups engaged by the organization.	pg 9
4.15	Basis for identification and selection of stakeholders with whom to engage.	pgs 5, 9



## Performance Indicators

Indicator	Disclosure	Full/partial disclosure
<b>Economic</b>		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	2013 Company Financial Statements, pgs 26-29
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	pgs 26-29
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	pgs 25, 36
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	pgs 23, 26-29
<b>Environmental</b>		
EN3	Direct energy consumption by primary energy source.	2,780,000 GJ
EN4	Indirect energy consumption by primary source.	879,000 GJ
EN8	Total water withdrawal by source.	pg 17
EN10	Percentage and total volume of water recycled and reused.	pgs 16, 17
MM1	Amount of land (owned or leased, and managed for production activities or extractive use) disturbed or rehabilitated.	pg 19 & 2014 Factbook
EN13	Habitats protected or restored.	pg 19
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	pgs 18-19
EN16	Total direct and indirect greenhouse gas emissions by weight.	pg 14
EN17	Other relevant indirect greenhouse gas emissions by weight.	pg 14
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	pg 14
EN22	Total weight of waste by type and disposal method.	pg 15
MM3	Total amounts of overburden, rock, tailings, and sludges and their associated risks.	Overburden – 71,000,000 tonnes Tailings – 9,700,000 tonnes
EN23	Total number and volume of significant spills.	pg 14
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	pg 15
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	0
<b>Social: Labor Practices</b>		
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	pg 36
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	pg 36
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	pg 34
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	pg 36
<b>Social: Human Rights</b>		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	pg 25
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	pg 25
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	pg 25
MM5	Total number of operations taking place in or adjacent to Indigenous Peoples' territories, and number and percentage of operations or sites where there are formal agreements with Indigenous Peoples' communities.	pgs 25, 28
<b>Social: Society</b>		
MM6	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples.	pg 9
MM7	The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples, and the outcomes.	pgs 9, 24
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	0
MM10	Number and percentage of operations with closure plans.	100%
<b>Social: Product Responsibility</b>		
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	pg 13

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