

# The OceanaGold Way

## 2019 sustainability highlights



**We are committed to responsible mining, managing our impacts and, more broadly, contributing to the communities in which we work and live.**

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## About OceanaGold

OceanaGold is a multinational gold producer committed to the highest standards of technical, environmental and social performance.

For 30 years, we have been contributing to excellence in our industry by delivering sustainable environmental and social outcomes for our communities, and strong returns for our shareholders.

Our global exploration, development and operating experience has created a significant pipeline of organic growth opportunities and a portfolio of established operating gold mining assets including Didipio Mine in the Philippines; Macraes and Waihi operations in New Zealand; and Haile Gold Mine in the United States of America.

Headquartered in Melbourne, Australia, our mining operations are supported by technical, finance and project offices in Brisbane (Australia), Singapore and Denver (United States of America). OceanaGold is publicly listed on the Toronto Stock Exchange (TSX) and the Australian Securities Exchange (ASX) under the code 'OGC'.



# Our approach to responsible mining

## At OceanaGold, sustainability is fundamental to the way we do business.

We are committed to responsible mining, managing our impacts and, more broadly, contributing to the communities in which we work and live.

The gold, silver and copper we produce are essential to economic development and societal wellbeing—from renewable energy to life-saving medical devices and technologies that connect communities around the world. At an operational level, our multinational portfolio contributes to economic growth, employment and skills development.

Our approach to sustainability every day is to build a positive legacy, delivering value throughout and beyond the life of our mines. These societal outcomes are inextricably linked to the way we manage our operations and invest in sustainable, industry-leading practices at every level of OceanaGold.

As an employer and custodian of mine assets, we place significant value on safety, sustainability, integrity and diversity. Each year we strengthen our performance by better understanding our impacts and consistently improving and executing our sustainability policies and practices across our global operations.

More information about our sustainability practices and performance is available in our full 2019 Sustainability Report on our website at [www.oceanagold.com](http://www.oceanagold.com).

## How we guide our decisions

### Vision

The best gold mining company for employees, communities, the environment, regulators, investors and business partners

### Values

Respect, integrity, teamwork, innovation, action and accountability

### Purpose

Produce superior results that leave a positive legacy every day

### Mission

Double the value of our business by 2024



### Anti-bribery and anti-corruption



OceanaGold prohibits all forms of bribery and corruption at all levels of our company. Our Code of Conduct and supporting Anti-Bribery and Anti-Corruption Policy and Standard state the responsibilities of all OceanaGold directors, employees and associates.

# RESPONSIBLE MINING FRAMEWORK

In 2019 we launched our Responsible Mining Framework. This governance framework defines how we operate every day, at every level of our business, to manage potential economic, health and safety, employment, environmental and social impacts and risks, while leveraging positive outcomes for all of our stakeholders.



Vision   Values   Purpose   Mission		What we want to achieve and how we will conduct our business
Statement of business ethics and code of personal conduct		Behaviours that demonstrate our values
Integrated management system	<b>Corporate governance policies</b> Privacy Continuous Disclosure Securities Trading Protected Disclosure and Whistleblowing Risk Management Anti-bribery and Anti-corruption Investor Relations Majority Voting	<b>Responsible mining policies</b> Health and Safety Environment Community Employment and Diversity Human Rights Government and Civil Society
	<b>Statements of position</b>	
	<b>Performance standards</b>	
	<b>Guidelines, tools and operational processes</b>	
	Processes and materials to deliver responsible mining practices	

**2019** the World Gold Council launched the Responsible Gold Mining Principles

## Commitment to the Responsible Gold Mining Principles

The World Gold Council launched the Responsible Gold Mining Principles in 2019: a set of 10 principles that establish clear expectations about what constitutes responsible gold mining across key environmental, social and governance issues in the gold mining sector.

As members of the World Gold Council and with our CEO on the World Gold Council Board, we are among some of the world's most forward-thinking gold mining companies who are defining the future for our industry.

OceanaGold takes its role seriously as a responsible gold producer and has committed to implementing the Responsible Gold Mining Principles at all mining and processing operations over which it has direct control by the end of 2022. This is consistent with the reporting boundaries we publicly disclose in our annual sustainability report.

## Compliance with the Australian Modern Slavery Act 2018

With the passing of the Australian Modern Slavery Act in 2018, we made a commitment to better understand human rights risks across our company, including labour rights risks in our supply chain. Extending the scope beyond modern slavery, we benchmarked our performance against that of our industry peers in 2019 to identify potential environmental and social (including human rights) risks. Supported by the Responsible Supply Chain Steering Committee, we will develop a Responsible Supply Chain Policy and a Supplier Code of Conduct in 2020.

# Economic performance

## 2019 financial results

2019 US\$

REVENUE	EBITDA	NET PROFIT
<b>\$651.2 million</b>	<b>\$214.2 million</b>	<b>\$14.5 million</b>

## 2019 production results

Full year 2019 results	Measurement	Total
Gold produced	Ounces	470,601
Copper produced	Tonnes	10,255
Gold sales	Ounces	448,430
Copper sales	Tonnes	6,901
Cash costs	US\$/ounce	733
All-in sustaining costs (AISC)	US\$/ounce	1,061

## Socio-economic compliance

0 fines and penalties in 2019      0 legal settlement payments in 2019



We have a strong asset base and focus on making long-term decisions while delivering consistent positive results and long-term value.



## Economic contribution

We operate in partnership with our regulators and the communities that host our operations to make a significant and long-term economic contribution in three ways.

1. Direct and indirect contribution of our operating assets and exploration projects
2. Payment of taxes, licence and approval fees and royalties to host countries where we conduct business
3. Community and social investment programs.

## Public policy

We are members of Transparency International and transparently report all payments to governments. In addition to reporting all payments in our sustainability report, we report against the **Extractive Industries Transparency Initiative** (EITI) in the Philippines, which is an EITI Candidate Country. We are also an extractive sector reporting entity in Canada, which means we file an annual report listing the payments made to government entities in each of the jurisdictions where we operate. These reports sit on a public register and can be accessed by anyone.

In addition to payments to government, our operations create jobs and purchase goods and services from local, national and international providers.

**\$499  
million**

In 2019 the total economic contribution distributed to local, national and international suppliers was US\$499 million.

**85%**

Eighty-five per cent of this procurement (more than US\$423 million) was invested within the countries that host our operations and projects.

INCOME TAX PAID

**\$13,850,000**



ROYALTIES

**\$4,130,000**



OTHER PAYMENTS\*

**\$23,610,000**



PAYMENTS US\$

**Total \$41,590,000**

Includes excise, local business, property, payroll and withholding taxes, duties, levies, permits, licence and other fees paid to government bodies. Also includes community and social investment programs.

Spend with suppliers \$US	Local suppliers \$US	National suppliers \$US	International suppliers \$US	Total \$US
Total	\$124,146,151	\$298,924,032	\$76,086,948	\$499,157,129
	25%	60%	15%	100%

We are committed to making a positive contribution to the social, economic and institutional development of the communities that host our business activities.

We recognise communities' right to self-determination and develop respectful social investment plans in consultation with host communities. This ensures our programs align with community-identified needs and priorities and support social and economic development in a manner that avoids dependencies over the long term. This is reflected in our new Contribution to Sustainable Development Standard, released in 2019.

In 2019 we invested more than US\$3.88 million in social programs, donations, in-kind support and community infrastructure.



Contributions US\$	Haile	Didipio	Waihi	Macraes	Total
	\$126,608	\$3,400,770	\$184,635	\$168,509	\$3,880,522

# People and culture

## Employment

**2,170**

EMPLOYEES

**95.8%**

PERMANENTLY  
EMPLOYED

**1,161**

CONTRACTORS (FTEs)

**34.9%**

OF TOTAL WORKFORCE

**37.5**

AVERAGE HOURS  
OF TRAINING PER  
EMPLOYEE

**7.5%**

INCREASE  
FROM 2018

In 2019 we conducted a company-wide culture survey to gain key insights around how we can build the culture that will support us into the future. We will continue our journey to a more constructive culture by building on these results in 2020. This will include designing the organisational culture and expected behaviours for our leadership team, developing a leadership model aligned to the corporate strategy and more closely aligning leadership effectiveness with reward schemes.



Our focus is on building a workforce and culture that sets us apart as an employment destination of choice.





**21%**  
**UNDER 30**

**59%**  
**AGE 30-50**

**20%**  
**AGE OVER 50**

## Code of Conduct

Everyone working for OceanaGold is responsible for ensuring we consistently achieve the highest standards of business conduct.

Our Code of Conduct describes the standards by which we undertake our business and applies to all OceanaGold representatives including directors, officers, employees and contractors acting on our behalf. The code is supplemented by policies and procedures that establish appropriate standards and processes in relation to health and safety, environmental management, human rights, community engagement, culture and heritage, employment and diversity, anti-bribery and anti-corruption, and investor relations.

## Diversity and equal opportunity

Seventeen per cent of our employees in 2019 were female, the same percentage as 2018. The percentage of women in leadership positions increased, including the appointment of OceanaGold's first female in a general manager position in 2019.

By the end of 2021 we aspire to have 20 per cent women in our business and 20 per cent women in leadership and management positions.

There was one case of discrimination reported in 2019 at our Waihi Operation. The case was managed through a formal process (which includes a disciplinary process, mediation or termination) and resolved. There were no cases of bullying in 2019.

## Labour-management relations

We regularly communicate with our employees and provide ongoing support during times of organisational change, including a message from our Chief Executive Officer to all employees at least monthly.

All of our employees have the right to collective representation and are free to join a union. We have collective bargaining agreements in place at our Didipio Mine and at the Macraes and Waihi Operations.

In 2019, 42 per cent of all OceanaGold employees were covered by collective bargaining agreements. This is an increase from 36 per cent in 2018 and represents New Zealand Government changes to the powers of the union and the transfer of some employees at Didipio from fixed-term to regular employment, which includes membership under the collective bargaining unit.

# Health, safety and wellbeing

## Safety performance

INJURIES PER MILLION HOURS OF WORK

2019 TRIFR

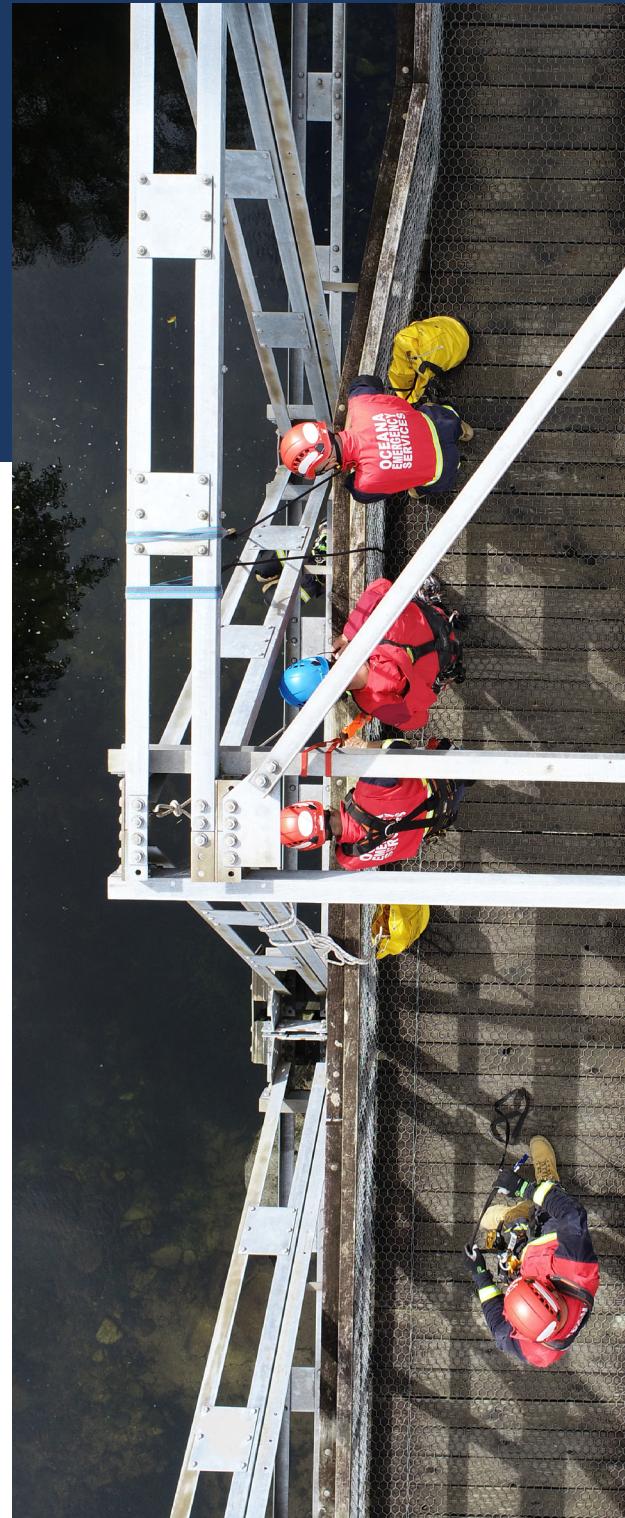
≤ 3.57

- 27 RECORDABLE INJURIES
- 7 LOST TIME INJURIES
- 18 MEDICAL TREATMENT INJURIES
- 2 RESTRICTED WORK INJURIES

The total recordable injury frequency rate (TRIFR) decreased from 4.53 in 2018 as result of our continued focus on safety as part of our culture and operationally-led safety programs to increase awareness and drive behavioural change.

In 2020 we will reinforce the Corporate Health and Safety Standards focusing on the management of principle hazards and workplace exposures to drive continuous improvement in health and safety performance. Aligned to our Health and Safety Policy, the standards define our performance and systems requirements at all our activities.

We will also develop and launch two standards manuals for health performance and safety performance in 2020. Aligned to our Health and Safety Policy, these standards set the minimum performance requirements and systems across OceanaGold.



We benchmark our standards and performance against industry best practice and foster a strong company-wide culture that prioritises safety, with a focus on systems that promote employee engagement and actioning feedback in a timely manner.



## Balanced scorecard

In 2019 we developed a balanced safety scorecard that enables us to measure and demonstrate continuous improvement in our health and safety performance. The balanced scorecard reflects an increased focus on the importance of injury severity as well as injury frequency in assessing the effectiveness of our safety management systems. It includes the monitoring of a key lead indicator of safety performance to measure the effort being employed to reduce the likelihood of workplace incidents.

Each metric has defined thresholds for what is unacceptable, what needs to be improved or meets the target and what is considered to be outstanding performance.

Performance indicators	1–unacceptable	2–passable	3–target	4–outstanding
Fatalities	One or more	Nil		
Total Recordable Injury Frequency Rate	TRIFR > 4	3.99 > TRIFR > 3.31		TRIFR < 3.30
High Severity Injury Frequency Rate	Cat 4 IFR > 0.5	Cat 4 IFR < 0.5		Cat 4 IFR = 0
High Potential Incident actions completed	<80%	>80%	>90%	>95%

## Health and wellbeing

**Occupational health and wellbeing is vital to our employees and our business activities. In line with the World Gold Council Responsible Gold Mining Principles, we promote the physical and mental wellbeing of our workforce.**

**In 2019 we focused on health and wellbeing with the OceanaGold-wide use of the InHealth database and the introduction of new health targets.**

**We will develop a framework to measure the success of initiatives undertaken to support mental and physical health across OceanaGold.**

## Occupational health and hygiene

We focus on the potential short and long-term impacts we have on our workforce. In 2019 we developed and implemented a global system for reporting and tracking occupational exposure monitoring results and control effectiveness. This system enables us to apply a global common best practice approach and meet the requirements in each of our operational jurisdictions.

In 2020 we will extend our periodic health monitoring to reflect the level of risk, better understand the health impacts of the working environment and investigate and control monitoring exceedences. We will continue to systematically improve our work to eliminate workplace exposures and any potential for our workforce to develop chronic illnesses.



# Engagement and community

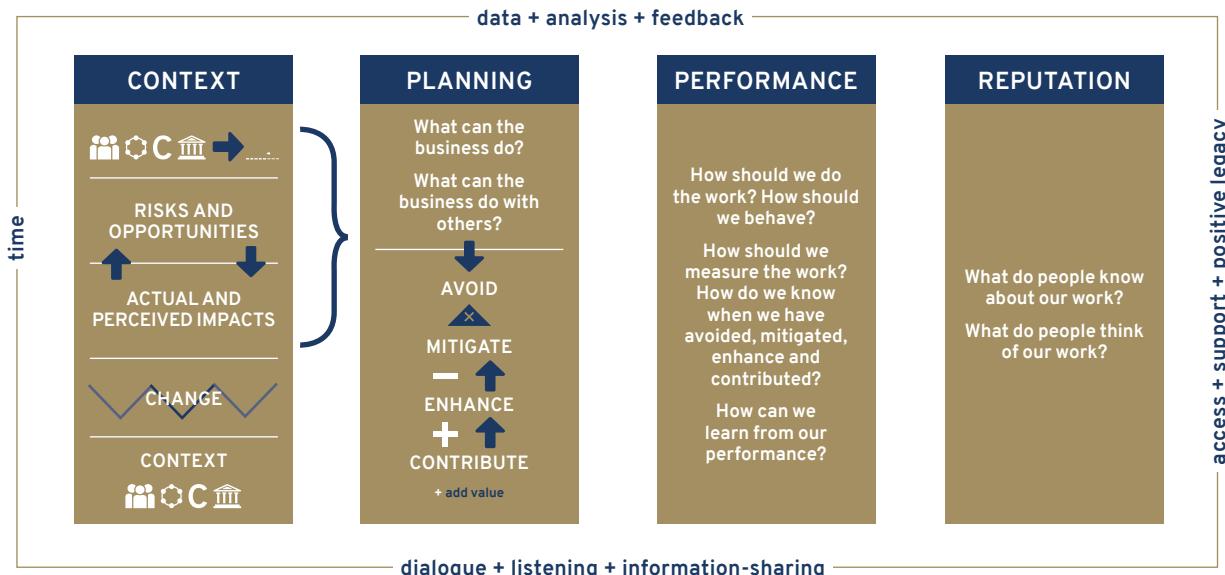
## External Affairs and Social Performance Management System

We launched the External Affairs and Social Performance (EA & SP) Management System in 2019. This governs OceanaGold's engagement activities at all levels across OceanaGold. Practice areas covered by the management system include community relations, engagement with government, civil society and stakeholders, internal and external communication, human rights due diligence, land access and sustainable development.

Our EA&SP Management System is aligned with industry best practice and benchmarked against the World Gold Council Responsible Gold Mining Principles, the Equator Principles and International Council on Mining and Metals (ICMM) Principles and Performance Expectations.



### EA & SP MANAGEMENT SYSTEM



## Statements of position

In 2019 we launched three position statements, which provide clarity on OceanaGold's commitments on issues of interest to our stakeholders.

### ARTISANAL AND SMALL-SCALE MINING

How we engage with artisanal and small-scale mining

### CONTRACT TRANSPARENCY

Our position on transparent disclosure of contracts between OceanaGold and host governments

### DISCLOSURE OF TAXES, ROYALTIES AND OTHER PAYMENTS TO GOVERNMENT

How we disclose our tax, royalty and other payments to governments

## Human rights

Our Human Rights Policy details our commitment to respecting the human rights of everyone impacted by our activities, from exploration through to mining, closure and rehabilitation.

This includes our employees, individuals in the communities we operate in, workers in our supply chain and other stakeholders. Our policy is consistent with the United Nations Universal Declaration of Human Rights and Voluntary Principles on Security and Human Rights and the concept of free, prior and informed consent.

In 2019 we:

- commenced a review against the World Gold Council Conflict-free Gold Standard at our Didipio Mine
- completed human rights impact assessments at the Didipio Mine and Haile Gold Mine
- commenced human rights impact assessments at our operations in New Zealand in 2019 and will complete them in 2020.

## Rights of Indigenous Peoples

We identify and acknowledge Indigenous Peoples, their duly elected representatives and their significant sites. We support ongoing engagement to anticipate and avoid adverse impacts or to minimise and mitigate such impacts.

In 2019 we launched OceanaGold's Human Rights Standard, which outlines specific requirements for engaging with Indigenous Peoples. The standard requires developing a knowledge base of Indigenous Peoples' connections to land, water and natural resources, cultural traditions and traditional decision-making structures.

The standard states OceanaGold should meet with potentially impacted Indigenous Peoples and relevant government authorities and agree on appropriate engagement and consultation processes. This should be done in a manner consistent with free prior informed consent (FPIC) and as early as possible during project planning.

We advocate for, and are committed to, responsible mining. We do not support any persecution or operate our business in a way that raises the risk of persecution for indigenous (or non-indigenous) environmental and human rights defenders. As a company we value and respect a broad range of views. We are always open to dialogue and we value the potential for ongoing engagement with stakeholders to continually improve the way we operate.

## Resettlement

Our 2019 Land Access and Resettlement Standard establishes the requirements for managing all forms of temporary and permanent land access related to exploration, development and operations, as well as associated areas and facilities. It ensures all land access plans align with OceanaGold's four Responsible Land Access Principles.



### 1. Avoidance of displacement impacts



### 2. Fair market and replacement value



### 3. Legal compliance and social legitimacy



### 4. Fairness, equity and transparency

# Environment

## Environmental approach

In 2019 we reviewed our approach to environmental governance. Our revised environmental governance structure now consists of three main components.

1. ENVIRONMENTAL POLICY
2. ENVIRONMENT STATEMENTS OF POSITION
3. ENVIRONMENTAL OPERATIONAL STANDARDS

In 2019 we launched six statements of position for our environmental material risk areas that detail our commitments:

1. Water
2. Closure and rehabilitation
3. Biodiversity
4. Tailings storage facility management
5. Cyanide
6. Climate change, energy use and CO<sub>2</sub> greenhouse gas management.

## Biodiversity

Many of our sites connect high biodiversity areas and support, or have the potential to support, species and ecological communities that are significant.

As part of our environmental assessments, we map key flora and fauna species that are known to exist within the areas we operate and adhere to strict protocols as set out by each area's environmental governing bodies.

We identify opportunities to progressively rehabilitate all land once no longer used for mining.

AMOUNT OF NEWLY DISTURBED LAND IN 2019  
15 hectares

TOTAL AMOUNT OF LAND NEWLY REHABILITATED TO THE AGREED END USE IN 2019  
21 hectares

2015–2019 TOTAL REHABILITATED LAND  
124.4 hectares



We are committed to responsible environmental management across all of our business activities.



## 2019 energy use and CO2 emissions

1,853,352	ENERGY-TOTAL DIRECT (GJ)
1,673,009	ENERGY-TOTAL INDIRECT (GJ)
129,160	GREENHOUSE GAS EMISSIONS (TCO2e)-DIRECT SCOPE 1
117,845	GREENHOUSE GAS EMISSIONS (TCO2e)-INDIRECT SCOPE 2

## Electricity use

52%	FROM RENEWABLE SOURCES
37%	FOSSIL FUELS
11%	NUCLEAR

Country–region	Share of renewable energy in grids*
New Zealand	84% of renewable energies
Philippines: Luzon	14% of renewable energies
USA: South Carolina	6.7% renewable energies, 58.3% nuclear energy

## Environmental compliance

We did not have any significant (level three or above) environmental incidents, which includes spills, in 2019. We captured minor technical and administrative breaches through our internal compliance monitoring system, as reported in our Sustainability Report.

In 2019, we registered the lowest number of non-compliant events in five years. These did not result in any action by a regulator or other agency. There were no significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations.

## Emissions and energy use

In 2019 we released a statement of position for climate change, energy use and greenhouse gas management. The statement outlines our commitment to:

- understanding and managing the risks of climate change to our business and to the global community
- managing CO2 emissions and energy use through responsible procurement
- our focus on operational efficiency, continuous improvement and, where possible, sustainable carbon offset arrangements.

In 2020 we will commence climate change-related risk and opportunity reviews, develop climate change strategies to mitigate the risks associated with climate change and establish measures and targets to improve the efficiency of our energy use and to minimise our CO2 emissions intensity.

## Water management

We actively manage site water sources to protect the environment and host communities.

In 2019 we launched a statement of position on water management that outlines our commitment to:

- reducing water-related impacts through collaboration, partnerships, product stewardship and minimising our use
- our focus on operational controls, improving operational performance
- managing water to meet the compliance requirements of each host jurisdiction and the requirements of the OceanaGold Water Management Framework.

None of our operations are in areas under water stress or withdraw or discharge water with total dissolved solids greater than 1,000 milligrams per litre.

### TOTAL WATER WITHDRAWN AND DISCHARGED (MEGALITRES)

	2019
Total volume withdrawn	22,963
Total volume discharged	25,508

Our operations proactively reduce water use and maximise water recycling. Where possible, we reduce our need to extract water from local catchments and ensure our host communities maintain access to healthy water sources.

Water discharge from operations is monitored and assessed regularly and in 2019 all water discharged from our operations met the site-specific discharge limits set by host country regulators. We do not discharge into marine water bodies (the ocean).

We work openly and transparently with all stakeholders and communities interested in or impacted by our operations

## Closure and rehabilitation

In 2019 we launched a statement of position on closure and rehabilitation management. This outlined our commitment to delivering long-term positive legacies to the communities that host our operations. It also outlines how we manage closure and rehabilitation to meet the compliance requirements of our host jurisdiction regulations and the requirements of our Closure and Rehabilitation Framework.

Planning for how we close and rehabilitate our mines is part of our ongoing mine management and planning. These plans incorporate the ways we can mitigate the operational impacts of our mines and include post-closure environmental, economic and social impacts. We also progressively rehabilitate where mining activities have been finalised.

# Tailings management

## Delivering community and environmental safety

The management of tailings and the structural integrity of our tailings storage facilities (TSF) are critical to community safety and environmental protection.

In 2019 we completed a program of work to improve our governance and management approach to TSF. This included:

- corporate statement of position on tailings facilities
- corporate Tailings Governance Committee including the CEO, Executive Committee members and an independent TSF expert
- updated operational standards benchmarked against external guidelines.

### Tailings storage

We use four methods of tailings storage facility construction.

- 1. DOWNSTREAM**
- 2. DOWNSTREAM WITH UPSTREAM LIFT**
- 3. PASTE BACKFILL UNDERGROUND**
- 4. IN-PIT STORAGE**

In 2019, we committed to not undertake any new construction of upstream tailings storage facilities and to independently assure TSF-related disclosures in line with Global Reporting Initiative requirements.

At the Didipio Mine, up to 40 per cent of inert mine tailings are diverted to a processing plant where they are mixed with cement and used as backfill material for underground mine voids. This reduces the volume of tailings delivered to TSF.

## Investor mining and tailings safety initiative

In April 2019 the Church of England Pensions Board and the Council on Ethics of the Swedish National Pension Funds wrote to the CEOs of 726 extractive companies requesting public disclosure about their TSFs.

The letter contained 20 questions with guidelines for compiling responses. Questions related to the exact location of TSFs as well as key design characteristics such as current volume, height of the facility, age of the facility, the raising method used and the dam hazard categorisation.

We responded in June 2019 and were among the 47 per cent of all contacted companies that did respond. We provided full disclosure related to the questions for our 11 TSFs.



Our disclosure noted:

- All of our facilities have a closure plan in place and these plans include long-term monitoring.
- None of our TSFs has ever failed to be confirmed or certified as stable, nor has any experienced any notable stability concerns at any point in its history.
- All of our TSFs have full and complete relevant engineering records including design, construction, operation, maintenance and/or closure.



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