



Business and Human Rights Resource Center Response

May 25, 2015

Newmont takes very seriously questions related to the impact our mining activities have on local communities, as well as our broader social and environmental performance. As such, we appreciate and encourage constructive dialogue and engagement with all stakeholders -- regardless of their perspectives on mining or Newmont -- as the best way to resolve issues and help improve our performance. The following has been prepared in response to a blog written by Earthworks following their participation in Newmont's annual shareholder meeting in April 2015. Many of the topics raised in the blog have been previously addressed since 2011, by both Yanacocha and Newmont, and are available in the public domain.

Throughout Yanacocha's history, the company has actively encouraged and participated in 'dialogue tables' (as they are known in Peru), independent scientific technical studies, independent reviews of Environmental Impact Studies, independent audit processes, and numerous other efforts designed to promote transparency, establish facts and facilitate trust building.

Our goal is always to be respectful of our neighboring communities, and we are committed to promoting human rights, while seeking to minimize conflict. At the same time, we are obligated to take respectful, lawful and prudent measures to manage our lands safely, and prevent unauthorized occupation that will only encourage additional acts of 'squatting' seeking to solicit payments from the company. We also remain open to engaging constructively and in good faith to address claims made by those who feel we have not lived up to our commitments.

Chaupe Land Claim

With respect to the Chaupe land claim, it is important to note that Peruvian courts have repeatedly confirmed Yanacocha's ownership of the parcels in question. Campaigns directed by certain NGOs claim that the Cajamarca Criminal Court of Appeals ruling in December 2014 stated that the Chaupe family was the lawful owner of the land in question -- this is false. The Court itself indicated that the ruling was not focused on land ownership but on whether the Chaupe family engaged in "acts of violence" at the beginning of their illegal occupation, which occurred in 2011, to warrant criminal charges. This court did not rule on ownership of the property in question. We respect this court's decision, but Yanacocha has appealed the ruling as part of the company's overall efforts to maintain our property rights.

We also prefer to resolve our differences through direct engagement and dialogue, and remain open and willing to doing so. In the meantime, we will continue to rely on the judicial process, and make every effort to reduce tensions and minimize conflict by not disturbing the house the Chaupe family built on our land in 2011 until the full judicial process is complete. Newmont has kept our stakeholders informed on the status of the land dispute on numerous occasions (Chaupe Land Dispute Updates).

There has been an ongoing accusation that the company is not listening to the requests of the Chaupe family and/or their attorney (Dr. Mirtha Vásquez). Formal requests received by Yanacocha have been addressed, including assertions made through social media and not specifically directed toward the company. More importantly, we have made numerous attempts to engage directly with the Chaupe family in order to listen, understand their issues and perspectives, and demonstrate our commitment to resolve conflicts in a mutually beneficial manner. To date, the family, through guidance and advice from their NGO and legal advisers, has opted to not engage with the company and has chosen to pursue publicity campaigns rather than trying to reach a mutually agreed resolution.

Environmental Impacts

The blog states that since 1993, Yanacocha has contaminated the water and soil of the region with toxic chemicals. However, there is no factual data that has been provided to support these claims. In fact, independent water quality studies conducted by respected experts under the auspices of the Compliance Ombudsman's Office of the World Bank Group have not found these accusations to hold merit. The company and community have developed a transparent and participatory environmental monitoring process to monitor water quality and have never found evidence of contamination. Similarly, environmental performance is scrutinized and reviewed by government authorities on a regular basis to ensure compliance with regulatory requirements.

The blog specifically indicates that protests which occurred in 2011 were justified based on the conclusions of a review of the Conga Environmental Impact Study by Dr. Robert Moran. Yanacocha provided a detailed, official response to all points raised by Dr. Moran in April 2012 ([Response to Moran Report](#)). Similarly, at the request of the Peruvian Government, an independent scientific panel was assembled to complete a detailed review of the Conga EIS and the results were published in 2012 ([Conga EIS Independent Review](#)).

Water and Reservoirs

The blog also intimates that the company impacted local community water supplies, decreased available water, and that engineered reservoirs are not capable of replacing water supplies. Yanacocha publicly committed to ensuring local communities have access to more water through the construction of reservoirs specifically designed to meet community water needs. Construction of the Chailhuagon reservoir was completed in 2013 and has since doubled the water capacity previously available and provides year-round water availability to local communities, something that was previously not possible due to the six-month dry season in the region ([Chailhuagon Reservoir Fact Sheet](#)).

Public Security Forces

Yanacocha maintains an agreement (Memorandum of Understanding) with the Peruvian Government for the provision of public security support to protect company infrastructure (these arrangements are common for large industrial operations in Peru and elsewhere). Peruvian law specifically requires companies to engage public security forces for the protection of infrastructure and critical materials.

Agreements with public security forces are not in place to respond to community opposition or intimidate local residents. Rather, we engage public security to help maintain law and order to prevent conflicts from escalating. These contractual security agreements are in conformance with the Voluntary Principles on Security and Human Rights (VPSHR) and encourage companies to establish written agreements to build capacity and provide human rights training to public security forces. Both Newmont and Yanacocha have published the Memorandum of Understanding with the Peruvian National Police ([MOU Public Security](#)).

Newmont and Yanacocha will continue to operate in good faith and be respectful of neighboring communities while continually improving our environmental and social performance. Newmont has been operating in Peru for more than 20 years and remains committed to continuing Yanacocha's commitment to promote positive economic development, and to address issues and impacts related to our activities.

We will continue to assess and refine development options for Conga, but will not proceed without clear social acceptance, solid project economics and an additional partner in the project. In the meantime, we remain committed to safe and responsible operations at Yanacocha.