OUR COMMUNITIES
In 2017, a set of global social Key Performance Indicators were selected to monitor social acceptability performance.

ECONOMIC VALUE
Local procurement of goods and services represented 65% of all procurement spending in 2017.

PEOPLE
In 2017, an employee engagement survey was completed by 90% of employees and showed an 85% level of engagement.

ENVIRONMENT
Total direct and indirect GHG emissions were 414,654 tonnes of CO2 equivalent in 2017, a 4% increase from 2016.

HEALTH AND SAFETY
This is the seventh year in a row we have posted our lowest ever combined lost-time and restricted work frequency.

WORKING TOGETHER FOR A SUSTAINABLE FUTURE
The 2017 Sustainable Development Report marks the ninth year that Agnico Eagle Mines Limited (“Agnico Eagle” or the “Company”) has produced a detailed account of our economic, health, safety, environmental and social performance. This report covers the period from January 1 to December 31, 2017. It is intended to give stakeholders a better understanding of how the Company manages the challenges associated with our health, safety, environmental and social risks.

This report has been prepared in accordance with the Sustainability Reporting Guidelines (G4) developed by the Global Reporting Initiative (GRI), including mining industry specific indicators incorporated into the Mining and Metals Sector Supplement. It also describes performance under the Mining Association of Canada’s (MAC) Towards Sustainable Mining (TSM) Initiative.

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

Unless otherwise specified all funds are reported in USD and all information in this report is as of December 31, 2017.

A Message from Our Senior Vice-President

LOUISE GRONDIN
Senior Vice-President, Environment, Sustainable Development and People

March 19, 2018

2017 was a year of great pride for our company, and for our employees, as we celebrated Agnico Eagle’s 60th anniversary. While it could simply be pride in having survived 60 years of ups and downs in the gold market, for all of us at Agnico Eagle, it is truly so much more.

We are proud of what we have built together, not only our producing assets but equally important, our culture, the Agnico Eagle Way. You can ask any newcomer, like I was 17 years ago, and it doesn’t take them long to understand that collaboration is as highly praised at Agnico Eagle as leadership. We all recognize that succeeding in the mining business is not down to one person. It’s about being resilient, with collaboration being the key ingredient that makes it all possible — and I would add, makes it more fun.

We believe that each and every one of our employees should truthfully be able to say “I love my job.” As a company and as managers, it is our responsibility to remove the obstacles that would prevent the achievement of this goal.

We must provide a safe working environment and foster a culture where we take care of each other. The use of appropriate tools and new technology goes hand-in-hand with good planning to make our working environments safer.

As Agnico Eagle’s physical accident frequency has continued to decrease, we have begun looking more closely at mental health as the next frontier for overall employee wellness.

We want to equip our supervisors with the right tools to be able to detect mental distress before it becomes a problem for an employee. We also want to remove the stigma associated with mental health problems, which often prevents early detection.

Working with our employees to achieve a better work/life balance is also crucial to achieving overall wellness. We recognize that this is especially challenging for employees on our fly-in-fly-out operations.

We ultimately want to provide our employees with stable long-term employment and our communities with lasting economic benefits. To do so, we need to think ahead and take a risk management approach to achieving a high level of environmental performance and social acceptability. There is no turning back, we must hit high standards on both fronts to be successful. We cannot do this alone, we must partner with communities early on in the design of our projects and take advantage of traditional knowledge, where it is available, to improve our understanding of the environment. Collaboration comes strongly into play here, as does flexibility and innovation.

There is no doubt we will face further obstacles that will require technological advances within the mining industry. Agnico Eagle will continue to partner with the Canadian Mining Innovation Council which is studying ways to mine differently in order to reduce our industry’s collective use of energy and water, as well as our production of various wastes.

Despite the many challenges ahead, and with the support and commitment of our workforce, I am confident that the entrepreneurial spirit — still the guiding force of our company — will ensure Agnico Eagle’s success for another 60 years.

LOUISE GRONDIN
Senior Vice-President
Environment, Sustainable Development and People

March 19, 2018

Chief Executive Officer

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

The Responsible Mining Management System (RMMS) is the foundation upon which we are building our capacity to manage the commitments made in our Sustainable Development Policy and reduce risks. Our RMMS is consistent with the ISO 14001 Environmental Management System and the OHSAS 18001 Health and Safety Management System.

The first internal audit of our in-house RMMS was completed in 2017. The purpose of the audit was to verify the implementation of the system at the divisional level and to confirm whether the RMMS Standard requires clarification or improvement to achieve its intended goal of continuous improvement.

The audit’s findings were collected under five categories according to the degree of application of the RMMS standard verified at the audited site: major non-compliance, minor non-compliance, opportunity for improvement, best practice and innovation. All sites have now developed an action plan to close the gaps identified with a fixed timeframe of three months for major non-compliance, six months for minor non-compliance and 12 months for improvement opportunities. Best practices and innovations will be shared between divisions.

To learn more about Agnico Eagle’s RMMS, visit: www.agnicoeagle.com/English/sustainability/standards
Our Approach

In 2017, we continued to integrate sustainable development considerations into our business strategy and in the way we plan and manage our activities. Our Sustainable Development policy reflects an emphasis on health and wellness, our commitment to the protection of Human Rights, and a commitment to minimizing impacts to environment and risks associated with the management of tailings and water. During the year, we committed to the implementation of measures to reduce our energy consumption and greenhouse gas emissions and address climate change in developing an energy and greenhouse gas management strategy.

Operate Safely

We are committed to maintaining the highest health and safety standards possible. Our long-term goal is to strengthen our health and safety culture with more individual accountability and leadership. This will be accompanied by a shift to aspirational Zero harm safety targets and leading performance indicators.

To achieve this, we:
- use sound engineering principles in the design and operation of our facilities;
- promote overall health and wellness and establish programs to protect them;
- provide appropriate training for all employees and contractors, at all stages of exploration, development, construction and operations;
- identify, prevent, eliminate or mitigate the risks to health, safety and industrial hygiene;
- maintain occupational health and industrial hygiene programs;
- provide appropriate tools to carry out the work safely and efficiently; and
- maintain a high degree of emergency preparedness to effectively respond to emergencies.

Protect the Environment

We focus on limiting our environmental impacts by using natural resources efficiently, by preventing or limiting emissions and by reducing waste. Each of our operations is required to identify, analyze and manage its environmental risks and to work in a transparent manner with local stakeholders, building a foundation of trust and cooperation. We aim to eliminate, minimize and mitigate the impacts of our operations on the environment and maintain its viability and its diversity.

To achieve this, we:
- minimize the generation of waste and ensure its proper disposal;
- minimize all risks associated with managing tailings and water;
- manage waste rock and overburden to ensure environmental protection;
- implement measures to conserve natural resources such as energy and water;
- implement measures to reduce emissions to air, water and land; and to minimize our footprint;
- implement measures to reduce our greenhouse gas emissions and consider the effects of climate change;
- integrate biodiversity conservation and land use planning considerations through all stages of business and production activities; and
- rehabilitate sites to ensure long-term physical and chemical stability and in consultation with nearby communities in a timely manner.

Respect Our Employees

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

To achieve this, we:
- ensure that no discriminatory conduct is tolerated in the workplace;
- provide a fair and nondiscriminatory employee grievance system;
- value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- employ and promote employees on the basis of merit;
- provide fair and competitive compensation;
- enforce a drug and alcohol free workplace;
- maintain the confidentiality of collected personal and private information about employees;
- recognize the right of employees to freedom of association;
- provide appropriate training and development opportunities; and
- consult, communicate and provide appropriate support to employees during their association with Agnico Eagle.

Respect Our Communities

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

To achieve this, we:
- provide a confidential complaint reporting mechanism to report unethical, illegal or irresponsible behaviour;
- ensure that no child labour nor any form of forced or compulsory labour are permitted in the workplace;
- foster an open, transparent and respectful dialogue with all communities of interest and ensure that activities on private lands and indigenous lands are performed with the free prior informed consent of the land owners;
- support local communities and their sustainability through measures such as development programs, locally sourcing of goods and services and employing local people; and
- provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law.
Agnico Eagle is a senior Canadian gold mining company that has produced precious metals since 1957. Our eight mines are located in Canada, Finland and Mexico, with exploration and development activities in each of these regions, as well as in the United States and Sweden.

2017 HIGHLIGHTS

60 years
Operating since 1957

8
Agnico Eagle mines worldwide

7,867
Total number of employees and contractors

We remain committed to executing our plans while providing a safe and healthy workplace.

For a detailed description of the Company’s mineral reserves and mineral resources, please see the Company’s news release dated February 14, 2018.
In 2017, we continued to improve Agnico Eagle’s health and safety performance. We continued the permitting process for the Whale Tail (Amaruq) and Akasaba projects. We now have three separate Inuit Impact and Benefit Agreements (IIBAs) with the Kivalliq Inuit Association (KIA), a renewed Meadowbank IIBA, an updated Meliadine IIBA and a new IIBA for the Whale Tail project.

The following describe other highlights for 2017:

### Health and Safety

- In 2017, Agnico Eagle hit a record low with a combined lost-time and restricted work frequency of 0.91.
- Our best performances came from the La India and Lapa mines, both achieving a perfect score with a combined accident frequency: Our Pinos Altos/Mascota mine also had a very good combined accident frequency of 0.18.
- The Quebec Mining Association recognized our strong safety performance, honouring 32 of our front line supervisors for achieving 50,000 hours and more without any compensable accidents on their work teams.
- Melanite’s Mine Rescue Team won the Best Underground First Aid Award during the 60th Annual Mine Rescue Competition held in Yellowknife this past June.
- LaRonde Mine Rescue Team won the Quebec Provincial Mine Rescue Championship.
- In 2017, the Lapa mine achieved a fantastic year by winning the John T. Ryan Trophy, despite being in closure mode. This National Prize is awarded by the Canadian Institute of Mining for the mine who experianced the lowest recordable injury frequency. Also the Lapa mine won the Quebec Mining Association P.J. O’Connell Trophy. The criteria for this award takes into account improvements in a company’s safety record, its record compared to the industry average, and its combined accident frequency based on specified target values. The objective is to reward a strong performance in the field of safety.

### Environment

- Pinos Altos and Creston Mascota obtained their fourth certification under the Industrias Limpias-Clean Industry designation of the Mexican Ministry of the Environment (SEMARNAT). FROPEMA.
- Public hearings for the Whale Tail pit, part of the Amaruq project, took place in September 2017, with a positive decision from the Nunavut Impact Review Board (NIRB) - rendered on November 6, 2017. The Project Certificate is expected for 2018 after the approval of the decision by the federal Minister of Indigenous and Northern Affairs.
- The Akasaba project, a satellite open pit project located 30 km from the Goldex mine, worked its way through an environmental assessment process under the Quebec Bureau des Audiences Publiques en Environnement (BAPE), a provincial requirement, and also with the Canadian Environmental Assessment Agency (CEAA). The BAPE issued a positive decision in June 2017 and a decree is expected from the Government of Quebec in Q2 2018. The CEAA continues its evaluation.
- In terms of compliance, Kitika saw slight exceedances of the 30 ppm monthly total Nitrogen discharge objectives at its final effluent for 6 months out of 12. Studies are underway to try to resolve the situation. Meliadine also experienced exceedances of the fecal coliform concentration at the effluent of the exploration camp sewage treatment plant. Given that the new camp sewage treatment plant was in service, the effluent was redirected to the new treatment plant to ensure compliance.
- In 2015, Environment Canada charged the Company with two infractions under the Fisheries Act in relation to a sewage incident at the Meadowbank mine in 2013. In 2017, Agnico Eagle paid a fine of C$650k related to this incident. In 2017, the Canadian Nuclear Safety Commission issued a penalty of C$970k related to the control and use of a radiation device at the Meadowbank mine.

### People

- The 2017 Paul Penna Award — which celebrates the legacy of our founder, who believed in supporting the well-being of employees and the communities in which we operate — was presented to two deserving recipients: Jane Wernik, Senior Geologist, Technical Reporting, was honoured for her work with the Corpus Christi Refugee Resettlement Committee, which sponsored three individuals and a family of seven, helping them integrate into Canadian society. Dan Lyoun, Production-Shovel Operator at the Canadian Malartic Mine, was honoured for his work as President of the Board of Directors for the Youth Refuge of Malartic in Quebec, which seeks to reduce and eliminate juvenile delinquency.
- The 2017 Michel Letourneau Award, which recognizes innovation and teamwork, was given to a diverse LaRonde team for significantly improving mining production through an innovative project to detect and enable faster repairs of leaks in the compressed air distribution network at the mine. The project contributes to the mine’s cost efficiency and safety and allows for deeper mining and mine extension.
- Agnico Eagle Mexico was recognized in the “Great Place to Work” program for the northwest Mexico region for the 6th time.
- In 2017, we continued the implementation of Agnico Eagle’s formal human resources strategy. Its main focus is supporting our organizational culture in the creation of a great place to work where employees are highly productive and engaged in the achievement of the business strategy. With improving employee engagement survey results and with four times the expected number of people registering Individual Development Plans (i.e. more than 1,250 employees), the human resources strategy continues to reinforce Agnico Eagle’s culture: the roots of our success.

### Communities

- During 2017, Agnico Eagle – Nunavut renewed its Meadowbank IIBA, updated the Meliadine IIBA and signed a new IIBA for the Whale Tail project with the KIA. A Memorandum of Understanding (MOU) was signed between Agnico Eagle and the Government of Nunavut to enhance collaboration and partnership.
- On September 30th, the Pinos Altos Community Center, constructed by Agnico Eagle, was donated to the local authorities and the communities of the Osmapo Municipality. Agnico Eagle’s vision to continue improving the quality of people’s lives, made it possible to build this community center with an investment of 25 million pesos that will benefit 1,400 families living in the 10 surrounding communities.
- Agnico Eagle Mexico received the Corporate Social Responsibility recognition for the 10th consecutive year. The award recognizes companies that incorporate in their corporate culture a commitment to be socially responsible by showing respect for people, ethical values, community and the environment.
- Indicators of performance in Community Relations Engagement, within the framework of our Responsible Mining Management System (RMMS), were developed and implemented with the aid of Bonnux, our community relations software. The ability to clearly communicate and provide more concrete examples of how our community investments, programs and engagement translate into measurable social outcomes is essential to our efforts to create shared value and reflect what matters most to the organization and its key stakeholders.

### Other Highlights

- **Health and Safety**
  - 6% Reduction from our 2017 combined lost-time accident and restricted work frequency
  
  See more on page 4

- **Environment**
  - 4% Increase in total GHG Emission Intensity in 2017
  
  See more on page 6

- **People**
  - **$382M** Paid in global employee compensation in 2017
  
  See more on page 8

- **Communities**
  - **$5.8M+** Contributed to various organizations and events in 2017
  
  See more on page 12
HEALTH AND SAFETY

2017 HIGHLIGHTS

Health and Safety

Agnico Eagle +
Health and Safety

To achieve a safe and healthy workplace, we:
- use sound engineering principles in the design and operation of our facilities;
- promote overall health and wellness and establish programs to protect them;
- provide appropriate training for all employees and contractors, at all stages of exploration, development, construction and operations;
- identify, prevent, eliminate or mitigate the risks to health, safety and industrial hygiene;
- maintain occupational health and industrial hygiene programs;
- provide appropriate tools to carry out the work safely and efficiently; and
- maintain a high degree of emergency preparedness to effectively respond to emergencies.

We are committed to maintaining the highest health and safety standards possible. Our long-term goal is to strengthen our health and safety culture with more individual accountability and leadership. This will be accompanied by a shift to aspirational zero harm safety targets and leading performance indicators.

Our operations posted record safety performance, with the fewest lost-time accidents and restricted work frequency (3.1-RW) since we began compiling global statistics over 10 years ago. We have also recorded the highest number of worked hours in Agnico Eagle history at 18,110,348 worked hours.

Our combined lost-time accident and restricted work frequency was 0.91, a 6% reduction from our 2016 rate of 0.97 and substantially below our target of 1.25. Three of our operations — Pinos/Mascota, La India and Lapa — contributed strongly to this improved performance. La India and Lapa both achieved perfect years with 52 weeks worked at triple zero performance, no lost-time accident, no restricted work cases and no fatalities and our Pinos/Mascota mine registered only two restricted work case and two lost-time accidents during the year.

This is the seventh year in a row we have posted our lowest ever combined lost-time and restricted work frequency. Our 2017 performance reflects a total of 82 accidents, which resulted in either lost-time (37 accidents where the employees could not return to work immediately) or restricted work assignments (45 accidents where the employees continued to work but not in their regular job).

These results were achieved with almost 800 additional employees when compared to our 2016 workforce levels. In 2017, as we continue toward our goal of zero harm, we achieved 14 weeks in which no lost-time accident or restricted work cases were reported at any of our operations (this number includes Canadian Malartic whose reporting indicators do not include this particular measure). This compares to 15 weeks in 2016, when the size of our workforce was substantially smaller.

Both Goldex and Kittila mines saw significant safety performance improvements in 2017. Goldex achieved a combined frequency of 2.74, a 24% improvement over the 3.63 frequency of 2016. Kittila achieved a combined frequency of 1.34, a 35% improvement over the 2.05 frequency of 2016.

2017 was an extremely busy construction year for our Meliadine project. Hundreds of contractors were at site to prepare the ground, pour concrete, erect structures so that all major buildings would be closed off before winter. Even with this increased activity, the Meliadine teams focus on proper induction and supervision of the construction crews paid off with a 10% reduction of the combined accident frequency at 1.59 compared to 1.77 in 2016.

We increased cooperation between exploration teams across geographical areas. For example the annual fire risk assessment procedure developed for our Amaruq exploration camp was adapted and implemented at our El Barqueño project. The value of the joint initiative went beyond identification and mitigation of risks by establishing a long term cooperation relationship.

The in-house Helios and Apollo databases were developed, to improve the day-to-day management by our health teams at the mines. These databases will improve our understanding of exposure profiles which in turn lead to better prevention.

In 2017, great progress were made in the implementation of a detection system for pedestrians in our underground mine. The system was tested at Goldex, Kittila and LaRonde. Full implementation in all our underground operations is expected for June 2018.

With that in mind, in 2017, we implemented a user-friendly interactive system for the management and access to our Safety Data Sheets to raise awareness and preparedness.

To read more about our Health and Safety performance please visit the Performance Overview section of our Sustainability webpage at: www.agnicoeagle.com/English/sustainability

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<th>Year</th>
<th>Combined lost-time and restricted work frequency (per 200,000 person hours worked)</th>
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<td>2017</td>
<td>0.91</td>
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<table>
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<tr>
<th>Year</th>
<th>Weeks in which no lost-time accident or restricted work cases were reported</th>
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<td>2017</td>
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<table>
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<th>Year</th>
<th>Year in a row where we have posted our lowest ever combined lost-time and restricted work frequency</th>
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<td>2017</td>
<td>7th</td>
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La India and Lapa both achieved perfect years with 52 weeks worked at triple zero performance, no lost-time accident, no restricted work case and no fatality.

In 2017, La India was recognized by the Mexican Secretariat of Labor for accomplishing all first level requirements of the Self-Management Program, which recognizes companies who comply with all health and safety regulations.

6.5 million Hours worked without a lost-time accident at La India mine

La India Builds an Impressive Safety Culture

In 2012, when development of the La India mining complex got underway, there was one clear safety goal — to achieve safe production and live up to the commitments contained in Agnico Eagle’s sustainable development policy. That policy aims to achieve a safe and healthy workplace that is free from injury and a zero harm culture by maintaining high standards.

Throughout the construction phase, over 1,000 contractors and 180 Agnico Eagle workers were onsite. Now, in the operating phase, there are 420 employees and approximately 200 contractors at the complex. No matter the years or the number of workers, everyone at La India has put forth an outstanding safety performance.

As of year-end 2017, the team at La India has worked a record 6,483,364 hours without a lost-time accident — that is an astounding 3 years and 8 months when all workers returned home safe and sound to their families. In both 2017 and 2016, the complex achieved its goal of “0” lost-time accident and eliminated all restricted work assignment cases. Our zero harm safety culture has also been adopted by contractors on site, with their last lost-time accident occurring in 2014 and restricted work case in 2015.

“Our newest generation of workers has also taken La India’s long-standing safety culture to heart, using different tools, such as our Responsible Mining Management System (RMMS) and the Mining Association of Canada (MAC) Toward Sustainable Mining (TSM) initiative. However, their biggest safety teachers are their fellow employees who work safely day after day around the site — helping us all achieve a healthy, safe and clean work environment.”

Gustavo Amador
Director of Project Development, Agnico Eagle Mexico

In 2017, La India was recognized by the Mexican Secretariat of Labor for accomplishing all first level requirements for the Self-Management Program, which recognizes companies who comply with all health and safety regulations.

18,110,348 Our highest number of worked hours in Agnico Eagle’s history

Innovation Goes Underground

An underground mine is a web of transportation corridors, working areas and levels, with traffic and concurrent activities taking place at any given time. Communication across this web plays a key role in improving the safety of individuals working underground as well as being essential for operational effectiveness. Reliable communication systems reduce risks by providing constant two-way communication between miners and their support teams, and is of crucial importance in case of emergency.

Both the Kittila and the LaRonde mines are equipping themselves with state-of-the-art communication technologies at their underground mines. At Kittila, tags are used to track machines, vehicles and personnel in real-time. A mine visualization software was recently added to the mix to provide the control room with a constant overview of personnel, fleet and ongoing activities as well as open stopes and infrastructure. Having that knowledge will help the control room and shift supervisors make the best possible decisions while planning and managing shifts. The software will be integrated with Kittila’s shift scheduling tool, to show the mining plan on a 3D model. The new software will also help to manage ventilation in a more energy efficient way. The tags in the equipment will show whether the equipment is running or not, thus making it possible to adjust ventilation accordingly.

Improved awareness of what is happening underground will also improve our mine evacuation process. During evacuation, both the control room and the mine rescue team will have better control and overview of the situation. The experience from neighbouring Swedish mines was that evacuation time gets reduced by 25%.

At LaRonde, communication is also a key component for increased safety underground where people often work in isolated areas. On surface, everybody uses their cell phone to communicate. Do cellphones actually work underground? Now they do at LaRonde, where an enterprising team has developed an LTE (long-term evolution) network solution for the Zone 5 underground mine. Implementing this digital, hi-speed voice and data technology allows for cell phone use underground and opens up a whole new communication platform for our industry. It facilitates the use of real-time data to help monitor and control different equipment from surface or automatically through programmed parameters — for example, operating a scoop or drill from surface between shifts or in hard to reach areas. Also at LaRonde, a scoop automation project has shown the potential of successfully mucking a development round from surface between shifts with extensive insights from a number of departments, this project could ultimately promote safety and productivity in an increasingly challenging environment as we mine at deeper levels. It is definitely a step in the right direction in terms of worker safety.

25% potential reduction in mine evacuation time with state-of-the-art communication technologies at our Kittila mine

Recognizing Leadership, Teamwork and Responsibility

The John T. Ryan Trophy
In 2017, the Lapa mine received the Canadian Institute of Mining, Metallurgy and Petroleum’s (CIM) John T. Ryan trophy for the Quebec/Atlantic region for experiencing the lowest reportable injury frequency per 200,000 hours worked in 2016.

Intelex Program Maturity Award
Agnico Eagle won the Intelex Program Maturity Award in recognition of improved tracking of our health and safety program through Intelex, we have reported a steady decrease in accident frequency rates at our mines.

Quebec Mining Association
The Quebec Mining Association recognized our strong safety performance, honouring 32 of our front line supervisors for achieving 50,000 hours and more without any compensable accidents on their work teams.

To read more on our approach to the UN SD Goals, please visit: www.agnicoeagle.com/english/sustainability/standards.
We focus on limiting our environmental impacts by using natural resources efficiently, by preventing or limiting emissions and by reducing waste. Each of our operations is required to identify, analyze and manage its environmental risks and to work in a transparent manner with local stakeholders, building a foundation of trust and cooperation.

Energy Use
Our annual electricity consumption from the grid increased by 2% to 160 gigawatt hours (GWh) in 2017 from 142 GWh in 2016. This increase was mostly due to increased production at Pinos Altos. Our annual electricity production in 2017 increased to 154 GWh from 149 GWh in 2016. La India was required to produce more electricity for an increase in water pump use, crushing and grinding, related to the processing of more tonnes of ore.

Overall, the total amount of electricity used both from external grids and generated onsite increased by approximately 2%, from 1,091 GWh in 2016 to 1,114 GWh in 2017. This overall increase can be attributed to increased production and development at our various mines.

Total diesel fuel use increased from 104.8 million litres (ML) in 2016 to 110.3 ML in 2017. Of that quantity, 71.4 ML (69%) were used for mining equipment, 38.5 ML (35%) were used for power generation, and 0.4 ML (~1%) were for other uses. Mining at Meadowbank accounts for 63% of the total diesel fuel used. In 2017, Meadowbank had a 6% increase, from 45 ML in 2016 to 69 ML of diesel used because of an increase in mined tonnage and further distance for hauling ore. La India also had an increase in diesel use related to more power generation required and a 30% further distance for hauling ore and waste rock.

Diesel fuel usage per tonne of ore processed increased by 5% overall to 5.20 litres from 4.95 litres in 2016. In 2017, the quantity of diesel fuel used increased for Meadowbank and La India as both mines were mining more rock due to a lower than expected ore grade, however, the amount of ore processed remained similar to 2016.

Greenhouse Gas Emissions
We calculate direct and indirect greenhouse gas (GHG) emissions on a monthly basis and report them annually to the Carbon Disclosure Project (CDP) both in tonnes of GHG (CO2 equivalent) and in intensity, which is the amount of tonnes of GHG (CO2 equivalent) per tonne of ore processed.

Total direct and indirect GHG emissions were 414,454 tonnes of CO2 equivalent in 2017, a 4% increase from 2016. The increased emissions are linked to the increase in diesel consumption previously mentioned. In 2017, total direct GHG emissions increased slightly compared to 2016. Total direct GHG emissions were estimated at 335,518 tonnes of CO2 equivalent from all sources — including fuel used to generate power, fuel for mining vehicles, natural gas for heating, and explosives used in blasting at our operating mines. This compares to 325,922 tonnes of CO2 equivalent in 2016, which represents an increase of approximately 3%.

Total indirect GHG emissions were approximately 78,936 tonnes of CO2 equivalent in 2017, as compared to 78,438 tonnes in 2016, which represents a 6% increase. This increase is mostly related to an increased tonnage of ore processed at Pinos Altos.

Our average GHG emission intensity (tonnes of CO2 equivalent per tonne of ore processed) for all of our operating mines increased by 3% from 0.089 in 2016 to 0.0915 in 2017. This is due to an increase in hauling distance.

Water Management
In 2017, the total fresh water withdrawn by Agnico Eagle from all sources was 6.4 billion m3 (Mm3), a 6% increase from 6.059 Mm3 in 2016. In 2016 a new environmental permit was received for Kitlita which allowed the mine to increase their fresh water intake for the operation for a more stable autoscale recovery. In addition, La India completed the second phase of their heap leach expansion which involved the use of additional water as compared to 2016 amounts.

Our total water use was 0.3 m3 per tonne of ore processed, up from 0.29 m3 per tonne in 2016, which represents a 6% increase.

Effluent Discharge
In 2017, the total volume of effluent released to the environment from all of our mining operations remained the same as compared to 2016 levels — at 11.8 Mm3. In 2017, Pinos Altos increased their effluent discharge to 1.1 Mm3 from only 25,000 m3 in 2016. This was the result of underground water treatment quantities exceeding the needs of the mines and mills with the lateral extension of the drawdown as the mine grid deeper. The increased effluent at Pinos Altos was offset by an 84% decrease in effluent discharge at Lapa as the mine slows down for closure (less water usage).

Water discharge intensity also remained the same as 2016, at 0.56 m3 per tonne of ore processed in 2017.

Waste and Tailings Management
Mining by its nature generates large volumes of waste rock and tailings — this is especially true for gold mining where one grade is expressed in grams per tonne.

In 2017, the total ore tonnage processed both through our milling and heap leach facilities was approximately 21.2 Mt, similar to 2016. The tonnage of ore stored on heap leach facilities was approximately 8.4 Mt, as compared to 8.2 Mt in 2016. The total amount of tailings produced by the milling operations was approximately 12.8 Mt, as compared to 12.9 Mt in 2016.

From the 12.8 Mt of tailings produced in 2017, approximately 2.8 Mt or 22% were returned underground as backfill. The remaining tonnage of 10 Mt was deposited on surface at our different tailings storage facilities. This compares with 10.4 Mt in 2016. In 2017, Agnico Eagle’s mining operations generated 44.7 Mt of waste rock compared to 50.7 Mt in 2016.
The main objectives of the project are to: understand footprints throughout its life cycle on northern biodiversity; identify and assess impacts of mining and other current environmental influences, such as climate change, on northern biodiversity. Specifically, Agnico Eagle is providing access to four of our sites in the Abitibi region so that researchers can study mines at different life cycle stages:

- Akasaba West, a project still to be developed;
- Lafontaine, an active mine site;
- Lapa, a site in its closure phase; and,
- Joutel, a closed and partly restored site.

Our site personnel will provide support for the project over the next five years, as researchers gather data and conduct analysis. Lafontaine mine is also financing a four-month Mitacs (non-profit research organization) scholarship to provide research talent to the project.

“...This research will be of great value to Agnico Eagle. It will help us assess biodiversity and mitigate potential impacts at all stages of our mining projects, from exploration through impact assessment, project planning and permitting, to operation. Better assessing impacts early in project life will help ease closure and post-closure, and potentially reduce associated costs. The results will also provide valuable information for the closure of our operating mines. All this is in line with Agnico Eagle’s commitment to sustainable development.”

Josée Noël
Biologist and Agnico Eagle’s Project Leader, Mining Reclamation

Kittila’s New Treatment Facility Reduces Water Footprint

A $21.5M facility was built and is one of the largest environmental investments made in Finland in recent years. This was done as a result of a new environmental permit that requires Kittila to decrease sulfate concentration in the water it releases to the environment. After lab test work and three years of studies and pilot testing, gypsum precipitation was selected as the best process option because it is a reliable technology, even in very cold climates.

Kittila completed the first full year of operation at this water treatment plant, successfully achieving its goal of reducing the amount of sulfate in the effluent to the nearby Searvioki River.

“We are very pleased with the results we have achieved to date at the treatment plant. The facility is working according to plan and we have substantially reduced our water footprint.”

Laura Nevatalo
Water Management Engineer, Kittila Mine

Minimizing Mining’s Impact on Biodiversity

As the mining industry explores in progressively more remote regions of the world, we are often surrounded by pristine landscapes, native biodiversity, and sensitive ecosystems. For years, Agnico Eagle and others who mine in northern areas have gathered baseline information on these rare species and habitats — mainly at the project stage, prior to the start of mining activities. However, there are still gaps in our collective knowledge about the impacts of the different stages of mine life on biodiversity, as well as the cumulative impacts of mining and other current environmental influences, such as climate change, on northern biodiversity.

That is why Agnico Eagle is partnering with the Natural Sciences and Engineering Research Council of Canada (NSERC) on its Industrial Research Chair on Nordic Biodiversity in a Mining Context at the Université du Québec en Abitibi-Témiscamingue (UQAT). The Chair’s research project got underway in 2017, with a mission to increase knowledge of northern biodiversity in order to develop strategies to reduce the effect of mining development throughout its life cycle on northern biodiversity.

The new Chair’s research project is to: understand footprints over the mine life cycle and impacts on biodiversity; avoid risks for biodiversity; develop tools for ecological planning; and, enhance understanding of key species and climate change.

2017 Performance

2017 TOTAL GHG EMISSION INTENSITY (CO2 equivalent per tonne of ore processed)

<table>
<thead>
<tr>
<th>Year</th>
<th>Catastrophic</th>
<th>Major</th>
<th>Moderate</th>
<th>Minor</th>
<th>Negligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>4% Increase from 2016</td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

2017 TOTAL ELECTRICITY CONSUMED FROM THE GRID (GWh)

<table>
<thead>
<tr>
<th>Year</th>
<th>Catastrophic</th>
<th>Major</th>
<th>Moderate</th>
<th>Minor</th>
<th>Negligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2% Increase from 2016</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

2017 REPORTED ENVIRONMENTAL INCIDENTS BY CATEGORY

<table>
<thead>
<tr>
<th>Year</th>
<th>Catastrophic</th>
<th>Major</th>
<th>Moderate</th>
<th>Minor</th>
<th>Negligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>No change from 2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In 2017, we have reported 929 incidents: 911 spills, 8 material damage incidents, 1 noise incident and 9 water treatment malfunctions. Out of the 911 spills, none were classified as catastrophic (level 5) or major (level 4). 5 were moderate (level 3), 293 minor and 613 negligible. In 2016, we had reported 818 incidents. Now that incident reporting is a well-entrenched practice, we will focus on improving the quality of the reports (incident classification) and on prevention. A prevention action plan is being developed to reduce incident probability and consequences.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

To read more on our approach to the UN SD Goals, please visit: www.agnicoeagle.com/English/sustainabilitystandards

44.7 Mt
of waste rock generated by Agnico Eagle’s mining operations in 2017

11.8 Mm³
Total volume of effluent released to the environment from all of our mining operations — same as 2016

4% Increase in average GHG emission intensity

6% Increase from 2016

No change from 2016

2017 Performance

FRESH WATER USE INTENSITY
(m³ of water per tonne of ore processed)

EFFLUENT DISCHARGE INTENSITY
(m³ per tonne of ore processed)

2017 Performance

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People

Agnico Eagle’s people and culture have always been our competitive strength and advantage. It is critical to our current and future success that we maintain our corporate culture where every person is treated with dignity and respect, and people interact on the basis of collaboration, commitment and dedication to excellence.

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

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

At Pinos Altos, for example, 100% of the workforce is from Mexico. The vast majority of people are hired from northern Mexico, with 76% of the workforce at Pinos Altos and 46% at La India coming from the northern states of Chihuahua, Sonora and Sinaloa. Most of our people live in communities within a 10-kilometre radius of the mine.

In northern Canada, we remain focused on creating sustainable jobs and careers in mining for the Inuit population with an overall objective of obtaining 50% Inuit employees for all of our Nunavut operations. We have developed extensive Work and Site Readiness programs that are designed to prepare candidates from the Kivalliq region for work with Agnico Eagle. In 2017, approximately 37% of our Meadowbank mine workforce were drawn from the Kivalliq region of Nunavut.

WORKFORCE HIRED FROM THE LOCAL COMMUNITY (%)  

<table>
<thead>
<tr>
<th>Mine</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinos Altos</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>La India</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Meadowbank</td>
<td>37</td>
<td>37</td>
</tr>
<tr>
<td>Meliadine</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Kittila</td>
<td>11</td>
<td>11</td>
</tr>
<tr>
<td>Lapa</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Goldex</td>
<td>98</td>
<td>98</td>
</tr>
<tr>
<td>LaRonde</td>
<td>99</td>
<td>99</td>
</tr>
</tbody>
</table>

To read more about our People performance please visit the Performance Overview section of our Sustainability webpage at: www.agnicoeagle.com/English/sustainability
In the mining industry, front-line supervisors have a critical role to play in a complex work environment. Not only are they responsible for ensuring daily production targets are met, they must also lead large crews of people to work safely together as a team to meet those targets.

In Nunavut, that responsibility is even more demanding because of the remote location, the Arctic environment and the culturally diverse workforce. With the massive hiring program now underway in the North, the Nunavut Management team strongly supported the development of supervisors to be better leaders and team builders for the future.

In 2017, a team was designed and tested the Nunavut Leadership Development Program, which was originally developed and implemented at the LaRonde mine in the Abitibi, and is now being rolled out across other Agnico Eagle sites.

It is a five-day leadership program that supervisors can complete within a two year timeframe. The modules cover five key areas of supervision — cultural awareness/immersion, communicate to perform, coach to excel, mobilize in action and lead with courage.

The cultural immersion module/session includes a day trip to an Inuit community to learn about the various cultural aspects they must keep in mind in order to excel at their day-to-day leadership and supervision tasks.

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“We wanted to develop a highly customized program to reflect the multicultural reality of Nunavut. First, we conducted a needs analysis and met with focus groups to develop the themes of the modules. Then, we reviewed the program’s content in partnership with the Nunavut Literacy Council to ensure it addressed multi-cultural aspects. We also wanted to ensure Agnico Eagle’s guiding principles and values were reflected in each of the program modules.”

Pierre Guimont
Corporate Director of Training and Development

Nunavut’s management team were trained first — acting as a pilot group to test the program and enhance their own coaching skills. Once they endorsed it, internal coaches were identified and given the training, so they can eventually deliver the modules to others.

To date, 12 internal coaches have been trained at Meadowbank and a similar number will be trained at Meliadine.

Close to 100 employees have now taken part in the cultural immersion session and Module 1, with the remaining three modules to be delivered over the next 18 months. Training at Meliadine will get underway during the second quarter of 2018.

The Leadership Development Program has been fully delivered at our LaRonde mine and the selection of internal trainers is now underway at Goldex. A pilot program is also planned for Pinos Altos mine in Mexico later this year.

Nunavut Leadership Development Program Modules

MODULE 0
Cultural Awareness Immersion
Day trip to Inuit community to learn about various cultural aspects that need to be kept in mind during day-to-day leadership/supervision tasks

MODULE 1
Communicate to Perform
Communicate effectively to improve the performance of your team

MODULE 2
Coach to Excel
Understand the needs of your team members and coach them to develop their on-the-job skills

MODULE 3
Mobilize in Action
Give sound meaning to efforts and recognize the contribution of your team members to mobilize your team

MODULE 4
Lead with Courage
As a leader, clearly take a position and make courageous decisions when you need to

2017 Paul Penna Award
As the recipient of the 2017 Paul Penna Award, Agnico Eagle donated C$10,000 to a community initiative on behalf of co-winners, Dany Lauzon and Jane Werniuk.

Dany Lauzon, Production Shovel Operator at the Canadian Malartic Mine, was honoured for his work as President of the Board of Directors for the Youth Refugee of Malartic in Quebec, which seeks to reduce and eliminate juvenile delinquency. Dany is also a volunteer firefighter in Malartic, regularly educating youth on fire prevention and response.

Jane Werniuk, Senior Geologist, Technical Reporting, was honoured for her work with the Corpus Christi Refugees Resettlement Committee, which sponsored three individuals and a family of seven, helping them integrate into Canadian society. Jane, a cancer survivor, is also a member of the Women in Mining team which has participated in the Princess Margaret Cancer Foundation Walk for nine years — raising over three-quarters of a million dollars for the foundation.

Michel Latourette Award
The 2017 Michel Latourette Award, which recognizes innovation and teamwork, was given to a LaRonde team for significantly improving mining production through an innovative project to detect and enable faster repairs of leaks in the compressed air distribution network at the mine. The project contributes to the mine’s cost efficiency and safety, and allows for deeper drilling and mine life extension.
We believe it is critical, therefore, to regularly survey our workforce so that we can gain insight into their satisfaction with our performance, maintain our corporate culture, and achieve our mission and business strategy. In 2017, our Mexican operations once again participated in the Great Place to Work Mexico® certification — an annual survey that regularly measures high-confidence, high-performance work cultures. The survey results ranked Agnico Eagle Mexico in the top 10 Great Place to Work companies for employers with between 500 and 5,000 employees. The goal of the program is to help organizations gain better results from their business and improve the quality of their workplaces.

Top highlights of Agnico Eagle Mexico’s survey results in 2017 include a 13% improvement in employee engagement scores over the past five years, as well as a 12% improvement in workplace collaboration over the same time period.

Additionally, 94% of our employees say that Agnico Eagle Mexico is a great place to work.

Other key highlights include:
- Employee engagement levels were 92%, placing Agnico Eagle’s results in the Top 10 of Mexican enterprises.
- Employee satisfaction with workplace collaboration was 78%, placing Agnico Eagle’s results in the Top 100 of Mexican enterprises.
- Employees gave leadership high marks — 82% — for nurturing trust with employees, for their ability to drive organizational goals, and for encouraging personal bests and cultivating team spirit.

In total, 95% of employees completed the 2017 survey as compared to 91% in 2016.

Employees also told us we need to improve our focus on compensation and performance management, employee communication and involving them in decisions that could potentially impact their roles.

“Our goal is to maintain this upward trend and continue to cultivate trusting relationships with our workforce. We are pleased that employees strongly believe in the future of our company and express their pride in working for Agnico Eagle Mexico. We will continue to strengthen our leadership team and develop the competency and skills of our workforce. We also heard very clearly that employees want us to stay true to our culture and guiding principles in order to deliver on our business goals.”

Carlos Alegre
Regional Manager, Human Resources & Administration, Agnico Eagle Mexico

In addition to Mexico’s Great Place to Work annual engagement survey, Agnico Eagle conducts a global engagement survey every three years to measure satisfaction levels of our employees in Canada, Finland and Sweden.

We respect our employees and having clearly defined roles and responsibilities is of utmost importance to maintain an engaged workforce.

Great Place to Work Mexico® Competition Highlights

While there is always room for improvement, employees say they take great pride in working for Agnico Eagle Mexico and appreciate our commitment to investing in the future of our people and our local communities.

- 99% say they trust the leadership of Agnico Eagle Mexico
- 96% are proud to say “I work here”
- 96% say “when I see what we have, I’m proud of it”
- 95% want to work at Agnico Eagle for a long time
- 94% say Agnico Eagle Mexico is a great place to work
- 90% say they see opportunities for development, innovation and improvement

To read more about Great Place to Work Mexico, please visit: www.greatplacetowork.com.mx
90% of our employees completed the 2017 Mercer engagement survey
85% Engagement level in our 2017 Mercer engagement survey
12% Increase in the use of our Employee Assistance Program in 2017, compared to 8% in 2013

**Agnico Eagle Employees Confident About the Future**

Every three years since 2011 we have measured the overall level of engagement and satisfaction of our employees with an engagement survey covering employees in Canada, Finland and Sweden (see previous page for Mexico survey). The 2017 engagement survey results have improved compared to 2014 and are very positive compared to the other companies that participate in Mercer Mining and Oil & Gas engagement surveys.

In 2017, 99% of employees completed the survey as compared to 96% during the last survey in 2014. Other highlights include:

- **Engagement levels in 2017 increased to 85% from 81% in 2014**
- **Employee confidence levels in 2017 that management will act upon the survey results increased to 77% compared to 71% in 2014**

Employees genuinely believe management leadership and direction, leadership and commitment to employee health and safety, employee satisfaction and commitment, and community impact and social responsibility. Employees also told us we need to improve our focus on career growth and job security, compensation and performance management, as well as remain vigilant about our corporate vision, culture and values.

“This is our third global survey and we’re pleased that employees express a strong belief in the Company’s future and their pride in working for Agnico Eagle. As we grow the Company, they want us to stay true to our vision, culture and values, and keep and continue to strengthen the collaborative relationship with employees. They want to understand the career opportunities available to them and they indicate we need to explain our compensation programs better. We hear them loud and clear, and action plans are underway to address these opportunities for improvement.”

Nicolas Bolduc Regional HR Manager/Global Employee Relations and Engagement

The survey is conducted with employees across Canada, Finland and Sweden, while our Southern operations participate in Mexico’s Great Places to Work annual engagement survey.

77% of our employees have confidence that management will act upon the Mercer engagement survey results conducted in 2017

**The Growing Importance of Mental Health**

More and more, employers are encouraging their employees to speak up about their state of mental health and wellness. They want to ensure there is greater awareness of the importance and benefits of healthy minds at work.

While mental health and wellness had been part of the dialogue with employees for years, in 2017 we followed more closely the statistics from our Employee Assistance Program in Canada (a common program) to gain insight into the employees’ needs. Since the program implementation in 2013, we saw a year by year increase in use from 8% of employees in 2013 to about 12% in 2017.

Because the program is confidential, it is difficult to assess if the cause of the increase is simply that the program is better known or if there is an increased need by the employees. However, we can see commonalities in the motives. Work-related stress plays a role but employees also suffer from stressors in their home life that affect their mental health and their well-being at work.

In 2017, Agnico Eagle took a preventive approach and launched training for its supervisors to ensure they had the tools to recognize the signs and symptoms of an employee dealing with mental health and stress issues. They would then ensure the employee understood there were professional resources and options available to help them, through the Employee Assistance Program (EAP) and anonymous professional help phone lines.

“We want to make mental health a normal part of the conversation so there is no stigma involved. We don’t want people to be afraid or ashamed to open a dialogue on these matters. Agnico Eagle has an excellent reputation for health and safety and we want to encourage people to take advantage of the mental health services we offer, and the wellness initiatives offered at our sites, such as lunchtime walks and cross-country activities. This type of support is particularly valued by our young new employees. We are one big family at Agnico Eagle, and we take care of each other. This is our way.”

Guillaume Lechapelle Agnico Eagle’s Corporate Director of Health and Safety

Employees are increasingly availing themselves of the EAP services and overall reaction to the mental health awareness program has been positive and strong.

The program continued in 2018 with a presentation to the senior leadership team on mental health and stress awareness. On-site training will continue and be customized to meet local needs. For example, nurses in Nunavut are adapting mental health training and awareness to consider the stresses and isolation of a 2-week fly-in fly-out schedule and the cultural needs and differences of Inuit employees.

Some of our local initiatives regarding wellness are getting some traction. The Golden mine in Quebec has recently undergone an audit and received external certification of its Healthy Workplace Program — the first mine in Quebec to achieve this designation.

Health and wellness is a journey that can start at home but needs to continue at the workplace.
We act in a socially responsible manner and contribute to the communities in which we operate in order to make a difference in their everyday lives. We aim to work together toward a common goal of social acceptability.

Community Engagement

We aim to contribute to the social and economic development of sustainable communities associated with our operations. To achieve this we:

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

Our goal is to accurately measure the outputs and tangible improvements in all of our programs and in doing so, creating shared value in our communities.

In 2017, we worked towards improving the integration of community relations and stakeholder engagement into the Responsible Mining Management System (RMMS), ensuring a focused sustainability program. We created a set of company-wide social key performance indicators (Social KPIs) in community relations, aimed at measuring the effectiveness of our engagement methods and monitoring social risk and community acceptance. Our aim is to apply the same rigor to evaluating our social performance as we apply to all other aspects of our business, allowing us to move from a reactive to a proactive approach so that we can accurately assess and mitigate any risks to our business. We want to ensure our strategy is focused on delivering the right results and driving performance improvements in all of our programs and in doing so, creating shared value in our communities.

In 2017, in order to develop globally understood Social KPIs, we looked closely at the data we currently collect — via our sustainable development reporting program and TSM evaluations — and benchmarked external best practices. Our Stakeholder Advisory Committee (SAC), as well as our community relations professionals, helped guide our selection of proposed Social KPIs focusing on local economic development, diversity and inclusion, complaints and grievances, engagement and voluntary community investments.

Evaluations — and benchmarked external best practices. Our Stakeholder Advisory Committee (SAC), as well as our community relations professionals, helped guide our selection of proposed Social KPIs focusing on local economic development, diversity and inclusion, complaints and grievances, engagement and voluntary community investments.

In 2018, we plan to pilot a program in the Abitibi region to validate our proposed Social KPIs with our host communities. Our goal is to accurately measure the outputs and tangible outcomes of our social programs, as well as the level of social acceptance in the community. As part of the pilot, we will conduct engagement workshops, interviews and surveys to further our understanding of stakeholder priorities.

Social acceptability is an integral part of our success. As early as possible in the project development phase, we engage and partner with stakeholders to assess the levels of social acceptability and potential impacts of the project within the host community. Our exploration teams always assign a person with responsibility for community relations, regardless of the size of the project. This allows us to mitigate potential negative impacts, and discover opportunities for collaboration, avoiding potential conflict and building community relationships on a foundation of trust and transparency.

At the suggestion of our external Stakeholder Advisory Board, Agnico has committed to aligning our policy and programs with the UN SD goals. We specifically took a look at Goal 5 Gender Equity. As a result our Nunavut Group participated in the Gender Equity in Mining (GEM) program from the Mining Industry Human Resources Council (MIHRC) and have committed to do a site level review of policy and procedure around diversity and inclusion and a review of global corporate policy and position to see how we can make improvements and remove barriers for diversity in our workforce.

During the year, our sites also managed community response mechanisms and participated in Community Liaison Committees. Such mechanisms and committees are now part of our RMMS standard, and we have developed guidelines to help new operations implement these best practices. Goldex established its first Community Liaison Committee in 2017.

In order to enhance our community engagement efforts, we have developed four community-based regional websites. These include websites for our Akasibwa West project, Agnico Eagle Mexico operations, Agnico Eagle Finland, as well as for our Nunavut projects, with the Abitibi website to follow in 2018.

The Nunavut website (www.nunavut.ca) not only provides regular updates on our activities, it also serves as the primary “point-of-entry” for hiring new Inuit employees and to provide maximum opportunities to Inuit-owned businesses to pre-qualify for contract opportunities with Agnico.

Tracking Community Issues

We are committed to improving our social acceptability performance. Our community relations efforts focus on eliciting community feedback on current or proposed activities and on identifying and resolving issues. These issues are often identified through phone calls, email, individual meetings, public or community liaison meetings, community-specific hotlines or our whistleblower hotline, or through our social media channels and websites and then logged in our Borealis database. These various feedback channels allow stakeholders to communicate with us at their preferred method. Helping us track and monitor our performance against our selected Social KPIs is our newly implemented Borealis Software. Borealis will help us develop richer and more accurate reporting for our businesses, providing them with reliable information and metrics they can use as a foundation to maintain constructive relationships with local stakeholders over the lifetime of a project.

In 2017, we logged 32 complaints and have a 69% resolution rate with 22 complaints resolved. The resolution actions for the remaining 10 open cases carried over into 2018. The top community concern was environmental, accounting for 43% of our complaints, with the most frequent issues raised being dust and vibration. Next were Human Resources and employment concerns at 21% followed by community relations concerns accounting for 26%. The most common communication methods were email followed by face to face.
Investing in Our Communities

Our community investment program continued to target initiatives that enable each of the communities where we operate to benefit from economic development in their region, even after mining ceases. Our goal is to provide both Agnico Eagle and our host communities with optimum returns on our investments in strategic health, education and capacity-building initiatives. In 2017, we invested more than $5.8 million in our local communities. Since 2009, Agnico Eagle’s community investments have totalled close to $34 million.

$5.8M+
Contributed to various organizations and events in 2017

Mexico’s Good Deeds Day

One simple act of kindness can make a world of difference in a person’s life. That generosity of spirit is what brought many Agnico Eagle Mexico employees together this summer to promote the importance of giving back to others.

On August 12th, our Pinos Altos Community Relations team organized its second Good Deeds Day in Ocampo, the municipality that surrounds our Pinos Altos and Creston Mascota mines.

With a goal of at least one good deed performed by every participant, the event registered more than 1,500 good deeds! Plus, each of the 13 communities involved was asked to register a specific community-wide good deed they could perform.

The good deeds ranged from visiting the elderly to collecting food and pantry donations for low-income citizens, and from conducting community cleanup campaigns to performing reforestation activities.

Diony Campos, Superintendent of Community Relations, notes that the event has been so successful Agnico Eagle Mexico has turned it into a whole season of good deeds!

“Our main goal is to remind people that it is important to perform good deeds every day, because there is always someone who needs a helping hand and even small acts of kindness in the community can mean so much. It is very satisfying to see the results of this initiative. It also underscores Agnico Eagle’s values of community and social responsibility.”

Diony Campos
Superintendent of Community Relations, Pinos Altos mine

Good Deeds Day began with a community parade to help promote the various types of activities and ways that people could choose to support and to give back to their local community and their neighbours.
Investing in the Future of Our People and Local Communities

Agnico Eagle Mexico’s social investment program (SIP) seeks to improve the health and socio-economic well-being of its local communities. In 2017, following extensive consultations with local stakeholders, the Community Relations team developed an ambitious program to target four key areas of need: education, infrastructure and environment, social development, and community wellness.

In education, the focus was on rehabilitating and modernizing community schools at the preschool, elementary and high school levels — the program started in October 2016 and by the end of 2017, 36 schools were upgraded in communities that surround La India mine.

Under infrastructure and environment, the purchase of waste collection equipment and the establishment of new waste storage areas helped promote a cleaner environment, benefiting nearly 10,000 people in three communities near La India mine.

For social development, Agnico Eagle built the Pinos Altos Sport Centre in Baquiriahci, near our Pinos Altos mine and partnered with the government of Mexico to build a cultural centre in Sahuaripa in the area where La India mine is located.

Community wellness initiatives are targeting the overall health and well-being of our neighbours such as: a partnership with the Chihuahua Lions Club and the Center for Recycling and Distributing Lenses, to provide new glasses to children with vision problems and recycled lenses to older adults. To date, 634 people have received the gift of improved sight.

“The best part of our job is when you hear from people about the positive impact Agnico Eagle has had on their lives. That is when you know you are making a difference. All of these programs are directly linked to our commitment of working with our stakeholders to build community capacity and ensure that the benefits being generated now will also endure well beyond the life of the mine.”

Gildardo Montenegro
Manager of Administration, Community Development and Environment, La India mine

BELOW: Local nurses from Chihuahua, Mexico stand in front of the inaugural plaque of the new Pinos Altos Community Center in the city of Ocampo. Built by Agnico Eagle and donated to the municipality, the center includes a library, a nursery and up-to-date sports facilities. It is open to all citizens living in the nearby Chihuahua mountains and offers particular encouragement to local youth giving them the option to spend their time playing sports and reading books.

Agnico Eagle Finland advances mining education and research

On May 30th, Agnico Eagle Finland donated $1.13 million to the University of Oulu (pictured above) to advance mining education and research in the region. The donation is based on the company’s goal of creating long-term northern business and securing future expertise in the industry.

The Oulu Mining School is well-known for its research into the sustainable use of natural resources in Arctic regions, in order to protect one of the cleanest and best preserved natural environments in the world.

“Agnico Eagle’s goal is to have an international high-class centre for mining education and research in Northern Finland. It is important that young people in the region get their mining education here, in the north, so that it won’t be necessary for us to attract workers from the south. It is also for the future of mining to ensure cooperation between educational institutions in the region, and the development of a Nordic Mining School. In this, Oulu is a key player.”

Ingmar Haga
Former Managing Director Europe

Agnico Eagle Finland also donated $113,000 to the University of Lapland for the development of research and training in the faculties of Law and Education.

“Having a regional university is an important factor in ensuring that we will have qualified teachers in all schools in Lapland now and in the future. We consider this to be pivotal for the future of Lapland.”

Agnico Eagle built the Pinos Altos Sport Centre in Baquiriachi, near our Pinos Altos mine.

$113,000
Donated to the University of Lapland for the development of research and training in the faculties of Law and Education

Agnico Eagle Finland
Advances Mining Education and Research

INGMAR HAGA
Former Managing Director Europe

On May 30th, Agnico Eagle Finland donated $1.13 million to the University of Oulu pictured above to advance mining education and research in the region. The donation is based on the company’s goal of creating long-term northern business and securing future expertise in the industry.

The Oulu Mining School is well-known for its research into the sustainable use of natural resources in Arctic regions, in order to protect one of the cleanest and best preserved natural environments in the world.

“Agnico Eagle’s goal is to have an international high-class centre for mining education and research in Northern Finland. It is important that young people in the region get their mining education here, in the north, so that it won’t be necessary for us to attract workers from the south. It is also for the future of mining to ensure cooperation between educational institutions in the region, and the development of a Nordic Mining School. In this, Oulu is a key player.”

Ingmar Haga
Former Managing Director Europe

Agnico Eagle Finland also donated $113,000 to the University of Lapland for the development of research and training in the faculties of Law and Education.

“Having a regional university is an important factor in ensuring that we will have qualified teachers in all schools in Lapland now and in the future. We consider this to be pivotal for the future of Lapland.”

Agnico Eagle built the Pinos Altos Sport Centre in Baquiriachi, near our Pinos Altos mine.
We believe the biggest contribution we can make to the well-being of the communities in which we operate is through the creation of long-term employment opportunities and the provision of economic development opportunities.

### Economic Value

In 2017, Agnico Eagle provided $382 million in wages and benefits to our global workforce and paid $329 million in taxes, royalties and fees to all levels of government (including Indigenous groups). We recorded operating margin of $1,185 million and produced 1,713,533 million ounces of gold.1

#### Generating Employment and Economic Benefit

In 2017, through the payment of wages and benefits, Agnico Eagle contributed approximately $304 million to the economy of Canada, $32 million to the economy of Finland, and approximately $46 million to the economy of the Chihuahua and Sonora States in Mexico.

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

#### Taxes and Royalty Payments

In 2017, we made payments in taxes, royalties and fees to governments at all levels (including Indigenous groups) totaling $329 million.

We contributed approximately $92 million in taxes and royalties to Quebec, Canada (since 2010, we have paid a total of $178 million in royalties to Quebec); $77 million in taxes, royalties, fees and compensation payments in Nunavut, Canada (both to government and to Inuit organizations representing Inuit beneficiaries under the Nunavut Land Claim Agreement); $24 million in taxes and royalties to Finland, approximately $105 million in taxes and royalties to Mexico; and, $31 million in taxes to Ontario. These payments to governments comprised 13% of our gross revenue in 2017.

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1. Operating margin is calculated as revenues from mining operations less production costs.

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### Powering Up Our Mining Communities

A joint energy project between Pinos Altos in Mexico and the Municipality of Ocampo is set to power up two local communities and benefit over 120 families in the region.

The “Power Line” project will eventually supply electricity to the communities of Batería de Rodríguez and Jesús del Monte, which are located near our Pinos Altos complex. The project complies with Federal Electricity Commission guidelines which require development projects to provide electricity services locally. Agnico Eagle helped advance the project through numerous government approval stages, and helped develop its design and cost estimates.

With property owner permissions and the required government permits now in hand — from the Secretariat of Environment and Natural Resources and from the Federal Attorney’s Office for Environmental Protection — the project is under development, although a completion date for the project has not been announced.

"The Power Line project is being financed through the mining taxes Agnico Eagle has paid since we first began mining at Pinos Altos in 2014. Once the power starts permanently flowing to the homes and families in these two communities, so too will the benefits of economic development in the region."

Diony Campos
Superintendent of Community Relations, Pinos Altos mine
Fulfilling Our Nunavut Commitments and Obligations

Agnico Eagle Nunavut now has three separate Inuit Impact and Benefit Agreements (IBAs) with the Kivalin Inuit Association (KIA), a renewed Meadowbank IBA, an updated Meliadine IBA and a new IBA for the Whale Tail project. Candace Ramcharan, General Supervisor of Community Relations for our Nunavut Operations, explains how we ensure we are fulfilling our commitments and obligations.

Proper implementation requires the support of almost every internal department on each site, along with four joint KIA oversight committees. It also involves numerous community, business partners and will require the support of dozens of suppliers to deliver on our commitments.

With all of these elements in play, how is it possible to ensure that we are fulfilling our commitments to Inuit and meeting all of our IBA obligations?

First, the three agreements are almost identical, which makes it easier to implement and manage them as efficiently, transparently and as fairly as possible across our Nunavut platform.

Second, the IBA Compliance Team worked in unison during 2017 to ensure there was a consistent approach and sufficient training to support the successful implementation of each site’s obligations. At least 12 people across different departments support different aspects of implementation, with a central team in charge of co-ordinating, tracking and implementing the three Nunavut IBAs.

IBA training & awareness is never-ending, starting when employees and contractors join the team during general induction training, through e-learning modules, and via poster and general awareness campaigns. Workshops to understand IBA obligations have been conducted with senior managers and on-site training is offered regularly to employees.

In 2017, the IBA Compliance Team also conducted scorecard workshops to review IBA obligations with each department directly responsible for implementation, ensuring everyone understood and interpreted the obligations the same way. The Team also delivered on-site training once a month, with an additional 100 people trained during the year.

Implementation & monitoring are key to ensuring we meet our obligations.

To implement the IBAs and resolve any issues, we partner with the KIA, through four joint committees:

- The Implementation Committee (IC), with responsibility for overall implementation of the IBA
- The Business Opportunities Committee (BOC), which oversees the supplier pre-qualification and tendering process
- The Employment and Culture Committee (ECC), which implements employment and culture commitments, and sets Inuit employment goals
- The On-site working group (OSWG), which identifies and resolves issues that arise on the project site.

On a quarterly basis, the Team reviews each department’s IBA performance, through a scorecard self-assessment. In 2017, the Borealis compliance management system was rolled out — a new software to keep track of scorecard results and monitor overall performance against annual targets.

Reporting overall compliance and performance to the KIA is a challenge, given the scope of application of the IBA. In 2017, a data coordinator was hired to build a new contractor reporting database, allowing more accurate and complete monthly reporting about each contractor, their number of Inuit employees, hours worked etc. The goal is to automate data collection and continuously improve documentation processes so that reporting becomes routine.

According to Candace, all the coordination, training and awareness efforts are paying off.

"It has been a steep learning curve but the feedback from the KIA has been encouraging. They see the commitment and the progress we made this past year to work through the challenges. The key to success is ensuring everyone is properly trained and that everyone has the same understanding of what it takes to fulfill our commitments and obligations to our Inuit partners. We take pride in what we’ve accomplished this past year. Everyone recognizes the importance of fulfilling our IBA commitments to the people of Nunavut."
Agnico Eagle's Code of Business Conduct and Ethics outlines the standards of ethical behaviour we expect from people working on our behalf around the world. The Code applies to all directors, officers and employees and commits them to conducting their business in accordance with all applicable laws, rules and regulations and to the highest ethical standards.

We have also adopted a Code of Business Ethics for consultants and contractors and a Supplier Code of Conduct. Additionally, we have established a toll-free "whistleblower" ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including concerns regarding accounting, internal accounting controls or other auditing matters, and Ethics, including concerns regarding accounting, internal accounting controls or other auditing matters.

Code of Conduct violations, ethical conflicts, environmental issues and health and safety issues.

During 2015, Agnico Eagle adopted an Aboriginal Engagement Policy as a statement of our commitment to engage with First Nations throughout the life-cycle of our projects in Canada. In 2016, we expanded this commitment to include a global Indigenous Peoples Engagement Policy — which complements our Canadian policy — to guide our consultation with Indigenous Peoples in all regions of the world, wherever Agnico Eagle maintains a presence. We believe being responsive to the aspirations of Indigenous Peoples not only contributes to the success of our sustainability practices, but also builds community support and enhances our reputation as a responsible miner.

In 2016, Agnico Eagle formally adopted the Voluntary Principles on Security and Human Rights (VP). Created in 2000, the VPs are standards to help extractive sector companies balance the obligation to respect human rights while protecting the assets and people at their operations. The Government of Canada has identified the VPs as one of six leading standards in Canada’s CSR Strategy for the Extractive Sector. As a member of MAC, Agnico Eagle has committed to implementing a human rights and security approach consistent with the VPs and based on a determination of risk at mining facilities we control. We will report on this implementation through MAC’s Towards Sustainable Mining annual progress report.

Management Accountability
Our sustainable development program and values are integrated at the operational, executive and Board levels. Corporate oversight and implementation of the program are the direct responsibility of one executive officer — the Senior Vice-President of Environment, Sustainable Development and People who is assisted by the Vice-President Environment for environmental oversight and by the Vice-President of Health and Safety and Community Relations for health, safety and community engagement oversight.

Processes are in place to ensure that sustainable development matters, along with risk assessment and mitigation measures, are integrated into the day-to-day management of our business at the operational level. Finally, sustainable development matters are presented to the Health, Safety, Environment and Sustainable Development (HSESD) Committee of the Board of Directors at each Board meeting.

Our Guiding Principles
Agnico Eagle has developed a clear, well-defined set of Guiding Principles to ensure we reinforce our management approach and cultural identity across the company — a set of principles which have contributed to Agnico Eagle’s success for 60 years.

The ABC’s of Agnico Eagle Management
Anchored in Our Values, including open and transparent communications; safe production; the highest standards of honesty, responsibility and performance; the highest levels of employee engagement; sharing and developing employees’ skills and expertise; and, maintaining our entrepreneurial skills and innovative spirit.

Based on Collaboration, encouraging respectful open debates and healthy discussions and, recognizing success resulting from both exceptional contributions and teamwork.

Clear and Simple, valuing practices that remain simple and are based on common sense; being as clear as possible on people’s roles and contributions; and, ensuring employees and management alike understand and are aligned with our business priorities.

Stakeholder Advisory Committee
We have established a Stakeholder Advisory Committee (SAC) to provide us with feedback on our corporate social responsibility efforts and to complement, and help us make strategic links to our existing local stakeholder engagement activities. This approach also supports our global efforts to engage with our stakeholders on a regular basis and in a meaningful way. It was established in 2011 and meets in Toronto annually each fall.

To read more on governance practices, please visit: www.agnicoeagle.com/English/about-agnico/governance/
At Agnico Eagle, our efforts are supported by our Five Values: Trust, Respect, Equality, Family and Responsibility.

These values define who we are and guide us in everything we do. They are a vital link to our history, central to our culture and an essential element to our success.