AGNICO EAGLE

Adaptable.
Sustainable.
Accountable.

Sustainability Report 2020







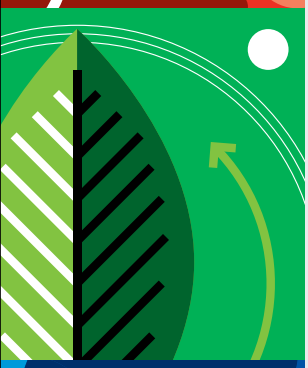
Contents

About This Report 1
Agnico Eagle At-a-Glance 2
A Message from Our CEO 4
A Message from Our Senior Vice-President 5
Our Approach 7
Our COVID-19 Response 9
Measuring Up: Our Performance, Objectives and Targets 12
Stakeholder Engagement 14
Sustainability Materiality Assessment 16
Governance 18



Health, Safety and Wellness 22

Hazard Identification and Risk Assessment 24
Crisis Management and Emergency Preparedness 24
Global Safety Performance 26
Health, Safety and Security Initiatives and Training 29
Mental Health and Wellness 29



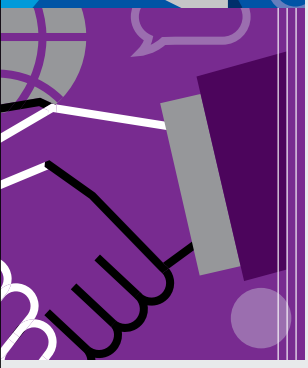
Environmental Stewardship 30

Energy and Climate Change 32
Water Stewardship 38
Tailings and Waste Management 41
Environmental Compliance 42
Integrated Closure 43
Biodiversity 45



Our People 46

Our Workforce Demographic 48
Diversity and Inclusion 49
Engaging Our People 52
Maximizing Local Employment 53
Retaining, Training and Developing Our People 56
Employee Turnover 56



Our Communities 58

Community Engagement 60
Indigenous Relations 63
Tracking Community Feedback and Issues 64
Benefit Footprint 65

Agnico Eagle Global Performance Summary Data 68
Forward-Looking Statements IBC

About This Report

The 2020 Sustainable Development Report marks the 12th year that Agnico Eagle Mines Limited ("Agnico Eagle" or the "Company") has produced a detailed account of our health, safety, environmental, and social performance.

It is intended to provide a better understanding of how the Company manages the challenges associated with health, safety, environment, and social risks.

This report reflects our performance from January 1 to December 31, 2020 and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Options, with additional mining industry specific indicators from the Sustainability Accounting Standards Board (SASB) Metals and Mining disclosures and metrics.

To facilitate assessment of our performance against these frameworks, we have highlighted the standards throughout our report and included references to the relevant content that can be found on our website. A five-year global performance summary of key indicators is included on page 68 of this report. Our 2020 GRI and SASB indexes and disclosures of performance indicators by operation can be found on our website.

Our performance metrics do not include Canadian Malartic Mine (50% Agnico Eagle) unless specified otherwise. The Canadian Malartic Mine sustainability performance is published in a separate report that can be accessed at canadianmalartic.com. On February 2, 2021 Agnico Eagle acquired TMAC Resources and the Hope Bay Mine and Project. Hope Bay's performance is not included in this report as it covers our performance during 2020.

Unless otherwise specified, all funds are reported in USD and all information in this report is as of December 31, 2020.

Some photos contained in this report were taken prior to the COVID-19 pandemic and any mandatory preventive and hygiene measures.

Adaptable. Sustainable. Accountable.

The theme of Agnico Eagle's 2020 sustainability report reflects our strategy of building a growing, high-quality, low risk, sustainable business even in unpredictable times. We maintain the right mind-set to adapt to changing circumstances and to remain resilient in the face of what is unknown. We continue to integrate environmental, social, and economic considerations into our growth plans. We take responsibility for our actions in order to build trust and meet the evolving needs and expectations of stakeholders.

Navigating the Report

- Table of contents
- \+ Supporting content (external links)
- MT Material Topics
- → Navigate to a different section

Contact Us



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

Agnico Eagle At-a-Glance

Agnico Eagle has established a valuable reputation for staying true to our mission, faithfully executing our business strategy, and for delivering measured responsible growth.





Mineral Reserves and Mineral Resources

For a detailed description of the Company's mineral reserves and mineral resources, please see the Company's news release dated February 11, 2021 at agnicoeagle.com.

Mining Operations

1. Hope Bay Mine and Project
Nunavut, Canada
Underground mine in Nunavut Territory, northern Canada

On February 2, 2021, Agnico Eagle completed the acquisition of TMAC. Hope Bay Property hosts three known deposits containing significant mineral reserves and mineral resources.

2. Meadowbank Complex
Nunavut, Canada
Open pit mine and underground development project in Nunavut Territory, in northern Canada

2020 payable production:
209,413 oz of gold

3. Meliadine Mine
Nunavut, Canada
Underground mine and open pit mine in Nunavut Territory, in northern Canada

2020 payable production:
318,889 oz of gold

4. LaRonde Complex
Quebec, Canada
Underground mines in Abitibi region, Quebec

2020 payable production:
349,913 oz of gold

5. Goldex Mine
Quebec, Canada
Underground mine in Abitibi region, Quebec

2020 payable production:
127,540 oz of gold

6. Canadian Malartic Mine (50%)
Quebec, Canada
Open pit mine and developing the Odyssey underground project in Abitibi region

2020 payable production:
284,317 oz of gold

7. Kittilä Mine
Lapland, Finland
Underground mine, northern Finland

2020 payable production:
208,125 oz of gold

8. Pinos Altos Complex
Chihuahua State, Mexico
Open pit and underground mines with milling and heap leach operation in northern Mexico

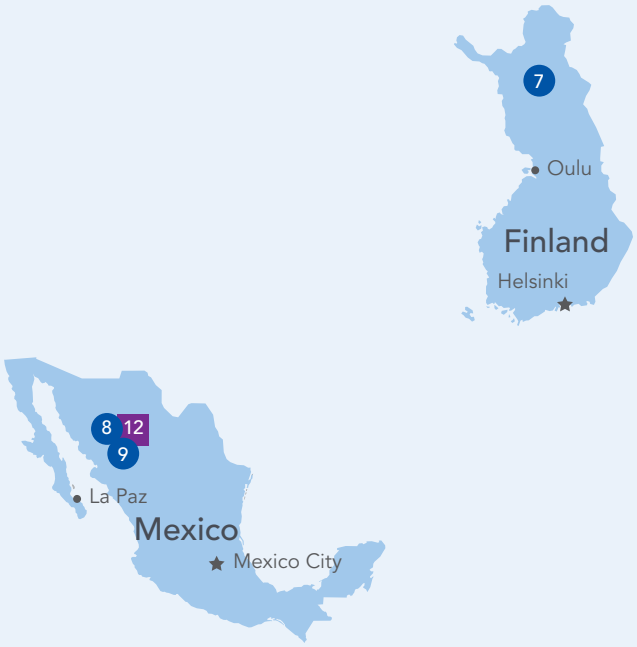
2020 payable production:
153,397 oz of gold

9. La India Mine
Sonora State, Mexico
Open pit mine with heap leach operation in Mulatos Gold Belt

2020 payable production:
84,974 oz of gold

60+

years in operation since 1957



Exploration Projects

10. Hammond Reef
Northwestern Ontario, Canada

A gold exploration project where open pit mineral reserves and mineral resources have been outlined.

11. Kirkland Lake
Northeastern Ontario, Canada

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

12. Santa Gertrudis
Sonora, Mexico

An historical heap leach operation that produced approximately 565,000 ounces of gold at a grade of 2.1 g/t gold from 1991 to 1994.

Closed Sites

13. Lapa
Quebec, Canada

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

14. Eagle & Telbel
Quebec, Canada

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

15. Cobalt-Coleman Properties
Ontario, Canada

Mining activities ceased in 1989; post-closure monitoring and maintenance are carried out. Updates of the closure plans were approved by government authorities in 2020 and rehabilitation work is ongoing.

Offices

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

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

A Message from Our CEO



Sean Boyd
Vice-chairman and Chief Executive Officer

Agnico Eagle understands that environmental, social and governance (ESG) considerations are not a burden but an opportunity to drive improved performance and deliver on our vision to build a growing, high-quality, low risk, sustainable business.

Throughout this report, you will read a detailed account of our 2020 performance and the near-term opportunities, challenges and risks associated with our business. But in order to maintain Agnico Eagle's social license to operate, we must look well into the future to improve the sustainability of our business – proactively managing our long-term opportunities, challenges and risks in order to take advantage of value-creating, game-changing opportunities.

In order to deliver on our vision:

We must innovate in order to improve our business, and collaborate with others to advance technical solutions across the gold mining industry. Agnico Eagle is examining and implementing new Long-term Evolution LTE network technologies, for example, that will support the use of autonomous equipment at our mines including automated drilling, scoops/trucks, mucking and other equipment. This technology will help improve both the profitability and sustainability of our business.

We must reduce our environmental footprint, exploring energy technology and solutions that will help us contain or lower our energy use for current operations and for future projects in our pipeline. We are developing a global approach for energy management to reduce energy costs and greenhouse gas emissions across our operations with a focus on energy intensive operating regions (Nunavut and Mexico). We are also setting a target of net zero carbon by 2050. Equally important, we must manage the supply, usage, treatment and discharge of water at our facilities.

Responsible management of this resource is essential everywhere, particularly in our industry, where we face scarcity of fresh water and abundance of water at the same time.

We must respect our environmental and social commitments and continue to focus on building strong and mutually beneficial relationships with our many stakeholders. We understand that these relationships are fragile and we must continuously earn the trust of our stakeholders and the broader environmental community.

We must fully engage our workforce, giving our people the right opportunities to achieve their full potential. We must maintain our culture and focus, and increase our inclusivity, to remain a leading employer thriving through societal changes and risks.

Sustainability is a mindset and we see it as an opportunity to do better, to constantly improve and to deliver on our responsibilities and promises to our stakeholders. On behalf of the leadership team, I want to thank all Agnico Eagle employees for the resilience you have shown this past year in adapting to constantly changing circumstances and in helping us be sustainable and remain accountable. Your commitment to our sustainability goals continues to raise the bar for corporate responsibility in the global mining industry.

Sincerely,



A Message from Our Senior Vice-President



Carol Plummer
Senior Vice-President, Sustainability, People & Culture

Adaptable. Sustainable. Accountable.

These three words express Agnico Eagle's long-standing approach to improving our sustainability performance. In 2020, they were our pledge to employees, communities and to ourselves that we would, in the face of COVID-19, remain focused on advancing our sustainability agenda while protecting the health and safety of our people, their families, and the communities in which we operate.

Adaptable: Agnico Eagle has a well-earned reputation for being able to quickly adapt to changing circumstances. This cultural attribute has played a key role in our success over our 60+ year history and never more so than in 2020.

With government-mandated production suspensions affecting seven of our eight mines in the early days of the global pandemic, our management and Health & Safety teams quickly developed a plan, including extraordinary measures, defining a set of protocols to keep our business strong and our workforce safe. These measures were extensively communicated to national, territorial, provincial, regional, and local governments; to our employees and their families; and to all other stakeholders, to ensure they had a high level of comfort with our approach and trust in our ability to reduce the risk of the pandemic at our sites and in our operating communities.

I can't stress enough how adaptable and resilient our people have been throughout COVID-19. It has been amazing to see the adjustments they have made in their personal lives and in their interactions with work colleagues, always going the extra step to deliver on Agnico Eagle's promises and commitments.

Sustainable: Despite COVID-19, we maintained a strong sustainability performance and made good progress on key environmental, social, and governance (ESG) initiatives during 2020.

We are leaders in operating GHG efficient gold mines with a global total GHG intensity in 2020 of 0.4 tonnes CO_2 equivalent for every ounce of gold produced, well below the industry average[1] of 0.8 tonnes CO_2 equivalent for every ounce. We have strong governance of our critical infrastructure and thorough environmental risk management, leading to another year with no major or critical environmental incidents. We continue to meet our global health and safety targets and had our fourth year in a row with no fatal accidents. Improving diversity and inclusion at all levels of our organization remains a challenge, however we continue to set the example at the top with women representing 30% of our board of directors.

Our progress was recognized externally, with Corporate Knights placing us as the top-ranked mining company in their list of the 2021 Global 100 Most Sustainable Corporations in the World; and the Mining Association of Canada presenting our Pinos Altos mine with the 2020 Towards Sustainable Mining® (TSM) Environmental Excellence Award.

We gathered for a series of virtual sessions this past summer to share best practices in occupational health and safety. With guidance from all eight of our global health and safety teams, we advanced our *Towards Zero Accidents* initiative, which is committed to eliminating workplace injuries and achieving our goal of zero accidents. We recognize this is not a goal that can be achieved and then put aside; rather it is a goal that must be achieved each day, over and over again, eliminating risks, making good decisions and ensuring a high level of communication as each person works efficiently and completes their day safely to go home to their families. Given the physical challenges and social isolation many of us experienced this past year, a key element of this initiative is addressing mental health and wellness in the workplace.

1. S&P Global Market Intelligence

At the community level, we intensified our outreach, using new methods and online tools of engagement to address local needs. We consulted widely with local authorities to understand community-based priorities and provide support to community health and well-being initiatives. Each of our sites made significant donations of safety (PPE) equipment to their local health services, funds to regional food banks and help centres, and supported other initiatives where the need was greatest. Throughout this report you will read more about our pandemic response initiatives that are helping to sustain neighbouring communities.



Our operations in Mexico have provided extensive support to protect and help surrounding communities strongly impacted by the COVID-19 pandemic.

Accountable: We hold ourselves accountable for improved performance over time, ensuring rigorous and progressive oversight of sustainability and ESG matters.

Our ESG strategy rests on four key pillars that are helping to drive our growth and generate long-term returns. We are committed to developing our people, purposefully and respectfully; we are pursuing innovation whether by adopting new technologies in automation or thinking outside-the-box to solve challenges; we work to identify and eliminate or mitigate risks at all levels of our business to protect our operations, communities, and the environment; and we continue to adapt to new realities and our evolving responsibilities, taking the lessons we've learned during COVID-19, and applying them to other aspects of our business.

Our ESG strategy and pillars will help us drive performance throughout 2021:

We will continue to build upon our climate action plan; understanding how we can contribute to meeting the global commitment to reduce GHG emissions and our dependence on fossil fuel; and managing the potential future impacts of climate change on our activities and business.

We will engage with our employees globally by expanding the Great Place to Work® survey, which has been implemented in Mexico for several years, to all operations and offices.

We will advance diversity, equity, and inclusion in the workplace as we strive to achieve a level of diversity from the mine face to the senior leadership team reflective of our host communities. We will be guided in our efforts by our Diversity and Inclusion (D&I) Council which continues to build upon an action plan that is focused on: understanding the reality of our employees, communities and society at large; opening minds with information and awareness training; opening doors by providing opportunities for education, training and jobs; and partnering for success with, industry associations, suppliers and interested groups.

We will advance our *Towards Zero Accidents* health and safety initiative, another step along our journey to eliminate workplace injuries and reach our goal of zero accidents.

Working together, we will continue to adapt, be sustainable and remain accountable to our shareholders, stakeholders, and society at large.

Sincerely,



Our Approach

Agnico Eagle is committed to not only meeting, but going beyond, regulatory requirements for health, safety, environmental, social and governance matters. We believe that by working together as a team, we will continue to adapt, be sustainable and remain accountable to our shareholders, stakeholders and society at large.

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

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

Sustainability is fundamental to all phases of our operations from exploration to reclamation. We assess potential impacts and risks associated with our activities across the whole lifecycle of our projects and operations, including the potential impacts of possible acquisition and divestiture decisions, based on our sustainability values.

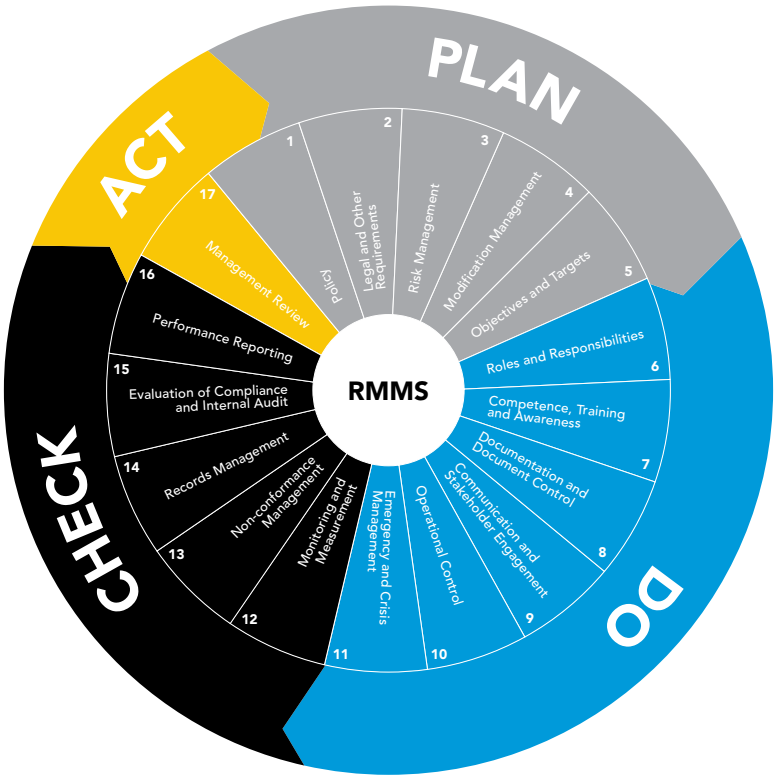
In 2020, we kept our sustainability commitments front and centre to guide our actions and responses throughout the COVID-19 pandemic.

- protecting the health, safety, and wellness of our employees;
- maintaining rigorous environmental standards to eliminate, minimize, and mitigate our impacts even during periods of reduced activity or care and maintenance;
- supporting employees unable to work due to public health restrictions; and
- working in solidarity with our operating communities to provide support where the need is greatest.

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

Risk Management and Monitoring System

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



Towards Sustainable Mining

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

Cyanide Code

The Kittilä and La India mines, as well as the Pinos Altos and Meadowbank complexes are certified as compliant with the International Cyanide Management Code (ICMC). The LaRonde and Meliadine mines are working toward attaining certification in the coming years.

The audit reports are disclosed publicly on the ICMC website mine by mine.

Conflict-Free Gold Standard

Agnico Eagle understands that operating responsibly and maintaining the trust of our stakeholders requires that we demonstrate the gold we produce has been extracted in a manner that does not fuel unlawful armed conflict, nor contribute to serious human rights abuses or breach international law. As such, we have adopted and implemented the World Gold Council's (WGC) Conflict-Free Gold Standard (CFGS). Annual audit and certification reports are available on our website.

Responsible Gold Mining Principles

In 2019, the WGC launched the Responsible Gold Mining Principles (RGMP), a framework that sets out clear expectations for consumers, investors, and the downstream gold supply chain as to what constitutes responsible gold mining. The WGC set out Principles that it believes address key environmental, social, and governance concerns for the gold mining sector. As a member of the WGC, we have committed to implement the Principles and to complete an external verification within three years. In 2020, we completed a detailed gap analysis of every mine, and at the corporate level, to identify areas not covered by the commitments we have already made. Action plans were developed to fill identified gaps and an external audit is planned for 2021.

Voluntary Principles

The Voluntary Principles on Security and Human Rights (VPSHRs) guide companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. Agnico Eagle began adopting the VPSHRs in 2016 and became a formal member in 2017. A specific set of consequence criteria was developed and approved in 2020 to improve our risk management process an external audit is planned for 2021.

The United Nations Sustainable Development Goals

Agnico Eagle is working to support progress on the United Nations (UN) Sustainable Development Goals (SDGs). We recognize that the mining industry has an opportunity to positively contribute to all 17 of the SDGs. You can find detailed descriptions of how our activities contribute to SDGs in addition to an archive of all our initiatives on our website.

CDP

The CDP's goal is to encourage a rational response to climate change, water management and biodiversity by facilitating a dialogue between stakeholders and businesses supported by harmonized, quality data. Agnico Eagle began reporting to the CDP in 2007 and continues to report on an annual basis. In 2020, provided its first CDP Forests response in addition to Water Security and Climate Change.

To consult our latest CDP disclosures, click here.

Task Force on Climate-related Financial Disclosures

Agnico Eagle recognizes the importance of providing clear, comprehensive, high-quality information on the impacts of climate change on our business. In 2020, we aligned our Sustainability Report's Energy and Climate Change section with the Task Force on Climate-related Financial Disclosures (TCFD) (see page 32). In 2021, we will continue to refine our understanding of Climate Related Financial risks and will provide more information in future reports.

Analyst Corner

GRI 102-11, 102-12, 102-13

Our COVID-19 Response

This past year, Agnico Eagle's response to COVID-19 was guided by our commitment to contribute to the health and well-being of our employees, their families, and the communities in which we operate. This remains our top priority and we will continue to provide support as we work together to recover and emerge stronger from this global pandemic.



Our focus remains on three priorities: protecting our employees, protecting our communities, and protecting our operations.

Early in 2020 we implemented numerous preventive hygiene measures to maintain a safe working environment and to prevent the virus from spreading to surrounding communities.

We continue to monitor developments in the COVID-19 pandemic in cooperation with the Public Health authorities and governments in each region where we operate, and ensure that our measures are updated as needed.

Throughout the pandemic our focus has remained on three key priorities: protecting our employees, protecting our communities, and protecting our operations.



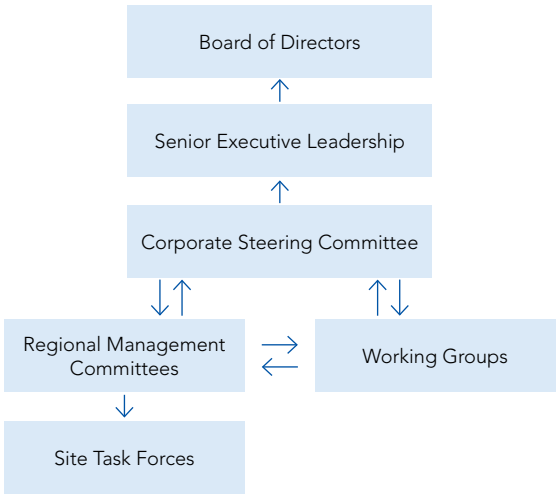
Governance

Our COVID-19 Steering Committee – led by the Senior Vice-President, Sustainability and reporting to the President – met on a regular basis, particularly at the beginning of the pandemic. Frequent updates were provided to Agnico Eagle's Senior Leadership Team and Board of Directors.

We established regional hygiene committees and working groups to manage site-specific impacts, including health and safety, employee well-being, telecommuting, business travel, business resilience, community impacts, public health regulations, and government relations.

Our global pandemic plan which applies to all Agnico Eagle operations, exploration sites and offices, has been integrated into the Company's Risk Management and Monitoring System.

For updated information on our COVID-19 response, please visit our website.



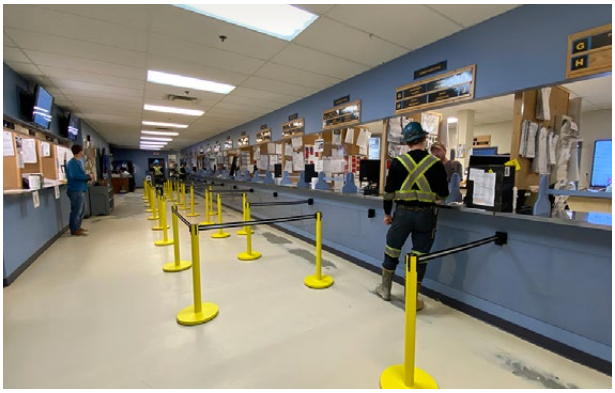


Protecting Our Employees

Every day, our people help us achieve our goals and maintain our competitive advantage. Throughout the pandemic, they have been adaptable and resilient, always taking the extra step to deliver on Agnico Eagle's promises and commitments. We have developed a number of actions to support our employees physically, mentally and financially during this difficult time. In 2020, we:

- Implemented extraordinary measures at all operations and offices for screening, physical distancing, hygiene protocols, remote work, etc.;
- Introduced testing protocols at remote operations;
- Where possible, offered flexible scheduling options for employees supporting loved-ones at home or required to take mass transit to their workplace;
- Implemented telecommuting on a part-time or full-time basis for employees with positions suitable for remote working; and provided equipment and frequent wellness tips to support employees working from home;
- Supported base salaries during government mandated production reductions in Canada and Mexico. At year-end, Nunavummiut employees remained at home with a percentage of their base salary; and
- Provided unpaid leave to employees unable to return work for personal reasons (childcare, care for ill family members, health risk factors) while maintaining their health benefits and holding their position for their return.

→ *To learn more on our response to protecting employees see page 22.*



Numerous measures for screening, physical distancing, hygiene, and testing were implemented to maintain a safe working environment and to prevent the virus from spreading to surrounding communities.

25%

of our employees are working from home



Protecting Our Communities

Agnico Eagle was quick to respond with assistance and support to communities impacted by COVID-19. Beyond increased safety and isolation protocols, we continued to consult with local authorities to understand community-based priorities and ensure we provided sustained support where it is most needed. In 2020, we:

- Isolated our Nunavut mines and sent our entire Nunavut-based workforce home in order to reduce the chance of the virus spreading to the local communities;
- Mobilized our Company health professionals in Mexico to provide support at local health clinics and in communities, and provided rapid tests as well as medical supplies and equipment;
- In solidarity with our operating communities, we donated safety equipment to health services, food hampers to families, funds to regional food banks and help centres, and supported other initiatives where the need was greatest;
- In Mexico, we have helped students to pursue their education during this difficult time by increasing scholarships and supporting projects that provide a better access to online classes;
- In Finland, contractors arriving from abroad were required to take a COVID-19 test and self-isolate, pending results, before entering the mine site or moving freely within the Kittilä region; and
- As Government vaccination programs for COVID-19 started being rolled out in all of the regions in which the Company operates, our local teams have offered their support to the vaccination effort to the local health authorities. In Mexico for example, the operations provide transportation for health personnel to the community to administer COVID-19 vaccines and transportation for employees to bring them to vaccination centres.

→ *To learn more on our response to protecting communities see page 58.*



We donated safety equipment, food hampers, funds to regional food banks and help centres and supported other initiatives where it was most needed.



Protecting Operations

In the early days of the pandemic, due to government-mandated lockdowns, seven of Agnico Eagle's eight operating mines were temporarily shut down. Our team quickly swung into action working with local communities, public health authorities, and governments to safely resume operations. We continue to work to maintain business continuity while limiting the spread of the coronavirus, changing and adapting to meet the most recent public health guidance and best practices. In 2020:

- Mines impacted by government-mandated production suspensions resumed operations with extraordinary measures in place to protect employees and local communities. Operations implemented clear procedures on sanitizing, contact tracing, isolating and transportation for any positive cases of COVID-19;
- During production suspensions, essential work was carried out to maintain infrastructure and to ensure compliance with safety and environmental requirements, all while maintaining minimum staffing levels;
- Employee business travel was restricted. Instead, online meeting platforms were used to host meetings and training sessions;
- Work from home was facilitated with equipment, collaborative workspace software, training, and secure access to networks;
- Supply chain resilience was maintained, with key suppliers identifying potential issues and making appropriate decisions regarding sourcing and inventory; and
- A sufficient inventory of PPE was built and has been maintained.



Agnico Eagle was one of the first mining companies to provide systematic RT-PCT testing for an operation. Our Nunavut testing protocols now include four testing facilities to allow for testing of workers prior to boarding northbound planes, as well as onsite re-testing.

Did You Know?



Testing in Nunavut

Agnico Eagle was one of the first mining companies to provide systematic RT-PCR testing for an operation. The remote nature of our Nunavut operations requires frequent travel and accommodation for employees in camp facilities. For this reason, at the beginning of the pandemic Agnico Eagle moved forward with a pilot project to implement COVID-19 laboratory testing of employees and contractors at our Nunavut sites. We worked closely with Dr. Gary Kobinger, Ph.D. – a professor in the Department of Microbiology and Infectious Diseases and the director of the Research Centre on Infectious Diseases at Laval University, who co-developed a vaccine for Ebola – to set up a reliable same-day testing facility. By early April 2020, a fully operational testing protocol was in place.

Current Nunavut COVID-19 testing protocols include:

- Four testing facilities – Mirabel airport, Val-d'Or airport, Meliadine mine and Meadowbank Complex – that can test for COVID-19;
- Increased screening measures for all individuals flying to site;
- All employees and contractors travelling to site are tested for COVID-19 and only board northbound planes once negative tests results are received; and
- Both Meliadine and Meadowbank have implemented re-testing of employees five days into their rotation to detect people that may have been recently exposed, and the disease was in incubation at time of arrival.

27,550

Rapid COVID-19 tests performed in Mexico

Measuring Up: Our Performance, Objectives and Targets



We hold ourselves accountable for improved performance over time, ensuring rigorous and progressive oversight of high-performance standards in health, safety, environment, and community development.

Every year, the Company sets objectives and targets and tracks progress across the organization using Specific, Measurable, Achievable, Realistic, and Timely (SMART) Goals. We set sustainability goals that align with Agnico Eagle's business strategy and sustainable development commitments. By delivering on these goals, we can continue to build our production base and generate increased value for shareholders, while making meaningful contribution to employees and communities.

Performance Metrics

Favourable | Neutral | Unfavourable



Health, Safety and Wellness

	2018	2019	2020	3-Year Trend[1]
Combined Lost-time Accident and Restricted Work Frequency[2]	1.28	0.99	1.02	+
Fatalities	0	0	0	+

→ See page 22 for more details



Environmental Stewardship

	2018	2019	2020	3-Year Trend
Total tonnes CO_2 Equivalent	411k	521k	578k	−
CO_2 Equivalent/Oz	0.32	0.36	0.40	−
Total Water Recycled	64%	62%	67%	=
Significant Spills	0	0	0	+

→ See page 30 for more details



Our People

	2018	2019	2020	3-Year Trend
Proportion of Women in the Workforce	16%	16%	15%	=
Local Employment	64%	59%	61%	=
Inuit Employees	398	442	410	=

→ See page 46 for more details



Our Communities

	2018	2019	2020	3-Year Trend
Number of Significant Disputes	0	0	0	+
Operations Payments to Local Suppliers	$900M	$865M	$876M	=

→ See page 58 for more details

1. Performance is based on targets or where targets are absent three-year trends.
2. Per 200,000 hours worked by employees and contractors.

Our 2020 Objective and Targets

Achieved | On Track | Delayed | Not Achieved

Topic	2020 Target	2020 Status	2021 Objective
Health and Safety We aim to operate a safe and healthy workplace that is injury and fatality free.			
Injury Frequency	Achieve a Global Combined Lost-time Accident and Restricted Work Frequency below 1.05.	✓	Achieve a combined Global Combined Lost-time Accident and Restricted Work Frequency 1.00.
Fatalities	Zero fatalities.	✓	Zero fatalities.
Environmental Stewardship We aim to eliminate, minimize, and mitigate impacts of our operations on the environment.			
Environmental Compliance	Finalize Environmental Incident Management Standard.	···	Finalize Environmental Incident Management Standard.
	Achieve zero major or critical/extreme environmental incidents.	✓	Achieve zero major or critical/extreme environmental incidents.
Water Stewardship	Present Corporate Standard for Water Management to senior management, project teams and operations for implementation across the Company.	···	All our operating sites have a water management strategy captured by a water management plan and supported by robust water balances.
Integrated Closure	Continue reclamation of orphan site "Manitou" with Quebec Ministry of Energy and Natural Resources.	→	Continue to focus on progressive reclamation of active mine sites while reducing risks at legacy sites.
	Continue dismantling of surface infrastructure and rehabilitation work at Lapa mine, transportation of waste rock to the LaRonde mine.	✓	Continue closure activities and earthworks at the former Lapa mine site following successful removal of site infrastructure.
Tailings and Waste Management	Update risk assessment of critical infrastructure (2019–2020).	✓	Ensure operations have functioning and sustainable critical infrastructure governance oversight. Develop a communication plan for our operations to make sure the process is understood.
Climate Change	Prepare first Climate Action Plan Strategy and initiate risk assessment in line with TCFD	···	Finalize first Climate Action Plan Strategy and initiate risk assessment in line with TCFD.
Our People We aim to maintain a work environment that is based on mutual respect, fairness and integrity.			
Employment / Jobs	Implement workforce management process to ensure all reasonable steps are taken to provide long-term sustainable jobs for our people.	→	Regions to develop workforce productivity and workforce plans to continue providing long-term sustainable jobs for our people.
Diversity and Inclusion	Implement actions to increase diversity in the workplace.	···	Achieve the 2021 Diversity and Inclusion Action Plan.
Our Communities We aim to contribute to the social and economic development of sustainable communities associated with our operations.			
Community Relations and Satisfaction	Implement the Good Neighbour Guide for operations in Abitibi.	✓	
	Audit stakeholder mapping process.	···	Audit stakeholder mapping process.
Indigenous Rights and Relationships	Continue to negotiate relevant agreements with Indigenous groups for projects in Ontario and Quebec.	→	Continue to negotiate relevant agreements with Indigenous groups for projects in Ontario and Quebec.
	Enhance our process in order to align expectations between Indigenous groups, government, and Agnico Eagle.	→	Enhance our process in order to align expectations between Indigenous groups, government, and Agnico Eagle.

Analyst Corner

GRI 102-15

Stakeholder Engagement

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

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

Our approach is to foster an open, transparent, and respectful dialogue that encourages collaboration and builds long-term trust-based relationships. Direct engagement with local stakeholders is fostered by our presence in the communities, information sessions, open dialogue, social media presence availability to local media, and access to a confidential grievance reporting mechanism. In 2020, working closely with community authorities and businesses to support the most vulnerable people in our society has been a key focus throughout the pandemic.

Communicating at a Distance

Under normal circumstances we regularly engage with our stakeholders in person, whether it's a Café-Citoyen in Abitibi, a site visit with elders in Nunavut, our annual booth at the Levi World Cup in Finland, or a Children's Day celebration in Mexico. The absence of in-person engagements has been difficult. Throughout the year we adapted to make sure our communities and stakeholders were kept informed, and we were able to work together safely during this critical period. Examples of engagement initiatives and approaches during the pandemic include:

- Frequent communications to update and inform government authorities
- Employee surveys
- Awareness campaigns for employees and neighbouring communities
- Virtual consultations with local leaders to understand community priorities
- Participation in virtual job fairs
- Dedicated external and internal COVID-19 web pages
- Offering employees online meeting platform and remote work training
- Participation in industry COVID-19 working groups
- Physically distant community meetings with options for virtual attendance

Stakeholder Advisory Committee

Our Stakeholder Advisory Committee (SAC) provides us with feedback on our corporate social responsibility efforts and helps us make strategic adjustments to our existing local stakeholder engagement activities. This is a group of independent individuals that come from a varied array of stakeholder groups selected to represent civil society. This approach also supports our global efforts to engage on a regular basis and in a meaningful way. The SAC was established in 2011 and has met annually since then. Due to the ongoing pandemic, the annual SAC meeting was held virtually in 2020.

2020 SAC Key Recommendations Highlights

Every year the SAC provides Agnico Eagle with a list of recommendations. We have and continue to focus on in 2020 and 2021 a few of the key recommendations we will be focusing on in 2020 and 2021. For the full list of recommendations and updates on our progress visit our website.

COVID-19 Response

- Assess lessons learned in relation to the Company's pandemic plan to inform the preparation and response to future waves and new pandemics.
- Continue to discuss challenges and best practices with peers.

Indigenous Relations

- Be progressive in Indigenous and community relations, including establishing agreements with Indigenous communities before being obligated to do so.
- Shift the focus from Indigenous employment to integrating, training, and advancing Indigenous employees within the Company.
- Ensure the signing of agreements is not simply a flagship moment but leads to results.

Other

- Consider the Company's role in the transition to a low carbon economy and in the circular economy.
- Develop a robust climate change strategy.

2020 Key Engagement Topics

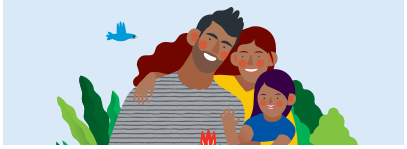


Our Workforce

Key Topics
- COVID-19 Response
- Job security

Our Response
- Clearly communicated COVID-19 protocols, implemented testing programs, adjusted time-off provisions for COVID-19 related absences
- Supported employees unable to return to work due to public health restrictions
- Increased frequency of management meetings with employees to provide updates and answer questions and held virtual team activities and held virtual team activities
- Dedicated COVID-19 intranet page

→ *See pages 9 and 46 to learn more.*



Communities

Key Topics
- Community and employee COVID-19 Response
- Community support
- Local employment

Our Response
- Isolated our Nunavut operations from the local communities
- Nunavut Good Deeds Brigade
- Supported employees unable to return to work due to public health restrictions
- Stringent COVID-19 protocols and rapidly implemented testing programs
- Consulted with communities to align support and donations where most needed

→ *See pages 9 and 58 to learn more.*



Indigenous Groups

Key Topics
- Impact benefit agreements
- Indigenous employment
- Community COVID-19 Response
- Incorporation of traditional knowledge

Our Response
- Ongoing negotiations and discussions with Indigenous groups
- Hired an *Inuit Quajimajatuqangit*[1] Coordinator for our Nunavut Operations

→ *See pages 9 and 58 to learn more.*

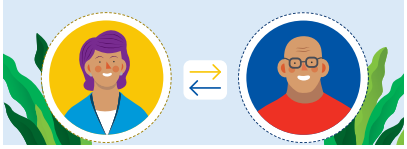


Governments and Regulatory Bodies

Key Topics
- Employee and community COVID-19 Response
- Community support
- Climate change and GHG reduction

Our Response
- Worked closely with governments and Public Health agencies on COVID-19 response
- Advocated for safe resumption of operations
- Consulted with municipalities to align support and donations where most needed
- Discussions with governments on energy alternative developments in Nunavut

→ *See pages 9 and 21 to learn more.*



Suppliers

Key Topics
- COVID-19 Response
- Increased opportunities for local businesses
- Supply chain resilience

Our Response
- Supported local businesses struggling due to the pandemic
- Continued engagement to provide up-to-date information on COVID-19 protocols
- Collaborated with suppliers to identify and mitigate supply chain risks

→ *See pages 9 and 65 to learn more.*



Investors and Analysts

Key Topics
- Business sustainability
- Risk management
- Climate change
- Workforce diversity
- COVID-19 Response

Our Response
- Provided public updates on operational changes due to COVID-19
- Prepared first Climate Action Plan Strategy and disclosure of our 2020 Scope 3 GHG emissions
- Broadened scope of our Diversity and Inclusion Action Plan

→ *See page 9 to learn more.*

1. Inuit Quajimajatuqangi (IQ) refers to Inuit "Traditional Knowledge".

Analyst Corner

GRI 102-21, 102-40,102-42,102-43,102-44

Sustainability Materiality Assessment

As a global mining company, we have an impact on a wide range of economic, environmental, and societal topics. We also have a diverse group of stakeholders – from local communities to investors – with varying interests and priorities. As part of meeting our sustainability commitments and providing high-quality reporting, it is important to have a thorough understanding of which topics matter most to our stakeholders as well as understanding the significance of our impacts.

The sustainability landscape is constantly evolving which is why our sustainability matrix is a living document requiring regular updates and refinements. In 2020, we built on the full sustainability materiality update that was completed in 2019 by grouping the 41 identified sustainability issues into 18 topic clusters, incorporating an updated assessment of key stakeholder groups, and grouping the clusters into zones of relative priority.

Our assessment is a collaborative process involving our community relations teams, senior management and external consultants. Topic importance for stakeholders was measured by completing stakeholder mapping, and issues identification and ranking. Impact on the Company was based on a mix of interviews with executives and operational risk mapping.

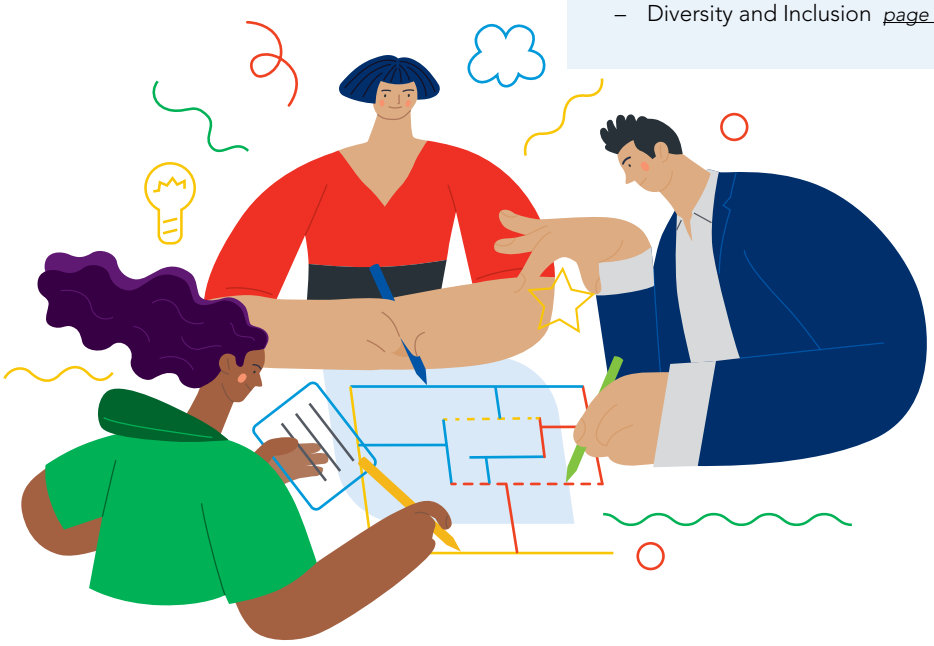
We recognize that many topics are interrelated, and that the relative priority and significance of impacts may be viewed differently by each stakeholder group and by each individual operation. In both our initiatives and reporting we strive to balance global and regional interests while highlighting the interconnectivity of relevant topics.

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

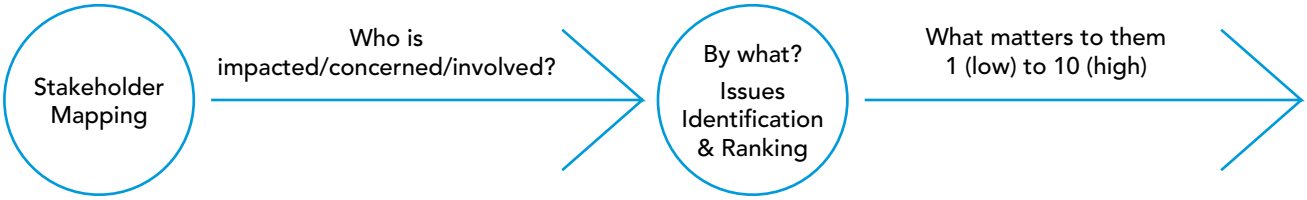
- has significant current or potential impact on the Company over the next three to five years; and/or
- is of significant concern to our key stakeholders

Our 2020 materiality assessment with respect to sustainability initiatives identified the following topics that will be our priority focus during 2021/2022:

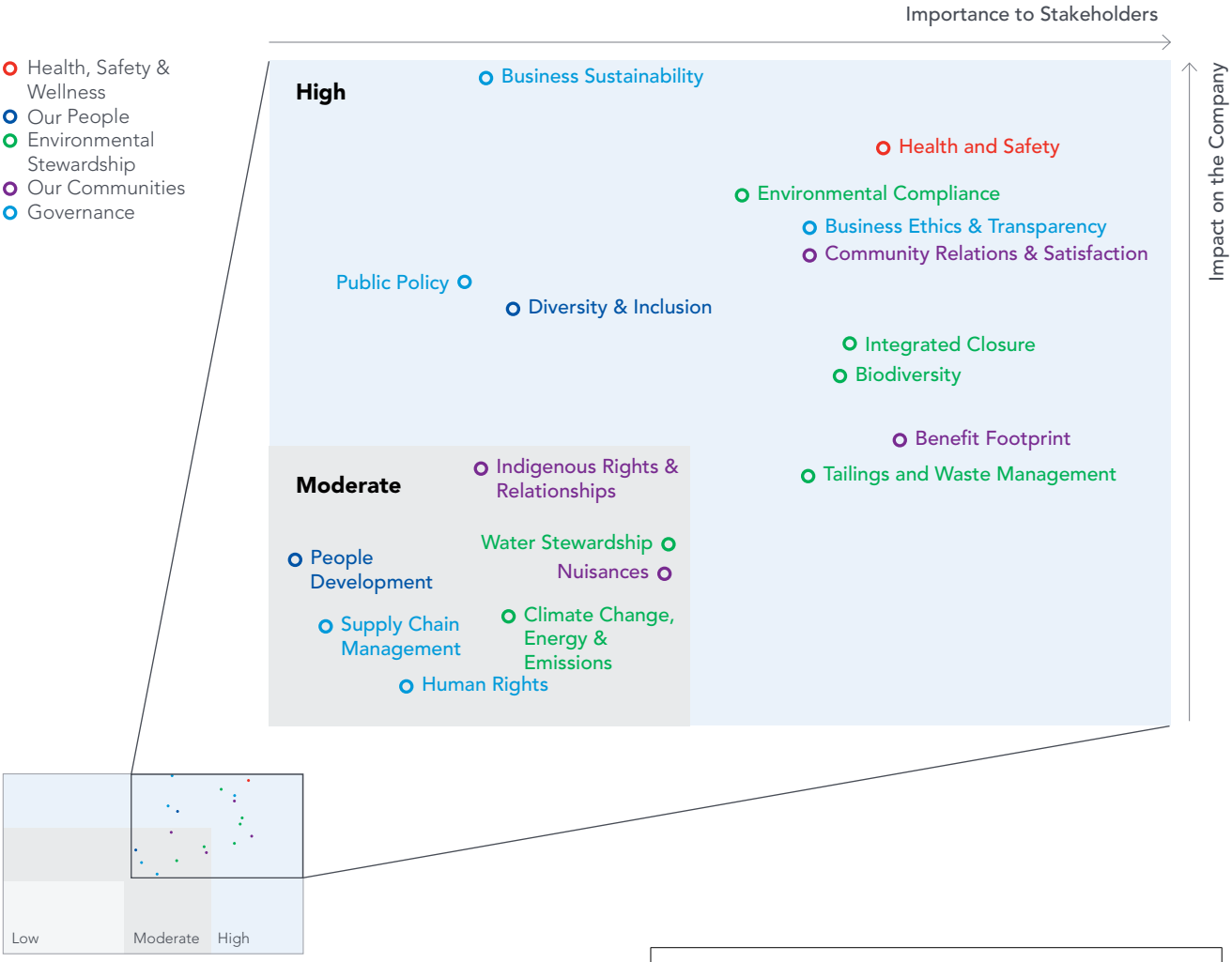
- Health & Safety *page 22*
- Environmental Compliance *page 42*
- Business Ethics and Transparency *page 20*
- Community Relations and Satisfaction *page 64*
- Integrated Closure *page 43*
- Biodiversity *page 45*
- Benefit Footprint *page 65*
- Tailings and Waste Management *page 41*
- Business Sustainability *page 20*
- Public Policy *page 21*
- Diversity and Inclusion *page 49*



Our Materiality Process:



2020 Sustainability Materiality Matrix



Analyst Corner

GRI 102-46,102-47

Governance

Good oversight and governance strengthen our accountability and sustainability performance, and helps uphold our core values in an ethically responsible manner.

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

Message from the Chair of the Health, Safety, Environment and Sustainable Development (HSESD) Committee of the Board



"Oversight by the Board is critical to the direction and the performance of the company and ultimately earning investor confidence."

"I think it's really key that, no matter where we work in the world, we have the same best practices to ensure the company and the people responsible for sustainability have a framework that they can build on and can be measured against as a company."

Deborah McCombe
Member, Agnico Eagle Board of Directors
Chair of the Health, Safety, Environment and Sustainable Development (HSESD) Committee

Sustainability Governance Structure

Sustainability is integrated at the Board, executive, and operational levels, as illustrated on page 19. Our governance structure creates clear lines of accountability, gives us the flexibility to adapt to unforeseen circumstances, and ensures sustainable practices are considered in all aspects of our business.

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

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

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

Analyst Corner

GRI 102-29, 102-30, 101-31

MT

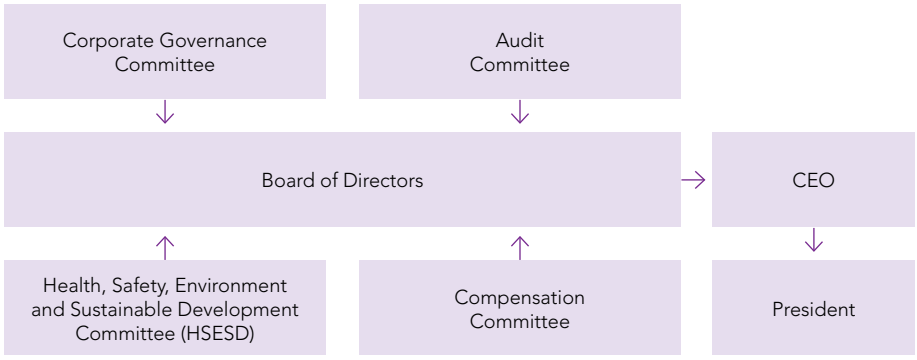
2020 Awards and Recognitions

- Agnico Eagle was recognized as one of **Canada's Best 50 Corporate Citizens by Corporate Knights**
- La India was awarded with the **Ethics and Values Award by CONCAMIN** (National Confederation of Industrial Chambers of Commerce)

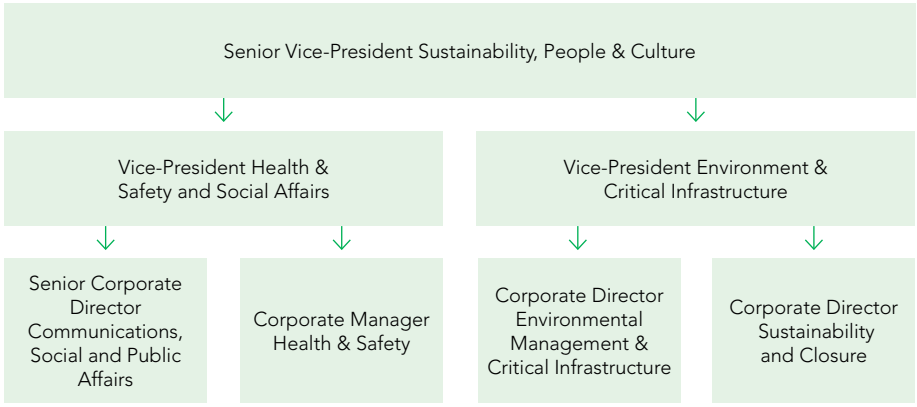


Sustainability Governance Structure

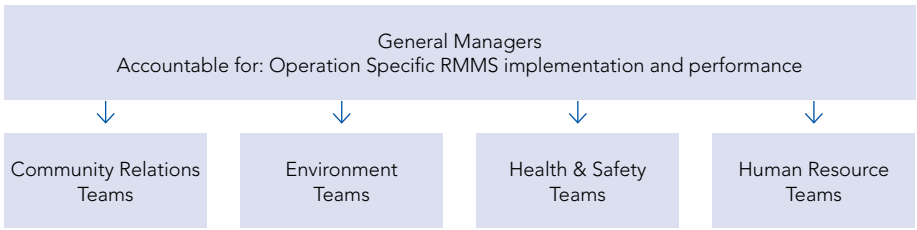
Board of Directors and Executive Management Committees



Corporate Sustainability Structure



Sustainability Management at Operations



Role of the HSESD Committee

The HSESD Committee of the Board of Directors oversees health, safety, environmental and corporate social responsibility strategies, policies, programs and performance. In this role, the Committee assists the Board in monitoring and reviewing health, safety, environment and community risks and ensuring compliance in these matters. The HSESD Committee also encourages the adoption of best practices in mining operations, promotion of a healthy and safe work environment, and environmentally sound, and socially responsible resource development.



Health, Safety, Environment and Sustainable Development Committee Charter

ESG Performance Incentives

Employee remuneration at all levels and locations is tied to individual and/or operational performance, the objectives for which are set annually. All operations have remuneration incentives linked to Health & Safety and environment objectives. Short-term incentive compensation (i.e., annual bonus) for the Named Executive Officers is broadly based on the Company's three pillars: people, performance and pipeline. For the year ended December 31, 2020, 20% of the short-term incentive plan was linked to health and safety and ESG performance. For more details on executive compensation consult our Management Proxy Circular 2021.

Analyst Corner

GRI 102-18, 102-20

Our Guiding Principles

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

A

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

B

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

C

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

Business Sustainability

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

Our business strategy is centred on three pillars: performance, pipeline, and people.

Three Pillars of Our Business Strategy

Performance
- Execute on Our Five-Year Plan
- Optimize Our Assets

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

People
- Maintain an Engaged Workforce
- Improve Operational Efficiency

Business Conduct and Ethics

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

We have also adopted a Code of Business Ethics for consultants and contractors and a Supplier Code of Conduct. The Audit Committee is responsible for monitoring compliance with the adopted codes. We have established a toll-free "whistleblower" ethics hotline for anonymous reporting of any suspected violations of the Code of Business Conduct and Ethics, including concerns regarding accounting, internal accounting controls or other auditing matters, Code of Conduct violations, ethical conflicts, environmental issues, harassment, or discrimination. In 2020, we received no complaints through the whistleblower hotline.

Analyst Corner MT

GRI 102-16, 102-17, 102-33, 205-1, 205-2, 205-3
SASB EM-MM-510a.1

Anti-Corruption

We aim to conduct business in accordance with all applicable laws, rules and regulations and the highest ethical standards. We do not tolerate bribery or corruption and we are committed to acting professionally, honorably and with integrity in all business dealings and relationships. Operations and business activities are assessed on a periodic basis to ensure that the requirements of our Anti-Corruption and Anti-Bribery Policy and applicable procedures and guidelines are met. In 2020, no instances of fraud were reported to the Audit Committee and there were no legal actions for anti-competitive behaviour, anti-trust, or monopolistic practices.

Security and Human Rights

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

In 2020, we developed a specific set of *consequence and probability criteria* on security and human rights. La India and Pinos Altos continue to follow the action plans of the VPSHR assessment of 2018 and 2019 i.e., training on security and human rights to security guards (internal and public).

In 2021, each mine will complete a risk assessment with the new criteria. Starting in the third quarter of 2021, all operations will be audited on the implementation of VPSHR as part of an integrated audit. We will also update action plans from the previous VPSHR assessments.

Analyst Corner

MT

GRI 410-1, 412-1
SASB EM-MM-210a.3

Public Policy Initiatives

We focus on partnering with local stakeholders and industry to engage on public policy initiatives that support the sustainability of our industry and that of the communities in which we operate. Our priorities include initiatives related to infrastructure development in remote areas, training support, streamlining the permitting process, land use management, and wildlife protection. In 2020, our focus shifted to working together to find the best local and regional responses to keep our mines safely operating, and our employees and operating communities healthy throughout the global pandemic. Prior to the beginning of the pandemic and when the situation allowed, we collaborated with stakeholders on certain key major initiatives.

2020 Major Initiatives:

- Engaged with the Government of Canada, Government of Nunavut, Inuit organizations on energy alternatives;
- Engaged with the Government of Canada, Government of Nunavut, Inuit organizations, and Non-Governmental Organizations on employment, training, education, mental health, wildlife protection, land use management and traditional knowledge; and
- Advocated to the Government of Quebec in support for the sharing of mining duties already paid to government with Indigenous groups in the area of our mines.

Tailings Management Corporate Standard

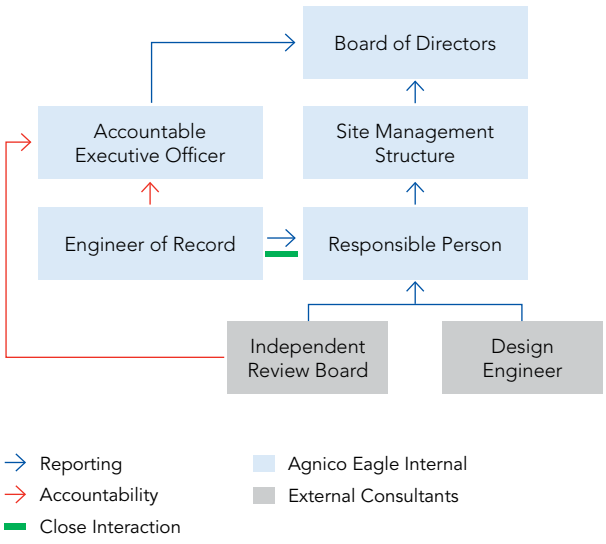
Responsible tailings management is a key element of our Sustainable Development Policy. Agnico Eagle is committed to managing tailings facilities to minimize effects on the environment and to protect the health and safety of our employees and communities.

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

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

We continue to implement MAC's tailings management governance model which provides clear accountability for tailings management (see model below). For more details on our tailings management and performance see page 41 or consult our Tailings Summary Report.

Governance Structure for Tailings Management at Agnico Eagle



Health, Safety and Wellness



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



2020 Health, Safety and Wellness Key Highlights

1.02

combined lost-time accident and restricted work frequency (per 200,000 hours worked by employees and contractors)

18.7M

hours worked

0

fatalities

2

severe accidents

Awards and Recognition

- La India wins the Jorge Rangel Zamorani "Silver Helmet" Award for being the safest open-pit mine in Mexico
- Goldex receives the F.J. O'Connell Award from the Quebec Mining Association for excellence in 2019 health and safety performances



Our Health, Safety and Wellness Commitment

We believe that all accidents/incidents are preventable. We aim to operate a safe and healthy workplace that is injury and fatality free. We believe that if we all work together, we can achieve zero accidents in the workplace and enhance the well-being of employees, contractors, and communities. To achieve this, we:

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

Mining poses workplace risks that we continuously seek to identify and mitigate to achieve safe production. We believe that everyone has a right to a safe workplace, and to return home healthy at the end of the day. Protecting the health and safety of employees and contractors is fundamental to the long-term success of the Company and is a non-negotiable element of a good and sustainable business. The past year was marked by the unique challenges brought on by the COVID-19 pandemic, and our health & safety teams demonstrated remarkable adaptability to respond promptly to changing conditions. We will take the many lessons learned in 2020 to improve our safety performance.



We believe that all accidents/incidents are preventable and that if we all work together, we can achieve zero accidents in the workplace.

Hazard Identification and Risk Assessment

Analyst Corner

MT

GRI 403-2, 403-3, 403-4, 403-7, 403-8

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

We use the *Supervision Formula* as a daily risk assessment tool at all Agnico Eagle sites. This tool gives workers clear roles, responsibilities, and expectations for mitigating, reporting, and communicating risks. We continue to develop additional support tools and training to ensure the optimum use and success of the *Supervision Formula* at our operations. In 2020, we conducted additional training on the *Supervision Formula* at some of our Explorations sites in addition to working on improving its application at our operating sites.

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



Crisis Management and Emergency Preparedness

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

To address the COVID-19 pandemic, all operations set up special management task forces and implemented site-specific pandemic plans that enabled them to better meet and respond to changing conditions in their regions. Emergency Response Plans were reviewed and adapted to include responding protocols specifically for COVID-19 – for example, using personal protective equipment (PPE) such as masks. Training for Emergency Response teams was adapted to ensure that it could occur while still observing precaution measures such as physical distancing, proper protective equipment, sanitizing and cleaning of equipment.

Case Study

First COVID-19 Case at Agnico Eagle

Adaptable

Having the right mindset to adapt to changing circumstances and to remain resilient in the face of what is unknown.

First COVID-19 case confirms rapid response, key to maintaining employee trust

On March 28, 2020, an employee working underground at our Kittilä mine tested positive for COVID-19 – the first case among Agnico Eagle employees.

Kittilä mine's COVID-19 coordination committee quickly swung into action, working to prevent the spread of COVID-19 in the workplace.

General Manager Tommi Kankkunen explains, "The committee established a clear set of protocols in the very early stage of the pandemic. That meant everyone knew immediately how to respond when our first coronavirus case appeared."

First, the Kittilä mine suspended all underground operations for 72 hours so the committee could trace other co-workers who may have been in close contact with the employee days prior to the onset of his illness, and had them monitoring for symptoms of the illness and to get tested if necessary.

Simultaneously, the mine contacted all underground workers to brief them on what was happening, and put the stringent hygiene protocols in place to thoroughly clean and disinfect all common areas in the workplace. By March 31st underground mining activities had resumed.

Tommi adds, "We are very proud of our Health, Safety, Security (HSS) and mine rescue teams, whose professional approach played a major role in delivering a good outcome for this event, and in maintaining our COVID-19 protocols."

Beyond the health and hygiene protocols, constant communication was key to maintaining the trust of employees. "The coordination team was very responsive," says Tommi, "always adapting to the constantly changing situations as quickly as possible, and then keeping everyone on site up-to-date on what was happening. Good communication was paramount to addressing employee concerns."

Miner Pauli Kinisjärvi agrees. "I was on duty in the spring when the first coronavirus infection was detected in the underground mine. Work there was suspended in order to disinfect the machines and facilities and we were away from work for two days. I think these were good protective measures and that the Kittilä mine was well prepared to respond to the pandemic."

Throughout 2020, 389 Agnico Eagle employees globally contracted COVID-19. Approximately 91% of these cases were detected through our protocols.

Our priorities have been to protect the health, safety, and well-being of our employees, to provide a safe work environment, and to prevent the spread of the virus to the communities in which we operate. All of Agnico Eagle operations and projects have put in place extensive measures to minimize the potential spread of COVID-19, including screening and testing protocols. We continue to adjust and improve measures in place as the situation evolves and to keep our stakeholders informed of our actions and plans.



Our pandemic response protocols have been updated to ensure clear and rigorous sanitizing, tracing, isolation and monitoring procedures are outlined if an employee is tested positive in the workplace or after recently being in the workplace.

Global Safety Performance

Analyst Corner

GRI 403-9
SASB EM-MM-320a.1

MT

There were no fatal accidents in 2020. This is the Company's fourth year in a row with no fatal accidents (see Figure 1).

The 2020 combined lost-time frequency (LTA) and restricted work (RW) frequency was 1.02 for employees and contractors. This is very similar performance compared to our previous year's frequency (0.99). See Figure 2. Our operations continuously work to identify root causes of accidents, implement mitigation plans and share lessons learned across our organization. The specific contributing factors for accidents vary across the organization but it is undeniable that stress, uncertainty, and fatigue related to the pandemic played a role in this performance. Mitigating these factors is challenging and we are concentrating our focus on addressing mental health. We will continue to work together with our health and safety teams, and our industry peers, to discuss innovative solutions as we enter the second year of the pandemic.

Excluding our Kittilä mine, which was in the middle of a construction phase, the combined frequency of all our operating mines is below their respective objectives for the year 2020. We will continue to set more ambitious frequency objectives with a global target of 1.00 for 2021.



All Agnico sites use the Supervision Formula daily to give workers clear roles, responsibilities and expectations for mitigating, reporting and communicating risks.

Figure 1.

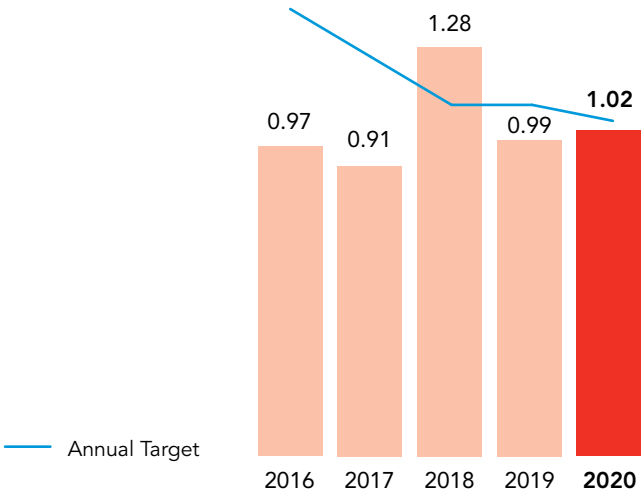
Work-Related Fatal Injuries

2016	2017	2018	2019	**2020**
1	0	0	0	**0**

Figure 2.

Combined Lost-Time Accident and Restricted Work Frequency

(per 200,000 hours worked)



Similar performance to previous years.

Our main safety challenges remain at our Meadowbank Complex and Meliadine mine in Nunavut, where 56% of the accidents (lost-time and light duty assignment) in 2020 occurred despite these sites representing approximately 30% of our total hours worked. In total, 53 of 95 lost time and light duty accidents recorded by the Company were registered at these sites. An action plan is in place in Nunavut to reduce workplace accidents, including a review of risk assessment and management, and enhanced *Supervision Formula* training and coaching. We are seeing the results of the action plan with both sites improving their Combined Lost-Time Accident and Restricted Work Frequency performance.

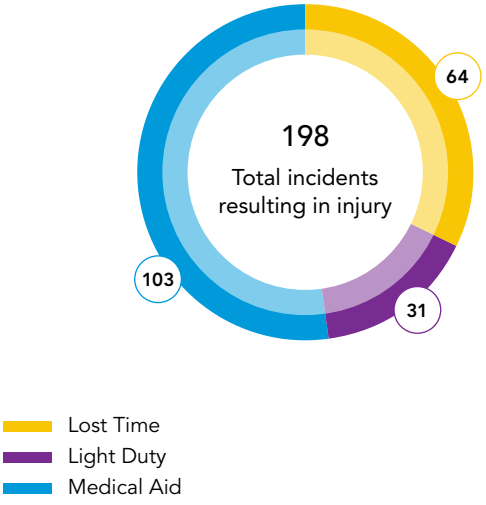
In 2020, 20.4% of all reported events were classified as near-misses. We regularly conduct a comprehensive review of recorded near-misses and implement appropriate mitigation measures across our operations with a view to eliminate the hazard or reduce its probability of occurrence.

We are saddened to report that in 2020, two of our colleagues suffered severe accidents that resulted in a life-changing injury such as a limb amputation or other critical injury. These accidents were fully investigated to ensure that measures are taken to avoid re-occurrence. We provided ongoing support to the employees and their families impacted by these traumatic injuries.

Overall during 2020, 95 people experienced a workplace accident which kept them from performing their regular duties or coming to work the next day and an additional 103 required medical aid (see Figure 3). Our sites continue to work on providing all employees with an accident-free work environment and, to that end, all our sites have detailed action plans in place with the goal of mitigating risks and preventing workplace accidents.

Figure 3.

2020 Total Health & Safety Incidents Resulting in Injury by Type[1]



1. Safety statistics include both employees and contractors at all our locations. A lost-time injury is an injury that results in one or more days/shifts away from work, excluding the day of the incident. Light duty is an injury that results in the person not being physically or mentally able to perform all of their normal duties. A medical aid is an injury that results in loss of consciousness or requires 'medical treatment' but does not result in any lost or restricted days/shifts.



20.4%

of all reported events were classified as near-misses in 2020.

Accountability
Near Misses

We continue to emphasize near-miss reporting at all of our operations. We believe that holding ourselves and our teams accountable for a near-miss – an event that does not result in injury or damages but had the potential to do so – is essential to mitigating such situations in the future and improving our performance over time.

Near-misses are reported and investigated with the same rigour as any other incident at our operations. Near-misses give us the opportunity to be proactive and do something about a health or safety-related event without having injuries, damage to equipment, fires or spills to the environment. If we manage these near-misses correctly, we can conduct proper investigations and analysis, and ultimately make solid recommendations to prevent a similar event from occurring.

Towards Zero Accidents



Agnico Eagle's Combined Accident Frequency has improved steadily over the last decade, thanks to the implementation of Safe Production, the Supervision Formula, Root Cause Analysis and Risk Management programs. Operational level efforts have led to extraordinary results over the years including zero lost-time accidents at our La India mine from 2015 to 2019 and a combined accident frequency of zero at our Lapa mine in 2017 and 2018.

Despite our many successes there continue to be accidents at our workplaces. We are accountable for the safety of our employees and contractors at our sites and we know we can do better. In 2020, we launched the *Towards Zero Accidents* initiative – a two-pronged approach to create an accident-free environment at all our sites.

Understanding

Do the numbers represent our reality?

Measurement and consistency

- Review the application of definitions across the organization
- Compare performance and standards to local and global industry statistics

Learn from site initiatives

- Facilitated 9 virtual conferences
- 150 site safety initiatives presented
- 65 recommendations submitted

Develop leading indicators

Leading → Influence future performance

Lagging ← Analyze past performance

Improving

What can we do to eliminate accidents?

Global initiatives

- Support and enhance the *Supervision Formula*
- Measure performance with leading indicators
- Promote positive behaviours

Lessons learned from COVID-19

- Maintain new channels of communication and cooperation between regions and departments across the organization
- Leverage opportunities for remote working and greater flexibility for team members

Increase corporate support

- Boots-in-the-Field program
- Facilitate sharing of best practices
- Develop corporate physical and mental health strategy

Focus Areas

Seven key areas of focus emerged from our virtual conferences:

- Leadership, Culture and Vision
- Training
- Communication
- Risk Assessment
- Health Awareness
- Technology, Innovation
- Contractor Management

Health, Safety and Security Initiatives and Training

Analyst Corner

MT

GRI 403-5, 403-6
SASB EM-MM-210b.1

We have robust health and safety training programs at all our operations, including analyses of employee training needs and maintenance of training records. In addition to all the health and safety initiatives related to the pandemic, we implemented the following initiatives during 2020:

1. Towards Zero Accidents Initiative
2. Health and Safety Innovation Programs
3. Enhanced Supervision Formula Training and Management

Health and Wellness

Physical and mental well-being are key to healthier and safer workplaces. Agnico Eagle encourages employees to lead active healthy lifestyles. Our operations and offices offer a variety of initiatives and programs, such as on-site gyms, nutritional awareness, and group exercise programs to support and engage employees. This year, the pandemic pushed our human resources and health and safety teams to find out-of-the-box solutions including online yoga and strength training courses to encourage employees to stay active while respecting COVID-19 protocols.

The pandemic has been socially disruptive and has had a direct impact on mental health. We continue our work on removing mental illness stigma in the workplace through awareness campaigns and have made additional efforts throughout 2020 to ensure our employees have access to the resources and support they need.

Did You Know?



Rescue on Ice: In December, six members of our Finnish regional exploration team received ice rescue training. Speaking about the session, Exploration Supervisor Matti Haverinen noted that this unique occupational safety training is important to the team's exploration work: "We are constantly outdoors and often work in unusual circumstances. It is good to practice these skills in advance. You just never know what you're going to face while exploring the terrain."



Photo credit: Pekka Aho / Lapin Kansa

6

members of our Finnish regional exploration team received ice rescue training.

Environmental Stewardship



Our efforts focus on minimizing our environmental footprint, by preventing or limiting emissions, and reducing waste. Each of our operations is responsible to identify, analyze, and manage environmental risks and to work in a transparent manner with local stakeholders, building a foundation of trust and cooperation.



2020 Environmental Key Highlights

578k

tonnes (CO_2 equivalent) of GHG Scope 1 & 2 emissions emitted by our operations

52%

of our electricity is from renewable sources

19.227 Mm^3

water discharged to the environment from all our mining operations

8.995 Mm^3

of freshwater withdrawn for use from all sources

0

number of significant environmental incidents

Awards and Recognition

- Pinos Altos received the 2020 TSM Environmental Excellence Award for improving soil regeneration that sets a new standard for best practice in environmental protection and reclamation.





Our Environmental Commitment

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

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

Mining operations can have direct and indirect impacts on all aspects of the environment including climate, water, air, and biodiversity. Risks to water supply, the impact of climate change, wildlife migration and environmental compliance can also directly and indirectly impact our production. Properly managing and mitigating environmental risk is critical to protecting the environment, as well as human health, and thus maintaining the sustainability of our business. Climate change, water scarcity, and loss of biodiversity are major global challenges that may have significant local impacts. There is increasing societal pressure for industry, government, and civil society to come together to address these challenges. Agnico Eagle is committed to working with all our stakeholders to find innovative solutions and face the challenges ahead.



Careful land use planning, done in consultation with local communities, allows us to put forward initiatives to monitor, study, protect and support critical habitat and species.

Energy and Climate Change

Analyst Corner

MT

+ Read Our CDP Climate Change Response

GRI 201-2, 302-1, 302-3, 302-4, 305-1, 305-2, 305-4
SASB EM-MM-110a.1, EM-MM-130a.1

Agnico Eagle recognizes the important role that industry plays in addressing climate change and is actively working on initiatives to help reduce our carbon footprint and mitigate climate change risks, while continuing to grow our operations. In 2019, we committed to including Scope 3 disclosures in our 2020 Sustainability report, preparing our first Climate Action Plan Strategy, and initiating risks assessment in line with TCFD requirements. This report includes our first Scope 3 GHG assessment results alongside our Scope 1& 2 disclosures. In 2020, we initiated work on our first Climate Action Plan Strategy and expect to further develop our strategy in 2021 while continuing to work on risk assessments.

At the beginning of our climate action journey, we have started to align our reporting on climate change with the recommendations of the TCFD. Below is a table outlining a self-assessment of the current status of our alignment with the four areas of TCFD. We will continue to provide updates on our progress annually.

Recommendation	Recommended Disclosure	Alignment
Governance	Board Oversight	
	Management's Role	
Strategy	Risks and Opportunities	
	Impact on Organization	
	Resilience of Strategy	
Risk Management	Risk ID and Assessment Processes	
	Risk Management Processes	
	Integration into Overall Risk Management	
Metrics and Targets	Climate-related Metrics	
	Scope 1, 2, 3 GHG Emissions	
	Climate-related Targets	

Not yet started Efforts in progress Low Moderate High

Governance

Governance around climate-related risks and opportunities follows the Company's Sustainability Management Structure (see page 19). The HSESD Committee of the Board of Directors is responsible for monitoring and reviewing climate change related risks and opportunities. Climate relevant metrics including Scope 1 and 2 GHG emissions, emission intensity, and electricity intensity are reported to the Committee on a quarterly basis. Other relevant climate related issues such as changes to carbon regulations are presented on an "as-needed basis".

Corporate oversight for assessment and management of climate-related issues is the responsibility of the Senior Vice-President Sustainability. In 2020, we focused on building corporate organizational structures including a steering committee, technical advisory group, and working group for climate-related risk management. The steering committee and groups began meeting in 2021.

Our operations have the commitment of senior leadership to reduce energy use and GHG emissions. In order to fulfill our operational responsibilities each mine assigns an energy leader to coordinate energy and GHG management for all departments including follow-up of significant sources of energy and GHG training, and managing reduction projects.

In 2021, we will continue our efforts to further strengthen the governance of climate-related risks at all levels of our organization.

Strategy

In 2017, Agnico Eagle adopted an Energy and Greenhouse Gas Management Strategy that outlines the Company's commitment to implement measures to reduce our energy consumption and GHG emissions, and to address climate change. At our operations, responsible energy and GHG emissions management is integrated into our broader strategy and includes investments in research and development (R&D) that target energy efficiency and reduction of our carbon footprint. Investments related to R&D, renewable energy projects and/or energy recovery projects are managed jointly by our corporate and operation sites. For a summary of our key GHG reduction initiatives see Figure 9 on page 37.

Specific climate-related issues that could have a material financial impact on Agnico Eagle are disclosed in the Company's Annual Information Form in accordance with applicable securities laws. Further information is also disclosed in the Company's CDP Climate Change Response.

Investing in research initiatives that target energy efficiency and reduction of our carbon footprint is part of our broader Energy and GHG Management Strategy. In 2021, we will continue our efforts to further strengthen the governance of climate-related risks at all levels of our organization.



Our Kittilä mine participated to the Sustainable Intelligent Mining Systems (SIMS) project, as part of the European Union's largest research and innovation program, by providing a test environment for battery-operated mining equipment.



To improve energy efficiency, our Meliadine's mine co-generation power plant is more efficient than conventional generators, lowering diesel through an efficient 5km heat recovery distribution circuit.

Risk factors related to climate change include regulatory uncertainty carbon pricing, the potential physical impacts of climate change on the Company's operations, and uncertainties related to the global efforts to transition to a lower-carbon economy. The potential physical impacts of climate change on the Company's operations contain several uncertainties and may be particular to the unique geographic circumstances associated with each of our operations. These may include extreme weather events, changes in rainfall patterns, water shortages and changing temperatures. There may also be supply chain implications in getting supplies to our operations, including transportation issues.

With the assistance of independent specialist consultants, we will further assess climate-related physical and transition risks and climate-related opportunities by geographic location, which will take into consideration different climate-related scenarios. We expect preliminary assessments to begin in 2021 and continue into 2022. With this better understanding we can step towards a robust strategic plan for managing climate-related risks.

Risk Management

Agnico Eagle identifies, assesses, and manages risks using our Risk Management and Monitoring System (RMMS) (See page 7). Our current process includes criteria for land use, water and environmental regulatory compliance that may indirectly cover some climate-related risks such as regulatory emission reporting requirements. In 2021, the climate change working group will draft a set of consequence criteria specific to climate-related risks which will be integrated into our RMMS risk assessment process. Once the criteria are finalized and integrated the mines will each complete climate-related risk assessment. In the meantime, risk assessments have been completed at all operations for the tailings and water storage facilities.

Metrics & Targets

We monitor direct (Scope 1) and indirect (Scope 2) GHG emissions monthly and report them annually, both in tonnes GHG (CO_2 equivalent) and in intensity (see Figure 4). In 2020, we completed Agnico Eagle's first estimate of indirect emissions that occur in our value chain (Scope 3) and updated our GHG quantification methodologies. All GHG emissions are calculated in line with GHG Protocol Standards.

We also monitor energy usage and intensity for fuel and electricity consumption. In conjunction with our climate-related scenario assessments we intend to identify additional key metrics to measure and manage climate-related risks and opportunities as we develop a framework for reporting and disclosing updated performance indicators.

Following the TSM's *Energy and Greenhouse Gas Emissions Management Protocol*, all our operating mines have internal energy consumption performance targets, with the exception of Goldex whose GHG emissions fall below the reporting threshold. These targets are consistent with our commitment to improve energy use performance.

In 2021, we will set a net zero carbon target for 2050. Pathways to achieve net zero, more specific reduction targets and other key climate-related targets will be evaluated in the coming years as we continue to move forward on improving our performance on all climate-related matters.

GHG Emissions and Intensity Performance

As shown in Figure 6, direct (Scope 1) and indirect (Scope 2) GHG emissions increased by 11% in 2020 for a total of 578,156 tonnes of CO_2 equivalent. This is mostly attributed to increased production at our Nunavut operations which account for approximately 60% of Agnico Eagle's overall emissions. Increased production and an updated GHG quantification factor for Scope 2 emissions at Kittilä were also contributing factors.

Our total Scope 1 emissions were 462,766 CO_2 equivalent. Our largest source of direct GHG emissions is diesel fuel consumption for mobile equipment and electricity generation. Our total Scope 2 emissions were 115,391 CO_2 equivalent, the majority of which are the purchase of non-renewable electricity power for our Pinos Altos and Kittilä operations. Our average GHG emissions intensity (tonnes of CO_2 equivalent per oz of gold produced) for all of our operating mines increased by 7% from 0.36 in 2019 to 0.40 in 2020 as shown in Figure 4.

Agnico remains a leader in the gold industry for low carbon production with five of our seven operations outperforming the industry average[1] for GHG emissions intensity.

In 2020, we completed a first estimate of our Scope 3 GHG emissions. These are indirect emissions associated within our value chain such as goods and services, upstream transportation and distribution, and employee commuting. Unlike Scope 1 and Scope 2, which are based directly on energy consumption, Scope 3 is primarily based on indirect estimates calculated using incurred expenses and industry averages. Our Scope 3 emissions were estimated following the GHG Protocol Standard and using spend-base emission factors developed by Quantis for most categories.

Did You Know?



Used oils from our LaRonde Complex are recovered by the Guyenne Greenhouse Cooperatives, the largest private tree plant producer in the province of Quebec, to heat its greenhouse installations and get a jump on production of its tree seedlings as early as February.

More than 200,000 litres of used oil were reused in 2020!

During this process, we assessed the eight most relevant of the 15 Scope 3 categories to our business. This required categorizing over 500 suppliers into 24 different activity types. Our 2020 Scope 3 GHG emissions are estimated at about 1.3 million tonnes of CO_2eq. Most of these emissions come from the purchase of standard goods and services from carbon intensive industries such as chemicals, mining services and construction. Given the approximate nature of this assessment and the rapidly evolving practice, it is expected that our Scope 3 assessment may vary in the coming years. We will continue to work on improving our Scope 3 assessments to better understand emissions occurring in our value chain.

Figure 4.

Total GHG Emissions (Scope 1 and 2) and Emission Intensity

(tonnes of CO_2 eq. by ounces)

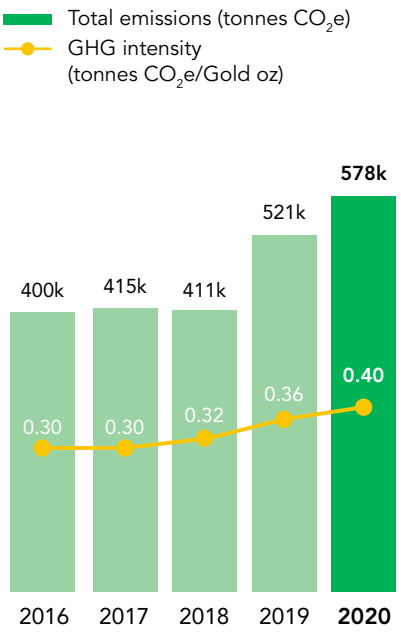


Figure 5.

Proportion of Total GHG Emissions (Scope 1 and 2) by Region

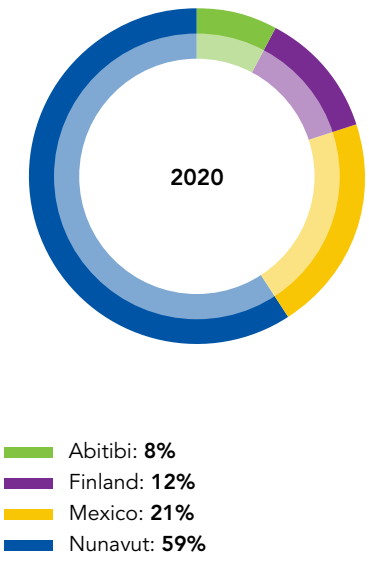
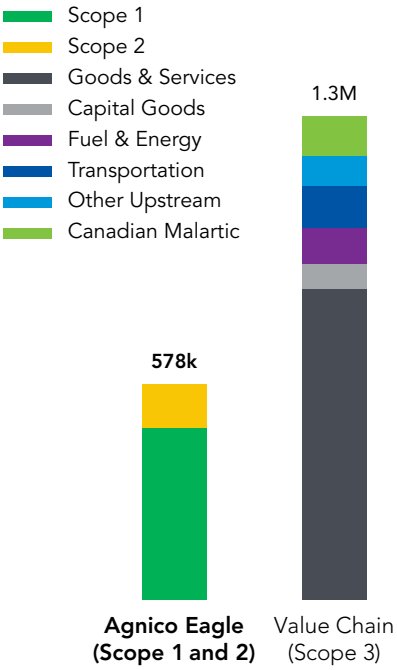


Figure 6.

Proportion of Direct and Indirect GHG Emissions



1. S&P Global Market Intelligence

Energy Consumption
Agnico Eagle uses a variety of energy sources including electricity, diesel, gasoline, propane and natural gas for our operations (see Figure 8). Purchased electricity and diesel are the most significant energy sources.

Overall, 52% of the electricity we use is from non-carbon emitting sources, primarily hydroelectricity in the Abitibi region. Our 2020 electricity consumption was 1,204 Gigawatt hours (GWh) which is similar to our 2019 consumption of 1,202 GWh. In 2020, we saw an increase in consumption in Nunavut and Finland, which was balanced by a decrease in consumption in the Abitibi and at the Pinos Altos Complex where Creston Mascota was preparing for closure. All our sites, except Kittilä, experienced disruptions due to government mandated restrictions early in the COVID-19 pandemic. This had an impact on our overall energy consumption; however, it is difficult to estimate exact proportions.

Mitigation and Adaption
One of the most important challenges our industry faces is increasing energy intensity. Ore grades are declining, and orebodies are getting deeper and more challenging to mine, and are located in more remote areas resulting in more energy being required to produce the same amount of gold. One example is the increased hauling distance at our Meadowbank Complex. The continued need for diesel power generation at our sites in Nunavut and Mexico makes us, in the short term, dependent on fossil fuels for our continued operations.

We understand that we are at a critical juncture in the climate crisis and we know that globally the status quo cannot be maintained. We understand the importance of making both short- and long-term goals to tackle emissions reduction. Currently, all our sites have GHG reduction initiatives and continue to research and develop new ones. For a summary of our key initiatives see Figure 9.

Increasing the proportion of non-carbon emitting electricity sources is critical for Agnico Eagle to meet our long-term energy and GHG objectives. We believe that by working closely with local businesses, communities, and governments we can find solutions that not only reduce our carbon footprint but provide emission reductions for the region as a whole in addition to creating economic benefits.

In 2020, we were encouraged to see multi-stakeholder collaboration on a proposed hydro and broadband transmission line project which would connect the Kivalliq region in Nunavut to the province of Manitoba. The project is still in the very early stages of the development process and we continue work with local stakeholders in the north to find innovative, alternative-energy solutions in reducing our carbon footprint. In Mexico, we have received the necessary permits to begin construction of a power line that would bring electrical power supply to La India mine and reduce our fuel consumption. Construction is expected to begin when the situation around COVID-19 has improved.

Figure 7.

2020 Electricity Consumption by Type

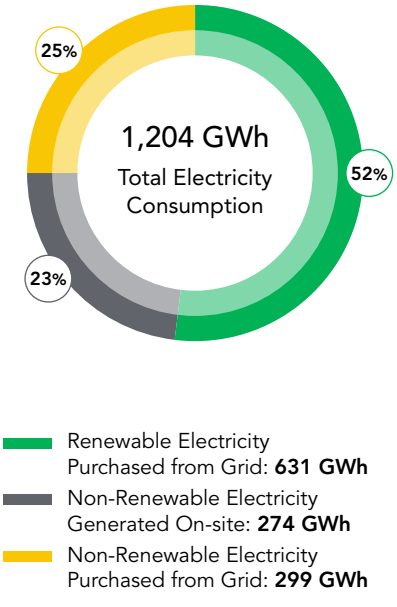
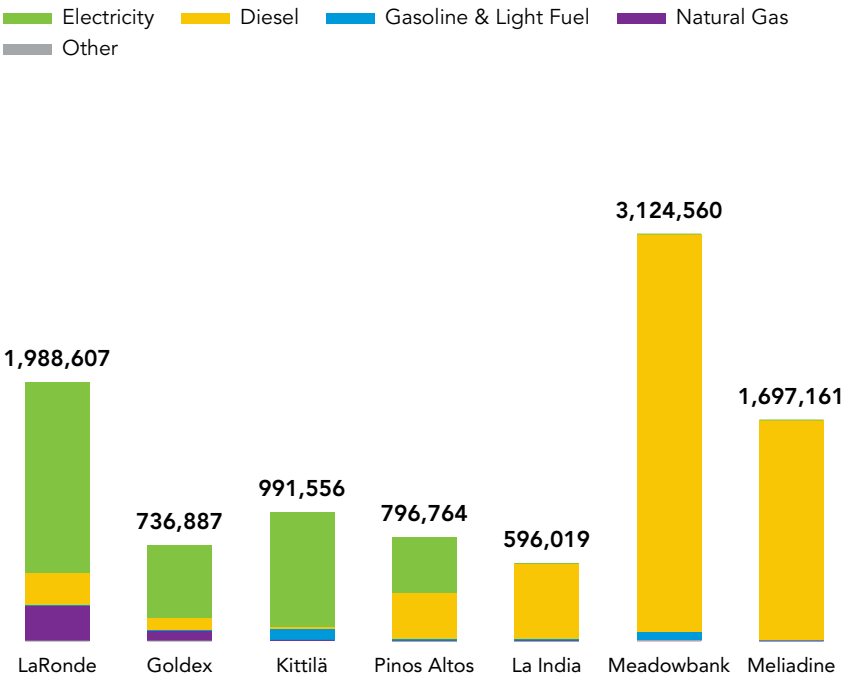
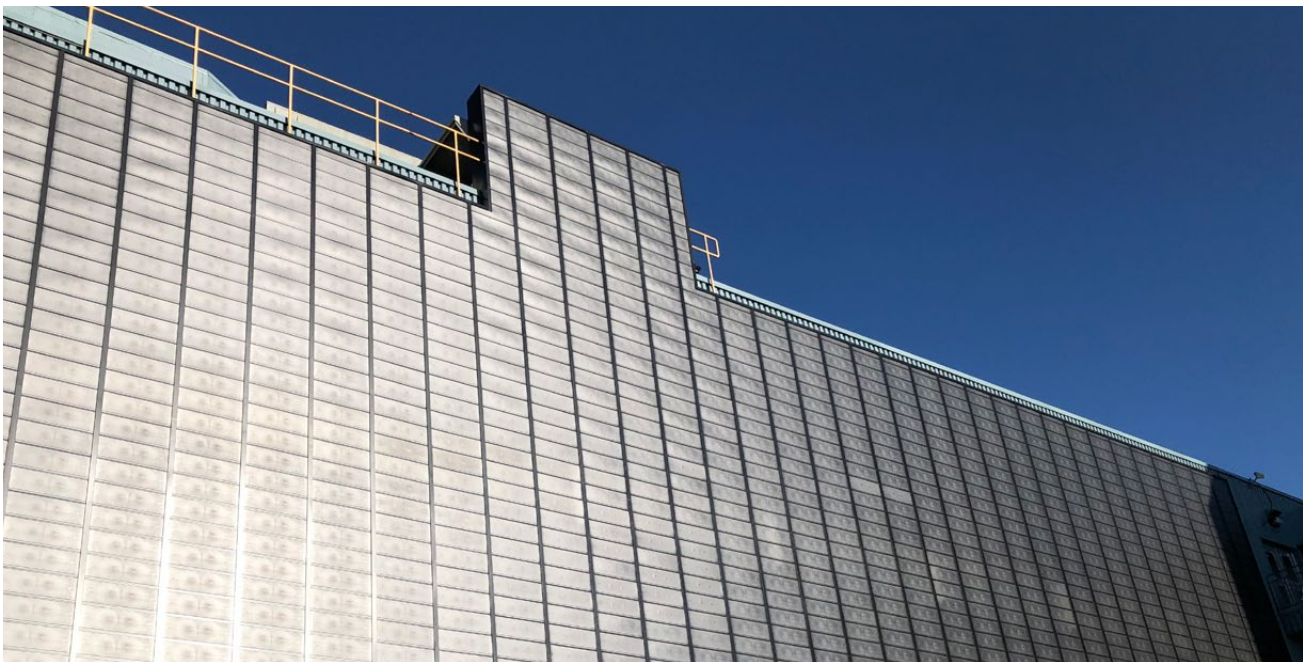


Figure 8.

2020 Energy Consumption by Type

(GJ)





In an effort to reduce GHG emissions, our LaRonde complex installed a large passive solar wall to heat its mill, reducing its natural gas consumption.

Figure 9.

Our Operations: GHG Reduction Initiatives

Energy Efficiency	Efficient Diesel Generator	Insulation of Buildings	LED Light Installation
	3,000 tonnes	80 tonnes	Pinos Altos & Kittilä
	Estimated CO_2 equivalent saved per year	Estimated CO_2 equivalent saved per year	
	Meliadine	Meadowbank	
Electrification	Electric Rail-Veyor	Electric Car Charging Stations	Electrified Water Treatment Plant Heating System
	7,000 tonnes	42	Kittilä
	Estimated CO_2 equivalent saved per year	Total charging stations at our operations	
	Goldex	LaRonde, Goldex, Rouyn-Noranda, Toronto	
Waste Reduction & Circularity	Heat Recovery Programs	Composter	Energy and Waste Reduction Program
	8,000 tonnes	300 tonnes	10 tonnes
	Estimated CO_2 equivalent saved per year	Estimated CO_2 equivalent saved per year	Estimated CO_2 equivalent saved per year
	LaRonde, Meadowbank, Meliadine, Kittilä	Meadowbank	Meliadine
Renewable Energy Projects	Passive Solar Wall		
	LaRonde		

Water Stewardship

Analyst Corner MT

+ Read Our CDP Water Security Response

GRI 303-1, 303-2, 303-3
SASB EM-MM-140a.1

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

In 2020, we began progressive implementation of TSM's new Water Stewardship Protocol and integrating it into our overall governance for critical infrastructure. We reviewed and improved our water balance reporting to provide a more holistic picture of water inputs and outflows at our operations (see Figure 10). In 2021, we will continue implementing the MAC-TSM new water Stewardship Protocol and strengthening our water governance.

Major water-related activities in 2020 included the completion of a discharge waterline to Loukinen River for the Kittilä mine and addressing water discharge at Meliadine.

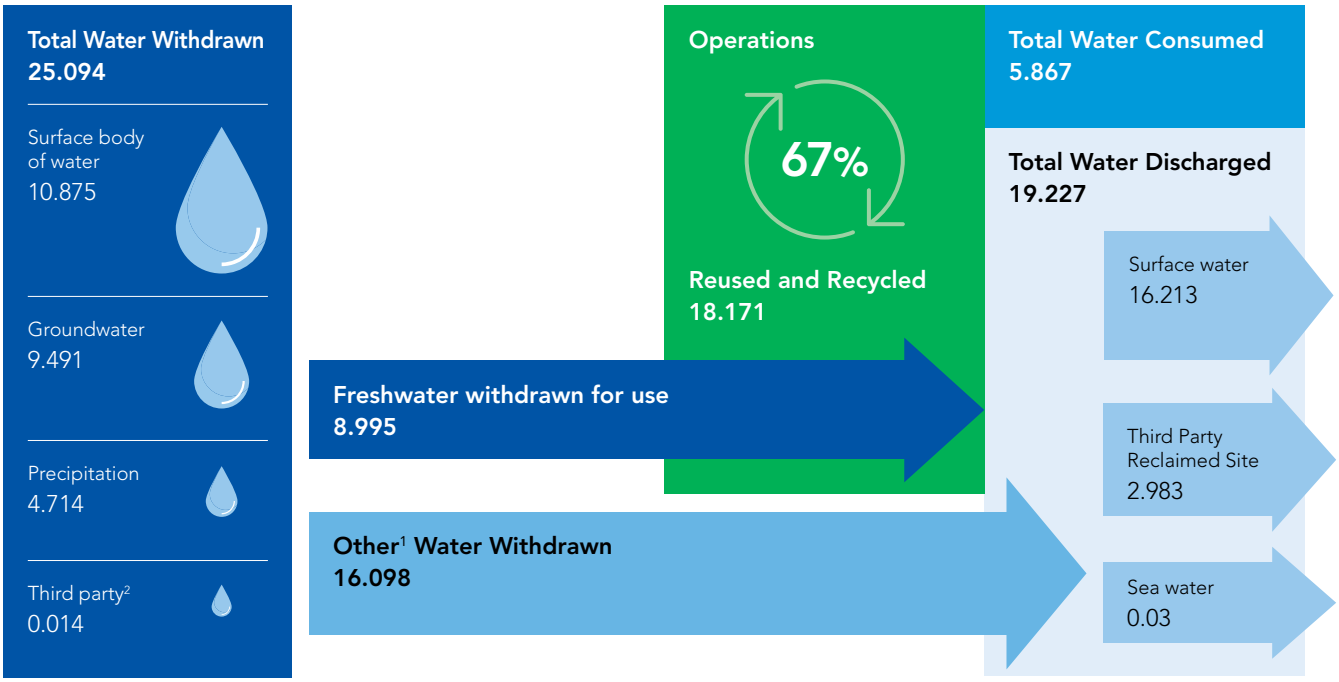
The waterline at Kittilä will facilitate water management at the site by allowing a greater discharge rate while maintaining water quality, meeting all environmental regulations, and allowing more operational flexibility.

Water management at Meliadine has probably been one of the most complex issues since start-up. A lot of work has been completed in 2020 and this will enhance the water management practices for Meliadine in 2021 and future years. In 2020, there were two major water-related projects at Meliadine: one was for a proposed waterline, the other, an amendment to our water license. Saline water management has been found to be more complex than anticipated and is expected to become increasingly more complex as the mine develops. Currently, saline effluent is collected, stored, treated, then trucked more than 34km to Melvin Bay for discharge. To transport the current approved amount of water requires 20–40 trucks on the road per day. To transport the expected increased amount of water by truck will require between 150–300 trucks per day. This additional trucking of water capacity would result in significant increases in traffic on the road, and associated environmental risks (dust, noise, air quality and interactions with wildlife) and costs. We have applied for approvals for a waterline as a more sustainable solution. We have also applied for a permanent amendment to our existing water license to obtain more operational flexibility. We continue to work on permitting and construction of water projects in consultation with stakeholders to achieve sustainable water management at the site. For updated information on these projects, please consult our Nunavut operations website.

Figure 10.

Water Balance

(million m³)



1. Other water withdrawn includes dewatering of surface operations and underground, and water collected from runoff.
2. Third-party water is water received from municipal services.

In 2020, the total fresh water withdrawn to meet Agnico Eagle's operational demands was 8.995 million m^3 (Mm^3), which is a decrease from 9.532 Mm^3 in 2019. The net decrease can be attributed to the efforts of our Mexican operations to reduce their consumptions. Intensity for total freshwater withdrawn for operational demands is 0.48 per tonne of ore processed and 6.2 per ounce. This intensity is comparable to last year (see Figure 11).

Most of our water withdrawn is from our Nunavut, Abitibi, and Finland operations where there is a lot of dewatering activities. In Mexico, water is scarcer due to the arid environment. La India mine and Pinos Altos complex have several initiatives in place to optimize water collection and consumption including rainwater collection systems and water recycling programs.

Our updated water balance reporting includes incorporating additional water inputs, including dewatering and runoff (see Figure 10) into our total water withdrawn. Previously water withdrawn reported was exclusive to water withdrawn to meet operational demands.

Our total water recycled was 67% up from 62% in 2019, as seen in Figure 12. Our operations continue to evaluate opportunities to increase water recycling and improve water circularity.

In 2020, our water discharge to the environment was 19.227 Mm^3 an increase from 17.4 Mm^3 the previous year. The increase is explained by the inclusion of water discharged to the government-owned reclaimed site "Manitou" as part of our improved water balance reporting.



Water reuse and recycling programs are an important part of our water balance model.

Figure 11.

Total Freshwater Withdrawn for Use and Freshwater for Use Intensity

(M^3)

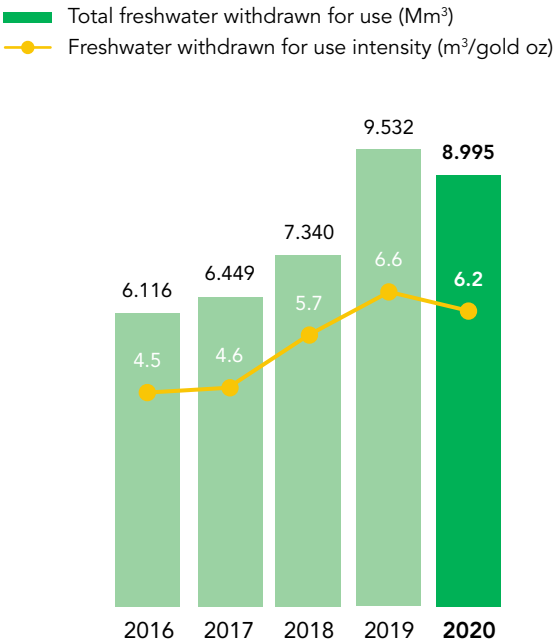
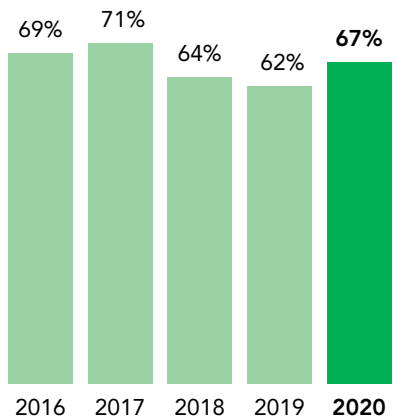


Figure 12.

Percent Water Recycled



Feature Story

Kittilä Mine's Investments Further Reduce Environmental Risk

In late December, the Kittilä mine received government approval to commission the mine's water discharge waterline – just one of a number of recent environmental decisions and investments that will allow the mine to extend its operations and further reduce its environmental risk.

The decision, from the *Centre for Economic Development, Transport and the Environment*, means that the treated process water and groundwater removed from the mine will now be released in the large Loukinen River instead of the smaller Seurujoki River.

During the design of the project, the Waterline Construction Team took some decisions that have contributed to lower the overall environmental impact of the project. For example, longer pipe lengths were chosen to reduce the number of transport trips required to support the construction of the discharge pipe; and nearby suppliers were selected to minimize the hauling distances.

In late May, the Kittilä mine was granted a new permit which sets strict environmental requirements across the site and ensures the continuity of operations until the mid-2030s and potentially beyond.

Over the past five years, the Kittilä mine has invested approximately 80 million euros to strengthen its environment-related protection measures, particularly water treatment projects. In 2016, the mine commissioned a water-treatment facility which has successfully reduced the amount of sulfate in Kittilä's discharge water by 75%.

The Kittilä mine's latest investment is the construction of a nitrogen removal facility in 2021, with commissioning slated for 2022.

Water Discharge Waterline Project in Numbers:

22km
long waterline

24
device chambers, with instruments, hydrants, remote monitoring equipment, and other waterline components

~100
oversized transports

17.5
million euros



The waterline at Kittilä mine will facilitate water management at the site by allowing a greater discharge rate while maintaining water quality and meeting all environmental regulations.

Tailings and Waste Management

Analyst Corner
+ Read Our Tailings Summary Report

MT

GRI 306-2
SASB EM-MM-150a.1, EM-MM-150a.2

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

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

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

In 2020, we continued to apply the same level of rigour in the follow-up to our critical infrastructure despite additional challenges caused by COVID-19 restrictions. We completed the quantitative assessment of the risk profile of our different critical infrastructure which was initiated in 2019. All identified hazards or risks were found to be well managed. Detailed results at a facility level will be disclosed in an updated Tailings Summary Report to be released in 2021. Other major activities in 2020 included the completion of critical infrastructure developments at our Meadowbank Complex and Kittilä mine, major progress on reclamation work on the El Castor facility at Pinos Altos Complex, and continued mitigation work for our legacy properties. In 2021, we will focus on succession planning as some of our Engineers of Records and Independent Review Board members are approaching retirement.

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

Mining by its nature generates large volumes of waste rock and tailings – this is especially true for gold mining where ore grade is expressed in grams per tonne. We closely monitor waste segregation and rock usage and are committed to finding opportunities to optimize use while ensuring the highest standard of environmental protection.

In 2020, the total ore tonnage processed through our milling and heap leach facilities was approximately 18.9 million tonnes (Mt), a decrease of 3.5% compared to 2019. This is attributed to the mining of higher grade ore and lower tonnage at the Pinos Altos complex. The total amount of tailings produced by the milling operations was slightly lower than 2019 at 12.7 Mt. This decrease is mainly attributed at Pinos Altos and Meadowbank.

In 2020, 4.1 Mt or 32% of tailings produced were returned underground as backfill. The remaining tonnage of 8.6 Mt was deposited on surface at our tailings storage facilities either as slurry, or as thickened or filtered tailings. This is similar to previous years. It should be noted that Meliadine is using filtered tailings, which is considered best available technology for the region. This approach, although higher cost during operations, facilitates an easier and more robust closure at the end of operations.

In 2020, Agnico Eagle's mining operations generated 47.8 Mt of waste rock compared to 39.9 Mt in 2019. This increase is attributed to increased production at Meadowbank and Meliadine.



Recognized as one of the best practices in the industry, filtered tailings deposition is used at our Meliadine mine and Pinos Altos complex, and is in the process of being integrated at our LaRonde complex.

32%

tailings produced were returned underground

Environmental Compliance

Analyst Corner

MT

GRI 306-3, 307-1
SASB EM-MM-160a.1

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

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

Based on our incident consequence criteria there were no major (level 4) or extreme/critical (level 5) incidents at our operations in 2020. We reported a total of 774 incidents: 763 spills, one confining infrastructure non-performance, three vibration limits exceedances, one noise exceedance, three dust exceedances, and three water quality or quantity limits exceedances. The confining infrastructure non-performance reported pertain to a restriction of flow in a collecting ditch at the Manitou site where Goldex tailings are used for rehabilitation. All these events were remediated rapidly and had no significant environmental consequences.

Figure 13.

Consequence and Probability Matrix

Consequence	Probability: Very Low 1	Low 2	Moderate 3	High 4	Very High 5
Extreme/ Critical 5					
Major 4					
Moderate 3					
Minor 2					
Negligible 1					

Low | Medium | High | Very High

In 2020, no fines or sanctions were received for environmental non-compliance. The Company did receive two warning letters from Environment and Climate Change Canada in relation to total suspended solids non-compliances at Meliadine and Meadowbank. Measures were implemented to understand and correct the situations that led to the exceedances.



Sustainability
Meliadine Goes Greener

Employees at our Meliadine mine in Nunavut are finding creative ways to lower their environmental footprint. With up to 700 people working and living on site at any given time, a green, safe, and healthy work environment is a top priority.

- The *Meliadine Goes Greener* employee committee took steps to reduce the amount of waste generated at camp, notably food and kitchen waste. Kitchen staff now serve dishes behind the counter rather than offering self-serve items in plastic single-use containers, while disposable coffee cups have been removed from site. The latter translates into preventing the use and incineration of 1.04 million disposable cups and 730,000 lids per year.
- To improve energy efficiency, the mine uses and re-uses the energy and heat produced by its process plant to heat all camp wings, corridors, common areas, and the multiservice building. The recovered heat is used to heat all camp wings, corridors, common areas, and the multi-service building.
- On *Clean-up Sunday*, Meliadine employees take an hour out of their day to keep their assigned area – be it the maintenance shop or living accommodations – clean and free of garbage. It's all about taking pride in your living and working environment!

+ Find out more about these green initiatives on our website.

Integrated Closure

Closure and reclamation are core elements of our business since ore bodies are finite and therefore exhausted over time. Successful closure depends on planning in advance. Planning a mining project for its reclamation and future land use is the brightest reflection of our commitment to sustainability. We are committed to rehabilitating our sites to ensure long-term physical and chemical stability, in consultation with nearby communities and in a timely manner. Successful closure and reclamation ensure a sustainable environment and economy for our host communities.

As a membes of MAC, Agnico Eagle follows TSM's Mine Closure Framework. All our existing operations have closure plans that are regularly updated, consider socio-economic impacts of closure, and have financial assurance in accordance with applicable laws.

In 2020, we made progress on closure activities at our sites where mining has concluded. Key highlights include:

- **Lapa Mine:** Completed dismantling of surface infrastructures for re-use, recycling or disposal in designated locations. Transported entire waste rock pile to LaRonde mine for reuse. Earthwork, revegetation, and site monitoring will be completed in the next few years.
- **Pinos Altos & Creston Mascota:** Began a five-step rehabilitation project for El Castor. We completed the excavation of the upper portion of the waste rock and field investigations.

Additional information on closure and remediation activities can be found in our CDP Forests Response.

Agnico Eagle and the Government of Quebec developed an innovative reclamation solution to an environmental problem at the orphaned Manitou mine site, which was caused by acid-generating tailings. The partners used sulphide-free and cyanide-free tailings produced by Agnico Eagle's Goldex mine to cover the tailings and prevent further acid generation.

95%

of the mobile equipment at Lapa mine was recovered and reused



Thanks to the partnership between Agnico Eagle and the Government of Quebec's Ministry of Energy and Natural Resources the Manitou site is gradually returning to its natural state and seeing the return of wildlife, including various types of birds. Learn more here.

Case Study

Setting the standard for mine closure and reclamation: Lapa Mine Closure

Lapa Mine may have officially ceased production in 2018, but its legacy lives on at Agnico Eagle. The mine was designed and operated with the environment and future land use in mind, bringing to life the phrase "sustainable development". The team at Lapa successfully developed and applied best practices during operations which facilitated mine reclamation and closure – practices that are now considered as an example across the mining industry.

"As an industry we talk a lot about sustainable development, but what does it really mean? It means that the mine is designed from the beginning with its end in mind and also where it will fit in a broader context both for the company and the communities," said Michel Julien, Vice-President, Environment and Critical Infrastructure.

Stakeholder Engagement



Designing with the Future in Mind

In 2006, three years before the mine began production, the team was already integrating closure and reclamation best practice in the mine's business and engineering processes. Several decisions were made to help minimize the mine's impact including creating synergies with another mine site, recycling materials, planning for reuse of equipment, and limiting the mines' physical footprint to ±12 hectares.



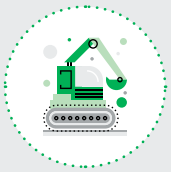
Transitioning Employees

In 2014, our Human Resources team approached the workforce transition process with the goal to ensure that permanent employees could successfully transfer to other Agnico Eagle Operations if they desired. The extensive planning led to a remarkable outcome with no employees losing their jobs as a result of the mine's closure.



Dismantling a Mine

Dismantling work was designed to maximize recovery of all possible equipment for potential reuse. This meant dismantling several parts of the mine while simultaneously mining and processing Lapa's remaining ore. Due to careful planning and retention of skilled employees dismantling was completed on time and without accidents.



Reuse of equipment

95% of the mobile equipment was recovered and reused. Equipment was transferred to different Agnico Eagle mines, sold or donated to local training institutions.



Remediation

Lapa's whole waste rock pile – over 450,000 tonnes – has been transported from Lapa to the LaRonde site for use as dam construction material at the LaRonde tailings facility.

Designing with the future in mind means traces of the mining activities at the site will be limited to four small concrete caps that secure the underground openings.



Monitoring

Over the next three to five years, various post-restoration activities will be undertaken to test and monitor the site for any impacts to surface or ground water quality, revegetation or biodiversity.

The Life of Lapa Mine

Located in the Abitibi-Témiscamingue region of Quebec, the Lapa underground mine poured its first gold on May 7, 2009 and began commercial production the same month. Known as the *Little Mine that Could* for its ability to overcome technical challenges, beat targets and extend its operating life, here are some highlights from Lapa's nine years of commercial production from 2009 to 2018:

- 872,000 ounces of gold produced
- 6.03 grams of gold per tonne average grade – the highest gold grade among all Agnico Eagle operations
- 300 – the average annual direct jobs maintained, including employees and contractors
- Combined accident frequency rate of ZERO in 2017



Biodiversity

Analyst Corner

MT

+ Read Our CDP Forest Response

SASB EM-MM-160a.3

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

Agnico Eagle operates in a variety of different ecosystems from the arctic tundra in Nunavut, to the boreal forest in Abitibi to the desert in Mexico. Our biodiversity management plans are adapted to the unique circumstances of each operation and follow TSM's Biodiversity Conservation Management Protocol.

Finland
Kittilä mine regularly makes and fixes reindeer fencing, builds bridges for reindeer to cross over ditches, and funds tracking collars for reindeer. The mine also has a thorough fish monitoring program which includes releasing about 5,000 one-year-old trout into the Seurujoki river each year. In 2020, bog plants were transferred to the university to ensure preservation of the plants' seeds. The mine's two-year old project to replant and protect the endangered Lapland buttercups is going well. Our team continues to monitor the size and condition of the plants over the summer months and shares those reports with the Centres for Economic Development, Transport and the Environment of Lapland and Southwest Finland.

Nunavut Operations
Both Meliadine mine and Meadowbank Complex have Terrestrial Environment Monitoring and Management Plans (TEMMP) that identify potential effects of the mining operations to wildlife and wildlife habitat and measures to mitigate the effects. This includes measures to protect caribou such as giving caribou the right-of-way on all roads, protocols for suspending operations when caribou are in proximity to the operation, wildlife surveys, and a Terrestrial Advisory Committee (TAG). All new employees receive training on the wildlife protocol which includes directives to minimize disturbance to wildlife as part of the Nunavut operations' onboarding program.

Abitibi Operations
Goldex mine and other partners work with the local university (UQAT) to introduce pollinating species in mining reclamation. In 2020, follow-up work was conducted on two land parcels – one at Goldex, the other at the Manitou site.

Mexico Operations
Sixty beehives were installed at Pinos Altos to contribute to the pollination of flora for land restoration and neighbouring areas within the regional environmental system. Since 2018, Pinos Altos has produced approximately 114,000 native oak plants, which supports greater biological diversity for annual forest plantations at both internal and neighbouring areas of the complex and donations to the communities. La India mine has 200 hectares of conservation area which will not be disturbed to promote the reintegration of biodiversity when mining activities end.

Did You Know?

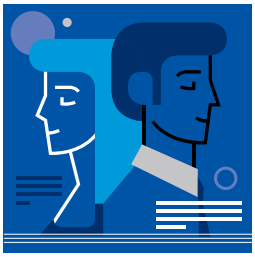


Bees are among the most biologically important living beings; a single hive can help pollinate up to 700 hectares. At our Pinos Altos mine in Mexico, we have made the sustainable integration of bees a key element of our restoration and conservation activities, which form part of our mine closure plans. By doing so, we are helping preserve natural habitat for these important pollinators.
We are also creating opportunities for agri-food initiatives and sustainable economic development in the region by teaching beekeeping to community members.



A single hive of bees can help pollinate up to 700 hectares.

Our People



Agnico Eagle's people and culture have always been a competitive strength and advantage. We must maintain our culture and focus, while increasing our inclusivity, in order to remain a leading employer thriving through societal changes. By giving our people opportunities to achieve their full potential, we will have the capacity to adapt to changing circumstances while remaining accountable to all stakeholders.



2020 Our People Key Highlights

8,976

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

166k

of training hours delivered to Agnico Eagle employees in 2020

100%

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

410

employees at our Nunavut operations are Inuit

Awards and Recognitions

- **Agnico Eagle Mexico –** One of top 100 companies in the Great Place to Work (GPTW) survey. A testament to our efforts in creating an engaged and empowered workforce
- Pinos Altos received the national Chihuahua Award for Competitiveness
- **Sean Boyd –** The Report on Business Magazine selected our CEO as one of Canada's Top Five CEOs of 2020 as Global Visionary of the Year



Our Commitment to Employees

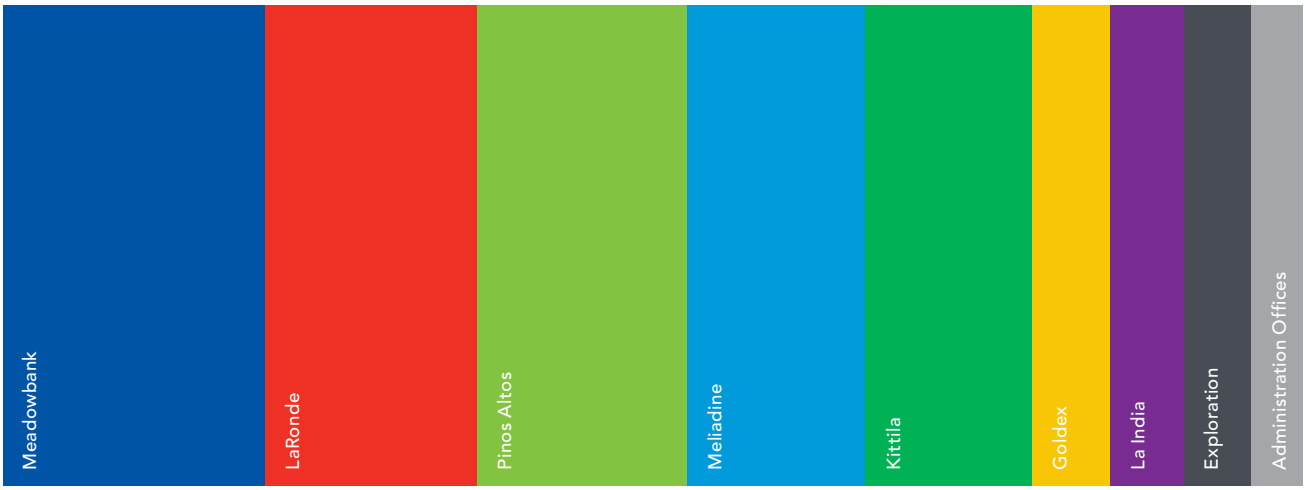
We aim to maintain a safe and healthy work environment that is based on mutual respect, fairness and integrity. To achieve this, we:

- Do not tolerate discriminatory conduct in the workplace;
- Provide a fair and non-discriminatory employee grievance system;
- Value diversity and treat all employees and contractors fairly, providing equal opportunity at all levels of the organization without bias;
- Employ and promote employees on the basis of merit;
- Provide fair and competitive compensation;
- Enforce a drug and alcohol-free workplace;
- Maintain the confidentiality of collected personal and private information about employees;
- Recognize the right of employees to freedom of association;
- Provide appropriate training and development opportunities; and
- Consult, communicate and provide appropriate support to employees.

Our Workforce Demographic

Figure 14.

Our Workforce in 2020



8,976

Total Workforce

- Meadowbank: **1,804**
- LaRonde: **1,465**
- Pinos Altos: **1,452**
- Meliadine: **1,235**
- Kittilä: **1,150**
- Goldex: **538**
- La India: **508**
- Exploration: **469**
- Administration: **355**

Figure 15.

Agnico Eagle Employees by Age and Gender

- Female
- Male

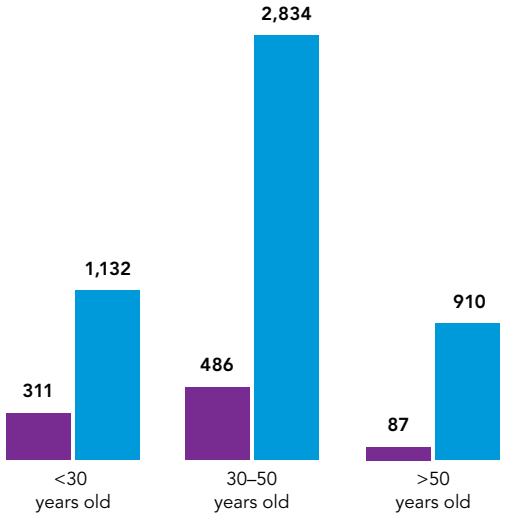
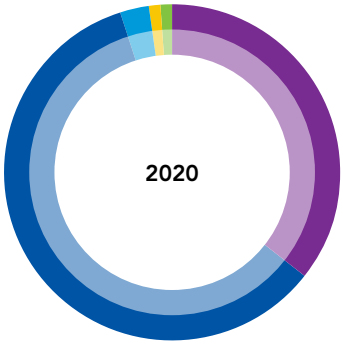


Figure 16.

Workforce by Employment Type

- Contractor: **36%**
- Permanent: **60%**
- Temporary: **3%**
- Student: **1%**
- On-Call: **1%**



The mining industry will play a pivotal role in the global recovery from the COVID-19 pandemic. Not only do we mine metals and materials that are essential to the healthy functioning of society, but our sites are also often the main employer and economic engine of our operating communities.

The mining industry will continue to provide high-paying jobs and promote the development of a more skilled local workforce. The demand for highly skilled employees continues to increase as technological innovation, particularly automation, shifts the roles of frontline workers.

Adapting to the drivers shaping the future of work is key to building a resilient and successful organization. A key element is recognizing the value in attracting and retaining a diverse workforce while working collaboratively with stakeholders to find solutions to build a more inclusive industry. We are responding to these trends by creating local employment opportunities, supporting the development of employee skills, implementing workforce management processes, and supporting initiatives to continue to diversify our workplace.

Diversity and Inclusion

Analyst Corner

GRI 405-1

MT

Diversity and inclusion are fundamental to Agnico Eagle's core values of Family, Trust, Respect, Responsibility and Equality. We are committed to engaging, developing, and retaining the best people and empowering everyone with equal access to opportunities and recognition. As such, we have adopted a Diversity and Inclusion Policy that outlines our commitments and responsibilities, which build on the work of our Diversity and Inclusion Council. The Council, which was established in 2019, has identified six key pillars of diversity in the way we treat people within our organization as seen in Figure 17.

Figure 17.

Key Pillars of Diversity

Recruitment	Orientation	Retention
Compensation	Training	Development

Initially our diversity and inclusion actions focused on including more women and Indigenous Peoples in our workforce. Following the events of Summer 2020 which highlighted anti-Black racism, the social justice movement, and the need for action from governments, companies and individuals to eliminate discrimination and racism in society and in business, the Council began to accelerate and broaden our approach in order to better understand the experiences of Black, Indigenous Peoples, People of Colour and other underrepresented groups.

In 2021, we will focus on implementing our Action Plan (see Figure 18) throughout our organization and enhance our diversity and inclusion reporting and disclosures. We plan to participate in Bloomberg's 2021 Gender Equality Index to showcase our commitment to gender equality and transparency. We are working on initiatives to collect and establish a baseline to report more meaningful metrics for diversity and inclusion, including ethnicity. We believe understanding the composition of our employees is valuable information for this important work. Respecting our employee's privacy and providing the opportunity to self-identify is critical to this process. As we continue to move forward on our journey, we will do so thoughtfully, respectfully and with the continued support and input from our employees.

Figure 18.

Our Diversity and Inclusion Action Plan

DIVERSITY & INCLUSION	ARE YOU IN?
Understand	the composition of our communities, how our employees self-identify, existing and perceived barriers and best practices
Open Eyes	with information and awareness training
Open Doors	by providing opportunities for education, training and jobs
Partner	for success with industry associations, suppliers and interested groups

Our Board of Directors recognizes that diversity is important throughout the Company, including at the board level. They ensure that the entire Board possesses the attributes, experiences, and skills to effectively oversee the strategic direction and management of the Company. As of the date of this report, women represent 30% of the Board directors, and a woman has also been appointed as chair of the Health, Safety, Environment and Sustainable Development Committee of the Board of Directors. At the leadership level, 8% of our senior executives are women and 16% of our senior management are women. One of our directors identifies as Aboriginal (10%) and two of our senior executives (8%) identifies as a visible minority.

It is with deep regret that we advise that Dr. Leanne Baker, a long-time member of our Board of Directors and past chair of our Audit Committee, passed away in late 2020. On March 11, 2021, the Honourable Leona Aglukkaq, P.C., was appointed to the Board of Directors.

In 2020, we continued to work toward building a more diverse workforce that includes under-represented groups, such as women and Indigenous Peoples. At the end of 2020, there were 884 women working at Agnico Eagle which represents 15% of our total employees – a similar proportion to previous years (see Figure 21). We continue to increase the proportion of total new hires that are female with 26% (240) in 2020. Despite the increase in new female hires, female representation at the employee level has shown little growth over the last five years (see Figure 20). A higher turnover rate for permanent female employees (see Table 1 on page 56 of this report) – in addition to a higher proportion of female employees in non-permanent positions such as students and on-call employees (see Figure 19) – are contributing factors. We will continue to address these challenges by collaborating with our employees to identify areas of improvement and learn best practices from our sites, specifically Meadowbank Complex where 20% of all employees are female, the highest of any of our mining operations.

Did You Know?



Fostering a more diverse and inclusive workplace enriches our Company culture of respect and collaboration. This is reflected in some great employee-led initiatives, such as the one organized by our colleague Manuel Aragon, a geologist in Mexico, who wanted to support and promote women in the mining industry. He organized a series of online sessions featuring women who are leaders in their field – including some of Agnico Eagle's successful women and external experts – and who generously shared their lives and career challenges and accomplishments with the all-female audience. These *Conversations with Successful Women* not only showcase the path to success for women in the global mining industry, they encourage attendees to share their own experiences and dreams for the future.

Figure 19.

Female Representation at Agnico Eagle by Job Type

15% female representation in 2020

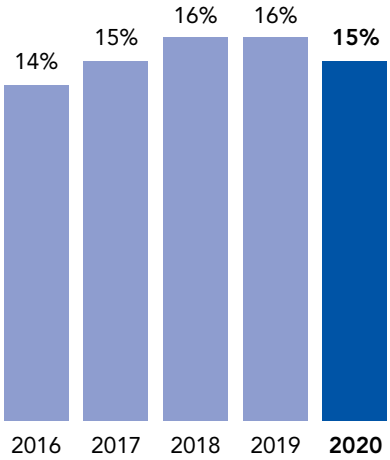
26% of our new hires are women

Category	Female	Male	% Female
Total Employees	884	4,876	15%
Permanent	753	4,639	14%
Temporary	74	157	32%
Student	24	38	39%
On-Call	33	42	44%

0% 25% 50%

Figure 20.

Female Representation[1] at Agnico Eagle



1. Data from 2016-2017 only includes active operations, exploration and office numbers are not included.

Case Study
Our People

Sustainable

Integrating environmental health, social equity, and economic vitality in order to create thriving, healthy, diverse, and resilient communities for this generation and generations to come.

Breaking Down Barriers in the Mining Industry

Janita Kylmäluoma, an autoclave operator at our Kittilä mine in Finland, is forging new avenues for women aspiring to work in mine rescue.

Janita is one of two female volunteers on a mine rescue team of 80, and she is the first woman at our Kittilä mine to pass the gruelling smoke diver test for firefighters.

The smoke diver test is physically demanding and is designed to teach firefighters how to navigate a rescue while wearing a Self-Contained Breathing Apparatus (SCBA) – a compressed air cylinder worn on the back that provides breathable air in dangerous conditions.

Janita passed her test by carrying two hose coils, each weighing nearly 17 kilograms, while walking up and down stairs; and using a hammer to move a 47-kilogram truck tire around the circuit track. She says, "work on the rescue team is perfect for me, as I want to help others."

For Janita, taking on big challenges and breaking down barriers is not something new. She joined the Agnico Eagle Finland team after completing her training in mining at the Lapland Education Centre REDU in Sodankylä. In her current position, Janita oversees the operation of Kittilä mine's autoclave – one of the few women in the industry to do so. The autoclave is a large pressure oxidation device that combines high heat and pressure to extract gold from ore.

Agnico Eagle employs some of the most qualified and dedicated professionals in the industry. Kaisa Saarijärvi, Senior Human Resources Manager, Europe says, "We recognize that an inclusive work environment, coupled with the diverse talents of our people, are the key to our success. In Janita's case, not only does she bring immense talent and dedication to her role, she also knows how important her success is in encouraging other women to pursue careers in the mining industry."

"In my opinion," adds Janita, "the workplace atmosphere is better when the work community consists of different kinds of people – men and women alike. Gender or age does not define you; we are all individuals. I feel that I'm one of the team just like anyone else. I encourage all women to pursue a career of their liking, whatever it may be."







Engaging Our People

We actively measure employee engagement levels in each of our operating regions, and we take specific actions to support and improve employee engagement.

Throughout the COVID-19 pandemic we have made additional efforts, such as creating COVID-19 specific Intranet pages to provide information, dedicated email addresses to facilitate contact with resources, and awareness campaigns to ensure our employees were informed of changes, able to provide feedback, and could have their questions and concerns addressed.

We continue to engage with our people through a company-wide newsletter that celebrates our people and highlights key events and initiatives. We know that communication is a two-way street which is why we have our Speak Up! program which is available in all our operating languages. Speak Up! allows employees to ask questions, make comments or provide ideas. That feedback is routed to the appropriate manager to answer accordingly.

We are committed to providing a safe and healthy work environment and do not tolerate discriminatory conduct in the workplace. All our human resource teams have a fair and non-discriminatory grievance process in place. Additionally, employees can submit complaints to our Confidential Anonymous Complaint Reporting hotline.

In 2021, we will conduct another global employee engagement survey. We complete this survey every three years to hear directly from employees on opportunities to strengthen the well-being of employees and build a better workplace.



Lessons Learned

Challenges of Working Remotely

At the beginning of the pandemic more than 25% of our employees left the office to begin to work from home. In a matter of days, we had employees all over the globe setting up offices in their kitchens, bedrooms, and living rooms. All while juggling massive disruptions to their everyday lives. We all had to reset our thinking and adapt to how we live and work in this new reality.

To help us develop guidelines and best practices for the business and for our people, we formed a Working Group to help us "Define the 'New Normal'". The Working Group undertook a global review of our tele-commuting experiences as well as a study of the future of business travel. The group reached out directly to employees through regional consultations and surveys. They looked at what effect working from home and coming into an office post-lockdown has had on our employees to keep us ready for any changes ahead.

Based on employee feedback, and in consultation with employees and management, the Working Group is developing projects that focus on maintaining our culture, ensuring health and safety, updating people management practices and training, and taking actions to maintain technical oversight despite travel limitations. This includes developing global guidelines and pilot programs for longer-term hybrid tele-remote work schedules.

In the meantime, we have implemented several initiatives across our organization to make sure our employees working from home have the tools and support they need to succeed. Examples of initiatives include:

1. **Provide equipment for home offices**
2. **Virtual social events**
3. **Options for flexible scheduling**
4. **Training on teleconferencing tools**
5. **Training for managers on remote supervision**
6. **Mental health awareness and support**

Maximizing Local Employment

Analyst Corner

GRI 202-2

Our goal is to hire 100% of our workforce, including our management teams, directly from the region/country in which each of our operations are located. In 2020, our local employment was 61% for all employees and 56% for our senior management.

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

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

In Northern Canada, we remain focused on creating sustainable and high-quality jobs and careers in mining for the Inuit population with a long-term objective of obtaining 50% Inuit employees for all our Nunavut operations. In 2020, Agnico Eagle employed 410 Inuit employees. Most Inuit employees live in Nunavut communities and were sent home with pay at the beginning of the pandemic. We continue to support our Nunavummiut employees who are unable to work due to COVID-19 (for more information see page 9). We are looking forward to welcoming these employees back to our mine sites and collaborating with local stakeholders to continue to grow and support our Inuit workforce.

100%

of the workforce at our Mexican operations are from Mexico, with the majority living in the northern states of Chihuahua, Sonora and Sinaloa.

410

Inuit employees employed by Agnico Eagle in 2020 at our Nunavut operations.

61%

local employment



Case Study

Protecting Nunavummiut Employees & Communities from COVID-19

"We value our relationship with the people of Nunavut, and we are committed to doing what is best for the health, safety, and well-being of all our employees and the communities. We are taking this precautionary measure in order to eliminate the potential risk of transmission of COVID-19 from a southern worker to a Nunavut worker, with the risk of it moving into the communities." **– Sean Boyd, March 19, 2020**

Accountable

Taking responsibility for the impact of one's actions on society and the environment to build trust with stakeholders and secure a more sustainable future for all.

With those words from our CEO, Agnico Eagle began sending home our Nunavut-based employees from our Meliadine mine, near Rankin Inlet, and our Meadowbank Complex, near Baker Lake – the first of many actions we took to protect our Nunavummiut workforce and to prevent the spread of COVID-19 into Kivalliq communities.

These communities are particularly vulnerable in an outbreak situation given their remote location, limited health care services, and crowded households.

Over the days that followed, our 450 Nunavummiut employees were either safely transported back to their communities – by bus or airplane – or if not onsite, told not to return as previously scheduled. While the lockdown was expected to last for potentially a month, our Nunavummiut employees have still not returned to work[3]. Employees were sent home with 100% of their base salaries during that first month. Thereafter, and until they can safely return work, they are being compensated at 75% of their base salary.

Reducing Community Risks and Addressing Anxiety

With COVID-19 cases quickly escalating in other parts of Canada and Quebec – where our main travel hubs are located in Mirabel and Val-d'Or for the rest of our 2,000+ Nunavut operations workforce – the risk of an outbreak at our sites remained real, putting our employees, the local communities, and our operations at risk.

We decided to temporarily ramp down our Nunavut operations and to operate in complete isolation to protect the local communities (a 28-day site lockdown). We implemented strict preventive measures, reduced our remaining onsite workforce, allowed only essential travel on the road between the communities and the sites and implemented a strict no-contact protocol between our site employees, and community members. We also closed our community office temporarily.

Still, the communities were worried because a risk of outbreak at the sites remained with possible asymptomatic workers flying northbound from all over Canada.



With the COVID-19 pandemic quickly escalating in Canada, we decided to ramp down our Nunavut operations and to operate in complete isolation to protect the local communities.

Agnico Eagle Nunavut launched the Good Deeds Brigade, which encourages Nunavummiut employees to make a difference in their communities while being compensated at 100% of their base salary. To date, 78 employees have worked on 20 community-led projects across six communities – providing their expertise to support everything from local landfill cleanups and prenatal-daycare programs to translating and transcribing Inuit traditional knowledge.

COVID-19 Testing Key to Reducing Asymptomatic Spread

In April, we launched a mobile same-day testing lab to test our workforce – one of the first private labs in Canada to test for COVID-19. The lab is able to confirm if a person is positive with COVID-19 even if the individual is asymptomatic. The test is mandatory for employees and contractors travelling to the site.

We now have four testing facilities to support our Nunavut operations – including facilities at Meliadine, Meadowbank, Val d'Or, and Mirabel – allowing us to get results before flights depart from the ground northbound and to prevent potential positive cases from entering the territory; with systematic retesting done on site on Day 5 to detect cases that could have been incubating during travel.

Thanks to these testing labs and our protocols, we were able to prevent any outbreak of the virus and limit to eight the number of isolated cases of COVID-19 at our Nunavut sites over the course of 2020. Our ability to maintain robust testing and protocols will be critical to safely bringing back our Nunavummiut workers on site.

Building Community Trust through Proactive Communications and Outreach

Since the beginning of the pandemic, Agnico Eagle Nunavut has proactively communicated with employees and local communities, including with representatives from Rankin Inlet, Baker Lake, the Kivalliq Inuit Association, and the Government of Nunavut. Additionally, the team is in constant contact with the Chief Public Health Officer of Nunavut and continues to share any updates to its Pandemic Plan.

Melissa Bradley, Community Relations and Communications Superintendent, says, "Communities were naturally concerned early on in the pandemic. Through our frequent communications, we've worked to address their worries and create a true sense of security with the measures we've taken onsite, which we believe are protective of community members."

Helping to alleviate concerns is the extensive employee and community support Agnico Eagle Nunavut has provided during these challenging times. For example, the team launched the Good Deeds Brigade, which encourages Nunavummiut employees to make a difference in their communities. In 2020, 78 employees worked on 20 community-led projects across six communities – providing their expertise to support everything from local landfill cleanups and prenatal-daycare programs to translating and transcribing Inuit traditional knowledge.

Melissa adds, "We know most of our Nunavummiut colleagues are eager to get back to work and we are excited to bring them back – once it is deemed safe to do so. We want to assure employees that we will implement the highest safety standards so they feel safe to return to their loved ones at home after they complete their work rotation. We are confident that our robust protocols will continue to protect the communities and Nunavummiut. Our system has been tested, and the extensive security measures we have in place – as well as the no-contact policy between our operations and the community – have proven to be successful in preventing the spread of COVID-19."



4

testing facilities are now in place to support our Nunavut operations

3. In early 2021, with the distribution of COVID-19 vaccines underway in local Nunavut communities, we are preparing to reintegrate the Nunavut-based workforce into our operations over the course of the year.



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

Retaining, Training and Developing Our People

Analyst Corner

MT

GRI 401-1, 404-2

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

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

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

At our mine sites, we focus on developing training initiatives to develop skills of the local workforce and prepare our employees for future demands. In 2020, we delivered 166,080 training hours across our mine sites.

Employee Turnover

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

Our operations monitor the causes of permanent employee turnover and adjust recruitment and retention strategies accordingly. In 2020, total turnover rate for employees was 7.6%. This is slightly lower than the past couple of years when turnover was between 9%–10%. It is difficult to estimate how the pandemic impacted turnover but increased uncertainty in the job market is likely a factor.

Table 1.

Permanent Employee Turnover by Gender 2020

	Turnover Female Employees	Turnover Male Employees	Total Turnover
Total	8.6%	6.8%	7.6%



Sustainability
Collaborating for a Sustainable Future

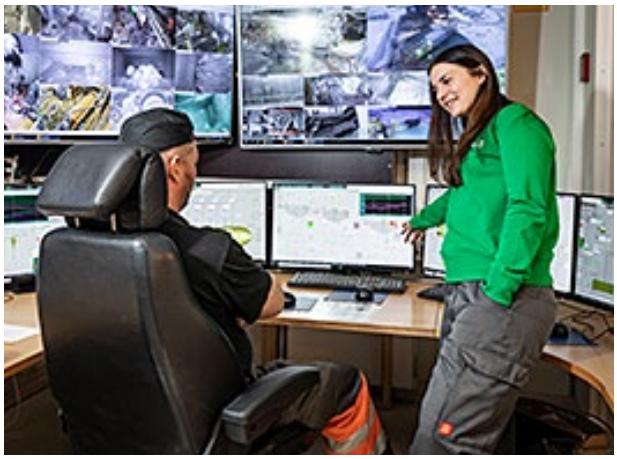
A new partnership agreement between Agnico Eagle Finland and Lapland University of Applied Sciences (Lapland UAS) is helping electrical and automation engineering students learn the latest in sustainable techniques for the mining industry. The collaboration seeks to improve both student and industry expertise in energy management, proactive maintenance, automation technology and digitalization.

For students, the partnership means summer jobs, training opportunities, project work, and assignments that tie in with their thesis work. They also have the opportunity to visit Agnico Eagle's Kittilä mine in Finland to learn firsthand about modern mining operations.

LAPIN AMK
Lapland University of Applied Sciences

"We have been partnering with Lapland UAS for a long time, but this new partnership will make our collaboration more strategic and valuable to both parties."

Kaisa Saarijarvi
Senior Human Resources Manager, Europe





Top: Through our partnership with Lapland UAS, students can learn firsthand about modern mining operations.

Left: Supporting the development of both student and industry expertise in energy management, proactive maintenance, automation technology and digitalization for a safer and more sustainable mining environment.

Our Communities



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



2020 Our Communities Key Highlights

$5.3M
in community investments

$52M
total contributed in community investments since 2009

$876M
in local procurement spend

55%
proportion of spending with locally based suppliers

$621M
paid to employees in wages and benefits

Awards and Recognitions

- PDAC 2020 Sustainability Award to Agnico Eagle Nunavut's Community Relations, Education & People Development Team
- Agnico Eagle wins at the Mercuriades business awards in Quebec for our Contribution to Economic and Regional Development

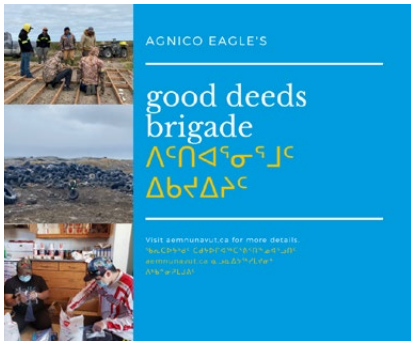


Our Commitment to Communities

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

- Provide a confidential complaint reporting mechanism to report unethical, illegal or irresponsible behaviour;
- Ensure that no child labour and any form of forced and compulsory labour are permitted in the workplace;
- Foster an open, transparent and respectful dialogue with all communities of interest and ensure that activities on private lands and Indigenous lands are performed with the free, prior, and informed consent of the land owners or rightsholders;
- Support local communities and their sustainability through measures such as development programs, locally sourcing goods and services, and employing local people;
- Provide assurance that our operations will not support, benefit or contribute to unlawful armed conflict, serious human rights abuses, or breaches of international humanitarian law;
- Seek to preserve cultural heritage from adverse impacts associated with project activities;
- Seek to avoid involuntary resettlement. Where this is unavoidable, proceed on the basis of meaningful consultation with affected communities; and
- Do not explore or seek to develop new mining operations in an area designated as a World Heritage Site.

The pandemic has reinforced the importance of building inclusive and trusting relationships with our local communities and Indigenous Peoples. Fostering such relationships is not only essential to a project's success, but also critical to delivering its socio-economic benefits.



Acting in a socially responsible manner and delivering on sustainable development objectives means companies must go beyond acceptability and work in partnership with others to leave a positive legacy for host communities. That is why we take a life cycle approach to our relationships and initiatives with local communities and Indigenous Peoples.

Community Engagement

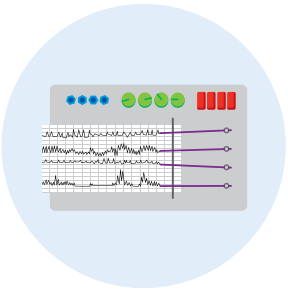
Analyst Corner **MT**

GRI 413-1
SASB EM-MM-210b.1

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

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

Figure 21 on page 61 describes some of the ways we engage with key stakeholders during the life cycle of our mining projects. We adapt our initiatives to address the communication preferences of impacted communities; specific circumstances related to remote locations; and, to ensure any agreements align with local, provincial and/or national jurisdiction requirements. Throughout the pandemic we embraced online tools and physically distant meetings to continue our engagement with communities (see page 62).



Accountability
Blast Reports Publicly Available

Since operations began at our Goldex mine, the team has taken a collaborative approach to working with its neighbours – an approach based on listening and mutual trust. Over the years, Goldex has introduced a number of measures to be as transparent and responsive as possible to concerns, questions, and needs.

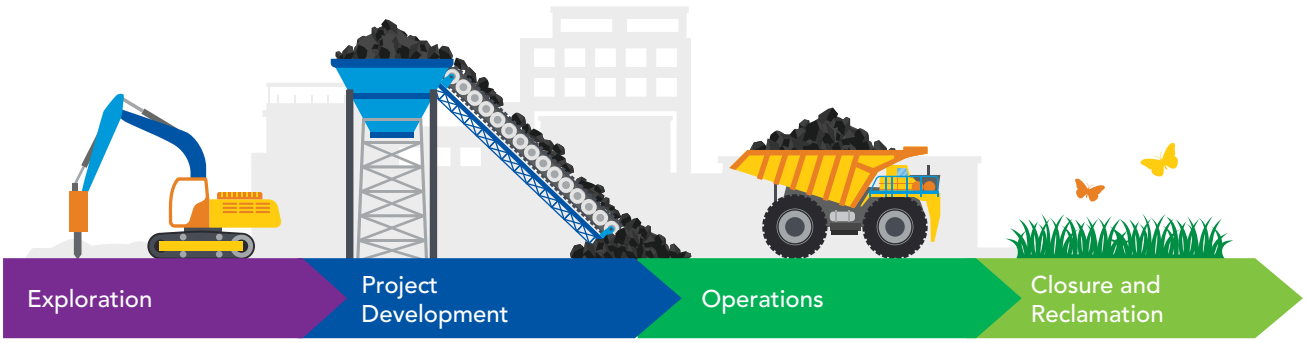
One key concern that has been expressed is the level of vibrations resulting from Goldex's mining activity and how they compare to authorized levels. These vibrations come from *either* blasting or seismic activity and can be felt at the surface in nearby areas.

A system of seismographs installed around the mine site perimeter and in surrounding residential areas allows the team to rigorously monitor and follow-up on these vibrations.

Since January 2020, the vibration data is posted to the Goldex website, increasing overall transparency and trust with the mine's neighbours. Now, following every blast, a "blast report" is publicly available showing the vibration levels and frequency recorded by the monitoring system. As perception of the vibration may vary from one event to the other, neighbours can now actually see how the levels compare from one blast to another.

Figure 21.

Examples of Community Engagement Initiatives During the Mining Life Cycle



Major Initiatives

- Assign specific personnel responsible for community relations
- Implement a communications strategy
- Identify and communicate with key stakeholders and Indigenous groups
- Engage with rightsholders
- Collect socio-economic baseline data

Major Initiatives

- Perform social impact assessments
- Hold public hearings/ Town halls
- Negotiate project agreements with Indigenous Peoples
- Open community offices
- Grow Community Relations team
- Establish local/project-specific community grievance process

Major Initiatives

- Hold regular community information sessions
- Establish community collaboration committees
- Ensure a regional website/social media presence
- Hold regular site visits
- Perform socio-economic impact monitoring

Major Initiatives

- Implement social closure plan and monitor impacts
- Implement a communication strategy

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

- Communicate information through a variety of channels including local radio and newspapers, flyers, videos, social media and community meetings;
- Make information accessible in the local language(s) and provide translation;
- Have processes to include vulnerable groups[4] in community engagement initiatives;
- Engage with local stakeholders to identify community needs and priorities for social investments that respect our values;
- Collaborate and partner with local stakeholders to mitigate and avoid social impacts;
- Advertise local employment and local business opportunities;
- Uphold clear grievance processes and mechanisms;
- Align engagement plans with stakeholder mapping; and
- Publicly disclose results of impact assessments.

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

Lessons Learned

Adaptable

Having the right mindset to adapt to changing circumstances and to remain resilient in the face of what is unknown.

Expanding our Community Connections during COVID-19

Technology has proved to be a lifeline to our communities during COVID-19. While each of our sites has faced different communication challenges during the pandemic, it's clear that digital outreach will continue to play a role in our community relations going forward, as we employ new ways to share information, consult with our communities, and stay connected while being physically apart.

Nunavut: With Nunavut under strict stay-at-home orders during the pandemic, our team had to find ways to remain connected with our northern neighbours.

Understanding that internet bandwidth limitations in Nunavut make it difficult to host video conferences, the team emphasized the use of social media, our Nunavut website, and local radio to provide regular information on our operations. These communication outlets were also vital to providing timely updates on our COVID-19 testing and safety protocols, and any COVID-19 cases detected on sites.

Through frequent communication with local mayors and authorities, as well as with our own community liaison group – who continued to work in the communities throughout the pandemic – our community relations team stayed well connected to local needs to ensure that we could promptly provide support, if and when needed.

The team also worked on the development of a Digital Ambassador program, to be piloted in 2021, which aims to ensure community members have equal access to information and updates on activities by providing easier access to technology.

Goldex: The Goldex team was set to conduct face-to-face consultations at community information sessions to validate its proposed Good Neighbour Framework – a guide to establishing positive community relations. COVID-19 restrictions forced the team to find a different way to share information and consult with its neighbours.

Goldex quickly developed, tested and launched an interactive digital platform, one that was accessible to a technologically diverse audience and could support numerous images, graphics, and videos. The digital platform allowed Goldex to invite residents to review the Good Neighbor Framework online and provide their feedback. For those not comfortable online, a hard copy was mailed out, along with a postage-paid return envelope.

Annie Desrosiers, Communications and Community Relations Coordinator at Goldex comments, "Working on this digital platform allowed us to gather honest and complete comments that wouldn't have necessarily been communicated to us if the process had been done in person. We were able to validate our Good Neighbour Framework and officially launch it in the weeks that followed."

LaRonde: With over 1,200 employees and a large number of neighbours, the LaRonde mining complex needs an efficient and sustainable way to communicate information and quickly reach out to people in an emergency.

In 2019, the mine invested in an automated notification system, Komutel, which allows it to quickly contact people by phone, email or text – whichever medium they prefer – and also allows for text and email surveys to be sent to employees and to communities surrounding the site.

During COVID-19, LaRonde used Komutel extensively, keeping both employees and community stakeholders informed. For example, LaRonde used the system to ask employees if they were experiencing symptoms and to provide them with COVID-19 updates. Information updates were also shared with LaRonde's Facebook community, a winning formula because everyone is quickly informed, and the messages conveyed are official, truthful and timely.

Kittilä: At the outset of COVID-19, Kittilä mine hosted an online meeting of its Liaison Community Committee to discuss the status of the pandemic in-depth with local stakeholder representatives. The mine has continued to host these online Liaison Committee meetings and to share updates during meetings hosted by Kideve, the economic development department of the Municipality of Kittilä. The mine also uses its website and social media feeds, including Facebook and Twitter, to keep the public informed of its pandemic measures. Additionally, Tommi Kankkunen, General Manager at Kittilä, mine, is a member of the COVID-19 team of nearby Levi. The team was established to instantly share information related to the coronavirus situation in this popular tourist destination and ski resort.

Indigenous Relations

Analyst Corner

MT

GRI 102-21, MM05, 102-42, 102-43
SASB EM-MM-210a.3

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

In 2020, our focus was on working with Indigenous Peoples to keep their communities safe throughout the pandemic and to provide support where the need was greatest. In addition, we continued to implement our Corporate Strategy to contribute to Canada's reconciliation process[5]. In 2020, a key component was our commitment to early meaningful engagement, building respectful relationships, and obtaining the free, prior, and informed consent (FPIC) of Indigenous Peoples before proceeding with economic development projects. More specifically we:

- Continued to implement exploration agreements with four Indigenous groups regarding the Kirkland Lake project.
- Participated in a collective environment committee with the four Indigenous groups with traditional territories in the Kirkland Lake area for future advanced exploration work related to the Upper Beaver project.
- Conducted pre-consultation activities for the Upper Beaver mining project with five Indigenous groups with traditional territories in the area.
- Continued to manage the resource-sharing agreements with eight Indigenous groups and a Shared Interest Agreement with the Métis Nation of Ontario in the area of the Hammond Reef project.
- Continued discussions between the LaRonde Complex and the Abitibiwinni First Nation towards a collaborative agreement.
- Considered Indigenous Relations in assessments of several exploration and mining projects for potential investment.
- In Nunavut, we continued to enhance relationships with the Kivalliq Inuit Association, as well as IIBA (Inuit Impact Benefits Agreement) implementation for Meliadine, Meadowbank and Amaruq.



Reflected in our Indigenous Peoples Engagement Policy, and our practices, is our commitment to understanding the responsibilities to and respect of Indigenous Peoples for their traditional cultures.

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

Tracking Community Feedback and Issues

Analyst Corner

GRI MM06, MM07
SASB EM-MM-210b.1, EM-MM-210b.2

MT

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

In 2020, with face-to-face gatherings generally prohibited or limited, we gained most of our community insights through digital, online, phone calls and other physically distanced means.

Significant Disputes
Significant disputes refer to a sustained conflict between Agnico Eagle and the local community and/or Indigenous Peoples that cannot be resolved by the parties involved and requires legal or other third-party intervention or result in site shutdowns or project delays due to non-technical factors. In 2020, Agnico Eagle experienced zero (0) significant disputes at our operations.

Complaints
Complaints are any notification given by a community member, group or institution, to the Company or division, that they have suffered some form of offence, detriment, impairment or loss as a result of business activity and/or employee or contractor behaviour. All complaints are managed in accordance with our operations' local community grievance process. All received complaints are acknowledged, assessed, and a response is communicated to the complainant. We work on replying and resolving issues in a timely manner and implementing action plans to address root causes of complaints.

In 2020, we received a total of 71 complaints for all our mining sites. Fifty-three of the complaints (75%) were resolved by year end, with most unresolved complaints being received near year end. Most of the complaints were related to safety matters i.e., road traffic and to nuisance of mining activities (vibrations, dust, noise) (see Figure 22). Of the resolved complaints, 49 (70%) resulted in the implementation of action plans to address the root cause of the complaint.

71
complaints received in total for all our mining sites

75%
complaints have been resolved at year end

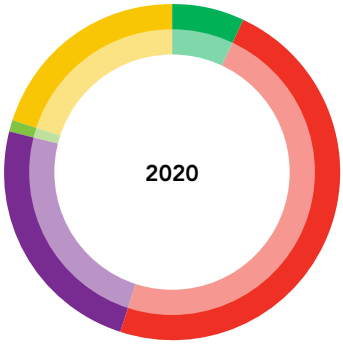
48
complaints made were related to health and safety and to nuisance of mining activites

70%
of the complaints resulted in the implementation of action plans to address the root cause of the complaint

Figure 22.

2020 Complaints Received by Category

- Environmental: **7%**
- Health and Safety: **48%**
- Social and Communities: **24%**
- Economic Opportunites: **0%**
- Indigenous Rights: **0%**
- Land and Resource Use: **1%**
- Mining Practices and Activities: **20%**





Benefit Footprint

Analyst Corner

MT

GRI 201-1
SASB EM-MM-210b.1

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

We disclose on an annual basis specific payments made to all governments in Canada and abroad including taxes and royalties, as per the Canadian *Extractive Sector Transparency Measures Act* (ESTMA). For more detailed information on our financial performance refer to our Annual Report.

Employment Wages and Benefits
In 2020, Agnico Eagle provided $621 million in wages and benefits. Although we do not measure the direct and indirect economic impact of employee wage spending on local goods and services, it is an important factor in Agnico Eagle's economic contributions to our host communities.

Buying from Local and Indigenous Suppliers
Agnico Eagle strives, where feasible, to buy goods and services from locally based suppliers as a way of supporting the economic vitality of our communities, while at the same time reducing the environmental impact of transporting materials and people from distant locations to our sites. Local suppliers must meet the criteria that all potential suppliers must meet in order to do business with our Company. In 2020, our mining operations spent $876 million on the procurement of local goods and services. This represents 55% of all mining procurement spend in 2020.

In Nunavut, Indigenous procurement is a key element of our Inuit Impact Benefit Agreements (IIBAs) and is characterized as businesses registered with Nunavut Tunngavik Incorporated (NTI). In 2020, 69% ($469 million) of Meadowbank and Meliadine procurement spending was with Indigenous, NTI-registered suppliers. Our Nunavut operations work closely with the Kivalliq Inuit Association to address challenges and enhance opportunities for businesses in the region. To promote and facilitate access to business opportunities, we provide workshops and assistance to Inuit firms in addition to entrepreneurial training.

We work on engaging with local suppliers for all phases of the mining life cycle. In 2020, 50% of our exploration contracts in Kirkland Lake were with companies that had joint ventures with First Nations for a total Indigenous procurement spending of approximately $6 million.

Figure 23.

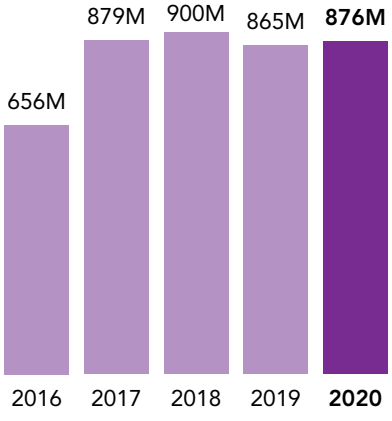
Economic Value Generated and Distributed[1]

		Total	Canada	Finland	Mexico
Economic Value Generated		**$2,661,776,785**	**$1,820,301,305**	**$372,131,542**	**$469,343,938**
Revenues		$2,661,776,785	$1,820,301,305	$372,131,542	$469,343,938
Economic Value Distributed		**$2,537,636,988**	**$1,505,945,199**	**$383,904,324**	**$348,733,465**
Payment to Suppliers	Opex	$819,839,906	$534,581,957	$127,182,336	$158,075,613
	Capex	$711,246,013	$457,640,994	$202,621,870	$50,983,148
Employee Wages and Benefits	Opex	$614,743,321	$453,180,495	$52,855,113	$108,707,713
	Capex	$6,432,522	$5,427,279	$784,240	$221,003
Payments to Providers of Capital		$299,054,000			
Income and Resource Taxes	Payments to Government	$81,039,689	$51,446,614	$155,934	$29,437,141
Community Investments		$5,281,537			
Economic Value Retained		**$124,139,797**	**$314,356,106**	**-$11,772,782**	**$120,610,473**

1. Amounts are on a consolidated basis as described in our 2020 Annual Report; however, to ensure comparable reporting boundaries across value sharing data disclosed in this report Canadian Malartic data is omitted for all indicators except payments to providers of capital. For more details and definitions on our economic value generated and distributed consult our Sustainability Performance Table available on our website.

Figure 24.

Operations' Payments to Local Suppliers



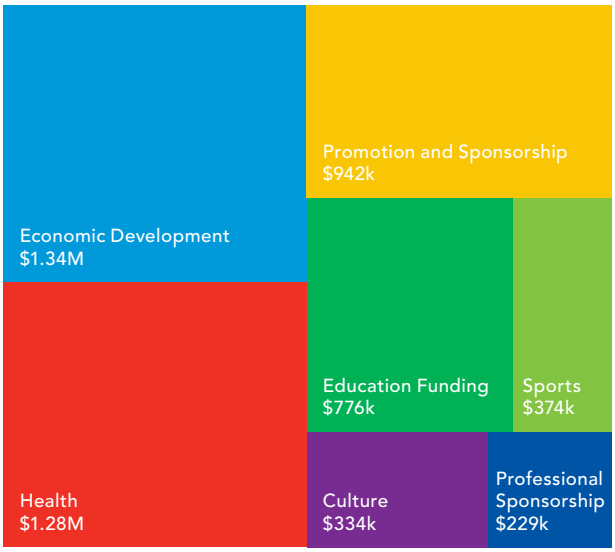
Community Investments
In 2020, our community investment program continued to target initiatives that enable each of the communities where we operate to benefit from economic development in their region, even after mining ceases.

Our goal is to provide both Agnico Eagle and our host communities with optimum return on our investments in strategic health, education and capacity-building initiatives. Since 2009, Agnico Eagle's community investments have totalled over $52 million.

In 2020 alone, Agnico Eagle contributed over $5 million to various local organizations and events. Most funds went to economic development initiatives (26%), health (24%), and promotion and sponsorship (18%) (See Figure 25).

5.3M$
in total community investments in 2020

Figure 25.
2020 Community Investments



Community Contributions during COVID-19

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



Food security
Food baskets and support to food banks, country food and harvest.



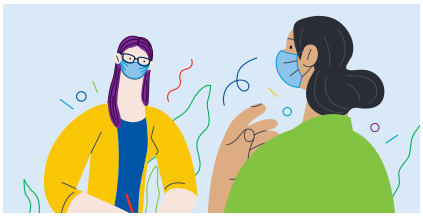
Education
Providing computers for online education.



Safety
Hygiene and PPE supplies to communities and frontline workers.



Community services
Providing workforce, equipment and material for community-led support initiatives.



Social aid
Funding to support mental health services and shelters for women and homeless people.



Local economy
Supporting local businesses through special aid and purchase of vouchers, gift cards and gifts for employees and communities.



Healthcare
Providing Company health professionals and medical supplies and equipment to communities.

Case Study

Sustainable

Fostering environmental health, social equity, and economic vitality in order to create thriving, healthy, diverse and resilient communities for this generation and generations to come.

Helping families gain access to clean sustainable drinking water



Water is a vital resource. We need it to feed our families, to clean our homes, and for basic health, hygiene and sanitation conditions.

Unfortunately, not everyone has access to a clean and sustainable supply of drinking water. The mountainous community of Yepachic, in northern Mexico, for example has historically suffered the ravages of water shortages. The region lacked the electricity needed to power pumps to distribute drinking water. Without access to the national (CFE) power grid, and no water infrastructure, the community couldn't count on an instant or continuous supply of drinking water from the local springs into their homes.

What the region *does* have is access to some of the richest solar resources in the world.

"We knew we had to think innovatively to overcome this problem. Solar energy is one of the cleanest and most abundant renewable energy sources available. We decided to harness the power of that sunlight and convert it into electric energy using solar panels and photovoltaics," says Victor Hugo Saenz, community relations manager at Pinos Altos.

The team at Pinos Altos, worked with the Municipality of Temosachic to launch the drinking water distribution network project. They installed over 6 kilometres of pipe and a combined energy supply system – including a 60-cell solar system connected to a local electrical network – to ensure a continuous supply of drinking water to over 200 homes in Yepachic.

Victor Hugo says, "This project is a result of a community survey we conducted, in which they stated very clearly their top priority was gaining access to clean and sustainable drinking water. Today, more than 300 families and 1,120 people now have access to this vital liquid – as well as the local medical clinic and schools, which can now provide the proper services and care for their patients and students, and ensure their basic needs are met."

+ For more details on this project, click here to watch a video, which also highlights the project's contribution to the United Nations Sustainable Development Goal # 6 – the availability and sustainable management of water and sanitation for all.

Agnico Eagle Global Performance Summary Data[1]

Operations

		2020	2019	2018	2017	2016
GRI 301-1 SASB EM-MM-000.A	**Production**					
	Total Ore Processed (tonnes)	18,876,230	19,565,207	20,109,520	21,222,813	21,176,764
	Total Gold (oz)	1,452,251	1,447,547	1,278,069	1,396,288	1,370,373

Health, Safety and Wellness

Global Safety Performance		2020	2019	2018	2017	2016
GRI 403-09 SASB EM-MM-320a.1	**Person-Hours Worked**	18,656,076	20,384,101	20,227,598	18,110,348	16,702,903
	Number of Fatalities	0	0	0	0	1
	Accident Frequency (combined lost-time accidents and restricted workcases per 200,000 person hours worked)	1.02	0.99	1.28	0.91	0.97

Environmental Stewardship

Energy & Climate Change		2020	2019	2018	2017	2016
GRI 302-1 SASB EM-MM-130a.1	**Energy Consumption**					
	Total Electricity (GWh)	1,204	1,202	1,115	1,114	1,092
	% Renewable Electricity	52%	68%	75%	74%	76%
	Total Energy Consumption (GJ)	9,931,554	9,342,624	8,183,269	8,165,242	7,644,178
GRI 302-3	**Energy Intensity**					
	Electricity Intensity (per tonne of ore processed) (kWh/t)	63.8	61.4	55.4	52.5	51.5
	Energy Intensity (per tonne of ore processed) (GJ/t)	0.53	0.48	0.41	0.38	0.36
GRI 305-1 SASB EM-MM-110a.1	**Direct (Scope 1) GHG Emissions** (tonnes of CO_2E)	462,766	442,418	332,437	335,519	325,922
GRI 305-2	**Indirect (Scope 2) GHG Emissions** (tonnes of CO_2E)	115,391	78,413	78,909	79,136	74,488
GRI 305-4	**Total (Scope 1 + 2) GHG Emissions** (tonnes of CO_2E)	578,156	520,832	411,346	414,655	400,410
	GHG Intensity (tonnes of CO_2 eq. per tonne of ore processed)	0.031	0.0266	0.0205	0.0195	0.0189
	GHG Intensity (tonnes of CO_2 eq. per gold oz)	0.40	0.36	0.32	0.30	0.30

1. All data excludes Canadian Malarctic.

Environmental Stewardship (continued)

Water Management		2020	2019	2018	2017	2016
GRI 303-3 SASB EM-MM-140a.1	**Water Withdrawal**					
	Total Water Withdrawn (m^3)	25,093,554	N/A	N/A	N/A	N/A
	Total Freshwater Withdrawn for Use (m^3)	8,995,388	9,532,210	7,339,775	6,449,267	6,115,542
	Freshwater Withdrawn for Use Intensity (m^3 of water per tonned of ore processed)	0.48	0.49	0.37	0.30	0.29
	Freshwater Withdrawn for Use Intensity (m^3 of water per gold oz)	6.2	6.6	5.7	4.6	4.5
GRI 303-4	**Water Discharged**					
	Total Water Discharged (m^3)	19,226,684	17,407,896	9,771,778	11,855,280	12,066,968
GRI 303-5 SASB EM-MM-140a.1	**Water Consumption**					
	Total Water Consumed	5,866,870	N/A	N/A	N/A	N/A
	Total Water Used (m^3)	27,166,727	24,950,028	20,206,694	19,865,414	18,182,510
	Total Water Recycled (%)	67%	62%	64%	71%	69%
Tailings & Waste Management						
GRI 306-2 SASB EM-MM-150a.1	**Mineral Wastes**					
	Total Waste Rock Mined (tonnes)	47,755,237	39,937,032	48,581,325	44,750,770	30,980,763
	Total Tailings Produced (tonnes)	12,671,594	13,076,790	12,382,580	12,533,384	12,927,355
	Total Mineral Wastes (tonnes)	60,426,831	53,013,822	60,963,905	57,284,154	43,908,118
	% Tailings Recycled	32%	29%	24%	23%	20%
GRI 306-2 SASB EM-MM-150a.2	**Non-Mineral Wastes**					
	Total Hazardous Waste (tonnes)	5,087	6,025	5,723	13,110	4,997
	Total Domestic (non-hazardous waste) (tonnes)	17,776	23,442	18,988	17,863	19,004
	% Domestic Waste Recycled	49%	40%	54%	45%	42%
	Total (hazardous + domestic) (tonnes)	22,863	29,466	24,711	30,973	24,001
GRI 306-2	**Total Wastes (tonnes)**	60,449,694	55,114,165	60,988,616	57,315,127	43,932,119
Environmental Compliance						
GRI 306-3	**Significant Spills**					
	Number of Significant Spills	0	0	0	0	2
	Total Volume (L) of Significant Spills	–	–	–	–	30,000,000
GRI 307-1	**Environmental Fines and Sanctions**					
	Total Number of Fines and Sanctions	0	0	0	2	0
	Monetary Value of Fines ($CAD)	–	–	–	$53,970	–

Our People

Workforce Composition[2]		2020	2019	2018	2017	2016
GRI 102-08 SASB EM-MM-000.B	Total Workforce	8,976	8,774	8,698	7,867	7,080
	Contractors	3,216	2,922	2,888	2,477	2,108
	Employees	5,760	5,852	5,810	5,390	4,972
	% Contractors	36%	33%	33%	31%	30%
Diversity and Inclusion						
GRI 405-1	% Female Employees[2]	15%	16%	16%	15%	14%
	% Female Board of Directors[3]	30%	30%	30%	25%	25%
	% Female Executives[3]	8%	20%	N/A	N/A	N/A
	% Female Senior Management	16%	N/A	N/A	N/A	N/A
	% Visible Minorities Board[3]	10%	0%	0%	0%	0%
	% Visible Minorities Executive[3]	8%	N/A	N/A	N/A	N/A
Retaining, Training and Developing Our People						
GRI 401-01	Total Permanent Employee Turnover[2]	366	507	496	568	329
	Permanent Employee Turnover Rate (%)[2]	7.6%	9.6%	9.5%	13.1%	8.1%
	Training					
	Average Hours of Training per Employee	29	47	25	56	45
GRI MM04 SASB EM-MM-310a.2	Number of Strikes and Lockouts	0	0	0	0	0

Our Communities

Benefit Footprint		2020	2019	2018	2017	2016
GRI 204-1	Proportion of Spending on Local Suppliers	876M	865M	900M	879M	656M
	% Local Spend	55%	59%	61%	65%	64%

2. Data on gender and employee turnover from 2015-2017 only includes active operations, exploration and office numbers are not included. Our gender and diversity disclosures have increased over time data for previous years may not be available.
3. As of April 30th, 2021

Design: Craib Design & Communications www.craib.com Printed in Canada

Forward-Looking Statements

Certain statements contained in this report constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws and are referred to herein as "forward-looking statements". Such statements include, without limitation, statements regarding the Company's future plans in the areas of sustainable development, health, safety, environment, community development and climate change action. Many factors, known and unknown, could cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such statements reflect the Company's views as at the date of this report and are subject to certain risks, uncertainties and assumptions, and undue reliance should not be placed on such statements. For a detailed discussion of such risks and other factors that may affect the Company's ability to achieve the expectations set forth in the forward-looking statements contained in this report, please see the Company's Annual Information Form for the year ended December 31, 2020 filed with Canadian securities regulators on SEDAR at www.sedar.com. Other than as required by law, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

AGNICO EAGLE

Agnico Eagle Mines Limited
145 King Street East, Suite 400
Toronto, Canada M5C 2Y7

agnicoeagle.com

MIX
Paper from responsible sources
FSC® C101537