

# 2010 Sustainability Report



# Goldcorp Sustainability Report 2010

## Contents

This document is an abbreviated report generated from our web-based Sustainability Report. To view the full interactive report, please go to our website [www.goldcorp.com](http://www.goldcorp.com).

### Overview

Our Company

Message from the CEO

Vision and Mission

Awards

About this Report

GRI Content

Assurance

Performance Data

### Strategy and Governance

Board of Directors

Executive Compensation

Business Conduct

Key Impacts, Risks and Opportunities

Commitment to External Initiatives

### Economic Contributions

Management Approach

Corporate Performance

Contributions to Government

Pensions

Local Economic Impact

### Workplace and Our People

Management Approach

Our Workforce

Training and Education

Labour/Management Relations

Diversity and Equal Opportunity

### Safety and Health

Management Approach

Joint Safety and Health Committees

Safety

Health

Emergency Response

## Contents [continued]

### Human Rights

Management Approach

Human Rights

### Community Relations

Management Approach

Stakeholder Engagement

Community Contributions

Indigenous Relationships

Resettlement

Issues and Concerns

### Environmental Stewardship

Management Approach

Materials

Energy

Greenhouse Gas and Air Emissions

Implications of Climate Change

Effluents and Waste

Water

Biodiversity

Transport

Product Responsibility

Mine Closure

Compliance

Environmental Expenditure

## Overview

### After a Decade of Results...

We are Goldcorp. As North America's fastest-growing senior gold producer, we have led the industry by assembling an exceptional portfolio of high-quality assets. Operationally, we are dedicated to running efficient, low-cost mines, located in stable jurisdictions in the Americas.

### And a Year for the Record Books...

Thanks to strategic acquisitions, efficient operations and a skilled exploration team, we delivered a remarkable year: our proven and probable reserves have increased by 23%; our Peñasquito mine, the largest gold mine in Mexico, is in commercial production; and our earnings increased 72% this year, with net income topping \$1 billion for the first time ever.

### We're Building Our Future...

With six development projects underway – including the newly acquired Cerro Negro project in Argentina, where we have already nearly doubled gold reserves and resources.

### While Maintaining Our Commitment to Sustainable Prosperity

We are applying the same discipline and commitment to building a future of sustainable prosperity for all of our stakeholders, **with a continuing** focus on corporate social responsibility programs throughout the organization.

## Our Company

[Key Statistics](#) | [Operational Structure](#) | [Other Equity Positions](#) | [Ownership](#) | [Significant Changes](#)

Goldcorp is a leading gold producer engaged in the operation, exploration, development and acquisition of precious metal properties in Canada, the United States, Mexico and Central and South America. The Company's current sources of operating cash flows are primarily from the sale of gold, copper, silver, lead and zinc.

Goldcorp's strategy is to provide its shareholders with superior returns from high-quality assets. Goldcorp has a strong balance sheet. Its gold production is located in safe jurisdictions in the Americas and remains 100% unhedged. Headquartered in Vancouver, British Columbia, Goldcorp employs approximately 11,300 people worldwide at operations and development projects in countries throughout the Americas.

Goldcorp closed 2010 in an enviable position. We are well positioned to grow gold production by 60% over the next five years. We remain the industry's lowest-cost, fastest-growing senior gold producer and expect our costs to decrease even further in coming years. Our exploration team has again succeeded in discovering new gold reserves to more than replace the ore that we mined during the year – a critical measure of sustainable growth, which we have achieved for seven consecutive years.

Given our strong project pipeline and leading growth profile, we will maintain a disciplined approach to mergers and acquisitions in 2011, focusing on earlier stage exploration and development projects. We have built the foundation for a solid future, for continued sustainable prosperity for our Company and our shareholders, as well as the communities and countries in which we operate.

Goldcorp is committed to responsible mining and sustainable prosperity for all of our stakeholders and our focus on corporate social responsibility programs throughout the organization continued during the year. We saw improvement in overall safety performance for the fourth consecutive year. We also completed the certification of all of our nominated sites under the International Cyanide Management Code late in the year. We were gratified to see these and many other accomplishments recognized when Goldcorp was added to the Dow Jones Sustainability Index for North America.

### Key Statistics

Key characteristics for 2010: or as at December 31, 2010 (dollar amounts are US\$), include:

|                                     | 2010      | 2009      | TREND |
|-------------------------------------|-----------|-----------|-------|
| Workforce                           | 11,300    | 12,300    | -8%   |
| Revenues (million)                  | \$3,799.8 | \$2,723.6 | 40%   |
| Net earnings (million) <sup>1</sup> | \$1,566.1 | \$238.2   | 557%  |
|                                     |           |           |       |

|  |                   |            |     |
|--|-------------------|------------|-----|
| Adjusted net earnings (million) <sup>2</sup> | <b>\$1,010.5</b>  | \$588.2    | 72% |
| Annual production:                           |                   |            |     |
| Gold (oz)                                    | <b>2,520,300</b>  | 2,421,300  | 4%  |
| Silver (oz)                                  | <b>22,957,000</b> | 12,798,500 | 79% |
| Total assets (million)                       | <b>\$28,809.1</b> | \$20,948.7 | 38% |
| Shareholders' equity (million)               | <b>\$20,194.2</b> | \$15,493.2 | 30% |

## Operational Structure

Goldcorp is a leading gold producer engaged in gold mining and related activities including exploration, extraction, processing and reclamation. The Company's operating assets include the Red Lake, Porcupine and Musselwhite gold mines in Canada; the Peñasquito, Los Filos and El Sauzal mines in Mexico; the Marlin mine in Guatemala; the Marigold mine (67% interest) and Wharf mine in the United States; and the Alumbra mine (37.5%) in Argentina.

Goldcorp has a solid pipeline of projects including the Éléonore gold project in Quebec, Canada, the Cerro Negro project in Argentina, the El Morro project in Chile and the Pueblo Viejo project (40% interest) in the Dominican Republic. These valuable assets, along with several others, will allow for growth in production for years to come.

## Regional Structure

The Company is organized into three regions (Canada and United States, Mexico, and Central and South America). Each region is managed by a Vice President, who reports directly to Goldcorp's Executive Vice President and Chief Operating Officer.

**Canada and US Region** – Red Lake continues to be a cornerstone mine in Goldcorp's portfolio. The team significantly exceeded our production guidance of 675,000 ounces, producing over 700,000 ounces, and also delivering strong exploration results in the High Grade Zone. At Musselwhite, the discovery of a new, higher-grade deposit called the Lynx zone was exciting news. Porcupine had good exploration results and work continues on the Hoyle Pond underground to help us better access new areas that will extend the mine life there.

**Mexico Region** – The key operational success in Mexico was the start of commercial production and smooth ramp-up at Peñasquito, illustrating the depth of talent in our team responsible for building this huge operation. We expect gold production at Peñasquito to increase to 350,000 ounces in 2011. Silver production is also significant from this operation, contributing almost 14 million ounces to the Company's 2010 results and expected to grow to 24 million ounces in 2011.

Los Filos matured into a seasoned performer in 2010, becoming an important linchpin of Goldcorp's gold

production in Mexico. With large and growing reserves at this highly prospective land package and optimized mine planning underway, the potential exists to grow the production profile at Los Fillos even further.

**Central and South America Region** – In Guatemala, Marlin produced its one-millionth ounce of gold in April 2010, and continues to generate tremendous cash flow. We expect record gold and silver production and continued exploration success from Marlin in 2011.

## Other Equity Positions

**Escobal** – On June 8, 2010, the Company completed the sale of its Escobal silver project to Tahoe Resources, Inc. As part of that sale, Goldcorp received a total of 47,766,000 common shares of Tahoe, representing 41.2% of Tahoe's issued and outstanding common shares. Goldcorp is entitled to appoint three of Tahoe's eight board members and has the right to maintain a 41.2% ownership interest.

**San Dimas** – On August 6, 2010, the Company disposed of the assets and liabilities relating to the San Dimas mine to Primero Mining Corp. As part of the sale, Goldcorp received \$159.2 million in common shares of Primero, representing a 36% interest in Primero. Goldcorp is entitled to maintain its percentage ownership in the issued and outstanding common shares of Primero as well as proportional representation on Primero's board of directors. Goldcorp has agreed to hold the shares of Primero that it received as partial consideration for a period of three years subject to certain exceptions.

**Terrane** – On October 20, 2010, the Company completed the sale of its remaining 58.1% controlling interest in Terrane Metals Corp. to Thompson Creek Metals Inc.

**Osisko** – On February 8, 2011, the Company disposed of its 10.1% equity interest in Osisko Mining Corp., consisting of approximately 38.6 million common shares, to a syndicate of underwriters.

## Ownership

Goldcorp is a public company listed on the New York Stock Exchange and the Toronto Stock Exchange. The Company's top five institutional shareholders at December 31, 2010, are identified below:

| Institutional shareholders                | % held |
|---|--------|
| Fidelity Management & Research            | 6.73   |
| RBC Asset Management, Inc.                | 3.49   |
| Van Eck Associates Corporation            | 2.94   |
| BlackRock Investment Management (UK) Ltd. | 2.82   |
| BMO Capital Markets (US)                  | 2.79   |

## Significant Changes



There were two significant changes to the Company in 2010.

**San Dimas Mine Sale** – In August 2010, the Company disposed of the assets and liabilities relating to the San Dimas mine to Primero Mining Corp. As part of the sale, Goldcorp retained a 36% equity interest in Primero.

**Peñasquito Commercial Production** – On September 1, 2010, Peñasquito completed commissioning and achieved commercial production. Operations at Peñasquito continue to ramp up as expected, as overall material mined and sulphide ore processed increased during the fourth quarter of 2010.

<sup>1</sup> *Net earnings is equal to the income after subtracting costs and expenses from total revenue*

<sup>2</sup> *Adjusted net earnings is net earnings excluding most non-operational and non-recurring items*



## Message from the CEO

At Goldcorp, we are guided by the principle of Sustainable Prosperity. This means that we conduct all aspects of our business for the benefit of our stakeholders - our staff and shareholders, as well as the individuals, families, communities, and regions in which we operate. We seek growth and operational excellence: from our efforts to protect our workers' health and safety, to our policies and practices of environmental conservation and our investments in enhancing the socio-economic development of local communities.

I'm pleased to note that our efforts have been recognized by our recent inclusion in the Dow Jones Sustainability Index for North America. In addition, we were commended by Northwest & Ethical Investments for our Human Rights Assessment of the Marlin mine, who stated, "Goldcorp has set a new standard for disclosure and transparency." While we are justly proud of this recognition, it is not our only objective. Sustainable Prosperity is focused on ongoing improvements to the social and economic well-being of the communities where we work. Through open dialogue and mutually beneficial partnerships we can continue to be responsible, welcomed and respected in the communities in which we conduct business.



For 2010, our corporate social responsibility focus was on consolidating our organization-wide framework. Under the leadership of Dina Aloï, our Vice President of Corporate Social Responsibility, we developed and approved new and updated corporate policies for Human Rights and Corporate and Social Responsibility that provide a framework for everyone, in every operation, for better collaboration and more effective management of our community relations.

In May 2010, an independent Human Rights Assessment presented the results of 18 months of research at the Marlin mine. We publicly committed to consider each recommendation carefully. Our initial response published in June 2010 has been supplemented twice in October 2010 and May 2011. As indicated in the most recent update, the overarching goal of integrating the recommendations into Goldcorp's management policies and practices has been achieved. We will continue to provide information about progress in these areas through our annual Sustainability Report and other engagement with stakeholders at all levels.

For the fourth consecutive year, our overall safety performance has improved. However, no statistics or overall improvements are enough in the face of tragic reality. I am saddened to report a fatality at the Peñasquito mine during 2010. Along with everyone at Goldcorp, I would like to express my sympathy and extend our condolences to the worker's family, friends and community. We must take this as an opportunity to reinforce our emphasis on safety training and continual vigilance, within our safety vision, "Safe Enough for Our Families."

At Goldcorp, we strive to do more than treat local communities with respect - we treat them as partners in a shared future. This attitude is exemplified by the recent signing of the Collaboration Agreement with the Cree Nation of Wemindji, the Grand Council of the Crees and the Cree Regional Authority with respect to our Éléonore project in northern Québec. Through this agreement, we have established shared

responsibilities in critical issues of environmental stewardship, community development, training, local employment, and small business development.

As the youngest senior mining company in Canada, we are proud to take our place among the industry's leaders in responsible mining practices. This year, the last of our nominated mines, Porcupine and Red Lake in Canada, became certified under the International Cyanide Management Code, a voluntary program which is renowned as the international benchmark for transporting, storing and using cyanide. We are new members of the UN Global Compact, the International Council on Mining and Metals, and the Extractive Industries Transparency Initiative, which supports greater accountability and transparency in payments made by extractive industries.

I would like to personally thank the people of Goldcorp for their high standards in safety, environmental practices and community relations. As we move into the next year and beyond, we will continue to refine our policies and performance, to ensure that Goldcorp continues to deliver on the economic, social and cultural promise of Sustainable Prosperity.

Chuck Jeannes  
President and Chief Executive Officer, Goldcorp

# Vision and Mission

[Vision](#) | [Sustainability Vision](#)

Goldcorp's rapid growth in a very short period of time has resulted in significant challenges, which have been evident primarily in the operating group. These challenges have included instituting appropriate controls to bring consistency to all aspects of operations including, without limitation, budgeting and mine planning, safety and environmental performance, Corporate Social Responsibility (CSR) standards and practices, compensation, training and recruiting, reserve and resource calculation, vendor relationships, systems and financial reporting.

We have devoted significant resources to developing and communicating a "Goldcorp culture" in an effort to bring consistency to the priorities, expectations, key performance indicators and operating, planning and reporting methodologies at the mines and projects. At the same time, we have taken care to avoid instituting a "command and control" environment that stifles the entrepreneurial spirit and other benefits of a decentralized operating structure.

## Vision

Goldcorp is dedicated to responsible gold mining practices balanced to promote long-term shareholder value and the health and well-being of employees and host communities. Our goal is to be a low-cost gold producer with geographic diversification and low political risk operating in a responsible manner with our near neighbours, local communities and the environment.

## Sustainability Vision

Our Sustainability Vision is to foster the integration of sustainable development principles into our business operating philosophy. We are committed to implementing consistent policies and practices across our diverse group of properties, while recognizing the vastly different environmental, physical and cultural differences that shape each operation. Our sustainability goal is to achieve a balance of economic prosperity, environmental stewardship and social responsibility that extends beyond the economic lives of our mining operations. Goldcorp is committed to responsible mining and sustainable prosperity for all of our stakeholders.

## Awards

Participating in external awards programs can have a positive effect on both the company and the individuals concerned. At Goldcorp, we do not view awards as an end in themselves; however, we appreciate being formally recognized by outside organizations because it gives us external feedback on our programs and the goals towards which we can work.

### Los Filos Mine Wins Coveted Silver Helmet Award for Best Safety Record

Our Los Filos mine in Mexico won the 2009 Silver Helmet safety award. Los Filos was granted the award under the category of "Underground Mining Operations employing more than 500 people." In an ongoing effort to increase safety awareness and practices by operating mines in Mexico, the Mexican Mining Chamber established the Silver Helmet, an award granted to companies with the best safety record in the industry.

### Porcupine Wins Ontario Provincial Mine Rescue Competition

Our Porcupine mine took First Place in the 2010 Ontario Provincial Mine Rescue Competition. In a very competitive field, mine rescue teams first demonstrated their skills in timed firefighting, high rope rescue and lifting bag exercises before being called to respond to a series of mock accidents testing the overall skill and preparation of the teams. Porcupine also received the Firefighting Award during the competition, which concluded on June 13, 2010. Goldcorp is committed to upholding the highest standards in health and safety and congratulates the Porcupine team on its important achievements.

### Clean Industry Certificate

The Clean Industry Certificate is awarded by the Mexican environmental protection authority (PROFEPA) as an acknowledgement of those companies that comply with all relevant environmental regulations. The attainment and maintenance of the Clean Industry Certificate is one of Goldcorp México's requirements for all of its operations. In 2010, El Sauzal renewed its Clean Industry Certificate and Los Filos is waiting for a final review to obtain theirs. Peñasquito entered into the Clean Industry Environmental Audit Program as a project, and has recently had its Clean Industry Certificate updated to reflect its operating status.

### ESR (Socially Responsible Company) Distinction

Goldcorp México received recognition for the fourth consecutive year as a socially responsible company. The Mexican Centre for Philanthropy (CEMEFI) and the Alliance for Corporate Responsibility (AliaRSE) presented the ESR (socially responsible company) award. Three years ago, CEMEFI decided to recognize companies throughout Latin America. This year, Goldcorp México was one of 18 companies in ten countries who were awarded the distinction.

### Los Filos Recycling Used Oil Award

Los Filos won a COPARMEX/SEMARNAT National Award for its used oil recycling program. Since 2008, used motor and hydraulic oils generated during equipment maintenance have been collected and sent to a hazardous materials storage area. These oils are then put through a double filtration system to remove impurities. The waste oils are then included in the ammonium nitrate/fuel oil (ANFO) mix, which is 94% ammonium nitrate and 6% waste oil. In 2010, Los Filos used 404,700 litres of waste oil in the ANFO mix (89% of waste oil generated on-site), compared to 319,100 litres in 2009 and 79,900 litres in 2008 (85%

and 19% of waste oil generated on-site, respectively).

## Nevada Mining Association Awards

Two Marigold employees won Nevada Mining Association (NVMA) awards in 2010. Farrel Rose received an award in the Supervisor of the Year category for his safety and health accomplishments at the Marigold mine during calendar year 2009. Farrel volunteered to become a facilitator for the DELTA and Dare to Grow programs. Ken Taylor was awarded NVMA "Trainer of the Year" in the non supervisor category for his efforts associated with standardizing task training within the mobile maintenance group at the Marigold mine during calendar year 2009.

## Red Lake Gold Mines Received 2010 Employer Champion Award

Red Lake received a 2010 *Passport to Prosperity* Employer Champion Award in recognition of its outstanding commitment to providing meaningful experiential learning programs for high school students in the community. Goldcorp is a partner in the Specialist High Skills major in the mining program, having advised educators and teachers on its development and continuing to support the program by offering site visits and field trips as well as participating in the Ontario Youth Apprenticeship Program.

## Dow Jones Sustainability Index North America

In December 2010, Goldcorp was added to the Dow Jones Sustainability Index North America (DJSI North America). One of the world's most influential sustainability indexes, the DJSI North America evaluates leaders in corporate social responsibility using rigorous selection criteria in the areas of corporate, economic, environmental and social performance.

## Wharf Wins 2010 Operation and Maintenance Wastewater Treatment Excellence Award

The South Dakota Department of Environment and Natural Resources (DENR) has awarded the Golden Reward Mining Company (Wharf) the 2010 Operation and Maintenance Wastewater Treatment Excellence Award. The award is for outstanding operation of the wastewater system and environmental compliance with its State surface water discharge permit during the year.

"Most people take wastewater treatment and disposal for granted," said DENR Secretary Steve Pirner. "But properly operated wastewater treatment systems are a critical component in protecting public health and the environment from sewage and various pollutants in wastewater. Therefore, we all owe the owners and operators of these systems a huge thank you for a job well done."

## About This Report

[Scope](#) | [Our Materiality Process](#) | [Boundary and Limitations](#) | [Significant Changes in Reporting Parameters](#)

Goldcorp has committed to using the Global Reporting Initiative (GRI) Reporting Framework as the basis for its sustainability reporting. This 2010 Sustainability Report is the fourth we have prepared under the framework, and we are committed to increasing our conformance in future years.

Information in this report covers the calendar year (January 1 to December 31) of 2010. The calendar year coincides with the corporation's financial year, so the reporting period of the Sustainability Report is consistent with our other key corporate reports.

We report annually on our sustainability performance. Our previous Sustainability Report covered the calendar year of 2009, and was published in May 2010.

### Scope

#### External Commitment

As a member of the International Council for Mining and Minerals (ICMM), Goldcorp is committed to implementing the ICMM Sustainable Development Framework<sup>3</sup>. There are three elements to the Framework, which are mandatory for corporate members to meet:

1. Principles – Implement the 10 ICMM Sustainable Development Principles throughout the business;
2. Reporting – Report in line with the Global Reporting Initiative (GRI) G3 framework; and
3. Assurance – Provide independent assurance that the ICMM commitments are met.

Member companies will meet the Assurance element of the Sustainable Development Framework by:

1. Including in a public report, statements on how the company complies with the ICMM Sustainable Development Principles and Reporting commitments;
2. Seeking confirmation that its Sustainable Development report meets Level A+ of the G3 Guidelines; and
3. Having its Sustainable Development report assured by a third party consistent with this procedure.

A key part of the commitment to public disclosure is to report in line with the GRI G3 Sustainability Reporting Guidelines and Mining and Metals Sector Supplement. The GRI provides reporting principles and reporting guidance to help define report content, ensure the quality of reported information, and set the report boundary. We have attempted to provide responses to all the GRI Indicators (core and additional).

#### Key Criteria

The scope of the report, and the depth of reporting, is governed by our external commitments (see above) and our materiality process, as well as two key criteria – our industry and our audience.

#### The Mining Industry

The nature of the mining industry, and in our case, the precious metals component of that industry, means

that some elements of the GRI Guidelines are more significant than others. The Mining and Metals Sector Supplement to the GRI Guidelines addresses many of these elements, and we have reported against them. However, we have also deviated from the GRI Reporting Framework by applying more or less emphasis to the following key sections:

*Community* – Our relationship with our host communities is a vital component of our operations, and additional coverage has been given to this topic.

*Indigenous Rights* – As a number of our operations occur in areas with significant Indigenous populations, this topic is of great significance to us, and coverage has been treated accordingly. At most of our operations, it is difficult to separate Indigenous populations from the broader host community. We have not attempted to make an artificial distinction between Indigenous and other communities in this report, except where programs are specifically targeted at Indigenous communities.

*Economic Performance* – As a public company, Goldcorp's accounts are audited on a regular basis, and an [Annual Financial Report](#) is published. As a result, we have not attempted to include comprehensive coverage of economic indicators in the Sustainability Report.

*Product Responsibility* – Our main end products are gold and silver. Gold is an inert mineral, and both gold and silver are extensively recycled. In addition, we do not sell our products directly to the public, but to refineries or smelters for secondary treatment. For these reasons, the Product Responsibility indicators are less relevant to our business and have not been addressed in the same depth as some of the other indicators in this report.

### **Our Audience**

Of our stakeholder groups, capital market participants and Non-Governmental Organizations are most likely to read widely through the entire report in order to satisfy their respective constituencies. The other stakeholder groups (shareholders, host communities, employees and contractors, customers, suppliers, media and regulators) are likely to be more selective in accessing certain sections of the report. The structure of the report is designed to make access easy for all stakeholders.

A number of our operations also prepare a site-based annual Sustainability Report. These reports complement the corporate Sustainability Report, and are focused on local key stakeholder groups (principally employees, host communities and local regulators).

## **Our Materiality Process**

Two of the international frameworks we use to guide our reporting – the GRI and the ICMM Sustainable Development Framework (which requires the application of AA1000) – require us to develop an understanding of our material sustainability issues, risks and opportunities. For business purposes we also need to be aware of these. We have several operational and risk management processes to do so, but historically they have not been linked to our sustainability reporting process. In 2010 we undertook to identify the full range of issues that could be significant for us or our stakeholders, from a social, environmental or economic perspective.

We based our analysis on a modified version of the Five Part Materiality Test<sup>4</sup>. The Five Part Materiality Test is designed to identify potentially material issues that arise through:

- policy commitments
- peer-based norms



- behaviour and concerns of stakeholders
- societal norms and regulation, and
- financial impacts.

We extended the financial impacts test to include risk and governance factors and we added a sixth test, Operations, to help us capture issues of significance to local management and communities.

We did the analysis predominantly at the corporate level. Going forward, we expect to involve local management and stakeholders at each of our operations more directly.

For each test, we used a variety of documented sources, such as corporate policies, global standards, enterprise risk management reports, human rights assessment, sustainability reports of industry peers and media reports. We also interviewed personnel with social, environmental and other business responsibilities at head office and three sites – one each from Canada, the US and Guatemala. We want to continuously improve our materiality process with each report, and the clearest opportunity is to integrate stakeholder views from our ongoing community engagement work.

The analysis was reviewed and refined by an internal review team. As a result, we have determined these nine to be our most material areas:

1. Long-term economic performance
2. Energy efficiency
3. Water management
4. Land stewardship
5. Respect for Indigenous People's rights, culture and heritage
6. Embedding human rights
7. Labour relations and availability of labour
8. Safe and healthy workers
9. Sustainable community development

As this was our first round of materiality analysis, we did not attempt to further prioritize this list. For long-term, sustainable growth, we need to be successfully managing all these areas for the benefit of our company and the communities where we operate. We are committed to developing this materiality process going forward, and may prioritize issues in future years as the process matures.

## Boundary and Limitations

### Boundary

This report covers all of Goldcorp's managed operations and projects. As at December 31, 2010, Goldcorp had nine operating mines in four countries: Canada (Musselwhite, Porcupine and Red Lake), the US (Marigold and Wharf), Mexico (El Sauzal, Los Filos and Peñasquito) and Guatemala (Marlin).

Goldcorp is the manager of a number of projects under development, and a number of sites undergoing closure. Specific reference is made to these properties in appropriate parts of this report, however, early stage projects such as El Morro have not been fully integrated into our data collection process. Data collection on projects and closed operations is not as comprehensive as for our operating sites, and may be applied selectively depending on the status of the project.

This report does not include data from our exploration projects unless they are closely associated with one of our reporting entities.

Joint ventures that are managed by Goldcorp are reported in full (100%) in this report, and joint ventures that are not managed by Goldcorp are **not** included in this report. Goldcorp has two joint venture operations and three joint venture projects:

### Operations

- Marigold (US) – This is a joint venture between Goldcorp (66.7%) and Barrick (33.3%). As this operation is managed by Goldcorp, it is reported in full in this report.
- Alumbrera (Argentina) – This is a joint venture between Xstrata (50%), Goldcorp (37.5%), and Yamana (12.5%). As this operation is managed by Xstrata, it is **not** included in this report. Alumbrera prepares its own annual Sustainability Report.

### Projects

- Pueblo Viejo (Dominican Republic) – This is a joint venture between Barrick (60%) and Goldcorp (40%). As this project is managed by Barrick, it is **not** included in this report.
- El Morro (Chile) – This is a joint venture between Goldcorp (70%) and New Gold (30%). As this project is managed by Goldcorp it is included in this report.
- Dee/South Arturo (US) – This is a joint venture between Barrick (60%) and Goldcorp (40%). As this project is managed by Barrick, it is **not** included in this report.
- Cerro Negro (Argentina) – On December 29, 2010, Goldcorp's scheme of arrangement involving Andean Resources and its shareholders was implemented and as a result, Goldcorp acquired all of the outstanding shares of Andean. Andean's principal mining property was the Cerro Negro gold project, an advanced stage, high-grade vein system located in the Santa Cruz province of Argentina. Because it was acquired so late in the reporting year, Cerro Negro is **not** included in this report, but it will be included in our 2011 report.

### Limitation

One limitation in this report is the different basis for reporting financial data and all other data. Financial data is reported on a "consolidated basis", meaning that data from joint venture operations (Marigold and Alumbrera) are included according to their equity ownership. All other data is reported on the basis of "operational control"; that is, operations managed by Goldcorp at December 31, 2010. Operational control is a more appropriate basis for reporting sustainability data because it reflects programs and activities over which we have direct control. We have not attempted to restate our financial data on the basis of operational control because this would not be consistent with our consolidated audited financial statements.

## Significant Changes in Reporting Parameters

There were two changes during 2010 which have impacted on the boundaries and other reporting parameters of this report.

San Dimas Mine Sale – In August 2010, the Company disposed of the assets and liabilities relating to the San Dimas mine to Primero Mining Corp. As part of the sale, Goldcorp retained a 36% equity interest in Primero. San Dimas was included in the last three Company Sustainability Reports, but is not included in the 2010 report. In 2009, San Dimas contributed 4.9% of Goldcorp's gold production. No adjustments have been made to data from past years to reflect the sale of San Dimas.

Peñasquito Commercial Production – On September 1, 2010, Peñasquito completed commissioning and achieved commercial production. Operations at Peñasquito continue to ramp up as expected, as overall material mined and sulphide ore processed increased during the fourth quarter of 2010. Because of the size of Peñasquito relative to other mines in our portfolio, its development has the tendency to bias the year-on-year data (e.g., Peñasquito treated 31.2 million tonnes of ore in 2010, compared to 21.4 million tonnes in 2009 and only 9.5 million tonnes in 2008). This evolution in asset base is inherent in the mining industry, and intensity ratios provide the best basis for comparison year-on-year.

<sup>3</sup> ICMM (2008) *Sustainable Development Framework: Assurance Procedure*.

<sup>4</sup> Zadek, S. & Merme, M. (2003). *Redefining Materiality: Practice and Public Policy for Effective Corporate Reporting*. AccountAbility, London, UK.

# GRI Content

## [GRI Content Index](#)

The Global Reporting Initiative (GRI) sustainability reporting framework sets out the principles and indicators that organizations can use to measure and report their economic, environmental and social performance.

## GRI Content Index

The GRI content index is accessible from the top navigation bar.

### **GRI Reporting Framework**

The following GRI Reporting Framework documents have been used to develop this 2010 Sustainability Report, and they can be found on the [GRI website](#):

- GRI (2006) Sustainability Reporting Guidelines
- GRI (2010) Sustainability Reporting Guidelines & Mining and Metals Sector Supplement
- GRI (2006) Indicator Protocols – Economic
- GRI (2006) Indicator Protocols – Environment
- GRI (2006) Indicator Protocols – Labour Practices & Decent Work
- GRI (2006) Indicator Protocols – Human Rights
- GRI (2006) Indicator Protocols – Society
- GRI (2006) Indicator Protocols – Product Responsibility

This 2010 Sustainability Report:

- Reports on all of the 42 criteria in the G3 Profile Disclosures
- Includes G3 Management Approach Disclosures for each indicator category
- Reports on all of the 79 G3 Performance Indicators (including all of the 49 core indicators and all of the 30 additional indicators)
- Reports on all 11 indicators in the Mining and Metals Sector Supplement

In March 2010, the Global Reporting Initiative released version 3.1 of their reporting guidelines. We have been able to include some of the version 3.1 indicators in our 2010 Sustainability Report, but as the release occurred subsequent to our collection of 2010 data, those initiatives which required extensive site data collection have not been included. We will modify our 2011 data collection process to address GRI 3.1 reporting requirements.

## Assurance

The goal is to have our 2011 sustainability report assured in accordance with the ICMM *Sustainable Development Framework Assurance Procedure*.

Goldcorp uses a number of internal controls and monitoring systems as part of our process for managing and reporting information. These internal systems are important to the overall integrity and credibility of this report.

## Performance Data

[Data Summary](#) | [Data Measurement](#) | [Restatements](#)

We used the following techniques and calculations in compiling and presenting data and other information in this report.

### Data Summary

[Click here](#) to view the key data for Goldcorp for 2010 (data from 2007, 2008 and 2009 is provided for comparison). The 2010 operating year was the fourth year of comprehensive data collection for Goldcorp. We will continue to build on this base in coming years.

### Data Measurement

Data are presented as both absolute data and intensity ratios. Wherever possible, absolute data are presented with the prior reporting period as a comparison.

In an organization like Goldcorp, which is undergoing a period of rapid change, comparing absolute data is of limited value due to the constant change in makeup of the reporting entity. Intensity ratios provide a better basis for comparison year-on-year. An intensity ratio, as used in this report, is the absolute data per unit of physical activity (the most common unit of physical activity being "tonnes of ore treated"). This is the absolute data divided by the tonnes of ore processed (milled plus leached) during the period in question (e.g., litres per tonne treated).

However, even ratios have their limitations and must be treated with caution when the rate of change in the reporting entity is rapid. Goldcorp has grown from two mines producing 628,000 ounces of gold in 2004, to 10 mines producing 2,520,300 ounces of gold in 2010 (this includes Alumbra). More importantly, the mix of mining operations has changed significantly, as demonstrated in the table below.

**Source of Gold Production**

| <b>Mining and Milling Method</b>            | <b>2010</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> | <b>2006</b> | <b>2005</b> | <b>2004</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Underground mining and milling              | <b>41%</b>  | 43%         | 47%         | 49%         | 50%         | 93%         | 88%         |
| Open pit mining and milling                 | <b>10%</b>  | 9%          | 13%         | 14%         | 19%         | 0%          | 0%          |
| Underground and open pit mining and milling | <b>24%</b>  | 26%         | 21%         | 24%         | 20%         | 0%          | 0%          |
| Open pit mining and heap leach              | <b>25%</b>  | 23%         | 20%         | 13%         | 11%         | 7%          | 12%         |

The total amount of ore processed from our managed operations in 2010 was 81.6 million tonnes (Mt), compared with 72.8 Mt in 2009 (an increase of 12%). This increase is primarily due to a significant increase in ore processed at Los Filos (28.1 Mt in 2010 compared with 25.4 Mt in 2009) as it completed its

third full year of production, and the ramp-up to commercial production at Peñasquito (31.2 Mt in 2010 compared with 21.4 Mt in 2009). Marigold had a significant reduction in the amount of ore processed in 2010 (9.2 Mt in 2010 compared with 12.0 Mt in 2009).

**Data Aggregation:** As this is the corporate Sustainability Report, most data are aggregated Company-wide. Any deviation from this is clearly identified in the appropriate section of the report. Care should be taken when comparing economic data reproduced from sources outside this report and economic data prepared specifically for this report. In the former case, the data are often reported "per consolidated audited financial statements" (i.e., making allowance for joint venture contributions, etc.). In the latter case, the data are consistent with other data in this report (i.e., 100% of managed operations as of December 31, 2010).

**Completeness:** Data presented in this report cover 100% of our managed operations unless otherwise specified. Data from non-managed joint ventures are not included in this report, except for our financial data which does include joint ventures to be consistent with our consolidated audited financial statements.

**Currency:** Throughout this report, the standard monetary unit is the US dollar (US\$).

**Metrics:** Reported data have been presented using generally accepted [international metrics](#) and calculated using standard conversion factors. Units of measurement used in this report generally conform to the GRI Guidelines. Where the measurement of a particular parameter varies from the GRI Guideline, it is identified in the relevant section.

**Rounding:** Data in this report have been rounded so as not to imply a precision that is not warranted by the data-collection process. While every reasonable effort has been made to ensure the data are accurate, this is only the fourth comprehensive data-collection exercise of this nature that has been undertaken by our operations. Any significant errors will be acknowledged in future reports.

## Restatements

Included below are data from 2007, 2008 and 2009 that were found to be in error or subject to change during the 2010 data-collection process. These data have been corrected in the Sustainability Report.

*(all data for the calendar year)*

### Water

New definitions were adopted for reused and recycled water in 2010 to align with developments underway at ICMM. This, combined with better understanding and measurement of our return water flows, resulted in significant increases in recycled and reused water.

| Recycled and reused water – megalitres | 2009   | 2008   | 2007   |
|--|--------|--------|--------|
| Original data                          | 11,800 | 11,800 | 14,200 |
| Restated data                          | 41,500 | 35,800 | 37,200 |

### Energy



While collecting data for the 2010 Sustainability Report, it was found that an incorrect conversion factor had been used in previous years at one of our operations to convert natural gas usage from cubic metres to gigajoules. This has resulted in a significant increase in natural gas usage for 2007, 2008 and 2009. Because natural gas is such a small component of our overall energy use the change has had minimal impact on our greenhouse gas emissions for those years (1% increase in 2009).

| <b>Natural gas – gigajoules</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> |
|---------------------------------|-------------|-------------|-------------|
| Original data                   | 229,200     | 45,300      | 48,100      |
| Restated data                   | 383,300     | 402,200     | 374,700     |

| <b>Greenhouse gas emissions – tCO<sub>2</sub>e</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> |
|--|-------------|-------------|-------------|
| Original data                                      | 845,812     | 635,592     | 525,845     |
| Restated data                                      | 854,455     | 657,499     | 533,824     |

#### Biodiversity

An issue was identified in the conversion of our impermeable surface area from imperial to metric units (acres to hectares). This has resulted in an overstatement of the area of land in this category in previous years.

| <b>Impermeable surface – hectares</b> | <b>2009</b> | <b>2008</b> | <b>2007</b> |
|---------------------------------------|-------------|-------------|-------------|
| Original data                         | 2,680       | 2,360       | 2,770       |
| Restated data                         | 880         | 490         | 320         |

| <b>Land use categories - percentage</b> | <b>2009 original</b> | <b>2009 restated</b> |
|---|----------------------|----------------------|
| Impermeable                             | 3.8%                 | 1.3%                 |
| Disturbed                               | 11.5%                | 11.8%                |
| Reclaimed                               | 2.9%                 | 3.0%                 |
| Undisturbed                             | 81.8%                | 83.9%                |

## Strategy and Governance

Goldcorp is committed to delivering responsible, sustainable growth to all stakeholders in a manner that maintains and enhances confidence and trust in our integrity and meets or exceeds industry standards for corporate governance and ethical behaviour. Achieving our goals requires commitment and dedication from each and every one of our directors, officers and employees and the agents, consultants, contractors and sub-contractors who are hired to work on behalf of Goldcorp.

The Board of Directors and the Governance and Nominating Committee monitor the evolution of applicable legislation and policies related to governance and related practices. It is important that we ensure our internal processes reflect the latest national and industry standards.

We take pride in the open dialogue that we maintain with our shareholders. We feel that our policies for transparency and open communication exceed the norm and reflect the industry's best practices.

- A highlight of 2010 was the publication of a new, plain-language Code of Conduct, titled *Ethics from the Ground Up*.
- All of Goldcorp's seven nominated sites have been certified to the International Cyanide Management Code.
- In January 2010, Marigold became the first gold mine in the world to be recertified to the International Cyanide Management Code.

## Board of Directors

[Structure](#) | [Independence](#) | [Qualifications](#) | [Performance Review](#) | [Oversight of Sustainability](#)

Goldcorp and its Board recognize the importance of corporate governance to the effective management of the Company and the protection of employees and shareholders. Our approach to significant issues of corporate governance is designed to ensure that the business and affairs of Goldcorp are conducted so as to enhance long-term shareholder value.

The strength of Goldcorp's governance starts with the leadership of an experienced Chairman guiding a Board composed of independent, knowledgeable directors. Together, they ensure that best industry standards of ethical practices and transparency are implemented throughout the organization.

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company, and to act with a view towards the best interests of the Company.

Shareholders, employees and other interested parties may communicate directly with Goldcorp's Board of Directors by telephone, email and mail, or at our Annual and Special Meeting of Shareholders.

### Structure

The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Board committees currently consist of the Audit Committee; the Compensation Committee; the Governance and Nominating Committee; and the Sustainability, Environment, Health and Safety Committee.

All committees are independent of management and report directly to the Board. The Chief Executive Officer of the Company does not participate in making appointments to the committees of the Board. From time to time, as appropriate, ad hoc committees of the Board may be appointed by the Board. All Board committees are chaired by independent directors.

**Audit Committee:** Assists the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company and the investment community. The committee has four members, all of whom are independent directors.

**Compensation Committee:** Assists the Board in fulfilling its responsibilities relating to human resources and compensation issues, and in establishing a plan of continuity for executive officers and other members of senior management. The committee has four members, all of whom are independent directors.

**Governance and Nominating Committee:** Provides a focus on governance that will enhance Goldcorp's performance; assesses and makes recommendations regarding the Board of Directors' effectiveness; and establishes and leads the process for identifying, recruiting, appointing, re-appointing and providing ongoing development for directors. The committee has four members, all of whom are independent directors.

**Sustainability, Environment, Health and Safety Committee:** Reviews and monitors the sustainability, environmental, health and safety policies and activities of Goldcorp on behalf of the Board of Directors. The

committee has four members, all of whom are independent directors.

## Independence

Eight out of the ten members of the Board are independent within the meaning of the Governance Guidelines (National Policy 58-201 (2005) Corporate Governance Guidelines), and they meet separately following each scheduled Board meeting. Mr. Charles Jeannes and Mr. Ian Telfer are not independent, as Mr. Jeannes is the President and Chief Executive Officer of Goldcorp, and Mr. Telfer is a former officer of the Company.

To facilitate the functioning of the Board independently of management, the following structures and processes are in place:

- An independent Vice Chairman and Lead Director has been elected
- There are no members of management on the Board, other than the President and Chief Executive Officer of the Company
- When appropriate, members of management, including the President and Chief Executive Officer, are not present for the discussion and determination of certain matters at meetings of the Board
- Under the by-laws of the Company, any one director may call a meeting of the Board
- The President and Chief Executive Officer's compensation is considered, in his absence, by the Compensation Committee at least once a year
- In addition to the standing committees of the Board, independent committees are appointed from time to time, when appropriate
- The independent directors of the Board hold in-camera meetings at the end of each Board meeting

The Governance and Nominating Committee is responsible for annually reviewing the Board's relationship with management to ensure that the Board is able to, and in fact does, function independently of management, and to develop and recommend a long-term plan for Board composition that takes into consideration the independence of directors.

The Chairman of the Board's primary roles are to chair all Board and shareholder meetings, and to manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities. The Chairman of the Board (Mr. Ian Telfer) is not an independent director. He is a former officer of the Company.

The Vice Chairman of the Board and Lead Director (Mr. Douglas Holtby) is an independent director appointed by the full Board. His primary focus is to provide leadership to the independent directors and to ensure that the Board's agenda enables it to successfully carry out its duties. He chairs all of the independent director meetings.

## Qualifications

The Governance and Nominating Committee, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board. The committee develops, annually updates and recommends to the Board for approval, a long-term plan for Board composition that takes into consideration:

- The independence of each director
- The competencies and skills that the Board, as a whole, should possess (such as financial literacy, integrity and accountability, the ability to engage in informed judgment, governance, strategic

business development, excellent communications skills and the ability to work effectively as a team)

- The current strengths, skills and experience represented by each director, as well as each director's personality and other qualities as they affect Board dynamics
- The Company's strategic direction

The Governance and Nominating Committee maintains a matrix of the skill sets of current Board members. It is updated regularly and used in the nomination process as a reference tool for the ongoing assessment of Board composition, to ensure that diversity is considered as new Board members are being assessed. The skills matrix includes factors such as years of service; mining industry experience; executive management and international experience; expertise in corporate finance, audit and accounting, legal and Corporate Social Responsibility; personal attributes and range of skills and experiences.

The committee is also responsible for providing new directors with an orientation and education program, and facilitating ongoing director education.

## Performance Review

The Board is committed to regular assessments of the effectiveness of the Board, the Chairman of the Board, the committees of the Board and the individual directors. The Governance and Nominating Committee annually reviews and makes recommendations to the Board regarding evaluations of the Board, the Chairman of the Board, the committees of the Board and the individual directors. The Governance and Nominating Committee has designed a written questionnaire that is sent to each director on an annual basis to evaluate the Board as a whole and to conduct an individual self-assessment.

The questionnaires are prepared and sent by the Corporate Secretary of the Company and responses are summarized for the Chair of the Governance and Nominating Committee. After receiving the comments from the Board on the written survey, the Chairman of the Board holds formal discussions individually with each director about the results of the questionnaires and the operations of the Board, the performance of each director and the performance of the directors as a group. The Chairman of the Board then communicates to the Chair of the Governance and Nominating Committee the results of his one-on-one interviews with the Board members in a report. The Chair of the Governance and Nominating Committee then presents a final report to the Board.

With respect to 2010, the overall conclusion from these questionnaires and formal discussions was that the Board was working effectively. Improvements implemented in prior years are working well; improvements have been implemented as a result of these Board assessments, including an expansion of the Board's skill sets and a continuous review of the quality of Board briefings.

## Stakeholder and Employee Engagement with the Board

Shareholders, employees and other interested parties may communicate directly with the Board by:

|             |   |
|-------------|---|
| Calling:    | 1 (866) 696-3055 or (604) 696-3055  |
| Writing to: | Vice Chairman and Lead Director<br>Goldcorp Inc.<br>3400 Park Place<br>666 Burrard Street |

|            |  |
|------------|--|
|            | Vancouver, B.C. V6C 2X8  |
| E-mailing: | <a href="mailto:directors@Goldcorp.com">directors@Goldcorp.com</a> |

### Annual and Special Meeting of Shareholders

Goldcorp also holds an Annual and Special Meeting of Shareholders, during which time is made available for shareholders to direct questions to the Chairman and the President and Chief Executive Officer. The Annual and Special Meeting of Shareholders traditionally alternates between Toronto and Vancouver.

### Oversight of Sustainability

The main purpose of the Sustainability, Environment, Health and Safety (SEH&S) Committee is to review and monitor the sustainable development, environmental, health and safety, and community policies and activities of Goldcorp on behalf of the Board of Directors. The committee may investigate any activity of the Company that relates to sustainable development, community development, environment, health and safety. The committee has access to Company officers and employees, independent consultants and advisors, and Company information that it considers necessary in order to perform its duties and responsibilities.

Its responsibilities include:

- Reviewing and monitoring the sustainability, environmental, health and safety, human rights and Corporate Social Responsibility policies and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation
- Reviewing monthly sustainability, environmental, health and safety reports
- Reviewing quarterly reports by management on sustainable development, environmental, health and safety issues
- Encouraging, assisting, supporting and counselling management in developing short- and long-term policies and standards to ensure that the principles set out in the sustainability, environmental, health and safety policies are being adhered to and achieved
- Periodically reviewing community, environmental, health and safety response compliance issues and incidents to ensure, on behalf of the Board, that the Company is taking all necessary action in respect of those matters, and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard
- Reviewing results of operational community, environment, health and safety audits, and management's activities to maintain appropriate internal and external environmental and safety audits
- Ensuring that principal areas of community, environmental, health and safety risk and impacts are identified, and that sufficient resources are allocated to address these
- Ensuring that the Company's directors are kept abreast of their duties and responsibilities related to the scope of this committee
- Making periodic visits to corporate locations to become familiar with the nature of the operations, and to review relevant objectives, procedures and performance with respect to sustainability, environment, health and safety
- Investigating, or causing to be investigated, any extraordinary negative sustainability, environment, health and safety performance, where appropriate

The committee holds a minimum of two formal meetings each year, and undertakes two annual mine site visits to familiarize itself with the sustainability performance of each individual site. In 2010, the SEHS Committee met five times.

As part of their role in the oversight of sustainability issues at Goldcorp, the SEH&S Committee reviews a final draft of this Sustainability Report.



# Executive Compensation

[Board Oversight](#) | [Compensation Program](#) | [Compensation Philosophy](#)

The objectives of the Company's compensation program are to attract, retain and inspire performance of members of senior management of a quality and nature that will enhance the sustainable profitability and growth of the Company.

## Board Oversight

The Board recognizes that executive compensation practices and policies are evolving in Canada and globally, and undertakes an annual review to ensure the Company's practices and policies are effective in achieving its objectives. The Company believes that it provides transparent and ample disclosure on executive compensation to allow its shareholders to understand the Company's compensation program and objectives.

A Compensation Committee was established by the Board to assist in fulfilling its responsibilities relating to human resources and compensation issues, and to establish a plan of continuity for executive officers and other members of senior management.

The Compensation Committee ensures that our executive compensation plan is both motivational and competitive, so that it will attract, hold and inspire members of senior management to perform at a level of quality and in a nature that will enhance Goldcorp's sustainable profitability and growth.

We believe that it is appropriate to establish compensation levels based in large part on benchmarking against similar companies, in terms of both compensation practices and levels of compensation. In this way, we can gauge if Goldcorp's compensation is competitive for talent in the marketplace, and ensure that it is reasonable.

The Board also believes that the Company's current executive compensation program meets the objectives and requirements expected by the Company's shareholders. In addition, the Board expects to continue to develop practices and policies to increase ongoing shareholder engagement to seek meaningful feedback with respect to executive compensation, including by providing direct email and telephone numbers designated for this purpose.

## Compensation Program

Over the past several years, the worldwide mining boom has significantly increased the demand for executives with mining-related skills and experience. The talent supply in the mining business is very tight, particularly in Canada, as fewer people have entered the mining industry over the past two decades. As a result, we operate in a highly competitive market for executives, and the attraction and retention of talented and experienced executives is one of the key objectives of our executive compensation program.

The mining industry continues to be challenging. Merger activities in the industry have led to stronger competitors with substantial financial resources and growing production profiles. In addition, the industry continues to focus on cost containment. A compensation strategy that supports our business strategy is therefore critical to the Company's success and a key compensation objective. Consequently, we have designed our executive compensation program to emphasize performance-based incentives that reward

executives for achieving specific annual and long-term business goals.

Given our emphasis on performance-based compensation, it is critical that our incentive programs reward executives for performance-based measures that they are able to influence. This presents a challenge because we operate in a commodity business, with nearly all of our revenue, earnings and cash flow derived from the sale of gold and mineral by-products. As a result, the Company's financial performance is directly related to the prices of these metals, which fluctuate widely and are affected by numerous factors that are difficult to predict and beyond our control. For this reason, we have designed our incentive programs to emphasize long-term operational value drivers of performance (production, cost and resource growth) over more cyclical measures of financial performance.

Precious metals companies create shareholder value by finding, developing and mining valuable mineral deposits. Most of the time, this demands that these companies make substantial and sustained investments in exploration and pre-development, at the expense of current earnings. For this reason, our incentive programs emphasize long-term performance over short-term performance.

## Compensation Philosophy

The following executive compensation principles guide our overall compensation philosophy:

- Compensation levels and opportunities should be sufficiently competitive to facilitate recruitment and retention of experienced, high-calibre executives in the highly competitive mining industry, while being fair and reasonable to shareholders
- Compensation should reinforce the Company's business strategy by communicating key metrics and operational performance objectives, both annual and long-term, in its compensation plans by emphasizing incentives in the total compensation mix
- Compensation should be responsive to the commodity-based cyclical business environment by emphasizing operational performance over performance measures that are more directly influenced by metals prices
- Compensation programs should align executives' long-term financial interests with those of the Company's shareholders by providing equity-based incentives
- Compensation should be transparent so that both executives and shareholders understand the executive compensation program (e.g., how the program works, the goals it seeks to promote and the compensation levels and opportunities provided)

Details on compensation for directors and senior management can be found in Goldcorp's [Management Information Circular](#).

## Business Conduct

[Code of Conduct](#) | [Conflict of Interest](#) | [Corruption](#) | [Public Policy](#) | [Contributions to Political Parties](#) | [Compliance](#)

Goldcorp's Board encourages and promotes a culture of ethical business conduct by requiring compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in which they have a material interest. This includes ensuring that directors, officers and employees are thoroughly familiar with the Code of Conduct and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Company's Vice President, Risk Management, regarding any potential conflicts of interest.

### Code of Conduct

Our Code of Conduct documents the principles of conduct and ethics to be followed by Goldcorp, its employees, officers and directors. The Code was substantially revised in late 2009 and early 2010, and was adopted by the Board in March 2010. The Code replaces the Company's former Code of Business Conduct and Ethics and Whistleblower policies. The Company adopted the Code to integrate the Whistleblower Policy and express reporting mechanism into the Code. The Code was also amended to make it more consistent with the Company's current business practices and simpler to understand. References to the Code in this report relate to the updated document.

The Code governs how we deal with each other and with the individuals, communities, organizations and businesses with which we do business. It is based on the following key principles:

- Integrity starts "from the ground up" and is a part of everything we do.
- Every Goldcorp employee has a duty to report violations of the Code and has a right to expect that Goldcorp will not retaliate against or punish an employee who, in good faith, reports a violation of the Code.
- We recognize that our Code cannot deal with every possible situation we encounter in performing our jobs and that no one is expected to always know the right answer. So we encourage our employees who are in a situation where they are unsure if the Code applies, or are uncertain how to comply with the Code, to ask for help. Employees can call or send an email to Ethics Help at +1 604.699.0410 or [ethics.help@goldcorp.com](mailto:ethics.help@goldcorp.com) for guidance. If an employee prefers to seek advice anonymously, the employee can contact our Anonymous Compliance Hotline in confidence where the employee will speak to an independent service firm who will refer the question or concern anonymously to Goldcorp for response or investigation

Directors, officers and employees are expected to read and comply fully with the portions of the Code that are relevant to their job duties, ask questions if they are uncertain about their responsibilities under the Code, provide assistance with compliance audits for the Code if asked, and always report violations of the Code. They are also responsible for helping to identify and raise potential issues before they lead to Code violations. The Code is available on our website in English, Spanish and French.

Goldcorp is committed to ensuring that all directors, officers and employees are aware of and understand their responsibilities under the Code. As outlined in our Code, Goldcorp will allocate resources to the following programs.

*Ethics Awareness and Verification:*

- a. Goldcorp will provide a copy of the current version of the Code and related policies to new directors, officers and employees when they are hired and will provide copies of significant changes to the Code and related policies as necessary.
- b. Goldcorp will require all directors, officers and employees to review the current version of the Code and related policies periodically, but no less frequently than once a year.
- c. Goldcorp will require all directors, officers and employees to verify that they understand the Code and related policies when they start working at Goldcorp, when they receive copies of significant changes to the Code and at periodic intervals.

*Ethics Training:*

- a. Goldcorp will provide new directors, officers and employees with a copy of the current version of the Code and related policies when they are hired, when significant changes are made to the Code and related policies, and at periodic intervals, as appropriate.
- b. Goldcorp will include training regarding the requirements of and compliance with the Code and related policies in its training programs, as appropriate.

*Compliance Audits:*

- a. Goldcorp will conduct internal routine and ad hoc compliance audits with respect to the Code and related policies.
- b. Goldcorp may contract with third parties to conduct verification compliance audits with respect to the Code and related policies, as appropriate.

## Conflict of Interest

Goldcorp understands that conflicts of interest may arise in the ordinary course of business. Therefore, it is important to ensure that there is transparency and that all conflicts of interest and potential conflicts of interest are fully disclosed.

Conflicts of interest occur when someone is asked to make a decision or perform a task on behalf of Goldcorp, but has a personal interest in the outcome of the decision (or even just appears to have an interest in the outcome of the decision). Personal interests in the outcome of a decision can be direct (for example, a financial benefit) or indirect (for example, a financial benefit to someone close to a person, such as a spouse, parent, child or other close relative).

It is a requirement of our Code that, in the event of a potential or actual conflict of interest:

- Employees will always notify the Director, Risk, and their mine, project or office manager of the conflict in writing and not take any further action with respect to the matter until authorized to do so by the Director, Risk, or the manager. Notices addressed to the Director, Risk, shall be sent to [ethics.help@goldcorp.com](mailto:ethics.help@goldcorp.com) or Goldcorp Inc., c/o Ethics Help, Suite 3400–666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.
- Directors and officers will always notify the Chairman of Goldcorp and the VP, Regulatory Affairs, of the conflict in writing and not take any further action with respect to the matter until instructed to do

so by the Chairman of Goldcorp or the VP, Regulatory Affairs. Notices to the Chairman shall be addressed to the Chairman and sent to [ethics.help@goldcorp.com](mailto:ethics.help@goldcorp.com) or Goldcorp Inc., c/o Ethics Help. Notices to the VP, Regulatory Affairs, shall be addressed to the VP, Regulatory Affairs, and sent to [ethics.help@goldcorp.com](mailto:ethics.help@goldcorp.com) or Goldcorp Inc., c/o Ethics Help, as applicable, Suite 3400–666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8.

Goldcorp directors and/or officers who also serve as directors and/or officers of other companies involved in natural resource exploration and development are required to make any decision involving Goldcorp in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Goldcorp and its shareholders. They are also required to declare and refrain from voting on any matter in which they may have a conflict of interest in accordance with the procedures set forth in the Business Corporations Act 1990 (Ontario) and other applicable laws.

## Corruption

Goldcorp will not tolerate corruption. We invest time and resources to train our employees on how to avoid corrupt practices, such as bribery, fraud, extortion, collusion and money laundering. Such practices include the offer or receipt of any gift, loan, fee, reward or other advantage as an inducement to do something that is dishonest, illegal or a breach of trust in the conduct of the Company's business. This may include gifts other than money, such as free goods and holidays, or special personal services.

The [Code of Conduct](#) sets clear standards and expectations for employees, officers and directors relating to conflicts of interest, dealing with suppliers, and dealing with public officials. Violations are grounds for disciplinary action up to and including immediate termination of employment and possible legal prosecution.

Goldcorp's commitment to integrity includes a commitment not to engage in or tolerate fraud or bribery. Fraud is an intentional act or omission designed to deceive another person or to obtain a benefit that one is not entitled to. Bribery is an intentional offer of monetary or other benefit to another person, government official, organization or company in order to secure or to attempt to secure a benefit in the performance of a duty, to obtain or retain business, or to obtain any other improper advantage in conducting our business.

As outlined in our Code, directors, officers and employees will:

- a. Never engage in fraudulent activities in the course of their work
- b. Never bribe, offer a bribe, or condone bribery by others in the course of their work
- c. Always ensure that Goldcorp's assets are used only for legitimate business purposes and that all contracts for goods and services are made at a rate that reflects reasonable market conditions

We have developed a policy to assist employees in dealing with suppliers; it has been prepared in English, Spanish and French, and was formally distributed to all operations in 2008. People who want to do business with Goldcorp must understand that all purchases will be made exclusively on the basis of price, quality, service and suitability to the Company's needs. Purchases must not result in employees, officers or directors, or their families, personally receiving something of value in exchange. Employees, officers or directors, or their families, must not accept any form of "under-the-table" payment or benefit payment, regardless of cash value.

## Public Policy

Goldcorp encourages everyone to participate in political activities on their own time and at their own expense. Goldcorp will engage governments responsibly with respect to policy matters that are relevant to

its business.

As outlined in our Code, directors, officers and employees will:

- a. Never do anything at work that would interfere with a person's right to choose to volunteer for political causes or contribute to political parties in their personal capacity
- b. Always make it very clear when participating in political activities, especially when speaking to the media or other community members, that they are acting in a strictly personal capacity, not on Goldcorp's behalf
- c. Never use Goldcorp materials; for example, stationery, email, facilities or funds, when engaged in personal political activities

Goldcorp believes that it can make a contribution to the development of sound public policy. We periodically involve ourselves in discussions with governments and other institutions to contribute to issues that have the potential to affect our activities. In some instances, this activity is coordinated through representative industry bodies, but we reserve the right to work directly with governments where it is most effective.

### **Government of Canada Bill C-300**

In 2010, Goldcorp joined with other Canadian gold producers and industry associations in activities related to Private Member's Bill C-300 (Corporate Accountability for the Activities of Mining, Oil or Gas Corporations in Developing Countries), which proposed new regulations for the accountability of mining in developing countries. During this process, Goldcorp provided members of the Federal government with information regarding Goldcorp's Corporate Social Responsibility activities across all of our operations and also provided information regarding the international standards that the Company adheres to. In addition, Goldcorp, along with other gold producers and industry advocates, appeared before the Standing Committee on Foreign Affairs and International Development in Ottawa to discuss Bill C-300.

### **Dodd–Frank Wall Street Reform and Consumer Protection Act**

The World Gold Council (of which Goldcorp is a member) has responded to the US Securities and Exchange Commission consultation on the regulations to implement the US Dodd-Frank 'conflict minerals' legislation (the Wall Street Reform and Consumer Protection Act). The World Gold Council is fully supportive of the humanitarian intentions underpinning the Act of preventing gold or other minerals from the Democratic Republic of the Congo being misused to fund or otherwise benefit armed groups and of rooting out 'conflict minerals' from the supply chain. The World Gold Council's members are involved in the leading corporate responsibility frameworks designed to promote human rights and transparency in the extractive sector and are working to combat 'conflict minerals'.

## **Contributions to Political Parties**

Because laws in certain jurisdictions prohibit or regulate corporate donations to political parties, politicians or candidates for public office, Goldcorp's policy is that all contributions to political parties, politicians or candidates for public office must be approved in advance by Goldcorp's Board of Directors, Chief Executive Officer or an Executive Vice President.

As required in our Code, directors, officers and employees will:

- a. Never contribute funds or authorize the contribution of funds by or in the name of Goldcorp to any political party, politician or candidate for public office at any level of government (local, regional or national) in any country without the prior approval of Goldcorp's Board of Directors, Chief Executive

Officer or an Executive Vice President. In making any such contributions, Goldcorp will endeavour to avoid circumstances in which Goldcorp appears to be publicly supporting a particular candidate or political party (e.g., use of Goldcorp name or logo in promotional material or event signage). This policy also applies to payments to charities, lobbying firms, research institutes or other organizations which represent or direct funds to a political party, politician or candidate for public office.

- b. Always seek approval of Goldcorp's Board of Directors, Chief Executive Officer or an Executive Vice President before purchasing for or in the name of Goldcorp admission to or seats at a conference, breakfast, lunch, dinner or any other event organized by or on behalf of a political party, politician or candidate for public office for which a fee is paid or contribution required. Goldcorp will participate in such events only where justified by a legitimate business purpose.

Goldcorp did not make any political donations in 2010.

## Compliance

Goldcorp believes that fair competition is fundamental to our commitment to integrity and is committed to complying with the laws of all countries which prohibit restraints of trade, unfair practices or abuse of economic power.

Our Code requires that directors, officers and employees will:

- a. Never discuss commercially sensitive information (for example, pricing, quantities, suppliers, delivery dates, production quotas, profit margins, cost structure, etc.) with Goldcorp's business partners or competitors or enter into any agreements (formal, informal or otherwise) regarding commercially sensitive information for the purpose of restraining free trade or competition.
- b. Always leave any industry association or other events where our business partners or competitors are discussing topics that may be considered to be anti-competitive practices.
- c. Always talk to the General Counsel ([ethics.help@goldcorp.com](mailto:ethics.help@goldcorp.com) or +1 604.699.0410) about any questions or concerns relating to anti-competitive issues.

There were no fines paid or non-monetary sanctions for noncompliance with laws and regulations relating to social or community issues at any of Goldcorp's mine sites in 2010.

## Key Impacts, Risks and Opportunities

[Long-term Economic Performance](#) | [Energy Efficiency](#) | [Water Management](#) | [Land Stewardship](#) | [Respect for Indigenous People's Rights, Culture and Heritage](#) | [Embedding Human Rights](#) | [Labour Relations and Availability of Labour](#) | [Safe and Healthy Workers](#) | [Sustainable Community Development](#)

Two of the international frameworks we use to guide our reporting – the Global Reporting Initiative and the International Council on Mining and Metals ICMM Assurance Procedure – require us to develop an understanding of our material sustainability issues, risks and opportunities. For business purposes we also need to be aware of these. We have several operational and risk management processes to do so, but historically they have not been linked to our sustainability and Corporate Social Responsibility reporting process. So in 2010 we undertook to identify the full range of issues that could be significant for us or our stakeholders, from a social, environmental or economic perspective.

The analysis was reviewed and refined by an internal review team. As a result, we have determined these nine to be our most material areas:

1. Long-term economic performance
2. Energy efficiency
3. Water management
4. Land stewardship
5. Respect for Indigenous People's rights, culture and heritage
6. Embedding human rights
7. Labour relations and availability of labour
8. Safe and healthy workers
9. Sustainable community development

### Long-term Economic Performance

Goldcorp is one of the world's lowest cost and fastest-growing senior gold producers with operations throughout the Americas. Goldcorp's strategy is to provide its shareholders with superior returns from high-quality assets. Goldcorp has a strong balance sheet. Its gold production is located in safe jurisdictions in the Americas and remains 100% unhedged. Our goal is to combine these attributes, together with our focus on safety, environmental performance and communities, to provide Sustainable Prosperity for all Goldcorp stakeholders.

Goldcorp generates far-reaching economic opportunities in the often remote communities and regions in which we operate. We hire and source locally, provide training and support to help people start and develop careers, and contribute generously to regional infrastructure and services. We want to be a catalyst for development that outlives our activities, building community capacity and creating a better future for the people living in the area – in addition to delivering value to our shareholders.

A financially strong company is able to meet the expectations of all of its stakeholders. Thanks to strategic acquisitions, efficient operations and a skilled exploration team, we delivered a remarkable year: our proven and probable reserves have increased by 23%; our Peñasquito mine, the largest gold mine in Mexico, is in commercial production; and our earnings increased 72% this year, with net income topping \$1 billion for the first time ever. With six development projects underway, we are applying the same



discipline and commitment to building a future of sustainable prosperity for our shareholders.

Learn more about our [long-term economic performance](#).

## Energy Efficiency

Energy management is becoming an increasingly important issue as we move to a carbon-constrained future. Goldcorp uses significant amounts of energy in the form of diesel in our fleets of heavy equipment and electricity in our process plants. It is also true that as mines age they become deeper and require greater amounts of energy to maintain production levels.

In the context of our commitment to continuous improvement we recognize the need to better manage our energy needs, and we are developing an energy strategy at the corporate level which will focus on improving our energy efficiency. This corporate strategy will be complimented by energy management plans which will be developed and implemented at each of our operations.

We also acknowledge climate change as an international and community concern. Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels, and where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent.

We support and endorse various initiatives for voluntary actions consistent with international initiatives on climate change. We are committed to reducing energy consumption and greenhouse gas emissions as we promote energy efficiency at all our operations. Goldcorp will continue to address the potential physical risks of climate change by including extreme weather conditions in emergency response plans as required.

Learn more about our response to [energy efficiency](#) and [climate change](#).

## Water Management

While 70% of the earth's surface is water, 97% of this water is contained in the oceans and is too saline for most domestic and industrial purposes. Only 3% of the world's water is fresh, and 2% of this supply is frozen in glaciers and ice caps. The demands on the remaining 1% of the world's water supply are increasing every year. Regardless of where we operate, we are mindful of the fact that water has a number of potential uses and a range of potential users.

Our principal focus is on increasing our water efficiency. Goldcorp is developing a corporate water strategy that will focus on both reducing the amount of water we extract from the environment and reducing the water requirements of our processes.

Water is a valuable resource, and we take particular care to ensure that we use water wisely.

Learn more about our approach to [water management](#).

## Land Stewardship

Goldcorp manages significant areas of land in and around our mines. Our operations span a range of ecosystems, from the boreal forest region of northern Canada to the semi-arid shrubland of central Mexico. In all cases, we seek to design, construct, operate and close our operations in ways that minimize the risks to biodiversity and limit our environmental impact.

Goldcorp recognizes the importance of protecting biodiversity, and is committed to operating in a manner that minimizes our impact on biodiversity and, where possible, actively increases biodiversity values. Our primary biodiversity focus is on habitat protection and restoration. We do not use biodiversity offsets as part of our overall policy and approach.

The future of the mining industry is dependent on the legacy it leaves. Its reputation is affected when mines are abandoned or long-term, detrimental environmental issues emerge because they have not been appropriately addressed. Today, the industry recognizes that to gain access to future resources it needs to demonstrate that it can effectively close mines with the support of the communities in which it operates.

Goldcorp is committed to developing, operating and closing each of its mining properties in a sustainable manner throughout the full mine life cycle. For our closed sites, this means making them as environmentally productive as possible post mining. It is not usually possible to restore a site to what it was prior to mining, but it is possible to establish a healthy, thriving ecosystem and productive land use after reclamation is completed.

Learn more about our approach to [biodiversity management](#) and [mine closure](#).

## Respect for Indigenous People's Rights, Culture and Heritage

Through our relationships with host communities, we have developed policies, goals and programs that respect human rights, cultures, customs and values. We continue to build partnerships with government and community organizations in order to improve community services and infrastructure in the areas around our operations.

Indigenous peoples are a key community group at a number of our operations. We acknowledge the traditional cultures and knowledge that exist in Indigenous communities, and we seek to consult and partner with these communities to improve economic, environmental and social opportunities. Five of our operations (El Sauzal, Éléonore, Marlin, Musselwhite and El Morro) have programs specifically implemented to collaborate with Indigenous communities.

Learn more about our [relationships with Indigenous peoples](#).

## Embedding Human Rights

Human rights are basic rights and freedoms to which everyone is morally or legally entitled. Goldcorp has developed a corporate Human Rights Policy consistent with international law, the ICMM Sustainable Development Framework, the UN Global Compact principles, the Voluntary Principles on Human Rights and Security, the Global Reporting Initiative Sustainability Reporting Guidelines & Mining and Metals Sector Supplement, and best industry practices.

As stated in our policy, Goldcorp is committed to integrating human rights best practices into our business processes and to inform our decision-making and due diligence processes. Goldcorp's Human Rights Policy mandates that we operate in a way that respects the human rights of all employees and the communities in which we operate our business.

Our policy recognizes that, while governments have the primary responsibility to protect human rights, our activities have the potential to impact the human rights of individuals affected by our business operations.

Goldcorp is committed to continual improvement in the area of human rights, and to that end, we seek constructive dialogue and partnerships with a variety of stakeholders on our human rights performance, especially those impacted directly by our operations.

Learn more about our [commitment to human rights](#).

## Labour Relations and Availability of Labour

We have nurtured a unique, entrepreneurial culture that values innovation, a drive for action, respect for the individual, ongoing learning and career development – and safety above all. For many workers at our operations, entry-level jobs, apprenticeships and scholarships at Goldcorp are the start of new careers, and opportunities to participate in the global or local economy and improve the lives of their families. We take our role seriously and strive to empower all employees to achieve their full potential.

Goldcorp's employment philosophy is to hire highly qualified and experienced individuals who will contribute to the success of the organization. We are committed to supporting and encouraging the development of our people by providing training and opportunities for continuous learning and career growth within our Company.

Goldcorp is committed to delivering an outstanding employee experience. With just less than 11,300 people employed in diverse regions throughout the Americas, a variety of career opportunities and new challenges exists, offering exciting travel, cultural exposure and international work experience.

Over the past several years, the worldwide mining boom has significantly increased the demand for executives with mining-related skills and experience. The talent supply in the mining business is very tight, particularly in Canada, as fewer people have entered the mining industry over the past couple of decades. As a result, Goldcorp operates in a highly competitive market for executives, and the attraction and retention of talented and experienced executives is one of the key objectives of our executive compensation program.

Learn more about our [labour practices](#).

## Safe and Healthy Workers

Mining requires a diligent and rigorous approach to safety. Caring for our people is a core value, and improving safety performance is a key challenge. We are committed to providing the direction, leadership, tools and training necessary to make Goldcorp workplaces "Safe Enough for Our Families". We are working to improve processes and implement effective management systems to achieve safe, incident-free work environments.

Our focus over the last several years has been to work on positively changing the safety behaviours and safety culture of our workforce, contractors, partners and communities. Given the inherent risks in mining operations and the diversity of skills, experience and cultural backgrounds in the workplace, this focus will continue to be deliberate and led at all levels of Goldcorp.

Learn more about our [commitment to safety](#).

## Sustainable Community Development

We recognize the major impact that our operations have on the areas around our mine sites, bringing both

opportunities and issues of concern for residents. We strive to partner with local stakeholders to understand and address their needs, and to help build strong, vibrant and sustainable communities. Our approach hinges on mutual respect, ongoing dialogue and a desire to work together to create sustainable prosperity.

Goldcorp is an integral part of the communities in which we operate. We respect human rights, cultures, customs and values when dealing with those who are affected by our activities. We strive to ensure community engagement through community involvement and consultation, and partnering with organizations for a range of community development programs. It is critical that our host communities benefit socially and economically from our mining activities.

Learn more about our [community development](#) practices.

## Commitment to External Initiatives

[Precautionary Principle](#) | [External Codes and Initiatives](#) | [Industry Associations](#)

As the youngest senior mining company in Canada, we are proud to take our place among the industry's leaders in responsible mining practices. We began the year as new members of the UN Global Compact and the International Council on Mining and Metals (ICMM). In 2010, we signed onto the Extractive Industries Transparency Initiative (EITI), which supports greater accountability and transparency in operations and has strict disclosure guidelines. We have been in dialogue with respected international non-governmental organizations (NGOs) on critical issues such as human rights, poverty reduction, education, health and sustainable community development, and over the coming year, we plan to advance our negotiations and formalize relationships with a number of them.

In 2011, much emphasis will be placed on the Millennium Development goals, which involve baseline measurements of such essentials as community-wide levels of poverty, employment, livelihood, education and health. With baseline data to guide us, we will be able to accurately measure our impacts and refine our activities to ensure that we continue to act as a positive force, both economically and socially.

### Precautionary Principle

The precautionary principle states that when an activity raises threats of harm to the environment or human health, precautionary measures should be taken, even if some cause-and-effect relationships are not fully established scientifically.

Goldcorp adopts a risk-based approach to business development. New projects (and upgrades to, modifications to, or expansions of existing operations) undergo an assessment of potential environmental and social impact prior to implementation. For new projects, this is usually in the form of a public impact assessment report, in which the existing (baseline) conditions are described, the proposed project is outlined, potential impacts (both positive and negative) are identified, and modifications and controls are identified to minimize potentially adverse impacts.

In all cases, provision is made in the assessment process for public consultation and input. Goldcorp is committed to engaging in consultations with potentially affected host communities prior to making significant development decisions, regardless of any legal requirement to do so. For upgrades to, modifications to, or expansions of existing operations, the level of assessment is commensurate with the potential impacts of the proposed change.

### External Codes and Initiatives

In keeping with our commitment to social responsibility, we have adopted a number of voluntary codes and other external instruments that we consider particularly relevant to our business. We will continue to monitor the advancement of sustainable development initiatives in civil society.

#### International Cyanide Management Code

The [International Cyanide Management Code](#) (the Code) is a voluntary industry program for companies involved in the production of gold through the cyanidation process, and it focuses on the management of cyanide and cyanide solutions. Goldcorp became a signatory to the Code in July 2007, and has achieved

certification for the seven operations nominated at that time.

- Marigold was certified compliant with the Code in early 2007 (the first operating mine in the world to be certified), and was re-certified in early 2010 (the first mine in the world to be re-certified)
- El Sauzal was certified in early 2008 (the first mine to be certified in Mexico)
- Marlin was certified in mid-2009 (the first mine to be certified in Guatemala)
- Musselwhite was certified in early 2010 (the first mine to be certified in Canada)
- Los Filos was certified in mid-2010
- Porcupine was certified in late 2010
- Red Lake was certified in late 2010

### **Global Reporting Initiative**

The [Global Reporting Initiative](#) (GRI) is intended to serve as a generally accepted framework for reporting on an organization's economic, environmental and social performance. This 2010 Sustainability Report is the fourth we have prepared under the framework. We are committed to increasing our conformance with the framework in future reports.

### **Carbon Disclosure Project**

The [Carbon Disclosure Project](#) (CDP) is an independent non-profit organization aimed at creating a lasting relationship between shareholders and corporations regarding the implications of climate change for shareholder value and commercial operations. Goldcorp made its first submission to the CDP in 2007, and will continue to report on an annual basis.

### **United Nations Global Compact**

The [United Nations Global Compact](#) is both a policy platform and a practical framework for companies that are committed to sustainability and responsible business practices. As a leadership initiative endorsed by chief executives, it seeks to align business operations and strategies everywhere with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Goldcorp became a signatory to the UN Global Compact in mid-2009.

### **Extractive Industries Transparency Initiative**

The [Extractive Industries Transparency Initiative](#) (EITI) aims to strengthen governance by improving transparency and accountability in the extractives sector. The EITI is a global standard that promotes revenue transparency. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. The process is overseen by participants from the government, companies and national civil society. Through its membership in the International Council on Mining and Metals, Goldcorp is committed to promoting the EITI. Learn more about [our commitment to the EITI](#).

### **International Standards Organisation**

[ISO 14001](#) is an internationally accepted specification for an environmental management system (EMS). It specifies requirements for establishing an environmental policy; determining environmental aspects and impacts of products, activities and services; planning environmental objectives and measurable targets; the implementation and operation of programs to meet objectives and targets; checking and corrective action; and management review. Goldcorp has adopted ISO 14001 as its EMS standard. All Goldcorp sites are required to establish environmental management systems consistent with ISO 14001.

### **Voluntary Principles on Security and Human Rights**

The [Voluntary Principles on Security and Human Rights](#) (the Voluntary Principles) are a unique tripartite, multi-stakeholder initiative, established in 2000, that introduced a set of principles to guide extractives companies in maintaining the safety and security of their operations within an operating framework that ensures respect for human rights and fundamental freedoms. The Voluntary Principles address three main areas: risk assessment, interactions between companies and public security, and interactions between companies and private security. The Voluntary Principles were introduced at our Marlin mine in Guatemala in 2006, and at our Los Filos mine in Mexico in 2009. We are assessing the outcomes of these introductions and considering introducing the Voluntary Principles at other appropriate operations.

## Industry Associations

An industry association is a non-profit mutual-benefit organization formed to provide services for its members, promote education and professional standards, and influence governmental agencies through lobbying. Goldcorp is a member of the following industry associations:

- [World Gold Council](#)
- [International Council on Mining and Metals \(ICMM\)](#)
- [Business for Social Responsibility](#)
- [National Mining Association – US](#)
- [Northwest Mining Association – US](#)
- [Ontario Mining Association – Ontario, Canada](#)
- [Nevada Mining Association – Nevada, US](#)
- [Mining Industry Roundtable on Safety](#)

Goldcorp in México is a member of:

- [Cámara Minera de México \(CAMIMEX\)](#)
- [Canadian Chamber of Commerce in México](#)
- [Clean Industry Association – Guerrero, Chihuahua and Zacatecas, Mexico](#)

Goldcorp, through its subsidiary Montana Exploradora de Guatemala, is a member of the following industry associations in Guatemala:

- [Centro para la Acción de la Responsabilidad Social Empresarial en Guatemala](#)
- [Cámara de Industria de Guatemala – Gremial de Minas, Canteras y Procesadoras](#)
- [Cámara de Comercio de Guatemala](#)
- [Canadian Chamber of Commerce in Guatemala](#)
- [American Chamber of Commerce in Guatemala](#)

## Economic Contributions

Goldcorp generates far-reaching economic opportunities in the often remote communities and regions in which we operate. We hire and source locally, provide training and support to help people start and develop careers, and contribute generously to regional infrastructure and services. We want to be a catalyst for development that outlives our activities, building community capacity and creating a better future for the people living in the area – in addition to delivering value to our shareholders.

- Gold production was a record 2,520,300 ounces in 2010.
- Total cash costs decreased to \$274 per ounce for 2010.
- Entry-level wages at our operations are significantly higher than those in the local community – ranging from 1.5 to 3.4 times the local wage.
- 83% of the employees at our operations are from the local community or region.
- Contributions to local communities amounted to \$32.5 million in 2010, compared to \$34.9 million in 2009, a decrease of 7%.



## Management Approach

[Goals and Performance](#) | [Policy](#) | [Organizational Responsibility](#) | [Training and Awareness](#) | [Monitoring and Follow-up](#) | [Additional Contextual Information](#)

Goldcorp is one of the world's lowest cost and fastest-growing senior gold producers, with operations throughout the Americas. Goldcorp's strategy is to provide its shareholders with superior returns from high-quality assets. Goldcorp has a strong balance sheet. Its gold production is located in safe jurisdictions in the Americas and remains 100% unhedged. Our goal is to combine these attributes, together with our focus on safety, environmental performance and communities, to provide *Sustainable Prosperity* for all Goldcorp stakeholders.

### Goals and Performance

At the beginning of each year, Goldcorp provides production and cash cost guidance for the coming year. At the beginning of 2010, the Company gave the following guidance.

| Operating Parameter                | Guidance | Actual |
|------------------------------------|----------|--------|
| Gold production (million ounces)   | 2.6      | 2.52   |
| By-product cash cost (\$US per oz) | \$350    | \$274  |
| Co-product cash cost (\$US per oz) | \$450    | \$443  |

With a strong foundation going into 2011, we expect to increase annual gold production to between 2.65 million and 2.75 million ounces at cash costs between \$280 and \$320 per ounce on a by-product basis and between \$475 and \$500 per ounce on a co-product basis.

### Policy

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles (Canadian GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Management has identified a number of [critical accounting policies](#).

### Organizational Responsibility

Management of Goldcorp is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or caused to be designed under the supervision of, the President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The Board of Directors approves the financial statements and ensures that management discharges its financial reporting responsibilities. The Board's review is accomplished principally through the Audit Committee, which is composed of non-executive directors. The Audit Committee meets periodically with management and the auditors to review financial reporting and control matters.

## Training and Awareness

A key component of financial training in 2010 was in preparation for Goldcorp's move to International Financial Reporting Standards (IFRS) accounting procedures.

An IFRS technical conference was held in June 2010 for key finance and accounting personnel from each mine site location and the corporate office. In addition, technical training modules have been completed by the key individuals. Ongoing training continues to train new finance and accounting personnel as they are hired and to serve as refresher training for key individuals.

## Monitoring and Follow-up

Management is responsible for the preparation and fair presentation of the Company's consolidated financial statements in accordance with Canadian GAAP, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The effectiveness of Goldcorp's internal control over financial reporting, as of December 31, 2010, has been audited by Deloitte & Touche LLP (Deloitte), Independent Registered Chartered Accountants, who also audited the Company's consolidated financial statements as at and for each of the years in the three-year period ended December 31, 2010.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The auditor's responsibility is to express an opinion on these consolidated financial statements based on our audits. Deloitte conducted their audits in accordance with Canadian GAAP. Those standards require that they comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

In Deloitte's opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Goldcorp Inc. and its subsidiaries as at December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2010 in accordance with Canadian GAAP.

## Additional Contextual Information

In February 2008, the Canadian Accounting Standards Board confirmed January 1, 2011 as the date that International Financial Reporting Standards (IFRS) will replace Canadian GAAP for publicly accountable enterprises, with a transition date of January 1, 2010. The Company will issue its first IFRS annual consolidated financial statements for the fiscal year ending December 31, 2011, with restatement of comparative balance sheets as at December 31, 2010 and January 1, 2010 and statement of earnings for the year ended December 31, 2010.

The conversion from Canadian GAAP to IFRS as a primary basis for preparing the Company's consolidated financial statements has resulted in and/or will result in changes to the Company's accounting policies,

information technology and data systems, internal control over financial reporting, disclosure controls and procedures and financial expertise and training requirements.

## Corporate Performance

### [Economic Performance](#) | [Value Added](#)

The Board, management and employees of Goldcorp continually work together to deliver results to our shareholders and to have a positive impact within our host communities. We are committed to delivering responsible, sustainable growth to all stakeholders.

### Economic Performance

Goldcorp's consistent focus on disciplined execution resulted in another outstanding year and provided an excellent vehicle for shareholders seeking exposure to gold. We achieved record results on nearly every financial measure and set in place the building blocks for continued, profitable growth both in 2011 and for the long term.

The on-time, on-budget completion of construction at the Peñasquito mine is a source of pride and marks the start of a new chapter for Goldcorp. The mine will be a key driver of our cash flow for decades to come, so its smooth ramp-up was an important operational milestone in a year filled with successes. We also completed several transactions that strengthened our portfolio of assets, optimized our balance sheet and enhanced our outstanding growth profile.

Notable achievements during 2010 included the following:

- Gold production was a record 2,520,300 ounces in 2010, compared to 2,421,300 ounces in 2009
- Total cash costs (net of by-product copper, silver, lead and zinc credits) decreased to \$274 per ounce for 2010, compared to \$295 per ounce in 2009
- Net earnings attributable to shareholders of Goldcorp increased to \$1,574.3 million (\$2.14 per share) for 2010, compared to net earnings of \$240.2 million (\$0.33 per share) in 2009
- Dividends paid increased to \$154.4 million in 2010, compared to \$131.7 million in 2009
- On August 6, 2010, the Company completed the sale of the assets and certain liabilities of the San Dimas gold/silver mines
- On December 29, 2010, the Company acquired all of the outstanding shares of Andean Resources Limited

### Delivering Results

In 2010, our operating teams delivered record production of over 2.52 million gold ounces at total cash costs of just \$274 per ounce on a by-product basis and, correspondingly, record revenues of \$3.8 billion. Net earnings increased to a record \$1.6 billion, while operating cash flow was \$1.7 billion, an increase of 45% over 2009. Realized gold prices increased 30%, highlighting the leverage to gold price increases provided by Goldcorp. Because of this strong financial performance, we were able to increase the dividend to \$0.40 per share annually.

### Mergers and Acquisition

Goldcorp's focus on disciplined execution also describes our approach to mergers and acquisitions. During 2010, we completed a total of six transactions that significantly upgraded and simplified our overall asset portfolio. The acquisitions of Cerro Negro and El Morro established two important new operating bases in South America while filling out and extending an already substantial growth pipeline. The addition of the

Camino Rojo deposit near Peñasquito provides the opportunity for a strong, low-cost supplement to Peñasquito's robust gold production profile.

### Project Development

Goldcorp will be developing six new mines over the next five years, driving growth of 60% over that period. In the near term, Pueblo Viejo in the Dominican Republic, in which Goldcorp has a 40% stake, is expected to reach first production by the beginning of 2012. The Éléonore project in Québec should begin full-scale construction this year and will be one of the largest gold mining operations in Canada. A recently completed pre-feasibility study update calls for robust, low-cost gold production. It is expected to average more than 600,000 ounces of gold production annually over an approximate 15-year mine life, with life-of-mine cash costs expected to be below \$400 per ounce. Goldcorp also recently completed a scoping study for the Cochenour gold project in Ontario, confirming the strong economics of a plan to develop the Bruce Channel deposit as an important source of supplemental gold production at Red Lake. The study anticipates an approximate 20-year mine life, with expected production start-up at Cochenour in 2014.

### Economic Performance

For a full review of Goldcorp's economic performance for 2010, please refer to our audited consolidated financial statements for the year ended December 31, 2010, and related notes, which have been prepared in accordance with Canadian generally accepted accounting principles. In these documents, management has identified a number of critical accounting policies and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. (See Goldcorp's [website](#) for copies of these key documents.)

### Value Added

Goldcorp had total revenues of \$3,799.8 million in 2010 (\$2,723.6 million in 2009). Operating expenses, depreciation and depletion, corporate administration, exploration and write-down of mining interests amounted to \$2,330.3 million in 2010 (\$1,902.4 million in 2009). Using these figures, Goldcorp's value added (earnings from operations) amounted to \$1,469.5 million in 2010 (\$821.2 million in 2009).

**Direct economic value generated and distributed is shown in the table below.**

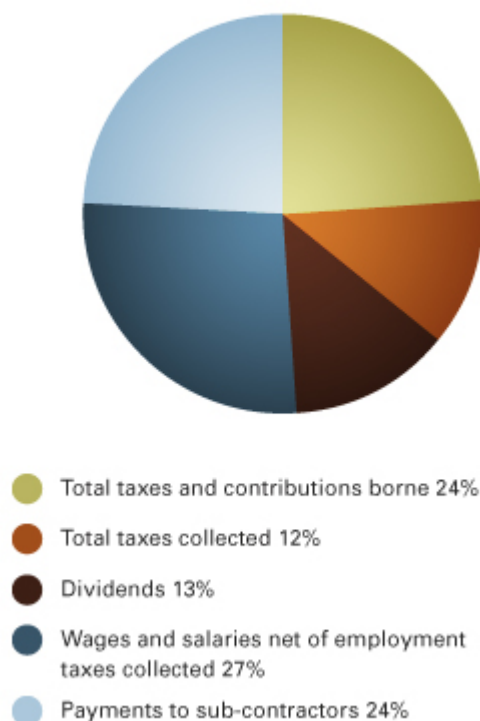
|  | 2010 (\$US) |
|--|-------------|
| <b>Direct economic value generated</b> |             |
| Revenues (million)                     | 3,799.8     |
| <b>Economic value distributed</b>      |             |
| Operating costs (million)              | 2,330.3     |
| Employee wages and benefits (million)  | 304.0       |
|  |             |

|  |       |
|--|-------|
| Payments to providers of capital (million)                       | 217.4 |
| Payments to government (million) – see breakdown in next section | 414.1 |

### Value Distributed

PwC (in a study commissioned by Goldcorp) carried out a value distributed calculation for the Company. This assessment included dividends paid to external shareholders, wages and salaries net of employment taxes, payments to subcontractors and total contribution to government. The attached graph shows the percentage of the value distributed, and that 36% of the value distributed by Goldcorp measured in this way was paid to governments in taxes borne and collected.

Value Distributed



## Contributions to Government

### Payments to Governments | Government Financial Assistance

All companies are coming under increased public scrutiny regarding the taxes they pay, and mining companies are at the forefront in this debate. The Publish What You Pay coalition of civil society organizations is campaigning for greater revenue transparency in the oil, gas and mining industries and is calling on companies to disclose payments to government and other information on a country-by-country basis.

### Payments to Governments

As a member of the International Council on Mining and Metals, Goldcorp is committed to the Extractive Industries Transparency Initiative (EITI) – a global standard that promotes revenue transparency. EITI has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. Learn more about the [EITI](#).

In 2010, PricewaterhouseCoopers<sup>1</sup> (PwC) conducted its second industry-wide study that looked at the total taxes of 22 of the world's largest mining companies, focusing on their most significant operations in 20 different jurisdictions, using 2008 data. The study results show that mining companies make a large economic contribution in the countries where they operate. The companies taking part reported total figures for turnover of US\$62.9 billion, wages and salaries paid to employees of US\$6.0 billion and a total contribution to government of US\$10.1 billion.

Goldcorp conducted a similar study, using the PwC methodology, across all of our main operating sites. The study breaks taxes and other contributions into two categories:

**Taxes borne** – The amounts that are a cost to Goldcorp and affect its results. The study found that, for every \$1 of corporate income tax paid, there was another \$1.34 paid, on average, in other taxes and contributions.

**Taxes collected** – The taxes for which Goldcorp is the unpaid tax collector on behalf of the government, and which represent an administrative burden. The study found that, for every \$1 of corporate income tax paid by Goldcorp, there was, on average, another \$0.60 of taxes collected.

### Contributions to Government

Goldcorp makes a very sizable contribution to public finances in the countries in which it operates. For the main operating sites, the total is \$533 million (compared with \$294 million in 2009, an increase of 82%). This increase is largely the result of higher corporate income tax and employment and social contributions.

The table below shows the total paid directly to governments by Goldcorp in 2010.

| Country | Borne (\$ millions) | Collected (\$ millions) | Total (\$ millions) |
|---------|---------------------|-------------------------|---------------------|
| Canada  | \$244               | \$94                    | \$338               |
|         |                     |                         |                     |

|           |       |       |       |
|-----------|-------|-------|-------|
| US        | \$15  | \$6   | \$21  |
| Mexico    | \$82  | \$20  | \$102 |
| Guatemala | \$52  | \$17  | \$69  |
| Chile     | \$3   | \$1   | \$4   |
| Total     | \$396 | \$138 | \$534 |

Overall, for Goldcorp, corporate income tax is 57.5% of amounts borne (2009 32.0%). Mining taxes, user fees and other contributions borne make up 27.0% (2009 41.6%) of the total cost and for every \$1 of corporate income tax, there is \$0.29 of these industry specific payments.

### The Cost of Doing Business

We view total contribution to government per ounce of gold as an important performance measure. Total contribution to government per ounce of gold is \$230, which is calculated based on the gold production at each mine. In 2009, total contribution per ounce of gold was \$130 and there has been an increase in this indicator of 77%. Global production of gold in Goldcorp has increased but taxes and contributions have risen at a faster rate, driving the increase in this indicator. A second indicator of total taxes and contributions borne and collected expressed as a percentage of turnover is well adapted to the mining industry. Total taxes and contributions borne and collected to turnover for Goldcorp is 16.7% so for every \$100 of turnover, \$16.70 is paid in taxes. Again, this has increased since 2009 and tax is becoming more expensive to the business compared to both production and turnover.

### Government Financial Assistance

The direct financial assistance received from governments in 2010 was just over \$1 million, compared with nil in 2009. This included a grant totalling \$160,000 from both the federal and provincial governments to assist with the installation of the [SolarWall® air-heating system](#) at Musselwhite.

<sup>1</sup> PricewaterhouseCoopers (2010). *Total Tax Contribution. A Study of the Economic Contribution Mining Companies Make to Public Finances.*



## Pensions

### Employee Pension Plans

The Company has various defined contribution and defined benefit pension plans for its employees. The Company has no other employee future benefit plans.

Total cash payments for employee pension plans for the year ended December 31, 2010, consisting of cash contributed by the Company to its funded defined benefit pension plans, cash payments directly to beneficiaries of its unfunded defined benefit pension plans and cash contributed to its defined contribution plans, were \$21.3 million (\$17.1 million in 2009).

#### Defined Contribution Pension Plans

The Company has several defined contribution pension plans covering substantially all employees in North America. Under these plans, the Company contributes either a fixed percentage of its employees' salaries or matches a percentage of its employees' contributions. The Company's employees are able to direct the contributions into a variety of investment funds offered by the plans. The Company's expense related to these plans was \$17.6 million for the year ended December 31, 2010 (\$13.9 million in 2009), included in operating expenses and corporate administration in the Consolidated Statements of Earnings.

#### Defined Benefit Pension Plans

The Company has several defined benefit pension plans covering certain of its Canadian and Mexican employees.

The following table summarizes the changes in the Company's accrued benefit obligation and fair value of plan assets during the years ended December 31 and the reconciliation of the Company's accrued benefit obligation to the accrued benefit liability at December 31.

|   | 2010 | 2009 |
|---|------|------|
| Accrued benefit obligation (US\$ million) | 30.7 | 28.1 |
| Fair value of plan assets (US\$ million)  | 25.1 | 22.8 |
| Accrued benefit liability (US\$ million)  | -4.4 | -5.9 |

More details on our employee pension plans can be found in the 2010 *Notes to the Consolidated Financial Statements* – [Employee Pension Plans](#).

## Local Economic Impact

[Wages](#) | [Local Purchases](#) | [Local Employment](#) | [Indirect Economic Impacts](#)

Goldcorp's operations contribute to the economic development and wealth of host communities and countries through [taxes paid directly to governments](#), as well as through:

- Wages and salaries paid to employees and contractors
- Job creation through the expansion of existing projects and new growth projects
- Payments to suppliers for goods and services
- Indirect job creation and small-business development in surrounding communities and towns
- The upgrading of local infrastructure
- Financial support for community development through community funds and sustainable development initiatives

All of our operations have an impact on their local and regional economies. Therefore, we have not attempted to identify particular sites that may have a greater or lesser impact. We have defined our areas of influence as:

- *Local*: those communities immediately surrounding the mine
- *Regional*: the broader area surrounding the mine, often equating to a state or province, and usually including one or more larger-population centres
- *National*: the host country in which the mine is located
- *International*: all countries other than the host country

### Wages

We routinely pay entry-level wages that are significantly higher than those in the local community. This is particularly true for our mines located in areas that have a largely rurally based economy, but is also true (although, to a lesser extent) in many Canadian and US locations.

The World Bank produces annual tables for gross national income per capita by country. Their most recent publication was per capita income for 2009. The table below compares the average wage per employee paid by Goldcorp in 2009 in our principal countries of interest, with the respective World Bank national per capita income for 2009. Our average wage per employee for 2010 is also included. In all cases, the average wages paid by Goldcorp are significantly higher than the national average.

| Country   | Wages per employee (2009) | National income per capita (2009) <sup>1</sup> | Multiple (2009) | Wages per employee (2010) |
|-----------|---------------------------|--|-----------------|---------------------------|
| Canada    | \$114,557                 | \$41,980                                       | 2.7             | \$123,110                 |
| Mexico    | \$24,908                  | \$8,960  | 2.8             | \$30,318                  |
| Guatemala | \$19,590                  | \$2,650  | 7.4             | \$20,914                  |
|           |                           |  |                 |                           |

|       |           |          |     |          |
|-------|-----------|----------|-----|----------|
| US    | \$112,798 | \$46,360 | 2.4 | \$93,473 |
| Chile | n/a       | \$9,460  | n/a | \$41,433 |

We have also collected data on the ratio between the standard entry-level wage at our operations compared to local minimum wages. An entry-level wage is the full-time wage offered to an employee in the lowest employment category, and minimum wage refers to the lowest level of compensation allowable under law.

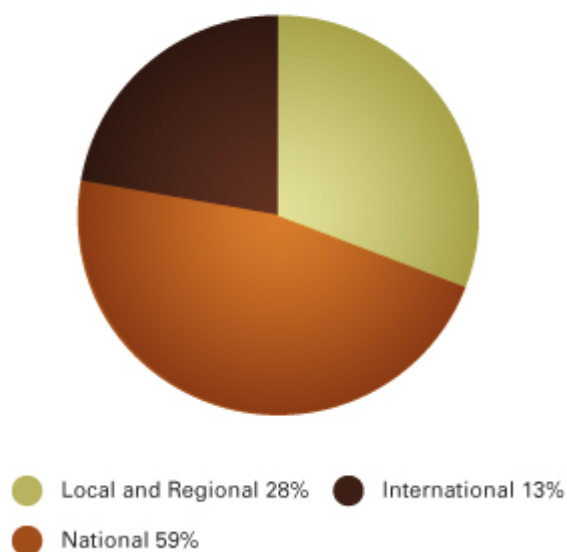
The lowest ratio at our operations is 1.5 times the local wage, and the highest ratio is 3.4 times the local wage, with a mean of 2.5.

## Local Purchases

We have a policy of giving preference to local businesses, provided they meet minimum quality and cost requirements. However, we are always conscious of the potential distortion that our purchasing policy can have on local economies, and we take care to keep unwanted impacts to a minimum.

The percentage of services purchased locally is shown in the included graph. While only 31% of goods and services are purchased from local and regional sources<sup>2</sup> (up from 28% in 2009), it must be remembered that high-cost capital equipment (including trucks, shovels, mills and processing equipment), and most bulk reagents, cannot be sourced locally. These major expenditures are reflected in the national and international percentages shown in the graph. The table below shows the percentage of goods and services purchased at the regional, national and international levels by operating region.

Local Purchases

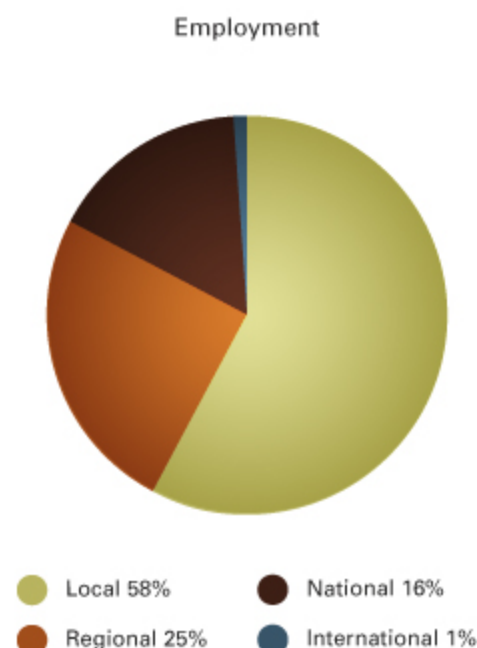


| Operating region          | Purchase of goods and services (%) |          |               |
|---------------------------|------------------------------------|----------|---------------|
|                           | Regional                           | National | International |
| Canada and US             | 47%                                | 51%      | 1%            |
| Mexico                    | 19%                                | 53%      | 28%           |
| Central and South America | 1%                                 | 25%      | 74%           |
|                           |                                    |          |               |

|                     |     |     |     |
|---------------------|-----|-----|-----|
| Goldcorp Operations | 31% | 47% | 22% |
|---------------------|-----|-----|-----|

## Local Employment

Goldcorp has a policy of hiring locally. Where particular skills and experience are not available locally or regionally, we will target national and international labour markets, respectively. We routinely train unskilled local recruits in a range of mine-related work categories, and we provide apprenticeships and technical training support for a range of other employment opportunities. As the graph indicates, 83% of employees are drawn from local and regional sources (82% in 2009), with only 1% recruited internationally. The table below shows these percentages broken down by operating region.



| Operating region          | Employees (%) |          |          |               |
|---------------------------|---------------|----------|----------|---------------|
|                           | Local         | Regional | National | International |
| Canada and US             | 74%           | 20%      | 6%       | 0%            |
| Mexico                    | 41%           | 42%      | 16%      | 1%            |
| Central and South America | 59%           | 10%      | 29%      | 2%            |
| Goldcorp Operations       | 58%           | 25%      | 16%      | 1%            |

Goldcorp employs a total of 109 senior managers (department head or above) at our operating sites. Of these, 100 (92%) are resident nationals of the country in which the mine is located (88% in 2009).

## Indirect Economic Impacts

We have not attempted to estimate the indirect economic benefits that flow to local and regional communities from our operations and development activities. The impact on regional economic activity will

vary depending on local circumstances, but the potential economic stimulus is large.

We routinely contribute to the construction and maintenance of local infrastructure and services. The main areas of investment are education, health, local services (e.g., water supply, power, etc.) and roads. Contributions to local communities was \$32.5 million in 2010, compared to \$34.9 million in 2009, a decrease of 7%. A total of \$4.7 million was contributed directly for infrastructure investments in 2010. This represents only the contribution directly targeted at specific community infrastructure projects. Additional money for local infrastructure may have been included within individual projects in the overall contribution to local communities.

<sup>1</sup> *World Bank (2010) Gross National Income per Capita 2009.*

<sup>2</sup> *In some cases, where a clear distinction cannot be made between local and regional, these areas of influence have been combined as regional.*

## Workplace and Our People

*I would like to acknowledge our strong management team and the thousands of dedicated Goldcorp employees who contribute to our success. Through these years of rapid expansion, management has shown real skill in creating a company with a unified purpose across every operation and a shared vision that allows Goldcorp to progress and succeed. I have the greatest confidence in their ability to deal with any challenges we will face in the exciting future that I see for Goldcorp.*

*Ian Telfer  
Chairman, Goldcorp*

We have nurtured a unique, entrepreneurial culture that values innovation, a drive for action, respect for the individual, ongoing learning and career development – and safety above all. For many workers at our operations, entry-level jobs, apprenticeships and scholarships at Goldcorp are the start of new careers, and opportunities to participate in the global or local economy and improve the lives of their families. We take our role seriously and strive to empower all employees to achieve their full potential.

- Just under 11,300 workers (employees and contractors) worldwide – an 8% decrease in the number of employees from 2009 to 2010, driven primarily by the completion of most of the construction activities at Peñasquito
- 83% of employees come from the local or regional area
- 92% of senior management (manager level and above) are residents of the country in which the operation is located
- Turnover across the Company in 2010 was 8.8%

## Management Approach

[Goals and Performance](#) | [Policy](#) | [Organizational Responsibility](#) | [Training and Awareness](#) | [Monitoring and Follow-up](#) | [Additional Contextual Information](#)

Goldcorp's employment philosophy is to hire highly qualified and experienced individuals who will contribute to the success of the organization. We are committed to supporting and encouraging the development of our people by providing training and opportunities for continuous learning and career growth within our Company.

Goldcorp is committed to delivering an outstanding employee experience. With just less than 11,300 people employed in diverse regions throughout the Americas, a variety of career opportunities and new challenges exists, offering exciting travel, cultural exposure and international work experience.

### Goals and Performance

Corporate objectives are established each year and then cascaded throughout the organization so that they can be incorporated into individual employee objectives. Goldcorp has introduced a Performance Management System, GPS, that is being implemented across the organization. Employees work with their supervisor to set up annual objectives at the beginning of the year, and then go through discussions on performance and achievements throughout the year. In this way, Goldcorp ensures that goals and objectives of every employee are aligned with the overall corporate objectives.

Part of the performance discussion centres around career growth within Goldcorp. All employees in Goldcorp will eventually have access to the Performance Management System and will be able to manage their own career development.

### Policy

Our human resources policies are developed and implemented within the various jurisdictions in which we operate. This ensures that these policies take local regulations into account. A comprehensive package is made available to new employees outlining policies, conditions and benefits, and this material is maintained on our intranet on an ongoing basis.

### Organizational Responsibility

Goldcorp operates under a decentralized organization model. The corporate Human Resources Group develops the overall strategy, and then provides the tools and processes to ensure a rewarding experience for our employees.

The Compensation Committee of the Board assists the Board in fulfilling its responsibilities relating to human resources and compensation issues, and in establishing a plan of continuity for executive officers and other members of senior management. The committee has four members, all of whom are independent directors.

Goldcorp's technical and strategic human resources function is headed by a Senior Vice-President for Human Resources who reports directly to the President and Chief Executive Officer of Goldcorp. The Senior Vice-President for Human Resources is supported by three directors covering the areas of Recruitment and

Talent Management, Organizational Development and Pensions and Benefits.

## Training and Awareness

In 2010, we continued to focus on training and development across all regions and operations. Our efforts in the areas of succession planning, performance management and the identification of high-potential candidates continue to emphasize our commitment to human resources and answer the increased demand for skilled employees in our worldwide markets. We also continued to empower our personnel through numerous programs designed to advance careers and business skills, including safety and leadership and executive development.

Goldcorp encourages people to participate in advanced education, training or other professional development activities and may offer financial assistance to do so. Requests for financial assistance are evaluated on a case-by-case basis.

## Monitoring and Follow-up

Feedback is solicited from all employees who attend training and development programs to ensure that value is being added. Discussions are also held with the employee's supervisor who is asked if they see on-the-job performance improvements.

Goldcorp periodically surveys their employees to ensure that their level of engagement with the organization remains high and also for areas in which Goldcorp can improve.

## Additional Contextual Information

Goldcorp strives to foster an open and inclusive workplace environment and strongly supports the principle that all individuals should have an equal opportunity to participate in our Company and achieve their full potential.



## Our Workforce

[Composition](#) | [Outsourcing](#) | [Employee Turnover](#) | [Benefits](#)

Goldcorp's entrepreneurial and innovative spirit plays a major role in our success, and attracts and retains an exceptional pool of talented and skilled people. Our people drive our business and set us apart from our competition, which is why we consistently recruit, cultivate and retain the industry's top talent.

Over the past several years, the worldwide mining boom has significantly increased the demand for executives with mining-related skills and experience. The talent supply in the mining business is very tight globally as fewer people have entered the mining industry over the past few decades. As a result, the Company operates in a highly competitive market for executives and the attraction and retention of talented and experienced executives is one of the key objectives of Goldcorp's executive compensation program.

Goldcorp supports the principle that individuals have the right to participate equally in the free enterprise system, and to develop their ability to achieve their full potential within that system.

### Composition

In this report we use the term "employees" to refer to full-time employees of Goldcorp. The term "contractor" refers to outside labour which is hired-in to do a specific task. The term "workforce" is used to cover both employees and contractors.

As at December 31, 2010, Goldcorp's workforce was just less than 11,300 employees and contractors. This is an 8% decrease from our workforce numbers in 2009.

| Operating region          | Employees | Contractors | Total  |
|---------------------------|-----------|-------------|--------|
| Corporate                 | 110       | 4           | 114    |
| Canada and US             | 2,474     | 1,200       | 3,674  |
| Mexico                    | 2,734     | 2,452       | 5,186  |
| Central and South America | 1,430     | 889         | 2,319  |
| Total                     | 6,748     | 4,545       | 11,293 |

Goldcorp's workforce numbers have fluctuated year-on-year depending on the status of key projects (particularly Los Filos and Peñasquito). Numbers peaked in 2009 as Peñasquito's Process Line 1 was commissioned and Process



Line 2 was being constructed. Total workforce numbers fell in 2010 as work on the construction of Peñasquito declined. Commercial production was declared at Peñasquito in the third quarter of 2010.

With the decline in construction activity at Peñasquito, the percentage of contractors in our total workforce fell from 45% in 2009 to 40% in 2010. The Mexican Region continued to have the highest percentage of contractors in its workforce at 47%.

## Outsourcing

We make extensive use of contractors during the construction of new projects and when significant upgrades are made to our existing operations. Contractors provide a source of short-term labour, as well as specific construction expertise, which is not readily available within our own workforce.

We also make use of contractors to supplement our own expertise in key areas of our operations. We have a number of long-term (or partnership) contractors who undertake critical components of our operation.

Our use of long-term contractors falls into three broad areas:

- **Mining and processing:** these are our core functions, and we tend to use contractors only as a supplement to our own workforce.
- **Maintenance:** contractors are used at most of our sites, due, at least in part, to the specialized nature of some maintenance functions.
- **Drilling, explosives, security, employee transport and catering:** while these functions are important to the operation of our sites, they are frequently contracted out to firms who specialize in these activities.

The total cost of contractors in 2010 was \$293.4 million, compared with \$185.0 million in 2009, an increase of 59%.

## Employee Turnover

Throughout 2010, the aftermath of the economic recession had a continuing impact on the employment market, and Goldcorp's employee turnover rate decreased.

Certain skill sets, particularly in the engineering and geology fields, stayed in demand throughout 2010, although at lower levels than in previous years. As the markets continue their recovery, we expect employee turnover rates to rise. In anticipation of this, Goldcorp has worked particularly hard at ensuring highly competitive compensation packages and maintaining a highly engaged workforce.

Turnover across the Company for our site-based employees was 8.8% in 2010 compared with 12.7% in 2009.

### Turnover by Gender

Turnover rates for both males and females were down from 2009. The turnover rate for females was higher than for males in 2010, but this is influenced by the relatively small number of females in the total employee workforce (10.9%).

#### Employee turnover by gender

| Gender | 2010  | 2009  |
|--------|-------|-------|
| Female | 13.5% | 15.9% |
| Male   | 8.2%  | 12.3% |
| Total  | 8.8%  | 12.7% |

### Turnover by Age Group

Employee turnover by age group was down in all groupings in 2010. The most significant reduction was in the over 50 age group, which fell from 15.7% in 2009 to 5.3% in 2010.

#### Employee turnover by age group

| Age group      | 2010  | 2009  |
|----------------|-------|-------|
| Under 30 years | 12.8% | 18.3% |
| 30 to 50 years | 7.5%  | 10.0% |
| Over 50 years  | 5.3%  | 15.7% |
| Total          | 8.8%  | 12.7% |

### Turnover by Region

Turnover rates were also lower in each of the three regions in 2010.

#### Employee turnover by region

| Operating region          | 2010  | 2009  |
|---------------------------|-------|-------|
| Canada and US             | 6.9%  | 8.9%  |
| Mexico                    | 11.1% | 18.8% |
| Central and South America | 7.6%  | 15.7% |
|                           |       |       |

|       |      |       |
|-------|------|-------|
| Total | 8.8% | 12.7% |
|-------|------|-------|

## Benefits

We conduct market checks on a regular basis to ensure that our benefits are competitive with those of our peers in the mining industry, and also with those of potential competitors in other industries.

### Canada and the US

In Canada and the US, we provide benefits, including life insurance, accidental death and dismemberment insurance, long- and short-term disability coverage, and extended health, dental and employee assistance programs, to our full-time and part-time employees at North American operations. We have both defined contribution and defined benefit pension plans for our employees in Canada, and 401k tax-deferred retirement investment plans for employees in the US. Our temporary employees are not covered.

### Mexico and Central & South America

In Mexico and Central & South America, in addition to mandated minimum benefits, we provide medical coverage and life insurance. While this is the market standard in Mexico, in Central America, this is a superior benefit usually not offered by local employers. In Mexico, we also have a pension plan (defined benefit), which is not a typical employment benefit for that country.

Additional details on benefits can be found in Goldcorp's [Management Information Circular](#).

# Training and Education

## [Training Programs](#) | [Lifelong Learning](#)

Goldcorp is focused on training and development across all regions and operations, and will continue to do so in the coming years. Succession planning, performance management and the identification of high-potential candidates will continue to emphasize our corporate commitment to human resources, and answer the increased demand for skilled employees in our worldwide markets.

## Training Programs

Throughout 2010, Goldcorp continued to actively empower personnel through numerous programs in order to advance careers and business skills, including safety and leadership training, and executive development.

Key programs (all available in English and Spanish) are outlined below:

**Supervisor Leadership Development Program** – It is our objective to ensure that front-line supervisors and managers are prepared and confident enough to lead their crews, teams and departments in a progressive, inspiring and healthy way. To this end, the Supervisor Leadership Development Program was launched in 2007. The program consists of groups of 16–24 people who take part in three workshops, inter-session assignments, and a final Action Challenge together. To date, 500 leaders in Canada, the US, Mexico, Guatemala and Chile have joined the program.

**Art of Leadership, Science of Management** – At Goldcorp, we view the development of managers' leadership and management skills as a key objective. To this end, the "Art of Leadership, Science of Management" program was launched in 2008 at the Canadian and US operations. This program is aimed at high-potential senior site managers who have a strong interest in undergoing a serious learning challenge that will expand their awareness, knowledge, and skills in the program areas. To date, 107 participants across Goldcorp's three regions have been involved in the program.

**Dare to Grow** – We want to ensure that each front-line employee has the right knowledge, skills, abilities and awareness to not only do a good job but also be a strong company "citizen" or team player. To this end, we developed "Dare to Grow" – a unique program for all front-line employees that focuses on individual leadership, team orientation and personal development. We also aim to help foster strong corporate values, culture and team identity, as well as develop interpersonal skills among all employees at Goldcorp. To date 95% of employees at Canadian & US operations (estimated at 1600 individuals) have completed the program. (Note: Employees that attended the Supervisor Leadership Development Program and Art of Leadership, Science of Management were not invited to attend the Dare to Grow program.) During 2011 the program implementation will commence in Mexico.

**Creating Choices** – *Creating Choices* is a development, training and mentoring initiative for women at Goldcorp. The principles of *Creating Choices* – that Goldcorp wants everyone to contribute, and that the Company is focused on growing people – are the same ones that underpin all of our initiatives. The pilot of this program was run in Vancouver in November 2010, and the initiative will be launched more broadly within the Company in 2011.

**Financial Agility, Beyond Mining** – This program is aimed at those managers who make investment and budgetary decisions and provide financial input. This course was presented twice in 2009 and twice in 2010. So far, 180 attendees from across Goldcorp have attended the program.

**Introduction to Project Management** – The program content was developed around the five phases outlined by the Project Management Institute – Initiating, Planning, Execution, Controlling and Termination. There are specific disciplines associated with each of these phases, and the program takes participants through each phase and introduces them to the practices, disciplines and tools that can help them to organize and run projects in an efficient and effective way. The program has been presented twice in Canada and the US and once in Guatemala, with a total of 45 people completing it successfully.

**Introduction to Performance Management** – During 2010 Goldcorp implemented a new performance management tool, as well as a new performance evaluation and career development process. The implementation included users in Canada, the US and Mexico – a total of approximately 1,600 employees. All users received training on the process that the Company now follows, as well as the basic skills needed to use the tool.

## Lifelong Learning

Goldcorp has made significant investments in post secondary education by way of donation to the University of Toronto's Lassonde Institute for Engineering Geoscience, the University of British Columbia's Earth Sciences Building, Ottawa University's Telfer School of Management and the Simon Fraser University Arts Centre in Vancouver.

In 2009, a number of senior employees opted for additional public speaking and communications coaching. All participants in the Supervisor Leadership Development Program are provided with specialized public speaking and communications training, based on a custom-made program called the "Gold Standard". The "Gold Standard" was implemented across all Canadian and US operations and corporate offices in 2010 as Goldcorp's presentation standard. The Gold Standard will be implemented in Mexico during 2011. All support related to presentation skills and public speaking is provided by The Humphrey Group.

## Labour/Management Relations

[Collective Bargaining Agreements](#) | [Notice of Operational Changes](#) | [Strikes and Lock-Outs](#) | [Performance Reviews](#)

Goldcorp believes that it has good relations with both its unionized and non-unionized employees. We support our employees' rights of freedom of association and collective bargaining. These include the right of individual employees to join a union or other work-related cooperative. We also support the right of our employees to not join a union or other work-related cooperative and to be free from coercion to so join.

### Collective Bargaining Agreements

At December 31, 2010, Goldcorp had a total of 6,748 employees. Of these employees, 3,041 (45%) were salaried employees (46% in 2009) and 3,707 (55%) were hourly employees (54% in 2009).

Of Goldcorp's total employees, 1,954 (29%) are members of a union, up from 20% in 2009. Mexico has the highest percentage of employees represented by a union (63%). Unionized employees represent 53% of our hourly employees. The unionized percentage of our contractor workforce is unknown.

In addition, 2,596 (38%) of our employees are members of an employee association of some form, which provides collective bargaining support and other services.

In total, 67% of our employees are covered by unions or other work-related cooperatives (56% in 2009).

### Notice of Operational Changes

Goldcorp is committed to providing timely, factual, accurate and complete disclosure of material information to employees, shareholders and investors, and the communities in which we conduct business.

#### Employee Communication

To better inform employees of what is happening within the company, Goldcorp has initiated a series of "Town Hall Meetings" in which the President and Chief Executive Officer, and other senior executives communicate directly to employees. Employees across the company are linked via webcast and phone to the meeting. The meetings commence with short presentations and then provide an open forum for employees to question senior executives. The first Town Hall Meeting was held in late 2010 and the second in early 2011.

Goldcorp has also developed an intranet service called "Conveyor" which is accessible to employees at each of our sites. This facility is used to update employees on happenings across the Company by written word and by video.

Goldcorp does not have an established minimum period for giving notice regarding operational changes. Where proposed operational changes have potentially significant implications for individuals or groups of individuals, Goldcorp will provide information regarding notice as expediently as possible.

#### Disclosure

At all times, Goldcorp and its employees must be conscious of their obligations, under the provisions of

securities laws and stock exchange rules, relating to the disclosure of material information. Goldcorp has developed a [Disclosure, Confidentiality and Insider Trading Policy](#) to ensure that Goldcorp and all persons to whom this policy applies meet their obligations regarding the timely disclosure of all material information.

## Strikes and Lock-Outs

Strikes and lock-outs are indicative of a serious breakdown in labour/management relations and a suspension of consultative processes. A "strike" is a work stoppage caused by the mass refusal of employees to perform work, usually in response to employee grievances. A "lock-out" is a form of work stoppage in which an employer refuses to allow employees to work, often as a counter to a strike.

In 2010, there were no strikes or lock-outs exceeding one week in duration.

## Performance Reviews

We have performance review and management processes in place at all of our operations. However, these processes are not aligned and, in many instances, reflect the systems inherited from companies that merged with Goldcorp. In 2010, 46% of employees received formal performance reviews, compared with 32% in 2009.

In 2010, we focused attention on three critical projects in support of our goal to manage our talent optimally.

- A Career Ladders initiative, successfully concluded for Canadian and US operations, was implemented in Mexico. This project involved organizing job family progression with the identification of relevant job functions and disciplines, enhancing Goldcorp's job evaluation process and ensuring an appropriate link to salary structures, and consolidating jobs to facilitate market pricing efforts to ensure fairness and consistency.
- Succession planning within the Operations Leadership Team continued. This initiative was subsequently rolled out across Goldcorp's three regions.
- A new performance management system was introduced that will eventually be used across Goldcorp. The new system enables employees, supervisors and managers to work together to develop annual objectives, conduct mid-year progress discussions, and evaluate achievements at the end of the year. It also houses a succession planning and talent management tool that identifies high-potential individuals within Goldcorp and their career aspirations. It is currently operating in our Canadian, US and Mexican operations, and will be implemented in other areas of the organization by 2012.



## Diversity and Equal Opportunity

[Diversity](#) | [Gender-Based Salary Ratios](#) | [Non-Discrimination](#)

Goldcorp strives to foster an open and inclusive workplace environment and strongly supports the principle that all individuals should have an equal opportunity to participate in our Company and achieve their full potential.

In compliance with our [Code of Conduct](#), directors, officers and employees will:

- a. Always treat each other and all members of the outside community with respect and courtesy
- b. Always keep our workplace free from all forms of harassment, meaning unwelcome behaviour that a reasonable person would consider to be degrading, humiliating, discriminatory or intimidating
- c. Never permit factors like race, religion, colour, sex, sexual orientation, age, nationality or ethnicity to determine decisions about hiring, employment promotions, pay rates, transfers, lay-offs or terminations (or condone decisions by others determined by such factors)
- d. Never permit physical disabilities to determine work-related decisions, unless the disability prevents a person from safely doing a job and the disability cannot reasonably be accommodated

In our employment policies, we abide by human rights legislation in the jurisdictions in which we operate.

### Diversity

#### *Diversity within Governance Bodies*

The key governance bodies within Goldcorp are the Board of Directors and the Board committees. The composition and gender breakdown of the Board and its committees is shown in the table below. The table also shows the gender breakdown of senior management (officers of the Company as identified in the 2010 Annual Information Form).

| Governance bodies  | Male | Female |
|--|------|--------|
| Board of Directors                                       | 9    | 1      |
| Audit Committee  | 3    | 1      |
| Compensation Committee                                   | 4    | 0      |
| Governance and Nominating Committee                      | 4    | 0      |
| Sustainability, Environment, Health and Safety Committee | 3    | 1      |
| Senior management  | 19   | 5      |

### ***Diversity within the Workforce***

Goldcorp does not collect statistics on the ethnic composition of its workforce. However, in areas where there are significant Indigenous populations (e.g., First Nations communities in Canada, or Mam and Sipacapense-speaking communities in Guatemala), we have implemented programs to encourage the employment of members of these groups.

The percentage by gender and age group for our site-based employees is shown in the accompanying tables.

#### **Employees by Gender**

The percentage of female and male employees in the workforce remained the same from 2009 to 2010.

| <b>Gender</b> | <b>2010</b> | <b>2009</b> |
|---------------|-------------|-------------|
| Female        | 11%         | 11%         |
| Male          | 89%         | 89%         |

#### **Employees by Age Group**

The workforce breakdown by age group showed an aging trend with fewer employees in the Under 30 Years cohort (31% in 2010 compared with 35% in 2009) and more employees in the Over 50 Years cohort (18% in 2010 compared with 14% in 2009).

| <b>Age group</b> | <b>2010</b> | <b>2009</b> |
|------------------|-------------|-------------|
| Under 30 years   | 31%         | 35%         |
| 30 to 50 years   | 51%         | 51%         |
| Over 50 years    | 18%         | 14%         |

### **Gender-Based Salary Ratios**

We believe in the concept of equal pay for equal work. We do not discriminate in our wages on the basis of gender. However, as we compete for labour in a range of different markets, there may be gender biases in different labour categories. We have collected gender-based salary data on two categories of employees – unskilled workers and graduates.

There is commonly a gender bias in worker categories. Outdoor manual labour may have a higher hourly rate of pay than kitchen work, and there may be a bias of males in the former category, and a bias of females in the latter category. Where this is so, there may be a perceived gender bias in salary; however, this reflects a gender bias in the work categories rather than in the rates of pay.

Our operations range from a ratio of 1.0 (equal pay for unskilled males and females) to a ratio of 1.45

(male to female rates).

There is often a gender bias in the professions that are commonly related to mining. There are typically more male than female graduates in engineering and geology, but this ratio may be more equal in accounting, and there is an increasing female bias in environmental science. We are committed to equal pay on the basis of gender, and we choose our graduates on the basis of merit. However, the market will dictate the salary levels for graduates, and they may be higher for engineers than for industrial hygienists.

Our operations range from a ratio of 1.0 (equal pay for male and female graduates) to a ratio of 1.41 (higher pay for male graduates).

## Non-Discrimination

Goldcorp strongly supports the principle of non-discrimination. All Goldcorp employees are responsible for ensuring that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by the Company's [Code of Conduct](#). Violations of the Code are subject to disciplinary action, up to and including termination of employment.

There were two incidents of discrimination reported in 2010. These were addressed at the respective operations (see Investment and Procurement Practices for more information).

## Safety and Health

Goldcorp's objective is to achieve a safe and healthy workplace, free of injury and illness. We are committed to the health, safety and well-being of our workforce, and we will strive to achieve an incident-free workplace in a holistic and inclusive manner. We recognize that individuals, through their own behaviours and actions, are ultimately responsible for safety. Employees are encouraged to incorporate into their planning and work the actions necessary to ensure their safety and the safety of others in the workplace.

- Goldcorp continued to improve its overall safety performance in 2010, each operation improving either its overall incident rate (AIFR) or severity (LTIFR)
- Goldcorp safety awards: Best Safety Performance – Los Filos, Mexico; Most Improved Safety Performance – Musselwhite, Canada
- Goldcorp Special Performance Awards – San Martin, Honduras (for achieving one calendar year with no Lost Time Incidents); El Sauzal, Mexico for excellent turnaround; Porcupine, Canada in recognition of Mine Rescue achievements
- Porcupine won the Ontario Provincial Mine Rescue Competition in the 100th year of mining in the Timmins community

## Management Approach

[Goals and Performance](#) | [Policy](#) | [Organizational Responsibility](#) | [Training and Awareness](#) | [Monitoring and Follow-up](#)

Goldcorp sets the overall Safety and Health direction through a series of policies, standards, guidelines and frameworks. Through coaching, training courses, workshops and program development, operations are responsible for developing approaches that are consistent with the overall Goldcorp vision yet provide the necessary cultural and maturity nuances to provide a successful implementation.

### Goals and Performance

**Our Safety Vision** – "Goldcorp: Safe Enough for Our Families" – is composed of three basic strategies:

**Care** – Goldcorp will provide an environment and conditions that will let employees know that we see safety as a core value, that we care about them, and that Goldcorp is prepared to listen, learn and act.

**Think** – Goldcorp expects all employees to "think" about each of their actions – not just the impact that it may have on the individual, but also on co-workers. All tasks contain an element of risk; we work with employees to help them identify and understand the risks associated with their actions.

**Act** – Goldcorp provides procedures, programs, systems and training to ensure that tasks can be completed safely. We encourage employees to share best practices and improve the ways we carry out our work activities.

Goldcorp believes it will reach its Vision of Safe Enough for Our Families only when all employees are totally engaged in believing safety is a value and that the Company is committed to a true safety culture.

Each year we expect our incident rates to decrease as a result of implementing targeted initiatives and training activities. We do not set specific goals for incident rates; however, we monitor the successful completion of corporate initiatives.

As part of the annual objective setting process, operations develop specific accountabilities and responsibilities for safety and health. These objectives are reviewed and approved early in the year and assessed at the end of the year. In addition, as part of the Strategic Business Planning process and subsequent budgeting process, operations plan and budget for short and medium term initiatives for safety and health.

This process is integrated with overall strategic business planning to ensure resources are in place to adequately fulfill the organization's responsibilities.

### Policy

Goldcorp has an established [Occupational Health & Safety Policy](#). The key statements of this policy are:

- Goldcorp's objective is to achieve a safe and healthy workplace free of injury and illness
- Our commitment to the health, safety and well-being of our workforce

- We recognize that individuals, through their own behaviour and actions, are ultimately responsible for safety
- We encourage and support all employees to achieve our goals by incorporating into their planning and work the actions necessary to ensure the safety of themselves and others in the workplace
- Promote safe and healthy behaviour as a core value in the organization's culture
- Develop and implement effective management systems to identify, minimize and manage health and safety risks in the workplace
- Provide training and information to enable all our people to work safely and competently
- Recognize and reward good safety performance and achievements throughout the organization
- Promote health and safety in all aspects of our work, family and local community

## Organizational Responsibility

The President and CEO of Goldcorp is ultimately responsible for the safety performance of the Company. At the Board level, the Sustainability, Environment, Health and Safety Committee of the Board has overview of safety and health functions (see [Board Oversight of Sustainability](#) for more information on the role of this committee).

Goldcorp is a decentralized organization and as such looks to the regions and individual mines for accountability in all six corporate strategies; People, Safety, Partnerships, Margins, Reserves, Production. Goldcorp's technical and strategic safety and health function is headed by a Vice President for Safety and Health reporting directly to the Chief Operating Officer. All of our operations have Safety and Health Officers who are responsible for supporting the implementation of our safety and health strategy on a day-to-day basis.

## Training and Awareness

Goldcorp provides training for technical, behavioural and cultural aspects of safety. We also encourage participation in external training, conferences and workshops to make sure employees are kept abreast of safety advancements inside and outside the industry.

The majority of technical safety training occurs at the operational level; mine rescue, stope school, equipment operation, first aid, simulator and specific technical procedure training are examples of technical training.

Behavioural and cultural safety training is developed specifically for Goldcorp at the corporate level and then tailored for specific operations (tailored content and delivery). A touchstone of safety culture training is the three-day Safety Leadership Training (SLT) which has been attended by over 900 supervisors and managers in the Company. The senior leadership team and other executives have participated and are planning on re-attending in the next 12 months. A corollary to the SLT is DELTA training, a 1-day course delivered by supervisors directly to their crews. Over 4,000 Goldcorp employees have attended this course. Several contractors have also attended SLT and DELTA; Goldcorp is making this course available to contractors and partners going forward.

As an active member of the Mining Safety Roundtable (chaired the Roundtable 2008–2010), Goldcorp is able to share and identify best practices with peer companies. This helps with the pro-active awareness of potential issues and having prompt access to solutions. The outputs of the Roundtable meetings are shared broadly across the Company.

## Monitoring and Follow-up

Goldcorp has a unique peer review program that looks at safety and health from a technical, programmatic and best practice point of view. Each operation is visited every two years by a team of 10-12 peers from other mines to assess safety and health risks. The results from these comprehensive reviews are shared across the Company and reviewed at the corporate level. Each quarter a summary is presented for the Sustainability, Environment, Health and Safety Committee of the Board. In 2008 Goldcorp introduced an external consultant to the process to provide an additional independent assessment of the safety management system.

In addition to this peer review program, each operation has levels of monitoring, inspection and analysis that vary by individual operation. The overall safety management system in place demonstrates the frequency and level of these monitoring activities, and starting in 2011, a summary of the quality and effectiveness of subsequent corrective actions will be required for management review.

Periodically, operations receive audits and reviews from regulatory agencies. The output of these audits is shared with management and documentation of corrective actions and success of the action is monitored.

## Joint Safety and Health Committees

Where a formal joint management-worker health and safety committee is in place, that committee represents the entire workforce at that site. Based on that definition, Goldcorp has approximately 90% of the workforce represented.

At each of our operations that have a trade union on-site, health and safety topics are covered in the formal agreement with that union. Goldcorp takes a holistic approach to safety, with no distinction made between union employees, non-union employees and contractors.



## Safety

[Programs](#) | [Performance](#) | [Recognition](#) | [Incident Investigation](#) | [Safety Awards](#)

Sadly, Goldcorp had one fatality in 2010. Karla Davila was killed in a haul truck accident at our Peñasquito operation. It is clear we still have not reached our vision of making Goldcorp Safe Enough for Our Families. Executive, senior management, all Goldcorp employees, contractors and our business partners are committed to make this a reality.

### Programs

To achieve excellence in safety, Goldcorp continues to focus on corporate culture, leading performance indicators, behaviour, and developing and sharing best practices across all operations. Strategies and initiatives aimed at improving safety in 2010 included:

- Continued promotion and senior management support of the Safety Vision for the Company: "Goldcorp: Safe Enough for Our Families". Several videos were produced to assist in the messaging of the vision's three key themes; Care, Think, Act
- Continued development of safety leadership competencies throughout the corporation via Safety Leadership Training. Over 900 managers and supervisors have now taken this three-day course.
- The rollout of DELTA – a safety leadership training program targeted at front-line employees, which is available in English and Spanish. Over 4,000 employees have completed this course.
- Golden Eye safety reviews (conducted in a peer review format), which are carried out to share best practices and assist with risk-mitigation strategies. Six reviews were completed in Canada, Honduras, Mexico and Guatemala in 2010.
- Benchmarking and sharing industry best practices. Goldcorp is the immediate past Chair of the industry's safety body – the Mining Industry Roundtable on Safety. The mission of this voluntary organization is to share practices and strategies to eliminate incidents in the workplace.
- The implementation of a risk-based safety management system framework, which is reviewed independently bi-annually as part of the Golden Eye process.
- A Company-wide Aviation Safety Management System implemented at the operations that use Company-owned or charter aviation in 2009, was tested and validated in 2010.
- Safety and health workshops were held for all regions during the year; over 40 senior safety and health and operations leaders attended the three-day events.

### Performance

Overall Goldcorp continued to improve its overall safety performance in 2010. Each operation improved either its overall incident rate (All Injury Frequency Rate – AIFR) or severity (Lost Time Injury Frequency Rate – LTIFR).

Goldcorp had one fatality in 2010.

|            | 2010 | 2009 | 2008 | 2007 |
|------------|------|------|------|------|
| Fatalities | 1    | 1    | 4    | 3    |

Goldcorp's AIFR decreased by 9%; however; the LTIFR remained virtually flat.

|                     | 2010 | 2009 | 2008 | 2007 |
|---------------------|------|------|------|------|
| AIFR (200,000 hrs)  | 2.63 | 2.89 | 3.39 | 4.26 |
| LTIFR (200,000 hrs) | 0.36 | 0.34 | 0.61 | 0.92 |

## Recognition

Individual operations are proud to share their accomplishments:

*Marigold* – People recognition was prominent at our Marigold operation. Farrel Rose and Kenneth Taylor were recognized for excellence in Safety and Health by receiving health and safety awards at the Nevada Mining Association Annual Convention in Lake Tahoe. Farrel Rose received an award in the Supervisor of the Year category for his safety and health accomplishments at the Marigold mine. Ken Taylor was awarded "Trainer of the Year" in the non supervisor category for his efforts associated with standardizing task training within the mobile maintenance group at the Marigold mine.

*Marigold* – Another Marigold employee, Justo Lopez, was presented with the Lifesaver award for 2010. The award is jointly sponsored by the Nevada Mining Association and the Mine Safety and Health Administration. Justo won the award for taking quick action to save the life of his daughter Alma. Justo credits first-aid training that he received only a few days earlier at Marigold with giving him the knowledge and skills to help his daughter.

*El Morro* – At El Morro, Chile, the project completed over 1,000,000 hours with no lost time incidents. They will receive an award from the Chilean Association of Safety (Asociación Chilena de Seguridad) to recognize this achievement.

*Marlin* – Marlin also focused on DELTA training in 2010. At the end of 2010, they had 711 participants that had completed the DELTA training. This course, along with Safety Leadership Training, is a large contributing factor to an improved safety culture at Marlin.

*Red Lake* – Red Lake also achieved 1,000,000 hours with no lost time in 2010.

## Incident Investigation

During 2010 Goldcorp piloted a new Incident Investigation process across all regions. The success of the pilot has led to the full roll-out of the program in early 2011. Nobody wants to have safety related incidents, however when they do occur it is important to learn from our mistakes. Root cause analysis enables us to share across the Company the experience and allow operations to assure that a similar incident cannot occur at their location.

The new program engages senior management at the mine and also the senior Operations Leadership (led by the Chief Operating Officer) in the investigation process. Each High Potential incident (and actual significant occurrence) is assigned an investigation team with a member of the Operation Leadership Team having a key role. The quality of the investigations has improved significantly in the last year. An outside

consultant periodically reviews the reports to assess the ongoing quality.

## Safety Awards

Goldcorp annually recognizes the Best Safety Performance and the Most Improved Safety Performance across our operations.

*Los Fillos* – Los Fillos, Mexico, became the first mine in Goldcorp's history to retain the Best Performance award for two consecutive years. Not only did their injury frequency rate remain the lowest in the Company, they also led the way on several key initiatives including their annual Safety, Environmental and CSR Fair, strong operations leadership and ownership for safety, amazing signage and communication for safety, and the introduction of health activities into the daily work routine.

*Musselwhite* – Musselwhite, Canada, received the Most Improved Safety Award. Incident rates fell by over 50%, training initiatives were on track and their dedication to mine rescue was rewarded with a win at their district competition.

Learn more about the [Goldcorp 2010 Safety Awards](#).

# Health

[Occupational Health](#) | [Community Programs](#)

## Occupational Health

Goldcorp carries out a range of medical examinations to identify health risks in the workplace. The occupational health of workers is regularly monitored through epidemiological monitoring, biological environment monitoring and various medical examinations, as well as blood and alcohol/drug testing.

No serious diseases were reported in 2010.

Although no specific corporate programs exist, several Goldcorp mines have proactive programs in place, covering drug and alcohol awareness, HIV/AIDS awareness, smoking cessation and diabetes awareness.

In general, mines carry out specific occupational health activities depending on their mining exposure and demographics. Programs include health sampling and surveys for hazards such as chemical exposures, dust and noise; respiratory protection; hearing protection; mercury/lead monitoring, including annual mercury physicals and biological surveillance of mercury and blood lead; ergonomic surveys; hearing tests; pulmonary function tests; chest x-rays and physical exams for mine rescue.

## Community Programs

The Company also coordinates health programs with local community and government organizations to provide basic medical services in communities surrounding their operations.

Several mines have continued to focus on wellness programs for employees and their family members. Los Filos, Red Lake and Porcupine held events to promote health and wellness in the surrounding communities.

Learn more about our community programs by clicking on the links to the left under "Case Studies".

- [Los Filos, Red Lake and Porcupine held events to promote health and wellness in the surrounding communities](#)

Learn more about our community programs by clicking on the links to the left under "Initiatives".

## Emergency Response

All sites maintain fully equipped mine rescue teams that are trained to respond to emergencies, quickly and effectively. The mine rescue teams are encouraged to participate in competitions, and to coordinate their training and services with community emergency service personnel whenever possible. Often, the mine rescue teams are the first responders for local communities in the event of emergency.

Emergency response activities are developed and managed at individual mine sites, and they focus on surface and underground response, as appropriate. All underground mines at Goldcorp have emergency rescue teams in place. These teams coordinate activities in their regions to encourage mutual aid, share best practices and generally improve performance.

*Guatemala Mine Rescue* – Emergency Response is always a critical part of a mine operation and across Goldcorp we had great success in provincial and national competitions. In Guatemala, Marlin and Cerro Blanco operations competed in the "Competencia Anual de Cuerpos de Socorro Públicos y Privados". Two teams from the Marlin mine (one underground team (mixed team) and one surface team) and one team from the Cerro Blanco project participated. All three teams did exceptionally and at the end of the day the Marlin underground mine rescue team took the honours by placing first in the competition.

*Porcupine Provincial Mine Rescue Champions* – Mine Rescue in Canada has a long history and it was fitting that Goldcorp's Porcupine mine won the Ontario Provincial Mine Rescue Competition in the 100th year of mining in the Timmins community. They competed against the strongest competition in the Province, including Goldcorp's Musselwhite mine.

## Human Rights

Goldcorp is committed to integrating respect for human rights explicitly in its business management process throughout the Company. Human rights is a significant component of the Goldcorp CSR Framework, which is based on our corporate *Human Rights Policy* and includes human rights and cultural awareness training.

In 2010, Goldcorp took various important steps to integrate human rights best practices into our management approach and operations:

- May 2010 – On Common Ground released the results of their independent Human Rights Assessment (HRA) on our Marlin mine in Guatemala.
- June 2010 – Goldcorp released its initial response to the HRA, including strategies and action plans for implementing the recommendations provided in the assessment.
- October 2010 – A progress report was issued to update stakeholders on the continued implementation and progress of implementing the recommendations.
- October 2010 – Goldcorp published its official *Human Rights Policy* and *Corporate Social Responsibility Policy*, which apply to all employees, contractors and partners. Drafts of these policies were reviewed by a variety of NGOs, socially responsible investors and other stakeholders, whose feedback was incorporated into the final policies.
- November 2010 – Goldcorp began outreach with various human rights organizations to find a potential partner for global integration and implementation of the *Human Rights Policy*. To date, we are working with Fund for Peace, an international NGO, to design and implement a human rights training program as well as measure and monitor the impact and effectiveness of the training and policy.

Goldcorp continues to strengthen its human rights practices and involvement in human rights initiatives, and is always open to suggestions, comments and feedback.

## Management Approach

[Goals and Performance](#) | [Policy](#) | [Organizational Responsibility](#) | [Training and Awareness](#) | [Additional Contextual Information](#)

Goldcorp is committed to integrating respect for human rights into our business management processes globally, at all levels within the Company. From the mine workers to the senior management team, all employees are expected to comply with and promote Goldcorp's policies and codes pertaining to human rights.

Goldcorp's approach to human rights integration includes strategies and standards on a range of topics including, but not limited to, investment and procurement practices, non-discrimination, freedom of association and collective bargaining, child labour, security practices and Indigenous people's rights.

### Goals and Performance

As a member of the International Council on Mining and Metals (ICMM), Goldcorp is committed to implementing and measuring its performance against the ICMM's Ten Principles, which include upholding fundamental human rights and respecting cultures, customs and values in dealings with employees and others who are affected by Goldcorp's activities.

As a participant in the UN Global Compact, Goldcorp is also committed to that organization's ten principles that include respect for human rights and labour rights, environmental protection and anti-corruption. Principles 1 and 2 deal specifically with supporting and respecting the protection of internationally proclaimed human rights, and ensuring that businesses are not complicit in human rights abuses.

### Policy

Goldcorp has developed a corporate [Human Rights Policy](#) consistent with international law, the ICMM, UN Global Compact principles, the Voluntary Principles on Human Rights and Security, the Global Reporting Initiative Sustainability Reporting Guidelines and its Mining and Metals Sector Supplement, and best industry practices.

Goldcorp published its official *Human Rights Policy* in three languages (English, French and Spanish) in October 2010. The policy applies to all employees, contractors and partners. Drafts of these policies were reviewed by a variety of NGOs, socially responsible investors and other stakeholders, whose feedback was incorporated into the final policies.

Goldcorp is committed to integrating human rights best practices into our business processes and our decision-making and due diligence processes. Goldcorp's *Human Rights Policy* mandates that we operate in a way that respects the human rights of all employees and the communities in which we operate our business.

This policy recognizes that, while governments have the primary responsibility to protect human rights, our activities have the potential to impact the human rights of individuals affected by our business operations.

Goldcorp is committed to continual improvement in the area of human rights, and to that end, we seek constructive dialogue and partnerships with a variety of stakeholders on our human rights performance,

especially those impacted directly by our operations.

Goldcorp's *Human Rights Policy* can be accessed in English, French and Spanish on our [website](#).

## Organizational Responsibility

Goldcorp's management approach to human rights is led by our Vice President of Corporate Social Responsibility.

## Training and Awareness

Goldcorp recognizes that a policy alone cannot change actions. In order to ensure that the *Human Rights Policy* is reflected in the day-to-day activities of the Company, Goldcorp has entered into a partnership agreement with an international human rights organization, Fund for Peace, to design and implement a human rights training program as well as to measure and monitor the impact and effectiveness of the training and policy. All Goldcorp employees, contractors and partners will be trained on human rights and the Goldcorp *Human Rights Policy*.

Where Goldcorp hires private security forces to protect employees, contractors, partners, resources and Company property, the security forces are required to comply strictly with local and international law and, at select sites, with the Voluntary Principles on Human Rights and Security.

Goldcorp provides training and capacity building in accordance with the Voluntary Principles to employees engaged in security functions and to private security forces hired by the Company. In addition, Goldcorp seeks opportunities to provide training and capacity building in accordance with the Voluntary Principles to public security forces.

Furthermore, in the case that there are concerns regarding infringement of human rights, employees of the company and/or members of the community can access the company's anonymous Ethics Compliance program or use the local system for complaints and grievances.

## Additional Contextual Information

Our commitment to respect human rights is informed by international law, including:

- ILO Convention 29 on Forced or Compulsory Labour
- ILO Convention 87 on Freedom of Association and Protection of the Right to Organize
- ILO Convention 98 on Right to Organize and Collective Bargaining
- ILO Convention 100 on Equal Remuneration
- ILO Convention 105 on Abolition of Forced Labour
- ILO Convention 111 on Discrimination (Employment and Occupation)
- ILO Convention 138 on Minimum Age
- ILO Convention 169 on Indigenous and Tribal Peoples
- ILO Convention 182 on Worst Forms of Child Labour
- International Convention on Economic, Social and Cultural Rights
- International Covenant on Civil and Political Rights
- Organization for Economic Co-operation and Development Guidelines
- Report of the Special Representative of the Secretary-General on the Issue of Human Rights and Transnational Corporations and Other Business Enterprises (John Ruggie)



- Voluntary Principles on Security and Human Rights
- United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials
- United Nations Code of Conduct for Law Enforcement Officials
- Universal Declaration of Human Rights

## Human Rights

[Voluntary Principles](#) | [Investment and Procurement Practices](#) | [Child Labour](#) | [Forced or Compulsory Labour](#) | [Security Practices](#)

### Voluntary Principles

As a result of multi-stakeholder dialogue between governments, companies in the extractive and energy sectors, and NGOs, the Voluntary Principles on Security and Human Rights (the Voluntary Principles) were established in 2000. The Voluntary Principles recognize the importance of promoting and protecting human rights throughout the world, and the constructive roles that business and civil society – including NGOs, labour and trade unions, and local communities – can play in advancing these goals. The issue of balancing human rights and security is of particular concern in areas associated with conflict and alleged abuses.

Learn more about our [implementation of the Voluntary Principles at Marlin](#).

Goldcorp understands the difficult history of Guatemala and the challenges of restoring respect for human rights and institutional credibility in the country. In 2006, we introduced the Voluntary Principles at the Marlin Mine. Based on the lessons learned at Marlin, Goldcorp is implementing the Voluntary Principles at other operations in Mexico.

### Investment and Procurement Practices

Goldcorp takes very seriously our commitment to business ethics and conduct. Our [Code of Conduct](#) specifically addresses the Company's dealings with suppliers. The Code prohibits kickbacks, rebates or "under-the-table" payments for purchases. Accepting gifts and entertainment from business partners is prohibited, except when of nominal value. Violations of the Code are subject to disciplinary action, up to and including termination of employment.

As part of our approach to risk management and impact assessment, we review investments against numerous criteria, including human rights risks. This issue is of particular interest in those areas that have a history of alleged violations. As part of our commitment to the Voluntary Principles, we have formally incorporated human rights clauses into significant investment agreements. Goldcorp defines "significant agreements" as those requiring the highest level of management approval. Of the 21 significant agreements signed in 2010, 18 of these, or 86%, included human rights clauses or underwent human rights screening.

Four of our mine sites (Cerro Blanco, El Morro, Porcupine, and Red Lake) conducted screenings of contractors based on human rights adherence. Since 2007, all new and renewed agreements with contract security providers at Marlin have included identifying the mine site's adherence to the Voluntary Principles. Goldcorp is monitoring progress at Marlin and plans to include similar clauses in other contracts over time.

Employees at five of our operations (Cerro Blanco, Peñasquito, Porcupine, Red Lake and Wharf) received training on policies and procedures concerning aspects of human rights that are relevant to the mine's operations. At those five sites in 2010, a total of 2,418 hours of employee work time was dedicated to training in human rights, with an average of 36% of employees trained. At four locations – Peñasquito, Porcupine, Red Lake and Wharf – every employee received training on policies and procedures concerning

aspects of human rights relevant to the mine's operations.

Two incidents of discrimination were reported within Goldcorp in 2010, one each at our Porcupine and Red Lake operations. One incident involved racial comments within the workforce, and the other was a harassment complaint based on an individual's disability. These incidents were investigated by management and resolved. At our Porcupine operation, all employees received training on our Workplace Harassment Policy, which includes discrimination.

No incidents of violations of freedom of association or collective bargaining were reported at any of our operations in 2010.

Of the two incidents involving rights of Indigenous People reported in 2010, both concerned archaeological aspects. At our Marigold operation, there was a disturbance of a cultural site on private property outside mine boundary at an exploration site. The other incident occurred at our Porcupine operation.

## Child Labour

The International Finance Corporation (IFC) defines "child labour" as "work by children that is economically or likely to be hazardous or to interfere with the child's education, or to be harmful to the child's health or physical, mental, spiritual, moral, or social development". The legal age at which young people may work varies from jurisdiction to jurisdiction. Goldcorp will not knowingly employ a person who is under the legal age of employment, or where that employment would contravene the IFC definition of child labour.

There were no incidents of child labour reported to the Company in 2010, nor were any operations considered to have significant risk for incidents of child labour.

## Forced or Compulsory Labour

Goldcorp supports the principle that individuals must be accorded an equal opportunity to participate in the free enterprise system and to develop their ability to achieve their full potential within that system. This includes the concept of a "fair day's pay for a fair day's work". Goldcorp does not engage in, or condone, forced or compulsory labour. None of the Company's operations are considered to have significant risk for incidents of forced or compulsory labour. There were no incidents of forced or compulsory labour reported to the Company in 2010.

## Security Practices

The conduct of security personnel towards third parties is underpinned by their training in human rights issues, particularly regarding the use of force. Training security personnel can help prevent harm to third parties and avert reputational and litigation risks arising from inappropriate actions or approaches not condoned by the reporting organization.

A total of 335, or 96%, of security staff at seven of our operations (Cerro Blanco, El Morro, Los Filos, Marlin, Peñasquito, Porcupine and Red Lake) received human rights training in 2010.

At Marlin, all security staff are required to undergo annual training on the Universal Declaration on Human Rights, and to sign a form indicating that they have received the requisite training and will comply with the Company's human rights requirements. The security contractors include human rights training in their new employee orientation. All security staff receive at least one pre-shift briefing per month on the use of force and firearms. These issues are also reinforced as part of the bi-annual firearms training. Company security supervisors provide ongoing training and refresher classes. Non-compliance with our human rights

provisions is not tolerated. As a result, the Marlin mine replaced one security company that felt it would be unable to comply with the terms of the new contract.

Learn more about [security personnel training at Marlin](#).

Guatemalan government ministers and senior personnel from the police force and military have been contacted in an effort to promote a Memorandum of Understanding for all support provided by Goldcorp to public security forces. There is currently no legal mechanism in Guatemala through which the police or military can enter into a transparent agreement that details logistical or material support received by private companies in exchange for certain guarantees. The guarantees sought would include a greater public security presence in the communities around the project, that compliance with human rights provisions and the Voluntary Principles would be monitored, and that all support provided would be contingent on adherence. Frequent changes in personnel in all departments have delayed advances, but Goldcorp continues to promote this with the government, public security forces and other international companies operating in Guatemala. Presentations have also been made to both the American and Canadian Chambers of Commerce to promote this initiative.

## Community Relations

We recognize the major impact that our operations have on the areas around our mine sites, bringing both opportunities and issues of concern for residents. We strive to partner with local stakeholders to understand and address their needs, and to help build strong, vibrant and sustainable communities. We have developed a CSR Framework that guides our approach to developing mutual respect, ongoing dialogue and collaboration to create sustainable prosperity.

Some of Goldcorp's major achievements in community relations for 2010 include the following:

- \$12.8 million was invested in local communities in direct contributions through investments in regional infrastructure, educational programs, small-business loans and community donations.
- \$560 million was invested in local communities in indirect contributions through purchases in local goods and services, compensation agreements, and local royalties and taxes.
- In October 2010, the Los Filos mine in Mexico won the [2009 Silver Helmet Award](#) for safety. Los Filos was granted the award in 2010 by the Mexican Mining Chamber under the category of "Underground Mining Operations Employing More Than 500 People." The Silver Helmet Award is granted to companies with the best safety record in the industry.
- The Porcupine mine took first place in the [2010 Ontario Provincial Mine Rescue Competition](#). In a very competitive field, mine rescue teams first demonstrated their skills in timed firefighting, high rope rescue and lifting exercises. They were then required to respond to a series of mock accidents, which tested the overall skill and preparation of the teams. Porcupine also received the Firefighting Award during the competition.
- Goldcorp was awarded the ESR (Socially Responsible Company) Distinction in Mexico for the fourth consecutive year.

Goldcorp considers creating and maintaining partnerships of the utmost importance in contributing to the sustainable development of the communities in which we operate. In accordance, with this philosophy, in 2010 we were active members of 23 industry associations, non-governmental organization (NGO) industry initiatives such as the CSR Centre for Excellence and the Devonshire Initiatives, as well as individual partnerships with international development NGOs.

## Management Approach

[Goals and Performance](#) | [Employment, Income, Education and Training](#) | [Local Communities and Indigenous Peoples](#) | [Transparency in Operations, Investment and Procurement Practices](#)

Through our relationships with host communities, we have developed policies, goals and programs that respect human rights, cultures, customs and values. We continue to build partnerships with government and community organizations in order to improve community services and infrastructure in the areas around our operations.

Our approach to community relations covers a full range of aspects, as it includes the local communities in which we operate, artisanal and small-scale mining, resettlement, human rights, closure planning, grievance mechanisms and procedures, emergency preparedness, corruption, public policy, anti-competitive behaviour and compliance.

Goldcorp's management approach to Corporate Social Responsibility is led by our Vice President of Corporate Social Responsibility. Our corporate social responsibility policy is guided by international standards and best practices, and driven by our aspiration for excellence in the overall performance of our business ([see our website](#)).

### Goals and Performance

Goldcorp is committed to conducting our business responsibly, which means respecting the safety and health of our employees, protecting the environment, respecting the human rights of our employees and the residents of the communities in which we operate and contributing to the sustainable development of those communities.

Our commitment to these efforts is outlined in our [Corporate Social Responsibility \(CSR\) Policy](#) and [Human Rights Policy](#).

Goldcorp is an active supporter of the EITI, both via the Company's membership of the International Council of Mining and Metals (ICMM) and individual corporate action. Goldcorp endorses its principles and criteria as a way to improve the transparency around payments and revenues in the extractives sector in developing countries. Goldcorp's status as a supporter company can be viewed on the EITI's website.

As a matter of principle Goldcorp has established a practice of disclosing all payments made to governments in our annual Sustainable Development Report, regardless of whether the country is a formal supporter of the Extractive Industries Transparency Initiative (EITI), a partnership of governments, international organizations, companies, NGOs, investors and business and industrial organizations. For example, payments with respect to the Marlin mine in Guatemala have also been disclosed locally on billboards and internationally via the internet since the mine initiated operations in 2005. In countries where governments have indicated a desire to be a part of the process, Goldcorp is actively involved in contributing to the success of the initiative.

### Employment, Income, Education and Training

Goldcorp's employment procedures place a high priority on local recruitment. Goldcorp provides education and training programs with the goal of increasing employment opportunities. We also purchase goods and

services from local businesses.

83% of employees at our operations are from the local community or region. Only 1% are recruited internationally. Entry-level wages at our operations are significantly higher than those in the local community – ranging from 1.5 to 3.4 times the local wage. Goldcorp employed 1,373 Indigenous employees and contractors, representing total wages of \$19 million. More than 87% of goods and services we purchase are sourced locally or regionally.

We have also collected data on the ratio between the standard entry-level wage at our operations compared to local minimum wages. An entry-level wage is the full-time wage offered to an employee in the lowest employment category, and minimum wage refers to the lowest level of compensation allowable under law. The lowest ratio at our operations is 1.5 times the local wage, and the highest ratio is 3.4 times the local wage, with a mean of 2.5.

In areas where there are significant Indigenous populations (e.g., First Nations communities in Canada, or Mam and Sipacapense-speaking communities in Guatemala), we have implemented programs to encourage the employment of members of these groups.

## Local Communities and Indigenous Peoples

Goldcorp supports the training and employment of Indigenous people. During 2010, Goldcorp had 924 Indigenous employees and 449 Indigenous contractors, for a total of 1,373 Indigenous workers. The total salaries and wages for Indigenous workers was \$19 million in 2010.

Five of our operations are in or adjacent to Indigenous territories. All of the five operations have a formal agreement in place with the Indigenous communities.

## Transparency in Operations, Investment and Procurement Practices

Goldcorp ensures anti-corruption mechanisms are in place to support ethical operations and decision-making. These mechanisms include training employees in anti-corruption policies and procedures. In 2010, 92% of our management employees and 55% of our non-management employees were trained in anti-corruption policies and procedures. We demonstrate compliance with legal and regulatory requirements and provide mechanisms for addressing community grievances and concerns about our operations.

We contribute to the development of public policy, by sharing our perspectives on issues that impact our operations, through representative industry bodies or by engaging directly with governments. In 2010, Goldcorp was engaged in public policy development at our Éléonore, Musselwhite and Peñasquito mines.

Also in 2010, Goldcorp joined with other Canadian gold producers and industry associations in activities related to Private Member's Bill C-300, which proposed new regulations for the *Corporate Accountability of Mining, Oil and Gas Corporations in Developing Countries Act*. During this process, Goldcorp provided members of the Federal government with information regarding Goldcorp's Corporate Social Responsibility activities across all of our operations and also provided information regarding the international standards that the Company adheres to. In addition, Goldcorp, along with other gold producers and industry advocates, appeared before the Standing Committee on Foreign Affairs and International Development in Ottawa to discuss Bill C-300.

Goldcorp is a member of the World Gold Council. As the gold industry's key marketing body, the World Gold Council works closely with jewellery retailers, manufacturers, wholesalers, banks, investment

companies and distribution specialists to promote the use of gold in jewellery and industrial applications, as well as by central banks and other official sector institutions.



# Stakeholder Engagement

[Stakeholder Groups](#) | [Approaches to Stakeholder Engagement](#) | [Community Engagement](#)

Goldcorp is committed to effective stakeholder engagement. This means a respectful and equitable dialogue to share information and concerns with individual stakeholders and stakeholder groups. This can range from individual meetings, site visits, briefings and updates, town hall or community meetings and workshops to personalized responses from individual queries.

## Stakeholder Groups

Local mine site management, along with corporate and regional management, are responsible for identifying, mapping and engaging with a variety of local, national and international stakeholders on topics related to our operations. This is a continuous process.

Our stakeholders include:

- Shareholders
- Employees and contractors
- Host communities and Indigenous communities
- Governments and regulators
- Civil society and non-governmental organizations
- Customers
- Capital market participants
- Suppliers
- Media
- Academia

## Approaches to Stakeholder Engagement

Goldcorp is committed to meeting and exceeding mandatory consultation requirements to ensure the development and sustainability of robust partnerships with all stakeholders with an interest in Goldcorp's operations.

Our operations and development projects are ideally placed to procure engagement from local stakeholders. The focus of such projects is on employees, host communities, governments, elements of civil society (particularly local NGOs and business groups) and suppliers. Many of our operations produce site-based Sustainability Reports that address issues and concerns identified through stakeholder engagement. Their focus tends to be on individuals or small groups, with meetings, site visits, or targeted written or visual communication as the preferred form of contact.

Our mines held over 5,000 meetings with local stakeholders during 2010. The most common sessions were held with site employees (who typically come from the local communities around our sites), followed by suppliers, civil society (including governments and NGOs), and members of local communities. Some sites also held meetings with Aboriginal and Indigenous groups, customers and other stakeholders. Over the course of 2010, a total of 54 meetings were held with 10 different community groups who monitor environmental/community issues. These sessions helped the sites to better understand and address local

issues and to communicate important information about Goldcorp's policies and programs.

More than 30 key issues were discussed in these meetings, including issues related to concerns about the environment (e.g., water quality, noise from operations), land use changes, potential for resettlement, local employment and economic development opportunities, and pressures on local services and accommodations. Several indirect impacts were identified by our stakeholders as being potentially significant, including loss of income and jobs to outside workers and contractors. These as well as other identified impacts and issues were discussed in detail with stakeholders, and mitigation and monitoring steps were developed and implemented.

Corporately, our stakeholder engagement is focused on shareholders, capital market participants, governments (usually at the national level) and civil society (principally national and international NGOs). Communication processes include regulatory filings, annual and quarterly reports, news releases, stakeholder updates, fact sheets, presentations by senior management, as well as meetings, individual letters and telephone conversations, media interviews, speeches, press conferences and conference calls. For example, the Chair of the Sustainability, Environment and Health and Safety Committee of the Board of Directors personally spoke with investors regarding our human rights governance. At all times, Goldcorp and its employees are conscious of their obligations, under the provisions of securities laws and stock exchange rules, relating to the disclosure of material information. Learn more about our approach to [timely disclosure and confidentiality](#).

The company's website ([www.goldcorp.com](http://www.goldcorp.com)) is the primary source of information for our key stakeholders. The Vice President, Investor Relations, is responsible for creating and maintaining the website. The site includes an email link to an Investor Relations contact at Goldcorp in order to facilitate communication with investors and other stakeholders.

We also maintain a separate website ([www.goldcorpguatemala.com](http://www.goldcorpguatemala.com)) for our operations in Guatemala. One of the prime reasons for this website is to make the Marlin mine Annual Monitoring Reports available to stakeholders in Spanish.

## Community Engagement

Goldcorp has programs in place to assess and manage the impacts of our operations on communities throughout the life cycle of a mine – prior to entering a community, while operating, and when exiting a community. These programs support our engagement with the local community and apply to all of our mining operations worldwide.

All of our mines have dedicated Corporate Social Responsibility personnel whose roles are to ensure that our host communities benefit directly from our operations. Our larger operations have formed formal consultation committees. These committees generally address environmental issues associated with mining operations, rehabilitation and mine closure planning, improved community services and future plans for the operation.

Learn more about some of our community committees by clicking on the links to the left.

## Community Contributions

[Direct and Indirect Contributions](#) | [Donations](#) | [Foundations](#)

Goldcorp's contributions to local communities in 2010 amounted to \$576 million, which is a substantial increase from the \$364 million contributed in 2009.

### Direct and Indirect Contributions

#### Direct Contributions

Direct contributions amounted to \$12.8 million in 2010, down from \$17.7 million in 2009. Direct contributions relate to money or in-kind benefits provided directly to community organizations or community representatives for specified purposes, including:

- Donations: direct contributions to community well-being
- Infrastructure: electricity, water, roads, etc.
- Services: health and education
- Development: agriculture, micro-loans, business development, etc.
- Other: administration and other contributions not allocated to the categories above

#### Indirect Contributions

Indirect contributions amounted to \$563.7 million in 2010, a considerable increase from \$346.6 million in 2009. Indirect contributions relate to money or in-kind benefits provided to community organizations, local governments or individuals for unspecified purposes, or the purchase of goods and services from the local area, including:

- Local royalties and taxes: taxes of all kinds paid to local authorities
- Compensation agreements: monies paid as part of formal compensation agreements
- Local goods: goods purchased from the local area
- Local services: services supplied from the local area

### Donations

Each of our operations provides support for its local communities through direct philanthropic contributions. Goldcorp, as a corporate entity, also provides substantial support through donations and sponsorships in education, health, community development and the arts. In 2010, local donations, classified as direct contributions, amounted to approximately \$1.2 million, down slightly from \$1.3 million in 2009. A total of 296 community scholarships totalling \$1 million were provided in 2010.

After Tropical Storm Agatha hit Guatemala on May 29, 2010, bringing torrential rain, high winds and deadly mudslides that killed 113 people and forced the evacuation of another 112,000 in cities and villages, Goldcorp donated approximately \$300,000 to help more than 1,500 affected people ([see Above Ground Magazine for more details](#)).

### Foundations

Goldcorp has established foundations in Guatemala and Honduras to provide long-term community

assistance.

- Fundación Sierra Madre (the Sierra Madre Foundation) in Guatemala was founded in 2003 by the Marlin mine. Its mission is to implement sustainable, community-based development and capacity-building programs in the municipalities of San Miguel Ixtahuacán and Sipacapa. It is managed and staffed by Guatemalans, and has become an important part of the local community throughout the municipality of San Miguel and in villages in the municipality of Sipacapa. The foundation plays an integral role in building local capacity and promoting economic and community sustainability.
- Fundación San Martín (the San Martín Foundation) is a non-profit organization, founded in 2000 by the San Martín mine to promote sustainable development in the Honduran region known as Valle de Siria, which encompasses parts of the municipalities of San Ignacio, Cedros and El Porvenir. Its purpose is to secure benefits for the community, on a permanent basis, by creating employment opportunities and economic development in the area during and after mine operations.

# Indigenous Relationships

## [Collaboration with Indigenous Communities](#) | [Land Rights](#)

Goldcorp respects the human rights, cultures, customs and values in dealings with those who are affected by our activities. We strive to ensure community engagement and involvement through community consultation and special events, and by partnering with various organizations for a range of community development programs.

A total of 18 (86%) of Goldcorp's 21 significant investment agreements, which comprise those agreements requiring the highest level of management approval, include human rights clauses or have undergone human rights screening.

## Collaboration with Indigenous Communities

Indigenous peoples are a key community group at a number of our operations. We acknowledge the traditional cultures and knowledge that exist in Indigenous communities, and we seek to consult and partner with these communities to improve economic, environmental and social opportunities. Five of our operations (El Sauzal, Éléonore, Marlin, Musselwhite and El Morro) have programs specifically implemented to collaborate with Indigenous communities. Among our various operations in 2010, we had 1,373 Indigenous employees and contractors.

### **Musselwhite and the First Nations Communities**

The sustainability of the mining industry in Canada is based, to a large extent, on its ability to develop and maintain good working relationships with the local First Nations communities. Musselwhite mine personnel have worked extensively, during the planning stages of the mine and since the operation began production, to develop and cultivate a relationship with the First Nations in the area.

In 2001, the mine established an innovative agreement (the Musselwhite Agreement) with local First Nations communities that provides them with a range of education, training, employment and business-related services. The signatories to the agreement are the First Nations of North Caribou Lake, Cat Lake, Kingfisher Lake and Wunnumin Lake, as well as the Shibogama First Nations Council and the Windigo First Nations Council. Affiliates to the Agreement include three other First Nations communities that are affiliates to the Shibogama First Nations Council, and five other First Nations communities that are affiliates to the Windigo First Nations Council.

### **Éléonore and the Cree Nation of Wemindji**

In 2010, work continued on the advancement of the Éléonore project, located in the James Bay region of Québec, approximately 190 kilometres east of the Cree Nation of Wemindji, and 320 kilometres north of the town of Matagami. Goldcorp, through Éléonore, has continued building on its relationship with the Cree, and in particular, the Cree Nation of Wemindji. As with previous years, we have worked diligently to maintain this relationship through community visits and presentations, as well as continued discussions leading to a collaboration agreement between Wemindji and Éléonore. In August 2010, the third annual Cultural Day celebration was held at the Éléonore site. Organized largely by our Cree neighbours and employees, Cultural Day allows for the sharing of culture and traditions and for the recognition of the strength and diversity of our staff.

### **Marlin and the Mam and Sipacapense Communities**

The Marlin mine has an ongoing Public Consultation and Disclosure Program (PCDP). One of the key elements of the PCDP is the Community Relations Unit of the Marlin Mine Sustainable Development Department, which is made up of Mam and Sipacapense-speaking residents of the municipalities of San Miguel Ixtahuacán and Sipacapa.

The Community Relations Unit has been trained to provide information about the mine, conduct meetings and facilitate the participation of Indigenous people at the community, organizational and individual levels. The public consultation and disclosure work of the Community Relations Unit has expanded over time to include communities throughout the municipalities of San Miguel Ixtahuacán and Sipacapa, communities in the departments of Huehuetenango and Quetzaltenango that are located along the access road to the Marlin mine from the Pan American Highway and, most recently, communities located along the electric power transmission line from Tejutla to the mine.

### **Land Rights**

Goldcorp recognizes that many people have a special relationship with the land. We understand and respect the strong spiritual connection and sense of belonging that Indigenous communities may have with their land (and the environment in general), including sacred sites and other places of cultural significance and importance.

Mining activities often occur in remote environments, where local communities engage in subsistence agricultural practices or sustainable livelihoods based on surrounding natural resources. In these circumstances, the human (social and economic) dimensions of the land take on critical importance. This is particularly true in the rural areas of developing countries, where entire communities are directly dependent on the land for their livelihoods. To this end, Goldcorp, as part of its CSR Framework, is developing Land Acquisition and Compensation guidance that will be used by all sites.

Compared with some rural land uses (such as commercial agriculture and forestry), mining is an intensive user of small areas of land. Our preferred approach is to deal directly with individual landowners (or representative groups where land is held in common) to achieve mutually beneficial outcomes. At all times, we pay at or above market rates for the land we acquire. We acknowledge the right of landowners to be represented by agents and advisers at these negotiations. When we acquire land that contains a dwelling, our operating principle is to provide a residence of a higher standard at a preferred location.

## Resettlement

Resettlement is a complex and life-changing issue for the communities affected. Our approach is to seek voluntary resettlement when resettlement is necessary. The timing and location of resettlement is negotiated with the affected households, and every reasonable effort is made to ensure that the integrity of the communities is maintained. As a general rule, resettlement will be to a location that has better standards (e.g., housing, infrastructure and services) than the area from which the community came. Our guiding principle on land-related matters is to create and foster trust that results in mutual benefits.

No resettlement activity was undertaken in 2010.

## Issues and Concerns

[Stakeholder Topics of Concern](#) | [Community Issues](#) | [Artisanal Mining](#)

Stakeholder engagement is a continuous process. It is undertaken by individual employees, by small groups and by the Company itself (usually from our corporate or regional offices). Local mine site management, along with corporate and regional management, is responsible for identifying, mapping and engaging with a variety of local, national and international stakeholders on topics related to our operations.

As part of our CSR Framework, Goldcorp has developed corporate grievance mechanism guidance that informs the development, implementation and monitoring of culturally appropriate grievance mechanisms at all sites.

### Stakeholder Topics of Concern

Topics raised during local stakeholder engagement included economic development; employment and training opportunities; requests for support on health, infrastructure and education initiatives; environmental performance at the mine (including permits); mine rehabilitation; agreements with local landowners; the lifespan of the mine; and the prior consultation and consent of Indigenous communities.

As a member of the International Council on Mining & Metals (ICMM), Goldcorp is committed to implementing and measuring its performance against the ICMM's 10 Principles, which include:

- Upholding fundamental human rights and respecting cultures, customs and values in dealings with employees and others who are affected by Goldcorp activities
- Contributing to the social, economic and institutional development of the communities in which we operate
- Implementing effective and transparent engagement, communication and independently verified reporting arrangements with Goldcorp stakeholders

The ICMM's position statement on Mining and Indigenous Peoples includes a commitment to "participate in national and international forums on Indigenous peoples issues, including those dealing with the concept of free, prior and informed consent".

In addition, Goldcorp developed a corporate policy on human rights that is consistent with ICMM's 10 Principles and industry best practices. The Board of Directors and management approved the Human Rights policy, as well as the CSR policy, in October 2010.

### Community Issues

All of Goldcorp's operations have procedures for handling community issues, which are followed up on to determine a mutually acceptable resolution. In 2010, issues mainly related to noise, dust, traffic, vibrations from blasting and water for livestock. In all, 54 of 85 complaints received, or 63%, were satisfactorily resolved within the year. In all cases, we seek to establish meaningful and transparent dialogue with the complainant and to take appropriate remedial action.

Five sites have a formal grievance resolution mechanism to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples. These grievance mechanisms were used to



resolve seven conflicts in 2010. There was one significant incident relating to customary rights of local communities and Indigenous peoples in 2010. This incident occurred at the Marlin mine, when a meeting in the Máquivil community ended with a conflict over a communal decision. The incident was resolved without use of force.

Our Marlin operation has been supporting the consolidation of a Municipal Commission in San Miguel Ixtahuacán. They have been developing a Round Table dialogue to discuss human rights issues related specifically to the mine (in accordance with the Precautionary Measures outlined by the International Human Rights Commission), but also to discuss issues of significance to the local communities. There were no incidents or fines related to non-compliance with applicable community regulations at our operations in 2010.

There were no incidents or fines related to non-compliance with applicable community regulations at our operations in 2010.

### Artisanal Mining

There is not any artisanal or small-scale mining, including illegal mining or panning, on or near any of our properties.

## Environmental Stewardship

At all stages of activity – from exploration and planning to operations and eventual closure – we aim to limit our environmental impacts through the efficient use of natural resources, reducing input materials and waste, and contributing to the conservation of biodiversity. Goldcorp is committed to the highest standards of environmental management and performance, striving to go beyond regulatory compliance to adopt industry best practices.

- In December, Goldcorp was added to the Dow Jones Sustainability Index North America (DJSI North America). One of the world's most influential sustainability indexes, the DJSI North America evaluates leaders in corporate social responsibility using rigorous selection criteria in the areas of corporate, economic, environmental and social performance.
- All of Goldcorp's seven nominated mines were certified to the Cyanide Code by the end of 2010.
- Total water consumption decreased by 15%.
- Energy consumption per tonne of ore treated in 2010\* increased by 3% (attributed to the development of the Peñasquito mine to commercial production).
- Significant environmental incidents (Category III and above) decreased by 25% in 2010.

## Management Approach

[Goals and Performance](#) | [Policy](#) | [Organizational Responsibility](#) | [Training and Awareness](#) | [Monitoring and Follow-up](#) | [Additional Contextual Information](#)

Goldcorp believes that operating in a responsible and sustainable manner is of key importance and reflects a long-term commitment to maintaining a viable business, increasing value for our shareholders, improving employment and development opportunities for our host communities and minimizing our environmental footprint.

### Goals and Performance

Goldcorp understands that the setting of goals (objectives and targets), and the reporting of performance against those goals, are key drivers for improved performance across the organization. The three most important corporate environmental goals over the last few years have involved the Cyanide Code, our environmental management systems and mine closure.

*Cyanide Code* – In July 2007 Goldcorp became a signatory to the International Cyanide Management Code (the Code). At that time we nominated seven operations to be certified to the Code, and had until July 2010 to meet that commitment. Certification to the Code requires verification against the principles of the Code by an independent third-party auditor accredited by the International Cyanide Management Institute (the Institute). The certification audits of all seven operations were completed and submitted to the Institute by July 2010 and the final operation was formally notified of its successful certification in December 2010.

*Environmental Management System* – Establishing an environmental management system brings a systematic approach to dealing with the environmental aspects of an organization. It is a tool that enables an organization to control the impacts of its activities on the natural and man-made environment. Goldcorp has chosen ISO 14001 (Environmental management systems - Requirements with guidance for use) as the Company standard. The goal was to have all operations develop an environmental management system consistent with ISO 14001 by the end of 2010. All operations have indicated that they have met this requirement, and we are now commencing a program of internal audits to review and verify these management systems.

*Mine Closure Plans* – Goldcorp is committed to developing, operating and closing each of its mining properties in a sustainable manner throughout the full mine life cycle. To do this effectively and efficiently requires the development and ultimate implementation of a closure plan. We committed to ensuring that all of our operations had an updated and costed closure plan in place by the end of 2010. These plans are now in place, and they are reviewed, updated and recosted annually as an integral part of our business planning cycle.

Goldcorp has identified energy and water management as two key environmental challenges moving forward. In 2011, we will develop corporate strategies in both these areas including goals for improved performance.

### Policy

Goldcorp is committed to best practices in environmental management for all aspects of its operations. Our

approach to improving environmental performance is guided by our [Environmental and Sustainability Policy](#), which promotes the development and implementation of effective systems to minimize risks to health, safety and the environment and to design, operate and close our facilities in compliance with international guidelines and local regulations.

The core values of our Environmental and Sustainability Policy can be summarized as:

- a commitment to the protection of life, health and the environment for present and future generations
- respect for the needs and culture of the local communities
- open communication with employees, stakeholders and governments on our plans, programs and performance
- cooperation with government agencies, local communities, educational institutions and suppliers to achieve safe handling and disposal of all our materials, resources and products
- application of the best technologies to continuously improve the safe, efficient use of resources, processes and materials

Goldcorp's Environmental and Sustainability Policy requires that all mine facilities be designed, constructed, operated and closed in compliance with applicable local laws and regulations and meet internal or appropriate international guidelines.

We have also established internal operating standards for critical environmental activities, including tailings management, cyanide management, mine closure, incident reporting and environmental audit.

## Organizational Responsibility

The President and Chief Executive Officer of Goldcorp is ultimately responsible for the environmental performance of the Company. At the Board level, the Sustainability, Environment, Health and Safety Committee of the Board has overview of environmental functions (see [Board Oversight of Sustainability](#) for more information on the role of this Committee).

Goldcorp's technical and strategic environmental function is headed by a Vice President for Sustainable Development reporting directly to the Chief Operating Officer, and supported by two Directors of Environment. One of the directors has prime responsibility for mine closure and the Cyanide Code, the other for new projects and energy efficiency.

## Training and Awareness

Environmental training and awareness is principally a site function. This commences with an introduction to the overall environmental culture of Goldcorp during an employee's induction training and progresses to specific environmental requirements for the site they will be employed at. If their employment has specific environmental functions, then additional training will be required in these areas. Environmental awareness programs are conducted periodically, and are often based around a theme (recycling, spill prevention and response, incident reporting, etc.). The intention with site-based environmental training and awareness is to ensure that all employees understand their accountability for environmental protection in the workplace and their duty-of-care to the broader environment.

Goldcorp also encourages and supports continuing professional development for its environmental professionals. Each year Goldcorp holds a Sustainability Workshop covering the areas of Safety and Health, Community and Environment. This brings together the company's professionals in these areas to discuss strategy and implementation issues, and to enhance skills in selected areas (environmental audit, acid

mine drainage management, etc.). These workshops are either Company-wide or regionally based in alternating years, and are well attended by senior management and a cross-section of employees from other areas of the company.

Goldcorp also promotes the attendance of its environmental professionals at relevant conferences, workshops and seminars outside the Company to encourage interactions with their peers. This provides both benchmarking opportunities, as we compare our performance against our peers, and the opportunity to promote Goldcorp's environmental performance through the presentation of technical papers.

## Monitoring and Follow-up

Goldcorp is enhancing its environmental audit program to ensure that available resources are focused in areas that most require assessment and review. Increasingly, audit team members will be drawn from Goldcorp's in-house professionals, augmented by independent lead auditors and experts as required.

Goldcorp is focusing its internal audit resources on verifying that site environmental management systems (EMS) conform to our ISO 14001 EMS standard. Internal gap analyses commenced in 2010. These gap analyses consisted of a senior environmental professional visiting an operation and undertaking a desktop review of the site's EMS. The intent is to identify any major gaps in the EMS and to assess the site's readiness for a full EMS audit. These full audits will commence in 2011.

As a signatory to the International Cyanide Management Code (see below), Goldcorp has been involved in a three-year campaign to certify its nominated operations. Certification to the Cyanide Code requires detailed audit of an operation against the Cyanide Code's nine principles by independent third-party auditors. These auditors are certified as independent and competent by the International Cyanide Management Institute. For an operation to achieve certification, its entire cyanide supply chain (including manufacture and transport) must also be certified to the Cyanide Code. All seven of Goldcorp's nominated operations have achieved Cyanide Code certification.

It is a Goldcorp requirement that all active tailings dams receive, at a minimum, an annual independent third-party geotechnical review. To complement this geotechnical review, Goldcorp will commence a complementary audit of tailings management in 2011. These audits will be undertaken by an independent third-party consultant with appropriate experience in tailings management.

A key component of Goldcorp's commitment to environmental stewardship is mine closure planning. All operations have developed closure plans and made provision for the decommissioning and reclamation of sites at the end of mine life. Closure plans and provisions are reviewed and updated annually to reflect changes in operations and costs. These updated closure plans and associated costs are reviewed each year by experienced professionals from the corporate environmental group and are subject to annual review by our external financial auditors.

## Additional Contextual Information

In July 2007, Goldcorp became a signatory to the International Cyanide Management Code and nominated seven operations for certification. Our Marigold mine in Nevada became the first operation in the world to be certified as compliant with the Cyanide Code, in early 2007. In early 2008, our El Sauzal mine became the first Mexican mine to be certified as compliant with the Cyanide Code, and in mid-2009, Marlin became the first Guatemalan mine to be certified. In early 2010, our Musselwhite mine became the first Canadian operation to be certified compliant with the Cyanide Code, and Marigold became the first mine in the world to be re-certified to the Code. Later in 2010, our Los Filos, Porcupine, and Red Lake mines were Cyanide

Code certified.

Goldcorp is committed to best practices in environmental management across all operations. Each site has an established environmental management system (EMS) which dictates organizational structure, responsibilities, practices, processes and resources for implementing and maintaining environmental procedures. As well, Goldcorp has adopted ISO 14001 as its EMS standard, and each site is aligning individual management systems with this international standard.

Goldcorp acknowledges climate change as an international and community concern. We support and endorse various initiatives for voluntary actions consistent with international initiatives on climate change. We are committed to reducing energy consumption and greenhouse gas emissions and we promote energy efficiency at all our operations.

## Materials

### Process Materials | Recycled Materials

We believe that effective environmental performance encourages greater efficiency at our operations and minimizes risks to our business, contributing directly to our long-term success. We are committed to reducing our impacts on the environment and to the efficient use of resources.

### Process Materials

Process materials used can be broadly separated into two categories – raw materials (the ore from which we extract gold and silver) and consumables (materials that are used in the production of gold and silver but are not part of the final product).

#### *Raw Materials*

Goldcorp mines ore from both open pit and underground operations. This ore is either processed through a mill or placed on a heap leach pad to extract the precious metals. In total, this material is referred to as "tonnes of ore treated" (milled plus heap leached).

The total tonnes of ore treated in 2010 was 81.6 million tonnes (Mt), compared with 72.8 Mt in 2009, an increase of 12%. The tonnage of ore milled and heap leached in 2010 is shown below.

|                   | 2010 | 2009 | Trend |
|-------------------|------|------|-------|
| Milled (Mt)       | 30.7 | 14.0 | 120%  |
| Heap leached (Mt) | 50.8 | 58.9 | -8%   |
| Total (Mt)        | 81.6 | 72.8 | 12%   |

Tonnes milled increased significantly in 2010 due to a full year of operation of Process Line 1 at Peñasquito and the commissioning of Process Line 2 in the middle of the year.

#### *Consumables*

We use significant amounts of reagents and other consumables in the extraction of gold and silver from the ore we mine, as outlined below.

|                                | 2010    | 2009    | Trend |
|--------------------------------|---------|---------|-------|
| Cyanide (t)                    | 23,900  | 21,300  | 12%   |
| Lime (including quicklime) (t) | 151,000 | 150,500 | –     |
|                                |         |         |       |

|                           |               |        |      |
|---------------------------|---------------|--------|------|
| Sodium metabisulphate (t) | <b>3,900</b>  | 4,700  | -19% |
| Grinding balls (t)        | <b>28,100</b> | 11,000 | 157% |

The significant increase in the volume of grinding balls consumed in 2010 was the result of an additional 17.8 Mt of ore milled at Peñasquito. The steel balls are consumed in the milling of ore into smaller particles for further processing.

## Recycled Materials

Using recycled input materials helps reduce the demand for virgin material and contributes to the conservation of the global resource base. Recycled input materials used at our mines include waste oil, fly ash and glass. Recycled input materials as a percentage of our principal process materials (excluding fuels) was 4% in 2010, the same as in 2009.

In 2001, a partnership was initiated between the Porcupine mine and Abitibi-Bowater to use pulp and paper wastewater sludge as a soil amendment for the rehabilitation of mine-affected lands. The biologically active material, more commonly referred to as "biosolids", was traditionally disposed of as a waste in specially constructed landfills. Similar materials from various pulp and paper processes had been used on a small scale throughout North America, and it had been proven that pulp and paper biosolids, which are similar to yard waste compost, provided an environmentally sound solution to more traditional chemical fertilizers when used in conjunction with revegetation efforts. Including biosolids as a recycled input material increases the percentage of these materials to 35%.

Learn more about how we are substituting recycled materials for virgin materials by clicking on the links to the left under "Case Studies".



## Energy

[Direct Energy Consumption](#) | [Indirect Energy Consumption](#) | [Energy Efficiency](#)

Mining is an energy intensive industry. Goldcorp is committed to improving energy efficiency in order to reduce both costs and greenhouse gas emissions. To facilitate this process we are developing an energy strategy which will include a five year plan setting objectives and targets in the following key areas:

- energy efficiency
- emissions reduction
- energy security and
- renewables

Energy used at our operations is principally in the form of fuel or electricity (whether purchased directly from the grid or generated on-site). Our total energy consumption for 2010 was 13,700 terajoules (TJ), compared with 11,800 TJ in 2009, which is an increase of 16%. Energy consumption in gigajoules (GJ) per tonne treated in 2010 was 3% higher than in 2009.

### Direct Energy Consumption

Goldcorp continues to focus on opportunities to reduce direct energy consumption. Direct energy is defined as energy consumed by the organization within its boundaries. Our total direct energy consumption for 2010 was 8,350 TJ, compared with 8,320 TJ in 2009.

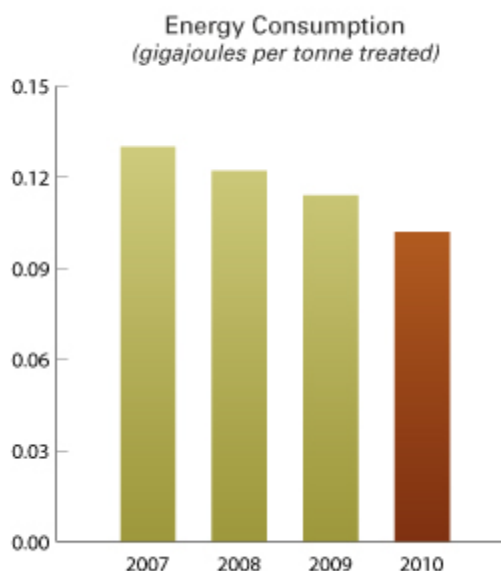
#### Fuel

We use large quantities of diesel, principally in our truck and heavy equipment fleets. The total volume of diesel consumed in 2010 was 186,500 kilolitres (kL), compared with 169,600 kL in 2009, which is an increase of 10%. The increased activity at Los Filos and Peñasquito accounted for most of this increase in total diesel consumption. Diesel consumption in litres per tonne treated in 2010 was 2% lower than in 2009.

We use gasoline in our light vehicle fleet. The total volume of gasoline used in 2010 was 3,870 kL, compared with 3,770 kL in 2009, which is an increase of 3%.

Diesel is also used to generate on-site electricity. This amounted to 5,940 kL in 2010, compared with 4,960 kL in 2009, an increase of 20%. Most of this increase occurred at Musselwhite, where significant diesel power generation occurred for the first time in 2010 due to the inability of the existing grid power line to supply the mine's increasing power needs. Diesel consumption for on-site electricity generation in 2010 was 3% of total diesel consumption, the same as in 2009.

#### Explosives



Goldcorp uses explosives to break up ore so that it can be mined and transported for processing. The two principal explosives used are ANFO (a mixture of ammonium nitrate and fuel oil) and emulsion. A total of 90,200 tonnes of explosives were consumed in 2010, compared with 99,600 tonnes in 2009, which is a decrease of 9%.

|              | 2010   | 2009   | Trend |
|--------------|--------|--------|-------|
| ANFO (t)     | 72,600 | 88,900 | -18%  |
| Emulsion (t) | 17,600 | 10,700 | 65%   |
| Total (t)    | 90,200 | 99,600 | -9%   |

### Gas

A significant quantity of propane and natural gas is used, principally for heating at our Canadian underground operations. The volume of propane used in 2010 was 450 TJ, compared with 470 TJ in 2009, which is a 4% decrease. The volume of natural gas used in 2010 was 430 TJ, compared with 380 TJ in 2009, which is a 12% increase.

## Indirect Energy Consumption

Indirect energy is energy produced outside the reporting organization's boundaries that is consumed on-site. Our total indirect energy consumption for 2010 was 5,320 TJ, compared with 3,480 TJ in 2009, which is an increase of 53%.

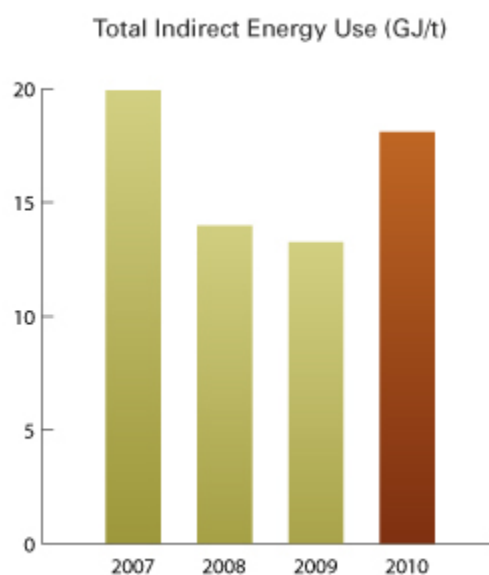
### Grid Electricity

For Goldcorp, indirect energy refers principally to electricity drawn from the national grids in the countries in which we operate. We use electricity from the national grids in Canada, the US, Mexico, Honduras and Guatemala. The total electricity consumed in 2010 was 1,477,300 megawatt hours (MWh), compared with 966,400 MWh in 2009, which is an increase of 53%. This increase was entirely due to the ongoing development of the Peñasquito mine. Across our other operations, electricity use actually fell by 6,400 MWh. At Peñasquito, Process Line 1 operated for a full year and Process Line 2 was commissioned mid-year. Electricity consumption at Peñasquito increased from 161,900 MWh in 2009 to 679,300 MWh in 2010, an increase of 319%.

Electricity consumption in kilowatt hours per tonne treated in 2010 was 36% higher than in 2009.

### Indirect Energy

We have not focused on indirect energy efficiency (e.g., areas such as business travel and employee



commuting) other than as part of our normal approach to economic efficiency. While important, these areas offer us significantly less overall efficiency gains than direct energy consumption, and they are also complicated by other issues, such as employee security. We will attempt to address these issues in future reports.

## Energy Efficiency

Energy is a significant component of our overall cost structure, and we are committed to improving our energy efficiency in order to reduce both costs and greenhouse gas emissions. Because our main products are gold and silver doré bars, there is limited opportunity to produce energy-efficient products. However, we are pursuing many initiatives related to improving energy efficiency in our processes.

Learn about some of our energy efficiency programs by clicking on the links to the left under "Case Studies".

## Greenhouse Gas and Air Emissions

[Greenhouse Gas Emissions](#) | [Air Emissions](#)

### Greenhouse Gas Emissions

Goldcorp's direct greenhouse gas emissions are derived principally from on-site power generation, on-site transport, explosives use and heating. Our principal indirect greenhouse gas emissions are generated from purchased electricity.

#### Greenhouse Gas Emissions

Total direct and indirect greenhouse gas emissions in 2010 were 1,194,500 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e), compared with 854,500 tCO<sub>2</sub>e in 2009, which is a 40% increase. This increase was directly related to our increased electricity consumption at Peñasquito.

Total direct (Scope 1) and indirect (Scope 2) greenhouse gas emissions for 2010 and 2009 are shown below.

|  | 2010             | 2009           | Trend      |
|--|------------------|----------------|------------|
| Scope 1 greenhouse gas emissions (tCO <sub>2</sub> e)    | 596,800          | 554,200        | 8%         |
| Scope 2 greenhouse gas emissions (tCO <sub>2</sub> e)    | 597,700          | 300,300        | 99%        |
| <b>Total greenhouse gas emissions (tCO<sub>2</sub>e)</b> | <b>1,194,500</b> | <b>854,500</b> | <b>40%</b> |

Scope 1 (direct) greenhouse gas emissions are derived from sources that are owned or controlled by the reporting organization. Our principle source of direct emissions is the consumption of diesel in our heavy vehicle fleets.

Scope 2 (indirect) greenhouse gas emissions are generated at sources owned or controlled by another organization. Imported electricity, although considered an indirect emission source, is included above.

Scope 3 (other indirect) greenhouse gas emissions include emissions from business travel, commuting to work, etc. At this stage, Goldcorp is not in a position to calculate Scope 3 greenhouse gas emissions. We will attempt to address this reporting element in future sustainability reports.

Learn about programs that have resulted in greenhouse gas emissions reduction by clicking on the links to the left under "Case Studies".

#### Emission Reduction

Our focus is on promoting energy efficiency. Given that energy use generates over 98% of our greenhouse gas emissions, increased energy efficiency will result in reductions in greenhouse gas emissions.

Learn about programs that have resulted in greenhouse gas emissions reduction by clicking on the links to the left under "Case Studies".

## Air Emissions

The reporting of air emissions is mandatory in Canada and the US under the following legislation:

1. The *National Pollutant Release Inventory* (NPRI) is Canada's legislated, publicly accessible inventory of pollutant releases (to the air, water and land), disposals and transfers for recycling.
2. The *Emergency Planning and Community Right-to-Know Act 1986* (EPCRA) requires the US Environmental Protection Agency (EPA) and the states to annually collect data on releases and transfers of certain toxic chemicals from industrial facilities, and to make the data available to the public in the Toxics Release Inventory (TRI).

Certain chemicals are recognized as ozone-depleting substances because they break down in the stratosphere and release chlorine or bromine, which destroy the stratospheric ozone layer. Most ozone-depleting substances are controlled under the Montreal Protocol and its amendments, and include chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), halons and methyl bromide. Ozone-depleting substances are used as foam blowing agents, solvents, fire-extinguishing agents, and refrigerants for air conditioning and refrigeration applications. Wherever possible, we have eliminated ozone-depleting substances from our workplaces. We recorded zero releases of these substances in 2010.

Our three most significant air emissions by weight are carbon monoxide, nitrous oxide and sulphur dioxide. However, not all of our operations routinely monitor or calculate these emissions. Data are collected in Canada and the US and submitted to national databases, which collate data from significant emitters. The absence of similar legislation in other jurisdictions means that our other mines do not currently calculate these emissions. It will be a priority in future years to extend this data collection to all of our operations.

The data outlined below compare emissions in 2009 and 2010 from our Canadian and US operations. The methodology is included in the online data associated with the NPRI and TRI; however, it should be noted that the scope and methodology of emissions calculations differs between the two programs.

|                     | 2010  | 2009  | Trend |
|---------------------|-------|-------|-------|
| Carbon monoxide (t) | 2,070 | 1,970 | 5%    |
| Nitrous oxide (t)   | 801   | 864   | -7%   |
| Sulphur dioxide (t) | 128   | 66    | 94%   |

*Note: This table includes Canada and US data only.*

The increase in sulphur dioxide was the result of an increase in the production of diesel-generated electricity at Musselwhite. This was balanced by an overall reduction in emissions at Porcupine due to reduced diesel usage following the closure of the Pamour open pit in mid-2009.

## Implications of Climate Change

[Management Approach](#) | [Regulatory Initiatives](#) | [Climate Change Risks](#) | [Climate Change Opportunities](#) | [Reporting](#)

Climate change is now firmly established on the long-term policy agenda and has become an integral part of the everyday context of doing business. Supplies of clean, reliable and affordable energy are fundamentally important for sustainable development, particularly for economic development and improving social welfare in developing countries. However, scientific evidence suggests that, to protect the global climate system, sustained reductions in greenhouse gas (GHG) emissions are necessary.

### Management Approach

We continue to assess energy efficiency opportunities across all of our operations with the goal of reducing both costs and GHG emissions. Goldcorp is committed to responding effectively to climate change and will:

- Continue to meet or exceed regulatory requirements and, where appropriate, contribute to the development of new regulations
- Monitor and report GHG emissions consistent with international standards and in line with our commitment to report in accordance with the Global Reporting Initiative and the Carbon Disclosure Project
- Seek to reduce GHG emissions as measured in absolute terms or per unit of production
- Promote improved energy efficiency at each of our operations as the most cost-effective way to reduce GHG emissions
- Share and promote good practices of energy efficiency and GHG emissions reduction across Goldcorp
- Promote the use of renewable energy where this makes operational sense
- Monitor the development of new technologies and products, which, if substituted for existing processes, would result in an overall reduction in GHG emissions
- Design new projects and operational upgrades to minimize GHG emissions
- Work with industry bodies, customers and suppliers, governments and civil society to promote GHG emissions reduction throughout the life cycles of our products

### Regulatory Initiatives

In addition to voluntary actions, governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Where legislation already exists, regulation relating to emissions levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, Goldcorp expects that it will result in increased costs at some of its operations. Three initiatives are of particular importance to Goldcorp.

#### Western Climate Initiative

The *Western Climate Initiative* (WCI) is a cooperative effort between US states and Canadian provinces (including British Columbia, Manitoba, Ontario and Québec) to identify policies to reduce GHG emissions, including the design and implementation of a regional cap-and-trade program.

#### Mandatory GHG Reporting Rule

The US EPA *Mandatory GHG Reporting Rule* was released in March 2009, and contains rules for a mandatory GHG registry that is intended to cover 85% to 90% of the nation's GHG emissions – requiring reporting from approximately 13,000 facilities. Neither of Goldcorp's US operations (Marigold or Wharf) trigger mandatory reporting under the US EPA *Mandatory GHG Reporting Rule*.

### **Ontario Climate Change Initiatives**

Ontario has passed a number of legislative and regulatory initiatives relating to climate change. In May 2009, Ontario passed the Green Energy Act, which will make it easier for developers to get renewable projects up and running and on the grid, such as new wind turbines, solar panels and bio-energy plants. Ontario is also moving to establishing a cap-and-trade system to reduce GHG emissions under the *Environmental Protection Amendment Act* (Greenhouse Gas Emissions Trading). The Act is designed to allow Ontario's program to link to other systems in North America and abroad.

On December 1, 2009, Ontario adopted Regulation 452/09, *Greenhouse Gas Emissions Reporting*. This regulation requires a broad range of Ontario organizations to report their GHG emissions, starting with the calendar year that began on January 1, 2010. Third-party verification requirements will be phased in.

Of Goldcorp's three Ontario operations, only Musselwhite is likely to be required to report under Ontario's *Greenhouse Gas Emissions Reporting* regulation. Musselwhite's current power demand exceeds the amount of grid power that can be supplied to the mine. The operation is using diesel power to supplement grid power until the necessary upgrades can be made to the existing distribution system. Musselwhite is working with the Ontario power utility and local First Nations communities to provide increased power supply to this part of Ontario.

## **Climate Change Risks**

Goldcorp will continue to address the potential physical risks of climate change, such as sea level rise and changing weather patterns.

### **Sea Level Rise**

Our operations are not directly threatened by current predictions of sea level rise. All of our operations are located well inland, at elevations of between 100 and 1,000 metres above sea level.

### **Extreme Weather Events**

Extreme events (such as increased frequency or intensity of hurricanes, increased snow pack, prolonged drought, etc.) have the potential to disrupt mining operations. Where appropriate, facilities have developed emergency plans for managing extreme weather conditions; however, extended disruptions to supply lines could result in an interruption in production.

### **Resource Shortages**

Mining and processing depend on the regular supply of consumables (such as diesel, tires, reagents, etc.) to operate efficiently. In the event that the effects of climate change cause prolonged disruption to the delivery of essential commodities, then Goldcorp's production efficiency is likely to be reduced.

### **Water Availability**

Various climate change models show potential increases or decreases in precipitation at the macro level, but there is little agreement on potential future impacts at the regional or local level. Our approach is to focus on maximizing the recycling and reuse of water at all of our operations, and to continue to evaluate technologies and processes for increased water efficiencies.

The demand for gold is not directly linked to climate change risk. However, as GHG emissions are produced during the mining and processing of gold ore, general consumer attitudes towards climate change have a direct bearing on our operations. Goldcorp will continue to develop plans to reduce GHG emissions while monitoring stakeholder attitudes towards climate change.

## Climate Change Opportunities

Goldcorp will continue to monitor the development of more energy-efficient products and services, and we will avail ourselves of these products and services as opportunity allows. We continue to assess options for the development of hydro, solar and geothermal power. The ability to substitute these sources of power for existing coal- or gas-fired generation has the potential to significantly reduce emissions.

In January 2005, the European Union *Greenhouse Gas Emission Trading System* (EU ETS) commenced operation as the largest multi-country, multi-sector GHG emission trading system worldwide. The aim of the EU ETS is to help EU member states achieve compliance with their commitments under the Kyoto Protocol. A number of states in the US are also considering market-based policies (including emissions trading) to reduce emissions of GHGs. Goldcorp is not currently involved in emissions trading. We will continue to monitor the development of these initiatives and may become involved in the future.

## Reporting

A brief reference to climate change risks is included in Goldcorp's Annual Information Form. Goldcorp made its first submission to the Carbon Disclosure Project (CDP) in mid-2007. It is our intention to make a submission to the CDP every year. Goldcorp's submissions can be accessed on the [CDP website](#).



## Effluents and Waste

### Process Wastes | Hazardous Wastes

In recent years, the mining industry has placed increasing emphasis on finding solutions to mine waste management issues. We recognize that long-term, environmentally acceptable approaches are needed to meet increasingly stringent regulatory requirements and public concerns, and to reduce the risk of environmental contamination.

### Process Wastes

The amount of waste rock and tailings produced in 2010 and 2009 is shown below. The significant increase in tailings for 2010 is due to the increased production at Peñasquito.

|                 | 2010  | 2009  | Trend |
|-----------------|-------|-------|-------|
| Waste rock (Mt) | 257.9 | 215.6 | 20%   |
| Tailings (Mt)   | 30.7  | 12.8  | 141%  |

### Waste Rock

Most of the waste rock produced in our underground mines is returned underground to fill mining voids. In open pit mines, the waste rock and overburden (removed to gain access to ore) are transferred to engineered waste rock dumps. At the end of mine life, these waste rock dumps are re-contoured and revegetated to provide stable long-term containment of the material.

### Tailings

Tailings are the by-product of minerals processing. They are finely crushed and ground rock particles from which the valuable mineral portion has been extracted. Water-retention-type dams and raised embankments are used to store and manage tailings. They are carefully designed and constructed so as to discharge only water that meets the agreed release criteria. Specific design and operational requirements regarding the location, water management, maintenance, control and monitoring, are strictly enforced. These facilities are closed and reclaimed at the end of mine life. Goldcorp does not dispose of tailings in riverine systems or marine environments.

While traditional tailings management has been in surface impoundments that retain tailings and mill effluent, other disposal methods are utilized. Tailings can be dewatered to assume a moist solid form (typically less than 18% moisture), and stacked in engineered lifts. Belt or vacuum filters may be used to accomplish the dewatering. In the case of an underground mine, the "dry cake" may also be placed underground as backfill in order to maximize ore recovery.

Goldcorp requires that all active tailings storage facilities undergo an annual, independent third-party geotechnical review to address overall dam stability, operating practices and future dam raises. We also conduct independent third-party reviews of our closed tailings storage facilities on a risk-based frequency, but at intervals no greater than five years.

## Heap Leach Pads

The ore placed on our heap leach pads is not waste in the conventional sense, as we actively manage these facilities to extract gold and silver. However, once the available precious metals have been extracted, these facilities must be decommissioned and closed. We placed 50.8 Mt of ore on our heap leach pads in 2010, compared with 59.8 Mt in 2009, which is a 15% decrease. This decrease was due to lower heap leach production at Peñasquito and Marigold (down 11.0 Mt), offset to some degree by an increase at Los Filos (up 2.7 Mt).

## Other Process Wastes

The relatively small volumes of certain process wastes generated at each individual mine site mean that they are often stored in a secure facility until there is sufficient material to justify transportation off-site. This intermittent removal of material accounts for most of the year-on-year variation in volumes in the table below.

|                              | 2010  | 2009  | Trend |
|------------------------------|-------|-------|-------|
| Scrap steel (t)              | 4,610 | 4,640 | -1%   |
| Tires (t)                    | 3,020 | 4,340 | -30%  |
| Waste hydrocarbons (kL)      | 2,940 | 2,480 | 19%   |
| Waste glycol/antifreeze (kL) | 110   | 100   | 10%   |

*Note: The change in these wastes from year to year is not directly related to annual waste generation. In many cases, the wastes are stored on-site until sufficient volume is accumulated to warrant transport off-site.*

## Waste Recycling and Reuse

Every effort is made to recycle or reuse process wastes; however, the remoteness of some of our sites, and/or access to recycling services, can make this difficult. All of our scrap steel and some tires are recycled. At some operations, and where it is permitted by regulation, large tires are disposed of in a controlled manner at our waste rock dumps.

Waste hydrocarbons and waste glycol/antifreeze are removed from our sites by licensed waste disposal or recycling operators for incineration or recycling. In 2010, Los Filos reused 89% of the waste oil generated on the site as a substitute for fuel oil in its ANFO explosives mix.

Most of our operations have implemented recycling programs for materials such as paper, pallets, glass, aluminum and compost. In some instances (e.g., Los Filos), these programs have been extended to the local communities.

## Hazardous Wastes

Environment Canada (*ECO/LOG, Hazardous Waste Management Handbook 1985*) defines hazardous wastes

as those wastes that, due to their nature and quantity, are potentially hazardous to human health and/or the environment and require special disposal techniques to eliminate or reduce the hazard.

In general, our operations generate small amounts of a limited range of hazardous wastes, which are well contained (e.g., solvents and laboratory assay wastes). The types of hazardous wastes produced vary from site to site, and are usually disposed of in appropriately licensed facilities off our mine sites. The volumes of two of our more important hazardous wastes are included in the table below.

|                      | 2010 | 2009 | Trend |
|----------------------|------|------|-------|
| Batteries (t)        | 85   | 67   | 27%   |
| Laboratory waste (t) | 74   | 23   | 216%  |

### Mercury

In some circumstances, minor elements in our ore (such as mercury) require specific management programs to minimize their potential impact on the environment. The mercury from our operations is shipped to the Bethlehem Apparatus Company as a co-product for reprocessing and recycling, not disposal. The material is shipped in United Nations-approved virgin steel flasks, in full compliance with national and international regulations.

The Bethlehem Apparatus Company is recognized as the leader in the recycling of mercury and mercury-bearing waste, with processing facilities approved by the US EPA and the Pennsylvania Department of Environmental Protection.

### Transporting Hazardous Wastes

The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (the Basel Convention) is an international treaty designed to reduce the movements of hazardous wastes between nations, and to prevent the transfer of hazardous wastes from developed to less-developed countries.

There were no shipments of materials covered by the Basel Convention from our operations in 2010.

## Water

[Water Use and Consumption](#) | [Water Recycling and Reuse](#) | [Water Discharge](#)

Goldcorp operates in regions that have an excess of water over evaporation (e.g., our Canadian operations), as well as regions in which there is a significant seasonal water deficit (e.g., our Mexican operations). Regardless of where we operate, we are mindful of the fact that water has a number of potential uses and a range of potential users. Water is a valuable resource, and we take particular care to ensure that we use water wisely.

### Water Use and Consumption

Water is a vital commodity in the processing of our ore. A distinction needs to be made between water use and water consumption.

*Water consumption* – is the water lost from the system (mine site) over a period of time that must be made up from water sources external to the site. Losses can occur through evaporation, by being trapped in our tailings, or through transport off-site in the final product.

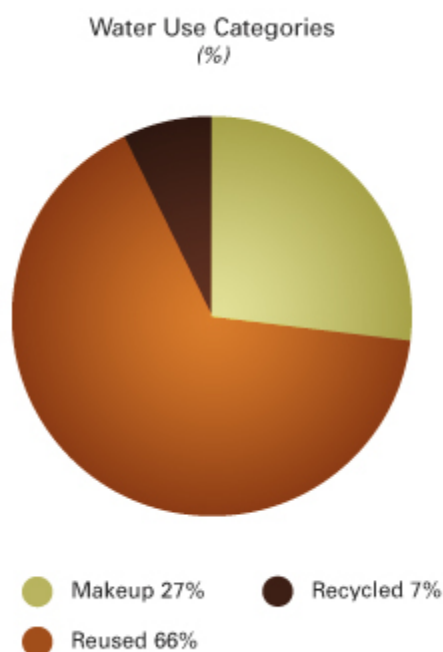
*Water use* – is the total amount of water used on the mine site for a given period of time. This includes the water consumed, but also water reused or recycled within the system.

Total water use for 2010 was 74,800 megalitres (ML), compared with 65,400 ML in 2009, which is an increase of 14%. Water use in litres per tonne treated in 2010 was 2% higher than in 2009.

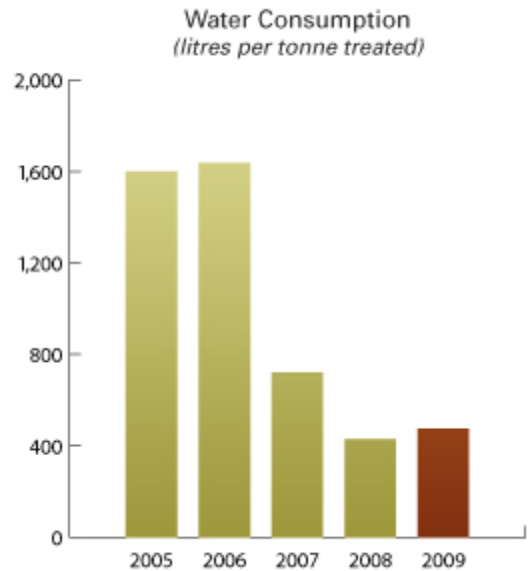
Water consumption in 2010 was 20,200 ML, compared to 23,900 ML in 2009, a decrease of 15%. Water consumption in litres per tonne treated in 2010 was 24% lower than in 2009.

Makeup water is derived from three sources:

- Third-party water supply (water managed by someone else and sold to the mine)
- Surface water (water derived from rainfall captured on our sites, or from off-site surface water sources)
- Groundwater



|                             | 2010 | 2009 | Trend |
|-----------------------------|------|------|-------|
| Municipal water supply (ML) | 84   | 77   | 9%    |
|                             |      |      |       |



|                              |               |        |      |
|------------------------------|---------------|--------|------|
| Surface water (ML)           | <b>5,360</b>  | 5,200  | 3%   |
| Groundwater (ML)             | <b>14,800</b> | 18,600 | -21% |
| Total water consumption (ML) | <b>20,200</b> | 23,900 | -15% |

Where water is extracted from off-site sources, the volumes removed are carefully monitored to ensure that sufficient water remains in the system to maintain beneficial downstream uses. Goldcorp did not have a significant detrimental impact on any water source or related downstream habitat in 2010 due to the extraction of water.

## Water Recycling and Reuse

In 2010, the Minerals Council of Australia published *A Water Accounting Framework for the Minerals Industry*, which provides definitions for reused water and recycled water.

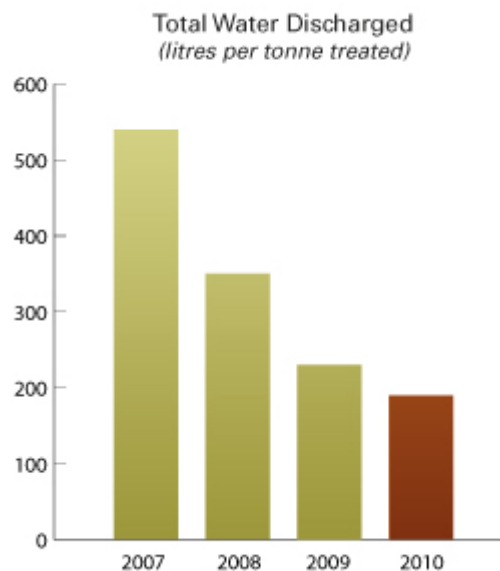
*Reused water* is worked water that is tasked again without being treated.

*Recycled water* is worked water that has been treated.

These definitions of reused and recycled water have been adopted in this report. They differ from the definitions that were used in previous reports, but the total volumes of water *reused and recycled* are comparable between reports.

A total of 54,600 ML of water was recycled or reused in our operations in 2010, amounting to 73% of our total water use. The total water recycled or reused in 2009 was 41,500 ML or 64% of our total water use. The main source of recycled and reused water was the return of water from tailings dams and heap leach

ponds to our process circuits.



## Water Discharge

Some of our mines operate as non-discharge sites, while others operate in climates where there is an excess of water that must be released from the sites.

### Source of Discharge Water

A total of 14,800 ML of water was released in 2010, compared with 17,400 ML in 2009, which is a 15% decrease.

Water discharged in litres per tonne treated in 2010 was 24% lower than in 2009. The principal sources of the water released from our sites are shown in the table below.

| Principal Discharges                       | 2010  | 2009  |
|--|-------|-------|
| Mine dewatering (ML)                       | 3,400 | 5,700 |
| Controlled release from tailings dams (ML) | 6,700 | 8,600 |
| Storm water (ML)                           | 760   | 800   |
| Treated water (ML)                         | 3,800 | 2,200 |

Goldcorp's overall approach to water discharge is to designate water as clean, turbid or potentially contaminated, and to manage it appropriately. Every attempt is made to divert clean water around our operations in order to maximize the amount of water in existing natural systems, and to minimize the amount of water we have to manage.

Water that falls directly onto our operating sites, but does not come into contact with areas of potential contamination, is designated turbid water. This water may carry higher-than-normal levels of sediment, and it is channelled through sedimentation basins to reduce the sediment load prior to release, or it is retained on-site as process water.

All potentially contaminated water is retained on-site and is only discharged to the environment once it meets stringent water-quality standards.

Of the water discharged from our operations in 2010 (14,800 ML), 82% was discharged to surface waters and 18% was groundwater recharge.

### **Discharge Water Quality**

Water is not discharged unless it meets established water-release criteria. In their publication *A Water Accounting Framework for the Minerals Industry*, the Minerals Council of Australia also provided definitions for three broad categories of water release quality.

- *Category 1* is water close to the standards of drinking water, as it only requires minimum treatment (disinfection) to be safe for human consumption. It can be used for all purposes.
- *Category 2* is water that requires treatment to remove total dissolved solids and to adjust other parameters to be safe for human consumption. It can be used for many agricultural and recreational purposes.
- *Category 3* is hyper saline water that cannot be used for any agricultural purposes without removal of total dissolved solids.

Of the 14,800 ML of water released from our operations in 2010, 5,700 ML was Category 1 water (39%) and 9,100 ML was Category 2 water (61%). There was no Category 3 water released from our operations in 2010.

### **Potential Downstream Impacts**

Discharge and runoff from mine sites can affect water bodies and related aquatic habitats if they are not properly controlled. Many of our operations are zero discharge, using all of the water collected on-site in their internal operations. All water discharged from our operations is monitored prior to release in order to ensure that it meets the appropriate regulatory standards. During release, samples are collected and analyzed periodically to ensure that the appropriate regulatory standards continue to be met.

No water bodies or related aquatic habitats were significantly affected by discharge from our operations in 2010.

## Biodiversity

[Land Management](#) | [Protected Areas](#) | [Managing Biodiversity](#) | [IUCN Red List of Threatened Species](#)

Goldcorp manages significant areas of land in and around our mines. Our operations span a range of ecosystems, from the boreal forest region of northern Canada to the semi-arid shrubland of central Mexico. In all cases, we seek to design, construct, operate and close our operations in ways that minimize the risks to biodiversity and limit our environmental impact.

### Land Management

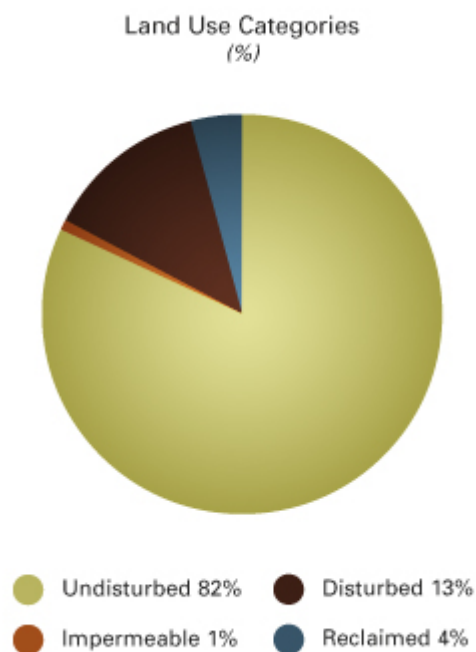
We define productive land as land covered by our mining leases. Only a small percentage of this land is disturbed as a result of our mining activities (see graph). The total area of land owned, leased and/or managed for production activities or extractive use in 2010 was 64,000 hectares (ha), compared with 65,700 ha in 2009.

The land area held by Goldcorp can be divided into broad categories:

- *Impermeable surface* – 760 ha (880 ha in 2009) of land under buildings and sealed roads that is not available for reclamation
- *Disturbed land* – 8,260 ha (8,030 ha in 2009) of land currently disturbed (waste rock dumps, tailings dams, etc.)
- *Reclaimed land* – 2,270 ha (2,020 ha in 2009) of disturbed land that has been reclaimed
- *Undisturbed land* – 52,700 ha (54,750 ha in 2009) of land that has not been disturbed by our operations

After disturbance, we reclaim the disturbed areas as quickly as possible. However, the nature of hard rock mining means that large areas of disturbance remain throughout the life of the mine (e.g., the pit, active waste rock dumps and tailings dams) and are not available for reclamation until mine closure. Where possible, we design waste rock dumps to achieve final profile and grade before the end of mine life so that reclamation can commence on final slopes.

The area of land disturbed and reclaimed in 2009 and 2010 is shown in the table below.





|                | 2010 | 2009 |
|----------------|------|------|
| Disturbed (ha) | 260  | 460  |
| Reclaimed (ha) | 180  | 130  |

The large area disturbed in both 2009 and 2010 reflects mine development activities at the Peñasquito and Los Filos mines in Mexico. Both sites are in the early years of operation and do not yet have significant areas of land available for progressive reclamation.

## Protected Areas

Goldcorp does not own, lease or manage any land in, or adjacent to, protected areas or areas of high biodiversity value outside protected areas, other than the following:

**The Black Hills** – The Black Hills National Forest is located in western South Dakota and north-eastern Wyoming, and it encompasses rugged rock formations, canyons and gulches, grassland parks, streams, deep blue lakes and unique caves. The area has a rich and diverse cultural heritage. Spearfish Canyon is an area of approximately 11,500 acres lying predominantly within the Black Hills National Forest and to the west of Goldcorp's Wharf mine. Designated as a scenic byway, Spearfish Canyon is a 20-mile route of 1,000-foot limestone cliffs and recognized areas of biological and cultural interest. The Wharf mine does not directly impact the Black Hills National Forest or Spearfish Canyon.

**Mexico** – In Mexico, a Land Use Change Authorization is required to change an existing land use to a mining land use prior to construction activities. The Authorization identifies the areas in which operational activities and infrastructure will be located. Under Mexican legislation, the permitted area must include a buffer zone around the area of impact, and the operation is required to maintain this area as one of conservation. No mining activity may be undertaken in the conservation area unless a Land Use Change Authorization is sought from, and granted by, the relevant environmental authority. Both our Los Filos and Peñasquito mines have established conservation buffer zones around their permitted areas of operation, and these areas will remain in force throughout the lives of the projects. No specific conservation requirements or management activities are required within the conservation area; however, both operations have implemented management plans to minimize impacts in these areas.

## Managing Biodiversity

Goldcorp recognizes the importance of protecting biodiversity, and is committed to operating in a manner that minimizes our impact on biodiversity and, where possible, actively increases biodiversity values. Our primary biodiversity focus is on habitat protection and restoration. We do not use biodiversity offsets as part of our overall policy and approach.

Four of our nine operations are required to have some form of biodiversity management plan, all of which are currently in place (100%). Regardless of regulatory requirements, all of our operations have voluntarily developed and implemented biodiversity management plans.

These plans ensure that, where possible, high-value areas are not disturbed and the extent of clearing is minimized, which is consistent with the safe and efficient operation of the mine. They also address secondary impacts, such as changes in grazing patterns, the introduction of or increases in weeds and feral

fauna, opportunities for improvement, and cost-effective monitoring programs for assessing the effectiveness of biodiversity management procedures and maximizing the re-establishment of biodiversity values following the cessation of operations.

To learn more about specific habitats that are being protected or restored, please see the [Marlin Mine Reforestation Campaign](#) and the [Peñasquito Flora Recovery Program](#).

## IUCN Red List of Threatened Species

The International Union for Conservation of Nature (IUCN) [Red List of Threatened Species](#) is the world's most comprehensive inventory of the global conservation status of plant and animal species.

The IUCN provides an interactive tool on its Website that enables a geographically based search of its database. This search was conducted for each of our operating sites and revealed the number of species listed in the table below.

|               | <b>IUCN<br/>Red<br/>List</b> | <b>Special status species (usually<br/>from national endangered<br/>species lists)</b> |
|---------------|------------------------------|--|
| Flora species | 0                            | 27   |
| Fauna species | 12                           | 19   |

The 12 species identified on the IUCN Website are wide-ranging species that potentially live in the boreal forest region of northern Ontario. In Canada, these same species have been identified as "species at risk", and are protected by federal legislation called the *Species at Risk Act, 2003* (SARA). While none of these species are directly impacted by operations at either Red Lake or Musselwhite, they are recognized in both sites' wildlife management plans.

All of our sites pay particular attention to areas of the operation that could potentially harm wildlife. Precautions include minimizing disturbances to vegetation and water bodies, implementing programs to control pests and weeds, maintaining cyanide levels in all open waters (including tailings dams) below levels that pose a threat to wildlife (consistent with the International Cyanide Management Code), promoting employee and community awareness programs regarding wildlife, reclaiming disturbed areas as quickly as possible and promoting habitat diversity within these reclaimed areas.

To learn more, please see [Musselwhite Wildlife Management](#), the [Peñasquito Flora Recovery Program](#) and the [Management of Special Status Flora at Marlin](#).

## Transport

Transport is a critical component of Goldcorp's business. We own and lease a significant fleet of heavy equipment used to mine and transport ore and waste rock. We use light vehicles to move people around our sites, and we transport large quantities of materials along public roads to our operations. In addition, our employees and contractors use cars, buses and planes to get to and from work.

The potential impacts from transport related to our activities are felt in three principal areas.

**Increased GHG Emissions** – Transport is a significant generator of GHGs. Our focus is on energy efficiency in our vehicle fleets, which has the added benefit of reducing GHG emissions. Energy efficiency is a key criterion in the selection of new equipment, and rigorous maintenance schedules ensure that equipment is operating efficiently. We will continue to evaluate our on-site transport needs with the objective of reducing energy consumption wherever possible.

**Potential Road Accidents** – Our operations rely on road transport to supply critical fuel, reagents and other consumables. These products are typically transported from ports or manufacturing sites on public roads. Some of these products (such as diesel and cyanide) are potentially hazardous, and in the event of a spill, could pose a risk to human health or the environment. Primary spill protection is provided by the secure nature of the containers in which the material is shipped. For instance, liquid cyanide is transported in double-skinned road tankers, and solid cyanide is transported in plastic bags, inside wooden crates, inside sealed shipping containers. In the unlikely event of an accident, the manufacturer, the transporter and the mine have emergency response procedures in place to rapidly respond to any potential incident.

**Increased Traffic Volumes** – The development of a mine can lead to increased traffic volume on local roads. This relates to the movement of both materials and people, and can lead to issues of noise, dust and road maintenance. In some instances, it is possible to reduce traffic volumes at peak times by staggering shift changes and carefully scheduling incoming material. It is not uncommon for the mine to pay for road upgrades and/or maintenance, or to enter into agreements with local authorities to maintain road surfaces.

## Product Responsibility

[Materials Stewardship](#) | [Product Handling](#) | [Lead and Zinc Concentrate](#)

Goldcorp mines gold- and silver-bearing ore, processes the ore and produces doré bars, which are unrefined gold and silver bullion bars. The doré bars are then transferred by secure means to precious metals refineries to be further processed into almost-pure metal.

Gold and silver doré bars pose no environmental or health risks; and they can be disposed of in this form without environmental or social impacts. As such, we have not developed detailed protocols or procedures relating to product responsibility (other than for product security), and there were no instances of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products in 2010.

### Materials Stewardship

Gold is used as bullion and in jewellery, glass and electronics, with jewellery consuming about 75% of all gold produced. Silver is valued as a precious metal, and its halide salts (especially silver nitrate) are also widely used in photography. The major outlets for silver are photography, the electrical and electronic industries, and domestic use (as cutlery, jewellery and mirrors).

Both gold and silver are extensively recycled. Mining accounts for about two-thirds of the global supply of gold. The other third comes from existing supplies – mainly recycled scrap gold (e.g., from jewellery, dental materials, plating solutions and electronic equipment) and gold from central banks. Photographic wastes, spent catalysts and electronic scrap are the major sources of materials for silver recycling.

### Product Handling

Goldcorp sells into the worldwide gold and silver market and, as a result, is not dependent on a particular purchaser. We sell our products to refineries or smelters for secondary treatment – not directly to the public. We have a commercial relationship with our customers, and any issues that may arise are addressed according to the terms of our mutual contractual obligations. There were no complaints, incidences of breaches of customer privacy, or losses of customer data in 2009. We are unaware of any outstanding customer issues.

The doré bars produced at the mine site do not carry public labelling. They are transferred to a refinery for further processing to the London Bullion Market (LBM) standard. Once produced, all 99.99% gold bars are allocated a bar number and imprinted with an LBM registered refiner's mark. There were no instances of non-compliance with regulations or voluntary codes concerning product information and the labelling of our products in 2010.

There are no codes or voluntary standards that relate to marketing communications regarding gold and/or silver doré bars. Goldcorp is a member of the World Gold Council. As the gold industry's key marketing body, the World Gold Council works closely with jewellery retailers, manufacturers, wholesalers, banks, investment companies and distribution specialists to promote the use of gold in jewellery and industrial applications, as well as by central banks and other official sector institutions. There were no instances of non-compliance with regulations or voluntary codes concerning marketing communications in 2010.

There were no fines for non-compliance with laws and regulations concerning the provision and use of our products in 2010.

## Lead and Zinc Concentrate

With the development of the Peñasquito mine in Mexico, Goldcorp has added lead and zinc concentrates to its product mix. Trial shipments of concentrate commenced at the end of 2009 and continued through 2010. Peñasquito completed commissioning and achieved commercial production on September 1, 2010.

While lead has been mined and used in industrial and household products for centuries and zinc is a trace element essential to human health, both pose risks to human health and the environment when not managed correctly. Concentrates containing combinations of gold, silver, lead and zinc are loaded onto highway road vehicles for transport to in-country smelters or to sea ports for export to foreign smelters in Asia, Europe and North America. Transportation of such concentrate is subject to numerous risks including, but not limited to, road blocks, terrorism, weather conditions and environmental liabilities in the event of an accident or leak. Peñasquito has developed emergency response plans to cover the trucking of its concentrate.

Goldcorp does not produce lead or zinc products that are sold directly to the public.

## Mine Closure

Goldcorp is committed to developing, operating and closing its mining properties in a sustainable manner. For the closed sites, this means making them as environmentally productive as possible post mining. It is not usually possible to restore a site to what it was prior to mining, but it is possible to establish a healthy, thriving ecosystem and productive land use after reclamation is completed. This is the goal for all of our sites.

### Closure Planning

All of our operations have closure plans in place. These plans are reviewed annually to ensure that they are current and reflect any changes that may have occurred over the last 12 months. Some plans have been reviewed by an independent third party, and we intend to have all plans independently reviewed on a rolling basis.

Goldcorp encourages stakeholder consultation to occur as early as possible in the closure process in order to demonstrate commitment and transparency. Closure information distributed to stakeholders is provided in a timely and coordinated manner, and when a response is requested, adequate time is allowed. This is particularly important where infrastructure is being retained for community use, the post-mining land use involves community input, and the post-mining land use is different from the pre-existing land use.

Our closure plans focus on the social and environmental aspects of closure. We make provision for closure and consider the economic implications of it on local communities. We do not consider labour transition in our closure plans, as this process is not initiated until closer to the actual date of mine closure.

### Making Provision for Closure

Effective January 1, 2003, Goldcorp adopted accounting standards under both Canadian and US Generally Accepted Accounting Principles (GAAP) relating to Asset Retirement Obligations. The two standards, CICA 3110<sup>1</sup> and FAS 143<sup>2</sup>, are substantially the same. In general, these standards apply to legal obligations associated with the retirement of a tangible long-lived asset that result from its acquisition, construction, development or normal operation. Goldcorp's provision for closure amounted to \$298.9 million in 2010, compared with a provision of \$306.5 million in 2009. The slight drop in provision for 2010 is due to the closure work completed during the year, particularly at the San Martin and Porcupine mines.

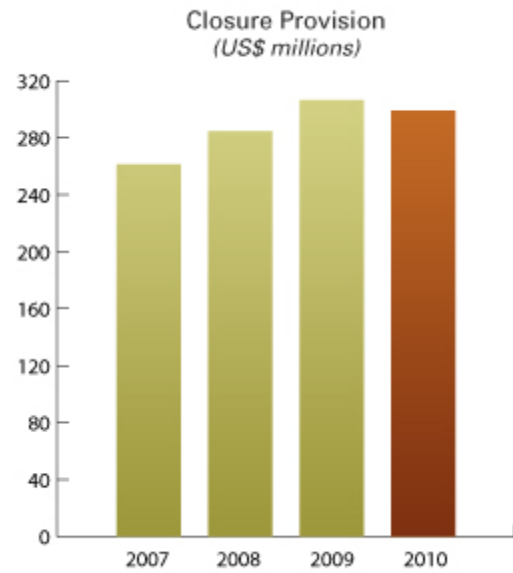
The amounts relating to operating mines, inactive mines and development projects are \$232.8 million, \$54.8 million and \$11.3 million, respectively (2009 – \$232.9 million, \$49.4 million and \$24.2 million, respectively). The present value of the Company's reclamation and closure cost obligations at December 31, 2010 and 2009 was calculated using a discount rate of 5%. The estimated undiscounted value of the Company's reclamation and closure cost obligations at December 31, 2010 was \$511.7 million (\$523.5 million in 2009), calculated using an inflation rate assumption of 2.0% (2009 – 2.0%).

| Mine        | Estimated Mine Life |
|-------------|---------------------|
| Red Lake    | 12 years            |
| Porcupine   | 14 years            |
| Musselwhite | 18 years            |
| Marigold    | 11 years            |
| Wharf       | 3 years             |
| El Sauzal   | 5 years             |
| Los Filos   | 18 years            |
| Peñasquito  | 23 years            |
| Marlin      | 6 years             |

Learn more about our closure activities by clicking on the links to the left under "Case Studies".

<sup>1</sup> Canadian Institute of Chartered Accountants (2003)  
Asset Retirement Obligations, Handbook Section 3110.

<sup>2</sup> Financial Accounting Standards Board (2001)  
Accounting for Asset Retirement Obligations, Statement  
of Financial Accounting Standards No.143.



## Compliance

### Significant Environmental Incidents | Fines

At a minimum, Goldcorp complies with the environmental laws and regulations of the jurisdiction within which it operates. In many cases, higher performance standards are imposed through site-specific licences and permits, or through internal standards mandated by the Corporation.

### Significant Environmental Incidents

We introduced a rigorous environmental incident notification and reporting process in 2007. All incidents are classified into five categories (in ascending order from Category I to Category V). This system is based on Australian Standard 4360:1995 *Risk Management*, and assesses incidents based on their actual or potential impact.

Only Category II incidents and above are reported company-wide (reportable incidents). Category I incidents (insignificant) are collected by the operation to assist in incident trend analysis. A total of 81 reportable incidents were recorded in 2010, compared with 80 in 2009, which is a 1% increase in total reportable incidents. Significant incidents (Category III and above) were 25% lower in 2010 (there were no Category IV or Category V incidents).

#### Environmental Incidents

| Incident Category | 2010      | 2009      | Trend     |
|-------------------|-----------|-----------|-----------|
| Category II       | 69        | 64        | 8%        |
| Category III      | 12        | 15        | -20%      |
| Category IV       | 0         | 1         | -100%     |
| Category V        | 0         | 0         | 0%        |
| <b>Total</b>      | <b>81</b> | <b>80</b> | <b>1%</b> |

### Fines

There were no fines imposed on Goldcorp operations for non-compliance with environmental laws and regulations in 2010.



## Environmental Expenditure

Environmental expenditure is difficult to assess, because much of what might be termed environmental expenditure is integrated into production costs. This is particularly true of reclamation. Most of our reclamation, particularly in our open pit mines, is undertaken by the Mining Department. Similarly, the construction and maintenance of pollution-control equipment in our process plants is considered a process cost.

We are able to separate some environmental costs, such as the cost of seeds or seedlings, environmental licensing and environmental monitoring, remediation and waste disposal.

### Direct Costs

Direct environmental costs amounted to \$25.8 million in 2010, compared with \$31.2 million in 2009. This is a year-on-year decrease of 17%. Environmental expenditure rose at all of our operations in 2010, except San Martin. At San Martin there was a significant reduction in environmental expenditure (\$9.1 million) as the bulk of the closure plan was implemented.

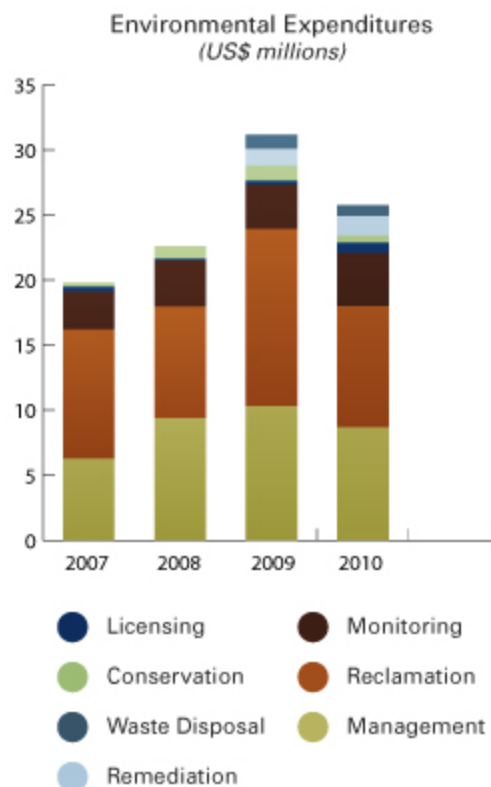
In 2010, an additional \$1.5 million (\$0.2 in 2009) was spent on permits for new projects and upgrades, and \$27.6 million (\$10.2 million in 2009) was spent on capital upgrades.

### Capital Costs

A total of \$27.6 million was spent on capital upgrades and new environmental infrastructure in 2010 (\$10.2 million in 2009).

Some of our most significant capital expenditures included:

| Operation    | Capital Program   | Cost (M\$) |
|--------------|---|------------|
| Porcupine    | Cyanide destruction plant, tailings dam height increase and polishing pond      | 11.5       |
| Éléonore     | Waste rock pad, mine water treatment and management of domestic waste water     | 8.9        |
| Cerro Blanco | Construction of a treatment plant for underground water with 1,000 gpm capacity | 2.6        |
|              |   |            |



|             |  |     |
|-------------|--|-----|
| Red Lake    | Tailings upgrades  | 1.5 |
| Musselwhite | Groundwater interception system, solar wall modifications and tailings dam sealing project | 1.1 |