

2017 SUSTAINABILITY REPORT

# Beyond the Mine

## SURINAME SUMMARY



Newmont Mining Corporation (“Newmont”) is a leading gold and copper producer. The Company was founded in 1921 and has been publicly traded since 1925. Headquartered in Greenwood Village, Colorado, Newmont has approximately 24,700 employees and contractors with operations primarily in five countries on four continents around the world. Newmont is the only gold company listed in the S&P 500 index. In 2007, the Company became the first gold company selected to be part of the Dow Jones Sustainability World Index. Newmont has remained on the prestigious index every year since and has been named the mining industry leader for the past three years.

Newmont Suriname operates the Merian mine on behalf of Suriname Gold Project CV, a Suriname limited partnership. Newmont Suriname is the managing partner, owning a 75 percent interest in the limited partnership, and Staatsolie Maatschappij Suriname N.V., Suriname’s state-owned oil company, the limited partner, owns the remaining 25 percent interest.



### Our Purpose

TO CREATE VALUE AND IMPROVE LIVES THROUGH SUSTAINABLE AND RESPONSIBLE MINING



### **Ethics, Governance and Human Rights**

**100 PERCENT** of security personnel  
**COMPLETED** training on **HUMAN RIGHTS**

Further aligned our practices with  
the principles of **FREE, PRIOR  
AND INFORMED CONSENT** of  
indigenous peoples



### **Our People**

**EMPLOYED** 1,242 people

**19 PERCENT** of employees are of  
**PAMAKA ANCESTRY**

**WOMEN** represent **15 PERCENT** of  
all employees



### **Economic and Social Performance**

**PRODUCED** 513,000 ounces of gold

Invested \$321,000 in local **COMMUNITIES**

Held more than **200 MEETINGS AND  
PUBLIC HEARINGS** with stakeholders



### **Environmental Stewardship**

**SELECTED BIODIVERSITY OFFSET** site  
to restore areas impacted by artisanal  
and small-scale mining

Commissioned new **WASTEWATER  
TREATMENT PLANT**

Began **RECLAMATION** on 19 hectares



We aim to have a lasting, beneficial impact on the people and communities near our operations. To do so, we make a strong commitment to providing a healthy and safe work environment, building community relationships, listening and responding to concerns, establishing long-term partnerships and programs, and creating local jobs and business opportunities.

### Our Workplace

At Merian, all unskilled positions are awarded to local Pamaka community members, and through development programs, we aim to move employees into the skilled, professional and management positions. At the end of the year, we employed 1,242 people, of whom 191 were women and 236 were of Pamaka ancestry. During the year, 21 Pamaka employees were promoted to a higher job grade and eight employees moved from unskilled to skilled positions.

**\$291.0 MILLION of ECONOMIC VALUE DISTRIBUTED** throughout the Suriname economy including **\$26.9 MILLION paid in EMPLOYEE WAGES AND BENEFITS, \$16.1 MILLION in TAXES and \$38.6 MILLION in GOVERNMENT ROYALTIES**

We also engaged with government labor inspectors during a mine tour and met with inspectors to discuss workplace matters including 12-hour workdays and reporting on health, safety and employment data.

### Health and Safety

Our goal is a workplace free from injuries and illness and measured by zero fatalities. No work-related fatalities occurred at any Newmont site or facility in 2017. However, we had a tragic event in April 2018, which resulted in the death of six contractors who were working on the construction of a structure at the Ahafo Mill Expansion project in Ghana. Through our Fatality Risk Management system, we are working to provide the rigor and discipline around understanding our top risks and effectively managing them through robust controls and systems.

For 2017, the first full year of Merian's operation, our Total Recordable Injury Frequency Rate (TRIFR) – which measures the rate of recordable injuries (medical treatment, restricted duty and lost time injuries) – was 0.20. With hand injuries accounting for around 65 percent of the recorded injuries across the South America region in 2017, the Company is evaluating manual handling work and piloting a business process improvement program to reduce injuries to hands and arms.







Among our 2017 regional highlights:

- We completed installation of fatigue-detection technology in our entire surface mine haul truck fleet to reduce the number of fatigue-related events for personnel undertaking high-risk work. Assessments conducted to measure the effectiveness of the technology showed significant reductions – around 80 percent on average – in fatigue events. Through change management efforts, sites aim to sustain this performance and ensure continuous improvement.
- To identify the site's top workplace health hazards – which are predominantly related to airborne agents such as silica dust, lead, mercury, welding fumes, manganese and diesel particulate matter – we completed a health risk assessment and began developing baseline data around key health exposures.
- We continued our long-standing partnership with Project C.U.R.E., the world's largest distributor of medical donations to developing countries. Efforts during the year included:
  - In Suriname, Project C.U.R.E. conducted a medical facilities assessment, which was submitted to the government's Ministry of Health. Findings were used to identify the three hospitals and three clinics in Suriname to receive donated medical equipment and supplies valued at more than \$500,000.
  - More than 300 community members who reside near our Merian operation received free medical care at a Project C.U.R.E. clinic.



#### NUMBER OF PARTICIPANTS IN SECURITY TRAINING

| Site   | Employees | Private security contractors | Law enforcement personnel | Other external stakeholders | Percentage of security personnel trained |
|--------|-----------|------------------------------|---------------------------|-----------------------------|--|
| Merian | 21        | 178                          | 23                        | 3                           | 100%                                     |

#### 2017 NEWMONT SURINAME HEALTH AND SAFETY PERFORMANCE

|   |      |
|---|------|
| Fatalities                                      | 0    |
| Total Recordable Injury Frequency Rate (TRIFR)* | 0.20 |

\* TRIFR calculates the rate of recordable injuries (medical treatment, restricted duty, and lost time injuries) per 200,000 hours worked.

#### Human Rights

Under Newmont's Human Rights Standard, all sites must take a risk-based approach to managing their human rights impacts. Beginning in 2014, Merian commissioned independent experts to undertake a human rights impact assessment (HRIA) using a methodology based on the United Nations Guiding Principles on Business and Human Rights. The HRIA – which took place over several months and included interviews with hundreds of rights holders, stakeholders and company personnel – included recommendations, such as ensuring contractors are adhering to Newmont standards around wages, food safety, water quality and housing. All recommendations have been incorporated into a human rights management plan, which details the measures we will take to address identified human rights risks.

As a formal participant in the Voluntary Principles on Security and Human Rights (VPSHR) and in accordance with our Human Rights Standard, we commit to implement the Voluntary Principles (VPs), which provide an operating framework that enables us to maintain the safety and security of our operations based on respect for human rights and fundamental freedoms.

In 2017, we met our target to identify high and extreme threats, complete a risk assessment and externally review the site's action plan. In addition, 100 percent of Merian's security personnel received training based on the VPs.



### Indigenous Peoples

The Merian mine is located on the traditional lands of the Pamaka, and we engage extensively with the people of the tribe. We are implementing an engagement and agreement-making approach with the Pamaka based on the principles of free, prior and informed consent (FPIC).

In 2016, Newmont volunteered to help improve global understanding and practical implementation of FPIC by asking RESOLVE – an independent nonprofit organization dedicated to multi-stakeholder consensus building – to convene an Expert Advisory Panel to study our experience at Merian.

Panel members – who represented a range of experiences and expertise in law, social science, advocacy and community engagement – reviewed materials, talked with Newmont representatives, and visited the mine where they engaged with local stakeholders including members of the Pamaka community. In 2017, the Panel published a report on their findings called, “Free, prior and informed consent within a human rights framework: Lessons from a Suriname case study.”

The report looked at Merian from the perspective of applying FPIC from the outset of project planning, prior to Newmont’s involvement with the site. Although planning and advancement of Merian pre-dated Newmont’s specific FPIC policy commitments, the report provided valuable feedback and acknowledged Newmont for its efforts to engage with the Pamaka community and provide for long-term value creation through employment, training and community development commitments. The report also identified opportunities to build upon our efforts to constructively collaborate with local Pamaka communities to generate mutual value.

Findings from the report were shared with local community stakeholders and the media. We are applying many of the report’s recommendations to further align our practices with FPIC. Key findings helped inform the engagement process for the Sabajo project – an expansion of the Merian operation. We worked with professors at the University of Suriname to conduct social baseline studies for the project using our new social baseline approach. The studies aligned stakeholder engagement processes and outcomes with FPIC requirements, including specific studies on traditional, cultural and land rights aspects. We also held more than 200 meetings and public hearings in 2017 with community, business and government stakeholders.

**\$321,000 INVESTED in  
LOCAL COMMUNITIES**

The Kawina tribal group claims the Merian operation and Sabajo project are located on their traditionally owned lands. Taking into account lessons learned from Merian and other sites, we developed a roadmap to work toward an agreement with the Kawina aligned with the principles of FPIC.

### Community Relationships

The Cooperation Agreement between Newmont and the Pamaka community, which was signed in 2016, states that we recognize and respect each other’s rights and will work together on commitments – such as local employment, procurement, community development and participatory monitoring. In 2017, we launched a participatory monitoring program that focuses on water quality and quantity, and held two sessions that involved collecting samples (which were sent to a laboratory in Paramaribo), conducting field observations, analyzing data, and communicating results and feedback from the monitoring sessions to the community. On-site training for participants is planned for 2018.

During the year, the Pamaka Negotiating Committee (POC), which was established to negotiate the Cooperation Agreement, transitioned to the Pamaka Sustainable Development Committee (DOP) to monitor the ongoing implementation of the agreement.

**Closed 100 PERCENT of TIER 1  
COMMUNITY COMPLAINTS in an  
average of around 14 DAYS**

### Community Development Fund

Included in the Cooperation Agreement is the establishment of a Community Development Fund (CDF) to help support sustainable development in the nine villages near the Merian mine. The CDF Board – which includes representatives from Newmont, the Suriname government and the Pamaka community – manages the fund, and Newmont provides funding.

In 2017, the CDF Board approved the funding mechanism in which Newmont will contribute \$1 per ounce produced on a quarterly basis. Based on the community assessment completed in 2016 and the CDF’s approved operational plan, development projects will focus on potable water systems, solar electricity and water transport infrastructure. The first project funded by the CDF will be to provide potable water and electricity to the largest Pamaka island, Langa Tabiki.



## Artisanal and Small-Scale Mining

We mine where ore bodies are located and when we have the social license and all the required regulatory approvals to do so. At times, mine development results in unavoidable relocation and resettlement of households and/or livelihoods, including impacts to those who depend on artisanal and small-scale mining (ASM). Our global ASM strategy helps us explore, develop and operate in places where small-scale miners work while respecting human rights and livelihoods and promoting responsible ASM.

At the end of 2017, we held an ASM workshop with corporate, regional and site leaders as well as international ASM experts and government and industry representatives. The workshop focused on improving our understanding of ASM conditions around our operations with the goal of updating our implementation plans in 2018.

Key insights from the workshop include the need to raise awareness with the government and communities about our ASM strategy and the environmental and social impacts of illegal mining.

These findings, along with stakeholder feedback, are being incorporated into regional and site action plans that include:

- **Mercury management** – developing technologies and partnerships that keep mercury out of small-scale mining, use mercury safely in small-scale mining and/or create processing partnerships to reduce overall impacts
- **Engaging experts** – building relationships with thought-leaders and ASM experts to employ emerging practices in our mining areas and forming partnerships to improve engagement with ASM miners
- **Livelihood mechanisms** – exploring approaches to both support ASM livelihoods and identify where alternative livelihood approaches can successfully replace income streams

With security being one of the pillars of our ASM strategy, we also engaged with internal and external stakeholders to develop clear and effective processes designed to minimize conflict between small-scale miners and Newmont personnel. Where we encounter illegal small-scale mining, we have put in place a security action plan that is human rights focused, compliant with the VPs and integrated into our broader security performance monitoring.







We take seriously our responsibility to minimize and mitigate our impact on water, land, air quality, climate and biodiversity, and to work with stakeholders on systemic solutions to preserve the area's natural resources. We operate under ISO 14001 accredited environmental management systems and are certified as compliant with the International Cyanide Management Code.

### Water Stewardship

Reliable and sustainable water sources are vital to our operations. Rising production, changing regulations, growing populations and a changing climate are among the more significant factors increasing our exposure to broader and more complex water challenges. We also recognize the impact our business activities may have on local communities' access to water. Our commitment includes understanding the availability and uses of water within the watersheds where we operate and developing management methods that reduce or mitigate our impacts on water quality and quantity.

Our regional water strategy guides our approach to continuously improve how we manage water and respect the shared use of water in the catchments and river basins in which we operate. Every site has a water charter and life-of-mine water management plan with an integrated watershed approach that aims to secure a supply for operations while protecting and enhancing water for other uses.

Our operations reuse and recycle as much water as possible. Through Water Accounting Frameworks (WAFs), which are

updated quarterly, sites estimate the volume and quality of input and output water and measure water intensity and volume of water recycled/reused.

At Merian, we developed a water action plan in 2017, and we will develop fresh water reduction targets in the future, if appropriate. We also held a water strategy workshop, completed a WAF, and concluded a study to further evaluate baseline groundwater quality data that showed arsenic and manganese are naturally elevated. Based on these findings, we engaged with regulators to seek approval for revised water quality discharge standards. Our effluent treatment plant, which will ensure processed water is safely discharged, was commissioned during the year.

#### 2017 WATER PERFORMANCE BY SITE (THOUSAND KL)

| Site   | Total water withdrawn | Total water discharged | Total water consumed | Total water recycled |
|--------|-----------------------|------------------------|----------------------|----------------------|
| Merian | 22,450                | 6,702                  | 15,749               | 19,807               |







## Energy and Climate Change

Through our global energy and climate strategy, we work to efficiently manage our global energy consumption, reduce our carbon footprint and manage our climate-related risks. Using insights from workshops held in 2016 and 2017, we continued to develop regional climate adaptation planning methodology and guidance that aim to help sites understand how physical risks relating to climate change may impact operations, key infrastructure and communities, as well as action plans to mitigate material risks and implement key opportunities. Because current mine plans are expected to increase our company-wide future emissions intensity, achieving our 2020 target to reduce our emissions by 16.5 percent compared to the 2013 baseline year will require continued progress on a number of fronts.



## Tailings Waste and Emissions

Mining activities – extracting, processing and refining – generate air emissions and waste including tailings. After mined ore is reduced into sand-sized particles and mixed with water, the valuable minerals are removed and the remaining milled rock slurry – called tailings – flows to an engineered impoundment called a tailings storage facility (TSF).

Our engineered TSFs and heap leach facilities (HLF) are designed to withstand extreme weather or seismic events. In addition to daily performance monitoring and inspections conducted by on-site staff, qualified independent senior geotechnical engineers inspect every TSF at least once a year.

In 2017, we updated our standards to align with the International Council on Mining and Metals' (ICMM) position statement on *Preventing Catastrophic Failure of Tailings Storage Facilities*. Based on initial assessments under our updated standards, Merian was identified as a site with a TSF deemed to have higher technical, social and/or political risks. While best practices for construction and operation are regularly employed at the site, the operation will establish an independent technical review board (ITRB) and seek input from the site ITRB to continue to reduce risks and potential liabilities. We initiated ITRB member selection during the year with the goal of having the board in place by mid-2018.







### Biodiversity

We are committed to managing and mitigating biodiversity risks throughout the entire mine lifecycle. This includes a goal of no net loss of key biodiversity values (KBVs) in our areas of influence. At Merian, we have conducted biodiversity risk assessments, engaged stakeholders on biodiversity issues and mitigation plans, and identified KBVs. Information from these efforts was used to develop a biodiversity action plan (BAP) that satisfies the Mitigation Hierarchy – a widely accepted approach for biodiversity conservation. In 2017, we also conducted a biodiversity assessment for the Sabajo project.

In collaboration with global biodiversity experts, we evaluated options for a biodiversity offset of suitable size and value to meet the offset requirements for Merian. The option selected was to restore areas impacted by artisanal small-scale mining (ASM) within Merian's right of exploitation (RoE). During the year, the site commenced earthworks to shape and contour ASM-impacted lands and create pilot plots for restoration work. The trial will assess the effectiveness of several revegetation treatment methods to determine which one is ideally suited to site-wide application.

We also implemented an internal vegetation disturbance permit approval process at Merian to support our goal of no net loss/net positive impact of the site's KBVs. The site is also using hazing techniques and relocating animals, setting site speed limits, prohibiting hunting, and trialing the installation of arboreal road crossing structures to avoid and minimize impacts to fauna.

### Closure and Reclamation

While Merian has only been operating for a year, closure planning began long before we mined the first ounce of gold. We have developed, and continuously maintain, a closure and post-closure site-level strategy that encompasses risk assessments, stakeholder engagement plans, closure and reclamation plans, and concurrent reclamation plans.

In 2017, we progressed with concurrent reclamation – the act of rehabilitating land that is no longer required for operations while we are still mining – on 19 hectares. We also completed 100 percent of our planned closure and reclamation activities, and we have set a public target to reclaim 9 hectares in 2018.





## LOCATION AND SIZE OF NEWMONT'S MERIAN OPERATION IN RELATION TO KEY BIODIVERSITY AREAS

| Key biodiversity area (KBA)   | Position relative to KBA | Size of operational site (km <sup>2</sup> ) | Ecological sensitivity  | Partners/ collaborators  | Mitigation plan   |
|-------------------------------|--------------------------|---|---|--|---|
| Upland and lowland rainforest | Contains portions of KBA | 14  | Rainforest habitat for IUCN red-listed tree species <i>Virola surinamensis</i> (endangered) and <i>Vouacapoua americana</i> (critically endangered) | Collaboration with global expert and working on partnership with Missouri Botanical Gardens and University | <p>Implemented an internal vegetation disturbance permit approval process to avoid and minimize unnecessary impacts to natural habitats and the two tree species.</p> <p>Began developing plans for the reforestation of land impacted by artisanal small-scale mining (ASM) within Merian's right of exploitation (RoE).</p> |





## DISCOVER MORE

Get the latest news and information on **Newmont.com**

Read our blog – a frontline view about our people and experiences at **ourvoice.newmont.com**

Learn more about the six stages in the life of a modern gold mine on our interactive Lifecycle of a Mine microsite – **lifecycle.newmont.com**

---

## LET US KNOW WHAT YOU THINK

Email us at **feedback@newmont.com**

### Connect with us



facebook.com/NewmontSuriname



@Newmont or twitter.com/Newmont



linkedin.com/company/newmont-mining-corporation

### Newmont Suriname

van 't Hogerhuysstraat 15, 4th (fourth) floor  
Paramaribo, Suriname S.A.

Concept and Design: **THE WORKS DESIGN COMMUNICATIONS** [worksdesign.com](http://worksdesign.com)