ISS ESG

SECOND PARTY OPINION (SPO)

Sustainability Quality of the Issuer and Sustainability-Linked Bond Framework

Newmont Corporation
2 December 2021

VERIFICATION PARAMETERS

Type(s) of instruments contemplated	Sustainability-Linked Bonds
Relevant standard(s)	Sustainability-Linked Bond Principles, as administered by ICMA (06.2020) Climate Transition Finance Handbook, as administered by ICMA (06.2020)
Scope of verification	Newmont's Sustainability-Linked Bond Framework (29.11.2021)
Lifecycle	Pre-issuance verification
Validity	As long as Newmont's Sustainability-Linked Bond Framework and benchmarks for the Sustainability Performance target(s) remain unchanged

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SCOPE OF WORK

Newmont Corporation ("Newmont"," the issuer", or "the company") commissioned ISS ESG to assist with its Sustainability Linked Bonds by assessing three core elements to determine the sustainability quality of the instruments:

- The sustainability credibility of the KPIs selected and Sustainability Performance Targets (SPTs) calibrated – whether the KPIs selected are core, relevant and material to the issuer's business model and sector, and whether the associated targets are ambitious.
- Newmont's Sustainability Linked Bond Framework (29.11.2021 version) and structural components of the transaction – benchmarked against the Sustainability-Linked Bond Principles (SLBP) and Climate Transition Finance Handbook (CTFH), as administered by the International Capital Market Association's (ICMA).
- Sustainability Linked Bonds' link to Newmont sustainability strategy – drawing on Newmont's overall sustainability profile and related objectives.

NEWMONT'S BUSINESS OVERVIEW

Newmont, headquartered in Denver, Colorado, is primarily a gold producer with significant operations and/or assets in the United States, Canada, Mexico, Australia, Ghana, Peru, Suriname, Dominican Republic and Argentina. Newmont is also engaged in the production of copper, silver, lead and zinc. Newmont Corporation was incorporated in 1921.

Source: Newmont Investor Presentation, August 2021

ISS ESG SPO ASSESSMENT SUMMARY

SECTION	EVALUATION SUMMARY[1]
Part 1.A: **KPI selection and SPT calibration** **KPI 1:** Scope 1 & 2 GHG Emissions Reduction (absolute and intensity) **SPT 1:** Achieve a 32% reduction in Scope 1 and 2 GHG emissions (absolute and intensity) by 2030, relative to the 2018 baseline	**KPI selection: Core and relevant to the issuer's business model and sustainability profile. If used individually on a financial instrument as a stand-alone KPI, the KPI is material to the company's direct operations but not to the whole Corporate Value Chain. If integrated with KPI 2 on the same financial instrument, then together, both KPI 1 and 2 are material to the issuer's business model and sustainability profile.**[2] **Sustainability Performance Target (SPT) calibration:** • **Ambitious against past performance** • **Ambitious against issuer's sectoral peer group** • **Ambitious against the Paris Climate Goals** ISS ESG finds that the KPI selected is core, relevant and moderately material to the issuer's business model as a standalone KPI (because it does not cover Newmont's Scope 3 emissions, which represents around 60% of the company's total GHG emissions) but material if integrated with KPI 2 on the same financial instrument. It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable to a certain extent. It covers 100% of Newmont's direct operations and 100% of Newmont's Scope 1 & 2 emissions globally. ISS ESG finds that the SPT calibrated by Newmont is ambitious against the company's past performance, compared to the Mining and Integrated Production sector practices in terms of defining a GHG emissions reduction target and in line with the Paris Agreement and well below a 2° Celsius warming scenario according to SBTi. The benchmark selected by the issuer is provided by an independent third party based on a methodology established in the industry. The target is set in a clear timeline, is benchmarkable and supported by a strategy and action plan disclosed in the company's framework. The issuer states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice. The issuer states that these factors will be addressed transaction-by-transaction.
Part 1.B: **KPI selection and SPT calibration** **KPI 2:** Absolute Scope 3 Greenhouse Gas Emissions Reduction	**KPI selection: Core and relevant to the issuer's business model and sustainability profile. If used individually on a financial instrument as a stand-alone KPI, the KPI is partially material to the whole Corporate Value Chain. If integrated with KPI 1 on the same financial instrument, then together, both KPI 1 and 2 are material to the issuer's business model and sustainability profile.** **Sustainability Performance Target (SPT) calibration:** • **Limited information to assess the ambition against issuer's past performance** • **Ambitious against issuer's sectoral peer group**

[1] ISS ESG's evaluation is based on the engagement conducted in November 2021, on Newmont's Sustainability-Linked Bond Framework (29.11.2021 version) and on the ISS ESG Corporate Rating applicable at the SPO delivery date (updated on the 23.11.2021).
[2] Newmont confirms to ISS ESG that KPI 1 will always be used together with KPI 2

SPT 2: Achieve a 30% reduction in Scope 3 GHG emissions by 2030, relative to the 2019 baseline	• **Ambitious against the minimum ambition for the 2°C pathway under the SBTi absolute contraction approach** ISS ESG finds that the KPI selected is core, relevant and material to the issuer's business model if integrated with KPI 1 as part of the same financial instrument (if not the KPI will be considered as being partially material). It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable to a certain extent. It covers 99.6% of Newmont's Scope 3 GHG emissions, which accounted for c. 60% of the company's total GHG emissions in 2020. ISS ESG concludes that the SPT set by the issuer is ambitious against its peer group as Newmont is one of 4 out of 173 companies in its Mining & Integrated Production peer group to have a concrete Scope 3 GHG emission reduction target set. Moreover, the Scope 3 emissions SPT is considered as ambitious against the minimum ambition for the 2°C pathway under the SBTi absolute contraction approach. However, given the lack of available historical data on Scope 3, the level of ambition of the SPT against past performance cannot be determined. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan. The issuer states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice. The issuer states that these factors will be addressed transaction-by-transaction.

Part 1.C: **KPI selection and SPT calibration** **KPI 3:** Percentage of women in senior leadership roles **SPT 3:** Achieve a 50% representation of women in senior leadership roles by 2030	**KPI selection: Relevant, Core, and Material to issuer's business model and sustainability profile** **Sustainability Performance Target (SPT) calibration:** • **Ambitious against issuer's past performance** • **Ambitious against issuer's sectorial peer group** • **Limited evidence available to assess level of ambition against regional/international targets** ISS ESG finds that the KPI selected is relevant, core and material to the issuer's business model and consistent with its sustainability strategy. However, it could have been even more material if including all managers functions (Grades 108 and below with at least one direct report). It is appropriately quantifiable, externally verifiable and benchmarkable with limitations. It covers 1.1% of the total workforce. ISS ESG finds that the SPT calibrated is ambitious against past performance and against peers. However, there is limited evidence available to assess level of ambition against regional/international targets. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan. The issuer states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice. The issuer states that these factors will be addressed transaction-by-transaction.

Part 2.A: **Alignment with the SLBP**	**Aligned with ICMA Sustainability-Linked Bond Principles (SLBP)** The issuer has defined a formal framework for its Sustainability-Linked Bond Framework regarding the selection of KPI, calibration of Sustainability Performance Target (SPT), Sustainability-Linked Bond Framework characteristics, reporting and verification. The

	framework is in line with the Sustainability-Linked Bond Principles (SLBP) administered by the ICMA. The financial characteristics of any security issued under this Framework, including a description of the selected KPI(s), SPTs, step-up margin amount or the premium payment amount, as applicable, will be specified in the relevant documentation of the specific transaction. The occurrence of a Trigger Event could result in implications including, but are not limited to, a coupon-step up, increased redemption fee, or changes to the tenor of the bond.

Part 2.B: **Alignment with CTFH**	**Implementation of most of the ICMA Climate Transition Finance Handbook (CTFH) recommendations** The issuer has defined a formal Climate Transition Strategy relevant to the environmentally material parts of its business model. There is a good disclosure of the various elements of its climate strategy and its importance to Newmont, such as the link between the executive remuneration with the implementation of the strategy. There is transparency on the underlying investment program and on the type of investments through 2025. The strategy includes near term climate targets which are science-based because they have been verified by the Science Based Target initiative (SBTi). In order to fully adopt all of the CTFH recommendations, ISS ESG suggests that Newmont provides more transparency on: - its investment programs in its annual reporting as well as some details on how spending outcomes have aligned with original investment plans. - the concept of just transition and on whether the company has considered potential impacts of the strategy on its staff and other stakeholders, and if so, how the company may plan to mitigate any negative impacts as recommended by the CTFH. However, it is worth noting that Newmont does not anticipate to decommission parts of its business/operations. Thus, the implementation of the transition strategy may not have negative impacts for workers and communities. - its long-term ambition of net zero emissions by 2050 (including details on the type or quantity of emissions offsets to be used, or when they will be used, other than a claim that offset projects will be used for ''hard to abate'' emissions). The company may use offsets in the short term, which is not considered best science-based market practice.

Part 3: **Link to issuer's sustainability strategy**	**Consistent with issuer's sustainability strategy** According to the ISS ESG Corporate Rating published 23.08.2021, the company currently shows a high sustainability performance against peers on key ESG issues faced by Mining and Integrated Production sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10. The issuer is rated 6th out of 173 companies within its sector as of 22.11.2021. The KPIs selected by the issuer is related to Climate change and Gender diversity. Climate change has been defined as one of the key priorities of the issuer in terms of sustainability strategy and ISS ESG finds that this is a material sustainability topic for the issuer. Gender diversity and equal opportunities is considered as being a relevant topic for companies across sectors. ISS ESG finds that those bonds contribute to the issuer's sustainability strategy thanks to the KPIs' clear link to key sustainability priorities of the issuer.

ISS ESG SPO ASSESSMENT

PART 1.A: KPI SELECTION & SPT CALIBRATION

KPI 1 'Scope 1 & 2 GHG Emissions Reduction (Absolute and Intensity)'

1.1. KPI 1 selection

FROM ISSUER'S FRAMEWORK

- **KPI 1:** Scope 1 & 2 GHG Emissions Reduction (absolute in million tonnes CO_2e and intensity in tonnes CO_2e/ gold equivalent ounce)
- **SPT 1:** Achieve a 32% reduction in Scope 1 & 2 GHG emissions (absolute and intensity) by 2030, relative to the 2018 baseline

Long-term goal: Carbon neutrality by 2050

Rationale: Extreme weather events continue to intensify globally and exemplify its need to assess and build the resiliency of its business in light of a changing climate. To mitigate climate-related risks, Newmont introduced its global energy and climate strategy in 2015. In February 2016, the strategy was updated to align with the ICMM's 2015 Climate Change Position Statement and the Paris Agreement.

Newmont's energy and climate strategy outlines Newmont's purpose and values through five pillars:

- **Supply:** Secure stable, reliable, consistent quality and cost-effective electric power and fuel supplies to power Newmont's operations
- **Cost efficiency:** Achieve sustainable cost and efficiency improvements
- **Collaboration:** Collaborate internally and engage externally on energy policies and regulations, energy supplies, challenges and opportunities
- **Carbon reduction:** Reduce Newmont's carbon footprint through renewable energy, energy efficiency strategies and carbon offsetting
- **Adaptation:** Adapt Newmont's operations and provide assistance to local communities to mitigate predictable physical impacts tied to climate change

Climate change is integrated into Newmont's strategic and operational decision-making processes, and its energy and climate approach are supported by sound governance and global policies and standards. Newmont's energy and climate strategy supports the transition to a low-carbon economy focused on reducing its operational emissions as well as those in its value chain through collaboration. This in turn, enhances its resilience to physical and transitional climate risks for both Newmont itself and within the communities where it operates.

Baseline year: 2018

Baseline:

- 0.61 tCO_2e/ton produced (Intensity)
- 3.570 $MMtCO_2e$ (Absolute)

2030 goal:

- 0.42 tCO_2e/ton produced (Intensity)
- 2.420 $MMtCO_2e$ (Absolute)

Scope: This KPI covers 100% of Newmont's direct operations, as represented by Scope 1 & 2 GHG emissions, which accounted for c. 40% of the company's total GHG emissions in 2020.

Materiality and relevance

Climate change mitigation is considered as a key ESG issue faced by the Mining and Integrated Production sector according to key ESG standards[3] for reporting and ISS ESG assessment. Companies of this sector are highly energy-intense, namely in the process of extracting minerals from the earth, and thus, highly GHG-emitting. Moreover, the sector presents significant transition risks and is exposed to outsized losses related to physical risks.

ISS ESG finds that climate change mitigation and the GHG emissions reduction KPI selected by the issuer is:

- **Relevant:**
  - The KPI selected is relevant to Newmont's business as companies in the Mining and Integrated Production sector are responsible for and exposed to risks related to this KPI, including the environmental risks and impacts of operations and climate mitigation.
- **Core**:
  - The KPI selected is considered core as the company's key processes will be affected by the actions implemented to reach the target associated with the KPI. In 2020, Newmont engaged a consulting firm to help develop the roadmap for achieving its 2030 climate targets and set the foundation for its 2050 ambition. The outcome of this initiative identified two pathways for achieving Newmont's objectives — primary energy optimization (e.g., energy/emission productivity, electrification, low emission fuel alternatives) and power supply conversion (e.g., "greener" grid supply, PPAs, site-related renewables).
- **Moderately material** to issuer's business model and sustainability profile if used individually on a financial instrument as a stand-alone KPI, but material if integrated with KPI 2.b on the same financial instrument. As the levers to achieve the targets for Scope 1 & 2 are very different than for Scope 3, the issuer has set individual KPIs which is a common market practice:
  - This KPI is material to the company's direct operations as it covers 100% of Scope 1 & 2 emissions, however, this only covers approximately 40% of the issuer's total GHG emissions. Therefore, this KPI is considered not material to the whole Corporate Value Chain of Newmont per ISS ESG's methodology. While this KPI covers 40% of the overall GHG emissions and would not be considered as fully material as per ISS ESG's methodology, setting an individual target to track Scope 1 & 2 is the most common approach used by peers.
  - It is worth noting that KPI 2 addresses Scope 3 GHG emissions, which represents approximately 60% of the company's total GHG emissions. Therefore, KPI 1 and 2 together would be considered fully material if they are integrated in the same financial instrument and both linked to the bond characteristics. As the issuer covers emissions across the value chain in two individual KPIs, the end results will be material to the entire value chain.

Consistency with overall company's sustainability strategy

In Newmont's Sustainability and Stakeholder Engagement Policy, the company addresses the 18 key sustainability risks that the business faces and outlines its commitments in these areas. In this policy,

[3] Key ESG Standards include SASB and TCFD, among others.

the company identifies mitigating climate change as one of its priority long-term goals and officially supports the Paris Agreement outcomes and the long-term goal to limit average temperature rise to well below 2C through committing to maintain and implement the Global Energy and Climate Strategy (made publicly available in 2021).

ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.

Measurability

- **Scope and Perimeter:** This KPI covers 100% of Newmont's direct operations, as represented by Scope 1 & 2 GHG emissions, which accounted for c. 40% of the company's total GHG emissions in 2020. However, the KPI does not cover Scope 3 emissions, representing approximately 60% of the Newmont's total reported GHG emissions.
- **Quantifiable:** The KPI selected is measurable, quantifiable and uses a widespread calculation methodology (GHG protocol). It contains Scope 1 & 2 emissions identified as: Scope 1: direct emissions from operations; and Scope 2: indirect emissions from purchased and imported electricity consumption. The intensity KPI is clearly defined and structured under the parameters of average annual GHG emissions intensity. Thus, it also includes units that will be measured in tonnes of carbon dioxide equivalent per gold equivalent ounce (GEO).
- **Externally Verifiable:** The KPI selected is externally verifiable. Performance on the baseline year and historical performance have been verified by a third-party. Newmont has received a limited assurance report from Apex for fiscal year 2020, and this verification also applies to Newmont's historical data, including the baseline year (2018). For 2020, these assurance activities were conducted by Apex Companies, LLC in accordance with AA1000AS (2008) and ISO 14064-3:2006.
- **Benchmarkable:** The KPI can be benchmarked with Newmont's own performance (since 2016) and, to a certain extent, considering differences in scale and methodology with peers in the sector. This KPI is also benchmarkable against international targets (GHG emissions reduction targets have been benchmarked against the Science Based Target initiative's (SBTi's) science-based criteria).

Opinion on KPI selection: *ISS ESG finds that the KPI selected is core, relevant and moderately material to the issuer's business model as a standalone KPI (because it does not cover Newmont's Scope 3 emissions, which represents around 60% of the company's total GHG emissions) but material if integrated with KPI 2 on the same financial instrument. It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable to a certain extent. It covers 100% of Newmont's direct operations and 100% of Newmont's Scope 1 & 2 emissions globally.*

1.2. Calibration of SPT 1

SPT set by the issuer

FROM ISSUER'S FRAMEWORK[4]
Sustainability Performance Target (SPT) 1: Achieve a 32% reduction in Scope 1 & 2 GHG emissions (absolute and intensity) by 2030 compared to a 2018 baseline **Sustainability Performance Target Trigger:** Calculated as a percentage reduction in Scope 1 & 2 GHG emissions (absolute and intensity) by 2030, relative to the 2018 baseline **Baseline:** 2018 **Long term target:** Carbon neutrality by 2050 **Sustainability Performance Target Observation Date:** December 31, 2030 **Rationale for target selection & ambition:** When setting targets for 2030, Newmont followed the path set forth by the Paris Agreement, focusing on reducing absolute GHG emissions aligned with the pathways to achieve a specific global climate outcome. The company's 2030 emissions reduction targets align with the SBTi's science-based criteria, which ensures that its targets support the Paris Agreement's goal of limiting global warming to "well below" 2°C, compared to pre-industrial levels. To align with specificity needed for SBTi's criteria, Scope 1 and Scope 2 targets are set at a 32% reduction by 2030 from a 2018 base year. Alongside the absolute targets, the company has also set an intensity target, matching a 32% reduction. The intensity target allows for greater comparison of GHG intensity among peers and provides an opportunity to reframe its overall approach should the portfolio grow and change over the next 10 years. **Factors supporting/putting the target at risk:** The issuer states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice.

Ambition

Against company's past performance

Indicator	2016	2017	2018 - Baseline	2019	2020	2030 - Target	CAGR '18 - '20	CAGR '18 – '30
Scope 1 & 2 GHG Emissions Intensity ($MMtCO_2e$ / GEO)	0.57	0.47	0.61	0.58	0.63	0.42	1.6%	-3.1%
Scope 1 & 2 Absolute GHG Emissions ($MMtCO_2e$)	3.132	3.432	3.570	3.318	3.455	2.42	1.6%	-3.1%
YoY (%)		*-17.5%*	*29.8%*	*-4.9%*	*8.6%*			

Source: Newmont as of November 29, 2021

Newmont has selected 2018 as its baseline year as, according to the company, it is the most recent representative of its production and emission profile and also aligns with the baseline year set with the SBTi.

- **Intensity target:** The company's past performance has varied over the years with a 17% reduction in GHG emissions intensity from 2016-2017 and a 29.8% increase from 2017-2018. Between 2018-2020, Scope 1 & 2 GHG emissions intensity increased 3.3%, which equates to a compound annual growth rate (CAGR) of 1.6%. To achieve its 2030 goal, Newmont's required compound annual growth rate will be -3.1%, 4.7% less than the compound annual growth rate from 2018-2020. In this context and compared to the baseline year, ISS ESG deems the SPT to ambitious against past performance as the target's future performance is faster than its past performance.

- **Absolute target:** The company's absolute Scope 1 & 2 GHG emissions has increased by 6.8% on average over the 2016 – 2018 years. To achieve its 2030 goal, Newmont's required compound annual growth rate will be -3.1%, 9.9% less than the compound annual growth rate from 2018-2020. In this context and compared to the baseline year, ISS ESG deems the SPT to ambitious against past performance as the target's future performance is faster than its past performance.

Ambition of the target against peers

ISS ESG conducted a benchmarking of the SPT set by Newmont against the Mining & Integrated Production peer group of 173 listed companies derived from the ISS ESG Universe.

Newmont is one of 38 out of 173 companies in its Mining & Integrated Production peer group to have a concrete GHG emission reduction target set, and it thus belongs to the top 25% tier of its sector in terms of existence of such targets, and to the top 5% tier of its industry in terms of SBTi verified targets.

ISS ESG concludes that the SPT set by the issuer is ambitious compared to the Mining & Integrated Production sector practices in terms of defining a Scope 1 & 2 GHG emissions reduction target.

Ambition against international targets

Newmont's 2030 emissions reduction targets align with the Science Based Target initiative's (SBTi's) science-based criteria, which ensures that its targets support the Paris Agreement's goal of limiting global warming to "well below" 2°C, compared to pre-industrial levels. Newmont's SBTi certification deems this KPI ambitious against regional/international targets.

ISS ESG finds that the SPT is ambitious and in line with the Paris agreement and well below a 2° Celsius warming scenario according to TPI. The benchmark selected by the issuer is provided by an independent third party based on a methodology established in the industry.

Measurability & comparability

- **Historical data:** The issuer provided relevant historical data by setting the baseline year of its SPT to 2018 and provided all yearly GHG emissions intensity data available since then. It has also provided yearly data since 2016, going beyond the guidelines of the Sustainability-Linked Bond Principles of providing three years of historical data.
- **Benchmarkable:** By referring to commonly acknowledge GHG accounting standards and protocol, the KPI is comparable to a certain extent with the data reported by other companies considering differences in scale and methodology with peers.

- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including the target observation date, the trigger event and the frequency of SPTs measurement.

Supporting strategy and action plan

Newmont has identified two pathways for achieving this SPT objective — primary energy optimization (e.g., energy/emission productivity, electrification, low emission fuel alternatives) and power supply conversion (e.g., "greener" grid supply, PPAs, site-related renewables).

According to the company, the 2030 absolute GHG emissions reduction target will be delivered from Newmont's current operating assets. Newmont has already identified multiple renewable energy projects to help reduce its annual emissions while its Global Energy and Climate Team is tasked with identifying additional emissions reduction opportunities across its portfolio. Newmont plans to continue to develop both asset and group-level marginal abatement cost curves to achieve its climate targets.

Opinion on SPT calibration: ISS ESG finds that the SPT calibrated by Newmont is ambitious against the company's past performance, compared to the Mining and Integrated Production sector practices in terms of defining a GHG emissions reduction target and in line with the Paris Agreement and well below a 2° Celsius warming scenario according to SBTi. The benchmark selected by the issuer is provided by an independent third party based on a methodology established in the industry. The target is set in a clear timeline, is benchmarkable and supported by a strategy and action plan disclosed in the company's framework. The issuer does not refer to any key factors beyond its direct control that may affect the achievement of the SPT(s).

PART 1.B. KPI SELECTION & SPT CALIBRATION

KPI 2 'Scope 3 GHG Emissions Reduction'

1.3. KPI 2 selection

FROM ISSUER'S FRAMEWORK

- **KPI 2:** Absolute Scope 3 Greenhouse Gas Emissions ($MMtCO_2e$)
- **SPT 2:** Achieve a 30% reduction in Scope 3 emissions by 2030 compared to a 2019 baseline

Long term goal: Carbon neutrality by 2050

Rationale: Extreme weather events continue to intensify globally and exemplify its need to assess and build the resiliency of its business in light of a changing climate. To mitigate climate-related risks, Newmont introduced its global energy and climate strategy in 2015. In February 2016, the strategy was updated to align with the ICMM's 2015 Climate Change Position Statement and the Paris Agreement.

Newmont's energy and climate strategy outlines Newmont's purpose and values through five pillars:

- Supply: Secure stable, reliable, consistent quality and cost-effective electric power and fuel supplies to power Newmont's operations
- Cost efficiency: Achieve sustainable cost and efficiency improvements
- Collaboration: Collaborate internally and engage externally on energy policies and regulations, energy supplies, challenges and opportunities
- Carbon reduction: Reduce Newmont's carbon footprint through renewable energy, energy efficiency strategies and carbon offsetting
- Adaptation: Adapt Newmont's operations and provide assistance to local communities to mitigate predictable physical impacts tied to climate change

Climate change is integrated into Newmont's strategic and operational decision-making processes, and its energy and climate approach are supported by sound governance and global policies and standards. Newmont's energy and climate strategy supports the transition to a low-carbon economy focused on reducing its operational emissions as well as those in its value chain through collaboration. This in turn, enhances its resilience to physical and transitional climate risks for both Newmont itself and within the communities where it operates.

Baseline year: 2019

Baseline: 4.64 $MMtCO_2e$

Target year: 2030

Target performance: 3.25 $MMtCO_2e$

Scope: This KPI covers 99.6% of Scope 3 emissions, which accounts for approximately 60% of Newmont's total GHG emissions. The issuer's framework also states that Scope 3 emission source numbers 8, 11, 12, 13 and 14 are not applicable to Newmont.

Materiality and relevance

Climate change mitigation is considered as a key ESG issue faced by the Mining and Integrated Production sector according to key ESG standards[5] for reporting and ISS ESG assessment. Companies

[5] Key ESG Standards include SASB and TCFD, among others.

of this sector are highly energy-intense, namely in the process of extracting minerals from the earth, and thus a highly GHG-emitting industry.

ISS ESG finds that climate change mitigation and the GHG emissions reduction KPI selected by the issuer are:

- **Relevant:**
  - The KPI selected is relevant to Newmont's business as companies in the Mining and Integrated Production sector are responsible for and exposed to risks related to this KPI, including the environmental risks and impacts of operations and climate mitigation.

- **Core**:
  - The KPI selected is core as the company's key processes will be affected by the actions implemented to reach the target associated with the KPI.
  - Approximately 40% of Newmont's Scope 3 emissions fall under "Source 15: Investments," which includes its equity share of its joint ventures' (JV) Scope 1 & 2 emissions. Since its original announcement in November 2020, Newmont has increased its Scope 3 emissions reduction target from 15% to 30% on the basis that:
    - Following its commitments last year, Barrick (the operator of all of Newmont's minority joint ventures whose emissions are included in Source 15 of Scope 3) announced its public commitment to net zero by 2050 with Scope 1 & 2 target reductions of 30% by 2030. Significantly, two projects are underway at its JV operations in Nevada and the Dominican Republic to significantly reduce emissions associated with Scope 1 power generation.
  - To achieve this target, Newmont will develop specific metrics for its suppliers, understand and manage its downstream product impact, collaborate with its JV partners to identify and implement emissions reduction opportunities, and Newmont will also engage with its supply and value chain partners to increase their reporting and set their own climate targets that align with Newmont's ambitions.

- **Material** to Newmont from an ESG perspective if integrated with KPI 1 as part of the same financial instrument
  - KPI 2 is partially material to the company's entire value chain, because the KPI focuses on the upstream and downstream value chain activities at Group level globally and represent around 60% of total GHG emissions generated by Newmont. Moreover, the KPI does not cover direct operations where the company has the most immediate impact.
  - It is worth noting that KPI 1 addresses GHG emissions from direct operations (Scope 1 & 2 emissions), representing an estimated 40% of total emissions of the company. Therefore, KPI 1 and 2 together are considered fully material if they are integrated in the same financial instrument and both linked to the characteristics of the financial instrument. (Newmont has stated that it intends to use KPI 1 and KPI 2 together). While separating the KPI 1 from KPI 2 would not meet the materiality criteria of the financial instrument, it is recommended by the SBTi.

Consistency with overall company's sustainability strategy

In Newmont's Sustainability and Stakeholder Engagement Policy, Newmont addresses the 18 key sustainability risks that the business faces and outlines its commitments in these areas. In this policy, the company identifies mitigating climate change as one of its priority long-term goals and officially

supports the Paris Agreement outcomes and the long-term goal to limit average temperature rise to well below 2C through committing to maintain and implement the Global Energy and Climate Strategy (made publicly available in 2021).

ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.

Measurability

- **Scope and perimeter:** This KPI covers 99.6% of Scope 3 emissions, which accounts for approximately 60% of Newmont's total GHG emissions.
- **Quantifiable:** The KPI selected is quantifiable. The absolute Scope 3 emissions defined by this KIP is measured in million metric tons carbon dioxide equivalent using a widespread calculation methodology.
- **Externally verifiable:** Newmont has received a limited assurance report from Apex for fiscal year 2020, and this verification also applies to Newmont's historical data, including baseline year (2019). A third-party external auditor will provide limited assurance on the performance of the company to the designated SPT annually at the Reference Date. This verification will be posted on the company's website within seven months of fiscal year end.
- **Benchmarkable:** The KPI can be benchmarked with Newmont's own performance (since 2019) and, to a certain extent, considering differences in scale and methodology with peers in the sector. This KPI is also benchmarkable against international targets (2030 GHG emissions reduction targets have been benchmarked against the Science Based Target initiative's (SBTi's) science-based criteria).

Opinion on KPI selection: *ISS ESG finds that the KPI selected is core, relevant and material to the issuer's business model if integrated with KPI 1 as part of the same financial instrument (if not the KPI will be considered as being partially material). It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable to a certain extent. It covers 99.6% of Newmont's Scope 3 GHG emissions, which accounted for c. 60% of the company's total GHG emissions in 2020.*

1.4. Calibration of SPT 2

SPT set by the issuer

FROM ISSUER'S FRAMEWORK
Sustainability Performance Target (SPT) 2: Achieve a 30% reduction in Scope 3 emissions by 2030 compared to a 2019 baseline
Sustainability Performance Target Trigger: Calculated as absolute GHG emissions from Newmont's value and supply chains (Scope 3)
Baseline: 2019
Long term target: Carbon neutrality by 2050
Sustainability Performance Target Observation Date: December 31, 2030

Rationale for target selection and ambition: When setting targets for 2030, Newmont followed the path set forth by the Paris Agreement, focusing on reducing absolute GHG emissions aligned with the pathways to achieve a specific global climate outcome. The company's 2030 emissions reduction targets align with the SBTi's science-based criteria, which ensures that its targets support the Paris Agreement's goal of limiting global warming to "well below 2°C, compared to pre-industrial levels.

Factors supporting/putting the target at risk: Newmont states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice.

Ambition

Against company's past performance

Indicator	2019 - Baseline	2020	2030 - Target	VAR '19 - '20	CAGR '19 – '30
Absolute Scope 3 Emissions[6,7,8,9] ($MMtCO_2e$)	4.64	4.66	3.25	0.4%	-3.2%

Source: Newmont as of November 29, 2021

The company disclosed data on its Scope 3 GHG emissions for the first time in 2019. This data will form the baseline of the KPI and is externally verified. However, due to lack of available historical data on Scope 3 emissions (only two years available), no assessment of the targets with respect to past performance can be provided by ISS ESG.

Against company's sectorial peers

ISS ESG conducted a benchmarking of the SPT set by Newmont against the Mining & Integrated Production peer group of 173 listed companies derived from the ISS ESG Universe.

Newmont is one of 4 out of 173 companies in its Mining & Integrated Production peer group to have a concrete Scope 3 GHG emission reduction target set, and it thus belongs to the top 3% tier of its sector in terms of existence of such targets.

ISS ESG concludes that the SPT set by the issuer is ambitious compared to the Mining & Integrated Production sector practices in terms of defining a Scope 3 GHG emissions reduction target.

Against international targets

Newmont's SBTi approved target for Scope 3 emissions is to reduce its absolute emissions from Scope 3 emissions by 30% by 2030 from a 2019 baseline year. ISS ESG observes that the SPT would imply an annual linear reduction rate of 3.2%. As such, SPT is considered as ambitious against the minimum ambition for the 2°C pathway under the SBTi absolute contraction approach.

Thus, ISS ESG concludes the SPT set by the issuer is ambitious against the Paris Climate Goals.

[6] The 2019 figures differ from what was reported in the company's 2019 Annual Sustainability Report due to a re-baselining exercise that it completed to set its Science-Based Scope 3 Target.
[7] Scope 3 emission source numbers 8, 11,12 13, and 14 are not applicable (N/A) to Newmont.
[8] GRI Standards disclosure GRI 305-3: Other indirect (Scope 3) GHG emissions. Aligns with TCFD-M: b) Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks.
[9] The company only started disclosing Scope 3 emissions in 2019, but this table will be a trailing 5-year table eventually.

Measurability & comparability

- **Historical data:** Newmont began reporting its Scope 3 GHG emissions in 2019, using emission factors from the Climate Registry and the Australian Government National Greenhouse Accounts Factor (reported based on operational control). Given the recent disclosure, there is not enough prior data to review Newmont's past performance relative to its 2030 target.
- **Benchmarkable:** By referring to commonly acknowledged GHG accounting standards and protocol, the KPI is benchmarkable to certain extent with the data reported by other companies and with international targets such as the Paris Agreement. Furthermore, Newmont's 2030 emissions reduction targets align with the Science Based Target initiative's (SBTi's) science-based criteria, which ensures that its targets support the Paris Agreement's goal of limiting global warming to "well below" 2°C, compared to pre-industrial levels. The target is not benchmarkable against the company's past performance regarding the lack of historical data available.
- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including the target observation date and the trigger event. The KPI will be reported publicly on an annual basis.

Supporting strategy and action plan

Newmont states that it will develop specific metrics for its suppliers, understand and manage its downstream product impact, collaborate with its JV partners to identify and implement emissions reduction opportunities, and Newmont will also engage with its supply and value chain partners to increase their reporting and set their own climate targets that align with Newmont's ambitions.

Opinion on SPT calibration*: ISS ESG concludes that the SPT set by the issuer is ambitious against its peer group as Newmont is Newmont is one of 4 out of 173 companies in its Mining & Integrated Production peer group to have a concrete Scope 3 GHG emission reduction target set. Moreover, the Scope 3 emissions SPT is considered as ambitious against the minimum ambition for the 2°C pathway under the SBTi absolute contraction approach. However, given the lack of available historical data on Scope 3, the level of ambition of the SPT against past performance cannot be determined. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan.*

1.5. KPI 3 selection

KPI 3: Percentage of women in senior leadership roles

FROM ISSUER'S FRAMEWORK
• **KPI 3:** Percentage of women in senior leadership roles • **SPT 3:** Achieve a 50% representation of women in senior leadership roles by 2030 **Long-term goal:** n.a. **Rationale:** To support its inclusion and diversity objectives, Newmont has committed to making strategic and targeted investments to better understand challenges, especially within its operating sites, and implement targeted actions to accelerate gender parity through 2030. Representative of this focus,

Newmont commits to increase women in senior leadership roles to 50% by 2030 through the Paradigm for Parity coalition.

Baseline: The company has decided not to set a baseline for this specific KPI as the objective is not expressed as a percentage of reduction or growth but just a proportion. However, in 2020 (latest available data), the KPI reached 25.3%, its highest level since 2018.

Baseline year: n.a.

2020 performance: 25.3%

2030 goal: 50% women in senior leadership roles

Scope: This KPI covers Newmont's senior leadership population, which is represented as Senior Director level up to and including the CEO-level (Grade 109-E1 or equivalent if grading or title system changes) within the organization.

Methodology: Calculated as women in senior leadership roles as a percentage of total senior managers (Women Senior Leaders / Total Senior Leaders)

Materiality and relevance

Gender equality and increasing the representation of women in leadership positions are considered as important ESG issues faced by any company, regardless of the sector. ISS ESG finds that the percentage of women in senior leadership roles KPI selected by the issuer is:

- **Relevant:**
  - The KPI selected is relevant to Newmont's business as it relates to the topic of gender diversity and equal opportunities which is a relevant topic for companies across sectors.
- **Core**:
  - The KPI selected is core to Newmont's business as gender diversity and equal opportunities directly relates to the company's hiring, career development, and business strategy. Thus, the KPI affects the core processes and operations of Newmont.
- **Material**
  - The KPI is considered as material from an ESG perspective as the KPI captures a proportion of female representation in senior leadership roles (Grades 109-E1), of which women are currently underrepresented in the company's employment structure and more broadly, the Mining and Integrated Production sector. Finally, The issuer justifies the focus on this very specific as it states that it would lead to a more diverse group of leaders who make hiring decisions and thus attract and select a more diverse population. However, it is worth noting that the KPI could have been even more material if including all managers functions (Grades 108 and below with at least one direct report).

Consistency with overall company's sustainability strategy

Newmont commits to creating an inclusive. Working to advance the UN Sustainable Development Goal 5 to achieve gender equality, Newmont is an active member of Paradigm for Parity. Launched in 2016, Paradigm for Parity is a coalition of CEOs, senior executives, founders, board members and business academics who are committed to achieving gender parity across all levels of corporate leadership. The ultimate goal of the movement is to achieve full gender parity by 2030, with a near-term goal of women holding at least 30% of senior roles.

ISS ESG finds that the KPI selected by the issuer is consistent with the overall company's sustainability strategy.

Measurability

- **Scope and Perimeter:** This KPI covers Newmont's senior leadership population (Grades 109-E1) which represent, as of 2020, 1.1% of the total workforce.
- **Quantifiable:** The KPI selected is measurable and quantifiable. It will be calculated as the women in senior leadership roles as a percentage of total senior managers.
- **Externally Verified:** The KPI selected by Newmont is externally verifiable. The performance data, including the baseline year, have been verified by a third-party since 2006.
- **Benchmarkable:** By referring to a measurable and quantifiable metric, the KPI is benchmarkable. However, there are limitations to benchmarking as there is no widely accepted definition of senior leadership roles, thus the scope may vary.

Opinion on KPI selection: *ISS ESG finds that the KPI selected is relevant, core and material to the issuer's business model and consistent with its sustainability strategy. However, it could have been even more material if including all managers functions (Grades 108 and below with at least one direct report). It is appropriately quantifiable, externally verifiable and benchmarkable with limitations. It covers 1.1% of the total workforce.*

1.6. Calibration of SPT 3

SPT set by the issuer

FROM ISSUER'S FRAMEWORK
Sustainability Performance Target 3: Achieve a 50% representation of women in senior leadership roles by 2030
Sustainability Performance Target Trigger: is calculated as women in senior leadership roles as a percentage of total senior leaders (Senior Director level and above or equivalent, if grading or title system changes)
Sustainability Performance Target Observation Date: December 31, 2030
Baseline: The company has decided not to set a baseline for this specific KPI as the objective is not expressed as a percentage of reduction or growth but just a proportion. However, in 2020 (latest available data), the KPI reached 25.3%, its highest level since 2018.
Rationale: To support Newmont's inclusion and diversity objectives, the company has committed to making strategic and targeted investments to better understand challenges, especially within its operating sites, and implement targeted actions to accelerate gender parity through 2030. Representative of this focus, Newmont commits to increase women in senior leadership roles to 50% by 2030 through the Paradigm for Parity coalition.
Factors supporting/putting the target at risk: Newmont states that factors that support and/or might put at risk the achievement of the SPTs will be disclosed in the documentation of the relevant sustainability-linked transactions, according to applicable regulations and market practice.

Ambition

Against company's past performance

Indicator	2016	2017	2018	2019	2020	2030 TARGET
Women in senior leadership roles (%)	16.3%	17.4%	19.5%	21.0%	25.3%	50.0%

Source: Newmont as of November 29, 2021

Newmont has set its SPT to increase the share of women in senior leadership positions from 25.3% in 2020 to 50% in 2030. This equates to a growth of 24.7% in the share of women in senior leadership roles in nine years; an annual growth rate of 2.74%. While this growth would represent an improvement in terms of women representation in the share of women in senior leadership positions, it is important to compare this growth rate with the past achievement of Newmont for this KPI. Newmont managed to drive the percentage of women in senior leadership positions from 16.3% to 25.3% from 2016 to 2020; an annual growth rate of 2.25%. In this context, ISS ESG concludes that the target is ambitious against the company's past performance.

Against company's sectorial peers

Newmont's SPT focuses on the Senior Leadership population, where the female share currently sits at 25.3%. In the U.S., women account for 14.5% of the workforce in the Mining, Quarrying, and Oil and Gas Extraction industries in 2020, according to the U.S. Bureau of Labour Statistics[10]. At the global level, women accounted for 14.9% of Mining companies' executive ranks, 18.1% of the industry's board positions and 13.2% of the sector's C-suite executive roles, according to S&P Global Market Intelligence as of April 2020[11]. As Newmont plans to target a 24.7% increase in the next nine years of female representation in its senior leadership positions, its target will be more ambitious than other Mining peers. Therefore, ISS ESG concludes that Newmont's target is ambitious against the current average performance of its sectorial peer group with limitations as the definition of senior management may vary.

Against international targets

The Bloomberg Gender-Equality (GEI) index[12] measures the commitment of 380 public companies around the world to have a more inclusive work environment, work-life balance and flexible work options. According to the 2021 Bloomberg Gender Equality Index (GEI), women account for an average of 28% of Senior Management, 21% of Executives, and 5% of CEOs. Newmont is a participating company in the GEI and received recognition for its performance for the third-consecutive year in 2021.

Since 2016, Newmont has also been a part of the Paradigm for Parity[13], a coalition comprised of business leaders, board members and academics committed to addressing the corporate leadership gap. This coalition outlines a specific set of actions that accelerate the pace of achieving gender parity. Part of this goal is to significantly increase the number of women in senior operating roles, specifically targeting full gender parity (50/50) by 2030, with a near-term goal of women holding at least 30% of

[10] https://www.bls.gov/cps/cpsaat18.htm
[11] https://www.spglobal.com/marketintelligence/en/news-insights/blog/european-energy-insights-october-2021
[12] https://www.bloomberg.com/gei/resources/
[13] https://www.paradigm4parity.com/#intro

senior roles. Currently, Newmont is one of 138 companies that has pledged to implement the Paradigm for Parity 5-Point Action Plan[14] to establish gender equality.

Thus, there is limited evidence available to assess the level of ambition of the target against regional and international targets as the SPT focuses only on the senior management population and not the entirety of the organization.

Measurability & comparability

- **Historical data:** The issuer provided relevant historical data from 2016 to 2020. The historical data has been verified by a third party.
- **Benchmarkable:** The SPT is able to be benchmarked with Newmont's own performance and, to a certain extent, considering differences in scale and methodology with peers in the sector.
- **Timeline:** The issuer defined a precise timeline related to the SPT achievement, including the target observation date, the trigger event and the frequency of SPT measurement.

Supporting strategy and action plan

The Paradigm for Parity framework includes a 5-Point Action Plan providing a roadmap of specific actions to increase the number of women of all races, culture and backgrounds in leadership positions. The 5-Point Action Plan includes:

1. Minimize or eliminate unconscious bias: Engage women and men and at all levels and ensure leaders understand, own and address conscious and unconscious bias through training
2. Significantly increase the number of women in senior operating roles: Make full gender parity the ultimate goal
3. Measure targets at every level and communicate progress and results regularly: Set measurable goals and communicate performance broadly to the organization and board
4. Base career progress on business results and performance, not on presence: Give women and men control over where and how they work, and find ways to work more flexibly to meet the needs of all employees
5. Identify women of potential and give them sponsors, as well as mentors: Look for the best within the organization and help them to succeed by assigning a mentor and a sponsor

Opinion on SPT calibration: *ISS ESG finds that the SPT calibrated is ambitious against past performance and against peers. However, there is limited evidence available to assess level of ambition against regional/international targets. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan.*

[14] https://www.paradigm4parity.com/solution#plan

PART 2.A: ALIGNMENT WITH ICMA SUSTAINABILITY-LINKED BOND PRINCIPLES

Rationale for Framework

FROM ISSUER'S FRAMEWORK
Newmont sees Sustainability-Linked Bonds (SLBs) as a way to further demonstrate the seriousness it puts on achieving its climate commitments. These bonds represent the next step in aligning Newmont's business and financing with its commitments and values by creating a direct link between its sustainability performance and funding strategies.

Opinion: *ISS ESG considers the Rationale for Issuance description provided by Newmont as aligned with the Sustainability-Linked Bond Principles.*

2.1. Selection of KPI

ISS ESG conducted a detailed analysis of the sustainability credibility of KPI selection available in section 1 of this report.

Opinion:

KPI 1 (Absolute and Intensity - Scope 1 & 2 GHG Emissions Reduction): *ISS ESG finds that the KPI selected is core, relevant and moderately material to the issuer's business model as a standalone KPI (because it does not cover Newmont's Scope 3 emissions, which represents around 60% of the company's total GHG emissions) but material if integrated with KPI 2 on the same financial instrument. It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable, externally verified and benchmarkable to a certain extent. It covers 100% of Newmont's direct operations and 100% of Newmont's Scope 1 & 2 emissions globally.*

KPI 2 (Absolute Scope 3 Greenhouse Gas Emissions): *ISS ESG finds that the KPI selected is core, relevant and material to the issuer's business model if integrated with KPI 1 as part of the same financial instrument (if not the KPI will be considered as being partially material). It is consistent with its sustainability strategy. It is appropriately measurable, quantifiable, externally verifiable and benchmarkable to a certain extent. It covers 99.6% of Newmont's Scope 3 GHG emissions, which accounted for c. 60% of the company's total GHG emissions in 2020.*

KPI 3 (Percentage of Women in Senior Leadership Roles): *ISS ESG finds that the KPI selected is relevant, core and material to the issuer's business model and consistent with its sustainability strategy. However, it could have been even more material if including all managers functions (Grades 108 and below with at least one direct report). It is appropriately quantifiable, externally verifiable and benchmarkable with limitations. It covers 1.1% of the total workforce.*

2.2. Calibration of Sustainability Performance Target (SPT)

ISS ESG conducted a detailed analysis of the sustainability credibility of SPT is available in Part 1 of this report.

SPT 1 (Achieve a 32% reduction in Scope 1 & 2 GHG emissions (absolute and intensity) by 2030, relative to the 2018 baseline): *ISS ESG finds that the SPT calibrated by Newmont is ambitious against*

the company's past performance, compared to the Mining and Integrated Production sector practices in terms of defining a GHG emissions reduction target and in line with the Paris Agreement and well below a 2° Celsius warming scenario according to SBTi. The benchmark selected by the issuer is provided by an independent third party based on a methodology established in the industry. The target is set in a clear timeline, is benchmarkable and supported by a strategy and action plan disclosed in the company's framework. The issuer does not refer to any key factors beyond its direct control that may affect the achievement of the SPT(s).

SPT 2 (Achieve a 30% reduction in Scope 3 GHG emissions by 2030, relative to the 2019 baseline): *ISS ESG concludes that the SPT set by the issuer is ambitious against its peer group as Newmont is Newmont is one of 4 out of 173 companies in its Mining & Integrated Production peer group to have a concrete Scope 3 GHG emission reduction target set. Moreover, the Scope 3 emissions SPT is considered as ambitious against the minimum ambition for the 2°C pathway under the SBTi absolute contraction approach. However, given the lack of available historical data on Scope 3, the level of ambition of the SPT against past performance cannot be determined. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan.*

SPT 3 (Achieve a 50% representation of women in senior leadership roles by 2030): *ISS ESG finds that the SPT calibrated is ambitious against past performance and against peers. However, there is limited evidence available to assess level of ambition against regional/international targets. The target is set in a clear timeline, is benchmarkable to a certain extent and supported by a strategy and action plan.*

2.3. Sustainability-Linked Bond Characteristics

FROM ISSUER'S FRAMEWORK

Unless otherwise stated, the proceeds of any SLB will be used for general corporate purposes. Newmont will assign structural and/or financial implications to the non-achievement of the SPT in the legal documentation of any SLB. These implications could include, but are not limited to, a coupon-step up, increased redemption fee, or changes to the tenor of the bond. Any financial and/or structural characteristics will be commensurate and meaningful relative to the original financing's financial characteristics.

For any SLBs where a coupon step-up may occur:

- Each SLB may have one or more observation dates where step-ups could be triggered.
- A step-up would be applied from the first coupon date (and applied retroactively for the related interest period including the Notification Date, or apply to future interest periods, as specified in the SLB) following the Notification Date until the remaining maturity of the SLB if an SPT is missed on an observation date, as described in the SPT documentation.
- For the avoidance of doubt, in the case where the SLB allows two or more observation and step-up-dates, then these step-ups would be cumulative.

The exact mechanism and impacts of the achievement or failure to reach the pre-defined SPTs will be detailed for each bond in the pre-issuance template. Such documents will detail the KPI definition, calculation methodologies, SPTs and trigger events, financial/structural characteristic variation mechanisms, as well as where needed any fallback mechanisms in case the SPTs cannot be calculated or observed in a satisfactory manner, and language to take into consideration potential exceptional events or extreme events, including drastic changes in the regulatory environment that could substantially impact the calculation of the KPI or the restatement of the SPT. Where relevant, Newmont may include potential exceptional events that could substantially impact the calculation of the KPI and SPT in the legal documentation of the SLB.

Any future SLBs with the same KPI(s) and SPT(s) Observation Date must utilize an SPT of equal or greater ambition. In addition, at the issuance of such an SLB, any outstanding SLBs would have their equivalent SPT adjusted to reflect the greater ambition – clause of "the most ambitious target" – for three key reasons:

- To enable the increase of ambition over time, and allow Newmont to adapt to new circumstances
- To avoid the coexistence of SLBs with different SPTs at the same dates for the same KPIs
- To facilitate the reporting exercise – avoiding the need to validate the KPI against multiple targets

Opinion: *ISS ESG considers the Sustainability-Linked Bond Characteristics description provided by Newmont as aligned with the Sustainability-Linked Bond Principles. The issuer gives a detailed description of the potential variation of the financial characteristics of the bonds, while clearly defining the KPIs and SPTs and their calculation methodologies. ISS ESG only provided an opinion on the 2030 SPTs and not on interim targets.*

2.4. Reporting

FROM ISSUER'S FRAMEWORK

The issuer commits to the following in its Sustainability Linked Bond Framework: annually, Newmont will disclose performance of the selected KPI(s) within its annual sustainability report. This report will be made available within seven months of each fiscal year end and will provide up-to-date information outlining the performance against the SPTs, enabling investors to monitor the progress and the related impact on the financial instrument.

For each Sustainability-Linked Financing, Newmont will disclose within the Sustainability-Linked Financing's legal documentation the following:

- A SPT Observation Date, where the company's performance of each KPI against the predefined SPT will be observed
- A SPT Notification Date, where the company will report on actual performance compared to the SPT
- Newmont will report on the performance of each KPI against the predefined SPT within seven months of the Target Observation Date and disclose this in a document posted on Newmont's website

Opinion: *ISS ESG considers the Reporting description provided by Newmont as aligned with the Sustainability-Linked Bond Principles. This will be made publicly available annually and include valuable information, as described above.*

2.5. Verification

FROM ISSUER'S FRAMEWORK
Verification of the annual performance on the KPIs will be conducted to a limited assurance by a third-party external auditor under the SSAE 18 – AT-C210 Standards (or equivalent) and published as a standalone document on Newmont's website. A third-party external auditor will provide limited assurance on the performance of the company to the designated SPT annually at the Reference Date. This verification will be posted on the company's website within seven months of fiscal year end.

Opinion: *ISS ESG considers the Verification description provided by Newmont as aligned with the Sustainability-Linked Bond Principles. The issuer plans on having all annual values of the SPT published and verified.*

PART 2.B: IMPLEMENTATION OF ICMA CLIMATE TRANSITION FINANCE HANDBOOK RECOMMENDATIONS

1. Climate Transition Strategy and Governance

Summarised from Newmont's Framework and other public documents

Newmont's Sustainability journey started in 2001 when the company participated to the foundation of the International Council on Mining and Metals (ICMM). Since then, the company has gone through different steps including the appointment of its first Chief Sustainability Officer (2007), the mapping of its sustainability strategy, policies, standards and existing targets against the SDGs (2016), and the establishment of a 2030 science-based climate targets and 2050 net zero carbon goal (2020). In 2021, the company published its first climate strategy report including a description of the impacts of climate-related risks and opportunities for Newmont's business, strategy and financial planning[15]. The company's climate-related strategy is part of a broader sustainability policy covering 18 sustainability topics *(e.g., biodiversity, environmental stewardship, adopt mercury-free mining practices)* that the business faces and outlines Newmont commitments in these areas[16].

Newmont's climate-related strategy includes 2030 targets for Scope 1, 2 and 3 emissions reductions as well as carbon neutrality goal by 2050. The outcome of this initiative identified two pathways for achieving Newmont's objectives — primary energy optimization and power supply conversion[17]. The approach to decrease its Scope 3 emissions target by 30% by 2030 (from a 2019 baseline) is being implemented and should focus on (i) communications and awareness building within the company supply and value chains and (ii) integrating emissions performance metrics into procurement standards for tier 1 suppliers in alignment with Newmont's 2030 climate targets and goal to be carbon neutral by 2050). The company is in the process of developing a precise roadmap to reach carbon neutrality in 2050.

To favor the achievement of the strategic plan, Newmont has established, a global steering committee, with named individuals, to provide strategic direction to the Global Energy and Climate Team, which is comprised of departments across the company. The company has also linked compensation of executives and employees eligible for its short-term incentive plan to Climate Strategy.

Opinion: *ISS ESG finds Newmont's Framework establishes a clear link between the issuance of these bonds and the company's public climate transition strategy. The financing will be used to deliver the 2030 climate transition objectives (currently none of the company's financing come from these type of financial instruments). Both the near (2030) and long term (2050) decarbonisation targets are clear. In its Climate Strategy Report, the company clearly highlights the transitional risks and opportunities it is facing and proposes a specific approach to manage each risk identified.*

Newmont developed governance measures to support the implementation of its climate related strategy. Its broader sustainability strategy also includes consideration of the 17 other environmental and social externalities and how the company can contribute to several of the SDGs.

[15] The company states that the climate strategy report is in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (2017 version) and the TCFD supplemental disclosures for the Materials and Buildings Group (which includes the Metals and Mining industry).
[16] Newmont - Sustainability and Stakeholder Engagement Policy (2020)
[17] A list of concrete projects to support pathway to Scopes 1 and 2 climate targets is available p. 32 of the climate transition strategy report - Newmont - Climate Strategy Report (2021).

The company has clarified that its climate-related strategy was formulated with inputs from an external consultant and that the roadmap to reach its long-term target (carbon neutrality) by 2050 still needed to be developed. The involvement of the external consultant may provide more credibility of the issuers strategy to reach the targets.

The two pathways cited are guided by the objective of limiting global temperature increases ideally to 1.5°C and, at the very least, to well below 2°C.

The company provides detailed information on the climate change strategy governance, such as the establishment of the steering committee and the global energy and climate team, which together are comprised of senior executives and company staff across multiple departments.

2. Business Model Environmental Materiality

Newmont is primarily a gold producer, with also involvements in the production of copper, silver, lead and zinc.

As part of its climate change strategy, some of the plans which would most affect the company's "core business activities" include improving the energy efficiency of its mining operations as well as working with its suppliers and JV partners to decarbonise its supply chain.

Opinion: *ISS ESG considers the issuers climate transition strategy as outlined in Newmont's Framework as relevant to the environmentally-material parts of the issuer's business model. The decarbonisation levers outlined impact core existing business activities that are the main drivers of the issuer's current environmental impact.*

3. Climate transition strategy to be "science-based"

The issuer strategy is:

- Quantitatively measurable based on the calculation methodology outlined by the company in its Framework
- Aligned with the SBTi's science-based pathway of "below 2°C, compared to pre-industrial levels" and is therefore in alignment of the Paris Agreement
- Includes interim milestones, such as 2030 GHG targets (used for sustainability linked financing instruments) and clear baselines
- Publicly disclosed in Newmont's Climate Strategy Report

Newmont's 2030 climate targets have been validated by the SBTi and therefore have been externally verified.

Opinion: *ISS ESG finds that the issuer's near-term strategy is aligned with the Paris Agreement as the SBTi has validated it as alignment with a "*well below 2°C scenario"*. However, the issuer's 2050 carbon neutrality goal cannot be benchmarked against an external benchmark or science-based trajectory yet, as no such trajectories exist yet for the mineral mining sector. The targets involve both carbon intensity and absolute emissions metrics, which allow for more comparability with relevant scenarios and external references. The inclusion of Scope 3 emissions targets as well, is also best market practice.*

The long-term ambition of net zero emissions by 2050 is not clearly defined by the company. There is not much detail on the type or quantity of emissions offsets to be used, or when they will be used, other

than a claim that offset projects will be used for ''hard to abate'' emissions. The company may use offsets in the short term, which is not considered best science-based market practice.

4. Implementation Transparency

As part of its Scopes 1 and 2 2030 climate targets, Newmont announced a $500 million Carbon Reduction Fund (CRF) to invest in climate change initiatives over the next five years, from 2021 through 2025. The objective of the CRF is to fund emissions reduction projects that are beyond Pre-Feasibility, study funds for main initiatives identified at Boddington, Peñasquito, Yanacocha and Tanami mines,[18] and a Corporate Opportunity Fund.

Newmont anticipates substantial investments in electrifying large fleets once technology limitations are addressed and operational transformations that support an electric vehicle fleet, such as roads, equipment sizing and operational procedures are updated to support electrified vehicles. Beyond 2030, Newmont anticipates a focus on replacing existing equipment with electrifying technology due to HME purchase and hold strategy with existing technology.

All those investments will be framed by the global Energy and Climate Investment Standard (under development with implementation to begin in the fourth quarter of 2021). According to the company, this standard will define requirements for evaluating and procuring micro-grid solutions, establishing objectives for renewable or low-carbon fuel switching, and assessing carbon emission reduction trade-offs as a core component of Newmont's investment decision process. A lifecycle cost analysis, which assesses the emissions impact of energy projects and incorporates the future cost of both carbon and energy, will be required for all capital investment decisions.

Opinion: *ISS ESG finds that the issuer provides transparency on the overall investment program relating to the transition strategy through 2025. However, limited information is provided related to the estimated or planned investment amounts beyond 2025. Other than the overall total sums to be invested in the relevant areas, the company has not yet provided a breakdown of how relative portions of the total may be invested into the different areas. ISS ESG recommends that Newmont provide such details in its annual reporting as well as some details on spending outcomes have aligned with original investment plans. More transparency around these details would allow investors to better understand and support the company's transition strategy and progress overall. There is also no indication as to whether the company has considered potential impacts of the strategy on its staff and other stakeholders, and if so, how the company may plan to mitigate any negative impacts.*

[18] According to the company, those four renewable energy projects have the potential to reduce Newmont's annual emissions by approximately 800,000 tCO_2e.

PART 3: LINK TO NEWMONT'S SUSTAINABILITY STRATEGY

The ISS ESG Corporate Rating provides material and forward-looking environmental, social and governance (ESG) data and performance assessments.

COMPANY	SECTOR	DECILE RANK	TRANSPARENCY LEVEL
NEWMONT	MINING AND INTEGRATED PRODUCTION	1	VERY HIGH

This means that the company currently shows a high sustainability performance against peers on key ESG issues faced by Mining and Integrated production sector and obtains a Decile Rank relative to industry group of 1, given that a decile rank of 1 indicates highest relative ESG performance out of 10.

ESG performance

As of 23.11.2021, this rating places Newmont 6th out of 173 companies rated by ISS ESG in the Mining and Integrated Production sector.

Key challenges faced by companies in the sector in terms of sustainability management are displayed in the chart on the right, as well as the issuer's performance against those key challenges in comparison to the average industry peers' performance.

Key Issue Performance

Sustainability Opportunities

Newmont Corporation (hereafter Newmont) is a globally operating gold doré copper, silver, lead, and zinc producing company. Its principal product is gold, which accounted for 90% of total sales in 2020. Primary gold production rather obstructs sustainable development, as the environmental and social impacts of gold mining are huge. Gold is mainly used for fabrication, such as jewelry, bars, coins, or investment, and only to a very limited extent in industrial applications, thus its potential positive impacts are limited.

Sustainability Risks

Mining operations and gold mining in particular have a massive environmental footprint and significant social impacts for workers and communities. Of specific relevance is that more than half of Newmont's principal assets are located in high-risk countries, e.g., Ghana, Peru, Suriname, and Mexico. Newmont has implemented a group-wide health and safety management system, and reports on a comparatively low accident rate in recent years. Yet, there have been some work-related fatal accidents in the workforce in 2018. The company is a member of the United Nations Global Compact and has a comprehensive human rights policy as well as convincing due diligence procedures. On the environmental front, Newmont demonstrates an adequate approach for hazardous substances, waste disposal, and the safe storage and disposal of tailings. To mitigate climate change impacts, Newmont has set science-based greenhouse gas emissions reduction targets and demonstrated positive

developments in energy and carbon emission intensities in its gold production. The company also implements rather robust measures to deal with water management and related risks. To ensure the integrity of business conduct, Newmont has established a comprehensive and detailed code of conduct addressing issues such as corruption, antitrust, and conflicts of interest. The code is underpinned by a sound compliance management system, including trainings, risk assessments and audits, and confidential reporting channels.

Governance opinion

Regarding its governance structure, the chair of the board, Gregory Boyce (as of November 9, 2021), is independent as well are the large majority of board members. In addition, the board has established committees exclusively composed of independent members, tasked with the supervision of audit, remuneration, and nomination issues. Newmont discloses its remuneration policy for executives, including long-term components, which could encourage sustainable value creation.

With regard to its governance of sustainability, Newmont has set up a fully independent board committee in charge of the supervision of its sustainability strategy. Additionally, specific safety metrics are integrated into the performance bonus for executives. To ensure the integrity of business conduct, Newmont has established a comprehensive and detailed code of conduct addressing issues such as corruption, antitrust, and conflicts of interest. The code is underpinned by a sound compliance management system, including trainings, risk assessments and audits, and confidential reporting channels.

Sustainability impact of products and services portfolio

Using a proprietary methodology, ISS ESG assessed the contribution of Newmont's current products and services portfolio to the Sustainable Development Goals defined by the United Nations (UN SDGs). This analysis is limited to evaluation of final product characteristics and does not include practices along the Newmont's production process.

PRODUCT/SERVICES PORTFOLIO	ASSOCIATED PERCENTAGE OF REVENUE	DIRECTION OF IMPACT	UN SDGS
Preserving terrestrial ecosystems	90%	OBSTRUCTION	
Others	N/A	NO NET IMPACT	N/A

Breaches of international norms and ESG controversies

The company is not facing any controversy.

Contribution of KPIs to sustainability objectives and key ESG industry challenges

ISS ESG mapped the KPIs selected by the issuer for its Sustainability-Linked Bonds with the sustainability objectives defined by the issuer, and with the key ESG industry challenges as defined in the ISS ESG Corporate Rating methodology for the Mining and Integrated Production sector. Key ESG

industry challenges are key issues that are highly relevant for a respective industry to tackle when it comes to sustainability, e.g., climate change and energy efficiency in the buildings sector. From this mapping, ISS ESG derived a level of contribution to the strategy of each KPIs selected.

KPIS SELECTED	SUSTAINABILITY OBJECTIVES FOR THE ISSUER	KEY ESG INDUSTRY CHALLENGES	CONTRIBUTION
GHG Emissions (Scopes 1 & 2)	✓	✓	Contribution to a material objective
GHG Emissions (Scope 3)	✓	✓	Contribution to a material objective
Percentage of women in senior leadership roles	✓	✓	Contribution to a material objective

Opinion: *ISS ESG finds that the KPIs are consistent with the issuer's sustainability strategy and material ESG topics for the issuer's industry. The rationale for issuing sustainability-linked bonds is clearly described by the issuer.*

DISCLAIMER

1. Validity of the SPO: For Newmont's Sustainability-Linked Bond issuances as long as the Sustainability-Linked Bond Framework (November 29, 2021 version), SPT benchmarks and structural bond characteristics described in this document do not change.
2. ISS ESG uses a scientifically based rating concept to analyse and evaluate the environmental and social performance of companies and countries. In doing so, we adhere to the highest quality standards which are customary in responsibility research worldwide. In addition, we create a Second Party Opinion (SPO) on bonds based on data from the issuer.
3. We would, however, point out that we do not warrant that the information presented in this SPO is complete, accurate or up to date. Any liability on the part of ISS ESG in connection with the use of these SPO, the information provided in them and the use thereof shall be excluded. In particular, we point out that the verification of the compliance with the selection criteria is based solely on random samples and documents submitted by the issuer.
4. All statements of opinion and value judgements given by us do not in any way constitute purchase or investment recommendations. In particular, the SPO is no assessment of the economic profitability and credit worthiness of a bond but refers exclusively to the social and environmental criteria mentioned above.
5. We would point out that this SPO, certain images, text and graphics contained therein, and the layout and company logo of ISS ESG and ISS-ESG are the property of ISS and are protected under copyright and trademark law. Any use of such ISS property shall require the express prior written consent of ISS. Use shall be deemed to refer in particular to the copying or duplication of the SPO wholly or in part, the distribution of the SPO, either free of charge or against payment, or the exploitation of this SPO in any other conceivable manner.

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ANNEX 1: ISS ESG Corporate Rating

The following pages contain the methodology description of the ISS ESG Corporate Rating.

Methodology - Overview

The ESG Corporate Rating methodology was originally developed by Institutional Shareholder Services Germany (formerly oekom research) and has been consistently updated for more than 25 years.

ESG Corporate Rating - The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.
The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Analyst Opinion - Qualitative summary and explanation of the central rating results in three dimensions:

- Opportunities - assessment of the quality and the current and future share of sales of a company's products and services, which positively or negatively contribute to the management of principal sustainability challenges.
- Risks - summary assessment of how proactively and successfully the company addresses specific sustainability challenges found in its business activity and value chain, thus reducing its individual risks, in particular regarding its sector's key issues.
- Governance - overview of the company's governance structures and measures as well as of the quality and efficacy of policies regarding its ethical business conduct.

Norm-Based Research - Severity Indicator - The assessment of companies' sustainability performance in the ESG Corporate Rating is informed by a systematic and comprehensive evaluation of companies' ability to prevent and mitigate ESG controversies. ISS ESG conducts research and analysis on corporate involvement in verified or alleged failures to respect recognized standards for responsible business conduct through Norm-Based Research.

Norm-Based Research is based on authoritative standards for responsible business conduct such as the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles for Business and Human Rights and the Sustainable Development Goals.

As a stress-test of corporate disclosure, Norm-Based Research assesses the following:

1. Companies' ability to address grievances and remediate negative impacts
2. Degree of verification of allegations and claims
3. Severity of impact on people and the environment, and systematic or systemic nature of malpractices

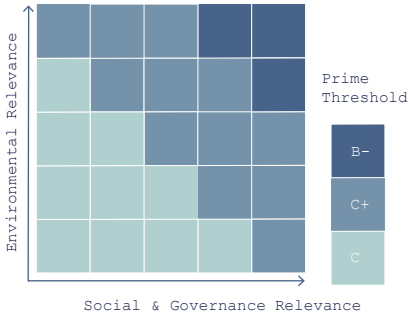
Severity of impact is categorized as Potential, Moderate, Severe, Very severe. This informs the ESG Corporate Rating.

Decile Rank - The Decile Rank indicates in which decile (tenth part of total) the individual Corporate Rating ranks within its industry from 1 (best – company's rating is in the first decile within its industry) to 10 (lowest – company's rating is in the tenth decile within its industry). The Decile Rank is determined based on the underlying numerical score of the rating. If the total number of companies within an industry cannot be evenly divided by ten, the surplus company ratings are distributed from the top (1 decile) to the bottom. If there are Corporate Ratings with identical absolute scores that span a division in decile ranks, all ratings with an equal decile score are classified in the higher decile, resulting in a smaller number of Corporate Ratings in the decile below.

Distribution of Ratings - Overview of the distribution of the ratings of all companies from the respective industry that are included in the ESG Corporate Rating universe (company portrayed in this report: dark blue).

Industry Classification - The social and environmental impacts of industries differ. Therefore, based on its relevance, each industry analyzed is classified in a Sustainability Matrix.

Depending on this classification, the two dimensions of the ESG Corporate Rating, the Social Rating and the Environmental Rating, are weighted and the sector-specific minimum requirements for the ISS ESG Prime Status (Prime threshold) are defined (absolute best-in-class approach).



Industry Leaders - List (in alphabetical order) of the top three companies in an industry from the ESG Corporate Rating universe at the time of generation of this report.

Key Issue Performance - Overview of the company's performance with regard to the key social and environmental issues in the industry, compared to the industry average.

Performance Score - The ESG Performance Score allows for cross-industry comparisons using a standardized best-in-class threshold that is valid across all industries. It is the numerical representation of the alphabetic ratings (D- to A+) on a scale of 0 to 100 with 50 representing the prime threshold. All companies with values greater than 50 are Prime, while companies with values less than 50 are Not Prime. As a result, intervals are of varying size depending on the original industry-specific prime thresholds.

Rating History - Development of the company's rating over time and comparison to the average rating in the industry.

Rating Scale - Companies are rated on a twelve-point scale from A+ to D-:

A+: the company shows excellent performance.

D-: the company shows poor performance (or fails to demonstrate any commitment to appropriately address the topic).

Overview of the range of scores achieved in the industry (light blue) and indication of the grade of the company evaluated in this report (dark blue).

Sources of Information - A selection of sources used for this report is illustrated in the annex.

Status & Prime Threshold - Companies are categorized as Prime if they achieve/exceed the sustainability performance requirements (Prime threshold) defined by ISS ESG for a specific industry (absolute best-in-class approach) in the ESG Corporate Rating. Prime companies are sustainability leaders in their industry and are better positioned to cope with material ESG challenges and risks, as well as to seize opportunities, than their Not Prime peers. The financial materiality of the Prime Status has been confirmed by performance studies, showing a continuous outperformance of the Prime portfolio when compared to conventional indices over more than 14 years.

Transparency Level - The Transparency Level indicates the company's materiality-adjusted disclosure level regarding the environmental and social performance indicators defined in the ESG Corporate Rating. It takes into consideration whether the company has disclosed relevant information regarding a specific indicator, either in its public ESG disclosures or as part of the rating feedback process, as well as the indicator's materiality reflected in its absolute weight in the rating. The calculated percentage is classified in five transparency levels following the scale below.

0% - < 20%: very low

20% - < 40%: low

40% - < 60%: medium

60% - < 80%: high

80% - 100%: very high

For example, if a company discloses information for indicators with a cumulated absolute weight in the rating of 23 percent, then its Transparency Level is "low". A company's failure to disclose, or lack of transparency, will impact a company's ESG performance rating negatively.

ANNEX 2: Methodology

ISS ESG Corporate Rating

The ESG Corporate Rating universe, which is currently expanding from more than 8,000 corporate issuers to a targeted 10,000 issuers in 2020, covers important national and international indices as well as additional companies from sectors with direct links to sustainability and the most important bond issuers that are not publicly listed companies.

The assessment of a company's social & governance and environmental performance is based on approximately 100 environmental, social and governance indicators per sector, selected from a pool of 800+ proprietary indicators. All indicators are evaluated independently based on clearly defined performance expectations and the results are aggregated, taking into account each indicator's and each topic's materiality-oriented weight, to yield an overall score (rating). If no relevant or up-to-date company information with regard to a certain indicator is available, and no assumptions can be made based on predefined standards and expertise, e.g. known and already classified country standards, the indicator is assessed with a D-.

In order to obtain a comprehensive and balanced picture of each company, our analysts assess relevant information reported or directly provided by the company as well as information from reputable independent sources. In addition, our analysts actively seek a dialogue with the assessed companies during the rating process and companies are regularly given the opportunity to comment on the results and provide additional information.

Alignment of the concept set for transactions against the Sustainability-Linked Bond Principles and Climate Transition Finance Handbook, as administered by the ICMA

ISS ESG reviewed the Sustainability-Linked Bond Framework of Newmont, as well as the concept and processes for issuance against the Sustainability-Linked Bond Principles and Climate Transition Finance Handbook as administered by the ICMA. Those principles are voluntary process guidelines that outline best practices for financial instruments to incorporate forward-looking ESG outcomes and promote integrity in the development of the Sustainability-Linked Bond market by clarifying the approach for issuance.

ISS ESG reviewed the alignment of the concept of the Newmont's issuance with mandatory and necessary requirements as per the Appendix III - SLB Disclosure Data Checklist of those principles, and with encouraged practices as suggested by the core content of the Principles.

Analysis of the KPI selection and associated SPT

Aligned with the voluntary guidance provided by the Sustainability-Linked Bond Principles, ISS ESG conducted an in-depth analysis of the sustainability credibility of the KPI selected and associated SPT. ISS ESG analysed if the KPI selected is core, relevant and material to the issuer's business model and consistent with its sustainability strategy thanks to its long-standing expertise in evaluating corporate sustainability performance and strategy. ISS ESG also reviewed if the KPI is appropriately measurable by referring to key GHG reporting protocols and against acknowledged benchmarks.

ISS ESG analysed the ambition of the SPTs against Newmont's own past performance (according to Newmont's reported data), against Newmont's Mining and Integrated Production peers (as per ISS ESG Peer Universe and data), and against international benchmarks such as the Paris agreement (based on data from the Transition Pathway Initiative) and the UN SDGs (according the ISS ESG proprietary methodology). Finally, ISS ESG evaluated the measurability & comparability of the SPT, and the supporting strategy and action plan of Newmont.

ANNEX 3: Quality management processes

SCOPE

Newmont commissioned ISS ESG to compile a Sustainability-Linked Bond SPO. The Second Party Opinion process includes verifying whether the Sustainability-Linked Bond Framework aligns with the the ICMA's Sustainability-Linked Bond Principles and Climate Transition Finance Handbook and to assess the sustainability credentials of its Sustainability-Linked Bond Framework, as well as the issuer's sustainability strategy.

CRITERIA

Relevant Standards for this Second Party Opinion

- ICMA Sustainability-Linked Bond Principles
- ICMA Climate Transition Finance Handbook

ISSUER'S RESPONSIBILITY

Newmont's responsibility was to provide information and documentation on:

- Sustainability-Linked Bond Framework (November 29, 2021 version)

ISS ESG's VERIFICATION PROCESS

ISS ESG is one of the world's leading independent environmental, social and governance (ESG) research, analysis and rating houses. The company has been actively involved in the sustainable capital markets for over 25 years. Since 2014, ISS ESG has built up a reputation as a highly-reputed thought leader in the green and social bond market and has become one of the first CBI approved verifiers.

ISS ESG has conducted this independent Second Party Opinion of the Sustainability-Linked Bonds to be issued by Newmont based on ISS ESG methodology and in line with the ICMA's Sustainability-Linked Bond Principles and Climate Transition Finance Handbook.

The engagement with Newmont took place from November to December 2021.

ISS ESG's BUSINESS PRACTICES

ISS has conducted this verification in strict compliance with the ISS Code of Ethics, which lays out detailed requirements in integrity, transparency, professional competence and due care, professional behaviour and objectivity for the ISS business and team members. It is designed to ensure that the verification is conducted independently and without any conflicts of interest with other parts of the ISS Group.

About ISS ESG SPO

ISS ESG is one of the world's leading rating agencies in the field of sustainable investment. The agency analyses companies and countries regarding their environmental and social performance.

As part of our Sustainable (Green & Social) Bond Services, we provide support for companies and institutions issuing sustainable bonds, advise them on the selection of categories of projects to be financed and help them to define ambitious criteria.

We assess alignment with external principles (e.g. the ICMA Green / Social Bond Principles), analyse the sustainability quality of the assets and review the sustainability performance of the issuer themselves. Following these three steps, we draw up an independent SPO so that investors are as well informed as possible about the quality of the bond / loan from a sustainability perspective.

Learn more: https://www.isscorporatesolutions.com/solutions/esg-solutions/green-bond-services/

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