Tom Palmer

NEWMONT

President and chief executive



COMPANY PROFILE

Primary listing	NYSE
Headquarters	Denver, US
Market cap	US$36.1 billion
Regional focus	Global
Commodity	Gold, copper, silver, zinc, lead
Production for calendar year 2022	Gold and gold equivalent: 7.3Moz

Has maintaining a social licence to operate become more difficult in recent years – and, if so, what has driven this trend?

Maintaining social licence must be as integral to your business as safety culture and technology. Newmont is a values-based company and we're proud of our longstanding sustainability leadership. We have been ranked the top gold miner in the Dow Jones Sustainability Index for the last eight years and rated the most transparent company in the S&P 500 according to Bloomberg's ESG Disclosure Score.

Social licence is a derivative of three emerging global megatrends that will be as consequential and disruptive as the industrial revolution, if not more so. These emerging global megatrends impacting our world and our industry fall into three categories: social transformations, technological change, and geopolitical turbulence. As an industry we don't have the luxury of ignoring these megatrends and the impacts they have on our workforces, operations, and host communities.

Society and investors are increasingly demanding accountability, value sharing, and values-based decision-making, and we will need to meet and exceed these demands to remain in business.

As an industry, we are tasked with satisfying society's accelerating needs to resource the new energy future, whilst mining safely and sustainably. Not just because society expects it, but also because our workforces will demand it. We draw our workforces from neighbouring communities and earning their support is a prerequisite to securing permits, regulatory approvals and long-term community support.

Successfully navigating this period of disruptive change will require our workforces knowing, integrating, and living our organization's core values. Failure to do so will leave us rudderless and at the mercy of these tidal waves of change in society, technology and geopolitics.

What strategies or tools have been most successful in maintaining good relations with communities?

The most important part of my job is anchoring our business in our purpose to create value and improve lives through sustainable and responsible mining. And this purpose is underpinned by our core values of safety, sustainability, integrity, inclusion and responsibility.

The most powerful force we have as organizations to build and maintain strong community relations is ensuring our workforces are motivated by our core values and demonstrating these core values in everything we do. Our people are members of our neighbouring communities who are, in turn,

constituents of their respective nations. Without their trust and support, our operations would grind to a halt.

One successful example of community relations within Newmont is our development foundations in Ghana which have been recognized many times nationally and internationally for their work in directly improving people's lives through capacity building, infrastructure investment, business development, women's empowerment, and so on.

This is a result of partnerships we have developed with local civil society organizations, traditional leaders and others to identify community needs, whilst providing the catalysts to drive solutions to local problems. Our development foundation model has been so effective in Ghana that we have replicated it at our other operations around the world.

While we're proud of the work we've done in Ghana and elsewhere, we know that societal and government demands and needs only increase. If the resources sector is not agile enough to adapt, align and lead in this context, we risk losing control of our businesses.

Past failings, including deadly environmental disasters and the destruction of sacred sites, have damaged the mining industry's reputation globally. How does this affect your dealings with local communities, and what are you doing to repair the industry's reputation on a local level?

Whilst the mining industry contributes nearly US$2 trillion dollars in economic and social investments globally, apart from some local recognition in certain communities and countries, the world at large continues to view mining with suspicion.

This is in part due to the darker legacy of mining from decades ago, but also the high-profile tailings dam disasters and other failures in our recent past. Will throwing more money at the issue change how we're perceived? Perhaps. But there's a point at which projects and operations become economically unviable. As such, we need to think more than just transactionally.

This will require us to leverage the capability, creativity and goodwill of our workforces and community partners to anchor our decisions and actions in people-centric approaches.

It starts by establishing and maintaining long-lasting relationships built on trust and respect – relationships that have at their foundation safe, healthy, and equitable workplaces and communities.

Looking to the future, many new mines will be needed to meet the demand for critical minerals – but increased automation will reduce onsite jobs for local people. Is this a recipe for growing community conflicts? How will you approach this challenge?

Whilst technology has helped make our businesses safer, cleaner, more efficient, and productive, the velocity of technological change today is warping social and economic dynamics in ways not seen since the industrial revolution.

Some of the technological benefits we've seen at Newmont in recent years include automation and remote operations – in particular after the lessons learnt from the pandemic. Automation is helping us mitigate safety risks, reduce emissions, and improve efficiencies. Specifically, autonomous vehicles, automated drilling, remote operations, and asset monitoring are critical to how we mine today and, even more so, in the future.

As part of our commitment to address climate change, we are also challenging ourselves and our equipment manufacturers to take risks to drive innovation and more rapidly develop sustainable solutions to reduce emissions.

In 2021, Newmont announced a $100 million strategic alliance with Caterpillar to develop, build, test and deploy in operating mines, both battery electric open pit and underground trucks before the end of this decade. We are also working to implement energy efficiency improvements at our operating sites, and working with our suppliers to reduce emissions in power generation and transportation.

We are using artificial intelligence algorithms and machine learning to monitor air and water quality, as well as the condition of wildlife and other natural resources. But like any technology, AI, including Large Language Models like ChatGPT, is advancing and self-learning so rapidly that even its own creators are not sure how they are able to do what they do.

Earlier this year more than 1000 technology leaders and researchers working on AI signed an open letter warning that these technologies present "profound risks to society and humanity." We must prepare our businesses and our workforces to responsibly navigate these technological opportunities and threats by anchoring ourselves in our core values so that we can all make moral and people-centric decisions in fast-moving and complex situations either driven or exacerbated by technology.