

2019 Annual Plenary Report

THE VOLUNTARY PRINCIPLES
ON SECURITY AND HUMAN RIGHTS



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Newmont's Implementation of the Voluntary Principles

In 2019, Newmont acquired Goldcorp to form the world's leading gold company. In addition to becoming the world's largest gold producer, the combination also brought together two of the sector's sustainability leaders with their "strong commitments to health and safety, inclusion and diversity, and industry-leading environmental, social and governance performance."¹

Strict adherence to the Voluntary Principles (VPs) is a central part of Newmont's industry leading sustainability performance. Newmont has been a signatory to the VPs since 2004 and Goldcorp committed to alignment in 2008 and became a signatory in 2016.

This VP annual report is the first of the combined company and details the actions taken in 2019 by both companies, separately and jointly, to respect and promote security and human rights. For Newmont, respecting and promoting human rights remains paramount to fostering strong community relationships and securing social acceptance for our operations, in a safe and responsible manner.

¹ Corporate news release, 01/14/2019 (<https://www.newmontgoldcorp.com/newsroom/news-details/?newsId=ab219880-52fd-47a7-a7f6-435c7fce8fea>)



Commitment to the Voluntary Principles

Newmont's headquarters is in Colorado, USA, with directly managed development projects and operations in Ghana, Australia, Canada, USA, Mexico, Peru, Argentina and Suriname. Following the acquisition in 2019, Newmont began the process of integrating policies and procedures for all sustainability areas across the former Goldcorp sites.

PUBLIC STATEMENTS OF COMMITMENT TO THE VOLUNTARY PRINCIPLES

Respecting human rights lies at the heart of our sustainability approach. The VPs guide our security arrangements and help ensure we respect human rights. Newmont publicly commits to the continued implementation of this standard through our participation in the VPs and on-the-ground implementation at all of our operations.

In 2019, Newmont publicly reported on its commitment to the VPs and its targets and performance in the 2018 Beyond the Mine Report. We also verified that our operations did not fuel unlawful armed conflict or contribute to serious human rights abuses or breaches of international humanitarian law through our Conflict-Free Gold Report, independently assured by Bureau Veritas.

In 2019, Goldcorp publicly reported on its adherence to the VPs in its 2018 Sustainability report and Conflict-Free Gold Report. Ernst and Young LLP ("EY") independently assured the latter. Their independent, limited assurance [statement](#) notes that Goldcorp's Conflict Free Gold Report is in "conformance with the standard" which requires that security services "do not take part in, or support, serious abuses of human rights or breaches of international humanitarian law." EY conducted an assurance assessment of Goldcorp's Peñasquito mine, the company's highest risk operating mine, as part of the Conflict-Free Gold assurance procedure.



2019 ACTIVITIES TO PROMOTE THE VOLUNTARY PRINCIPLES

Voluntary Principles Initiatives

Prior to Newmont's acquisition of Goldcorp, both companies supported the globally respected multi-stakeholder initiative, and actively participated in its governance. Newmont engaged in the VPs and helped shape outcomes through participation in the annual plenary, membership on the Steering Committee and provision of input during a Strategic Retreat convened by the Swiss Government in November 2019.

International Promotion Activities

Newmont promotes the implementation of the VPs in the countries where it operates with governments, civil society and local communities. Examples include:



GHANA

As a member of the Ghanaian Government's Implementation Steering Committee, Newmont Ghana continued to support the government with an implementation plan for the VPs. We also facilitate training for government officials, other companies and law enforcement officials through the Chamber of Mines. In 2019, Newmont's Ghana operations created awareness of the VPs and respect for human rights in the communities near our mines.



PERU

For more than ten years, Yanacocha has sponsored a VPs in-country working group with participation of private security contractors, government officials, the Swiss, Canadian and UK embassies, and civil society.

B

Policies, Standards, Procedures, and Related Activities

RELEVANT POLICIES, STANDARDS, PROCEDURES, AND/OR GUIDELINES TO IMPLEMENT THE VOLUNTARY PRINCIPLES

Newmont has a hierarchy of policies, standards and procedures that defines our expectations of the behavior of our employees and our supply chain partners. Our [Code of Conduct](#) explicitly refers to the fundamental human rights of the people where we operate and those with whom we work. Listed below are other Newmont policies that promote implementation of the VPs:

Our [Business Integrity Policy](#) establishes the basic tenets of how employees should conduct business — with honesty, accurate reporting and without corruption.

Our [Sustainability & Stakeholder Engagement Policy](#) is the foundational policy that commits to sustainable development and outlines how we communicate with our stakeholders. This policy explicitly commits to reduce the risk of excessive use of force. It also commits to working with governments in a transparent manner.

Our [Human Rights Standard](#) is a requirement at all of our sites. It commits our sites to implement the United Nations Guiding Principles on Business and Human Rights (UNGPs) and the VPs. It also requires sites to identify and evaluate actual and potential human rights risks and impacts including security-related risks.

Our [Events and Reporting Investigation Procedure](#) ensures all sites follow a “consistent approach to classifying, reporting and investigating events, determining underlying causes, and communicating lessons learned to prevent recurrences across the organization.” This procedure requires investigation of any use of force incident and alleged human rights violation as per the VPs.

Prior to the acquisition, both Newmont and Goldcorp had specific security procedures, which remain in effect. We will be conducting a gap analysis of the different security procedures and adopt across all sites one set of policies and procedures for the Security Department that includes the highest standards from both companies.

Newmont Security Policies

The **Security Performance Standard** “sets the minimum standard for Newmont to provide security services in a manner that respects human rights” and complies with the VPs.

Goldcorp Security Policies

The **Security Policy** expresses Goldcorp’s commitment to the safety and security of employees, company assets and reputation, while respecting human rights. It explicitly commits sites to follow the VPs and respect the Universal Declaration on Human Rights.

The **Security Standard** provides specific guidance on how to implement the VPs.

Former Goldcorp sites commit to implementing the UNICEF Child Rights and Security Checklist at all of its higher-risk sites and audits compliance against this Checklist by a third-party auditor.

PROMOTION WITHIN NEWMONT

All employees with computer access receive practical, online human rights training which includes our commitment to the VPs. Human rights topics are also addressed in a variety of ways, ranging from cross-cultural educational sessions to human resources and social responsibility inductions and annual refresher courses. Training sessions focused on human rights topics range from 30 minutes to 8 hours, depending on the site’s risk profile and the needs of the audience. To date, more than 2,800 employees have completed the online training approximately 3,500 times (some employees have taken the training more than once). In Ghana, all employees and contractors also receive specific VPs training. At Cerro Negro, Peñasquito, Marlin, Yanacocha, Ahafo, Akyem and Cripple Creek and Victor, security personnel and contractors receive human rights and VPs training.



RISK ASSESSMENTS

Newmont recognizes that identifying our security and human rights risks is fundamental to understanding how to respect human rights as a security function and prevent negative impacts at all our sites. In our VPs Risk Assessment Model, we assess the security and human rights risks to our sites and to our neighboring communities, including the risk that a private or public security guard uses undue force or violates humanitarian law. The Newmont Security Performance Standard requires that sites conduct a security and human rights risk assessment for every new project and update it every three years or whenever triggered by an event. In actuality, most sites update their assessments annually or quarterly.

Examples of event-triggered assessments: In 2019, a security contractor at the Ahafo operation was killed in a confrontation with illegal miners. In the wake of this tragic incident, the site conducted a risk assessment to determine what additional controls should be put in place to prevent any future occurrences (see Section C for more details on the lessons learned from this incident). In Peru, the Security Department conducted a human rights risk assessment before purchasing a technology device for enhanced security. The assessment reviewed the potential impacts on rightsholders (e.g. neighboring community members, employees, and contractors), and led to the implementation of controls on how to use the device in a respectful manner.

Newmont also will commission third party risk assessments prior to a new project or exploration as conditions warrant. These assessments evaluate critical areas such as compliance with the VPs, the local and national human rights contexts and dynamics (e.g. political, socio-economic, labor), the potential for conflict, government capacity and the rule of law.

In 2019, RFI conducted audits in Suriname and Peru, KPMG in Ghana, and Avanzar LLC in Mexico, Argentina and Guatemala. Legacy Goldcorp third party assessments also verified compliance with the UNICEF Checklist on Child Rights and Security. Newmont commissioned a human rights supplier audit of Ghana's private security contractors.

REPORTING AND INVESTIGATION OF SECURITY-RELATED HUMAN RIGHTS INCIDENTS OR GRIEVANCES

Even with robust risk identification and mitigation controls, undesired events and potential incidents occur. Newmont has established an event reporting and investigation procedure and a community complaint and grievance process at each site to ensure all allegations and security-related events involving private and public security are fully investigated and recorded, and corrective actions are taken. For incidents related to human rights, the site must involve the Human Rights Working Group or Social Responsibility Manager to determine if further investigation and escalation is necessary. Our contracts with private security contractors and our agreements with public security require them to report security-related incidents that have potential human rights implications.



CONTRACT MANAGEMENT WITH PRIVATE SECURITY PROVIDERS

Newmont has a robust supplier management process led by our Supplier Code of Conduct that sets the minimum expectations for suppliers who want to do business with our company. The Supplier Risk Management Process (SRiM) details every step from the pre-qualification process to the final contract management process. All security suppliers are subject to SRiM pre-screening criteria and additional management controls to ensure compliance with the VPs. When considering a private security contractor, before executing a contract, sites review: a provider's background checks on past incidents and allegations; training with respect to human rights, proper use of force, and weapons; affiliations with illegal activity; and any involvement in activities with human rights implications.

All contractors and suppliers are required to comply with the VPs and some contracts with security service providers include reference to the *United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials*, and the *Code of Conduct for Law Enforcement Officials*. Specific human rights clauses are also included that require suppliers to respect human rights in line with the *Universal Declaration of Human Rights*, ensure there are no human rights violations in their supply chain, and cooperate with human rights audits if deemed necessary. Ongoing contract management includes regular training and screening of all existing and new guards using regional and national government databases.

Region	Site	Number of Sessions Conducted	Total Duration of all Training	NUMBER OF PERSONNEL TRAINED			
				Newmont Employees	Public Security	Private Security	Other External Stakeholders
Africa	Accra Ghana	3	12	110	—	—	16
	Akyem Ghana	13	17	499	6	147	—
	Ahafo Ghana	1	2	318	20	60	—
North/ Central America	Marlin Guatemala	Data Not Collected	69	4	18	76	—
	Peñasquito Mexico	Data Not Collected	60	1,686	100	570	—
South America	Cerro Negro Argentina	2	2	19	50	44	—
	Merian Suriname	10	30	22	51	135	—
	Yanacocha ² Peru	2,223	14,742	8	594	662	—

² Yanacocha's hours include training sessions with community members, and account for multiple training sessions for private and public security personnel.

See Section (C) Country implementation below for specific information about training for security contractors.

RELATIONS WITH PUBLIC SECURITY

Where Newmont has requested additional assistance from public security for the protection of its assets, we ensure there is a Memorandum of Understanding (MOU) in place to establish the expectations of the relationship and aim to provide additional training on human rights and the VPs to the officials who arrive at site.

Newmont uses its influence and leverage, where possible, to promote the adherence to humanitarian law by our host governments. In Peru and Ghana, we facilitate training and human rights workshops for government officials through third party organizations. We also monitor all investigations of alleged incidents involving public security officers performing duties onsite. In the past year there have not been any major incidents involving public security officers at our sites.



Country Implementation 2019

For this year's report, we focus on Ahafo and Akyem in Ghana and Peñasquito in Mexico.

GHANA

The Ahafo mine located in the Brong Ahafo Region directly employs approximately 1,103 people, 97 percent of whom are Ghanaian. It also engages about 2,357 contractors, 95 percent of whom are Ghanaian. Ahafo was the first large-scale mine in the region. Prior to its start-up, the local economy was centered on small-scale commercial farming and subsistence agriculture. There are approximately 110,000 people living in the mine's direct area of influence. Ahafo employs five security professionals directly and 445 private security contractors with 30 routine government security personnel assigned to Newmont's operations.

The Akyem mine located in the Eastern Region directly employs 781 employees, 95 percent of whom are Ghanaian. In addition, the operation engages about 1,078 contractors. Akyem employs four security professionals directly and 170 private security contractors. There were approximately six government security personnel present at or near the operation on an ongoing basis. The Akyem area of influence includes eight communities and approximately 40,000 inhabitants.

In addition to Newmont's operating mines in Ghana, five security professionals and 32 private security contractors are deployed at the regional office in Accra.

Engagement with government, public security and civil society

In 2019, Newmont facilitated, through the Chamber of Mines, a workshop on the VPs and protection of human rights for the prosecutors of the local and district police departments. We also continue to ensure that all of our engagement with the Ghana police is covered under a MOU that requires both parties “to observe and defend the human rights and constitutional privileges of all affected persons” in compliance with the Universal Declaration on Human Rights, the United Nations Basic Principles and Code of Conduct for Law Enforcement Officials and the VPs. In accordance with the MOU, when government security personnel arrive onsite, they receive a refresher on the VPs and the most relevant human rights risks for their posts at site. The

supplier human rights audit found that these refreshers were valuable for personnel. We are working with the police to find ways to provide training prior to their arrival onsite for their shift.

As training of the police increased, we found that the police perceived that the VPs restrict their ability to conduct their official duties. To change this perception, we focused our training on specific scenarios that describe how police duties can be done while respecting human rights (i.e. arrest without violence). We emphasize the use of dialogue to respect human rights in line with the Ghanaian culture. We developed and distributed a booklet to the police officers that explains these concepts.

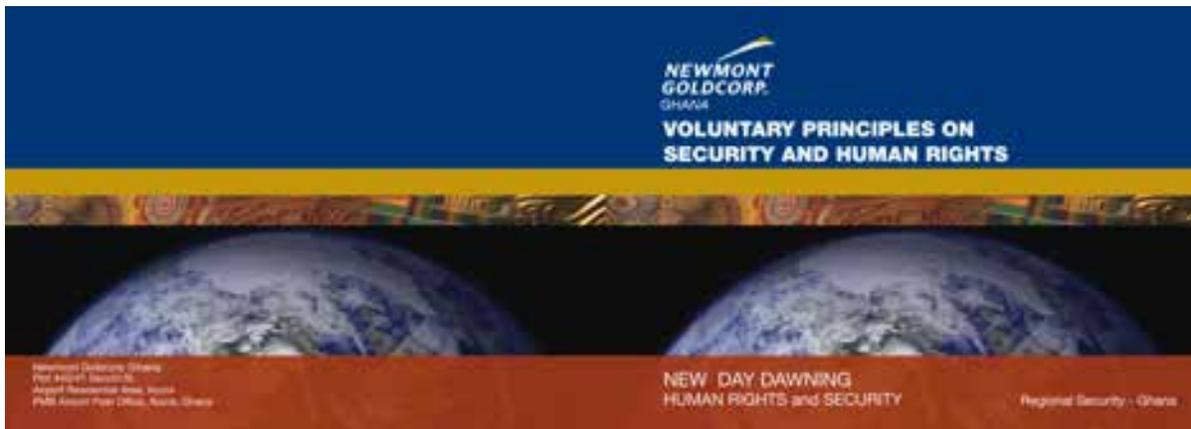


Fig 1. Title page of booklet distributed by Ghana sites to police officers.

Newmont works with Fund for Peace and a local NGO, West African Network, to promote human rights awareness in the local communities. In 2019, the sites conducted two training sessions on human rights and the VPs in the community.

Engagement with private security

All contractors must follow the Supplier Risk Management (SRiM) process to apply and contract with Newmont (see Section (B) for details). At the close of 2019, we placed the Ghana private security services out for tender. During the selection of a new provider we will thoroughly review relevant audit findings, the human rights record, and the ability to comply with the VPs for all security contractors considered.

During 2019, a confrontation between artisanal miners and private security personnel resulted in the death of a contract security guard. The Human Resources department provided counseling to guards who witnessed the death and any other employee who felt affected by the incident. The site conducted a risk assessment and identified key controls to prevent future incidents. For example, the site changed its patrolling methods, demarcated certain areas as restricted and made plans to add additional electronic security measures to reduce the need for guards in high-risk areas.



Promotion of the VPs with employees and contractors

Our Ghana operations have progressively been increasing the number of personnel trained on human rights and the VPs. In 2019, all employees and contractors received human rights and VPs training online. In 2020, we aim to include these topics in our Learning and Development Center as part of the induction and annual refresher.

Artisanal small mining

Managing the impacts of small-scale miners is a challenge in Ghana. Our security and social and external responsibility departments work closely together to implement our global Artisanal and Small-Scale Mining Strategy that includes security, performance, livelihood development and external engagement with, for example, the government of Ghana.



PERU

Yanacocha is an open pit mining operation that produced 514,600 consolidated ounces of gold in 2019. Yanacocha directly employs approximately 1,280 people, with 50 percent from local areas, and another 49 percent from other areas of Peru. Contractors represent an additional 4,288 workers as of December 2019. The security function at Yanacocha consists of eight employees and 583 contractors, along with 594 government security personnel that routinely visit the site.

Engagement with government, public security and civil society in 2019

As noted above, we actively engage with an in-country working group in the promotion of the VPs and the development of a National Action Plan for the UNGPs at a national level. Our goal is to encourage Peru to become a member of the VPs.

We have an interest in ensuring that in Peru all mining companies and civil society actors act in a manner respectful of humanitarian law and that government fulfills its duty to protect human rights. We promote the VPs and respect of human rights through annual meetings with government personnel, regional and national police commanders, the private sector and civil society. At a regional level, Newmont works with the local police under a signed agreement to provide donations and promote awareness of human rights standards, humanitarian law and the VPs among all new recruits and existing officers. In 2019, the Sociedad Nacional de Minería y Petróleo de Peru nominated Newmont to be the Chair of the Human Rights Working Group. Internationally, the Human Rights Superintendent has worked with Shift and The Business and Human Rights Center to provide Peru's perspective on the implementation of the VPs and the UN Guiding Principles, especially on the most effective methodologies for human rights due diligence.

Engagement with local communities

The Yanacocha mine observes daily the importance of security and human rights, and the impacts of conflict. Violence and insecurity may suspend social development projects and lead to negative impacts on the most vulnerable people. The Yanacocha Security department has worked hard to reduce tensions with local communities and has established a series of programs to improve relations between security and the community. Security engages the community through participation in corporate-sponsored community events, health campaigns and direct training on security issues.

For years the site has worked closely with the Rondas campesinas (local community law enforcement) to help them formalize and promote awareness on the appropriate use of force. Annually, we organize a seminar for all the Rondas in the area of influence of Yanacocha and Conga. At the seminar, the Police conduct a presentation about lawful

use of force and the limits of their authority and Yanacocha presents on human rights and the VPs.

Every year, the Security department holds a fair with 40 communities to promote interaction between Yanacocha employees and the community. The fair includes food and activities for the children. Security staff serves the food and has positive and more personal interactions with the community. With time more and more communities have joined. Security staff estimate that this activity has helped reduce physical confrontations with security guards by 60 percent and increase positive engagement with the community.

Security also participates in several civic actions led by the Social Responsibility group such as health campaign for doctors and dentists.

In 2019, Yanacocha implemented a new program for female Ronderas called *Ojos Propios*. The Security department provided cameras to the women and trained them on their use so they could document their daily lives and struggle as mothers, sisters and Ronderas. Over 300 women participated. Locally, the photos were exhibited in a gallery and a publication was distributed. We aim to create a network with the women who participated and work with them in the future.



Engagement with private security

Yanacocha contracts security providers following the SRiM process. The contract with the site's security provider includes compliance with the VPs, all Newmont Codes and policies, and the Universal Declaration of Human Rights that prohibits all forms of child labor. A third-party auditor assessed contractor compliance with its contract and the VPs in 2019. All recommendations were implemented.

Yanacocha provides VPs training focused on the practical implementation of the use of force and relevant human rights risks to all security contractor employees and Newmont managers of these contracts. The training also includes awareness of the grievance mechanism, risk assessment and desired behavior of contractors. In 2019, we extended training to the security contractors responsible for gold shipments.

Promotion with all employees

All employees receive an induction that includes information about Newmont's human rights commitments. Every year employees with access to a computer receive an online human rights training. Individual departments receive additional training on human rights risks specific to their area of work. For example, the permitting area receives training on the procedures for access to land and relates these to the respect of property rights and community relations. Every quarter the Site Leadership Team receives a brief presentation on human rights. The Human Rights Superintendent for Yanacocha is available for any consultation regarding human rights concerns or questions.

MEXICO

Peñasquito is an open pit mining operation that produced 187,195 consolidated ounces of gold in 2019. Of the 6673 employees and contractors employed by the mine, 22.8 percent are from the communities surrounding Peñasquito, 42.2 percent from the State of Zacatecas, 33.6 percent from other states in Mexico and 1.4 percent other countries. The security function in Mexico (including Peñasquito and all satellite operations) consists of nine employees and 327 contractors.

Promotion activities with government, public security and civil society

Throughout 2019, site security engaged with the Governor and Sub-Governor of Zacatecas to discuss the security situation in the State. In late 2019, Newmont made a formal request to the State Government to send public security to the mine area to provide security to the surrounding communities due to heightened insecurity and increased violence. The site is facilitating this service by providing housing on site and meals to the public officials. The number of officials fluctuates, as does the branch of security between State Police, Ministerial Police and the National Guard. Upon arrival to site, all public security officials receive a presentation on Peñasquito's expectations concerning the use of force, VPs and human rights.

Engagement with private security contractor

Monthly, Peñasquito monitors its security contractor performance against 13 KPIs, seven of which are tied to compensation. Three of these targets help track VP implementation: (1) 100 percent government background checks up to date, (2) 100 percent training programs are completed as planned, and (3) zero credible community complaints about a human rights violation.

All guards receive detailed training on human rights and the appropriate use of force. In 2019, the site trained all of its guards on child rights and the proper implementation of the procedure on the treatment of minors as part of the site's compliance with the *UNICEF Checklist on Child Rights and Security*.

Promotion with employees and contractors

All employees and contractors complete a three-day induction that includes information on the VPs and human rights. As many of the employees and contractors are from the local communities, this helps to promote the site's commitment to the VPs with local community members.



D

Lessons and Issues

INTEGRATION OF VOLUNTARY PRINCIPLES IMPLEMENTATION: BENEFITS AND CHALLENGES

Overall, the integration process for the implementation of the VPs at Newmont has proved to be both beneficial and challenging at our mine sites.

Sharing best practices across sites

The acquisition of Goldcorp gave Newmont sites the opportunity to learn how other sites are implementing the VPs. In 2019, four legacy Goldcorp sites in Canada and one Newmont site in the USA conducted a desktop assessment against the VPs. It was a useful exercise to determine how the VPs can be applied in Canada/USA or other low risk operating jurisdictions such as Australia. The assessment ended with a webinar with representatives from across Newmont's sites so they could learn from one another, identify gaps and discuss how they could fill the gaps going forward. We identify additional good practices from various sites on an ongoing basis.

Raising the bar for all sites to the highest of both companies' standards

Upon announcing the acquisition, Newmont reviewed and mapped all sustainability and external relations standards (including human rights) for both companies. The mapping exercise concluded that the Newmont standards had more detailed and stringent requirements. These Newmont standards were adopted for the combined company.

As indicated above, the Security Department will conduct a similar mapping exercise. It is likely that the Newmont standards for risk assessment and other areas will be adopted and certain best practices from the Goldcorp sites will be considered. For example, to ensure compliance with the *Convention on the Rights of the Child* and the *UN Rules for the Protection of Juveniles Deprived of their Liberty*, legacy Goldcorp sites, such as Peñasquito and Marlin, have developed a specific procedure for guards on how to treat minors who are found trespassing into the sites.



Policy implementation challenges

While the integration of policies should increase performance across all sites, some Newmont policies present a challenge for the implementation of the VPs at legacy Goldcorp sites. Most notably, several legacy Goldcorp sites have a practice of hiring armed private security guards, which does not align with **Newmont's Sustainability & Stakeholder Engagement Policy's** commitment of no weapons on site. In 2020, Newmont will assess the risk of contracting armed security contractors, identify necessary procedural controls and move towards compliance with company policies.

IT and reporting systems alignment

Both companies relied on different support systems for human resources, incident reporting and investigations, and grievance mechanisms. In 2020, Newmont will integrate these systems and train personnel of those regions with both Newmont and legacy Goldcorp sites.





6363 South Fiddler's Green Circle
Suite 800
Greenwood Village, CO 80111
P 303.863.7414
F 303.837.5837
newmont.com