

2019 SUSTAINABILITY HIGHLIGHTS

# Beyond the Mine



***“Today, stakeholders rightfully demand we conduct our activities more efficiently and with greater consideration of the environment and the communities in which we operate. I am confident in our team’s ability to meet these expectations by combining strong governance, innovative approaches, technical expertise and our unmatched talent that is committed to sustainable and responsible mining.”***

– TOM PALMER, PRESIDENT AND CHIEF EXECUTIVE OFFICER



This publication largely summarizes information on Newmont’s Yanacocha operation found in [Newmont’s global 2019 Sustainability Report](#), which is written in accordance with the GRI (formerly the Global Reporting Initiative) and follows the Sustainability Accounting Standards Board (SASB) Metals & Mining Sustainability Accounting Standard. In addition, the report’s climate change information aligns with the Task Force on Climate-related Financial Disclosures (TCFD) reporting guidelines.

Because Newmont is the operator of the Yanacocha operation, data is presented on a consolidated basis, unless otherwise noted. All monetary figures are in U.S. dollars.

# Overview

**1,459** employees across Peru<sup>1</sup>

**1** operating site

**270,000** attributable ounces of gold produced in 2019



## OUR BUSINESS

In 2019, Newmont became the world's leading gold company and a producer of copper, silver, zinc and lead following the transformational acquisition of Goldcorp and its world-class mines and the formation of the Nevada Gold Mines joint venture with Barrick, which created the world's single largest gold producing complex.

Newmont was founded in 1921 and has been publicly traded since 1925. Newmont is the only gold producer listed in the S&P 500 Index and is widely recognized for its principled environmental, social and governance (ESG) practices. In 2007, the Company became the first gold company selected to be

part of the Dow Jones Sustainability World Index. Newmont has remained on the prestigious index every year since and has been named the gold mining industry leader for the past five years.

In Peru, Newmont operates the Yanacocha mine on behalf of Minera Yanacocha S.R.L., which is 51.35 percent owned by Newmont. Of the remaining interest, 43.65 percent is held by Compañía Minera Condesa S.A., which is 100 percent owned by Compañía de Minas Buenaventura S.A.A., and 5 percent is held by Summit Global Management II BV, a subsidiary of Sumitomo.

<sup>1</sup> As of December 31, 2019.

## OUR APPROACH TO SUSTAINABILITY

Newmont is committed to developing resources in a way that protects people, respects human rights, catalyzes local economic development and safeguards the environment.

We conduct annual assessments to identify and understand current, near-term and emerging sustainability issues, and through our annual reporting process, we disclose our performance on those issues that matter most to stakeholders and our business.

Newmont recognizes the importance of supporting broader objectives, such as the UN Sustainable Development Goals and the 2015 Paris Climate Agreement. Through our global strategies and active participation in voluntary organizations – such as the International Council on Mining and Metals (ICMM) – we work to contribute toward the advancement of these goals.



# Social

## Fatalities

**0** work-related fatalities occurred at any Newmont site or facility during 2019

## Workplace Injuries

**0.16** Total Recordable Injury Frequency Rate for employees and contractors at operations and projects in Peru

## Community Complaints and Grievances

**100%** of tier 1<sup>1</sup> complaints and grievances (C&Gs) recorded at Yanacocha resolved within 30 days

## Security Training

**100%** of security personnel at Yanacocha received training on the Voluntary Principles on Security and Human Rights



## SAFETY AND HEALTH

Safety is one of our core values, and effectively managing the safety and health risks inherent in our business is essential to reaching our goal of zero harm and protecting our workforce and the communities in which we operate.

In 2019, no work-related fatalities occurred at any Newmont site or facility. Through our Fatality Risk Management program, we aim to keep our workplace fatality free by ensuring critical controls are in place every time we undertake a task involving our top fatality risks. In 2019, we conducted safety culture reviews at all of our operations to better understand the

underlying factors related to events that could have resulted in a life-changing injury or fatality.

As a result of the COVID-19 pandemic, we implemented several measures to protect the health and safety of our workforce and those who live near our operations. These included enhancing screening at our sites' entry points, enforcing strict social distancing, establishing flexible and remote working plans for employees, and working with medical experts to evaluate COVID-19 testing options.

### 2019 COMBINED (EMPLOYEE AND CONTRACTOR) HEALTH AND SAFETY DATA BY SITE

Site	Fatalities	LTIFR (lost time injury frequency rate)	TRIFR (total recordable injury frequency rate)	OIFR (occupational illness frequency rate)
YANACOCHA	0	0.04	0.18	0.00
Projects	0	0.05	0.10	0.00

<sup>1</sup> Tier 1 is defined as those complaints that can be resolved between Newmont and complainants without the need for external mediation and/or legal proceedings.

## SOCIAL ACCEPTANCE

Newmont works to obtain and maintain broad social acceptance – defined as the willingness of stakeholders to accept our ongoing business activities – during all stages of the mine lifecycle by building relationships based on trust and mutual respect with communities, governments, NGOs and other key stakeholders.

To effectively identify, manage and monitor a wide range of social risks and opportunities, each site must have a comprehensive stakeholder engagement plan, conduct assessments on social baseline conditions and potential impacts of our business activities, and have an open and transparent complaints and grievances process to address stakeholders' concerns fairly and promptly.

In October 2019, the Yanacocha operation commenced hydrological studies to understand the impact that an expansion of the China Linda quarry (as part of the Yanacocha Sulfides project) would have on the water supply. In November, when turbidity (cloudy water) was detected in the potable water supply of the nearby community of Totoracocha, around 200 people were involved in a protest of the proposed expansion where some protesters became violent and burned a drill rig. Following the protests,

Yanacocha developed a plan to re-engage with local leaders and the communities around China Linda.

During the year, Yanacocha received 146 tier 1 community C&Gs (defined as those complaints that can be resolved between Newmont and complainants without the need for external mediation and/or legal proceedings) and resolved all within 30 days.



## HUMAN RIGHTS

We recognize our activities throughout the mine lifecycle have the potential to affect people's rights. Our [commitment to managing these risks](#) includes minimizing any human rights impacts while contributing toward strengthening and empowering employees, contractors, suppliers and host communities.

During 2019, we remained committed to finding a dialogue-based solution to resolve a complex land dispute with members of the Chaupe family, who allege human rights violations by those working on behalf of our Yanacocha operation. Since 2016, Yanacocha has focused on improving communications and relationships with members of the Chaupe family following recommendations from the "Yanacocha Independent Fact Finding Mission." In September 2017, EarthRights International (ERI), on behalf of the Chaupe family, filed suit against Newmont in U.S. federal court, and in April 2018, the court granted Newmont's motion to dismiss, indicating the suit belongs in Peruvian, not U.S., courts. ERI appealed the ruling in 2018, and in 2019 the U.S. Court of Appeals returned the case to the lower court for reconsideration. On March 10, 2020, the Federal District Court in Delaware dismissed all claims brought by the Chaupe family against Newmont, on the basis of *forum non-conveniens*, which acknowledged that it is more appropriate for Peru to adjudicate the Chaupe family claims. ERI has appealed the lower court decision a second time. Developments and our statements on the matter are publicly available on our [website](#).

In 2018, the International Finance Corporation's Compliance Advisory Ombudsman (CAO) initiated a review of allegations from former employees alleging exposure to heavy metals during their employment at Yanacocha. The review aims to determine the IFC's compliance with policies, standards and practices during the execution of supervisory visits during the time IFC held partial ownership in Yanacocha (1993 through 2017). Newmont and Yanacocha have supported the review by organizing a site visit for the CAO to gather information and engage with external stakeholders. A final report is expected in 2020 and will be released to the public.

Through our Supplier Risk Management (SRiM) program, we worked to identify potential human rights risks a supplier may pose and establish the plans and actions needed to mitigate those risks. In 2019, we pre-screened all new suppliers in Peru against human rights criteria. For those suppliers identified as having potential human rights risks, Newmont provided human rights training.

Yanacocha employs or contracts with on-site security personnel. As a formal member of the Voluntary Principles on Security and Human Rights (VPSHR), we commit to implement the Voluntary Principles (VPs), which provide an operating framework for maintaining the safety and security of our operations based on respect for human rights and fundamental freedoms. In 2019, 100 percent of the security personnel at Yanacocha completed training based on the VPs.

# Environment

## Water

**68.4%** of water recycled at Yanacocha

## Tailings

**2** active and inactive tailings dams with a “very high” hazard potential classification

## Renewables

**60%** of electrical power sourced from renewable sources in Peru

## Climate

**13.7%** company-wide reduction in GHG emissions intensity compared to the 2013 baseline



## WATER STEWARDSHIP

With access to water fundamental to our success, Newmont developed a [Global Water Strategy](#) in 2014 that helps guide the Company's efforts to understand the watersheds in which we operate, improve water use efficiency, mitigate mining-related impacts to water and collaborate with stakeholders around the importance of water as a shared resource.

In 2019, the ongoing work at Yanacocha to reduce water use for dust control contributed to the South America region's ability to exceed its regional target to reduce water consumption by 1.2 percent compared to the 2016 baseline.

In 2018 and 2019, we collaborated with the World Resources Institute (WRI) – a global research organization that works with businesses, governments and civil society on effectively managing natural resources – to assess the catchment-level risks within the areas where Newmont operates, rating them from low to extreme. The context and watershed risks that

exist near our Yanacocha operation were mapped and form part of our annual sustainability reporting.

We recognize the importance of coordinated, collective actions involving all water users. Yanacocha's participatory monitoring program, which began in 2000, consists of an independent association called COMOCA. Following community opposition surrounding hydrologic studies in the area of China Linda, where Yanacocha sources lime for production, the Yanacocha team held 36 public meetings with over 2,300 participants, and together with the local water authority and COMOCA, explained the water studies and answered questions.

For 2020, we are focused on supporting sustainable resource management in the watersheds in which we operate and measuring two areas of performance: improving water efficiency and working with others to enhance the benefits and availability of water resources.

### 2019 WATER SUMMARY BY SITE (thousand kL)

Site	Total water consumed (withdrawn minus total discharged)	Total water recycled	Total water used (consumed + recycled)	Percent recycled (total water recycled/total water used)
YANACOCHA	21,919	47,468	69,387	68.4%

# TAILINGS

After mined ore is reduced into sand-sized particles and mixed with water, the valuable minerals are removed and the remaining milled rock slurry – called tailings – flows to an engineered impoundment called a tailings storage facility (TSF). Following recent catastrophic tailings dam failures at non-Newmont mines, the safe management of TSFs has become a global priority for the industry.

Newmont employs a robust governance approach for the planning, operation and closure of TSFs that focuses on four areas – minimum requirements, performance-based design, risk management, and review and assurance.

There were no incidents in 2019 at any of our TSFs that affected areas outside the mine boundary and/or threatened human health or the environment.

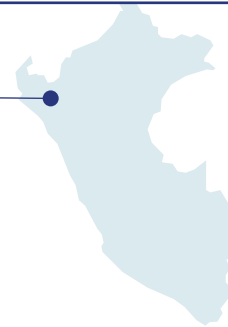
In December, we provided an update to the Church of England Pensions Board and the Swedish National Pension Funds Council on Ethics (collectively referred to as “CoE”), which, in April 2019, requested nearly 700 mining firms, including Newmont, to disclose details on each tailings facility. In support of the CoE’s request for information on our tailings approach, we established a [tailings website](#), which includes a full inventory and additional details.

## Peru Operations

### Yanacocha

ACTIVE | INACTIVE

1 | 1



### Hazard Classifications

- Extreme
- High
- Moderate
- Significant
- Low
- # Number of Tailings

*Hazard classification is based on the potential downstream consequences of a hypothetical dam failure: loss of life, environment and cultural values, infrastructure and economics. Hazard classification for Newmont dams is based on criteria established by the Canadian Dam Association (CDA) and the Australia Commission for Large Dams (ACOLD). The hazard classification is not a reflection of the stability of the existing dam.*

In early 2019, the International Council on Mining and Metals (ICMM), United Nations Environment Programme (UNEP) and Principles for Responsible Investment (PRI) commenced a Global Tailings Review to establish an international standard that creates a step-change in how the industry ensures the

safety and security of TSFs. To align our approach to the standard, which launched in August 2020, we will review our internal standards and governance and conduct risk assessments at sites over the next few years.



## ENERGY AND CLIMATE CHANGE

Through our global energy and climate strategy, we work to efficiently manage our global energy consumption, reduce our carbon footprint and manage our climate-related risks. Four key, near-term components of the strategy are:

- Develop a long-term emissions reduction approach
- Develop climate adaptation plans
- Apply an internal “shadow” cost of carbon to manage the financial impacts of an investment’s carbon footprint

- Invest in fuel switching to lower-carbon fuels and renewable energy

Because our total energy consumption and GHG emissions can vary due to factors such as new mines and divested assets, we set a public target to reduce our global GHG emissions intensity by 16.5 percent by 2020, measured from our 2013 base year. As of the end of 2019, we have reduced our GHG emissions intensity by 13.7 percent compared to the baseline.

### 2019 ENERGY CONSUMPTION AND GHG EMISSIONS

Site	Total combined direct and indirect energy consumed (GJ)	% of electric power (purchased and site-generated) sourced from renewable sources	Total direct and indirect (Scopes 1 and 2) GHG emissions (tonnes CO <sub>2</sub> e) <sup>1</sup>
YANACOCHA	4,229,162.4	60.0%	339,684.3

## CLOSURE AND RECLAMATION

Effectively managing our closure risks throughout the mine lifecycle, and successfully closing and reclaiming mines, are crucial for gaining stakeholder trust and improving our access to land for future mine sites. Our global closure and reclamation strategy aims to integrate mine lifecycle planning, reduce closure risks and liabilities, and create value for the business and stakeholders.

In 2019, Yanacocha met its target to complete its annual reclamation goal and/or associated actions.

Site-specific closure and post-closure strategies include concurrent reclamation plans that involve reclaiming inactive disturbed areas alongside current operations through planting of vegetation, controlling erosion, and final land use planning.

Details on Newmont’s closure and reclamation costs are disclosed in our annual 10-K report.



### AMOUNT OF LAND DISTURBED OR REHABILITATED IN 2019<sup>2</sup> (ha)

Site	Achieved reclamation (to agreed upon end use) during reporting period	New disturbance during 2019	Total disturbance not yet reclaimed to agreed upon end use at end of reporting period (closing balance)
YANACOCHA	58.3	83.7	4,014.3

<sup>1</sup> Greenhouse gas emissions are calculated using emission factors from the Climate Registry and the Australian Government National Greenhouse Accounts Factors.

<sup>2</sup> 100 percent of Newmont’s active mine sites have closure plans in place as of year end 2019.

# Value sharing

## Community Development

**\$4.6 million** in monetary investments and donations to communities in Peru<sup>1</sup>

## Local Employment Opportunities

**66.2%** of Yanacocha's workforce are residents of Cajamarca<sup>2</sup>

## Response to COVID-19

**\$20 million** Global Community Support Fund established to support host communities' response to the pandemic

Increasingly, governments and other stakeholders demand businesses play a greater role in driving sustainable development. Governments continue to seek ways to increase revenues from natural resource development, and local employment and procurement opportunities are among the greatest expectations of host communities.

To manage stakeholder expectations and business risks, we are committed to maintaining strong governance, adhering to all laws and regulations, transparently disclosing payments to governments, and engaging with stakeholders to increase accountability and develop trust.

## ECONOMIC IMPACTS

Our Yanacocha operation serves as a catalyst for jobs and economic development. To further our understanding of our economic contributions at the national and regional levels, we develop [economic impact assessments](#) and communicate the findings from these evaluations to our stakeholders.



<sup>1</sup> Community investments data includes direct monetary investments and the book value of in-kind donations. Differences from totals shown in the Community Investments table in the corporate report are due to decimal place rounding.

<sup>2</sup> "Local" in Peru refers to the local Cajamarquino people per agreed upon definitions with the community.

## COMMUNITY INVESTMENTS

Newmont works with host communities to invest in efforts and programs that can help address community challenges, catalyze long-term socio-economic development and minimize dependency on the mine during operations and upon closure.

Throughout 2019, Newmont distributed more than \$4.16 million in monetary investments and donations to communities in Peru during the year.

Yanacocha's community foundation, Asociación Los Andes de Cajamarca (ALAC), celebrated its 15-year anniversary in 2019 with the publication of its 2018 annual report and a ceremony attended by national and local authorities, beneficiaries and

stakeholders. [ALAC's website](#) highlights the programs and their impact on outcomes across three focus areas – education, water and infrastructure, and strengthening business productivity and capacity.

In April 2020, we established a \$20 million Global Community Support Fund in response to the COVID-19 pandemic. The fund will focus on three areas – employee and community health, food security and local economic resilience – to provide dedicated resources to host communities and contribute toward regional and national efforts to respond to the pandemic. We disclose all contributions and recipient organizations on our [website](#).



## LOCAL EMPLOYMENT AND BUSINESS OPPORTUNITIES

Hiring and sourcing from host communities supports numerous benefits including stronger community and government relationships, a more inclusive and diverse workplace, and long-term growth and economic diversification. It also supports our efforts to contribute to the UN Sustainable Development Goal to promote decent work and economic growth (SDG-8).

At the end of 2019, residents of Cajamarca represented 66.2 percent of Yanacocha's workforce, exceeding our target of 60 percent.

Our local procurement strategy seeks to maximize opportunities for local suppliers and help diversify and sustain the local economy throughout the life of operations and beyond. In 2019, we spent \$118.7 million with local and local-local suppliers in the Cajamarca region.

During the year, Newmont's Supply Chain team worked with the Operations and Projects teams in Peru to maximize the inclusion of local and local-local contractors in procurement opportunities. We also added contract language to explicitly state our expectation that contractors promote and commit to the use of local and local-local contractors.

*Newmont engages with numerous organizations at a global, regional, national and local level to adhere to high standards of governance, social and environmental policies and performance. In Peru, Yanacocha is a member of the Sociedad Nacional de Minería, Petróleo y Energía (SNMPE), an organization that promotes natural resource development and the sustainable and responsible use of natural resources.*



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