

# 2012 KINROSS COMMUNICATION ON PROGRESS

Kinross Gold became a participant in the UN Global Compact in March 2010. This Communication on Progress, the third for Kinross, provides us with an opportunity to report against the principles and standards of the UN Global Compact. Kinross also publishes a comprehensive GRI-based report every two years, which documents our commitments, corporate responsibility strategy and performance across a broad range of social, community, workplace, human rights and environmental topics. In September 2012, we published our full corporate responsibility report for 2010 and 2011. We also publish our CR performance data annually. Our published reports and data are available online at on <http://www.kinross.com/corporate-responsibility.aspx>

KINROSS

# KINROSS GOLD CORPORATION COMMUNICATION ON PROGRESS

Dear Mr. Secretary General,

Kinross has been a signatory to the United Nations Global Compact for three years. In keeping with that commitment, I am pleased to submit our third Communication on Progress.

In 2012, we took further steps to advance our commitment to the UN Global Compact principles at a corporate level and across our global operations. Below are a few highlights:

- Reviewed and strengthened our Code of Business Conduct and Ethics in the area of human rights, and launched an anti-corruption awareness and compliance initiative across the Company;
- Expanded our Corporate Responsibility Management System (CRMS) audit program to measure social performance against standards and guidance, and conducted the initial set of audits;
- Conducted an analysis of key human rights priorities, assessing Kinross' policies against the United Nations Guiding Principles for Business and Human Rights (GPBHR);
- Continued to strengthen our standards and guidance in Biological Resource Management, Water Management and Permitting;
- Continued to engage directly with our stakeholders to define priorities for community investment, supporting more than 650 community initiatives that benefited over 450,000 people in and around our local communities;
- Became a member of the Devonshire Initiative, a forum that brings together mining companies with NGOs focused on international development in response to the emerging social agenda surrounding mining and community development issues.

We are proud to have been listed on the Dow Jones Sustainability World Index for the second consecutive time, the Dow Jones Sustainability North American Index for the third time, and the Jantzi Social Index for the fifth consecutive year. Kinross was also placed on the Ethibel Excellence investment register and the ECPI Global Carbon and Ethical Global Equity Indices.

This Communication on Progress, and our online corporate responsibility report at <http://takingresponsibility2011.kinross.com>, contain more details on our CR performance for 2012. We will continue our efforts to advance the UN Global Compact principles in 2013, and look forward to reporting on our progress again next year.

Sincerely,



J. Paul Rollinson  
Chief Executive Officer  
Kinross Gold Corporation

# HUMAN RIGHTS

- PRINCIPLE 1: Businesses should support and respect the protection of internationally proclaimed human rights.
- PRINCIPLE 2: Businesses should make sure they are not complicit in human rights abuses.
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## KINROSS FRAMEWORK

Kinross is committed to the protection of human rights in the community and in the workplace in accordance with the Universal Declaration of Human Rights. This commitment is enshrined in our Ten Guiding Principles for Corporate Responsibility, which states that *"We conduct all of our activities in accordance with accepted standards in the protection and promotion of human rights"* and *"We respect the culture and historical perspectives and rights of those affected by our operations, in particular indigenous peoples."* Kinross also supports the Voluntary Principles on Security and Human Rights and has implemented a Human Rights Adherence and Verification Program (HRA & VP) across the company. Our Code of Business Conduct and Ethics explicitly prohibits any kind of discrimination or harassment in the workplace, at company-related events, or through electronic media. Our Whistleblower Policy also provides the public and employees and contractors with a confidential mechanism (and at their own option, anonymously) to report any human rights concerns. Our Supplier Conduct Guidelines clearly articulate Kinross' expectations for supplier conduct in the area of human rights, aligned with the principles of the UN Global Compact.

## ACTIONS AND ACHIEVEMENTS

- Reviewed our Code of Business Conduct and Ethics for alignment with applicable laws and best practices, including strengthening our policy regarding respect for human rights by expanding the Code to prohibit any kind of discrimination or harassment in the workplace, at company-related events, or through electronic media.
- Carried out training at all sites and regions regarding anti-corruption laws, company expectations for ethical behaviour and compliance, and risks of non-compliance with the Code.

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# HUMAN RIGHTS (CONT)

## ACTIONS AND ACHIEVEMENTS

- Conducted an analysis of key human rights priorities, assessing Kinross' policies against the Guiding Principles for Business and Human Rights (GPBHR) based on the "Protect-Respect-Remedy" framework articulated by John Ruggie. Kinross is using these principles to help identify priorities based on the nature of our operations, the context of the host countries where we operate, and the list of human rights as defined by the Universal Declaration of Human Rights, the International Labour Organization Core Convention on Economic, Social and Cultural Rights, and Convention on Civil and Political Rights. This assessment is published on [www.kinross.com](http://www.kinross.com) in our **2011 CR report**.
- Conducted annual Human Rights Adherence and Verification Program (HRA & VP) training across all Kinross sites.
- Developed environmental strategies that recognize the human rights implications of our management systems.
- Incorporated human rights assessments into guidance for permitting.
- Approved and rolled-out Kinross' Supplier Conduct Guidelines across our supplier base to outline Kinross' expectations for supplier conduct with respect to, among other things, human rights in accordance with UNGC principles. By the end of 2012, Kinross had obtained commitments from key suppliers representing approximately 80% of Kinross' total spending.

# LABOUR STANDARDS

- PRINCIPLE 3: Businesses should uphold freedom of association and effective recognition of the right to collective bargaining.
- PRINCIPLE 4: Businesses should support the elimination of all forms of forced and compulsory labour.
- PRINCIPLE 5: Businesses should support the effective abolition of child labour.
- PRINCIPLE 6: Businesses should support the elimination of discrimination in respect of employment and occupation.
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## KINROSS FRAMEWORK

“Putting people first” is one of Kinross’ four core values. Our commitment to high workplace standards is enshrined in our Ten Guiding Principles for Corporate Responsibility, which state that *“We put people first and our number one priority is the safety of every employee”* and *“We provide a rewarding and meaningful livelihood to our employees and strive to be an employer of choice.”* Kinross honours these commitments with policies and programs that promote a safe, healthy and engaged workforce. Kinross’ Health and Safety Policy (H&S Policy) and Kinross’ Environmental, Health and Safety Management System (EHS), modelled on ISO 14001 and OHSAS 18001 and our Code of Business Conduct and Ethics, provide a foundation of policies and guidance to ensure a safe and healthy workplace at our operations and projects.

Kinross supports international labour standards. At our operations and development projects, we operate in a manner that is consistent with the core standards of the International Labour Organization. We uphold the principle of freedom of association whereby our employees have the right to choose whether they want to belong to a union. Our Code of Business Conduct and Ethics enshrines the principles of fairness and non-discrimination for the Company, its directors, officers and employees and contractors (“Kinross personnel”). Kinross’ Supplier Conduct Guidelines articulate Kinross’ expectations for supplier conduct with respect to labour standards in accordance with the principles of the UN Global Compact. Our Whistleblower Policy provides Kinross personnel and the public with a confidential mechanism to report, among other things, any concerns regarding workplace practices and discrimination.

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# LABOUR STANDARDS (CONT)

## ACTIONS AND ACHIEVEMENTS

- Supported employee and worker organizations at our operations and respected collective agreements where they exist at our operations. Completed the successful re-negotiation of collective agreements at two operations, the Chirano mine in Ghana and Paracatu mine in Brazil. In Mauritania, we successfully negotiated the first collective agreement for the Tasiast mine, which will be in effect until December 2015. Earlier in the year, prior to completion of the agreement, Tasiast experienced a four-day unlawful work stoppage.
- Continued to roll out Kinross' integrated performance management system which measures performance against Kinross' yearly plan and evaluates against Kinross' four core values (putting people first; outstanding corporate citizenship; high performance culture; and, rigorous financial discipline). The performance management system extends to the majority of management, technical, professional and administrative employees, representing approximately 25% of Kinross' global workforce.
- Completed annual acknowledgement and certification of compliance with the Code of Business Conduct and Ethics. The Code as well as the Company's Whistleblower Policy, including access to the Whistleblower hotline via dedicated telephone numbers and the reporting website, are available in the applicable official languages.
- Achieved a reduction of 67% in our Total Reportable Injury Frequency Rate (TRIFR) over the last five years. The TRIFR was reduced from 0.91 in 2011 to 0.57 in 2012. Tragically, two employees were fatally injured in 2012. We remain firmly fixed on the goal of eliminating all accidents at our sites.
- Working with regional health and safety personnel, developed and implemented new company-wide Health and Safety Standards reflecting minimum standards of performance in Health and Safety. The revised standards better articulate our corporate goals and prioritize performance expectations, while enabling each region and site to work in a manner that best suits its environment, workforce and cultural needs.
- Implemented the Kinross Crisis Management System, providing a real-time online management platform for cross communication between users and teams globally throughout the life-span of an issue, emergency or crisis. The implementation process included training and exercises to ensure people know how and when to use the system.

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# LABOUR STANDARDS (CONT)

## ACTIONS AND ACHIEVEMENTS

- Strengthened resources dedicated to Kinross' health and industrial hygiene program and initiated an assessment of industrial hygiene at Kinross sites.
- Participated as a member of an international Mining Safety Roundtable, a group of senior professionals from the world's leading mining companies who come together regularly to strengthen safety practices and policies within the industry.
- Did not employ children under the age of 18 at any Kinross operations or development projects. Apprenticeship programs are offered for youth ages 16 to 18 in Brazil as part of a legislated training program.

# ENVIRONMENT STANDARDS

- PRINCIPLE 7: Businesses should support the precautionary approach to environmental challenges.
- PRINCIPLE 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- PRINCIPLE 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
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## KINROSS FRAMEWORK

At Kinross, environmental stewardship is a priority and is consistent with our core value of “outstanding corporate citizenship”. This commitment is enshrined in our Code of Business Conduct and Ethics and Ten Guiding Principles for Corporate Responsibility, which state that *“We exercise utmost vigilance in protecting the environment and seek ways to minimize our environmental footprint wherever we operate. We will always meet, and where possible exceed, regulatory requirements in our environmental performance”* and *“We consider all aspects of an operation or new project—including social, environmental, and post-closure issues—in making our investment decisions”*.

Our Environmental Policy requires us to establish high standards for performance, engage our stakeholders, plan for the entire life-cycle of our activities, hold ourselves accountable, and measure and report our performance. Kinross’ Environmental Management System, modeled on ISO 14001 and other internationally accepted standards, provides a foundation of standards and guidance to assess potential impacts and implement measures to eliminate or minimize environmental impacts. Our operations and development projects worldwide adopt and are held accountable for annual environmental performance goals. Kinross is also committed to compliance with and certification to the International Cyanide Management Code at all our operations.

Kinross’ Supplier Conduct Guidelines articulate Kinross’ expectations for supplier conduct with respect to the environment in accordance with the principles of the UN Global Compact. Our Whistleblower Policy provides Kinross personnel and the public with a confidential mechanism to report, among other things, any concerns regarding the environment and our compliance.

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# ENVIRONMENT STANDARDS (CONT)

## ACTIONS AND ACHIEVEMENTS

- Refocused Kinross' global environmental strategy on three key areas: water; biodiversity; and permitting.
- Continued efforts to strengthen our culture of compliance through training at Kinross sites.
- Strengthened our Biological Resource Management standards through inclusion of ecosystem services in impact assessment and guidance and training to support the preparation of Biological Resource Management plans at each Kinross site.
- Launched a multi-faceted strategy to improve water stewardship at all operating sites and projects.
- Strengthened permitting standards requiring multidisciplinary teams and introduced comprehensive permitting strategies that address human rights concerns, alternatives and risk assessment, and stakeholder engagement.
- Completed a Cyanide Code certification audit at Chirano, in Ghana, with certification expected in early 2013. Our remaining site, Tasiast, is scheduled for audit in 2013.
- Initiated an upgrade of Tasiast's Environmental Management Systems to align with Kinross standards.
- Completed independent technical reviews of tailings facilities at Paracatu and Tasiast.
- Conducted a Kinross-wide Environment and Permitting workshop in Copiapó, Chile, to support the roll out of Kinross standards and guidance for permitting, water, biological resources and improved compliance management.
- Received a regional award for achievements in mercury emissions reduction in refining at La Coipa, Chile from the Atacama Environmental Network.
- Committed to continuous improvement in energy efficient technologies and practices as part of the Kinross Way Forward strategy.
- Achieved reductions in energy use at Kinross sites through a variety of projects. Examples include process optimization at Paracatu, the installation of variable drives for ventilation fans at Kupol, and improved combustion systems at Fort Knox.
- Reported to the Carbon Disclosure Project for the 7th consecutive year.
- Explored opportunities for renewable, alternate, and new energy sources, in keeping with our commitment to increase energy efficiency and reduce cost.
- Supported and participated in the International Network for Acid Prevention and the Industry Advisory Group to the International Cyanide Management Institute.

# ANTI-CORRUPTION

**PRINCIPLE 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

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## KINROSS FRAMEWORK

Kinross' Code of Business Conduct and Ethics provides a framework for its directors, officers, employees and contractors setting out clear rules for engagement with government officials, including as pertaining to bribery and anti-corruption. Kinross' Whistleblower Policy provides Kinross personnel and the public with a mechanism to confidentially (and at their option, anonymously) report any concerns relating to, among other things, bribery and corruption.

Our Ten Guiding Principles for Corporate Responsibility also underscore Kinross' commitment to the highest standards of ethics and honesty and state "*We maintain the highest standards of corporate governance, ethics and honesty in all of our dealings, and operate in compliance with the law wherever we work.*" Under the terms of Kinross' Corporate Donation and Sponsorship Policy, political contributions are permitted in accordance with national laws where Kinross has operations and development projects.

Kinross' Supplier Conduct Guidelines articulate Kinross' expectations for supplier conduct with respect to anti-corruption compliance in accordance with the Company's Code of Business Conduct and Ethics and the principles of the UN Global Compact.

## ACTIONS AND ACHIEVEMENTS

- Disclosed and reported taxes paid by country to promote revenue transparency in the countries where we operate, and to support our commitment to the Extractive Industries Transparency Initiative.
- Launched an anti-corruption awareness and compliance initiative at all sites and regions regarding company expectations for ethical behaviour and compliance, and risks of non-compliance with the Code of Business Conduct and Ethics.
- Completed quarterly acknowledgement and certification of compliance with the Code, Whistleblower Policy, and the Disclosure, Confidentiality and Insider Trader Policy, by the Senior Leadership Team and their direct reports, including the corporate legal team and regional General Counsels.