



# Beyond the Mine

The Journey Towards Sustainability

2012 Report Summary





## The Report

This summary provides an overview of programs and initiatives covered in our annual sustainability report, *Beyond the Mine*, including:

- How we approach sustainability
- Creating shared value
- Working in partnership with local communities
- Protecting the environment
- Inspiring our people
- Creating a culture of safety
- Partnering with organizations and initiatives to enhance our performance

## How We Approach Sustainability

Chances are good that you hear a fair amount about sustainability. How do we at Newmont look at sustainable development? Or, perhaps more importantly, how can we create a company built for the long term – a sustainable company built on long-term relationships?

Mining is a resource-intensive industry. Globally, there is a competition for resources, including resources like land and water, which we need to operate as a business. Meanwhile, life expectancy, global population and consumption levels

are increasing – particularly in developing countries, home to much of the world's expected gold reserves.

All of this results in increased pressure on the environment, and an elevated urgency to protect these vital resources. And it becomes more important than ever to make the case to our stakeholders that our work is the highest and best use of these scarce resources and that we are committed to careful stewardship of those resources.

This section provides an overview of how we ensure the protection of environmental resources, how we work with local communities to ensure they benefit from our operations, and how we commit to keeping employees safe and inspired in their jobs.



## Creating Shared Value

Our approach to sustainability is predicated on the concept of shared value. This means creating value in our local communities – in addition to creating value for Newmont and our shareholders. It is only by doing this that we can become the company we aspire to be. It is also the only way we can have continued access to the land and capital we need to sustain ourselves as a business.

So what does shared value mean? It means that the communities near our operations need to share the benefits of mining. This means that we need to work with the community to ensure that our presence is a catalyst for sustainable economic empowerment that can lead to improved services such as schools, health care, and jobs.

It also means that we need to act as environmental stewards. We need to responsibly manage our waste products, safeguard biodiversity, preserve water resources and air quality, and protect against impacts from substances such as cyanide. And when our operations close, we need to restore the land such that it's an asset to the local community.

As we work to create this shared value, it is incumbent upon us to communicate with transparency. Thanks to technology, stakeholder groups can communicate more effectively and quickly than ever before, and they can connect themselves to the larger world. This means that they can more effectively advocate for their interests and organize themselves.

This is a good thing. It means that if we create shared value and communicate this value effectively to our stakeholders, we have the opportunity to build long and sustainable relationships and be recognized for doing that.

## Snapshot

An independent socio-economic study commissioned by Newmont Ghana has found that the Ahafo mine has contributed significantly to the local and national economies since production began.

External stakeholders tend to focus on royalty and income tax revenues as the only positive economic impacts associated with mineral development. However, the study verified that mining creates direct and indirect jobs, which boosts local and national wealth. Our commitment to providing skills training and business opportunities to suppliers also enables local enterprises to become more sustainable.

Key findings of the Socio-Economic Impact of Newmont Ghana Gold Limited study found the Ahafo mine:

- Is a major contributor to Ghana's economy, generating nearly 10 percent of the nation's total exports, 4.5 percent of its total foreign direct investment and 1.3 percent of its gross domestic product.
- Produced about 48,000 jobs, either directly or indirectly. In fact, for each job within NGGL, 2.8 jobs are created elsewhere in the direct value chain, implying a job multiplier of 3.8.
- Has helped develop communities by providing 99 local enterprises with nearly \$6 million in contracts that support more than 400 jobs.

According to the study, the mine's presence has "brought new infrastructure to the Brong-Ahafo Region, like roads, communication systems and electrification, which will serve the people there long after the mine is closed."



## Engaging Communities

For us to achieve our goals, we must make long-term relationships a central part of our work. This means we need to collaborate with communities and governments, understand their needs, and make good on our commitments. In a mining industry first, in 2009 we released the results of the Community Relationship Review, an independent global assessment of how we perform in this area. Since then, we have taken focused, measured steps to integrate the CRR's lessons into everything we do, and that process will continue.

We must also be a leader in transparency. Governments and communities have more power than in the past to influence decisions about development. But if we manage the way we should, this trend will be a positive one, as we will develop partnerships with these communities that deliver this all-important shared value.

From the time we begin exploration, through operations, and even past mine closure, our goal is to partner with communities to create shared value. Dealing successfully with conflict, safeguarding the rights of Indigenous Peoples, and improving access to health, education and economic opportunities are often important parts of this work.

## Snapshot



### Newmont Helps Medical Supplies Reach Communities in Need

We have worked for several years with Project C.U.R.E., a U.S.-based medical aid organization, to help medical supplies and equipment reach hospitals that serve communities near our operations.

The customized supplies and equipment include scrub brushes and skin prep sets, anesthesia, resuscitators, chest tubes and drainage units, gloves, oxygen masks and tubing, respiratory supplies, suction catheters and gloves, auto-clave, steam desktop sterilizers and oxygen concentrators.

Guinea:	Will deliver three containers in 2013 Total approximate value: \$714,363.57
Ghana:	Delivered four containers since 2009 Total approximate value: \$1.3 million
Indonesia:	Delivered three containers in 2008 Total approximate value: \$1.1 million
Peru:	Delivered three containers since 2006 Total approximate value: \$1.24 million
Haiti:	Delivered two containers since 2010 Total approximate value: \$531,000

In addition, Newmont employees donated nearly 250 hours of volunteer service at Project Cure in 2012.

2012 COMMUNITY INVESTMENT (THOUSAND \$USD)			
COUNTRY	TOTAL COMMUNITY INVESTMENT	TOTAL IN-KIND SUPPORT	TOTAL
Australia	\$716	\$117	\$833
Ghana	\$6,575	\$636	\$7,211
Indonesia	\$24,323		\$24,323
New Zealand	\$1,066	\$5	\$1,071
Peru	\$35,268		\$35,268
Nevada	\$3,257	\$423	\$3,680
<b>TOTAL:</b>	<b>\$71,205</b>	<b>\$1,181</b>	<b>\$72,386</b>

# Protecting the Environment

Our operations span five continents across the globe, in ecosystems from the Andes in Peru, to the forests in Indonesia and Ghana, to the deserts of North America and Australia. While the territories are diverse, our operations are united by the fact that they have the potential to impact the local environment and natural resources. Our global area of disturbed land totals 33,400 ha., and our job is to responsibly manage our daily activities to minimize the negative impacts of our work.

We have developed a number of policies related to areas such as carbon management and have developed performance standards so we can ensure consistent, high environmental performance across all of our operations, and so we can set targets to continuously improve. We also participate in, or undertake internally, multiple programs to ensure we comply with environmental laws and that we are addressing and managing environmental risks.

Our environmental and social programs are based on the ICMM's 10 Principles for Sustainable Development. With these principles in mind, we strive to engage local communities and take an integrated approach in environmental planning.

Some of the most important aspects of environmental responsibility include:

- Protecting and preserving biodiversity in our mining areas
- Responsibly managing waste from our mineral processing
- Developing and implementing programs that conserve water and more effectively manage water resources
- Closing mines in a manner that allows for reclamation of land and continued, sustainable community development
- Making our operations more energy efficient
- Managing cyanide, mercury and hazardous waste safely and responsibly
- Controlling emissions to ensure air quality standards are met

AMOUNT OF LAND DISTURBED OR REHABILITATED (THOUSAND HA)	
Land Disturbed as of January 1, 2012	32.1
Land newly disturbed in 2012	1.3
Land newly rehabilitated in 2012	0
Land undergoing reclamation	4.7
Total Land Disturbed as of December 31, 2012	33.4

## Snapshot

When we recognized that local power supplies were inadequate and too expensive to meet long-term electricity needs for our gold- and copper-mining operations in northern Nevada, we built our own power plant. Our award-winning 200-MW coal-fired plant is located on our TS Ranch in Eureka County, Nevada. When building the plant, we integrated the most advanced technologies available to ensure that air emissions comply with applicable requirements.

Power Magazine listed the TS Power Plant (TSPP), commissioned in 2008, as the POWER 2008 Top Plant for its innovative design related to air quality controls, the use of material-saving digital technology, and efficient steam Cycle Design.

TSPP has state-of-the-art emission controls that are recognized by EPA as representing Best Available Control Technology (BACT). The combination of emission controls makes TSPP one of the cleanest coal-fired generation plants in the world.





# Inspiring Our People

We have high expectations for our employees and contractors. We expect them to act with integrity and respect. We expect that they act as responsible stewards of the environment, and as examples of safety in the workplace. We believe that they are Newmont ambassadors to the communities in which they work, and many of them go beyond their duties to volunteer in their local communities.

With our plans for sustainable growth, our employees and contractors need to be more focused than ever on living our values. In 2011, we outlined our Cultural Commitments, which define the workplace environment we aspire to create, giving employees the engagement and empowerment they need to help us succeed.

Specifically, our human resources programs are designed to:

- Optimize results and reach operational excellence through Global Talent Management
- Foster a culture of employee learning and development
- Increase diversity and provide equal opportunities at our locations
- Develop skills and cultural awareness for international assignments
- Manage employee recruitment and retention so that we remain an employer of choice and attract top talent
- Safeguard employee rights and conditions by creating a safe and supportive workplace culture

EMPLOYEE TURNOVER IN 2012 BY COUNTRY	EMPLOYEE INITIATED	TOTAL
Australia	18%	22%
Ghana	3%	9%
Indonesia	3%	3%
New Zealand	4%	8%
Peru	3%	28%
USA	7%	12%

## Snapshot



### The Boddington Hot Seaters

In front of more than 900 people, including members of parliament, resource executives and other dignitaries, the Western Australia Chamber of Minerals and Energy recognized Newmont Boddington Gold with its “Outstanding Company Initiative” award. Newmont received the award for its decision to schedule shorter shifts for haul truck drivers, which attracted local mothers to the mine.

Boddington introduced a driving shift between 9 a.m. and 2 p.m. in 2009 to prevent downtime during morning tea and lunch breaks. This provided the perfect employment opportunity for mothers of schoolaged children. It also ensured uninterrupted hauling at Boddington and attracted more women to mining.

Seven women and one man currently drive Haulpak dump trucks during the “school shift” Monday through Friday, while several other women drive full-time at the mine. About 30 percent of Boddington’s Haulpak drivers are women. The award was presented in March at International Women’s Day Women in Mining breakfast in Perth.

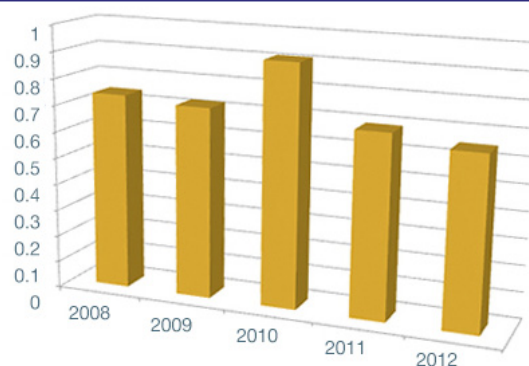
## Creating a Safety Culture

Newmont's ultimate goal is to eliminate all workplace accidents, injuries and illnesses. The core of our values and an essential part of our Mission is our commitment to Demonstrate Leadership in Safety. Safety is a core value to Newmont because while our business priorities may change, our values do not. We firmly believe that all occupational illnesses, accidents and injuries are preventable. By demonstrating our commitment to protecting the welfare of others, we can attract and retain experienced employees, encourage host communities to conduct business with us, and secure financial investments to explore and develop new regions.

We have learned that safety is about passion for protecting and caring for our people, and about providing development opportunities through efficient and secure operations. We also recognize that to be considered an industry leader, we must continually improve health and safety systems regardless of our production level.

A safe working culture is one in which safety is not only applied in the workplace, it is internalized so that each employee moves from awareness of safety principles to fully integrating them professionally. Our primary objective is to create and sustain a culture where people trust it is possible to work free of illness or injury - regardless of where a mine is located in the world or what role each worker performs.

**TOTAL REPORTABLE ACCIDENT FREQUENCY RATE 2008-2012**



## Snapshot

Mobile equipment accidents account for a significant fraction of all reported accidents across Newmont sites and many are related to unsafe operating of light-duty vehicles.

In locations such as Ghana, where a significant number of company and contractor light-duty vehicles operate off the mining properties, we must consider the additional potential risk to the public. To reduce this potential risk, we imple-

mented a program using global positioning system (GPS) technology to a select group of vehicles, and launched Newmont's global "Drive First" education campaign.

The GPS technology monitors a vehicle's mechanical components as well as a driver's behavior in relation to hard braking, hard turning, fuel usage, seatbelt connection and speed. It has an emergency panic alarm and records pre- and post-accident data.



## Shared Value Through Partnerships

We believe that our voluntary participation in organizations and initiatives provides a framework for action, a means for measuring our performance, and helps us align our business objectives and performances through a shared understanding.

### **International Council on Mining and Metals Sustainable Development Framework (ICMM)**

As a founding member of ICMM, we commit to implementing ICMM's 10 Principles for Sustainable Development, which define aspects of corporate governance, environmental stewardship and community engagement that are crucial to our ability to contribute to sustainable development.

### **United Nations Global Compact**

We are a participant in the United Nations Global Compact, which seeks to promote responsible corporate citizenship so that the private sector – in partnership with other social actors – can help realize a more sustainable and inclusive global economy.

### **Voluntary Principles on Security and Human Rights**

We participate in the VPSHR as part of a global effort to

promote the protection of human rights. The principles are designed to guide companies in maintaining the safety and security of their operations within a framework that ensures respect for human rights and fundamental freedoms.

### **International Organization for Standardization Environmental Management System Standard, ISO 14001**

The ISO 14001 standard requires a company to have an environmental management system in place that identifies and controls the environmental impacts of its activities, provides the opportunity to continuously improve its environmental performance, and implements a systematic approach to setting and achieving environmental objectives.

### **The Carbon Disclosure Project**

We have participated in this voluntary annual disclosure for the past several years and in 2008 we were added to CDP's Carbon Disclosure Leadership Index. The CDP is an independent, not-for-profit organization that acts as an intermediary between shareholders and corporations on all climate change related issues, providing primary climate change data from the world's largest corporations to the global market place.





### International Cyanide Management Code

In 2005, we became one of the first signatories of the Code, which aims to improve the safe transport, storage and use of cyanide to protect human health and reduce the potential for environmental harm.

### Partnering Against Corruption Initiative

We are a founding member and signatory to the World Economic Forum's Partnering Against Corruption Initiative. We put in place a zero-tolerance policy for bribery and corruption. In addition, employees across the company must complete a comprehensive training program to prevent corruption, based on PACI's principles.

### Extractive Industries Transparency Initiative

We are actively involved with EITI's efforts to improve governance in resource-rich countries. The Initiative's efforts focus primarily on building the capacity and will of national governments to transparently account for revenues received from extractive industries. We support this effort by disclosing our tax and royalty payments.

### Global Reporting Initiative

Our global sustainability report ([www.beyondthemine.com](http://www.beyondthemine.com)) is compiled in accordance with the GRI G3 guidelines. Our 2012 sustainability report was reviewed by an independent assurance company and determined to meet the requirements for an A+ GRI rating, the highest attainability level.

### Sullivan Principles

The goal of the Global Sullivan Principles of Social Responsibility is to have companies and organizations of all sizes, in widely disparate industries and cultures, working toward the common concepts of human rights, social justice and economic opportunity. To ensure that our employees embrace these concepts, they are required to perform in accordance with Newmont's Code of Ethics and Business Conduct. The GRI Content Index in our annual sustainability report indicates the sections of the report that specifically address what Newmont has done toward upholding the Global Sullivan Principles.





## Looking Forward to Ensure Sustainable Success

With approximately 16,400 employees and 22,200 contractors spread across operations on five continents, there are several factors necessary to make Newmont a successful company: We need to work hard; we need to act with integrity; we need to be creative and we need to be disciplined.

But beyond this, there are core, foundational values without which we will not be able to achieve our mission and vision or become the company we aspire to be:

Our people are our most valuable asset. We must reach our goal of creating a Zero Harm work environment.

Our relationships with our communities are irreplaceable, and our responsibility to create shared value with them is non-negotiable. We must earn and keep their trust by establishing and fostering a relationship in which their community resources are respected and preserved, and in which the positives of our presence outweigh the negatives.

The four objectives in this section reflect these core values, and they must guide our efforts as we work to become the most valued and respected mining company in the world.

### **OBJECTIVE #1: Community Relationships Building**

Fundamental to our business is building and maintaining respectful and healthy relationships with the communities around our projects and operations. These communities serve as our hosts and we must do everything we can to ensure that they reap the benefits of our presence. We recognize that we have a profound impact on these communities and we must continuously work to improve our ability to develop and maintain strong relationships. We also must work every day with local communities in achieving real shared value. Programs we will implement to help us obtain these objectives will include:

1. Improving our understanding of the communities and stakeholders impacted by our mining operations by:

- Completing Social Baseline Studies, Social Impact Assessments, Human Rights Impact Assessments, and Community Needs Assessments on a regular basis at all our sites, as our Social Responsibility Standards dictate.
- Implementing a specific program to audit Social Responsibility performance that leads to continuous

feedback from internal and external stakeholders as well as continuous improvement on performance.

2. Embedding the priority of Social Responsibility into every aspect of our business by:

- Implementing an online community awareness program that educates all employees about the culture and life of local communities and the potential negative and positive impacts that our presence can have.
- Connecting every functional group with specific actionable ideas that can improve upon our capacity to build and maintain strong relationships.
- Integrating a human rights approach throughout the company through comprehensive human rights education.

## PROGRESS IN 2012

In 2012, the Social Impact Assessment for our Long Canyon project in Nevada was completed. Development of our web-based employee community awareness program has been piloted and is nearly complete and will be rolled out in 2013.

## OBJECTIVE #2 - Ensure preservation of non-mineral resources

As competition for natural resources such as land, water, and biodiversity/ecosystem services increases, we must be able to demonstrate that we can integrate the needs of local communities into our planning to ensure respect for culture and livelihoods while creating shared value opportunities. Shared value is created by addressing land requirements for both the community and our operation; preserving water resource access and quality for the community and local environment in addition to our operations; and working with experts to better understand and preserve ecosystems, critical habitats, and important species. Programs and activities we will implement to help us obtain this objective will include:

### LAND

Newmont has four global Social Responsibility standards that provide guidance and specify requirements related to how we engage with stakeholders regarding land issues. These standards include 1) Land Access, Acquisition, and

Resettlement, 2) Stakeholder Mapping, 3) Social Impact Assessment, and 4) Social Baseline Data Collection. The purpose of these standards is to set the minimum requirements for accessing or acquiring land before any site-related activity commences, so that the rights and needs of local communities related to land access and acquisition are assessed and addressed prior to impacts related to mining.

These standards ensure that we properly identify stakeholders, engage with them to learn about their needs, culture, and socio-economic status, develop transparent dialog regarding potential impacts and fair compensation, and if resettlement is required, ensure that people are treated fairly, with respect, and that their livelihoods are not negatively impacted because of the process.

These standards have been finalized and in place since 2010, with some in practice before that. In order to promote continuous improvement, Newmont intends to use the information gained through the Social Audit program, the input we receive through stakeholder engagement activities, and the insight we gain through our voluntary participation in organizations and initiatives to conduct a thorough review of our practices and how they relate to our Social Responsibility Standards. During this review we will identify what should be updated based upon lessons learned, and identify new issues that may warrant development of a new standard.

To advance this objective in 2012, Tier II Social Audits were conducted in our APAC region and were started at our Yanacocha project in Peru. Due to the social unrest related to the Conga project, the Audit was discontinued at Yanacocha and will start again in 2013. Planning sessions were also held to scope out the Tier III audit process. Plans were developed to Pilot the Tier II process at our Ahafo Project in Ghana during Q1 2013.

### WATER

We recognize the United Nations General Assembly resolution “acknowledging the importance of equitable, safe and clean drinking water and sanitation as an integral component of the realization of all human rights.” As such,



we are working on a draft water stewardship framework that we will use to examine opportunities to maintain or improve water quality and access to drinking water by local communities in the vicinity of our operations through the following mechanisms:

- Improving our understanding of water usage, availability, scarcity, discharge characteristics, and potential impacts relative to local community needs;
- Reporting of site-level water usage, discharges, re-use, recycling, conservation, availability, scarcity, and reduction targets;
- Determining the capacity of water supplies to meet future operational and local community needs under varying circumstances;
- Evaluating opportunities for an increased level of re-use, recycling, and conservation;
- Establishing water use and discharge reduction targets where feasible;
- Considering the long-term reclamation and closure implications of maintaining or improving local community access to safe and clean drinking water and sanitation; and
- Assuring an appropriate balance is realized between operational requirements and local community needs for safe and clean drinking water.

In 2012, to improve the capacity of water supplies to meet future operational and local community needs, Newmont began construction of the Chailhuagon Reservoir at our Conga Project in Peru to address the communities concerns for adequate water resources. This work continues even though we have stopped the development of other project components in late 2011.

Although this scope of work was included in the initial project development plans, construction of the reservoirs will continue during the primary work stoppage because of the importance of water resources to the local community's. We have had the opportunity to employ many residents of the nearby communities in this process. And in 2013, we plan to begin the construction of a second reservoir at Conga, again, before construction of other project components resumes.

To support capacity building, and to ensure local community needs for safe and clean drinking water, Newmont is funding a \$10 million water supply improvement project for the city of Cajamarca, Peru to improve infrastructure and treatment facilities while improving access to existing water resources which couldn't be leveraged to their full potential with the previous infrastructure.

In 2012 all 12 of our operations that have indicated the need for Water Management plans have approved plans and are implementing them. Our Jundee operation in the desert of Western Australia had its plan approved by the government in 2012. Our Chief Executive Officer has emphasized the importance of effective water management at all of our sites.

## BIODIVERSITY

We recognize that natural resource conservation and, specifically, management of biodiversity are important global issues. We are committed to integrating biodiversity and ecosystem service considerations into our business activities and decision-making with the goal of enhancing overall ecosystem health and resiliency. We believe that by working in partnership with governments, civil society and communities we can deliver sustainable conservation actions aligned with our mission of industry-leading performance in environmental stewardship and social responsibility. Specific focus areas related to improving biodiversity management include:

- Finalizing the biodiversity and ecosystem services policy and guiding principles and the development of a specific biodiversity and ecosystem services strategy.
- Conducting biodiversity risk assessments at all current mine operations to identify areas where improved biodiversity management practices may be required and develop and implement Biodiversity Action Plan.
- Requiring Biodiversity Management Plans at current and future mine operations that address all mitigation hierarchy stages where appropriate, as well as specific monitoring activities, management actions and adaptive management strategies.

- Incorporating the evaluation of ecosystem services, impacts and related mitigation measures into new environmental impact studies.
- Continuing implementation of the Akyem Project Biodiversity Offset Project and document the process and lessons learned to continuously improve offset planning and implementation at future locations.

## PROGRESS IN 2012

Our 2012 progress toward addressing our Biodiversity focus areas was deliberate but measured. As we continue to address the majority of our biodiversity issues on a site-by-site and as-needed basis, the following progress was made towards achieve our longer-term objectives:

A key ingredient to drive our biodiversity management performance forward and several of the specific focus areas above is the approval of our global Biodiversity and Ecosystems Policy. Final approval as a formal Policy was not achieved but the policy was advanced to final draft form in 2012. The Policy is pending final approval by the Executive Leadership Team, led by new leadership at the CEO and Executive Vice President Sustainability and External Relations levels, who will take their positions during the first quarter of 2013.

A biodiversity Management Plan for our Boddington mine in Australia has advanced to the final stages and is pending regulatory approval sometime in mid-2013. Biodiversity has been considered throughout the development of the Merian Project in Suriname, which has included progressive reclamation of exploration disturbances, and early assessments of site fauna. Baseline characterization of biodiversity was completed as part of the Environmental and Social Impact Assessment for the project, and the results of this work are being incorporated into a biodiversity management plan for the construction, operational, and closure phases of mine life.

The Akyem Biodiversity Offset project progressed in 2012. This offset project is important both as a learning tool to identify best practice when implementing a biodiversity offset, and also as a means to fulfill our commitment to

the Ghanaian community to offset the residual impact of our activities on a local forest reserve area. Work Plans for implementation of the Offset project were commissioned in July 2012 and planning took place to implement these work plans during 2013 and 2014.

In 2011-12, field activities were initiated as a means of minimizing and mitigating project development impacts and in preparation for the offset. Specific activities included conducting the second of two phases of animal species surveys by a team of scientists from the Forestry Research Institute of Ghana. The objective of these surveys was to identify and capture key wildlife species for translocation to other forest reserves in the area prior to the commencement of early mine development activities. While no animal species of critical conservation concern were identified during the survey, the team did translocate more than 87 animals to nearby forest reserves and national parks. Additionally, more than 400 individual frogs of least concern, according to IUCN conservation status, were also relocated from the mine concession area into the core forest of Ajenjua Bebo Forest Reserve.

Additional activities to support the offset project included the collection of more than 8,000 plant wildlings from the Ajenjua Bebo Forest Reserve including 75 Cola boxianna plants (a rare plant species) in 2011. In 2012, the total number of wildlings stored in our nursery was increased to 15,334, which includes a total of 106 Cola boxianna wildlings. These wildlings were moved to a nursery for later transplanting during the development of the offset project and to support concurrent reclamation work on the mine property. During this program, local community members were guided to salvage herbal medicinal plants for their health needs and taught how to propagate these plants within their backyard.

## OBJECTIVE #3 – Leadership in Safety

Our objective is to eliminate any risk that could result in personal injury, illness, property damage, process loss or damage to the environment by implementing the most effective Health Safety and Loss Prevention (HSLP) Management System possible. For that to happen sustainably,

Newmont engages the uncompromising commitment of our employees and contractors to demonstrate leadership in safety.

## PROGRESS IN 2012

In 2012, we realigned around a culture of Zero Harm. This is a declaration that any harm to our employees and business partners is unacceptable and that we will strive to create a workplace free of injuries and occupational illnesses. We believe this will be achieved through implementation of the following key activities:

1. Focusing on these 4 key elements to Newmont's Health & Safety strategy:

- Set the direction through Guidance and Planning
- Develop and engage our People
- Enhance our Systems and Processes
- Provide Governance over the program

2. Fatality and Injury Prevention: We will create a workplace free of all recordable injuries and occupational illnesses.

3. Verifying that 100 percent of our operations develop and maintain Occupational Health and Industrial Hygiene Exposure Control Plans

4. Ensuring that HSLP Professional Development and assessment of HSLP responsibilities are woven into annual employee development plans

5. Reviewing, improving, and focusing on HSLP Management Practices in the areas of:

- Operational Risk and Opportunity Management
- Contractor Management
- Employee Fatigue Management

6. Insisting on "Safety Share" discussions at the start of every meeting and interaction

7. Personal Safety Plans and safety interactions in the field

8. Developing corrective actions performance targets for risk level 3, 4 and 5 events + quality checks

9. Continuing building on the My Safety Journey model and integration of the Vital Behaviors program, focusing on improving employee awareness of their behaviors and how that influences personal safety

10. Improving and implementing programs related to

accident/incident investigation training and competencies

## OBJECTIVE #4: Promote Programs focused on Sustainable Economic Development

When Newmont enters a new country or region, local stakeholders inevitably establish a number of perceptions and expectations. The process to permit and approve of a new mining project always includes a discussion of the positive and negative impacts of mining. The objective of participants in this discussion is to debate if the positive impacts outweigh the negative impacts, as there will be both.

For Newmont to reach our goals, we must demonstrate that there is a shared value for stakeholders resulting from our presence. This means we must ensure that our projects serve as catalysts for economic development. Mining companies, including Newmont, have been known to develop programs without the full consideration of a community's capacity and capability to realistically take advantage of the opportunities from economic development programs.

While it is obvious that there will be jobs created at and by the mine, for economic development to happen sustainably, we must leverage our community engagements, purchasing power, access to assets and resources, and capacity-building track record to help communities develop programs that encourage the growth of sustainable local businesses.

## PROGRESS IN 2012

Improve our programs focused on the purchase of local goods and services.

1. Newmont already implements many programs that focus on the purchase of local goods and services. These programs are extremely important, well managed and sometimes award-winning, but they are also generally localized at the site level and are not always strategically linked together regionally or globally. We want to do better, and to facilitate improvement, Newmont will:



- Promote training for both Supply Chain Management (SCM) and Environment and Social Responsibility (ESR) personnel regarding best practices and innovative examples to promote successful procurement of local goods and services through external training opportunities and internal workshops.
- During February 2012, representatives from the Corporate ESR and Global Supply Management functions attended an international Local Content Masters Class in the United Kingdom, which focused on the Oil, Gas and Mining Sectors. The training curriculum was intended to help participants better understand, align, and manage local content between regulators, commercial interests, and sustainable development programs. Following this training session, we arranged for Dr. Michael Warner to provide a training workshop for members of the ESR and Global Supply Management teams to improve global understanding and awareness of practices and examples that we could employ at our operations.

2. Develop an ESR/SCM working group tasked with identifying both short- and long-term objectives and responsibilities related to improving local content within our supply chain.

The ESR and Global Supply Management teams have been working to identify short-term and long-term objectives related to local content within the supply chain. However, during 2012 we realized that it is important for us to have a robust foundation and well-established baseline of information for us to set and achieve longer-term goals. For that reason, we have focused our attention on developing regional spend metrics, validating vendor categories within our reporting systems, and refining spend targets to align with evolving regional external relations strategies. In the longer term, we will work to develop objectives informed and aligned with country-specific strategies which are in the development phase to ensure that our sustainable development programs meet the needs of both Newmont and impacted communities.

3. Launch the Local Business Initiative (LBI) program tasked with developing methods to improve tracking of

purchases of local content and to identify opportunities to optimize local spend.

During the Global Supply Management and ESR Global team face-to-face meeting in February 2012, each region developed contextual definitions for Local-Local and Local suppliers. These regional-specific definitions were then updated within our reporting systems to enable tracking, reporting and target-setting for local spend in each region. Quarterly reporting of spend against targets commenced in Q2 and we continue to analyze and validate information relative to our regional external relations strategies. For 2013 and beyond we will use the LBI metric and alignment we obtained in 2012 to drive and support external relations strategies in each region.

4. Stay abreast of regulatory trends and opportunities to formalize business agreements related to economic development with governments and communities.

Newmont continues to monitor and engage in discussions related to local content and sustainable development. The Government of Ghana passed a significant piece of Local Content regulation in Q3 2012 via the Ghana Minerals Commission. Newmont personnel in Ghana played an active role in the development of this regulation. The main feature of the law is the requirement for the submission of annual local procurement plans, which will be analyzed and tracked for progress against the plan. The Ghana Chamber of Mines, Ghana Minerals Commission, and International Finance Corporation (IFC) have signed a Memorandum of Understanding for the program. The Chamber has identified 28 manufactured products that will be the focus of the local development plans.

As a company, we will continue to leverage learnings from maturing legislation in Ghana as well as other locations to help drive proactive external relations strategies in other locations.