



## ESG challenges and opportunities in the mining sector

Dr. Elaine Dorward-King  
EVP, Sustainability & External Relations

---




# Agenda

- **Overview of ESG**
- **ESG stakeholder landscape**
- **The value of ESG**
- **Emerging trends**
- **ESG implementation**
- **Challenges**
- **Opportunities**



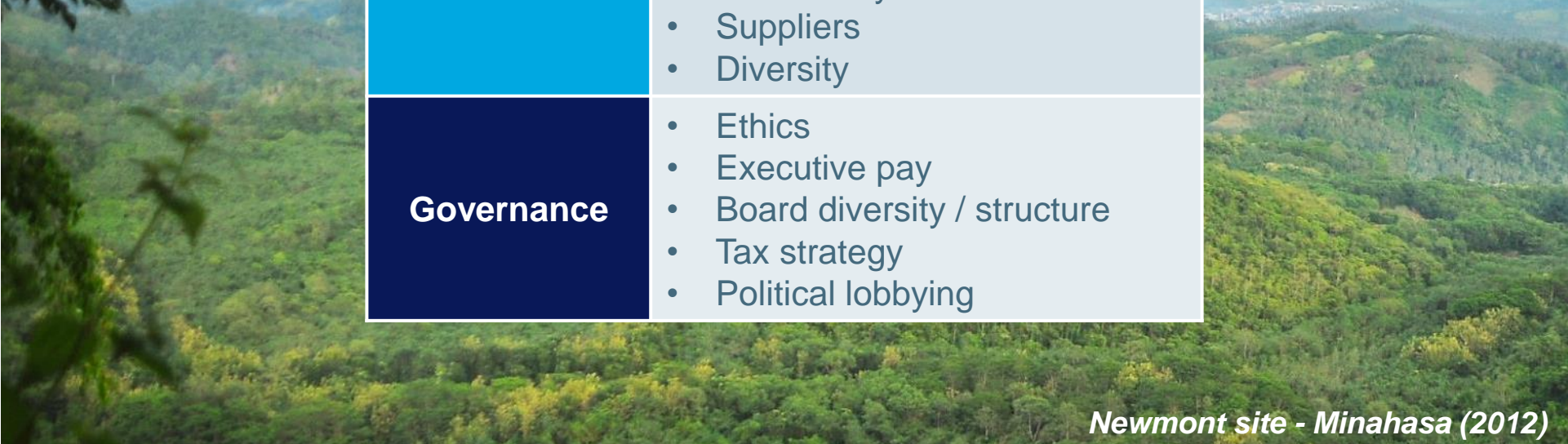


# ESG definitions and metrics can vary



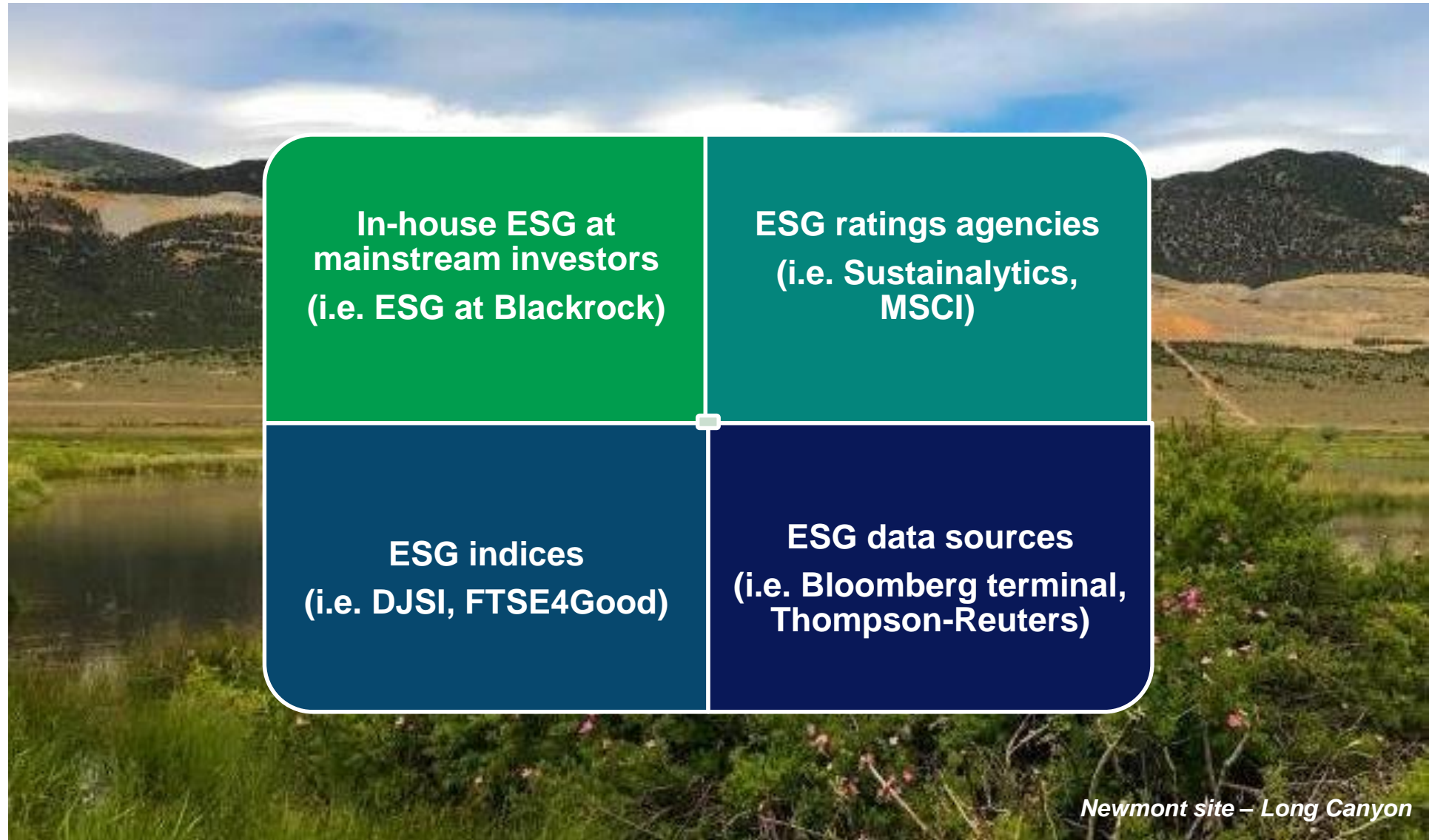
*Newmont site - Minahasa (2005)*

<b>Environment</b>	<ul style="list-style-type: none"><li>• Energy &amp; climate</li><li>• Biodiversity, water</li><li>• Waste</li></ul>
<b>Social</b>	<ul style="list-style-type: none"><li>• Labor &amp; employee relations</li><li>• Safety &amp; health</li><li>• Community</li><li>• Suppliers</li><li>• Diversity</li></ul>
<b>Governance</b>	<ul style="list-style-type: none"><li>• Ethics</li><li>• Executive pay</li><li>• Board diversity / structure</li><li>• Tax strategy</li><li>• Political lobbying</li></ul>

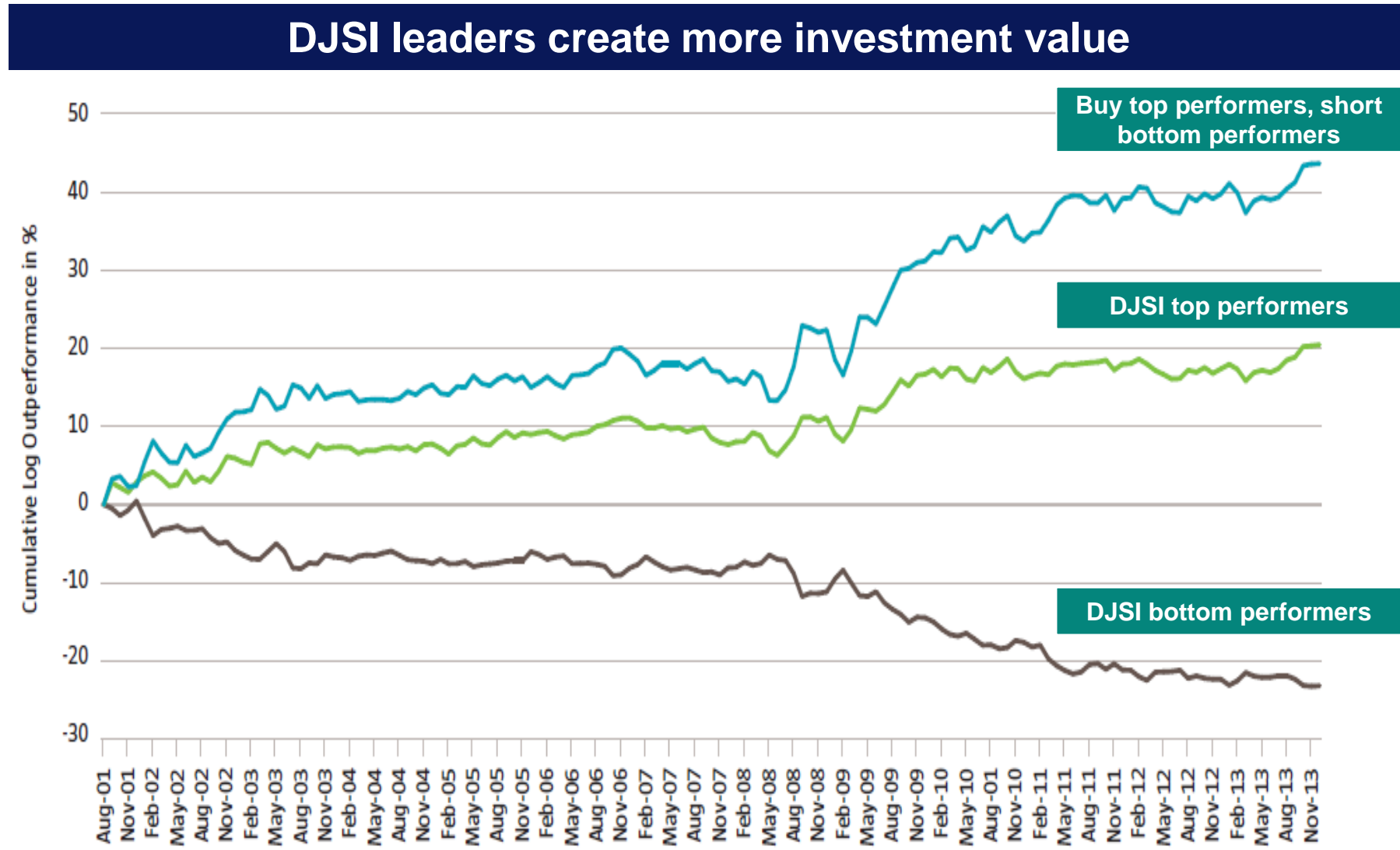


*Newmont site - Minahasa (2012)*

# Varied yet competing ESG research & ratings landscape



# Positive relationship between ESG and performance

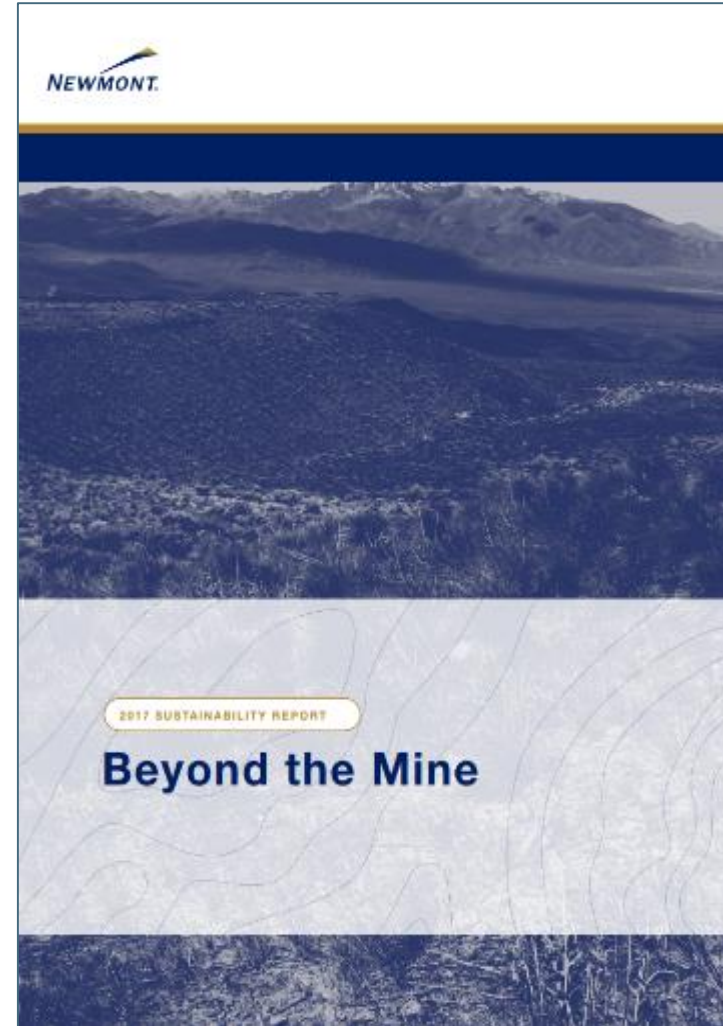


Source: RobecoSAM's Alpha from Sustainability, June 2014, RobecoSAM AG; comparison against other DJSI-listed companies only



# Emerging trends – radical transparency, site-based assurance

- Stakeholders – from communities to NGOs to investors – expect transparency to the mine site level
- The ICMM and the World Gold Council are developing performance requirements
- Overall company performance will no longer be enough



# ICMM is finalizing performance expectations

**ICMM serves as a catalyst to maximize top miners contribution to sustainability**

ICMM 10 Sustainable Development Principles	
<b>Governance</b>	Ethical business practices and sound systems of corporate governance
<b>Sustainability</b>	Sustainable development considerations part of decision-making process
<b>Human rights</b>	Uphold fundamental human rights and respect cultures, customs and values
<b>Risk management</b>	Risk management strategies based on valid data and sound science
<b>Health and safety</b>	Seek continual improvement of health and safety performance
<b>Enviro stewardship</b>	Seek continual improvement of environmental performance
<b>Biodiversity</b>	Conservation of biodiversity and integrated approaches to land use
<b>Product stewardship</b>	Responsible design, use, re-use, recycling and disposal of products
<b>Development</b>	Contribute to the social and economic development of host communities
<b>Engagement</b>	Effective and transparent engagement with stakeholders.

# WGC seeks to consolidate standards under single framework

- The Responsible Gold Mining Principles → new framework to set clear expectations for responsible gold mining
- In response to stakeholder interest in ESG policies, standards, practices, and performance
- Timeline for implementation and assurance still under development

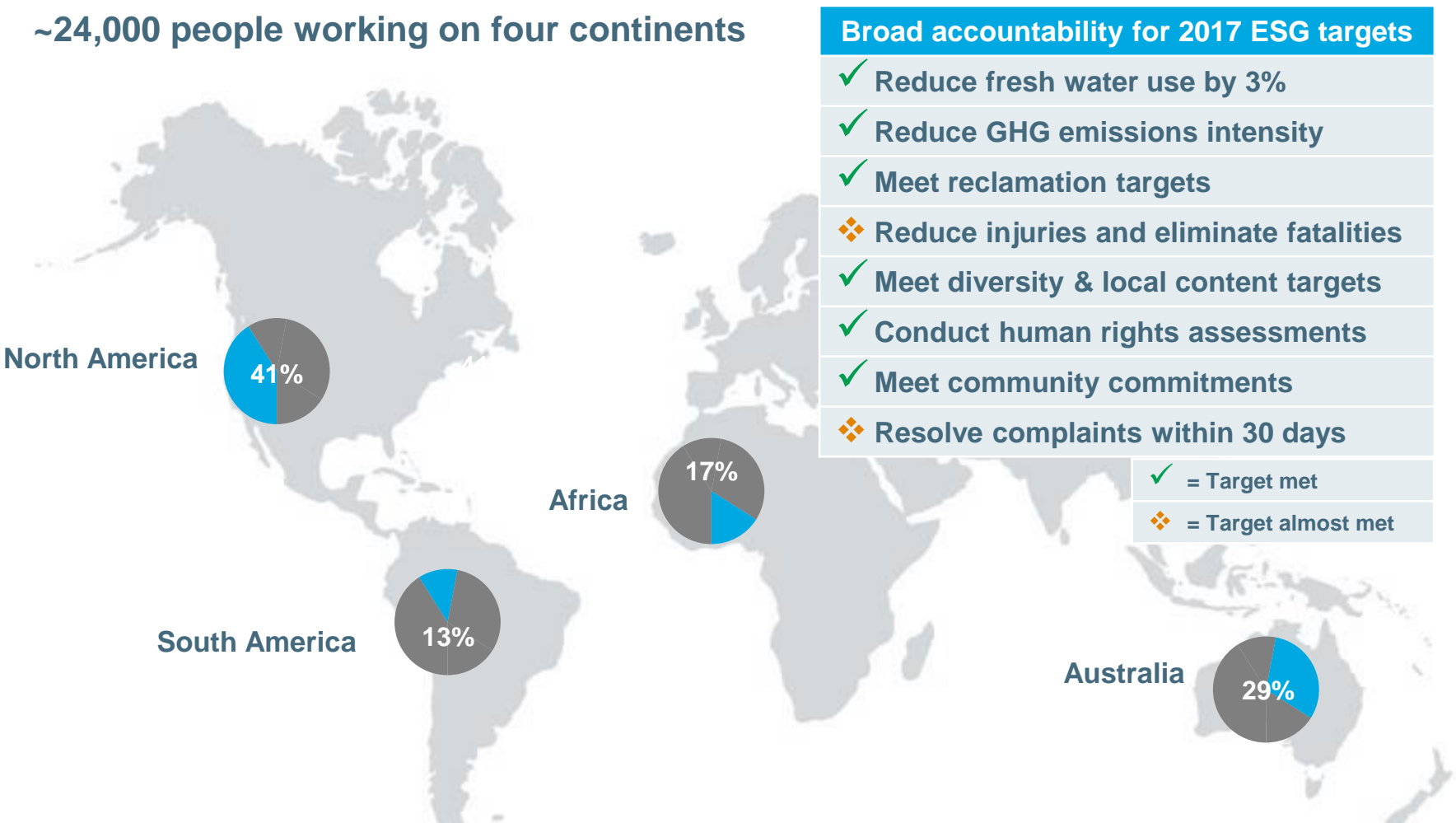
---

## **World Gold Council Responsible Gold Mining Principles** (June 2018 public draft)

Ethical conduct	Environmental stewardship
Safety and health	Water
Human rights	Energy & climate change
Labour rights	Supply chain
Working with communities	Transparency & accountability



# Newmont demonstrates ESG on the ground



Growth optionality hinges on ESG track record and reputation

\* Estimated attributable gold production

# Partnering for long-term value preservation

## **Sagebrush Ecosystem Conservation Program® and Framework Agreement est. in 2016**

- Historic partnership involves industry, state and federal agencies, universities and NGOs
- Covers more than 1.5 million acres of sagebrush habitat in Nevada
- Landscape-level, multi-species conservation plan achieves net conservation gains for wildlife and business plan stability for Newmont



# Dynamic and complex context challenges ESG implementation



*Engaging with rural stakeholders in Peru*

- Global footprint → multiple jurisdictions
- Stakeholder expectations can evolve quickly
- Competing reporting frameworks to measure ESG performance



*Virtual reality demonstration in Peru*



# Multi-prong strategy seeks to mitigate ASM risks & impacts

- **Security** – Ensure safe and secure access to sites / land in proximity to ASM activities to minimize conflict
- **Performance** – Manage environmental, social, security, health and safety risks and impacts caused by ASM activities to ensure compliance and protect our reputation
- **Livelihood development** – Create greater stability by collaborating to empower and improve livelihood options
- **Influence, learn and align** – Monitor, engage and influence improved policy and practices; align with the needs of Newmont's exploration, projects and operations



# Strong ESG performance creates value

- Enable proactive risk management, continuity & growth, attraction of top talent
- Improve the mining's reputation and business performance, resilient to evolving context
- Achieve key UN SDGs, including poverty reduction and climate action (Paris Accord)



A healthier, safer, more ethical and transparent, environmentally and socially-responsible business creates long-term value for all stakeholders