

Modern Slavery Statement

MARCH 2018

Background

Modern Slavery is the term used to describe human trafficking, slavery and slavery-like practices such as servitude, forced labor and debt bondage. The International Labor Organization estimates that illicit profits from modern slavery reach \$150 billion and there are 40 million victims a year¹.

While there are currently no legal requirements for Newmont to report on our actions to eliminate modern slavery, we are committed to open and transparent reporting on the challenges we face.

This statement reflects our commitment to respecting Human Rights and highlights key actions we are taking to address risks in our own operations, and our supply chain, including risks associated with modern slavery. We encourage sensible legislation on this important topic and in this regard, contributed to a joint statement with members of the Business for Social Responsibility's (BSR) human rights working group. The statement supports the Australian government's planned work on modern slavery.

Structure, Business and Supply Chain

Newmont is a leading gold and copper producer. We have approximately 24,000 employees and contractors with operations primarily in five countries around the world. Our 100 percent-owned operating assets include the Boddington and Tanami mines in Australia; Ahafo and Akyem operations in Ghana; and in the United States, the Cripple Creek & Victor (CC&V) mine in Colorado and four operating complexes (Carlin, Long Canyon, Phoenix and Twin Creeks) in Nevada. We own 50 percent or more and/or manage or operate KCGM in Australia (50 percent); Yanacocha in Peru (51.35 percent); and Merian in Suriname (75 percent).

The mining industry has complex supply chains. Our supply chain activities cover the full life cycle of the mine from exploration through to post-closure and include: the procurement of goods (for example equipment and bulk commodities); operational and technical services (for example transportation and logistics); and administrative and support activities.

Each year, Newmont procures around \$3.5 billion in goods and services from more than 9,000 suppliers worldwide, including thousands of local suppliers based near our projects and operations.

In order to inform how we prioritize our future supply chain activities, we worked cross-functionally with an independent human rights NGO with expertise in this area. The analysis took into account a range of issues, including those business activities or commodities often associated with modern slavery issues. Based on this analysis, we identified the following categories of goods and services as potentially 'high risk':

- some process maintenance services (including painting and sandblasting);
- specific bulk commodities (including lime, sand and gravel and cement);
- transport and logistics (including ocean freight and warehouse operations services);
- technical engineering and construction services (including reclamation activities); and
- administrative and support activities (including cleaning, repairs, accommodation and security).

¹ http://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/publication/wcms_575479.pdf and http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_243201/lang--en/index.htm

Policies and Governance

We do not tolerate any form of slavery, human trafficking, forced or child labor. Our **Code of Conduct** defines the expectations of behavior for Newmont employees and suppliers working with us or on our behalf. The Code explicitly refers to the fundamental human rights of the people where we operate and those with whom we work.

Our **Sustainability and Stakeholder Engagement policy** outlines our commitment to the UN Guiding Principles on Business and Human Rights (UNGPs). This commitment is further elaborated in our **Human Rights standard** which reflects the minimum requirements that all sites must adhere to. In line with this standard, human rights clauses are included in all of our contracts with suppliers. These clauses recognize Newmont’s commitment consistent with the Universal Declaration of Human Rights which includes labor rights. Our contracts also include requirements for suppliers to report any human rights issues in their supply chain that they become aware of.

Our **People policy** commits us to not engaging in, or condoning, any form of child, forced or compulsory labor at any of our sites.

We also have a **Supplier Code of Conduct** which has a clause on human rights and labor issues outlining our zero tolerance for discrimination, harassment, workplace violence, bullying or child and forced labor within our supplier’s own or their affiliates’ operations or the operations of other companies within their own or their affiliates’ supply chains. It also includes requirements about the timely payments of salaries and benefits to employees, sub-contractors and sub-suppliers and the need to address complaints or grievances expeditiously.

Our **Stakeholder Relationship Management standard** includes requirements for all sites to have complaints and grievance mechanisms in line with the UNGPs.

We have a global cross-functional human rights working group consisting of representatives from legal, supply chain, human resources, health, safety and security, risk and communications. The working group provides oversight and expertise on a range of human rights issues, including modern slavery. Our regions are also required to have cross-functional human rights working groups.

Our Approach

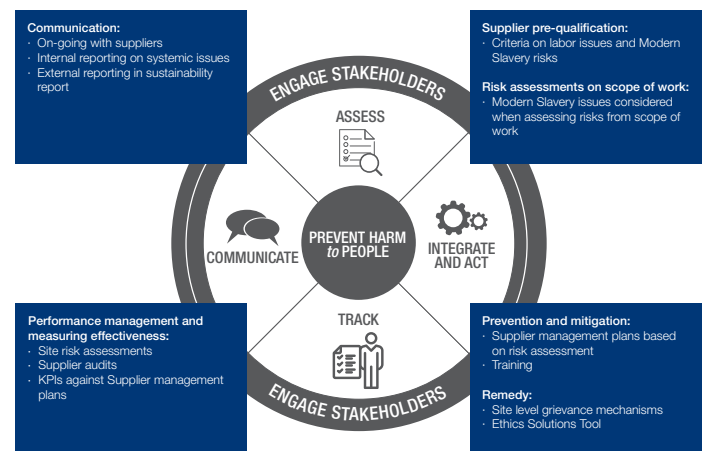
SUPPLIER RISK MANAGEMENT PROGRAM

The approach we take to human rights due diligence across our operations is based on the UNGPs. We are currently rolling out a Supplier Risk Management program which will also align to the UNGPs. This program has a number of controls in place which will help mitigate risks across the supplier ‘life cycle’ which includes the following phases:

- Prequalification
- Planning and Scoping
- Contract Sourcing and Executing
- Mobilization
- Supplier Management
- Close Out

The diagram to the right provides an overview of how modern slavery risks will be taken into account as part of our Supplier Risk Management program. Roll out is expected in 2018 and we will report on this in more detail in subsequent statements.

Supplier human rights due diligence aligned to UN Guiding Principles



Adapted from Shift graphic received during internal workshop on our salient human rights issues (2015).

Our Approach - continued

RISK ASSESSMENTS AND MANAGEMENT

Identification of country risks

One of the many risk management tools we use is our Country Risk program, which identifies countries that are important to our business and ranks them based on their economic, political, social, environmental, infrastructure and security risks. Included in this tool are risks related to human rights. The human rights included in our assessments include: rights around freedom of labor, personal integrity and security of person, freedom of expression, freedom of association and minority rights.

Integrating human rights into risk assessments

In addition to the contract terms for suppliers mentioned in the Policies and Governance section, our Human Rights standard requires sites to integrate human rights into their existing processes. They must identify human rights issues on an ongoing basis through: engagement with stakeholders; Social Impact Assessments (new or updated); ongoing risk assessments; and site-level complaints and grievance mechanisms.

Some sites have also chosen to undertake standalone Human Rights Impact Assessments which include supply chain issues in their scope.

Remedy

Any concerns, including those around modern slavery, can be raised through our site-level complaints and grievance mechanisms or our Ethics Solution Tool (online or by phone) which aims to address fraud, abuse and workplace misconduct. The Tool is administered by a third party, EthicsPoint, in order to ensure the propriety and anonymity of the tool and those using it.

EFFECTIVENESS

We will be able to better track the effectiveness of our efforts when our Supplier Risk Management program has been fully implemented. Currently, we track our performance through our complaints and grievance mechanisms which also captures issues related to our suppliers.

At one of our operations, 69 complaints and grievances related to supplier's behavior were received between January and December 2017. Some examples of complaints and grievances connected to supplier labor issues include: denial of worker's holiday at requested time; delay in signing of employment letters; concerns around wages not being comparable to colleagues; unpaid benefits; and the termination of contracts without sufficient notice. In these instances, we work with the supplier to resolve issues within their

workforce. We have a public target to resolve 100 percent of tier 1 complaints within 30 days. In 2017, all sites met our target, except Yanacocha in Peru, which resolved 97 percent.

TRAINING

Our Human Rights standard requires that all sites conduct human rights training. A robust training was developed in 2014 to support the implementation of the Human Rights standard. The training includes details around the International Labor Organization (ILO) Conventions and scenarios around child labor and the use of forced labor by a supplier. Some regions undergo standalone human rights training and others have incorporated it into their existing training programs. Some of these include supplier trainings. In Ghana for example, over 600 suppliers received training on human rights and the Voluntary Principles on Security and Human Rights.

COLLABORATION AND LEARNING FROM OTHERS

Recognizing the value of collaborating with our peers to learn from others and internalize best practices, we are members of several industry and multi-stakeholder initiatives. As members of the International Council on Mining and Metals (ICMM), we participate in discussions on human rights. Through ICMM, we are contributing to the Organization for Economic Co-operation and Development (OECD) Minerals Risk handbook which plans to support the prioritization of due diligence efforts on risks associated with the production and trade of natural resources. Through BSR's human rights working group we have learned valuable lessons from a variety of sectors on modern slavery. We also have learned from leading initiatives such as the Consumer Good Forum (a CEO-led network of 400 retailers, manufacturers, service providers and other stakeholders) which has three clear objectives around modern slavery:

- Every worker has freedom of movement
- No worker pays for a job
- No worker should be indebted or coerced

We have used these simple messages to explain the concept of modern slavery internally.

Future Activities

As outlined in the diagram on page 2, in 2018 we will be building considerations around modern slavery into our broader Supplier Risk Management program. This will include:

- identifying modern slavery risks at Pre-qualification and Planning and Scoping phases;
- preventing and mitigating modern slavery risks through ongoing monitoring and training; and
- developing an audit program for targeted suppliers.

In 2018, we are releasing a Newmont-wide online human rights training for our employees. The training includes information on modern slavery and some examples on how to identify it.

We will continue to remediate substantiated complaints through our site-level complaints and grievance mechanisms and global Ethics Solutions Tool.