

KINROSS

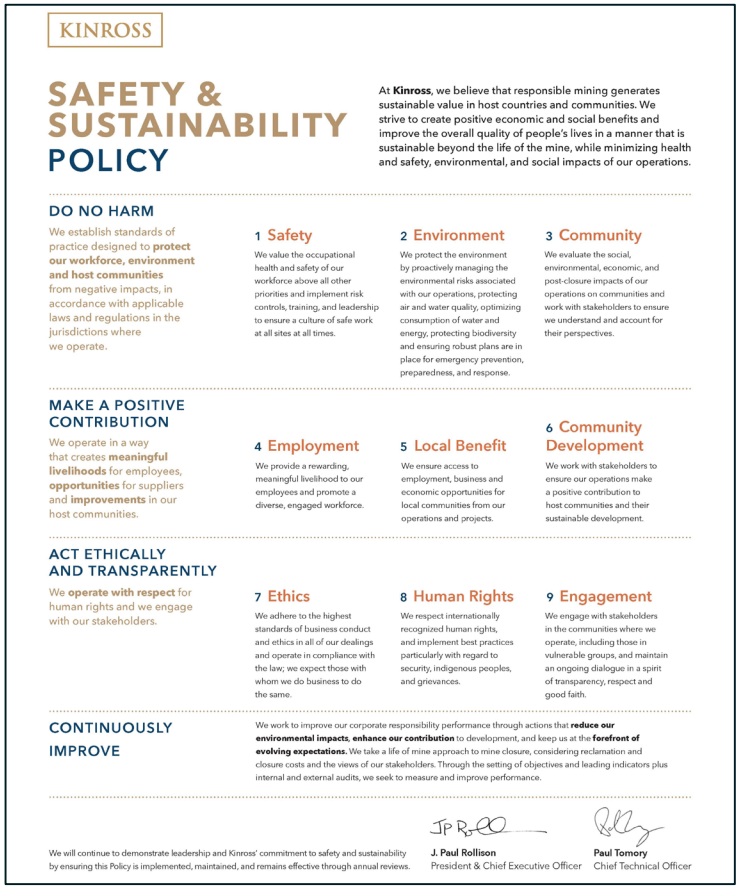
Kinross Gold 2019 Sustainability Report Summary

August 2020

About the Sustainability Report

A comprehensive review of our strong progress over the past two years in delivering on our commitment to responsible mining

- Evaluates our health and safety, environment, community and workforce performance structured around our Safety and Sustainability policy
- The Report details Kinross' performance measured against:
  - The United Nations Global Compact, serving as our Communication on Progress and;
  - The UN's Sustainable Development Goals (SDGs)
- This Report follows the Global Reporting Initiative (GRI) standards and introduces the Sustainability Accounting Standards Board (SASB) indicators to our reporting



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SAFETY & SUSTAINABILITY POLICY

At **Kinross**, we believe that responsible mining generates sustainable value in host countries and communities. We strive to create positive economic and social benefits and improve the overall quality of people's lives in a manner that is sustainable beyond the life of the mine, while minimizing health and safety, environmental, and social impacts of our operations.

DO NO HARM

We establish standards of practice designed to **protect our workforce, environment and host communities** from negative impacts, in accordance with applicable laws and regulations in the jurisdictions where we operate.

1 Safety

We value the occupational health and safety of our workforce above all other priorities and implement risk controls, training, and leadership to ensure a culture of safe work at all sites at all times.

2 Environment

We protect the environment by proactively managing the environmental risks associated with our operations, protecting air and water quality, optimizing consumption of water and energy, protecting biodiversity and ensuring robust plans are in place for emergency prevention, preparedness, and response.

3 Community

We evaluate the social, environmental, economic, and post-closure impacts of our operations on communities and work with stakeholders to ensure we understand and account for their perspectives.

MAKE A POSITIVE CONTRIBUTION

We operate in a way that creates **meaningful livelihoods** for employees, **opportunities** for suppliers and **improvements** in our host communities.

4 Employment

We provide a rewarding, meaningful livelihood to our employees and promote a diverse, engaged workforce.

5 Local Benefit

We ensure access to employment, business and economic opportunities for local communities from our operations and projects.

6 Community Development

We work with stakeholders to ensure our operations make a positive contribution to host communities and their sustainable development.

ACT ETHICALLY AND TRANSPARENTLY

We **operate with respect** for human rights and we engage with our stakeholders.

7 Ethics

We adhere to the highest standards of business conduct and ethics in all of our dealings and operate in compliance with the law; we expect those with whom we do business to do the same.

8 Human Rights

We respect internationally recognized human rights, and implement best practices particularly with regard to security, indigenous peoples, and grievances.

9 Engagement

We engage with stakeholders in the communities where we operate, including those in vulnerable groups, and maintain an ongoing dialogue in a spirit of transparency, respect and good faith.

CONTINUOUSLY IMPROVE

We work to improve our corporate responsibility performance through actions that **reduce our environmental impacts**, **enhance our contribution** to development, and keep us at the **forefront of evolving expectations.** We take a life of mine approach to mine closure, considering reclamation and closure costs and the views of our stakeholders. Through the setting of objectives and leading indicators plus internal and external audits, we seek to measure and improve performance.

We will continue to demonstrate leadership and Kinross' commitment to safety and sustainability by ensuring this Policy is implemented, maintained, and remains effective through annual reviews.

J. Paul Rollison
President & Chief Executive Officer

Paul Tomory
Chief Technical Officer

Strong Health and Safety and ESG performance

- **$3.2 billion** spent in host countries, including $2.5 billion spent with more than 7,000 global suppliers
- One of **the lowest greenhouse gas emission intensities** relative to peers
- Recognized for **top-tier governance** performance
- **630,000 beneficiaries** from community programs
- Delivered on all **site-level targets** for permitting, water management and concurrent reclamation
- Received **third-party reviews** at 100% of active tailings facilities



Awards and Recognitions

Kinross received strong recognition for its ESG performance, scoring in the 88th percentile in SAM 2019 assessment

- **Health and Safety:**
  - Sentinels of Safety award at Fort Knox from the U.S. National Mining Association
  - Chirano named the 'Safest Mine in Ghana' by the Minerals Commission and Chamber of Mines
- **Environment:**
  - Received top ranking from the World Wildlife Fund (WWF) Russia in the Environmental Transparency Ranking of Russian Mining and Metals companies for second consecutive year
  - Received 2019 Corporate Conservation award from Trout Unlimited – first mining company to receive this award
- **Community:**
  - Chirano received awards for stakeholder engagement, skills development and local content at the 2019 Sustainability and Social Investment awards in Ghana
- **Governance:**
  - Received highest ranking among mining companies in *The Globe and Mail's* 2019 corporate governance survey





Sustainability strategy focused on major global issues and industry trends

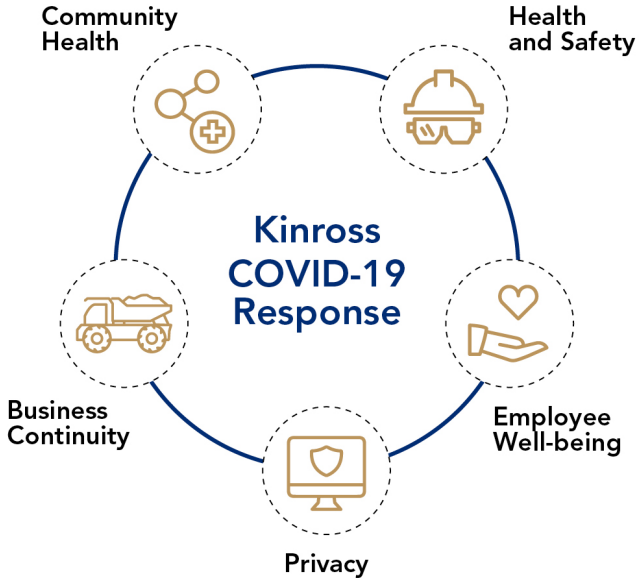
- **COVID-19:** prioritized employee and community health and safety while driving business continuity
- **Climate Change:** benchmarked against the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)
- **Racism:** became a signatory to the BlackNorth Initiative, highlighting our commitment to inclusion and diversity
- **Tailings Management:** enhanced public disclosure and maintained best-in-class practices
- **Responsible Gold Mining Principles:** contributed to development of principles and achieved 94% conformance after completing self assessment



Proactive COVID-19 Response

Response prioritized the health and safety of employees and communities with minimal impact to operations, maintaining business continuity

- Established **cross-functional Pandemic Task Force** in January 2020 to manage and combat the spread of COVID-19
  - Led by Vice-President, Safety and Sustainability, reporting to Chief Technical Officer
  - Bi-weekly global update meetings between regions and sites to share best practices
  - Working groups focused on health and safety, employee well-being, remote worker support, data privacy, business resilience, community impacts and government relations
- Implemented **comprehensive protocols** across global operations
- **Launched COVID-19 Champions** initiative to recognize employees making positive contributions related to the pandemic
- Frequent communication between senior leadership and employees

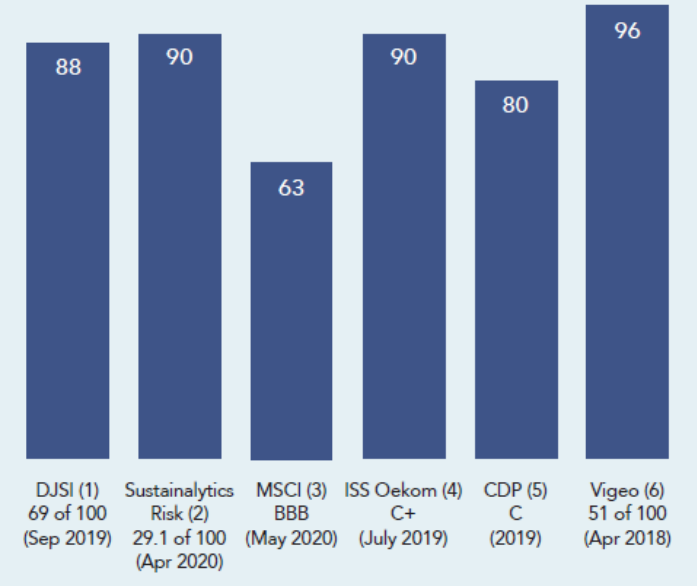




ESG performance consistently ranks in top quartile of peer group

- Advanced the **United Nations Sustainable Development Goals (SDGs)** by leveraging the effect of our positive benefit footprint
  - In communities near Tasiast, poverty levels have declined from 28% in 2011 to 6% in 2017, meeting goal 1.2
  - At Chirano, met goal 7.1 with 100% of local communities now connected to the national power grid, compared to 68% average in rural areas in Ghana
- **Identified SDG sub-goals** where we measure outcomes and broad community initiatives toward 2030 targets
- **10+ years** reporting to the CDP and Sustainalytics
- Named to the **Jantzi Social Index (JSI)**

Scored in the top quartile of our peer group in ESG ratings irrespective of scoring methodology



(1) Percentile based on 10th out of 79 in universe of which 74 assessed; E – 62, S – 72, G – 74; consistent scores for the past 3 years
(2) Percentile based on 8th out of 75 peers; score improved (decreased) by 8.6 points from 2019
(3) Percentile based on following: 31% of peers in precious metals rated A or higher, 13% as BBB; assume KGC at BBB midpoint; E – 2.2, S – 5.8, G – 5.2; score constant since 2017
(4) Percentile based on following: 2.2% rated B, 5.9% B-; assume KGC at C+ midpoint (2.8%); E – C, S & G – B
(5) Percentile based on following: 174 companies in the mining and metals category of which 27 scored higher (B/B-); there were 18 other companies with C score; assume KGC at C midpoint
(6) Percentile based on position at 2nd out of 47 in sector ranking; E – 43, S - 53, G - 61

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Act Ethically and Transparently

We adhere to the highest standards of business conduct and ethics in all of our dealings and operate in compliance with the law; we expect those with whom we do business to do the same.

Strengthened governance by updating and developing policies and procedures

- **Zero** substantiated cases of corruption or human rights violations
- **Anti-corruption training** completed at all sites
- Updated **Supplier Standard of Conduct** and Supply Chain policy, and enhanced supply chain due diligence
- **72% of salaried staff** completed ethical conduct training
- Developed site-level tool-kit for assessing performance against the **Voluntary Principles on Security and Human Rights** and procedure for assessment of modern slavery risk



Top-tier Corporate Governance Record

- Advanced inclusion and diversity goals, with **33% female representation** on the Board of Directors*
- Board refresh program has brought in **six new directors** over the past five years and enabled effective succession
- Maintained **top-tier governance record**, recognized by *The Globe and Mail* and the Board Shareholder Confidence Index of the Clarkson Centre for Business Ethics and Board Effectiveness





*As of December 31, 2019

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Do No Harm

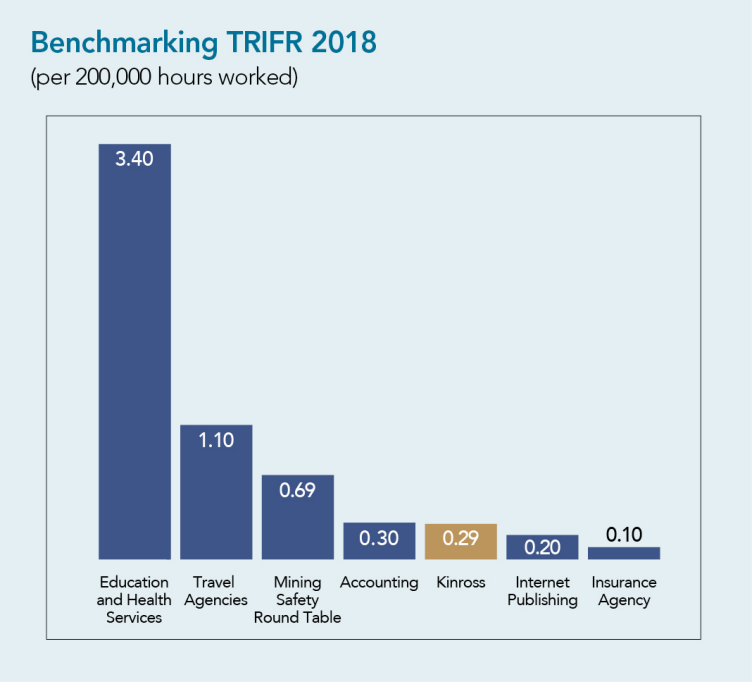
We must manage our operations in a way that protects our workforce, the environment, and our host communities.

Strong Safety Performance

Best two consecutive years of safety metrics in Kinross' history

- Implemented risk controls, training, and provided leadership to ensure a **culture of safe work** at all sites, at all times
- Implemented **fatigue management** and employee wellness programs
- Introduced **mental health training** for management
- Implemented rigorous, comprehensive measures to **mitigate the spread of COVID-19** and maintain business continuity and production at all operations
- Completed second phase of Critical Risk Management program
  - Identified 62 critical risks and confirmed controls for 36 risks

Maintained Total Reportable Injury Frequency Rate (TRIFR) on par with, or better than, low-risk, non-industrial sectors

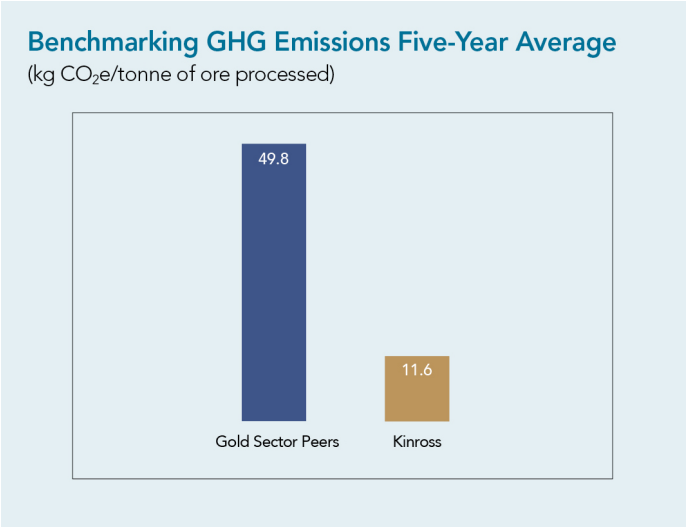


Source: U.S. Department of Labor, Bureau of Labor Statistics, Mining Safety Round Table: Kinross 2018

Climate Change and Energy Efficiency

GHG intensity one of lowest in the industry – Paracatu down by 38% since 2017

- Completed **independent evaluation of disclosure** and performance on climate change in 2020
- Initiated high-level **overview of major climate change** drivers and potential risks
- Implemented company-wide **fuel management program**
- Completed integration of hydroelectric power plants in Brazil, **increasing renewable energy use**
- **Expanded priorities** to include SDG 13 – Climate Action
- **Five-year average** of GHG emissions at lowest end of the industry
  - Improved efficiencies at Paracatu and Kupol



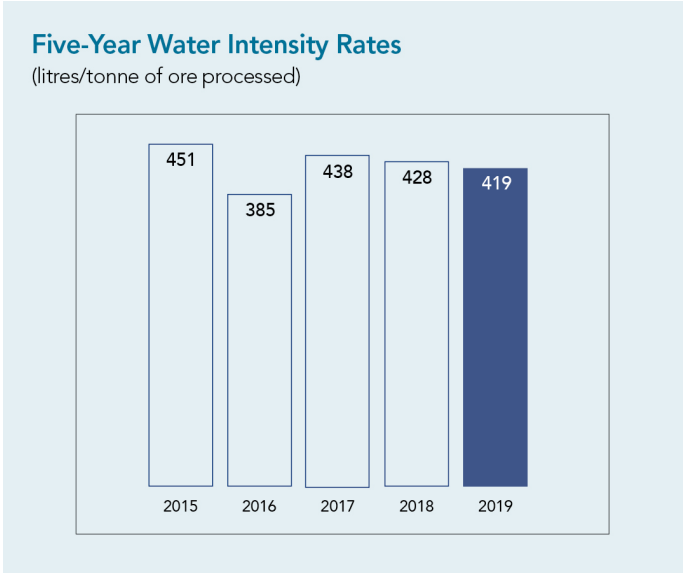
Source: Public disclosures of nine gold companies including Kinross



Responsible Water Management

Overall decrease in volume of water consumed in 2019 vs. 2018

- **Reduced absolute water consumption and water intensity** per tonne of ore in 2019
- **76% of water recycled** in 2019
- Commissioned new water treatment plant at Fort Knox – resulted in **761% increase** in volume of treated water discharged
- Implemented measures at Paracatu to **reduce operational risks** during droughts





Best-in-Class Tailings Management

Technical excellence at all stages of the mine life cycle is critical to our tailings management program and ensures sustained safe performance

- Maintained **27-year record** of zero reported tailings breaches at tailings facilities, with zero reportable incidents in past two years
- **Conducted independent reviews** at 100% of active tailings facilities over past three years
- Published **comprehensive disclosure on tailings dam management** to Church of England in 2019
- **Quarterly reports** provided by each site to the Chief Technical Officer and Board of Directors via Tailings Scorecard



Strong Community and Stakeholder Relations

Our relationships with local communities are developed through regular, open and respectful engagement, building mutual understanding and leading to trust

- **90,000 stakeholder** interactions in 2019 with 84% positive feedback
- Initiated **stakeholder engagement** at Chulbatkan project in Russia and Lobo-Marte project in Chile
- Continued **proactive shareholder engagement** program for fifth consecutive year
- **Engaged with indigenous communities** related to our sites, including training of community environmental monitors





Make a Positive Contribution

Kinross generates value for our investors and our host communities. Wealth generated from our mining activities helps reduce poverty, contributes to meaningful livelihoods, sustains strong communities and contributes to improving well-being where we operate.

Substantial Benefit Footprint

Our core business generates significant value in host communities, which leads to improvement in community well-being

- **$3.2 billion** spent in-country through taxes, wages, procurement and community support in 2019
- Sourced **83% of goods and services** in-country, working with more than **7,000 suppliers** globally
- **$6.4 million** spent in host countries on community investments and donations in 2019
- 10-year distribution of **in-country benefit footprint**:
  - 12% payments to Governments
  - 16% employee wages and benefits
  - 71% goods and services
  - 0.2% community investments



$3.2 billion
total spending in host countries



$396 million
payments to governments



$2.1 billion
payments to suppliers in host countries



$735 million
employee wages and benefits



630,000
beneficiaries of community investments

Improvements in Community Well-Being

Kinross seeks to provide opportunities and improvements that leverage our benefit footprint into long-term development of our local communities

- **50% of community members** in Paracatu reported improved quality of life over the past 10 years
- Since 2011, poverty has **decreased from 28% to 6%** in communities surrounding Tasiast
- **90% of community members** reported improved quality of life after health and well-being programs, including donation of satellite phones to five Colla communities
- **79% of indigenous stakeholders** in Chukotka, Russia, feel their overall health is satisfactory or better
- **94% of communities near Tasiast** have access to improved drinking water





Commitment to our Workforce

Kinross provides a rewarding, meaningful livelihood to our employees while promoting a diverse, engaged workforce

- Maintained **in-country employment over 98%,** and **85% in management positions** from host countries
- **95% of workforce** Mauritanian nationals at Tasiast; on track to achieve **75% to 85%** management from host country for end of 2020
- Provided an average of **35 hours of health, safety and emergency training** per employee in 2019
- Launched **learning management system** through Kinross University
  - More than 7,000 development courses available online
- Recognized as one of the **Greater Toronto's Top Employer** in 2018 & 2019



GREATER TORONTO'S TOP 2019 EMPLOYERS

Advanced Inclusion and Diversity Goals

Continued to support our People Commitment 'Champion Diversity' by developing an inclusive environment with equal opportunities

- **33% female representation** on the Board of Directors*, increased percentage of female employees
  - **12% female representation** in the workforce including **541 women** in revenue-generating positions
- Identified a senior-level **Inclusion and Diversity champion** to lead strategy at operational level
- Became a signatory to the **BlackNorth Initiative** in July 2020
- Launched **People Commitments**, an Employee Value Proposition program to reinforce culture and engagement



*As of December 31, 2019

Contributions to Host Communities

Engaging with our stakeholders to enhance overall well-being that is sustainable beyond the life of mine

- Met or exceeded target of **75% - 80% in-country procurement** over past five years
- **$434 million** spent with local businesses in 2019
- **94% of community members** near Tasiast have access to improved drinking water vs. 57% nationally
- **88% of key stakeholders** in Fort Knox recognize the positive impact of the Company on their economy
- **95% of Colla community members** believe participatory decision making has strengthened trust with Company
- Supported more than **30 community organizations** working with vulnerable groups in Toronto







Appendix: Sustainability highlights at each of our mines

Bald Mountain – Nevada, U.S.A.

- **$814 million** cumulative benefit footprint in Nevada since 2016
  - Contributed ~55% of total tax intake and more than 30% property tax revenues for White Pine County
- **89% community support** for the operation
- **3-year commitment** to Community Foundation of Elko County Endowment Fund (CFEC)
- Comprehensive approach to **environmental sustainability** of Ruby Mountains
  - Worked closely with numerous partners including Trout Unlimited, Rocky Mountain Elk Foundation, and Nevada Department of Wildlife

2019 Socio-Economic Benefits

607 employees

$81.2 million wages and benefits paid

137,000 beneficiaries of community programs

191 contractors

$142.3 million spent on procurement



Round Mountain – Nevada, U.S.A.

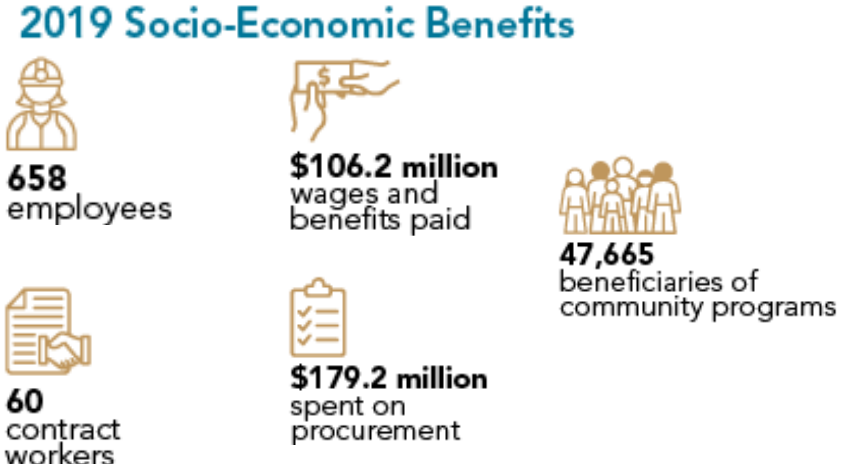
- **$2.2 billion** benefit footprint in Nevada since 2010
  - $372 million in-state benefit footprint in both 2018 and 2019
- **85% community support** for the operation
- **78% of community population** benefitted from programs in 2019
- Improved quality, availability and **access to healthcare** through partnerships with local organizations
- Partnered with Tonopah Historic Mining Park to support **local business development**
- Sponsored **Jobs for Nevada's Graduates (J4NG)** since 2017 – 83% of graduates hold full-time employment





Fort Knox – Alaska, U.S.A.

- **$2.8 billion** cumulative benefit footprint in Alaska since 2010
- **88% community support** for the operation
- Worked with **350 local businesses and 90 non-profits** to support the community
- Sponsored veteran military personnel program with **Trout Unlimited**
- Contributed **$24 million** toward Alaska Mental Health trust since 1994
  - Launched campaign with Greater Fairbanks Community Hospital Foundation to increase hiring and expand treatment options





Paracatu – Brazil

- **$5.5 billion** benefit footprint in Brazil from 2010-2019
- **54% community support** in 2019, an increase of **~20% from 2017**
- Employment at the mine represents **~17% of jobs** in the municipality
- Developed **Sustainable Development Plan aligned with "Paracatu 2020"** plan based on community feedback
- Worked with **~140 local businesses** in 2019
  - Trained 17 local companies, increasing their efficiency by 90%
- **20,000 seedlings** donated through the Integrar program

2019 Socio-Economic Benefits

1,616 employees

$50.4 million wages and benefits paid

69,313 beneficiaries of community programs

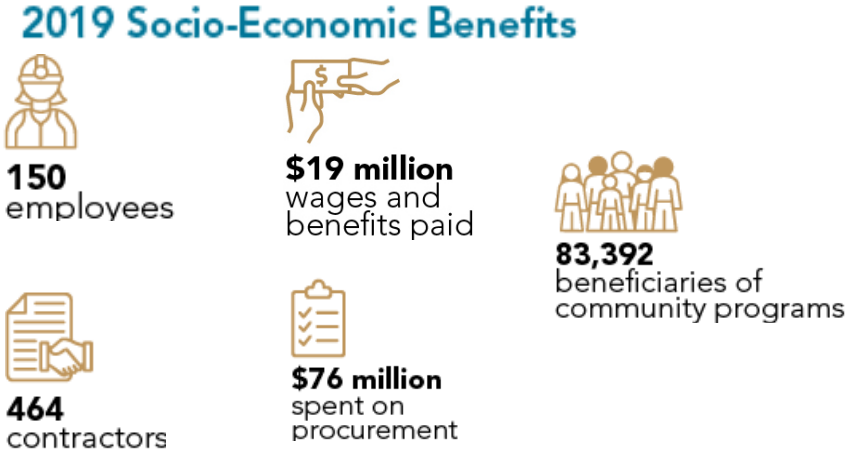
2,385 contract workers

$462 million spent on procurement



Chile Projects

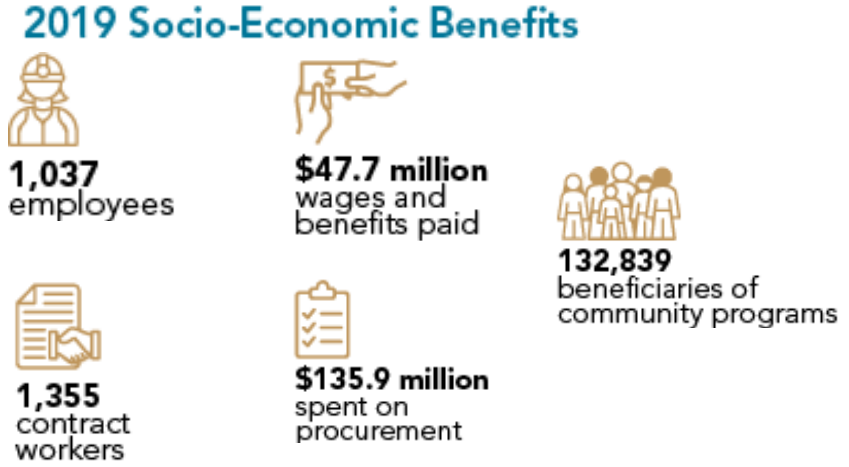
- **$3 billion** cumulative benefit footprint in Chile since 2010
  - Over 40% of benefit footprint in Chile spent in Atacama Region
- Advanced **voluntary agreements with Colla community** – 46 agreements currently complete or underway with 70% - 95% approval
- Improved healthcare in Colla Community – over 90% of community believe this **improved their quality of life**
- **Improved academic performance** at the local school by 13%
- Funded ancestral knowledge program – strengthening cultural identity for more than **80% of participants**





Chirano – Ghana

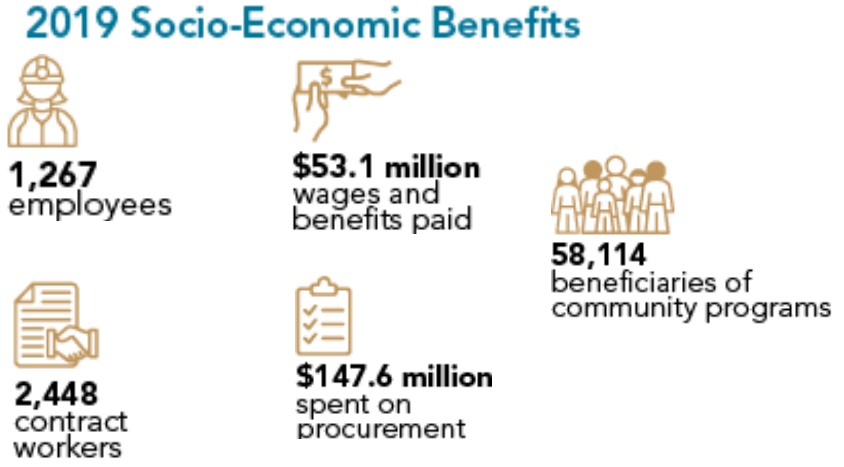
- **$2.5 billion** benefit footprint in Ghana from 2010-2019
  - Benefit footprint represented 4% of Ghana's mining GDP in 2019
- Contributed over **$2 million** to establish the 'Chirano Sefwiman Foundation'
- Comprehensive approach to community well-being resulting in **130 community programs** over 15 years
- **100% of communities** in areas surrounding the mine connected to National electrical grid vs. **67% of rural populations** in Ghana
- Kinross **sponsored education programs** have increased test pass rates from 42% in 2005 to 100% in 2019





Tasiast – Mauritania

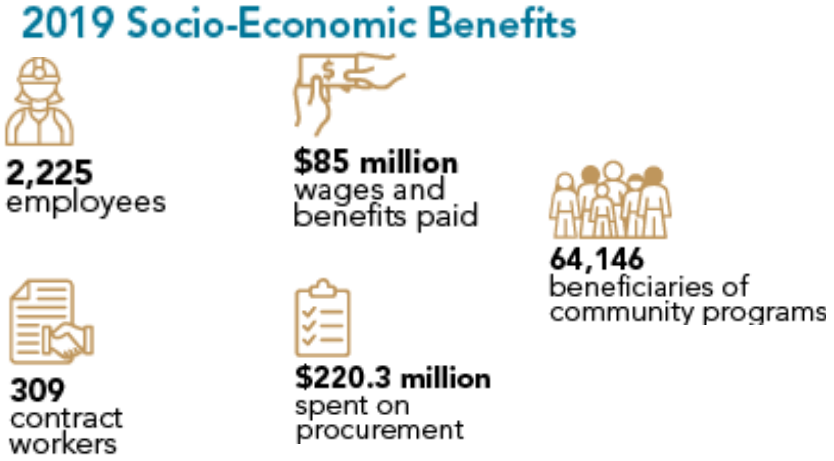
- **~$3 billion** benefit footprint in Mauritania since 2010
- **$281 million** in-country benefit footprint in 2019, including:
  - $50+ million in employee wages and benefits
  - $150 million in local procurement
- **Literacy rates** and percent of local population with access to basic services increased in communities surrounding the mine
- 94% of local community have **access to drinking water** vs. 57% nationally
- Advanced Mauritanization strategy - reduced expats at site and maintained **98% national workforce**
- Skills training for over **100 local youth**, including women's sewing cooperative





Kupol and Dvoinoye – Russia

- **$4.8 billion** benefit footprint in Russia from 2010-2019, including:
  - 40% of benefit in Chukotka – averaging 15% to 20% of Chukotka's GDP over the past ten years
  - $2 billion spent with Russian suppliers
  - $800 million on payroll
  - $1.9 billion in payments to different levels of state budget
- Kupol Foundation **celebrated 10th anniversary** in 2019 – with 170 projects and ~$4 million in funding since 2010
  - Committed to maintain funding through 2023
- Continued support of **STEM education** initiatives providing opportunities for high school and college students in Magadan
- Kinross champions programs that **strengthen local indigenous languages and traditions**, as majority of community feels Kinross is supportive of culture





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