Local Benefit and Community Development

Generating Socio-Economic Value



Our Responsibility

Across Kinross, we have a responsibility to operate in a manner that brings social and economic benefits to the host countries and communities where we have a presence. We meet this obligation by providing decent employment, paying our taxes and other government contributions, using local suppliers of goods and services, and providing economic development opportunities for local communities. At Kinross we call these financial flows to host countries and communities, employees and suppliers, our "benefit footprint."

We believe that a responsibly managed mining operation will lead to positive community development outcomes, measured through improved well-being, defined as "the various evaluations, positive and negative, that people make of their lives, and the affective reaction of people to their experiences." (World Health Organization).

Our Commitment

Kinross is committed to generating shared value for our shareholders, our employees and host countries and communities. By maintaining our financial strength, and meeting the expectations and commitments set out in our <u>Safety and Sustainability Policy</u>, we can bring positive economic benefits to our stakeholders. In keeping with this Policy, and our duties as a responsible mining company, we are committed to openness and transparency in our reporting on our benefit footprint.



We are committed to a participative and collaborative process with local communities and other stakeholders within the framework of a long-term relationship, allowing us to understand and support the community's development priorities.

Our support of the **World Gold Council's Responsible Gold Mining Principles – Principles 1, 3 and 7,** reinforces our commitment to shared value outcomes through our benefit footprint including taxes paid, business and economic opportunities for local communities, local employment, and community investment.

1.5 Transparency 1.6 Taxes and transfer pricing 1.7 Accountabilities and reporting 3.1 Supply Chain Policy 3.2 Local procurement 7. Working with communities 7.1 Community consultation 7.2 Understanding communities

Our Approach

For Kinross, generating shared value consists of two complementary strategies. First, by maximizing the financial value generated through rigorous financial discipline and a high-performance operating culture. Second, through careful planning of our recruitment, procurement and community investment activities to ensure host countries and communities benefit from that value. This approach is grounded in our Social Performance Management System, which emphasizes the efforts of all functional areas in the company.

Our goal is to maximize the economic value of our business which, in turn, generates social and economic benefits in host countries through job creation, procurement and taxes. Through these direct benefits, the wealth generated from our mining activities helps to reduce poverty, sustain strong communities and contributes to improved well-being and prosperity where we operate.

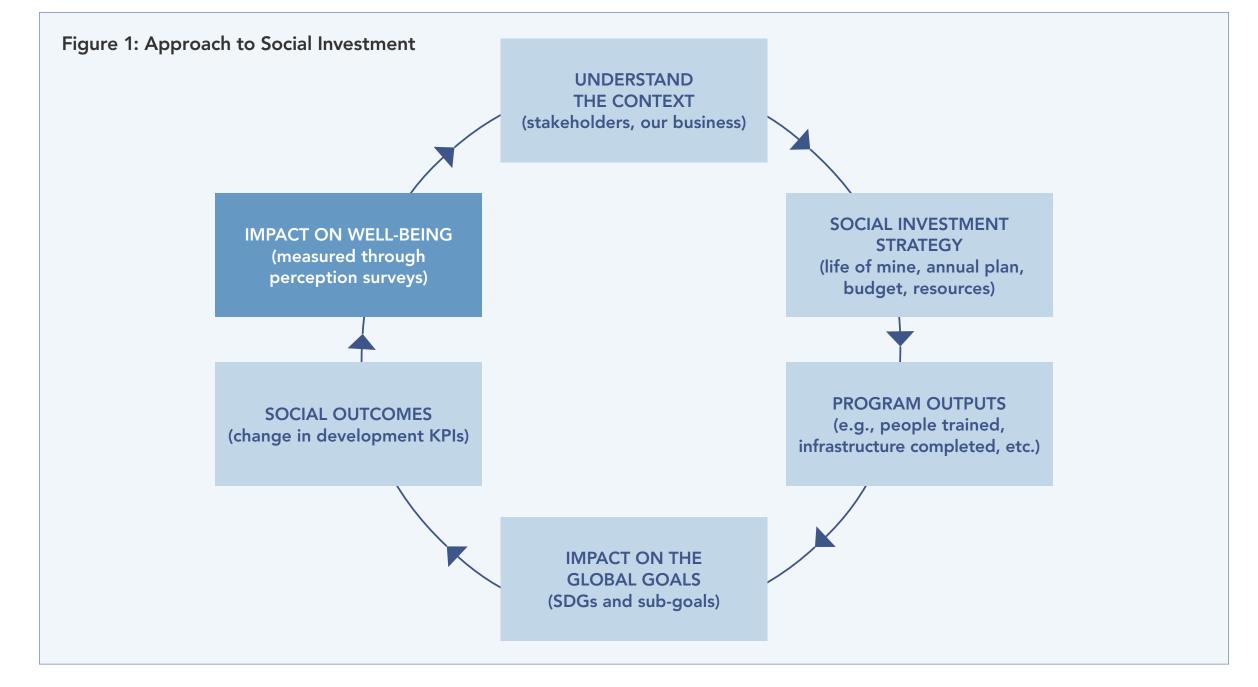
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Through the positive impacts of the Benefit Footprint, together with the results of community-led development programs, we seek to obtain measurable improvements in community well-being in areas such as education, health, social structures, small business development and infrastructure, as relevant for the context of each site. We take a life of mine strategic approach, developed through a multi-stakeholder participative process in which the community sets out its vision and priorities, ideally as part of local development plans (see Figure 1: Approach to Social Investment).

Measuring the positive social and economic benefits generated during and over the life of the mine depends on the following sources of data:

- Perception surveys and other stakeholder feedback, including individual testimonials
- Program evaluation of specific initiatives and their contribution to social outcomes
- Company information on wages, procurement, taxes, and community investment (Benefit footprint measured annually and cumulatively over life of mine).
- Publicly available socio-economic data for the local area pre-, during and post-mine life
- Periodic socio-economic studies in the areas of our operations



We use frameworks for measuring well-being, such as the <u>Devonshire Initiative's CommWell framework</u> and the <u>Social Progress Index</u> to help inform strategy and measure progress towards targeted outcomes and, where possible, link these outcomes to the United Nations' global goals (SDGs). We recognize that the economic output of a mine compared to that of the local community varies significantly across our operating locations. This affects what development outcomes may or may not be measurable. Our goal is that this collaborative approach to community development contributes to growing trust between the company and the community, demonstrating a productive relationship.

Accountability and Reporting

Our benefit footprint data provide a transparent country level report on payments to Governments. Additionally, we report on specific payments to governments in accordance with the Government of Canada's Extractive Sector Transparency Measures Act ("ESTMA"); the most recent report can be found here.

We provide data from our benefit footprint report to industry associations such as the World Gold Council and Mining Association of Canada, which produce their own reports on the contributions of their collective membership to host country economies. Benefit footprint and local development performance and initiatives are also reported annually in our Sustainability Report.

Matters pertaining to the benefit footprint and local development fall within our Social Performance Management System (SPMS) and as such are the functional responsibility of the Vice-President, Community Relations and ESG, reporting to the Senior Vice- President, External Relations who has management responsibility. Oversight and governance is the responsibility of the <u>Corporate Responsibility and Technical Committee</u> of the Board of Directors.



To learn more about our benefit footprint, see our most recent <u>Sustainability Report</u>.

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