

Kinross Gold 2017 Corporate Responsibility Report Summary

KINROSS 25 YEARS

About the CR Report

Our 2017 Corporate Responsibility Report marks the 10th anniversary of our formal CR reporting program

- **CR Report documents Kinross' health & safety, environment, community, and workforce performance for 2016 and 2017**
- Performance data are based on our nine mining operations. We also report on some initiatives from our exploration, reclamation, and development properties
- The full Report includes detailed information on:
  - Materiality discussion and performance indicators following the Global Reporting Initiative (GRI) framework
  - Communication On Progress report for the United Nations Global Compact
  - Coverage of how Kinross has linked business performance to the UN's Sustainable Development Goals
  - Details regarding our approach, policies, and programs





Our Approach

At the heart of our success is our people and our four Core Values. Our Values and Guiding Principles unite our global workforce.

Our approach to Corporate Responsibility can be distilled into four main areas:

- **Do no harm** – We work to protect our workforce, environment and host communities from negative impacts
- **Making a positive contribution** – We aim to provide meaningful livelihoods for employees, and opportunities for suppliers and improvements in our host communities
- **Acting ethically and transparently** – We operate with respect for human rights and we engage with our stakeholders
- **Continuous Improvement** – We strive to improve our approach to corporate responsibility practices



Performance Highlights

Safety is our #1 priority

- **Lowest Total Reportable Injury Frequency Rate (TRIFR) in Kinross history**
- **Excellent reclamation record with only 6 ha of disturbed land remaining at closure sites**
- **More than 100,000 stakeholder interactions**



97.7% WORKFORCE
FROM HOST COUNTRIES

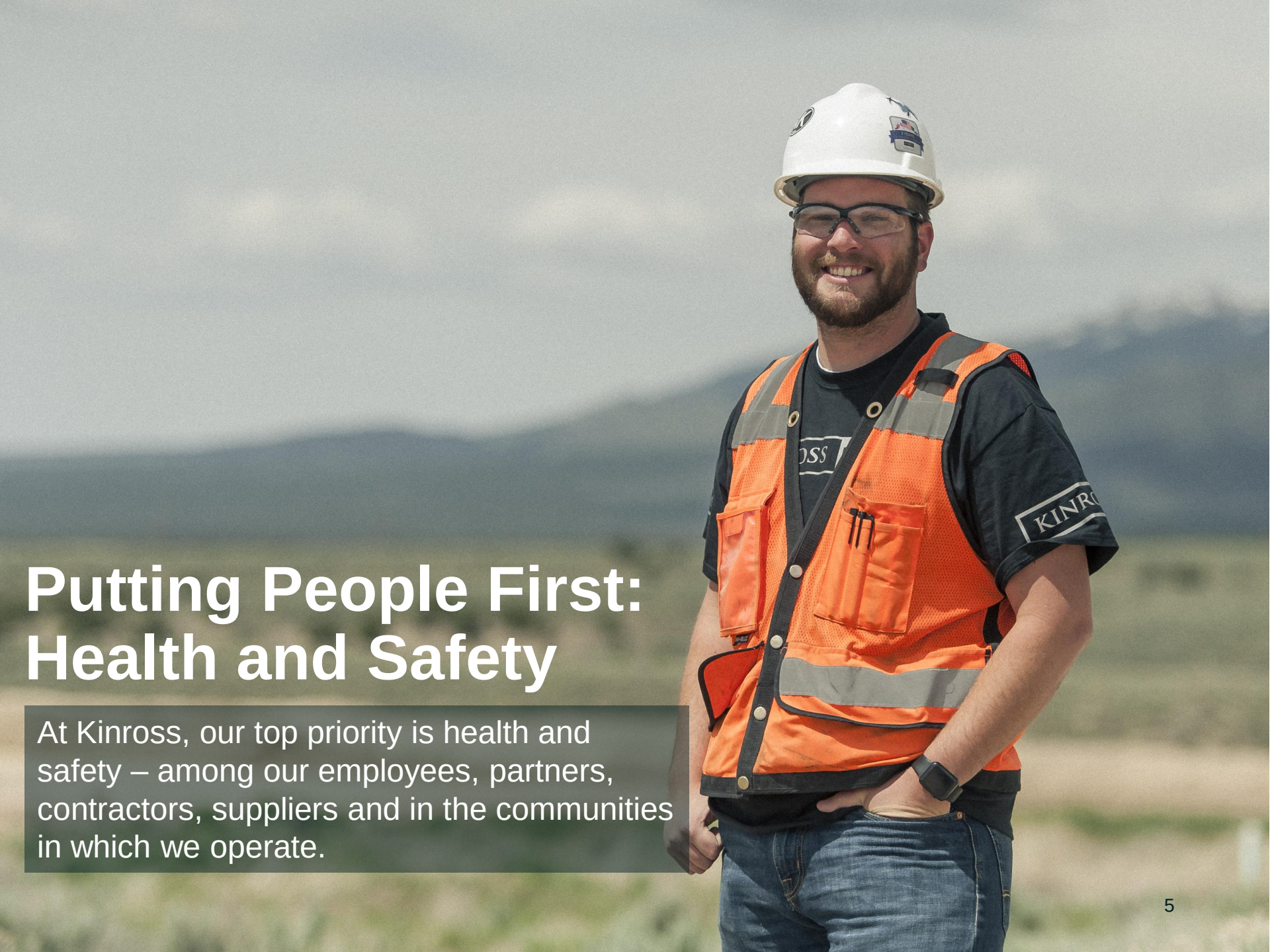
$2.8 BILLION
SPENT IN HOST COUNTRIES



82%
WATER RECYCLED
FROM OPERATIONS

850,000+
BENEFICIARIES THROUGH
COMMUNITY PROGRAMS

LOW CARBON FOOTPRINT
Among the lowest GHG emissions per tonne of ore processed among peers



Putting People First: Health and Safety

At Kinross, our top priority is health and safety – among our employees, partners, contractors, suppliers and in the communities in which we operate.

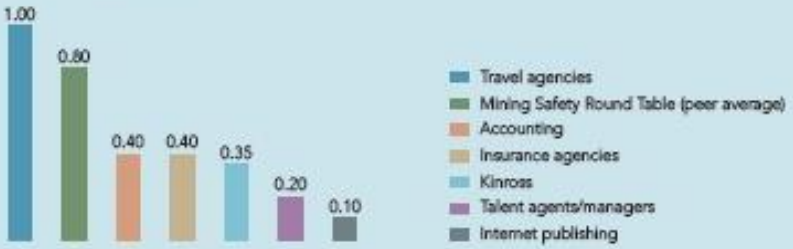
Putting People First – Health and Safety

Our track record of operational excellence goes hand-in-hand with best-in-class performance in health and safety

- Total Reportable Injury Frequency Rate (TRIFR) of 0.32 is among the lowest of our peers, on par with rates in low-risk non-industrial sectors
- We are leveraging this strong record to focus on preventing serious injuries and fatalities through programs such as Critical Controls
- The importance of these initiatives was reinforced in November 2017, when a fatality occurred at our Kupol mine in Russia. This was the first fatality at a Kinross mine since 2012.

Benchmarking Safety Performance

Benchmarking is an important part of understanding our safety performance. In addition to ongoing benchmarking of Kinross' safety performance relative to our mining industry peers, we also benchmark our Total Reportable Injury Frequency Rate (TRIFR) against other sectors of the broader economy. The results demonstrate that Kinross' Company-wide TRIFR is similar to businesses operating in low-risk non-industrial environments.



Sources: United States Department of Labor, Bureau of Labor Statistics (Incidence rates of non-fatal occupational injuries and illnesses by industry and case types); Kinross, 2016.

Putting People First – Health and Safety

Our commitment to health and safety has positive impacts on health and safety in host communities

- Post-Samarco* emergency response drills conducted by our Paracatu mine in collaboration with agencies and communities have been recognized as Best Practice
- Since 2008, the Chirano Malaria Control Program has led to an **88% reduction** in malaria incidence rates among employees and their dependents, and a **45% reduction** in the nine surrounding communities
- Since 2014, our Fort Knox Mine has distributed 7,150 helmets to promote bike safety – equivalent to 75% of youth population under 18 years old in Fairbanks

Kinross' safety performance is widely recognized:

- **Chirano** – Best Mine Team for Safety and First Aid – Ghana – 2016
- **Bald Mountain** – Safety and Health Technology Award, NIOSH – 2016; First Place, Nevada Large Metal Mines Safety Performance - 2018
- **Round Mountain** – Third place, Nevada Large Metal Mines – 2017, second place 2016
- **Tasiast** – Remote Healthcare award, International SOS Foundation - 2017
- **Maricunga** – CORESIM Atacama Safety Award – 2017
- **Fort Knox** – CORESafety Certification

*Refers to the dam failure disaster at the Samarco iron ore mine in Brazil in November 2015



Generating Socio-Economic Value

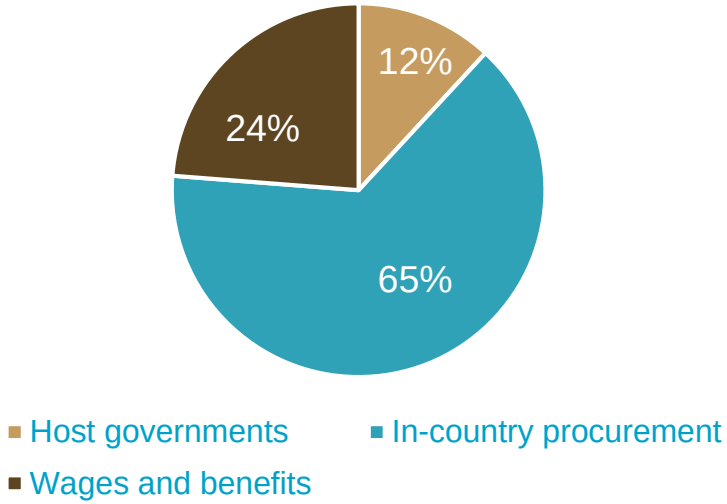
Kinross generates value for our investors and our host communities. Wealth generated from our mining activities helps reduce poverty, sustain strong communities and contributes to improving well-being where we operate.

Generating Socio-Economic Value

Our benefit footprint of $2.8 billion from operations in host countries contributes to Local, Regional, and National development

- Overall benefit footprint in host countries is composed of 65% procurement, 24% wages and benefits, and 12% payments to governments
- In-country procurement spending of $2 billion represents 79% of total procurement and more than **3,600 in-country suppliers**
- 23% of benefit footprint ($800 million) spent in local areas around mine sites

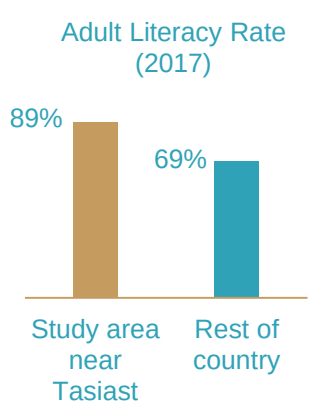
How the $2.8B is spent

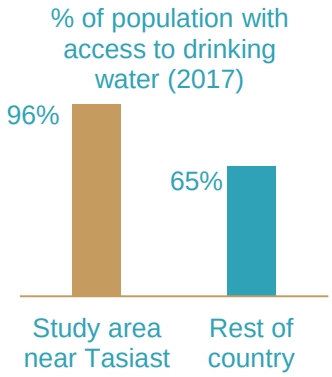


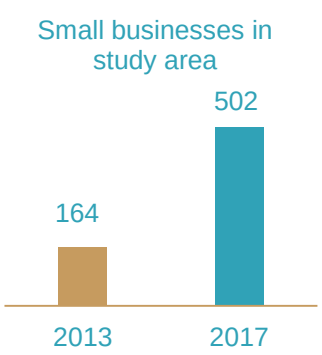
Generating Socio-Economic Value

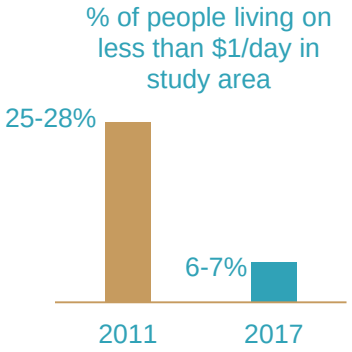
Studies at Tasiast show significant reductions in poverty levels and improved quality of life and well-being indicators in host communities

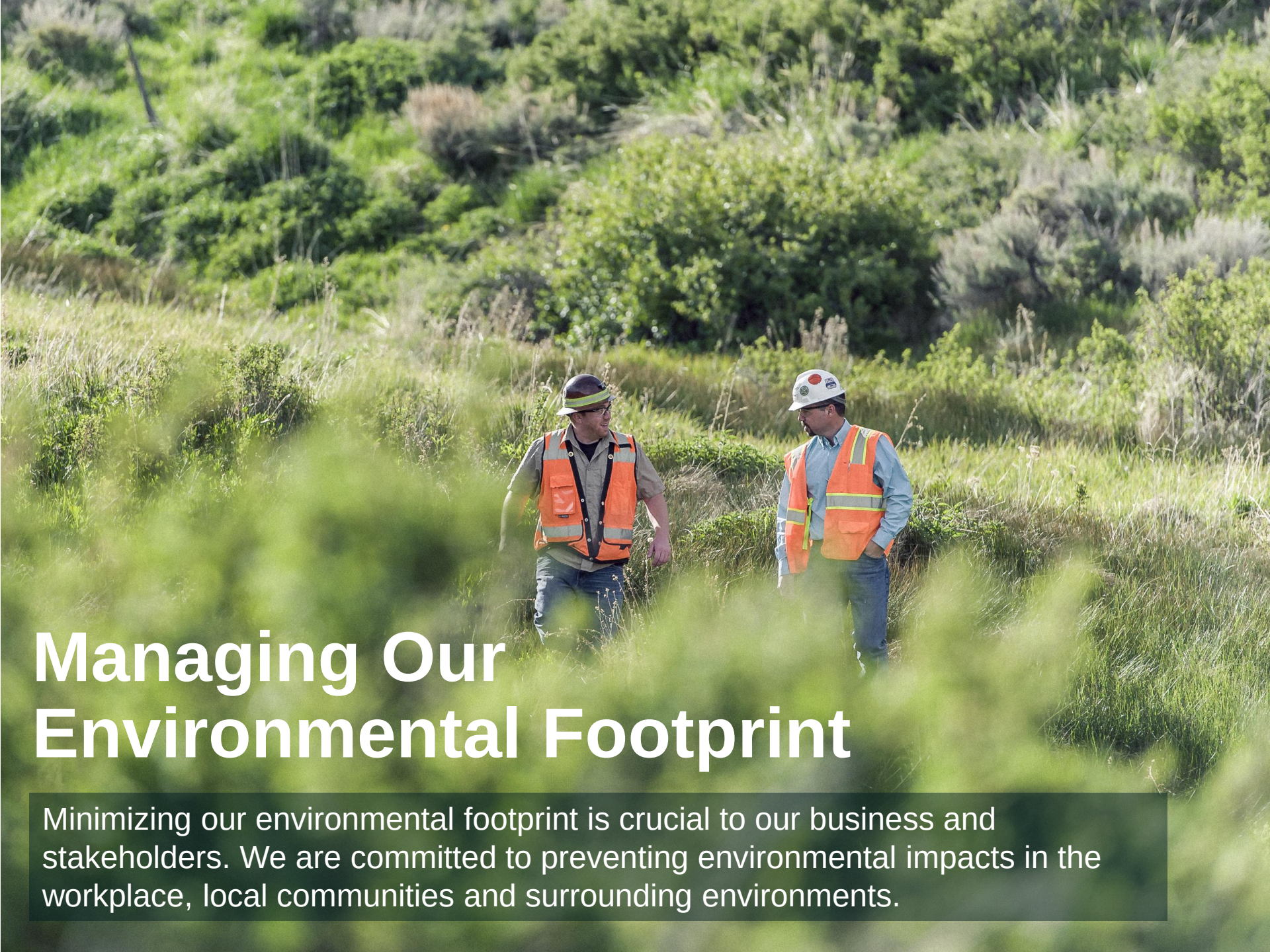
- Socio-economic surveys conducted in 2011, 2013 and 2017 show a dramatic decrease in the number of people living in poverty in the area around the mine
- Development indicators such as adult literacy, school enrolment, houses with toilets, electricity and improved water source are better than the average in Mauritania
- Access to basic needs and services (housing, refrigerator, TV, etc.) improved
- Large increase in small businesses (164 in 2013 to 502 in 2017)











Managing Our Environmental Footprint

Minimizing our environmental footprint is crucial to our business and stakeholders. We are committed to preventing environmental impacts in the workplace, local communities and surrounding environments.

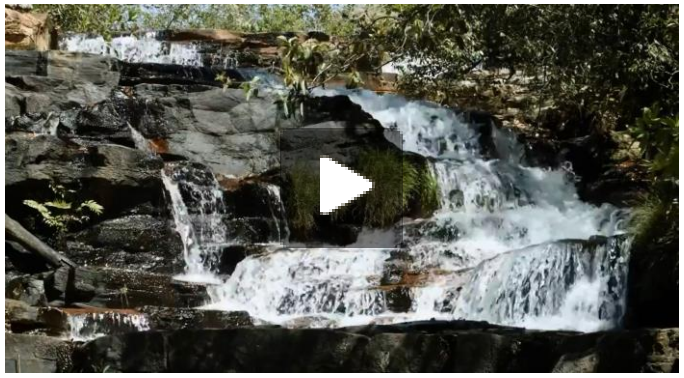
Managing Our Environmental Footprint

We are a responsible steward of land and water during all stages of the mine's life cycle

- Complied with hundreds of permits and thousands of obligations
- Safely managed large volumes of chemicals and fuel, with one reportable spill
- Zero geotechnical issues for tailings storage at 10 active and 13 closed sites
- Total usage of water, energy and greenhouse gas emissions decreased

Case Study - Brazil – Paracatu Water Resource Protection with Local Farmers

- Partnered with local NGOs to work with local farmers and communities on water conservation
- The results show cleaner water, and over 1,500 ha of land protected



Managing Our Environmental Footprint

We maintain a strong focus on key areas of stakeholder concern – tailings storage, water, greenhouse gases, and biodiversity

- Strengthened our Tailings Management Program
  - Independent geotechnical review panel and internal geotechnical expert
- Maintained high levels of **water recycling (82%)** and implemented programs to help protect local water resources
- Trained indigenous community environmental monitors at Kupol and La Coipa
- Maintained one of the lowest carbon footprint amongst peers
  - GHG savings since 2013 of 54,000 tCO2/year
- All sites have biological resource management plans
- Bald Mountain entered the Nevada Conservation Credit System to protect sage-grouse habitat

Kinross' environment performance is widely recognized:

- **Paracatu** – Hugo Werneck award for Environmental Conservation in the category of Best Example in Water, Air, Flora, and Fauna for springs protection project – Brazil – 2016
- **Paracatu** – best practice management of potentially reactive waste; INAP (International Network for Acid Prevention) – Brazil – 2017
- **Bald Mountain** – award from the Nevada Department of Wildlife for Excellence in mine reclamation and wildlife habitat restoration - 2017
- **Russia operations** – awarded first place in the WWF Russia rating for environmental management, public disclosure and transparency with communities; second place in the "impact on the environment' category - 2017

Managing Our Environmental Footprint

Returning land disturbed by mining to stable and productive post-mining land uses is fundamental to our business and our stakeholders

- Completed concurrent reclamation of more than 400 ha at Bald Mountain to ensure protection of an important mule deer migration corridor
- Divested properties after award-wining successful reclamation at Mineral Hill and DeLamar sites
- Advanced reclamation at Kettle River-Buckhorn

USA – Partnership at Mineral Hill

- In August, 2017, Kinross announced a unique partnership with Trout Unlimited and Rocky Mountain Elk Foundation
- Donation of water rights representing 3 billion gallons of water per year and a land conservation easement to protect wildlife habitat near Yellowstone National Park





Empowering Local Communities

Responsible mining means generating value in host countries and communities. We engage with stakeholders to work in partnership to enhance overall well-being that is sustainable beyond the life of mine.

Empowering Local Communities

Our relationships with local communities are grounded in regular, open engagement to build mutual understanding leading to trust and respect

- Recorded approximately **123,000** stakeholder interactions in 2016 and **112,000** in 2017 – with majority positive feedback
- All sites have active mechanisms in place for community consultation and have implemented the Site Responsibility Plan, the Kinross management system for Community Relations
- Resolved 7 grievances in 2017, with **zero cases** of human rights allegations or grievances



Empowering Local Communities

We support community development plans, leveraging the impact of local jobs and procurement

- **$6.3 million** spent on community programs and donations in 2017; **$3 million** in in-kind donations and **6,895 employee volunteer hours**
- Reached more than **850,000 beneficiaries** (1.4 times local area populations)
- Our community contributions target measurable social outcomes, such as:
  - Better test scores in schools we support in Brazil and Ghana
  - Improved adult literacy near Tasiast and indigenous communities near La Coipa
  - Community-led dialogue on community sustainability at Round Mountain and Buckhorn
  - Improved sense of community belonging through cultural programs in Chile and Brazil
  - Sustainable community businesses developed in Russia, Mauritania, and Brazil

2017 Distribution of Community Investments

($ millions)



Empowering Local Communities – Case Studies

Russia – Strengthening Indigenous Culture in Russia



- Supports a range of social development initiatives to help local indigenous peoples strengthen and preserve their culture
- Provides economic and educational opportunities and training to community members within the Chukotka region

West Africa – Improving the Lives of Women and Children in West Africa



- Helps women develop income generating abilities, supporting maternal and pediatric health, and providing access to valuable mentorship
- PAIL program in Mauritania helps women to establish economic opportunities through small business training and funding for micro-projects
- The Chirano Women's club is dedicated to empowering women through support, advice and mentorship



Engaging Our Workforce

Our People – their talent, skills, motivation and leadership qualities are critical to our future growth and success. We provide a rewarding, meaningful livelihood to our employees and promote a diverse, engaged workforce.

Engaging our Workforce

The jobs created through our activities create meaningful opportunities for personal development and are one of our most powerful contributions

- **98%** of employees are from host countries:
  - $732 million paid in in-country wages and benefits in 2017
- Board is made up of **33%** women
- Equal pay for equal responsibility – average annual salary ratios for females vs. males:
  - 1.16 (Americas)
  - 1.02 (Africa)
  - 1.15 (Russia)
- 24% of employees are included in the Talent Management Program
- Provided an average of **36 hours** of training per employee in 2017
- Voluntary turnover was **low at 6.5%**, indicating high employee engagement





Engaging our Workforce

All of our employees contribute to our strong track record in Corporate Responsibility, on the job and in the community

- Operations – safety & environmental excellence, local stakeholder engagement
- Human Resources – local recruitment and talent development
- Supply Chain – local procurement
- Legal – ethics and anti-corruption
- Security – adherence to Voluntary Principles on Security and Human Rights
- Finance – revenue transparency
- Volunteerism – work with local charities, schools, youth programs, emergency services, community events, planning boards, and contributions







Appendix: CR highlights at each of our mines

Bald Mountain, Nevada

- Plays a critical role in providing trained emergency responders, fire truck and other equipment, and fire fighters to local community
- Contributed to enhanced local Elko County 911 emergency call systems
- Connected with the local ranching community through supporting 4H livestock auctions
- Purchased food boxes in the holiday season to provide holiday meals to underprivileged members of the community
- Mitigated complaints and grievances regarding cattle being struck by automobiles
- Together with the Round Mountain mine, strengthened scholarship program for Western Shoshone students

2017 Socio-Economic Benefits in Nevada (Bald Mountain)[1]

- 547 employees
- $75.9 million wages and benefits paid
- $118.9 million spent on goods and services
- $4.0 million in payments to governments
- 194,600 beneficiaries of community programs



1 Figures represent local and regional spending only

Round Mountain, Nevada

- Round Mountain is the leading employer in Big Smoky Valley and contributes 30% of Nye County's tax base
- Recent town hall meetings have motivated dialogue on the future of the valley and local business initiatives
- Support for education at all levels, including:
  - Smoky Valley Child Care Center (opened in 1983 and is one of our longest running in-kind community projects)
  - Partnerships with JAG (Jobs for America's Graduates) at the local high school
  - Scholarships for high school graduates in vocational training and summer jobs
- Strong employee engagement in the local community through education, sports coaching, and emergency services





1 Figures represent local and regional spending only

Fort Knox, Alaska

- A respected leading employer and community partner in the Fairbanks North Star Borough
- Largest contributor in revenue to the Alaska Mental Health Trust which helps beneficiaries gain meaningful jobs, obtain housing, and develop small businesses
- Partnerships with local healthcare associations to train community members on CPR techniques
- Provides children in low-income communities with bike helmets to prevent the risk of injury
- Has contributed more than $3 million to University of Alaska Fairbanks to support graduate student research, local training and in-state summer internship programs

2017 Socio-Economic Benefits in Alaska[1]

- 625 employees
- $79.1 million wages and benefits paid
- $188.4 million spent on goods and services
- $16.0 million in payments to governments
- 62,100 beneficiaries of community programs



1 Figures represent local and regional spending only

Kettle River-Buckhorn, Washington State

- Reached the end of mine life in mid-2017 with a goal of achieving successful social closure
- Focused on community engagement and transparent, honest communication through consultations and active online social forums
- Generated a self-sustaining dialogue in the community about its own future
- Currently proceeding with land reclamation to return land back for public use
- During 8 years of mine life the mine contributed:
  - $190 million in cumulative payroll
  - Local procurement of almost $100 million with 200 vendors
  - More than $1.5 million in community programs
  - $5 million in environmental stewardship

Community Contributions in Washington State[1]

- 53 employees
- $17.6 million wages and benefits paid
- $12.8 million spent on goods and services
- $1.4 million in payments to governments
- 39,900 beneficiaries of community programs



1 Figures represent local and regional spending only

Paracatu, Brazil

- Comprehensive social investment strategy through the Integrar program (education, culture, environment), with a strong youth focus
- Opened ‘Casa Kinross’ a community house focused on showcasing the rich history of the Paracatu community
- Operates extensive programs to manage dust, noise and vibration complaints, including a 24-hour hotline
- Conducted biannual independent community perception studies since 2009, resulting in increased communications about our environmental stewardship and an expanded site tour program

2017 Socio-Economic Benefits in Brazil

- 1,632 employees
- $71.0 million wages and benefits paid
- $463.5 million spent on goods and services
- $11.9 million in payments to governments
- 96,600 beneficiaries of community programs



Chile

- Implemented programs with Colla indigenous communities related to La Coipa through the Voluntary Agreements partnership:
  - Training of community environmental monitors
  - Employability training, and adult literacy and high school programs
  - In 2017, three Colla adults graduated from the high school and one 87-year old man learned to read and write for the first time
- Supported an integrated culture and arts program in the office neighbourhood in Copiapó, including use of the Kinross auditorium for arts and culture events
- Continued support for the Regional Ministry for the Arts to deliver cultural programming in Copiapó





Chirano, Ghana

- Partnered with NGO Project C.U.R.E. to provide medical equipment and supplies in a remote, rural area of West Ghana with limited healthcare and education resources
- Partnered with Ghana Health Services to build clinics
- Implemented numerous healthcare and disease prevention initiatives including cervical cancer screenings, eye-test screenings, and midwife training
  - Since 2008, the Malaria Control Program has led to an 88% reduction in malaria rates among employees and a 45% reduction in the nine surrounding communities
- Infrastructure programs have led to significant improvements – **93%** of local residents now have access to clean water; road maintenance helps local businesses, farmers, and school transport
- Developed Social Closure Plan and started dialogue with local stakeholders





Tasiast, Mauritania

- Supported priority development initiatives in the nearby Chami town (e.g. ice factory, fish market, and town square)
- Provided ambulance and medical materials to the Chami Health Center to cope with increased demand
- A detailed assessment in 2016 of small businesses in Benichab found 40% of the women run businesses had become sustainable and the financial capital of 6 projects had increased
- Expanded coverage of mobile medical clinic service, including humanitarian relief in southern Mauritania after severe storms





Kupol and Dvoinoye, Russia

- The Kupol Foundation was established in 2009 and is a mainstay of our social investment strategy in Russia. The Foundation is focused on:
  - Indigenous projects providing educational and teaching aids
  - Publishing of books and dictionaries in indigenous languages
  - Support for business initiatives
- 26 indigenous community members have been trained in our Environmental Awareness and Monitoring program
- Partnerships with local universities to train students and provide experience in the mining industry
- Leading business supporter of the city of Magadan, especially in education, sports, and culture

2017 Socio-Economic Benefits in Russia

- 2,372 employees
- $88.9 million wages and benefits paid
- $208.2 million spent on goods and services
- $160.6 million in payments to governments
- 17,700 beneficiaries of community programs



KINROSS 25 YEARS