

KINROSS

2013

**KINROSS
COMMUNICATION
ON PROGRESS**



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Kinross has been a signatory to the United Nations Global Compact for four years. In keeping with that commitment, I am pleased to submit our fourth Communication on Progress.

We have a responsibility to conduct our operations in a manner that is safe for our employees, protective of the environment, and beneficial to the host countries and communities where our operations are located. Through responsible mining, we believe we can generate sustainable value in our host countries and host communities. Our Ten Guiding Principles for Corporate Responsibility articulate our commitment in all critical areas - in maintaining our licence to operate with host communities, in accessing and permitting new deposits with host governments, and in attracting investment from equity markets increasingly sensitive to risk factors associated with environmental and social performance.

Governance of corporate responsibility is incorporated in our organizational structure at the Board and Executive level, and each of our operations has designated functions for environmental management, workplace health and safety, and community engagement. We have established operations-level mechanisms for stakeholder engagement, including grievance mechanisms and formal consultation groups.

This year, for the first time, we have combined our GRI (G3) based 2013 Corporate Responsibility Report with the requirements to provide an annual UN Global Compact Communication on Progress (COP). This COP report outlines specific content in the body of our comprehensive [2013 Corporate Responsibility Report](#) that addresses our progress in implementing the Principles of the UNGC. An electronic version of our 2013 COP and a link to our 2013 Corporate Responsibility Report are also posted on the Global Compact Website.

In addition to the content listed below relating to specific aspects of our COP, our 2013 Corporate Responsibility Report outlines Kinross' overall vision and strategy [CEO Letter to Stakeholders](#) (p. 1-3) and summarizes key performance indicators for 2012-2013. [Performance Highlights](#) (p. 4-5). The report also benchmarks our performance in key performance indicators against that of our peers, showing that we rank at or near the top of our sector. [Benchmarking our Performance](#) (p. 21). We continue to be listed in the Dow Jones Sustainability World and North American Indices, as well as in the Ethibel Excellence Register and Corporate Knights' Best 50 Corporate Citizens in Canada. [Awards and Recognitions](#) (p. 124).

We will continue to explore opportunities to improve how we partner, monitor, mitigate and measure our commitments and impacts. I am proud of what we have accomplished and, on behalf of Kinross, I can say we are committed to being the best partner, community member and employer we can be.



J. Paul Rollinson
Chief Executive Officer
Kinross Gold Corporation

NOTE: Page references indicate the location of information in the 2013 Corporate Responsibility Report (PDF).

 **Download the complete 2013 CR Report at: <http://2013corporateresponsibilityreport.kinross.com/files/4214/0449/6990/Kinross2013CRReport.pdf>**

OUR STRATEGY, GOVERNANCE, AND ENGAGEMENT

- The Corporate Responsibility Committee of the Board of Directors oversees the development of the Company's policies relating to environment, health and safety, and social performance. [CR Governance and Organizational Structure \(p.29\)](#).
- Kinross implements a company-wide Corporate Responsibility Performance Metric to integrate our "first priorities" related to CR obligations into corporate functions and business units. In 2013, we expanded this metric to include community engagement and community investment performance. [Corporate Responsibility Performance Metric \(p. 20\)](#).
- We continued to implement our Supplier Standards of Conduct, which were rolled out in 2012. [Managing Our Supply Chain \(p. 28\)](#).
- We issued our first [Conflict-Free Gold Report](#), demonstrating we do not have operations in 'conflict affected or high-risk' areas in accordance with the World Gold Council's "Conflict-Free Gold Standard."
- For the first time, Kinross has sought independent limited assurance of selected performance indicators reported in our 2013 Corporate Responsibility Report. [Assurance \(p. 10\)](#).

HUMAN RIGHTS MANAGEMENT

- Our commitment to protect human rights is established in our Code of Business Conduct and Ethics, Ten Guiding Principles for Corporate Responsibility, and our Supplier Standards of Conduct, and is implemented through our CR management systems. [Human Rights, Assessing Our Policy Framework \(p. 26\)](#).
- Kinross supports the Voluntary Principles on Security and Human Rights and has implemented a Human Rights Adherence and Verification Program (HRA & VP) across the company. [Security and Human Rights \(p. 27\)](#).
- In 2012 and 2013, we updated our Code of Business Conduct and Ethics to increase our focus on human rights. [Human Rights \(p. 25\)](#).
- We reached an agreement with the Rio Jorquera Colla Community regarding use of and impacts to indigenous lands along the public access road to the Maricunga Mine in Chile. [Key Stakeholder Issues \(p. 68\)](#), [Working with Indigenous People, Chile \(p. 74\)](#).
- Although not required by law, we consulted with the Rio Jorquera Colla Community regarding road repairs and upgrades on a portion of the public road that crosses their lands, leading to the Maricunga Mine in Chile. [Prior Consultation with Indigenous Communities \(p. 76\)](#).

- We updated our agreement with indigenous peoples in Russia, based on open consultations and review of results from the first five years of the agreement originally signed in 2008. [Working with Indigenous People, Russia \(p. 75\)](#).
- Third parties completed community health risk assessments in Paracatu, Brazil, which confirms that there is no increase in employee or community health risk from arsenic due to Kinross mining activities. [Safeguarding Community Health in Paracatu \(p. 48\)](#).
- We have implemented programs to support community livelihoods, [Case Study: Creating Jobs and Empowering People in Mauritania \(p. 34\)](#), and encourage local hiring through workforce development and training. [Employee Training and Development \(p. 49\)](#), [Case Study: Developing a Skilled Workforce at Kupol in Russia's Far East \(p. 50\)](#), [Local Employment in Mauritania \(p. 53\)](#).
- We review our compensation levels to ensure that they are at least equal to or above the minimum living wage. [Compensation and Benefits \(p. 56\)](#).

LABOUR MANAGEMENT

- Our core value “Putting People First” means not only creating an operating environment where we never, under any circumstances, compromise on health and safety; it also means providing a rewarding and meaningful livelihood to the 9,100 men and women worldwide who make up our Company. We recognize the core ILO conventions and have implemented policies and programs to ensure these are observed at all operations. [Labour Rights](#) (p. 60).
- We updated our Code of Business Conduct and Ethics to strengthen anti-discrimination clauses. [Ethical Conduct](#) (p. 24), [Non-Discrimination](#) (p. 55).
- In addition to achieving one of the best safety records in the mining industry in 2013, we also have developed programs to strengthen fatality prevention. [Workforce Health and Safety](#) (p. 45).
- We launched a formal in-depth needs assessment to better understand the leadership landscape and identify leadership gaps across the Company, and have developed a leadership strategy that will first be launched on a pilot basis in the Toronto office in 2014. [Developing our Leaders](#) (p. 49).
- We negotiated the first collective agreement for our Tasiast operation in Mauritania. [Labour Rights](#) (p. 60).

- We implemented retrenchment programs (based on the [IFC Guidelines on Retrenchment](#)) related to suspension of operations at La Coipa (Chile), the cessation of our development project at Fruta del Norte and reductions in planned production levels at Tasiast (Mauritania). [Retrenchment](#) (p. 58-59).
- We maintained a subcontractor compliance bureau at Tasiast, to track, control, and audit contractor compliance with their obligations under the Kinross Code of Business Conduct and Ethics, our Supplier Standards of Conduct, and the applicable local legislation. [Working Conditions in Mauritania](#) (p. 61).
- We conducted our fourth global employee survey, which showed improvement in 9 of 11 categories, over previous surveys. [Engaging Our Employees](#) (p. 57).

ENVIRONMENTAL MANAGEMENT

- As responsible miners, we are committed to protect biodiversity, air and water quality, and to meet or exceed environmental regulatory requirements wherever we operate during all stages of a mine’s life cycle; and we have implemented management systems to ensure we meet this commitment. [Our Strategy for Environmental Stewardship](#) (p. 95).
- We enhanced our environmental compliance management systems, including an independent assessment of our obligations

at each site. [Our Strategy for Environmental Stewardship](#) (p. 95).

- We integrate environmental considerations early in the project design process according to the Kinross Way for Project Permitting. [Permitting the Kinross Way](#) (p. 98).
- We continued to advance our company-wide water strategy, achieving reduced consumption rates at all of our mines located in water-scarce areas. [Our Water Strategy](#) (p. 99-101).
- We introduced a company-wide Energy Efficiency Program, and implemented 67 new energy initiatives which have reduced energy intensity and greenhouse gas emissions at key sites. [Global Energy Efficiency Program](#) (p. 108) [Operational Energy Efficiency Achievements](#) (p. 109).
- We were named a Carbon Disclosure Project Climate Disclosure Leader in 2013. [GHG Emissions](#) (p. 112).
- At our La Coipa Mine in Chile, we reduced mercury emissions from 22 kg in 2011 to less than 1 kg through implementation of best practice emissions controls. [Air Emissions](#) (p. 105).
- Our Chirano Mine in Ghana attained certification under the International Cyanide Management Code, leaving Tasiast as the only remaining Kinross cyanide operation yet to be certified (expected in 2015). [Managing Cyanide](#) (p. 116).

ANTI-CORRUPTION

- Our Code of Business Conduct and Ethics establishes policies for Kinross directors, employees, and contractors, and applies to all Kinross operations and Kinross-operated joint ventures. [Ethical Conduct](#) (p. 24).
- We completed annual and quarterly acknowledgment and certification of compliance with the Whistleblower Policy; and Disclosure, Confidentiality and Insider Trader Policy, by the Senior Leadership Team and their direct reports, including the corporate legal team and regional General Counsels. [Performance Highlights](#) (p. 4-5).
- In 2013, Kinross established the position of Vice-President, Compliance to provide dedicated leadership and oversight of the Company's global compliance program. [Ethical Conduct](#) (p. 24).
- We issued a Foreign Officials Payment Protocol and conducted training at all sites and regions. [Performance Highlights](#) (p. 4-5).

- We maintained our commitment to the Extractive Industries Transparency Initiative and have reported additional information related to tax transparency. [Tax Transparency](#) (p. 38), including breakdowns of payments by country and by type. [Measuring Our Benefit Footprint](#) (p. 33).
- We disclose the total value of political donations made by the company. [Ethical Conduct](#) (p. 24).

SUPPORT FOR BROADER UN GOALS AND ISSUES

- We have reported on material issues tied directly to our Ten Guiding Principles for Corporate Responsibility. [Materiality](#) (p. 8-9), [Performance Highlights](#) (p. 4-5).
- In 2013, about 78% of total expenditure by our operations was spent in host countries; when compared with total revenue from gold sales, in-country spending by operations amounted to 88% of the total value we generated as a company. [Measuring Our Benefit Footprint](#) (p. 32-33).

- Socio-economic monitoring in communities near our operations in Mauritania, [Creating Jobs and Empowering People in Mauritania](#) (p. 34), and Ecuador, [Looking Back at Kinross in Ecuador](#) (p. 35), have identified tangible community benefits in poverty reduction, local governance capacity, education, and livelihoods.
- Our social investments and philanthropy leverage in-kind contributions and mobilize contributions by third parties, [Corporate Donations and Sponsorships](#) (p. 39); we characterize each contribution by category, [Kinross Community Focus](#) (p. 80), and where feasible, we track results in community-based quantitative indicators such as improvements in health care, education, and/or community well-being. [Community and Social Development](#) (p. 79-93).
- As in past years, we have reported on specific stakeholder issues at each of our operations, as a demonstration of our commitment to engagement and transparency. [Key Stakeholder Issues](#) (p. 66-71).