

# SUSTAINABILITY REPORT 2015

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Newcrest Mining Limited



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**2005**

**Gosowong Post  
Mining Open Pit  
Land Rehabilitation**

Refer to page 35  
for full case study



**2015**

# FY2015 SNAPSHOT

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**13,363**

total workforce

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**46%**

of site employees are employed locally

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**2**

fatalities

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**3.6**

TRIFR (total recordable injury frequency rate per million exposure hours)

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**AUD 174.2m**

in payments to governments (non-recoverable)

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**AUD 95.8m**

paid in community expenditure

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**83%**

of suppliers hired locally

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**63%**

of goods and supplies purchased locally

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**587**

hectares of land rehabilitated

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**0**

significant spills

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# A LETTER FROM NEWCREST'S CEO

Newcrest remains focused on the key priorities of safety and operating discipline, cash generation and profitable growth, underpinned by a culture of accountability and personal ownership.



At Newcrest, our vision is to be the Miner of Choice, leading the way in safe, responsible, efficient and profitable mining. We are striving to be the safest miner, the one that investors select to buy shares in, communities and governments prefer to partner with and that people choose to work for.

Tragically, however, two of our workforce were fatally injured during the period, and a further two fatalities have occurred since. In December 2014, a Hidden Valley Joint Venture employee was killed while working in the processing plant in an incident involving mobile equipment. In May 2015, a contractor was fatally injured while operating an elevated work platform underground at the Telfer Mine. Since the end of the reporting period, in July 2015, an employee of the Hidden Valley Joint Venture was killed while operating a vehicle on a mine roadway, and most recently, in September 2015, a technician was fatally injured while operating mobile plant underground at Cadia.

These fatalities have been a source of profound sadness to all of us at Newcrest, and we extend our sincere condolences to the families, friends and colleagues of the deceased. It is unacceptable for us that one of our colleagues can lose their life at work and not return home to family and friends. We will not consider ourselves successful until we have no fatalities or life-altering injuries at our operations. We have increased our commitment to ensure our people go about their work in a safe manner and to ensure safety performance is the primary measure in our improvement plans.

Our safety transformation, moving forward, will be centred around three key pillars: a strong safety culture; critical controls for every high-risk task; and robust process safety systems. NewSafe is the driving force behind our first pillar – building a strong safety culture. We launched our NewSafe program during the year aiming to entrench safe workplace mindsets and behaviours. While we are in the very early stages of embedding NewSafe across our business, we are confident it will enable us to build a strong and mature safety culture, ensuring safety is at the forefront of everything we do, every day. The second pillar of our safety transformation is about having robust and easy-to-use systems that enable our people to check that

we have the right critical controls in place before beginning any high-risk task. Next year, we will be methodically improving our critical control management, ensuring we know what the critical controls are for every major hazard, and that the critical controls are established, in place and working. The third pillar – process safety – is about having a systematic and comprehensive framework for managing the integrity and containment of high energy and toxic processes. Next year, we will be integrating Process Safety into the Newcrest Safety Management Framework. Together, these three pillars form the backbone of our plan. While they are not necessarily new, we have sharpened our focus on the things that matter most. By channeling our efforts consistently and methodically into these three areas, we believe we will go a long way towards realising our vision for safety.

From an operational and financial perspective, the year's results demonstrate significant positive change and progress, reflecting our focus on operational discipline, cash generation and profitable growth, underpinned by a culture of accountability and personal ownership. Continued efforts on these aspects have seen our gold and copper recoveries increase and our all-in sustaining costs decrease from last year.

'Edge', our comprehensive Company-wide transformation plan, has driven an improvement in our operational performance, reduced costs, optimised capital deployed and increased the free cash flow of the business. When we set out on this journey just over a year ago, many people probably didn't realise the extent of what was possible. Thanks to the efforts of our people right across the business, who have engaged their skills, ideas and passion, we have exceeded expectations, with Edge delivering approximately AUD 390 million in cash benefits over the course of the year through the successful implementation of numerous improvement initiatives. This helped deliver AUD 1.1 billion of free cash flow for the year, allowing us to reduce net debt by USD 819 million.

Favourable operating conditions, including a lower Australian dollar and lower fuel prices, are also currently working to our advantage. However, our aim is to ensure the Company is financially sustainable, regardless of market conditions and gold price. We intend to safely maximise free cash flow through cost control and reduction, safely increasing production of low-cost ounces and higher metal recoveries, and identifying and developing the most profitable projects and investments to grow our Company. We are also actively progressing our future growth options; our near-term organic growth comes from the continued ramp-up of Cadia East and the turnaround of Lihir. Furthermore, we expect to complete the feasibility study of Stage One and pre-feasibility of Stage Two of our world-class Wafi-Golpu ore body in Papua New Guinea over the coming year, and we will continue to pursue value creation through participating in early stage projects and global greenfield exploration.

Newcrest's economic growth is tied strongly to our contributions in the countries in which we operate alongside our relationships with our stakeholders. It is important that we balance the value the community receives with our operational value, delivering on our commitments to key stakeholders. To improve the economies of our host communities, we work with local contractors, wherever possible, and also engage with local suppliers. We continue to build and maintain enduring relationships with our employees, host communities, suppliers and customers, based on recognition and respect of human rights and trust.

Transparency and communication are key facets of these successful relationships. Public reporting, transparency, governance and a commitment to keep our stakeholders informed, all form part of our corporate commitment towards sustainability, and we aim to meet the highest of global industry standards in this regard. During the year, Newcrest's application to the Voluntary Principles on Security and Human Rights was accepted in August 2014 and ratified at the March 2015 plenary in London. Also, Newcrest continued its commitment to the Extractive Industries Transparency Initiative (EITI) and publicly released its 2014 Conflict-Free Gold Report on its website. We additionally revised our Anti-Bribery and Corruption Policy and Securities Dealing Policy, which were effectively communicated across the business.

We also seek to improve the health of our people in and around the communities where we operate, as well as seek to improve the economic conditions of these communities. During the year, the most internationally widespread Ebola epidemic continued. With our operations in Côte d'Ivoire located in close proximity to directly impacted countries, Newcrest closely monitored the epidemic, establishing preventative measures and joined in the global conversation and knowledge sharing. To date, there have been no Ebola cases in Côte d'Ivoire nor any cases affecting our people. Also, at Lihir in Papua New Guinea, we made substantial and exciting progress with Medicines for Malaria Venture (MMV) to eradicate malaria from the island.

Furthermore, we also continue our ongoing commitment to continual improvement in our environmental performance. In the reporting period, we reviewed our environmental standards, and this led to the enhancement of environmental management plans across our sites, particularly on rehabilitation. We actively participated in the Minerals Council of Australia Land Working Group to improve industry performance in land use planning and biodiversity management.

I personally wish to thank our employees, contractors, suppliers, host communities and governments for their effort and co-operation over an important year for Newcrest. Moving forward, we aim to achieve superior results, leading the way in safe, responsible, efficient and profitable mining to realise our vision as Miner of Choice.



**Sandeep Biswas**  
Managing Director and Chief Executive Officer

# ABOUT THIS REPORT

This is Newcrest Mining Limited's 14th Sustainability Report<sup>1</sup> and our first that is in accordance with the Global Reporting Initiative (GRI) G4 framework. Our report is intended to provide a vehicle by which we may communicate our environmental, social and governance performance. We report on our sustainability performance annually.

This year, Ernst and Young provided independent assurance over our report in line with GRI's G4 core-level reporting. A copy of their Assurance Statement is located on page 59. Our report covers all of Newcrest's operations globally, including joint venture projects, for the period 1 July 2014 through to 30 June 2015. There has been no significant change in the scope of this report compared to Newcrest's previous G3 reports. However, since this is our first G4 report, it is not possible to directly compare material aspect boundaries with those in previous reports.

## Australia

- Telfer Open Pit and Telfer Underground (Western Australia).
- Cadia, comprising Ridgeway and Cadia East Underground mines (New South Wales).

## Papua New Guinea

- Lihir (New Ireland Province).
- Hidden Valley (Morobe Province) (Hidden Valley Joint Venture, one of three unincorporated joint ventures between subsidiaries of Newcrest (50 percent) and Harmony Gold Mining Company Limited collectively described as the Morobe Mining Joint Ventures).

## Indonesia

- Gosowong, comprising Kencana Underground and Toguraci Underground (Halmahera Island, North Maluku) (PT Nusa Halmahera Minerals, an incorporated joint venture company between Newcrest (75 percent) and PT Aneka Tambang (25 percent)).

## Côte d'Ivoire

- Bonikro (owned 89.9 percent Newcrest), comprising the Bonikro Open Pit and the nearby Dougafla and Hiré deposits.

### 1. Forward Looking Statements

This report includes forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', 'outlook', and 'guidance', or other similar words and may include, without limitation, statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs.

Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements to differ materially from any future results, performance or achievements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs and demand for production inputs, the speculative nature of exploration and project development, including the risks of obtaining necessary licences and permits and diminishing quantities or grades of reserves, political and social risks, changes to the regulatory framework within which the Company operates or may in the future operate, environmental conditions, including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control.

Although the Company attempts and has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in forward looking statements, there may be other factors that could cause actual results, performance, achievements or events not to be as anticipated, estimated or intended, and many events are beyond the reasonable control of the Company. Accordingly, readers are cautioned not to place undue reliance on forward looking statements. Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

2. Subsequent to the reporting period, Newcrest Fiji Limited's recalculated interest increased to 70.67 percent.

In addition, this report covers Newcrest's major advanced exploration activities, including:

- Wafi-Golpu (Papua New Guinea) (Wafi-Golpu Joint Venture, one of three unincorporated joint ventures between subsidiaries of Newcrest (50 percent) and Harmony Gold Mining Company Limited collectively described as the Morobe Mining Joint Ventures).
- Namosi (Fiji) (Namosi Joint Venture, an unincorporated joint venture between Newcrest (69.94 percent<sup>2</sup>), Nittetsu Mining Co. Ltd and Mitsubishi Materials).

Currency figures are reported in Australian dollars unless otherwise stated.

## Assurance

It is Newcrest's intent to obtain independent assurance of the content of its sustainability reports, to enhance data accuracy and reader confidence. The independent assurance statement in this report discloses the scope and basis of the assurance provided. Newcrest seeks to ensure that no conflicts of interest exist when appointing any provider of assurance.

## Restatements

Restatements have been made to land disturbance and payments to governments (non-recoverable). These restated figures are footnoted on pages 30 and 49 respectively.

## Feedback on this Report

For any comments or enquiries about this report, or our sustainability reporting process, please email Newcrest at [sustainabilityfeedback@newcrest.com.au](mailto:sustainabilityfeedback@newcrest.com.au).

# ABOUT NEWCREST MINING

Newcrest is one of the world's largest gold mining companies, with operating assets in four countries, predominantly in Australia and the South-West Pacific region. The Company's key priorities are safety, operating discipline, cash generation and profitable growth.

Newcrest has strong technical capabilities in exploration, deep underground block caving, shallow targeted underground mines, large open pits and a variety of metallurgical processing skills. The Company is committed to maintaining a safe environment for our people, operating and developing mines in line with good environmental practices and building lasting relationships with the communities in which we operate.

Headquartered in Melbourne, Australia, Newcrest is among the top 50 companies listed on the Australian Securities Exchange and is also listed on the Port Moresby Stock Exchange.

As at 30 June 2015, Newcrest had a market capitalisation of AUD 9.980 billion and had a workforce of over 13,000 people across Australia, the Asia-Pacific region and Africa.

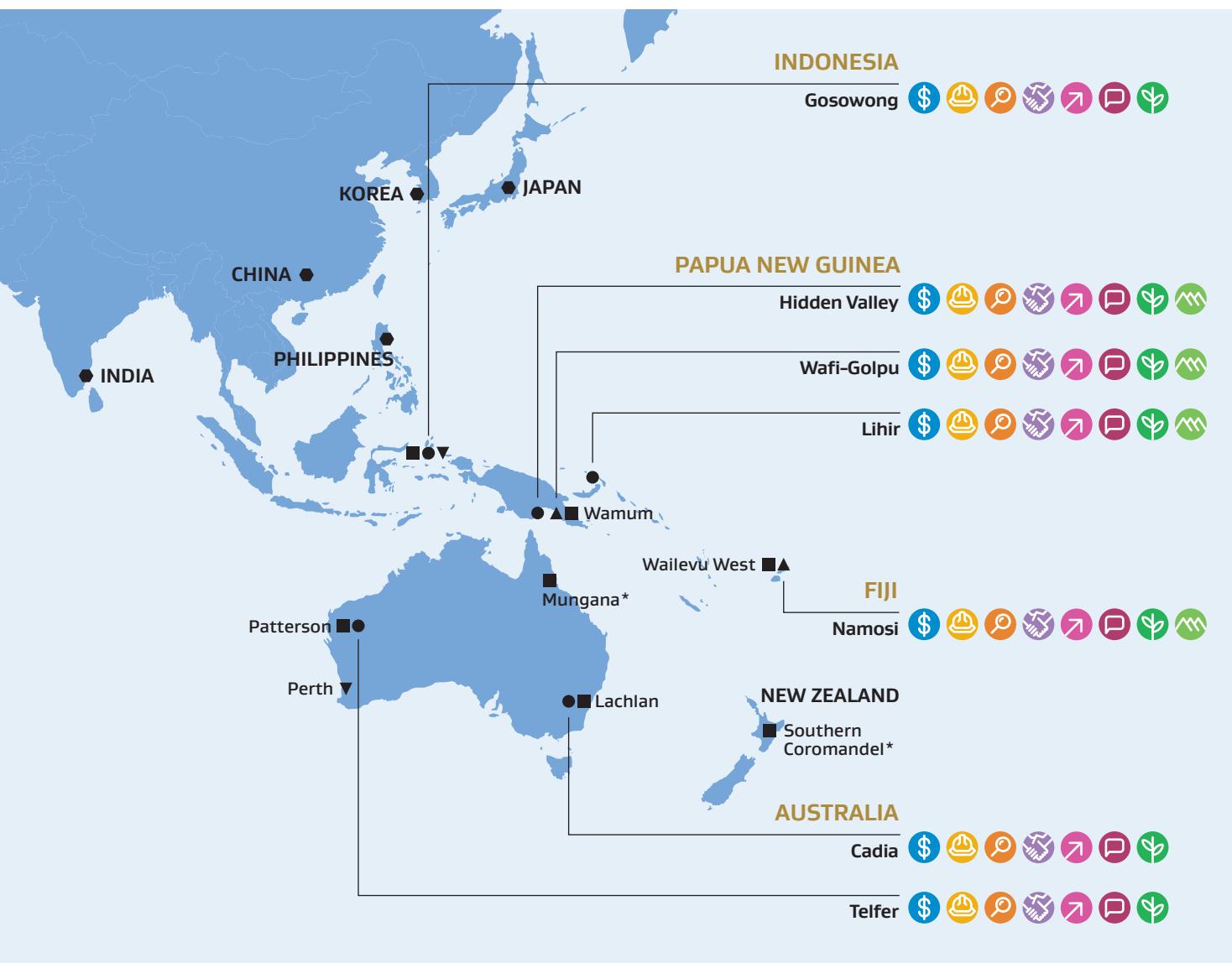


FIGURE 1: NEWCREST'S MATERIAL ISSUES ACROSS ITS OPERATIONS AND PROJECTS, AND IDENTIFICATION OF STAKEHOLDER GROUPS IMPACTED ACROSS NEWCREST'S VALUE CHAIN



#### Material issues

- |  |                                                                    |  |                                                        |
|--|--------------------------------------------------------------------|--|--------------------------------------------------------|
|  | Productivity, performance, profitability and fiscal sustainability |  | Growth                                                 |
|  | Ensuring employee and contractor safety                            |  | Managing investor relations, expectations and concerns |
|  | Conducting business transparently and ethically                    |  | Land management                                        |
|  | Local community development and investment                         |  | Land acquisition and resettlement                      |



Symbol	Value chain stage	Location	Stakeholder groups impacted
■	Exploration	Australia, Papua New Guinea, Indonesia, New Zealand, Côte d'Ivoire, Fiji	Employees and contractors, local communities, government and regulators, industry
▲	Project	Wafi-Golpu, Papua New Guinea; Namosi, Fiji	Shareholders, employees and contractors, local communities, suppliers, government and regulators, NGOs, education and research, media, civil society
●	Operation (mining, milling and concentrating)	Lihir and Hidden Valley, Papua New Guinea; Cadia and Telfer, Australia; Gosowong, Indonesia; Bonikro and Hiré, Côte d'Ivoire	Shareholders, employees and contractors, local communities, suppliers, government and regulators, NGOs, civil society, customers
◆	Smelting (copper concentrate)	Japan, Philippines, Korea, China, India	Shareholders, suppliers, government and regulators, NGOs, civil society, customers
▼	Refining (gold doré)	Australia, Indonesia, Switzerland	Shareholders, suppliers, government and regulators, NGOs, civil society, customers

\* Newcrest is earning into the exploration project. See page 45 for further information.

## MEASURING OUR PERFORMANCE



Seedlings at Hidden Valley's nursery.

Newcrest is a member of the Minerals Council of Australia (MCA) and in May 2005 became a signatory to 'Enduring Value – the Australian Mining Industry Framework for Sustainable Development'.

Enduring Value adopts the International Council on Mining and Metals (ICMM) Framework for Sustainable Development and provides implementation guidance in an Australian and international context.

Newcrest's commitment to Enduring Value brings with it the following obligations:

- progressive implementation of the ICMM principles and elements;
- public reporting of site-level performance at least once a year, with reporting metrics self-selected from the Global Reporting Initiative (GRI), the GRI Mining and Metals Sector Supplement or self-developed; and
- assessment of the systems used to manage key operational risks.

Newcrest continues to align its sustainability approach to the ICMM principles. The ICMM principles are also subject to periodic review and updating.



**In May 2005, Newcrest became a signatory to 'Enduring Value – the Australian Mining Industry Framework for Sustainable Development'**

The following table provides an update of Newcrest's sustainable development approach.

TABLE 1: NEWCREST'S ALIGNMENT TO THE ICMM PRINCIPLES FOR FY2015

ICMM Principle	Current Newcrest Alignment
1. Implement and maintain ethical business practices and sound systems of corporate governance.	Ethical business practice is a key part of Newcrest's policies and practices. During the reporting period, we further enhanced the Anti-Bribery and Corruption Policy in December 2014, and subsequent to the reporting period, we further enhanced the Code of Conduct in July 2015. The Code of Conduct is binding for all Newcrest employees, and training is now implemented as a normal part of the site training programs. Details of Newcrest's corporate governance statement and structure are provided in our 2015 Corporate Governance Statement, which is available on our website.
2. Integrate sustainable development considerations within the corporate decision-making process.	Sustainable development considerations are integrated as part of the Company's decision-making processes for project studies and investment decisions. While the Newcrest Board has ultimate accountability for our sustainability agenda, sustainable development matters are considered by a sub-set of the Newcrest Board, our Safety and Sustainability Committee. Our investment and project management decision-making processes all including detailed consideration of sustainable development aspects.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.	Our commitment to this principle is reflected in our policies for Human Rights and Security, and the amendment of our existing Communities Policy. These policies have been endorsed by the Newcrest Board. As these policies are implemented, other existing policies will also be regularly reviewed to ensure that there is consistency across our policies and clear understanding of our commitment and compliance requirements. During FY2015, Newcrest became a corporate participant in the Voluntary Principles on Security and Human Rights.
4. Implement risk management strategies based on valid data and sound science.	Our Risk Management Framework is used to identify and evaluate risk events and establish controls and mitigation strategies. Risks considered in the process include strategic, corporate and commercial, major hazards (including operational, health and safety, and environmental) and project management risks (see our 2015 Annual Report). Risk management strategies are developed based on assessments of control effectiveness, availability of data and consultation with internal and industry stakeholders.
5. Seek continual improvement of our health and safety performance.	Our Health and Safety Policy includes a commitment to continual improvement. This year, we continued to work on improving our group-wide management system and standards, and continued improvements to our processes for investigating the root causes of incidents and ensuring corrective actions are taken and sustained. Our health and safety strategy was reviewed and updated, and the implementation of key improvement activities commenced.
6. Seek continual improvement of our environmental performance.	Our commitment to continual improvement is embedded in our Environmental Policy. In the reporting period, we continued to review our environmental standards and updated our environment strategy, which was endorsed by the Executive Committee. We also continued to develop the Integrated Planning and Permitting program, to improve our monitoring of new and existing internal and external commitments and legal requirements.
7. Contribute to conservation of biodiversity and integrated approaches to land use planning.	Our Environmental Policy includes a commitment to the conservation of biodiversity and integrated approaches to land use planning. We are in the process of implementing mitigation and management measures to protect flora and fauna of high biodiversity value at each of our operations and advanced exploration projects.
8. Facilitate and encourage responsible product design, use, re-use, recycling and disposal of our products.	As our products are not directly sold on the retail market, our approach is primarily around managing potential impacts on the environment throughout the life cycle of our mining operations.
9. Contribute to the social, economic and institutional development of the communities in which we operate.	We make significant contributions for the social and economic development in the areas we operate. Our approach to managing our social responsibilities is expressed in our corporate framework, specifically our Community Policy and Community Standards. Increasingly, our focus is on working with communities to prepare them for the post mining scenario by facilitating the establishment of non-mine dependent economic activities.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.	Our engagement with stakeholders is driven at the highest level by two of Newcrest's core company values: Working Together and Caring About People. As we have grown from a largely Australian-based business to an international, culturally diverse and highly visible company, we have expanded the range and depth of stakeholders we need to communicate with. Depending on the circumstances, our relationships are managed by individual Newcrest personnel, teams or departments, with methods of engagement differing from formal to informal processes as appropriate.

## MEASURING OUR PERFORMANCE CONTINUED

Our ongoing commitment to Enduring Value and our efforts to implement ICMM's principles and elements across our business continues to drive Company targets for our sustainability performance each year. An update on these targets is tabled below.

TABLE 2: NEWCREST'S FY2015 SUSTAINABILITY PERFORMANCE TARGETS AND PROGRESS AS AT 30 JUNE 2015

Area	Target	Progress	Comment
Environment	Newcrest environmental standards revised and supporting guidelines developed.		A gap analysis of the updated Standards continued to identify focus areas.
	Cyanide Code certification program implementation to continue.		As a signatory to the Cyanide Code, Newcrest remains committed to progressive certification of our sites. Hidden Valley retained its certification during the year, while Telfer underwent a pre-audit gap assessment for certification. Gosowong conducted its recertification assessment during the year, but did not meet all requirements. Gosowong continues to address improvement actions for recertification.
	Total Recordable Environmental Incident Frequency Rate (TREIFR) per million exposure hours <0.91.		The TREIFR increased from 0.5 in FY2014 to 0.6 in FY2015. Newcrest continues to focus its efforts on recording and reporting environmental incidents to learn from events and improve its environmental performance.
Safety and Health	Total Recordable Injury Frequency Rate (TRIFR) per million exposure hours <3.0.		The TRIFR increased from 3.1 in FY2014 to 3.6 in FY2015. Newcrest updated its health and safety strategy during FY2015, and commenced implementation of key activities aimed at sustained improvements.
	On-time completion of risk reduction actions >95 percent.		Completion of actions related to Major Hazards Risk and Assurance activities, and arising from Significant Potential Incidents, was 92.7 percent.
	Malaria management program developed and implemented to schedule.		Through the partnership with Medicines for Malaria Venture, the Lihir Malaria Elimination Program was established and Stage 1 trial commenced during the year. A reduction in malaria cases continued at Bonikro and Gosowong, but malaria cases increased at Lihir.
Social and Community	Major Community Benefits Agreements progressed.		There are two community agreement review/negotiation processes currently underway. The first is the Lihir Integrated Benefits Package (IBP) review with the people of Lihir and the second is the development of a comprehensive Indigenous Land Use Agreement (ILUA) with the Martu peoples of the western desert in Western Australia. Subsequent to the reporting period, the ILUA was unanimously approved by the Martu people at their Annual General Meeting in November 2015. In July 2014, the Lihir IBP review was suspended in connection with a change in leadership of the landowner association. Formal negotiations are expected to recommence following reconciliation activities between government bodies and the landowner groups.
Employees and Diversity	Increase the representation of women in management Levels 2–4 to a minimum of 16 percent by 31 December 2016.		As at 30 June 2015, women in management accounted for 13.7 percent (63 women) of Newcrest's Australian workforce. The percentage of women has increased by 1.0 percent when compared with 30 June 2014. Newcrest will continue to identify innovative ways to attract, develop and progress women within the business and accelerate its performance under this measure.
	Increase the proportion of women accessing programs aimed at accelerating development, by a minimum of 20 percent by 31 December 2016.		Accelerated development programs are put in place for high-potential employees to realise the employee's potential with structured support in a compressed timeframe. As at 31 December 2014, when Newcrest conducted its most recent review of high-potentials, approximately 17.9 percent of women were represented within the accelerated development pool. Over the coming 12 months, Newcrest will conduct a comprehensive review of its approach to development, with the intent of strengthening the accelerated development offering for team members who possess potential.
	Increase the representation of women selected for the graduate program to a minimum of 40 percent by 31 December 2016.		Newcrest has eight graduates employed on the Newcrest Graduate program. Female participation on the Newcrest Graduate Program stands at 62.5 percent. Newcrest continues to invest heavily in its Vacation and Scholarship programs. In FY2015, female vacation students accounted for 33 percent of the total population.

Reached

In progress

Not reached

# DRIVING OUR FOCUS THROUGH STAKEHOLDER ENGAGEMENT



## NEWCREST'S STAKEHOLDERS



Local community members, Cadia.

Newcrest is a multi-site, culturally diverse and highly visible company, with a broad range and depth of stakeholders that we need to communicate with and respond to, if we are to be successful. Our engagement with stakeholders focuses on constructive dialogue, seeking feedback, and understanding and respecting other points of view. While we look to better engage with our stakeholders, we also respect their wish to engage us on their terms. Our key relationships are managed by specific Newcrest personnel, teams or departments, with varying methods and frequencies of engagement, depending on the nature and formality of the relationship with the stakeholder concerned.

Newcrest engages with a broad number of stakeholder groups and works with a number of peak industry bodies in the jurisdictions where we operate.

As at 30 June 2015, Newcrest is affiliated with or a member of the following organisations:

- Australia Fiji Business Council;
- Australia Papua New Guinea Business Council;
- Australian Investor Relations Association;
- Australian Mines and Metals Association;
- Australian Safety and Compensation Council;
- Bulolo Chamber of Commerce;
- Business Council of Australia (BCA);
- Chamber of Commerce and Industry of Côte d'Ivoire;
- Chamber of Commerce of France in Côte d'Ivoire;
- Chamber of Minerals and Energy of Western Australia;
- Corporate Tax Association of Australia;
- Employers' Federation of Papua New Guinea;
- Extractive Industries Transparency Initiative (EITI);
- Fiji Australia Business Council;

- Fiji Commerce and Employers Federation (FCEF);
- International Copper Association, Australia;
- International Cyanide Management Code;
- International Network for Acid Prevention (INAP);
- International Tungsten Industry Association;
- Lae Chamber of Commerce;
- Major Employers Association – Confédération Générale des Entreprises de Côte d'Ivoire (CGECI);
- Minerals Council of Australia (MCA);
- Mining Association – Groupement Professionnels des Miniers de Côte d'Ivoire (GPMCI);
- Mining and Quarrying Council;
- New South Wales Minerals Council;
- Papua New Guinea Chamber of Mines and Petroleum;
- Sustainable Minerals Institute (SMI) – University of Queensland;
- Suva Chamber of Commerce and Industry;
- Voluntary Principles on Security and Human Rights; and
- Western Australian Chamber of Mines.

To assist in developing the content of this report, we sought a broader range of inputs than in previous years, both indirectly from internal relationship managers for specific stakeholders across Newcrest's sites, and also directly from certain stakeholders, such as NGOs. These stakeholders were selected for engagement by Newcrest on the basis of their degree of influence on Newcrest and its other stakeholders, and their level of interest in Newcrest's operations. We also undertook an evaluation of the quality of our engagement with key stakeholder groups to identify opportunities to improve our relationships with those groups.

## ENGAGING OUR STAKEHOLDERS

Formal and informal processes are used by Newcrest to develop and maintain relationships, to keep stakeholders informed of business outcomes and future plans, and to explore stakeholder issues and concerns. Any serious stakeholder concerns or key opportunities are brought to the attention of our Executive Committee and/or management team. Our stakeholder engagement processes are summarised in the following table.

TABLE 3: OUR KEY STAKEHOLDERS

Stakeholder Group	Types of Stakeholders	Engagement Approach	Areas of Interest
<b>Shareholders</b>	Shareholders, analysts	<ul style="list-style-type: none"> <li>- Annual reports, quarterly production reports, half-yearly financial reporting</li> <li>- Website and email, investor briefings, one-on-one discussions</li> <li>- Investor days</li> <li>- Conference calls</li> <li>- Market announcements</li> <li>- Annual General Meeting (also webcast)</li> </ul>	<ul style="list-style-type: none"> <li>- Safety, in particular fatalities</li> <li>- Asset performance</li> <li>- Executive remuneration</li> <li>- Equity raising and debt</li> <li>- Community relations</li> </ul>
<b>Employees and Contractors</b>	Executive Committee, site management teams, employees, contractors	<ul style="list-style-type: none"> <li>- Employee briefings</li> <li>- Intranet, email, newsletters, social events, notice boards, departmental site and toolbox meetings, internal audits and inspections, performance reviews</li> <li>- Site General Manager town hall meetings</li> <li>- Speak-out service</li> <li>- Site-localised media stories</li> <li>- Direct engagement between people leaders and their teams</li> </ul>	<ul style="list-style-type: none"> <li>- Job security</li> <li>- Instilling operational discipline</li> <li>- Safety and environmental performance</li> <li>- Industry downturn</li> </ul>
<b>Local Communities</b>	Local residents, Indigenous communities, landowners	<ul style="list-style-type: none"> <li>- Community relations team visits</li> <li>- Resident/community meetings</li> <li>- Site visits</li> <li>- Regular communication with leaders and community generally, providing feedback forums</li> <li>- Complaints and grievance mechanisms</li> <li>- Sponsorships and partnerships</li> <li>- Collaborative agreements</li> <li>- Engagement of external, independent experts</li> <li>- Media engagement on localised initiatives</li> <li>- Community newsletters</li> <li>- Websites</li> </ul>	<ul style="list-style-type: none"> <li>- Impact on and relations with communities</li> <li>- Land use agreements</li> <li>- Environmental impacts</li> </ul>
<b>Suppliers</b>	Local suppliers, non-local suppliers	<ul style="list-style-type: none"> <li>- Collaborative guidelines</li> <li>- Out to market approaches</li> <li>- Open and collaborative face-to-face engagement and discussions</li> <li>- Regular performance meetings</li> <li>- Contractual agreements</li> </ul>	<ul style="list-style-type: none"> <li>- Impacts from cost savings and instilling operational efficiency</li> </ul>
<b>Government and Regulators</b>	Australian federal, state and local government, Papua New Guinea national, provincial, local government, Côte d'Ivoire government, Indonesian government, Fijian government, Department of Foreign Affairs and Trade, WorkSafe, other government departments as appropriate in each jurisdiction	<ul style="list-style-type: none"> <li>- Open and collaborative face-to-face engagement</li> <li>- Quarterly updates in Asia and Pacific regions</li> <li>- Annual reports, website and email, compliance audits and inspections</li> <li>- Regulatory submissions</li> <li>- Direct engagement on matters of local importance</li> <li>- Industry body involvement</li> <li>- Media engagement on localised initiatives</li> </ul>	<ul style="list-style-type: none"> <li>- Royalty fees and Indigenous agreements</li> <li>- Safety, in particular fatalities</li> <li>- Employment</li> <li>- Proposed changes in legislation and regulations</li> </ul>
<b>Industry</b>	Mining and metals industry, non-mining and metals industry, business and professional associations, local country and regional business associations	<ul style="list-style-type: none"> <li>- Meetings, reports and discussions around the specific considerations of mining and considerations for policy</li> <li>- Reports, face-to-face discussions, presentations, collaborative agreements</li> </ul>	<ul style="list-style-type: none"> <li>- Industry downturn</li> <li>- Environmental impacts</li> <li>- Safety performance</li> <li>- Mental health</li> </ul>
<b>Non-government organisations (NGOs)</b>	Environmental, community, mining	<ul style="list-style-type: none"> <li>- Meetings, reports, face-to-face discussions</li> <li>- Site visits</li> <li>- Exploring collaborative opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Impacts to people, communities and the environment</li> <li>- Bribery, corruption and disclosure of payments</li> </ul>
<b>Education and Research</b>	Research institutions, tertiary and vocational institutes	<ul style="list-style-type: none"> <li>- Involvement on advisory boards</li> <li>- Conference attendance</li> <li>- Meetings, reports, face-to-face discussions</li> </ul>	<ul style="list-style-type: none"> <li>- Promoting training in resources area</li> </ul>
<b>Media</b>	National business media, localised media (site and country)	<ul style="list-style-type: none"> <li>- Conference calls</li> <li>- Day-to-day queries</li> <li>- Site visits</li> <li>- News stories/press releases</li> <li>- Newcrest website</li> </ul>	<ul style="list-style-type: none"> <li>- Lihir viability</li> <li>- Financial results and production levels</li> <li>- Executive leadership</li> </ul>
<b>Civil Society</b>	General public	<ul style="list-style-type: none"> <li>- Newcrest website</li> <li>- Reports</li> <li>- Feedback tools</li> </ul>	<ul style="list-style-type: none"> <li>- Impacts to people, communities and the environment</li> <li>- Safety and environmental performance</li> <li>- Industry downturn</li> </ul>
<b>Customers</b>	Smelters, refineries	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Reports</li> <li>- Face-to-face discussions</li> <li>- Site visits</li> </ul>	<ul style="list-style-type: none"> <li>- Terms and conditions of contracts</li> <li>- Maintaining of relationships</li> </ul>

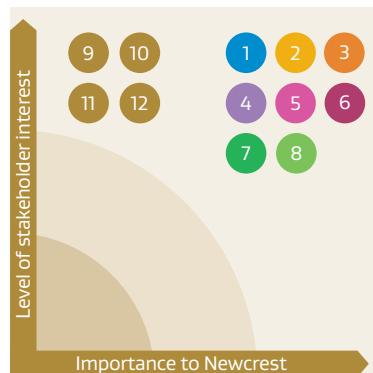
## FOCUSING OUR REPORT ON WHAT MATTERS

Newcrest's approach to identifying its material sustainability aspects is based on the AccountAbility AA1000 Assurance Standard (2008)<sup>3</sup> principle of materiality that requires that 'the reporting organisation has included in its public report adequate information about its sustainable performance for its stakeholders to be able to make informed judgements, decisions and actions'. It also takes account of the GRI's Reporting Principles for Defining Report Content, in relation to stakeholder inclusiveness, sustainability context, materiality and completeness.

Our material aspects identification process for this report was guided by AccountAbility's Five Part Materiality Test, which seeks to identify and prioritise sustainability related aspects that are relevant to: direct short-term financial impacts; policy-related performance; business peer-based norms; stakeholder behaviour and concerns; and societal norms. Across these five parts, we considered information from various sources, including internal documents and reports, media research, and internal and external stakeholder interviews. Taking into account the spread of interest in any given aspect across the various sources, each aspect was then classified as either 'Material', or 'High Stakeholder Interest' or neither of these. The results of this process are presented below and in the graph above (Figure 2), which only identifies the most material issues and issues of high stakeholder interest for the purposes of the report.

In line with the GRI G4 guidance, we then mapped the boundaries of these 12 aspects (eight material aspects and four aspects of high stakeholder interest) against Newcrest's value chain (see 'About Newcrest Mining') to identify the impact boundaries of each aspect in relation to Newcrest's key stakeholders and geographic locations. This informs the scope and content of the narrative in this report and, in combination with developing clear definitions for each material aspect, helps ensure that the report is focused upon, and responding to, what is of most interest and concern to our key stakeholders.

FIGURE 2: NEWCREST 2015 SUSTAINABILITY ASPECTS



### MATERIAL

- 1 Productivity, performance, profitability and fiscal sustainability
- 2 Ensuring employee and contractor safety
- 3 Conducting business transparently and ethically
- 4 Local community development and investment
- 5 Growth
- 6 Managing investor relations, expectations and concerns
- 7 Land management
- 8 Land acquisition and resettlement

### HIGH STAKEHOLDER INTEREST

- 9 Managing broader socio-economic impacts across communities
- 10 Managing government and community expectations
- 11 Local contracting
- 12 Emissions and energy efficiency

TABLE 4: MAPPING THE IMPACT BOUNDARIES OF MATERIAL ASPECTS AND HIGH STAKEHOLDER INTEREST ASPECTS<sup>4</sup>

Material Aspects	Location in report
1. Productivity, performance, profitability and fiscal sustainability	page 42
2. Ensuring employee and contractor safety	page 25
3. Conducting business transparently and ethically	page 22
4. Local community development and investment	page 38
5. Growth	page 45
6. Managing investor relations, expectations and concerns	page 15
7. Land management	page 29
8. Land acquisition and resettlement	page 37
High Stakeholder Interest Aspects	
9. Managing broader socio-economic impacts across communities	page 37
10. Managing government and community expectations	page 16
11. Local contracting	page 37
12. Emissions and energy efficiency	page 44

Throughout this report, we have focused on our most material issues for the business for the reporting year and have attempted to address those issues identified as high importance to our stakeholders. The table above (Table 4) identifies where we have addressed these issues throughout the report.

3. www.accountability.org.

4. Refer to pages 6 and 7 for further information on the report boundaries across our material aspects.

## CASE STUDY



## Managing investor relations, expectations and concerns

Keeping investors informed about Newcrest's opportunities and challenges, productivity and profitability is important to its relationship with investors and ensures the Company meets its market disclosure obligations.

Newcrest's investor relations approach is underpinned by two Policies, *Market Releases and Investor Relations* and *Market Disclosure*, in conjunction with the *Disclosure Committee Charter*. These Policies were reviewed and updated in June 2015 as part of an ongoing review process to ensure they remain relevant and effective. Together these Policies seek to ensure Newcrest continues to meet its continuous disclosure requirements.

Newcrest's Market Releases and Investor Relations Policy outlines the internal approval process for the release of market sensitive information to the ASX and other exchanges; the way in which Newcrest communicates with the investment community and shareholders; and safeguarding the confidentiality of corporate information to avoid premature disclosure. Newcrest's Market Disclosure Policy outlines the process for reporting and escalating potentially market sensitive information to the Disclosure Committee; the role of the Disclosure Committee; the internal approval processes and delegations for issuing Market Releases; the framework for communications with investors, analysts and market participants; and the procedures to promote understanding of compliance by employees and Responsible Officers.

Newcrest actively communicates with investors via its annual and sustainability reports, the Newcrest Mining website, market releases, investor briefings, one-on-one discussions, road shows and investor days, site visits, and investor conferences. Newcrest also regularly updates the market about its financial performance in accordance with the ASX listing rules, via market releases and at its Annual General Meeting.

## CASE STUDY



## Supply chain management

Newcrest is committed to achieving an excellent standard of supply chain management and performance in all its business activities. Our intent is to have the lowest total cost of ownership while ensuring safety, quality and service.

Newcrest's Supply and Logistics approach supports the value chain through the facilitation of appropriate contracts; management of supplier's performance to ensure the right value is achieved from each relationship; and management of the inbound logistics process with suppliers, as well as the storage, distribution and control of Newcrest inventory.

The Company's Supply Policy provides a high level overview of Newcrest's supply chain principles, including that suppliers and their representatives are treated fairly, without bias or prejudice, and that competition will be open and fair.

In evaluating potential suppliers, considered weighting is given to both financial and non-financial criteria. For commodity based agreements, financial criteria, such as financial strength and company structure, are important. For serviced based agreements, significant weighting and consideration is given to non-financial criteria, including factors such as safety record, sustainability approach, culture and ability to meet statutory requirements such as licences, permits and relevant standards.

All Newcrest's suppliers are expected to act with integrity and in accordance with the Company's ethical position, including compliance with Newcrest's Human Rights Policy, Anti-Bribery and Corruption Policy and Code of Conduct. Compliance with these policies and procedures are a contractual requirement of all Newcrest's supply agreements.

Where safety, quality and service can be ensured, recognition is given to local suppliers. For example, Lihir landowner company Anitua Radial Drilling Services (ARDS) overcame open market national and international competition during the reporting period to be awarded the contract for mine drilling, while another Lihir landowner company, Noram, met key performance indicators, including benchmarked rates, workable contract management frameworks and accreditation requirements to be awarded the contract for stevedoring services for the Lihir operation.

In FY2015, Newcrest's global operating procurement expenditures on goods and services totalled more than AUD 2.2 billion. Of this, around 63 percent was spent in Australia, 27 percent in Papua New Guinea, 6 percent in Indonesia and 4 percent in West Africa.

During the reporting period, the Supply team utilised Newcrest's Edge methodology and leading practices to analyse the supply chain and drive outcomes for the business. By focusing on leading valuable deals, the team was able to make significant savings, without compromising safety, quality and service.

A prime example of this was the review of long-standing diesel supply arrangements at Lihir to identify new and innovative approaches. As a result, a new contract, with an existing supplier servicing Cadia and Telfer, was established. The new appointment strengthens ties with an existing trusted supplier and allows for increased flexibility for changing demands in diesel volumes.

**FOCUSING OUR REPORT ON WHAT MATTERS** CONTINUED

CASE STUDY



## Engaging government and communities in relation to their expectations of Newcrest

Newcrest seeks active, inclusive engagement with governments and communities in the areas where we operate. We understand that different stakeholders have differing views about, and expectations from, our activities. This can cover a wide range of matters, including economic, environmental and social responsibility matters. We engage in constructive debate, give and seek feedback, respect other points of view and understand and are considerate of others.

A challenge for Newcrest remains that many of our stakeholders may be unaware of the full range of community investment or capacity building we undertake or fund directly or indirectly. We continue to work with our stakeholders on increasing awareness and educating people on the nature of our business. This enables them to understand our perspective and our actions.

We also actively engage both directly and indirectly (for example, through industry groups such as the Minerals Council of Australia and PNG Chamber of Mines and Petroleum) with government and other stakeholders on policy and reforms. Proper consultation processes are critical to any reform process and Newcrest seeks to participate and contribute on relevant issues to assist with informed discussion and consideration.



Local community village, Lihir.

# LEADING OUR COMMITMENT IN SUSTAINABILITY



## DELIVERING OUR FUTURE

### Board of Directors<sup>5</sup>



**Peter Hay**  
Independent  
Non-Executive Chairman



**Sandeep Biswas**  
Managing Director  
and Chief Executive Officer



**Gerard Bond**  
Finance Director  
and Chief Financial Officer



**Philip Aiken AM**  
Independent  
Non-Executive Director



**Roger Higgins**  
Independent  
Non-Executive Director



**Lady Winifred Kamit**  
Independent  
Non-Executive Director



**Richard Knight**  
Independent  
Non-Executive Director



**Rick Lee AM**  
Independent  
Non-Executive Director



**Xiaoling Liu**  
Independent  
Non-Executive Director



**John Spark**  
Independent  
Non-Executive Director

5. Subsequent to the reporting period, the following changes occurred within the Board of Directors:

- Tim Poole resigned as a Non-Executive Director on 30 July 2015;
- Xiaoling Liu commenced as a Non-Executive Director on 1 September 2015;
- Roger Higgins commenced as a Non-Executive Director on 1 October 2015;
- Vince Gauci retired as a Non-Executive Director on 29 October 2015.

## Executive leadership<sup>6</sup>



**Sandeep Biswas**  
Managing Director  
and Chief Executive Officer



**Gerard Bond**  
Finance Director  
and Chief Financial Officer



**Craig Jones**  
Executive General Manager –  
Cadia and Morobe Mining  
Joint Venture



**Francesca Lee**  
General Counsel and  
Company Secretary



**Michael Nossal**  
Chief Development Officer



**Philip Stephenson**  
Executive General Manager –  
Gosowong and Telfer



**Jane Thomas**  
Executive General Manager –  
People and Community

6. Changes to the Executive Committee that occurred during the reporting period are outlined in the Directors' Report of the 2015 Annual Report. Subsequent to the reporting period, the following changes occurred at Newcrest's senior level:

- Craig Jones' role changed from Executive General Manager – Australian Operations and Projects to Executive General Manager – Cadia and Morobe Mining Joint Venture (MMJV) on 6 July 2015.
- Philip Stephenson was appointed Executive General Manager – Gosowong and Telfer on 6 July 2015. Peter Cowley joined Newcrest on 2 November 2015, succeeding Philip Stephenson as General Manager Health, Safety, Environment and Security, reporting directly to the Managing Director and Chief Executive Officer.
- Michael Nossal joined Newcrest as Chief Development Officer on 6 July 2015.
- Craig Jetson, General Manager – Lihir Operations, commenced reporting directly to the Managing Director and Chief Executive Officer on 6 July 2015.
- David Woodall departed Newcrest as Executive General Manager – International Operations on 31 July 2015.
- Colin Moorhead departed Newcrest as Executive General Manager – Minerals on 31 August 2015.

## GOVERNANCE



Cadia mill.

Adherence by the Company and its people to the highest standard of corporate governance is critical in order to achieve our vision to be the Miner of Choice. The Company regularly reviews its governance and compliance practices, taking into account the recommendations in the Corporate Governance Principles and Recommendations of the Australian Securities Exchange (ASX) Corporate Governance Council.

The Board of Directors determines the strategic direction of the Company, regularly reviews the appropriateness of it and oversees its implementation. This includes the responsibility of sustainability, which in turn is devolved to senior key people and, ultimately, their teams.

The Board undertakes an annual review of its performance and its committees. This process, led by the Chairman and based on formal questionnaires and evaluations provided by Board members and senior managers, allows for regular improvements to be made to the functionality and performance of the Board and its associated committees. External affairs is a standing agenda item at each Board meeting.

At 30 June 2015, the Newcrest Board comprised 10 directors, including two Executive Directors, Sandeep Biswas, Managing Director and Chief Executive Officer, and Gerard Bond, Finance Director and Chief Financial Officer.

The remaining eight Board members, including the Chairman, are Non-Executive Directors. They are considered independent in accordance with the Board's Independence Policy. Each director's skills, experience and relevant qualifications and expertise, as well as the term of office held as at 30 June 2015, are set out in the Newcrest 2015 Annual Report (page 35), an interactive copy of which is available at Newcrest's website ([www.newcrest.com.au](http://www.newcrest.com.au)). Changes to the Board have occurred since 30 June 2015, as noted on page 18.

The functions of the Board are set out in its Board Charter. The roles and responsibilities of the Board committees are also set out in charters, which are regularly reviewed and revised as appropriate. The Board operates four standing committees (Audit and Risk, Human Resources and Remuneration, Safety and Sustainability, and Nominations), which each provide a forum for more detailed analysis of key issues. The Audit and Risk Committee and the Nominations Committee each comprises a minimum of three Non-Executive Directors of the Newcrest Board. The Safety and Sustainability Committee and the Human Resources and Remuneration Committee each comprises a minimum of four Non-Executive Directors of the Newcrest Board. All directors receive meeting papers for each Committee and non-member directors are invited to attend Committee meetings.

The Safety and Sustainability Committee assists the Board in its role of overseeing, monitoring and reviewing, from a corporate governance perspective, the Company's practices in the areas of safety, health and environmental management, relationships with communities, sustainability, including the Company's annual Sustainability Report, and the human rights and security of communities, employees and operations. The Committee assists the Board with management reporting and risk with respect to safety, health and the relationships with communities and other areas within its remit. Within its scope, the Committee monitors and reviews the Company's performance and approach to compliance with applicable policies and legal requirements, reviews the Company's response on issues of concern or non-compliance and monitors industry trends and standards.

Further information on the Committees' Charters, functions and membership can be found on the Company's website.

Details on Newcrest Board and Executive performance evaluations are set out in the 2015 Annual Report.

Other commitments and initiatives that demonstrate Newcrest's commitment to sustainability include:

- Continuing as a 'supporting company' of the Extractive Industries Transparency Initiative (EITI).
- Building and maintaining enduring relationships based on the recognition and respect for human rights. Newcrest's membership to the Voluntary Principles on Security and Human Rights was accepted in August 2014 and ratified at the March 2015 plenary.
- Publishing our Conflict-Free Gold Report on 28 October 2014 for the financial year ending 30 June 2014. The Report is available on the Newcrest website at <http://www.newcrest.com.au/sustainability/other-reports/>.
- Aligning future performance with leading environmental practices. Newcrest is a signatory to the International Cyanide Management Code for the Management, Transport and Use of Cyanide in the Production of Gold.
- Operating in a manner consistent with international leading practices and norms. Aligning key business areas (including environmental, social and safety) with the International Council on Mining and Metals (ICMM) Sustainable Development Principles (page 9).

## OUR MISSION, VISION AND VALUES

Subsequent to the reporting period in August 2015, Newcrest released a new mission and vision statement, outlining our purpose, aspiration for the future and our roadmap for forging a stronger Newcrest.

The statement articulates a clear mission to deliver superior returns from finding, developing and operating gold/copper mines. It also affirms our existing vision to be the Miner of Choice and defines the four indicators that will make us the preferred partner for investors, communities, governments and employees: safety, responsibility, efficiency and profitability.

We will continue on our mission and work towards realising our vision through a high-performance, no-nonsense culture focused on safety, operational discipline, cash and profitable growth, where we deliver on our commitments.

Our values describe who we are and, during the reporting period, Newcrest consulted with employees Company-wide on our five values, which have been in place since 2002, and found overwhelming support to retain them. ‘Caring about people’, which has long represented our commitment to the safety and wellbeing of our employees and communities, was expanded to reflect our commitment to acting as responsible environmental stewards within our local communities.

Our practices further define the way we work day-to-day. They are the cultural traits of our organisation that will sustain our performance over time.

### OUR MISSION

To deliver superior returns from finding, developing and operating gold/copper mines.

### OUR VISION

To be the Miner of Choice. We will lead the way in safe, responsible, efficient and profitable mining.

### OUR EDGE

A high-performance, no-nonsense culture focused on:

- Safety
- Operational discipline
- Cash
- Profitable growth.

We deliver on our commitments.

### WE VALUE...



#### Caring about people

Keeping people safe and healthy and respecting our communities and environment.



#### Integrity and honesty

Doing what we say we will do, and doing the right thing.



#### Working together

Having shared goals and helping one another to achieve them.



#### Innovation and problem solving

Challenging convention and finding a better way.



#### High-performance

Seeking high performance in ourselves and others.

### WE ACHIEVE SUPERIOR RESULTS THROUGH...



#### Employee involvement

Being engaged in the direction of our business and our contribution to it.



#### Personal ownership

Being accountable and acting like owners.



#### Bottom-up innovation

Encouraging and celebrating new improvement ideas.



#### Operational discipline

Setting ourselves high standards and delivering on them.



#### Shared vision

Building a common understanding of the future we are creating.



#### Inspirational leaders

Inspiring each other through encouragement, guidance and recognition.



#### Talent development

Helping each other to be the best we can be.

## CONDUCTING BUSINESS ETHICALLY AND TRANSPARENTLY



Technicians analysing ore samples, Lihir.

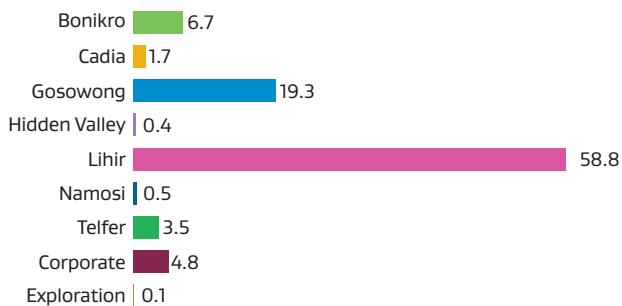
Newcrest seeks to build honest and trusting relationships with shareholders, investors, governments, communities and other stakeholders. This involves conducting our business transparently and ethically.

Underpinning our approach are our corporate values, governance processes, Code of Conduct, policies and procedures regarding behaviours and disclosure, plus our commitment to various international initiatives such as the Extractive Industries Transparency Initiative (EITI) and the Voluntary Principles on Security and Human Rights. Newcrest also has a 'speak-out' process, whereby employees can report behaviours inconsistent with our values or Code of Conduct.

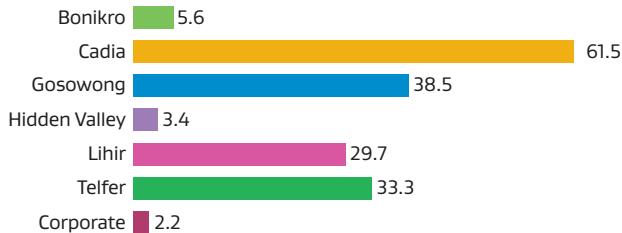
We take our disclosure obligations seriously and have both a Market Disclosure Policy and a Disclosure Committee to align and comply with our disclosure obligations. The Policy describes how Newcrest delivers on its disclosure commitments.

On 21 July 2014, Slater & Gordon Lawyers commenced a shareholder class action in the Federal Court of Australia against Newcrest in relation to Newcrest's market disclosure prior to its 7 June 2013 market release. The proceeding is brought on behalf of persons who acquired Newcrest shares between 13 August 2012 and 6 June 2013. The trial of the class action has been ordered to commence on 29 February 2016. Newcrest has announced that it intends to vigorously defend the proceeding.

GRAPH 1: TOTAL COMMUNITY EXPENDITURE FY2015 (AUD M)



GRAPH 2: TOTAL PAYMENTS TO GOVERNMENTS (NON-RECOVERABLE) FY2015 (AUD M)

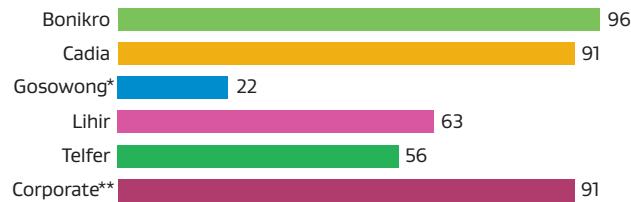


## Anti-corruption and bribery

Activities involving bribery, corruption, money laundering, payment of secret commissions and exercise of improper influence are strictly prohibited under Newcrest's Code of Conduct, Anti-Bribery and Corruption Policy and related standards. This applies to all persons and entities within the Newcrest group of companies and in all the jurisdictions in which we operate. Bribery is defined as giving, offering or promising a benefit (monetary or otherwise) to a person to obtain or retain a business advantage that is not legitimately due; or to induce or reward the improper exercise of the duties or function of a public official or a person within the public or private sector. Newcrest has internal audit and other processes in place to identify and investigate instances of actual or potential corruption and bribery across the business. Newcrest's position on bribery is included in Newcrest's Code of Conduct and Anti-Bribery and Corruption Policy, as well as its Company standard regarding gifts, entertainment and functions.

With effect from 1 January 2015, the Anti-Bribery and Corruption Policy replaced the Corrupt Practices Policy. The key change was to include an express prohibition on facilitation payments and new practices and procedures in support of the Policy. Newcrest has implemented associated awareness training for our staff following introduction of the Anti-Bribery and Corruption Policy. During FY2015, we reviewed our payment systems of which anti-bribery and corruption is a part, and in FY2016, a review of the implementation of the Anti-Bribery and Corruption Policy will be performed. Internal control systems and procedures are continuously reviewed.

**GRAPH 3: PERCENTAGE OF EMPLOYEES THAT HAVE UNDERTAKEN CODE OF CONDUCT TRAINING THAT INCLUDES A UNIT OF ANTI-CORRUPTION POLICIES AND PROCEDURES AS AT 30 JUNE 2015 (%)**



\* Data reflects the number of individual employees who have undertaken online Code of Conduct training. Records of those who have undertaken the face-to-face training on the Code are not readily available from site.

\*\* Exploration employees included in Corporate Offices.

## Human rights

Newcrest respects the human rights of all stakeholders, including our employees, contractors and local communities. We seek to use our influence to prevent human rights abuses occurring in the vicinity of our operations, and will engage in dialogue with stakeholders and local communities to promote human rights. Human rights violations by our employees, contractors and/or any other persons or groups associated with our business will not be tolerated.

Newcrest has a Human Rights Policy and continued its implementation during the reporting period. The Policy is intended to ensure that there is consistency with commitment, implementation and accountability across all of our business interests. This Policy is also supported by the Security Policy and the Communities Policy. Furthermore, Newcrest was officially welcomed as a new participant in the Voluntary Principles on Security and Human Rights at the initiative's annual plenary meeting in London on 17–18 March 2015.

Respect of human rights has always been part of the way we do business and is embedded in our Human Rights and Security Policies, as well as the Newcrest Code of Conduct and Diversity Policy. Part of the implementation process of the Human Rights and Security Policies is a review of the Company's various internal procedures and processes, external business relationships and, where necessary, the integration of additional relevant human rights procedures and clauses into the way we do business.

Externally, Newcrest has already had human rights commitments scrutinised. As a member of the Minerals Council of Australia (MCA), Newcrest is a signatory to the Enduring Value Framework. This framework is based on the International Council on Mining and Metals (ICMM) Principles. The ICMM includes a commitment in principle three to 'Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities'. This is reported on annually.

**GRAPH 4: PERCENTAGE OF DIRECTLY EMPLOYED SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES FY2015 (%)**



\* Data reflects the number of individual employees who have undertaken online Code of Conduct training. Records of those who have undertaken the face-to-face training on the Code are not readily available from site.

# MAINTAINING OUR FOCUS





## ENSURING EMPLOYEE AND CONTRACTOR SAFETY



Newcrest's clear focus remains on eliminating fatalities and life-altering injuries.

The health and safety of our workforce is a priority for Newcrest. Our clear focus remains on eliminating fatalities and life-altering injuries from our business, while striving to make continual progress on reducing all injuries and health impacts. We believe that a strong commitment to health and safety improvement will yield benefits for our workforce and for overall business performance.

Newcrest's health and safety strategy and its performance are overseen by our Board's Safety and Sustainability Committee, who usually meet about four times per year. The Newcrest Health, Safety and Environment (HSE) Management System consists of HSE standards, guidelines and supporting tools to monitor performance and provide assurance. The system is applied across Newcrest's business and has been adopted and enhanced at each location to suit the requirements of local conditions and regulatory requirements. Health and safety incidents are recorded in CHESS (Community, Health, Environment and Safety System), and incident investigations are undertaken to identify and implement appropriate preventative and remediation measures.

Each of our operations is responsible for providing training on health and safety policies and practices as part of workplace induction processes. In addition, the workforce is represented in formal joint management-worker health and safety committees, which help monitor and advise on occupational health and safety programs. Newcrest is also cognisant of the legislative requirements on occupational health and safety in every jurisdiction in which we operate.

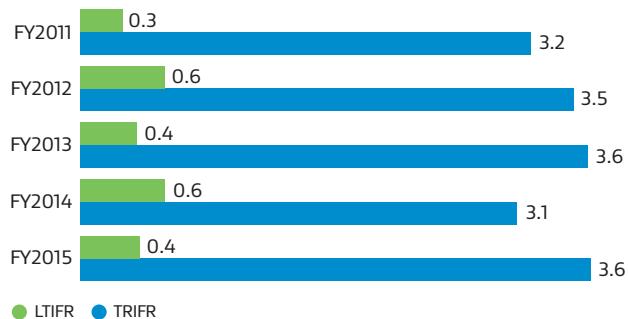
Our sites each have emergency and contingency plans taking into account local context, such as civil disruption, cyclones, floods and emergency evacuation. We provide a range of education, training, counselling and risk-control programs regarding occupational health and lifestyle diseases. For example, employees who travel to malaria-endemic areas are provided with specialist medical advice and mitigation measures to minimise risks of exposure. We provide additional education and counselling programs on important health and safety topics, such as mental health, heat stress, immunisation, malaria prevalence, tuberculosis and HIV/AIDS.

Tragically, two of our workforce were fatally injured during the reporting period, and a further two fatalities have occurred since. In December 2014, a Hidden Valley Joint Venture employee was killed while working in the processing plant in an incident involving mobile equipment. In May 2015, a contractor was fatally injured while operating an elevated work platform underground at the Telfer Mine. Since the end of the reporting period, in July 2015, an employee of the Hidden Valley Joint Venture was killed while operating a vehicle on a mine roadway, and most recently, in September 2015, a technician was fatally injured while operating mobile plant underground at Cadia.

The pain of these losses has been felt right throughout Newcrest, touching most heavily on those close to the deceased, and serving to enhance and strengthen the determination of everyone in the Company to eliminate fatalities and life-altering injuries from our business.

In November and December 2014, we reviewed, updated and re-committed to our health and safety strategy. The strategy aims to help us eliminate fatalities and life-altering injuries, and is built on three key pillars – *NewSafe*, Critical Control Management, and Process Safety Management. The strategy builds on a strong foundation of group-wide systems and standards which have been implemented in recent years.

**GRAPH 5: NEWCREST LTIFR AND TRIFR FY2011 – FY2015 (#)**





## ENSURING EMPLOYEE AND CONTRACTOR SAFETY CONTINUED

### NewSafe

**NewSafe**, one of the key pillars of Newcrest's updated Health and Safety Strategy, is the next step in building our safety culture, consisting of three components: leadership; coaching; and behaviours.

**NewSafe Leadership**, focused on building safety leadership at all levels. **NewSafe Leadership** commences with a workshop delving into the leadership and cultural drivers of safety performance, and linking these drivers back to day-to-day operations and management practices. Employees and contractors at all levels of the business participate in these workshops, where they investigate the benefits of visible felt safety leadership, courageous conversations, coaching and an understanding of what influences risk-taking behaviour. At the end of these workshops, leaders make personal commitments to leadership behaviours that will help improve safety culture.

**NewSafe Coaching**, supporting Newcrest's frontline supervisors by allocating full-time coaches to support them in leading their teams, developing and demonstrating visible felt safety

leadership and effectively managing risks. **NewSafe Coaching** involves selected and dedicated superintendents receiving training in coaching skills and then being assigned a number of supervisors to coach on an ongoing basis.

**NewSafe Behaviours**, engaging employees and contractors in choosing the most important safety behaviours in their area, and using a behavioural influence model to formulate their own plan to enable and motivate these behaviours. Employees identified as leaders by their peers use stories to define a few key behaviours that make the difference in safety performance in their work. Newcrest management and the workforce then partner together in implementing the plan that enables and motivates these key behaviours.

NewSafe has started to roll-out across Newcrest on a site-by-site basis, with ExCo completing the **NewSafe Leadership** Workshop in April, Telfer commencing its implementation also in April, corporate office undertaking its workshop in May, and Minerals commencing in June. Cadia will commence their **NewSafe** journey in FY2016.



Planning for safe work and emergency preparedness.

Building on a solid foundation of major hazard risk assessments which Newcrest has undertaken for many years, our critical control management approach will focus on verifying the operation of those controls we have identified as being critical to preventing fatalities and life-altering injuries. Assurance programs are being developed to monitor and report on critical control performance. The implementation of an expanded critical control management program will be a core activity for the coming year.

Completing our strategic approach is a continual improvement focus on Process Safety Management, an area of safety management that is primarily concerned with preventing high-consequence catastrophic events. Initially focused on Lihir processing operations, Process Safety Management systems and improvements will be embedded at Lihir before expanding to other major hazards around the Group.

To support the implementation of the health and safety strategy, a new position of General Manager – Health, Safety, Environment and Security was created during the year, reporting directly to the Chief Executive Officer.

During the reporting period, improvements were made to our systems for reporting, investigating and communicating incidents that we classify as 'Significant Potential Incidents' (SPIs). SPIs are near-miss incidents that in slightly different circumstances could have resulted in a fatal outcome. SPIs provide the business with an opportunity to identify areas for improvement in leadership, culture, systems and procedures. We treat each of these incidents with a seriousness appropriate to their potential outcome, and each one is reviewed by the Executive Committee once investigations are complete. Learnings from these incident investigations are shared across all sites, and on-time completion of actions arising from the investigations is one of our key business performance measures.

#### CASE STUDY



## Preparation key in minimising Ebola risk

The outbreak of Ebola Virus Disease (Ebola) in West Africa that started in December 2013 was the most widespread epidemic of the disease in history. Through extensive efforts by regional governments and international health and aid agencies, the spread of the disease was progressively controlled and the number of new cases reduced.

Since the start of the outbreak and throughout the reporting period, there have been no reported cases of Ebola in Côte d'Ivoire (CI) where Newcrest's Bonikro mine is located; however, Guinea and Liberia, which border Côte d'Ivoire, were two of the most highly impacted countries during the Ebola outbreak.

Throughout the outbreak, the mine maintained contact with national and local health authorities regarding Ebola management. Newcrest also joined the Ebola Private Sector Mobilisation Group (EPSMG), formed by companies operating in the region, to share information about disease prevention in consultation with global experts and international health bodies and seek ways that the Group could support regional efforts to manage Ebola.

As a precautionary measure, an internal Crisis Management Team (CMT) was formed to track the status of the disease and support the mine to implement preventative measures. Through awareness campaigns, employees were educated about the risks of Ebola, how to check for symptoms and how to prevent transmission, including avoiding personal contact, such as handshaking. During the outbreak, the temperature of employees accessing site were monitored daily for early signs of Ebola and travel authorisation measures were applied. The mine also sourced stocks of full personal protective clothing and decontamination equipment for deployment by trained medical teams if required.



Ebola preparation, Bonikro.



## ENSURING EMPLOYEE AND CONTRACTOR SAFETY CONTINUED

### CASE STUDY



### Safely restarting production at Cadia East

On 25 February 2015, Cadia East's underground Panel Cave 2 (PC2) mining area was affected by a seismic event resulting in infrastructure and equipment damage. In the panel cave mining method, the rock being mined progressively breaks up, or 'caves', down to the lower level of the mine where it is extracted. As the ground progressively caves, seismic events are created in the surrounding rock due to changing distributions of stress in the rock mass. Seismic events are an expected part of the mining process.

From a safety perspective, while the event itself didn't result in any injuries to the workforce, it was considered a significant potential incident, and was thoroughly investigated by internal and external parties. A key part of the investigation was to identify ways to improve the future management of the risk of infrastructure damage, and reduce any risks to personnel.

Underground development and production in PC2 was suspended immediately following the event to allow for investigation and risk assessment. A semi-quantitative risk assessment took place, enabling a greater understanding of the potential exposures and the controls required. The risk assessment process was extensive and considered both the restart of operations and the longer-term management of seismic risks.

Consultation with the workforce during the risk assessment process was important, with employees given the opportunity to input into the proposed controls and changes, while being continually kept up to date with the ongoing risk assessment work and technical studies.

Activities were recommenced in a staged approach, with low-risk activities, including adding more ground support, completed in the first phase.

One outcome of the technical studies was a change in the mining sequence of PC2. The new mining sequence provides a reduced level of risk exposure for underground workers, while still delivering a strong production outcome.

In all, PC2 development and production was suspended for over five months to allow a thorough risk assessment and safe restart plan to be developed and communicated. The extensive effort and time put in to safely restarting production was a strong demonstration of the Cadia team's commitment to the health and safety of the workforce.



Cadia underground crusher.



## LAND MANAGEMENT



Water monitoring, Telfer.

Newcrest's Safety and Sustainability Committee has oversight of management of our land across all our sites of operation and exploration. We also have an Environment Community of Practice, which includes key personnel with land management responsibilities that implements leading and consistent land rehabilitation practices.

The land use impacts of Newcrest's operations are managed in accordance with our Environmental Policy and our Land and Biodiversity Management Standard. The Newcrest Environment Policy includes overarching Company objectives to: identify opportunities for minimising waste; and, rehabilitate sites or areas disturbed by Company activities to comply with the applicable Environmental Management Plan.

Waste is a significant issue at all mining sites and occurs in many forms. Waste rock and tailings are our two largest waste streams, and continuous management occurs to facilitate long-term geochemical and physical stability.

Waste rock is defined as the barren (non-mineralised) rock in a mine or mineralised material that is too low in grade to be mined and milled economically. At all sites operated by Newcrest, other than Lihir, waste rock from mining activities is disposed of in purpose-built, engineered waste rock dump structures or, when appropriate, used for construction (such as road base). In the case of Lihir, other than waste rock used for construction purposes, waste rock is disposed of via offshore submarine waste rock placement. This waste rock placement method has been adopted in accordance with the Lihir environmental permits following extensive environmental impact assessment of this method and alternatives.

One challenge with waste rock is managing any potentially acid forming material that can lead to Acid and Metalliferous Drainage (AMD). AMD results from the oxidation of sulphide minerals, which occur naturally in the rock, and may lead to increased acidity and/or heavy metals. AMD may occur as seepage from waste rock or tailings or from underground workings. A key component of our AMD management system is the requirement for site-specific AMD management plans.

Tailings are the waste material from ore after the economically recoverable metals and minerals have been extracted.

Tailings have potentially hazardous properties and it is important to manage potential environmental impacts, including possible surface and ground water contamination. At our Australian sites and at Hidden Valley, Bonikro and Gosowong, tailings are stored in engineered tailings storage facilities (TSF), built to engineering specifications, and regularly inspected according to annual regulatory requirements.

The TSF at Hidden Valley is the first in PNG to contain all tailings for a major open pit mining operation. At Lihir, where there is limited land available for a TSF, disposal of tailings is undertaken via deep sea tailings placement (DSTP), which helps minimise the land disturbance footprint. Following a comprehensive risk assessment of social, environmental and safety aspects,

DSTP was chosen as the preferred tailings management method for Lihir. The PNG Government approved DSTP as the most appropriate method of disposal, and set monitoring requirements to manage potential impacts on the surrounding environment. Regular sampling is undertaken by the mine to verify the operational performance of the system based on a government approved Environmental Management and Monitoring Program. Due to limited availability of water sampling equipment in FY2014, some follow-up water sampling was rescheduled to 2015. The Lihir environmental management system is also externally audited and certified to the ISO 14001 international standard.

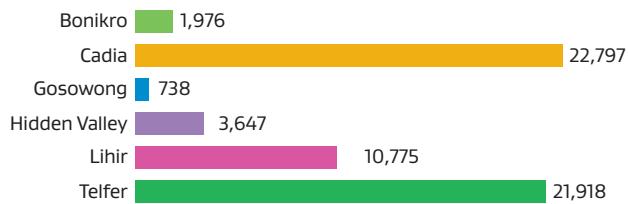
Newcrest has developed a Tailings Management Standard that applies to all sites and incorporates individual responsibilities and roles. It has been benchmarked against global leading standards, and has been reviewed externally by tailings experts.

We approach the management of our waste rock and tailings with the understanding that one day each site will need to close, and when it does, the objective is for it to be physically and geochemically stable. The aim is for final landforms to support the land use designated by the stakeholders, including government, community and land owners. For this to be possible, we undertake a range of research projects, as well as monitoring programs, to identify and understand potential risks associated with each landform, including structural stability and potential for AMD.

GRAPH 6: TOTAL WASTE ROCK FY2015 (kt)



GRAPH 7: TOTAL TAILINGS FY2015 (kt)





## LAND MANAGEMENT CONTINUED



Rehabilitation site, Côte d'Ivoire.

Rehabilitation of disturbed areas is an expectation of regulators for successful closure management and relinquishment of sites. Rehabilitation is also an expectation of our stakeholders and is important for maintaining a social licence to operate. Progressive rehabilitation that is integrated into mine plans can help to efficiently reduce the potential scope and cost of rehabilitation required at mine closure.

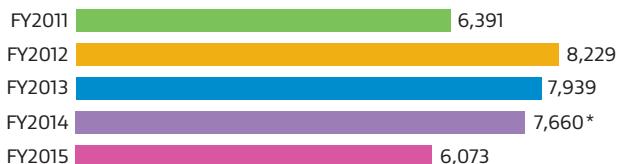
At the local level, each site has procedures in place to manage local land disturbances in compliance with the Land Use Standard and other relevant Newcrest standards. We review protected areas and species within the region, and assess whether our operations could potentially impact those biodiversity aspects, and develop management plans, where required. Prior to undertaking work that could lead to vegetation or soil disturbance, pre-disturbance surveys are undertaken that include assessment for protected species. In instances where our operations contain areas of protected habitats, these are managed appropriately in accordance with site-specific plans.

The approach adopted by Newcrest sites for progressive rehabilitation is aligned with the expectations of regulators and stakeholders, while taking into account the availability of operational areas based on mine plans. This includes consideration of whether future mining is likely to affect specific areas of the mine footprint so that rehabilitated areas are not re-disturbed at a later date.

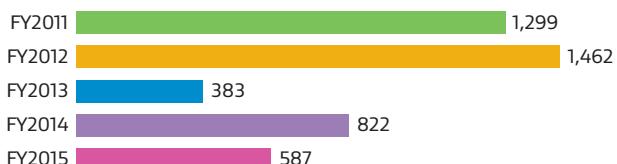
Each operation sets their own targets for rehabilitation based on a variety of considerations, including regulatory requirements, mine plan objectives, business resources, closure plan objectives and stakeholder considerations.

In the past year, a gap analysis against our Land Use Standard was undertaken at all sites and the results tabled with our Safety and Sustainability Committee. As result of the analysis, areas for improvement were highlighted at several sites in terms of enhancing their rehabilitation plans.

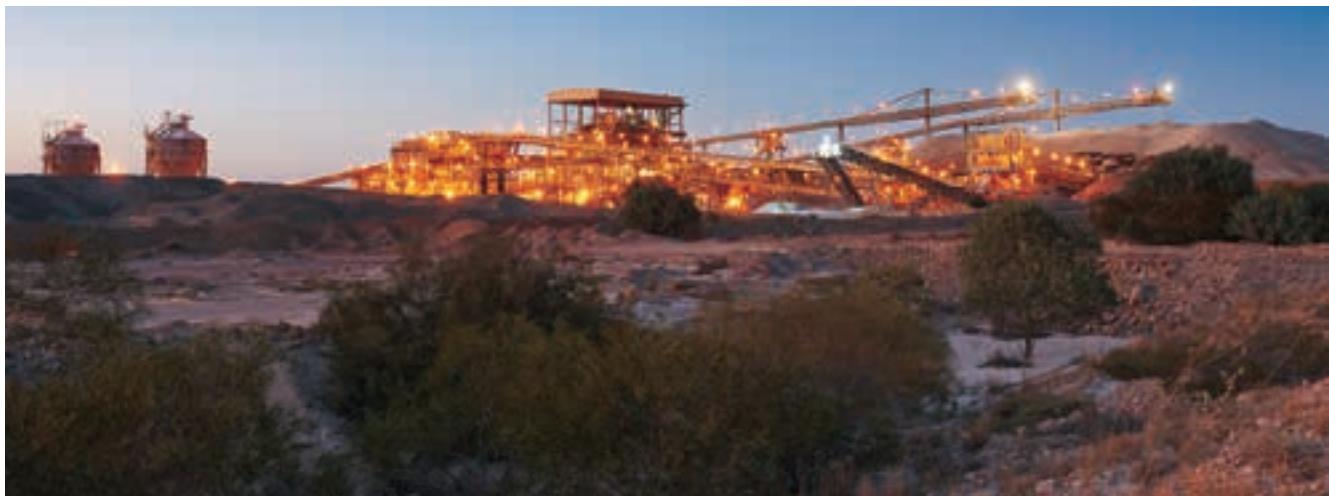
The Safety and Sustainability Committee also undertook a review of land rehabilitation across the sites investigating potential improvements on current practices. In addition, the Committee received a review paper on the status of progressive rehabilitation at each site in relation to its footprint, the extent of rehabilitation achieved and the status of their rehabilitation planning.

**GRAPH 8: TOTAL DISTURBED LAND FY2011 – FY2015 (ha)**

\* The total land distributed in FY2014 was incorrectly reported as 7,083 hectares due to Hidden Valley incorrectly reporting land disturbance as 'total land to productive purposes' less 'total impermeable surface'. Consequently, total land disturbed in FY2014 has been revised as 7,660 hectares.

**GRAPH 9: TOTAL REHABILITATED LAND FY2011 – FY2015 (ha)**

## Site updates on progressive rehabilitation



Telfer.

### TELFER

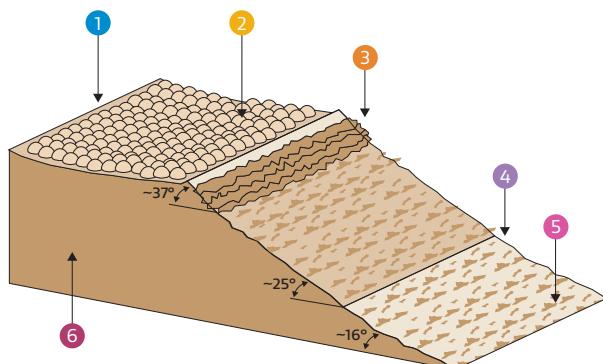
Annual disturbance mapping of the Telfer operation involves an aerial flyover generating a detailed topographic image. The image is digitised for analysis of disturbance types. Total disturbance area by type and by hectare is generated. This information is used to support calculations for the Western Australian government regulatory requirement to estimate area of disturbance as part of the Mine Rehabilitation Fund levy.

The traditional approach to waste rock dump design includes benched and flat top landforms that can be affected by erosion and gully formation. The Mesa Landform Project was developed at Telfer to investigate whether erosion features would develop on mesa-styled landforms. The mesa landform was chosen as the preferred landform to reflect regional aesthetics (Figure 3).

Construction of mesa slopes has occurred in trials on waste rock dumps to collect monitoring data. The mesa design does not require placement of additional rock fill and the existing waste rock in the waste dump can be battered down to form the necessary mesa slope.

Telfer rehabilitation activities are integrated into a mine closure plan, submitted to the Western Australian Environmental Protection Authority and Department of Mines and Petroleum.

**FIGURE 3: TELFER MESA LANDFORM DESIGN CONCEPTUAL MESA REHABILITATION STRATEGY**



**1 Rehabilitation activities – covers**

- perimeter bund
- hummock dumped NAF/topsoil (3:1 mix ratio) water harvesting cover
- optional store and release cover for identified PAF waste dumps
- seedbank contained within stockpile topsoil

**2 Hammock dumped NAF/topsoil (3:1)**

**3 Perimeter bund (competent NAF rock)**

**4 Rehabilitation activities – slopes**

- final batters using mesa concept (between 37 and 12 degree angles)
- typically three angles per slope, NAF for upper slope (angle of repose)
- middle and lower slope armoured with rock mulch NAF/topsoil (3:1 mix ratio)

**5 Rock mulch**

**6 Waste placement activities**

- suitably competent ‘loose’ mined waste rock (NAF)



## LAND MANAGEMENT CONTINUED

### Site updates on progressive rehabilitation CONTINUED



Cadia.

#### CADIA

Progressive rehabilitation at Cadia is undertaken in accordance with the five-year planning process to progressively reduce closure liabilities and create sustainable ecosystems that are comparable to the local region. Progressive rehabilitation is also conducted to protect the environment from potential long-term impacts from Acid and Metalliferous Drainage (AMD).

Following rehabilitation works, annual monitoring is undertaken with results compared against detailed mine closure criteria, as detailed in the Land and Biodiversity Management Plan. Monitoring results are provided annually to the regulator in the Annual Environmental Management Report.

Rehabilitation of waste rock dumps at Cadia is integrated with the following plans and requirements that have been reviewed and endorsed by the Cadia Community Consultative Committee:

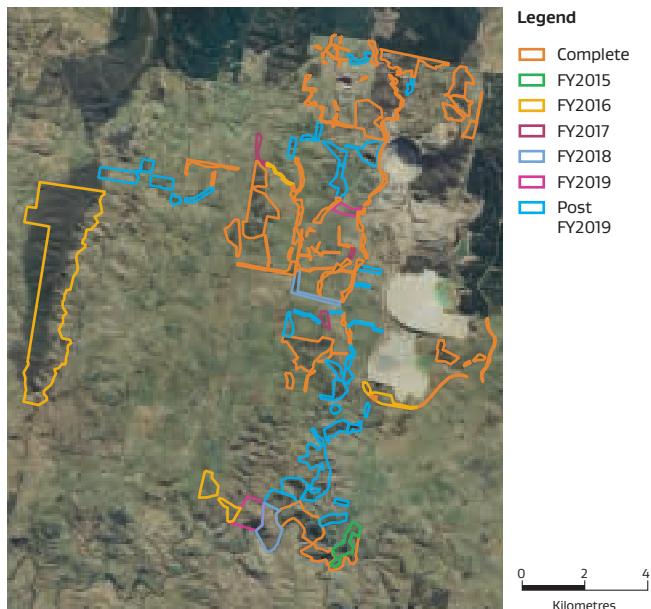
- North Waste Dump Rehabilitation Plan.
- Cadia Rehabilitation Strategy approved by Department of Primary Industry.
- Cadia Land and Biodiversity Management Plan approved by Department of Primary Industry.
- Cadia East Environmental Assessment.

Cadia undertakes rehabilitation monitoring by an independent ecologist and provides updates in the Annual Environmental Management Report, which is available publicly from the Cadia website. Cadia is also planning to conduct research on the establishment of an artificial wetland for the treatment of mine leachate post closure.

The Cadia Land and Biodiversity Management Plan provides for the implementation of a vegetation corridor program as per the Cadia East Environmental Assessment and approvals. Cadia owns significant areas of agricultural land that have been extensively cleared for grazing. A major and ongoing initiative of Cadia is undertaking a program of vegetation corridor enhancement that will ultimately provide a network of regional vegetation corridors for biodiversity (Figure 4).

Approvals obtained for the Cadia East Project require the establishment of a Conservation Offset Area to offset the losses of native vegetation associated with the Cadia East subsidence zone. The areas chosen include a portion of Black Rock Range (to the west of Cadia) totalling 826 hectares (ha) and a portion at the confluence of Flyers Creek and the Belubula River totalling 112ha.

**FIGURE 4: CADIA VEGETATION CORRIDOR PROGRAM**





Bonikro.



Gosowong.

### BONIKRO

The Bonikro mine tracks disturbance and identifies areas for rehabilitation based on the mine plan. Rehabilitation requirements and objectives are integrated into the government approved Social and Environmental Impact Assessment (SEIA) for the site, which includes a specific section on closure and rehabilitation. Since many mining areas are still active, there has been limited rehabilitation to date. Bonikro is assessing rehabilitation requirements for stockpiles approaching their planned elevation. The SEIA for the mine includes land rehabilitation measures to protect flora and biodiversity.

### GOSOWONG

The annual work plan of reclamation and revegetation for the Gosowong mine is based on government rehabilitation bond requirements according to a schedule approved by the Mines Department and three approved work permits from the Minister of Forestry for Gosowong, Kencana and Toguraci mines.

The current annual focus of reclamation and rehabilitation activities is centred around the Gosowong Open Pit (Figures 7 and 8) and Kencana.

Gosowong is currently assessing information from the Forestry Department in relation to proposed additional rehabilitation outside of the mine footprint as part of closure planning, and improvement of local forestry offset areas is proposed covering an area currently estimated to be approximately 1,900 ha.

FIGURE 5: REHABILITATION AT CÔTE D'IVOIRE



FIGURE 6: REHABILITATION AT CÔTE D'IVOIRE



FIGURE 7: GOSOWONG PIT REHABILITATION AND DRAINAGE MANAGEMENT



FIGURE 8: GOSOWONG PIT REHABILITATION





## LAND MANAGEMENT CONTINUED

### Site updates on progressive rehabilitation CONTINUED



Lihir.



Hidden Valley.

#### LIHIR

A land management model has been developed to regularly assess the rate of land disturbance associated with mining activities using a geographical information system and survey data. The total area managed by Lihir under existing leases and tenements is 2,527ha or approximately 12 percent of the area of Lihir Island, of which approximately 3 percent is disturbed by mine related activities, including the town site and airport.

Material required for rehabilitation is identified and stockpiled for later use in accordance with the Topsoil Management Plan. Disposal locations are identified in the model and are monitored under the government approved Environmental Management and Monitoring Plan, including mineral waste rock and tailing disposal locations and non-mineral waste landfills.

Construction works for recent plant upgrade and improvement projects have not had a significant impact on the rate of land disturbed. Since operations began approximately 133ha of land has been revegetated.

#### HIDDEN VALLEY

The Hidden Valley mine has a dedicated rehabilitation and revegetation team (Figure 9) conducting progressive rehabilitation of disturbed areas that are no longer in use (or required for future use). A geographical information system is used to monitor and manage planned rehabilitation. Annual targets for rehabilitation are set based on the mine plan and regularly tracked to monitor performance.

Rehabilitation objectives include stabilisation of disturbed areas (e.g. landslips) and reduction of runoff to reduce sediment loads in nearby watercourses. Objectives for revegetation are also integrated with the Hidden Valley mine closure plan, including:

- Vegetation in rehabilitated areas to have equivalent values as surrounding natural ecosystems.
- The rehabilitated ecosystem has equivalent functions and resilience as the target ecosystem.
- Soil properties to be appropriate to support the target ecosystem.
- Revegetation to minimise the impacts of weed infestation.

Hidden Valley developed an on-site nursery in collaboration with a landowner company to support rehabilitation and is also working in consultation with the local community in developing seedlings that can be purchased for rehabilitation.

**FIGURE 9: HIDDEN VALLEY REHABILITATION TEAM**



## CASE STUDY



## Gosowong post mining open pit land rehabilitation

The Gosowong open pit was the first mine at PT. Nusa Halmahera Minerals (PT. NHM), with mining commencing in 1998 and ending in 2003. Subsequently, the mine was operated again as the Gosowong open pit cutback from 2010 until 2013. The open pit mine is no longer mined, with Gosowong operations now focused on the two underground mines, Kencana and Toguraci.

Rehabilitation of the Gosowong open pit is underway with the objective of restoring the land and its ecology. Gosowong applies a progressive strategy for land rehabilitation post mining, meaning the reclamation and revegetation activities are conducted in line with the progress of mining activities elsewhere on the lease.

As at the end of December 2014, 35.3ha of land had been rehabilitated in the former Gosowong open pit mine, 100 percent of the land disturbed by the open pit. This achievement was reported to the Government of the Republic of Indonesia, in line with government regulations.

A rehabilitation maintenance program is ongoing, with the following results:

- visible progress of plant development recovery;
- significant improvement of water quality in the wetlands and three control pools;

- interaction of wild animals, such as insects, water lizards, wild ducks and wild birds; and
- breeding of several species of fish.

The maintenance program includes 15 percent of the mine walls, which were categorised as Potential Acid Forming (PAF).

Innovative rehabilitation techniques, utilising materials readily available at site, have been employed at Gosowong, including:

- lalampa; rice straw rolled in coco-net, and spread with legume cover crop (LCC) seeds installed on the pit wall as a vegetation growth starter;
- panada; use of compost materials from a mix of waste timber (saw dust) and organic matters from the mine kitchen, stored in nylon bags for two weeks for fermentation. The compost is then used to improve the quality of the soil of the open pit, with vegetation planted on the improved soil; and
- floating island; utilising waste HDPE pipe, empty water bottles and plastic netting to make a pontoon which is then filled with organic materials like rice straw and old leaves mixed with compost materials, and finally planted with vegetation.

Results of the annual assessment conducted by the Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources for the period showed 64 percent of the total Reclamation Guarantee held by the government can be released.

It is expected that in the next three years, the recovery process will have progressed to the point where the reclamation guarantee can be 100 percent disbursed.



Land rehabilitation of Gosowong's open pit.

**LAND MANAGEMENT** CONTINUED**Site updates on progressive rehabilitation** CONTINUED**CASE STUDY**

## Driving business development among local women at Hiré for better land management

The recent assisted departure of artisanal miners from the footprint region near Hiré, in alignment with the newly established Ivorian legislation on ASM, was conducted in harmony in early FY2015, thanks to the assistance of the regional and local government and the traditional landowner chiefdom (see Sustainability Report 2014). As anticipated in the Hiré SEIA, the loss of this income-generating activity, whilst illegal, would have an indirect impact on the livelihoods of certain minority groups that depended on these miners for income. Hence, during the surveying of artisanal miners at Hiré, in preparation of their assisted departure, Newcrest also surveyed the women in the field, approximately 100 in total, whose businesses would be jeopardised by the departure of the artisanal miners. The impact on this group of women, whose business consisted in catering food to these artisanal miners, abruptly left without any source of income, needed to be mitigated. Consequently, steps were taken by Newcrest to restore business opportunities to these women.

This project was developed and implemented through the existing Newcrest program with the United Nations Development Program (UNDP).

A selection process commenced to identify and categorise these new projects for the program. From those women initially surveyed, approximately 90 women were identified as best developing their projects through the UNDP. Within broad categories, each woman was given the freedom and support from the program to choose her own project. A significant proportion of these projects identified agricultural activities to further utilise the land within Newcrest's tenement footprint to sustain the local economy. Commercial and handicraft projects were also identified.

Although this social investment program is only in its early stage of development, Newcrest and the UNDP are committed to helping to improve the livelihoods of this minority group.



Local community women, Côte d'Ivoire.

## LAND ACQUISITION AND RESETTLEMENT



Hidden Valley community.

Our approach to land acquisition, relocation and resettlement aims to align with international best practice. In particular, Newcrest applies a Company-wide Community Relocation Standard, which refers to the International Finance Corporation (IFC) Performance Standard 5: Land Acquisition and Involuntary Resettlement and progressively applies elements of this Standard to align with international best practice. Further, Newcrest acknowledges applicable domestic laws where we operate, and at times commissions external specialist expertise to seek alignment with IFC Performance Standard 5, e.g. Konankro resettlement action plan in Côte d'Ivoire. The intent of this Standard is to 'ensure that access to all land required for mining operations is acquired through negotiation with appropriate landowners or land owning groups'.

As an example of the approach to land acquisition by Newcrest, the Company commenced its comprehensive land acquisition process at Hiré during its social and environmental impact assessment, which was approved in 2013. The process directly involved the regional and local government, who identified a certified geometer inspectorate to lead a participatory landowner and user mapping process, which was followed by agricultural inventories across the anticipated footprint within the Hiré mining lease. In order to achieve an equitable compensation process, a land and crop compensation tariff rate was negotiated between Newcrest and the land holders, with the help of the regional government. A series of community consultations followed to formalise land compensation payments with all potentially affected stakeholders.

Our long-term focus is on completing resettlement and reporting against an international standard resettlement action plan (RAP), securing adequate land and security of tenure for resettled families, ensuring adequate facilities and infrastructure are in place and helping to secure a replacement or alternative livelihood base for resettled communities. Integrating relocated families or communities into a local government planning and management framework to mitigate against long-term dependency is a key objective of our resettlement planning.

Newcrest utilises a range of tools to inform the design of its community approach and programs across all operations. Social impact assessment studies (SIA's) are performed to enable sites to identify, understand and respond to the potential and actual socioeconomic impacts of new projects, expansions of, or significant modifications to, existing operations and mine closures. Effectively delivered, SIA's support the application of Newcrest's Communities Policy through identifying opportunities for communities to obtain a fair share of benefits generated by the operation and its activities. They also identify ways to mitigate and manage any adverse impacts.

### Complaint and grievance management

We understand that our operations impact communities in different ways and there are often competing views among Newcrest's stakeholders about how best to resolve issues.

Each site has systems to record issues and community complaints. Standardised policies and practices for managing significant disputes and grievances with the community are an important goal as part of the implementation of Newcrest's Community Stakeholder Engagement Standard (CMTY ST-04).

As an example of how a community issue or complaint is managed once it becomes a grievance; the community on Lihir raised two major concerns, one by the Londolovit community and the issues related to project use of its water supply, and the other was a concern about the actions of the Company in relation to business development, including the award and management of commercial opportunities.

These concerns were escalated to the relevant government agency (The Mineral Resources Authority), which responded by arranging for two other government departments – the Department of Trade and Industry (DTI), and the Conservation and Environment Protection Agency (CEPA) – to conduct on-island audits of these activities. All stakeholders, including the Company, submitted their positions to the audit teams and these responses and follow-up exchanges are being collected for ongoing issue management over the course of the next year.

The manner in which this process has been managed on Lihir demonstrates the importance of process and the value of an independent arbiter for complex issues.

### Local contracting

A way in which Newcrest can support local and regional communities and economies is through our procurement activity. Procuring products and services from local contractors offers an opportunity to partner with organisations to help create social and economic change by enhancing local suppliers' capabilities and capacities.

At several of our sites, local laws, land access and other agreements require Newcrest to prefer local contractors for the procurement of mine related goods and services. Newcrest's obligations vary according to site, including in relation to what classifies as 'local contracting'. To minimise the risk of community misunderstanding, Newcrest works collaboratively with local stakeholders to meet its obligations.

A critical mechanism for providing transparency on local contracting obligations is regular meetings with government bodies to provide data on our procurement activities, including the proportion spent on local contractors. This provides accountability to our government and community stakeholders to ensure we are meeting these obligations.

Our land access obligations and the associated local contracting requirements are influenced by the legal and regulatory framework in which our sites operate. It is our duty to meet these on an ongoing basis, and a key way of ensuring this is our defined procurement life cycle process that sets out the criteria by which to award contracts. This includes consideration of our responsibilities to procure locally wherever practicable and to ensure we meet our targets on an annual basis.



## LOCAL COMMUNITY DEVELOPMENT AND INVESTMENT



Community water supply,  
Hidden Valley.

Newcrest's mining and exploration activities have significant potential to impact the communities where we operate. A planned, transparent and constructive approach to community engagement and development is critical to maintaining Newcrest's licence to operate and ensuring that communities benefit from Newcrest's operations. We are also conscious of the need to balance government and community expectations against a project's ability to deliver benefits, to achieve a balance between delivering short-term benefits versus long-term benefits. In the longer term, we need to ensure that we don't create community dependencies on our mining operations that are unsustainable once the operation reaches the end of its life. Our overriding consideration is to leave communities no worse off, but ideally much better off, than when Newcrest arrived.

Our approach to working with local communities, and to managing our impact on them, is guided by our Communities Policy and eight Community Standards. The Policy sets out the key principles that guide our engagement with communities, and the Standards enable us to translate that Policy into leading practice. The Standards are supported by guidelines that facilitate effective and consistent delivery across our sites. At a site level, implementation plans are developed that address how the site will deliver on its community commitments. Finally, where needed, standard operating procedures support the undertaking of specific community activities.

At each site, community relations teams are responsible for day-to-day relationships with local community stakeholders.

At all of our operations<sup>7</sup>, our teams conduct local community development programs and form various committees to help address our impacts. Environmental impact assessments are also conducted at all Newcrest operations. We continue to integrate other community initiatives consistently across the Company, e.g. formal local community grievance mechanisms.

Newcrest delivers economic benefits to local communities through payments under land owner and land use agreements, direct investment into local communities, donations made to charities and the costs of running community departments.

Newcrest's presence provides many indirect benefits to the countries and communities in which we operate. These benefits include:

- improved employment, health and education;
- investment in community infrastructure and services, e.g. road access and maintenance, clean water supply;
- income-generating activities, e.g. support for local agricultural businesses; and
- improved community lifestyle, e.g. sponsorship of regional events and activities.

<sup>7</sup> 100 percent of Newcrest operations have implemented local community engagement, impact assessments and development programs.

GRAPH 10: LOCAL\* SUPPLIER SPEND BY REGION FY2015 (%)

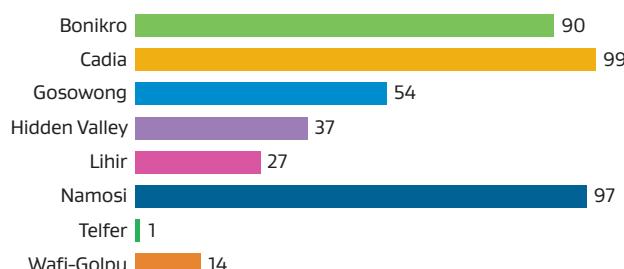


\* Newcrest defines 'local' as in-country.

GRAPH 11: GOODS AND SUPPLIES PURCHASED BY REGION FY2015 (%)

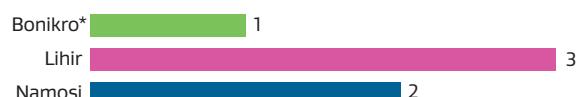


GRAPH 12: PROPORTION OF LOCAL EMPLOYEES\* TO TOTAL SITE WORKFORCE FY2015 (%)



\* The proportion of local employees to total site employees for the Company was 46 percent. For site definitions on local employees, refer to the footnote on page 51.

GRAPH 13: NUMBER OF COMMUNITY GRIEVANCES FILED THROUGH FORMAL GRIEVANCE MECHANISMS FY2015 (#)



\* During FY2015, 49 complaints involved the local government or the Bonikro Chief as a precautionary measure. Of these, 46 complaints were resolved during the reporting period.

Newcrest is currently working towards formalising and documenting an overarching community management system (CMS).<sup>8</sup> As part of its CMS development, Newcrest will continue to improve and evaluate the effectiveness of its local programs. Where such evaluations have already been conducted, the results indicate good community acceptance of our programs. However, some internal audits have identified weaknesses in system management (e.g. documentation alignment with standards, reporting grievances consistently across sites), as well as some site community objectives and targets. We continue to address these weaknesses and build site awareness of key gaps to enable us to improve in the future.

### Diversity and inclusion

Newcrest believes that a diverse and inclusive workforce supports a high-performance culture. Diversity at Newcrest means incorporating differences that relate to gender, age, ethnicity and cultural background. It also includes differences in background and life experience, communication styles,

interpersonal skills, education, functional expertise and problem-solving styles. Underpinned by Newcrest's values, Newcrest's Diversity Policy outlines the ways we aim to support a diverse and inclusive workplace, including treating employees fairly, setting measurable targets, ensuring legislative compliance and supporting diversity in local communities. In addition, we look to preferentially employ local people and use local suppliers, where possible, to build business capabilities and stimulate local and regional economies.

Along with initiatives to increase the gender balance in the workforce, Newcrest has a range of measures and plans to further increase diversity in the areas of age, ethnicity and cultural diversity. Newcrest is committed to developing our people across the Group and to ensure the workforce – including the leadership team – reflects the communities in which we operate.

#### CASE STUDY



### Significant progress on unique Malaria Elimination Project

During the reporting period, Newcrest's five-year alliance with the not-for-profit organisation Medicines for Malaria Venture (MMV) focused on moving the Lihir Malaria Elimination Project (LMEP) from the conceptual to the implementation phase.

The primary purpose of the LMEP is to stop the transmission of malaria within the Lihir population by eradicating malaria parasites from the human population. This will be achieved through a program of Mass Drug Administration (MDA) to the whole population, breaking the cycle of transmission of the parasite between mosquitoes and people, and securing the gains on a sustainable basis following the program's conclusion.

Key LMEP milestones achieved during the period include formal engagement with two local landowner business entities as partners in the project; recruitment and appointment of a Program Director; development of a detailed work plan by the Program Director; and an initial phase of stakeholder engagement on Lihir Island and with the Papua New Guinea (PNG) national health authorities.

The LMEP represents the first attempt at eliminating malaria in PNG and it is anticipated that the lessons learned from this program will inform the design and implementation of further malaria pre elimination and elimination programs now being planned for the New Guinea and Milne Bay Islands and ultimately the rest of PNG. The PNG National Department of Health has recently committed to malaria elimination as part of the National Malaria Strategic Plan and the LMEP is fully aligned with and supportive of this goal.



Lihir laboratory technicians.

The MMV Alliance is a unique arrangement for MMV and Newcrest and has resulted in another unique body, the multi-party entity that will be the instrument for the implementation of the LMEP. As well as Lihir Gold Limited (LGL) and MMV, two Lihirian landowner entities, Anitua Ltd and MRL Capital Limited are committed to provide financial support to the implementation of the LMEP.

A not-for-profit structure is in the process of being established, and all funds required or contributed to the project will be held by this entity. Any external donor financing that MMV arranges, will be transparently and accountably managed through this entity, which will operate independently of all stakeholders.

The Newcrest/MMV Alliance Steering Committee is optimistic that as well as eliminating malaria from the Lihir group of islands, the entity being established to manage this process will provide a new model for future malaria interventions in PNG.

8. Commencement of the new CMS, 'Social Performance Architecture' is planned for roll-out in FY2016.



## LOCAL COMMUNITY DEVELOPMENT AND INVESTMENT CONTINUED

## CASE STUDY



## Long-term transparency key to managing employee and community expectations

In the past five years, Cadia has transformed significantly in terms of mine type, production output and workforce. Managing the transition within the workforce and the community has been carefully planned, with a long-term and ongoing communications and implementation process in place.

In 2010, Cadia comprised the Cadia Hill Open Pit, Ridgeway Deep Underground Mine and the commencement of the construction phase for the Cadia East project was approved. In FY2010, the combined operation had a gold production of 497koz. As the construction of Cadia East ramped-up, the workforce peaked at over 3,000 employees and contractors in November 2011.

By the end of 2016, Cadia's workforce is expected to be around 890 full-time equivalent roles as a result of the completion of the construction of Cadia East, the cessation of open pit mining in June 2012, and Ridgeway Deep Underground Mine ceasing production by mid-FY2016.

Keeping employees, contractors and the community aware of these changes continues to be a priority for the business, as it has been over the past five years.

During this reporting period, regular updates have been provided to employees, with quarterly information provided on the Company's workforce plans and the process to reduce the workforce.

At the end of the reporting period, there were around 1,350 employees and contractors at Cadia. All were given the opportunity for a one-on-one discussion regarding their future employment plans and options during the reporting period, with over 800 people taking up the opportunity to discuss the possibilities further.

Four information days were also held during the reporting period, providing the workforce with access to services such as financial planners, small business support, careers advisors, outplacement support, TAFE, Centrelink and Newcrest's Employee Assistance Program (EAP). The aim is to ensure every employee has the opportunity to consider their options to stay in the local region.

Numerous meetings have been held with the local councils over the past five years, providing them with data and information to support their infrastructure and job-creation decision-making, as well as to support their communications with other levels of government.

Cadia has a role on the Orange Economic Development Committee, and through this forum, we monitor the activities of local business, local government and state government agencies on proactive initiatives aimed at offsetting a decline in local economic activity attributable to Cadia's contracting workforce.

Cadia also adopted a community partnerships strategy in FY2015 aimed at supporting and growing existing local industries to further offset the effects of workforce reductions and eventual mine closure. The targeted industries are tourism, agriculture and health, and 60 percent of the FY2015 community partnership budget was directed towards seed funding for community infrastructure initiatives in these areas.

These initiatives include establishment of a mountain bike trail on Mount Canobolas to attract mountain bike events to the region, construction of a historical museum in Orange, construction of a multi-million dollar care facility for the aged homeless in Orange, and additional surgical equipment for Orange Health Service to allow recruitment of surgical specialists to the Orange region.

Cadia will continue to communicate regularly, clearly and as transparently as possible as the transition continues.



Cadia.

# REALISING OUR FULL POTENTIAL





## PRODUCTIVITY, PERFORMANCE, PROFITABILITY AND FISCAL SUSTAINABILITY



Conveyor system, Cadia.

Newcrest has taken decisive action to implement a rigorous performance improvement program, called Edge. Our Edge is a high-performance, no-nonsense culture focused on safety, operational discipline, cash, profitable growth and delivering on our commitments. The Edge methodology empowers our people to focus on safety performance and improvement initiatives, as well as identifying and prioritising areas of biggest opportunity for delivering value. It also drives how we engage with our people, and develop talent and capability we need to sustain our Edge.

Edge, led by our Chief Executive Officer and Executive Committee, has quickly become Newcrest's operating philosophy and, from early 2014, has been supported by four key Organisational Health practices to help improve the organisational culture within Newcrest: employee involvement; operational discipline; personal ownership; and bottom-up innovation. Since the commencement of Edge, there have been significant improvements in these practices, as measured by the Organisational Health Index (OHI).

In June 2015, following review of the improvements made in our Organisational Health, Newcrest's senior leadership team agreed to broaden the number of Organisational Health practices to include:

- Inspirational leadership – which is about providing encouragement, guidance and direction to employees.
- Talent development – developing employees' knowledge and skills.
- Shared vision – setting direction by creating and communicating a compelling, vivid image of what the future will look like.

As our safety transformation continues across Newcrest, the Edge methodology will continue to be applied to help manage our critical controls.

During the reporting period, Edge delivered significant improvements to our business performance through throughput improvement, productivity improvements, capital efficiency, innovation and cost reductions. Some examples of Edge initiatives that were implemented during the year are described below.

At Lihir, detailed studies were conducted to identify the best operating strategy for autoclave feed considering the sulphide mineralogy in the feed ores. Reviewing operating data and challenging existing paradigms allowed for a new strategy that increased tonnage throughput in autoclaves without decreasing gold recovery, something that previously was not thought possible. This new strategy has delivered a significant increase in gold production since implementation.

At Cadia, a number of initiatives generated through bottom-up innovation have been implemented to improve operating efficiency and productivity. Capital expenditure was approved to install a large Jameson cell in the concentrator circuit, delivering higher throughput and an uplift in recovery. The cell has outperformed initial expectations, with gold and copper recoveries increasing in excess of two percent and final concentrate grade increasing by one percent. The capital investment on this initiative was paid back within four months.

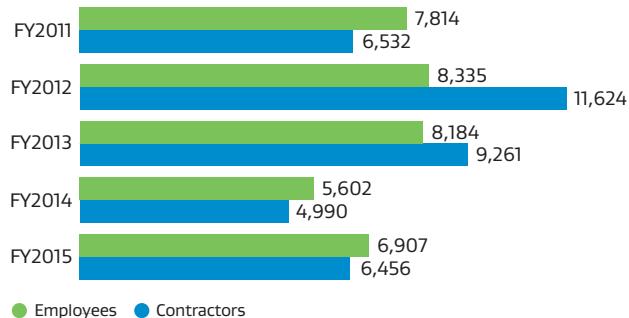
Employee involvement, personal ownership and bottom-up innovation were all instrumental in Cadia East hitting significant milestones, such as mining over 50,000 tonnes of ore from Panel Cave 1 in a 24-hour period. One of the key Edge initiatives which helped achieve this success was increasing the speed of the feeder that transfers crushed ore from the primary crusher to the conveyor. A real-time dispatch system, designed specifically for Cadia East, has also been implemented to optimise bogger and loader interactions.

A commitment to encourage bottom-up innovation has enabled the team at Bonikro to gain substantial benefits. Identification of the SAG mill as the constraint on throughput led to a review of its maintenance process. Recent redesign and improvements in the materials used for grates (extending operational life) created the basis for reviewing the mill relining cycle (changing lifters, grates and liners). The review considered a shift from every four months (with full reline at eight months) to every five months (with full reline at 10 months). Inspections conducted during a shutdown showed that some of the liners could last 10 months. The new approach has resulted in a solution where some sets (including grates, lifters and liners) are changed at five months, and remaining liners are changed during full reline at 10 months.

At Telfer, the open pit mining team undertook an exercise to identify improvement opportunities through bottom-up innovation, and implemented a number of these as a result. Some of these opportunities included modifying haul routes to reduce intersections and slow-down points, allocating mining equipment on a first-availability basis and increasing parking areas to allow for shift changes to be completed in-cycle. Within the first three months of implementing the various improvement opportunities, there was a 19 percent increase in daily tonnes mined, five percent decrease in costs of material moved, three-minute reduction on haul routes, 12-minute reduction in shift change and 30-minute increase per shift in maintenance tool-time.

Finally, Edge has also played an important role in driving rapid improvements at Gosowong, where the team commenced investigations into improving the ground support system at the Kencana and Toguraci mines. Previously, a ‘two-pass’ support system has been used, requiring two shotcrete applications per development round. A comprehensive improvement process was initiated covering mix design, fibre type and dosage, operator skills and training, equipment maintenance and geotechnical assessment. Following a detailed analysis, the team developed a high-performance ‘one-pass’ solution; a safer and more efficient process due to machinery cycled into the heading once. The stronger layer of shotcrete provides improved geotechnical stability, increased overall efficiency, reduced cycle time and decreased bolting requirements.

**GRAPH 14: TOTAL NUMBER OF EMPLOYEES AND CONTRACTORS FY2011 – FY2015 (#)**



**GRAPH 15: CASH FLOW FROM OPERATIONS FY2011 – FY2015 (AUD M)**



\* 2013 information has been restated to reflect the adoption of Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine.



## PRODUCTIVITY, PERFORMANCE, PROFITABILITY AND FISCAL SUSTAINABILITY CONTINUED

### CASE STUDY



### Edge energy projects increase efficiencies at Lihir

A series of projects focused on energy have delivered significant efficiencies and savings at Lihir during the reporting period. Around 20 percent of the cost of producing gold at Lihir is linked to energy costs, reducing the amount of power used has a direct positive impact on our margins and environmental footprint.

Energy reduction projects at Lihir have involved a combination of increasing the efficiency of power generation, decreasing the amount of fuel consumption, and changing work practices and habits to reduce energy requirements. A mixture of innovative thinking and investment in complementary equipment has enabled these improvements.

Installation of a new inlet governor valve (IGV) control system on the main air compressor of the oxygen plant now provides the operation with the ability to wind back power consumption to reduced levels when not required. The relatively low implementation cost, for new hardware and software, resulted in a reduction in heavy fuel oil expenditure.

A shift in operating strategy has helped at Lihir's geothermal steam field with the Company being able to bring online geothermal wells that were previously problematic due to the high percentage of non-condensable gas they produced.

As the geothermal gas is processed into energy via condensing turbines, high percentages of non-condensable gases tend to negatively impact the turbines. For these particular wells, switching from a traditional three turbine set-up to a four turbine set-up resulted in increased energy production, as the non-condensable gas was spread across a greater number of turbines. This increase offsets any inefficiencies in running the extra turbine, and reduces expenditure in heavy fuel oil, and provides the benefit of reduced sulphur emissions from the operations.

Projects to maximise energy usage have not been confined to the processing plant. At the camp, where 1,700 accommodation rooms are located, a project to optimise air conditioning usage has also reduced power consumption. Through a combination of employee intervention and the installation of a ripple control system on the power circuits controlling the air conditioning, air conditioners are now run on an 'as needed' basis, ensuring that empty rooms, where employees are away from site, are not unnecessarily cooled.

Energy improvements will continue to be a key lever to success at Lihir over the coming year as the Power and Utilities team continue to build upon their previous successes.



Power station, Lihir.

As reflected in the case study above, Newcrest has strengthened its focus to improve its energy consumption and efficiency while reducing operational costs. This new direction via Edge across the business presents an initial but important step in addressing climate change.

Newcrest actively manages its profile with regard to climate change developments and associated regulatory programs. Actions are led by the corporate Energy and Environment

functions and include the key focus areas of operating practice, compliance, data collection, energy efficiency and involvement in the regulatory process.

Newcrest reports on greenhouse gas emissions from its Australian activities as part of the Australian Government's National Greenhouse and Energy Reporting (NGER) scheme, a mandatory reporting system for greenhouse gas emissions, energy production and consumption, which applies to companies above a certain threshold of emissions.

 GROWTH

Growth at Newcrest is managed through five key areas:

- **Property generation:** This involves the scanning of new opportunities (drill-ready targets) on a global level. At present Newcrest is looking at potential exploration sites around the world.
- **Greenfield exploration:** This includes sites where exploration activities are currently underway, such as in Fiji, PNG, New Zealand, Australia and Côte d'Ivoire.
- **Brownfield exploration:** These are Newcrest's operational sites, some that are in the process of expansion and some that have associated exploration activities.
- **Resource and reserve management:** This covers Newcrest delivering on its current reserves.
- **Projects:** This includes advanced projects being evaluated as the next development opportunities, such as the Wafi-Golpu project in PNG.

New growth opportunities are evaluated in terms of their technical merit (e.g. size of deposit), how the opportunity fits with Newcrest's current strategy and portfolio, due diligence (e.g. sovereign risk, community and environmental legacies) and security of tenure. Community and environmental assessments look for any barriers that would prevent or delay development. Potential positive impacts are assessed for aspects such as local employment and community development, or addressing existing environmental legacies from previous site owners/operators.

From a management systems perspective, growth is delivered under the direction of Newcrest's Board and its Growth and Investment Committee, which sets growth objectives and determines investment in growth opportunities. A growth strategy is developed and embedded in Newcrest's planning cycle. The implementation of these growth objectives is then allocated to individual executives, such as the General Manager Exploration. Growth-related projects and associated budgets are regularly reviewed by the Chief Development Officer and by the Growth and Investment Committee to ensure that growth is undertaken strategically and appropriately in relation to Newcrest's growth objectives. General Managers regularly review the implementation of exploration activities to help ensure their optimal delivery.

Newcrest's strategy is to extend the mine life and/or grow production or margin at each mine through brownfields exploration, resource definition and ore body knowledge work, support advancement of the Company's development projects, and deliver the next generation of discoveries from the exploration portfolio.

During the 2015 financial year, Newcrest exploration programs continued in and around the Company's mining operations (brownfields exploration). However, the main focus was the commencement of its search for the next generation of new discoveries, with the first step being the capture of high-quality exploration stage projects to improve the quality of the growth pipeline (greenfields exploration).

The brownfield exploration program continued at Telfer, Cadia, Bonikro and Gosowong. At Gosowong, the search for new discoveries was ongoing. Gosowong is highly prospective, with significant potential for incremental growth adjacent to the existing underground operations at Toguraci and Kencana. The development of a new exploration model and application of new geophysical techniques was successful in defining a portfolio of exploration targets within the regional Contract of Work. Drill testing of these targets is presently underway.

The greenfield exploration program was focused on capturing high-quality exploration stage projects to increase the prospectivity of the exploration portfolio. A number of new projects were added to the pipeline, including the Wamum Project (PNG), Mungana Exploration Project (Australia) and the Southern Coromandel Exploration Project (New Zealand). The search for new projects is ongoing within Asia-Pacific, West Africa and a number of key global gold belts.

The Wamum Project located 22 kilometres north-west of the Wafi-Golpu project, is an advanced exploration project that contains two known copper-gold porphyry systems – Wamum and Idzan Creek.

The Mungana Joint Exploration Project is a new project, located west of Cairns in North Queensland. Newcrest has entered into an Expenditure Commitment Agreement with Atherton Resources Ltd, pursuant to which Newcrest has the potential to earn a 70 percent interest in the Exploration Project.

The Southern Coromandel Exploration Project is a new project located in one of the world's premier epithermal districts in the Southern Coromandel, New Zealand. The Farm-in Agreement is between Newcrest and Laneway Resources. Newcrest has the right to earn an 80 percent interest in the project by sole funding a two-stage work program within the tenement package.

Exploration also continued on our existing greenfield exploration projects at Wailevu West (Fiji), MEJV (PNG) and Côte d'Ivoire regional tenement packages.

Newcrest's most exciting greenfield project is Wafi-Golpu, located in the Morobe Province of Papua New Guinea (PNG), approximately 65 kilometres south-west of the town of Lae. Wafi-Golpu is owned by the Wafi-Golpu Joint Venture (WGJV), one of three unincorporated joint ventures between subsidiaries of Newcrest and Harmony Gold Mining Company Limited, collectively known as the Morobe Mining Joint Ventures.

Wafi-Golpu comprises an extensive body of gold-only epithermal style mineralisation (Wafi) and deeper porphyry related copper-gold mineralisation (Golpu and Nambonga). The Golpu and Wafi deposits are located in close proximity to each other, with Golpu located below and immediately north of the Wafi deposit.

An update to the 2012 technical pre-feasibility study, released in December 2014, confirmed Golpu as a world-class deposit and identified an improved business case for the project by splitting it into two stages. Stage one targets the upper higher-value portion of the orebody and stage two will encompass the rest of the ore reserve. The Board of Newcrest has approved stage one progressing to feasibility study and for work to continue on updating the 2012 pre-feasibility study for stage two. The feasibility study for Golpu stage 1 and the pre-feasibility study for stage 2 remain on track for completion by the end of December 2015, after which the studies will be submitted to the Boards of Newcrest and Harmony for approval.

Central to the development of the project will be ongoing engagement with key stakeholders, including the Papua New Guinea and Morobe Province governments, landholders and community representatives to establish a suitable and sustainable framework for advancing the project.

The Golpu development option has the potential to underpin production growth at Newcrest in the next decade.

# PERFORMANCE DATA

	FY2015	FY2014	FY2013	FY2012
<b>ENVIRONMENT</b>				
<b>EN24</b>				
<b>Total volume of significant spills (L)<sup>(a)</sup></b>				
Company	0	0	17,500	297,000
Lihir	0	0	17,500	0
Telfer	0	0	0	237,000
Cadia	0	0	0	60,000
Gosowong	0	0	0	0
Hidden Valley	0	0	0	0
Bonikro	0	0	0	0
Exploration	0	0	0	0
Namosi	0	0	0	0
Wafi-Golpu	0	0	0	0
Corporate Offices	0	0	0	0
<b>MM1</b>				
<b>Total land disturbed and not yet rehabilitated prior to reporting period (ha) (A)<sup>(b)</sup></b>				
Company	8,843	7,553	7,893	6,709
Lihir	1,300	750	936	731
Telfer	4,690	4,261	4,101	3,549
Cadia	1,359	1,949	1,713	1,683
Gosowong	367	NA	353	337
Hidden Valley	530	NA	NA	NA
Bonikro	562	562	562	562
Exploration	0	0	0	0
Namosi	31	31	83	81
Wafi-Golpu	4	NA	145	102
Corporate Offices	0	0	0	0
<b>Total amount of land newly disturbed within the reporting period (ha) (B)</b>				
Company	750	984	1,073	761
Lihir	708	746	750	731
Telfer	0	145	160	15
Cadia	0	89	154	15
Gosowong	0	0	7	34
Hidden Valley	40	NA	NA	NA
Bonikro	0	NA	0	0
Exploration	0	0	0	0
Namosi	0	4	2	0
Wafi-Golpu	2	NA	NA	0
Corporate Offices	0	0	0	0
<b>Total amount of land newly rehabilitated within the reporting period to the agreed end use (ha) (C)</b>				
Company	286	313	307	192
Lihir	231	192	186	186
Telfer	0	4	4	0
Cadia	36	108	88	0
Gosowong	11	0	14	15
Hidden Valley	3	NA	NA	NA
Bonikro	0	0	NA	0
Exploration	0	0	0	0
Namosi	2	9	9	2
Wafi-Golpu	3	0	9	4
Corporate Offices	0	0	0	0
<b>Total land disturbed and not yet rehabilitated (ha) (D = A+B-C)</b>				
Company	9,307	8,713	8,377	7,825
Lihir	1,777	1,300	1,314	1,278
Telfer	4,690	4,886	4,176	4,101
Cadia	1,323	1,764	1,779	1,698
Gosowong	356	180	340	254
Hidden Valley	567	NA	NA	NA
Bonikro	562	562	562	562
Exploration	0	0	0	0
Namosi	29	21	74	77
Wafi-Golpu	3	0	132	94
Corporate Offices	0	0	0	0

(a) Significant spills are defined as having critical or catastrophic impact to the environment. The classifications are based on the type of liquid spilled, the volume of the spill and the receiving environment.

(b) Variation in land disturbance at Telfer between FY2014 and FY2015 is attributed to improvements to the disturbance mapping process, with aerial surveys allowing greater precision in calculating disturbance types across tenements.

**PERFORMANCE DATA** CONTINUED

	FY2015	FY2014	FY2013	FY2012
<b>ENVIRONMENT continued</b>				
<b>MM3</b>				
<b>Total waste rock (kt)</b>				
Company	<b>27,677</b>	62,058	116,858	98,949
Lihir	<b>5,934</b>	12,077	11,832	13,669
Telfer	<b>7,221</b>	20,795	61,450	46,058
Cadia	<b>6</b>	51	613	1,297
Gosowong	<b>325</b>	4,839	6,264	8,476
Hidden Valley	<b>8,383</b>	16,485	17,872	17,586
Bonikro	<b>5,808</b>	7,811	18,827	11,864
Exploration	<b>0</b>	0	0	0
Namosi	<b>0</b>	0	0	0
Wafi-Golpu	<b>0</b>	0	0	0
Corporate Offices	<b>0</b>	0	0	0
<b>Total tailings (kt)</b>				
Company	<b>61,852</b>	57,596	60,586	53,855
Lihir	<b>10,775</b>	9,929	6,936	5,996
Telfer	<b>21,918</b>	21,124	21,376	21,075
Cadia	<b>22,797</b>	19,741	25,300	20,625
Gosowong	<b>738</b>	826	822	722
Hidden Valley	<b>3,647</b>	4,002	3,640	3,550
Bonikro	<b>1,976</b>	1,974	2,512	1,887
Exploration	<b>0</b>	0	0	0
Namosi	<b>0</b>	0	0	0
Wafi-Golpu	<b>0</b>	0	0	0
Corporate Offices	<b>0</b>	0	0	0
Total waste rock and tailings	<b>89,529</b>	119,654	177,444	152,804

	FY2015	FY2014	FY2013	FY2012
<b>ECONOMIC</b>				
<b>EC1</b>				
<b>Total community expenditure (AUD M)</b>				
Company	<b>95.8</b>	97.3	146.4 <sup>(c)</sup>	104.5 <sup>(d)</sup>
Lihir	<b>58.8</b>	67.7	107.3	61.2
Telfer	<b>3.5</b>	3.2	4.6	4.3
Cadia	<b>1.7</b>	1.4	0.8	0.8
Gosowong	<b>19.3</b>	17.1	20.1	26.3
Hidden Valley	<b>0.4</b>	0.9	3.1	4.8
Bonikro	<b>6.7</b>	2.2	2.0	2.2
Exploration	<b>0.1</b>	0.2	—	0.0
Namosi	<b>0.5</b>	0.3	0.6	0.0
Wafi-Golpu	<b>0.0</b>	1.0	5.2	1.3
Corporate Offices	<b>4.8</b>	3.3	2.0	3.4
Total revenue	<b>4,344.0</b>	4,040.0	3,775.0	4,416.0
% of revenue	<b>2.2</b>	2.4	3.9	2.4
<b>Total payments to governments (non-recoverable) (AUD M)<sup>(e)</sup></b>				
Company	<b>174.2</b>	303.4	289.1	346.8
Lihir <sup>(f)</sup>	<b>29.7</b>	31.3	42.8	91.5
Telfer <sup>(f)</sup>	<b>33.3</b>	45.1	48.4	39.0
Cadia <sup>(f)</sup>	<b>61.5</b>	68.5	36.1	38.9
Gosowong <sup>(f)</sup>	<b>38.5</b>	72.3	135.8	163.4
Hidden Valley	<b>3.4</b>	4.8	3.8	4.0
Bonikro	<b>5.6</b>	4.4	4.1	4.4
Exploration	<b>0.0</b>	2.0	—	—
Namosi	<b>0.0</b>	0.0	—	—
Wafi-Golpu	<b>0.0</b>	0.1	—	—
Corporate Offices <sup>(f)</sup>	<b>2.2</b>	74.9	18.1	5.6
Total revenue	<b>4,344.0</b>	4,040.0	3,775.0	4,416.0
% of revenue	<b>4.0</b>	7.5	7.7	7.9
<b>Total operating costs (AUD M)</b>				
Company	<b>2,691.0</b>	2,491.0	2,266.0	2,065.0 <sup>(g)</sup>
Lihir	<b>857.0</b>	702.0	421.0	313.0
Telfer	<b>622.0</b>	647.0	722.0	719.0
Cadia	<b>654.0</b>	568.0	566.0	573.0
Gosowong	<b>241.0</b>	225.0	205.0	184.0
Hidden Valley	<b>146.0</b>	143.0	161.0	140.0
Bonikro	<b>92.0</b>	110.0	89.0	84.0
Exploration	<b>0.0</b>	—	0.0	0.0
Namosi	<b>0.0</b>	0.0	0.0	0.0
Wafi-Golpu	<b>0.0</b>	0.0	0.0	0.0
Corporate Offices	<b>79.0</b>	96.0	102.0	0.0

(c) Total includes amount relating to Morobe Exploration.

(d) Total includes amount relating to Cracow.

(e) Values quoted are on a cash payment basis.

(f) Comparatives for FY2014, FY2013 and FY2012 have been restated to include the impact of items not reported in prior years, including Payroll and Carbon Tax payments in Australia and other minor items in other jurisdictions.

(g) Total includes amount relating to Cracow and Mt Rawdon.

**PERFORMANCE DATA** CONTINUED

	FY2015	FY2014	FY2013	FY2012
<b>ECONOMIC continued</b>				
<b>ECI continued</b>				
<b>Total payments to suppliers (AUD M)</b>				
Company	<b>2,581.4</b>	2,724.0 <sup>(c)</sup>	4,065.5	1,989.5 <sup>(g)</sup>
Lihir	<b>764.4</b>	850.9	1,255.3	415.2
Telfer	<b>569.0</b>	588.4	1,004.1	719.1
Cadia	<b>741.6</b>	778.3	1,024.6	407.8
Gosowong	<b>212.0</b>	195.4	229.9	126.5
Hidden Valley	<b>155.3</b>	151.7	213.2	137.7
Bonikro	<b>97.6</b>	84.3	162.4	112.5
Exploration	<b>5.3</b>	1.0	0.0	0.0
Namosi	<b>2.2</b>	1.9	9.8	0.0
Wafi-Golpu	<b>24.7</b>	25.7	80.7	0.0
Corporate Offices	<b>9.3</b>	41.2	85.5	27.9
<b>Total employees salaries and wages (AUD M)</b>				
Company	<b>517.3</b>	575.8 <sup>(c)</sup>	581.4 <sup>(c)</sup>	457.7 <sup>(g)</sup>
Lihir	<b>115.5</b>	123.9	132.0	101.1
Telfer	<b>87.3</b>	98.2	123.3	100.8
Cadia	<b>124.8</b>	133.2	98.4	79.9
Gosowong	<b>58.9</b>	62.2	50.4	39.6
Hidden Valley	<b>25.9</b>	27.6	23.3	18.5
Bonikro	<b>23.8</b>	26.5	23.7	21.5
Exploration	<b>12.2</b>	12.4	14.8	0.0
Namosi	<b>0.1</b>	0.8	0.8	0.0
Wafi-Golpu	<b>0.0</b>	1.2	1.7	0.0
Corporate Offices	<b>68.8</b>	89.1	111.6	87.6
<b>Total superannuation (AUD M)</b>				
Company	<b>39.4</b>	44.0 <sup>(c)</sup>	45.2 <sup>(c)</sup>	37.3 <sup>(g)</sup>
Lihir	<b>8.3</b>	9.2	10.1	7.4
Telfer	<b>7.8</b>	8.4	10.7	8.4
Cadia	<b>11.0</b>	11.7	8.4	6.5
Gosowong	<b>0.0</b>	—	—	3.2
Hidden Valley	<b>2.7</b>	2.8	2.4	1.8
Bonikro	<b>2.1</b>	2.2	2.0	1.8
Exploration	<b>1.0</b>	1.0	1.2	0.0
Namosi	<b>0.0</b>	0.1	0.1	0.0
Wafi-Golpu	<b>0.0</b>	0.1	0.2	0.0
Corporate Offices	<b>6.5</b>	8.4	9.9	7.4

(c) Total includes amount relating to Morobe Exploration.

(g) Total includes amount relating to Cracow and Mt Rawdon.

	FY2015	FY2014	FY2013	FY2012
<b>ECONOMIC continued</b>				
<b>EC5</b>				
<b>Entry level wage as a percentage of local minimum wage (%)</b>				
Lihir	<b>253</b>	339	194	194
Telfer	<b>331</b>	325	261	318
Cadia	<b>322</b>	319	295	228
Gosowong	<b>144</b>	149	223	223
Hidden Valley	<b>143</b>	185	118	118
Bonikro	<b>197</b>	217	221	153
Exploration	<b>354</b>	354	347	0
Namosi	<b>140</b>	138	133	151
Wafi-Golpu	<b>149</b>	—	—	0
Corporate Offices	<b>262</b>	262	262	200
<b>EC6</b>				
<b>Proportion of senior management from the local community (%)<sup>(h)</sup></b>				
Company	<b>11.3</b>	37.3	69.5	18.6
Lihir	<b>0.0</b>	8.3	8.7	6.3
Telfer	<b>0.0</b>	0.0	100.0	0.0
Cadia	<b>100.0</b>	100.0	100.0	76.2
Gosowong	<b>3.4</b>	5.9	4.0	8.0
Hidden Valley	<b>0.0</b>	22.2	24.2	2.0
Bonikro	<b>0.0</b>	9.1	8.3	64.3
Exploration	<b>NA</b>	NA	NA	NA
Namosi	<b>75.0</b>	71.4	57.1	0.0
Wafi-Golpu	<b>0.0</b>	—	—	—
Corporate Offices	<b>—</b>	—	—	—
				<b>Goods and supplies</b>
				<b>Suppliers</b>
<b>EC9</b>				
<b>Spending on local<sup>(i)</sup> goods and suppliers FY2015 (by region) (%)</b>				
Company			<b>63</b>	<b>83</b>
Australia			75	90
Papua New Guinea			38	65
Indonesia			54	97
Côte d'Ivoire			53	68

(h) Local community employees are defined across our sites as follows:

- Lihir – Employees who are residents of Lihir Island (including anyone who has been adopted as a local and resides on Lihir Island).
- Telfer – Employees from the local Indigenous Community.
- Cadia – Employees residing within 100 kilometres of the mine site or major centre of Orange, NSW.
- Gosowong – Employees who live in North Maluku and their Point of Hire is North Maluku.
- Hidden Valley – Employees hired from the project impact areas (Tiers 1 & 2).
- Bonikro – Employees with Côte d'Ivoiran nationality.
- Namosi – Employees born in Fiji or who have legal residency status from Fiji Immigration.
- Wafi-Golpu – Employees hired from the project impact areas (Tiers 1 & 2).

(i) Newcrest defines 'local' as in-country.

## PERFORMANCE DATA CONTINUED

	FY2015	FY2014	FY2013	FY2012
<b>SOCIAL</b>				
<b>HR7</b>				
Percentage of directly employed security personnel trained in human rights policies or procedures (%)				
Company	17	2	34	5
Lihir	68	0	100	8
Telfer	40	50	100	100
Cadia	0	0	100	100
Gosowong	6	0	0	1
Hidden Valley	NA	0	0	1
Bonikro	0	0	100	15
Exploration	0	0	0	0
Namosi	0	0	0	0
Wafi-Golpu	NA	0	0	NA
Corporate Offices	0	0	0	0
Total number of third party organisations' security personnel trained in Newcrest's human rights policies and procedures (#)				
Company	107	57	NA	NA
Lihir	0	NA	NA	NA
Telfer	0	2	NA	NA
Cadia	1	8	NA	NA
Gosowong	0	0	NA	NA
Hidden Valley	NA	NA	NA	NA
Bonikro	106	47	NA	NA
Exploration	NA	NA	NA	NA
Namosi	NA	NA	NA	NA
Wafi-Golpu	NA	NA	NA	NA
Corporate Offices	0	NA	NA	NA
<b>SO3</b>				
Total number (#) and percentage (%) of operations assessed for risks related to corruption				
Company	6	5	5	6
Lihir	1	1	1	1
Telfer	1	1	1	1
Cadia	1	1	1	1
Gosowong	1	1	1	1
Hidden Valley	1	1	1	1
Bonikro	1	0	0	1
Exploration	NA	NA	NA	NA
Namosi	NA	NA	NA	NA
Wafi-Golpu	NA	NA	NA	NA
Corporate Offices	NA	NA	NA	NA
Percentage of operations analysed (%)	100	83	83	100
	Received	Addressed	Resolved	
<b>SO11</b>				
Number of grievances <sup>(j)</sup> in FY2015 about impacts on society filed, addressed and resolved through formal grievance mechanisms (#)				
Company	6	6	5	
Lihir	3	3	3	3
Telfer	0	0	0	0
Cadia	0	0	0	0
Gosowong	0	0	0	0
Hidden Valley	NA	NA	NA	NA
Bonikro <sup>(k)</sup>	1	1	0	0
Exploration	NA	NA	NA	NA
Namosi	2	2	2	2
Wafi-Golpu	0	0	0	0
Corporate Offices	NA	NA	NA	NA

(j) Newcrest defines grievances as those community issues or complaints that have had to be escalated to an independent third party, e.g. government body, with others resolved in-house. As a general practice, Newcrest engages government as an independent observer or participant in the grievance process and has recourse to other avenues, e.g. arbitration, as a fallback mechanism.

(k) During FY2015, 49 complaints involved the local government or the Bonikro Chief as a precautionary measure. Of these, 46 complaints were resolved during the reporting period.

	FY2015	FY2014	FY2013	FY2012
<b>SOCIAL continued</b>				
<b>MM8</b>				
<b>Total number (#) and percentage (%) of operating sites where artisanal and small-scale mining (ASM) takes places on, or adjacent to, the site</b>				
Company	<b>4</b>	4	4	4
Lihir	<b>0</b>	0	0	0
Telfer	<b>0</b>	0	0	0
Cadia	<b>0</b>	0	0	0
Gosowong	<b>1</b>	1	1	1
Hidden Valley	<b>1</b>	1	1	1
Bonikro	<b>1</b>	1	1	1
Exploration	<b>0</b>	0	0	0
Namosi	<b>0</b>	0	0	0
Wafi-Golpu	<b>1</b>	1	1	1
Corporate Offices	<b>0</b>	0	0	0
Percentage of operations (%)	<b>44</b>	44	44	44
<b>MM9</b>				
<b>Total number (#) and percentage (%) of operations where resettlements took place</b>				
Company	<b>0</b>	0	0	1
Lihir	<b>0</b>	0	0	1
Telfer	<b>0</b>	0	0	0
Cadia	<b>0</b>	0	0	0
Gosowong	<b>0</b>	0	0	1
Hidden Valley	<b>0</b>	0	0	1
Bonikro	<b>0</b>	0	0	1
Exploration	<b>0</b>	0	0	0
Namosi	<b>0</b>	0	0	0
Wafi-Golpu	<b>0</b>	0	0	0
Corporate Offices	<b>0</b>	0	0	0
Percentage of operations (%)	<b>0</b>	0	0	17

**PERFORMANCE DATA** CONTINUED

	FY2015	FY2014	FY2013	FY2012
<b>SOCIAL continued</b>				
<b>LA1</b>				
<b>Total employees (#)</b>				
Company	<b>6,907</b>	5,602	8,184	8,335
Lihir	<b>1,979</b>	1,942	2,327	2,496
Telfer	<b>528</b>	549	754	720
Cadia	<b>810</b>	865	916	907
Gosowong	<b>1,176</b>	1,208	1,351	1,365
Hidden Valley	<b>1,358</b>	NA <sup>(i)</sup>	1,670	1,614
Bonikro	<b>517</b>	532	646	644
Exploration	<b>132</b>	150	NA	0
Namosi	<b>14</b>	16	47	55
Wafi-Golpu	<b>108</b>	NA <sup>(i)</sup>	NA	NA
Corporate Offices	<b>285</b>	340	473	534
<b>Total contractors (#)</b>				
Company	<b>6,456</b>	4,990	9,261	11,624
Lihir	<b>2,138</b>	2,205	2,762	4,156
Telfer	<b>746</b>	575	922	1,121
Cadia	<b>802</b>	934	1,130	1,806
Gosowong	<b>930</b>	813	1,524	1,155
Hidden Valley	<b>881</b>	NA <sup>(i)</sup>	2,196	2,210
Bonikro	<b>504</b>	265	497	832
Exploration	<b>125</b>	124	NA	NA
Namosi	<b>6</b>	0	46	102
Wafi-Golpu	<b>192</b>	NA <sup>(i)</sup>	NA	NA
Corporate Offices	<b>132</b>	74	184	242
<b>LA6</b>				
<b>Lost time injury frequency rate (LTIFR)</b>				
Company	<b>0.4</b>	0.6	0.4	0.6
Lihir	<b>0.1</b>	0.2	0.1	0.2
Telfer	<b>1.3</b>	4.0	0.8	0.4
Cadia	<b>1.3</b>	0.6	0.7	0.6
Gosowong	<b>0.0</b>	0.0	1.0	2.4
Hidden Valley	<b>0.3</b>	0.3	0.1	0.8
Bonikro	<b>0.0</b>	1.8	0.8	0.7
Exploration	<b>3.4</b>	0.0	0.0	0.8
Namosi	<b>0.0</b>	0.0	0.2	0.0
Wafi-Golpu	<b>0.0</b>	0.0	–	0.0
Corporate Offices	<b>0.0</b>	1.0	0.0	0.0
<b>Total recordable injury frequency rate (TRIFR)</b>				
Company	<b>3.6</b>	3.1	3.6	3.5
Lihir	<b>1.1</b>	1.0	1.3	1.2
Telfer	<b>10.7</b>	8.6	7.1	5.3
Cadia	<b>8.1</b>	6.3	7.8	9.0
Gosowong	<b>4.4</b>	2.7	4.7	4.7
Hidden Valley	<b>2.1</b>	2.2	1.6	1.7
Bonikro	<b>1.2</b>	3.5	3.9	3.9
Exploration	<b>10.2</b>	0.0	2.6	1.6
Namosi	–	7.7	5.0	3.6
Wafi-Golpu	–	1.0	–	0.9
Corporate Offices	<b>0.0</b>	1.9	3.2	0.8

(i) FY2014 data for Hidden Valley and Wafi-Golpu was not available.

	Employees	Contractors
<b>SOCIAL continued</b>		
<b>LA6 continued</b>		
<b>Lost time injury frequency rate (LTIFR) (by employment type) FY2015</b>		
Company	0.3	0.5
Lihir	0.0	0.2
Telfer	0.9	1.6
Cadia	1.7	0.9
Gosowong	0.0	0.0
Hidden Valley	0.2	0.7
Bonikro	0.0	0.0
Exploration	6.2	0.0
Namosi	0.0	0.0
Wafi-Golpu	0.0	0.0
Corporate Offices	0.0	0.0
<b>Total recordable injury frequency rate (TRIFR) (by employment type) FY2015</b>		
Company	2.1	4.5
Lihir	0.8	1.3
Telfer	6.3	13.4
Cadia	6.3	9.6
Gosowong	4.3	4.7
Hidden Valley	1.5	4.2
Bonikro	1.4	0.9
Exploration	12.3	7.5
Namosi		
Wafi-Golpu		
Corporate Offices	0.0	0.0
Total employees covered by collective bargaining agreements (#)		Percentage of employees covered (%)
<b>G4-11</b>		
<b>Total number (#) and percentage (%) of total employees covered by collective bargaining agreements during FY2015</b>		
Company	877	12.7
Lihir	0	0.0
Telfer	339	64.2
Cadia	538	66.4
Gosowong	0	97.7
Hidden Valley	0	0.0
Bonikro	0	0.0
Exploration	0	0.0
Namosi	0	0.0
Wafi-Golpu	0	0.0
Corporate Offices	0	0.0

## PERFORMANCE DATA CONTINUED

Company	Lihir	Telfer	Cadia	Gosowong
<b>SOCIAL continued</b>				
<b>LA12 (includes G4-10)</b>				
Employment ratio by gender and level FY2015 (%) <sup>(m)</sup>				
<b>Senior Executive</b>				
Total Employees (#)	<b>8</b>	0	0	0
Male Employees (%)	<b>75.0</b>	0.0	0.0	0.0
Female Employees (%)	<b>25.0</b>	0.0	0.0	0.0
<30 years of age (%)	<b>0.0</b>	0.0	0.0	0.0
30–50 years of age (%)	<b>50.0</b>	0.0	0.0	0.0
50+ years of age (%)	<b>50.0</b>	0.0	0.0	0.0
<b>Senior Manager</b>				
Total Employees (#)	<b>37</b>	2	1	1
Male Employees (%)	<b>94.6</b>	100.0	100.0	100.0
Female Employees (%)	<b>5.4</b>	0.0	0.0	0.0
<30 years of age (%)	<b>0.0</b>	0.0	0.0	0.0
30–50 years of age (%)	<b>54.1</b>	50.0	0.0	0.0
50+ years of age (%)	<b>45.9</b>	50.0	100.0	100.0
<b>Manager</b>				
Total Employees (#)	<b>218</b>	20	10	13
Male Employees (%)	<b>86.7</b>	85.0	100.0	61.5
Female Employees (%)	<b>13.3</b>	15.0	0.0	38.5
<30 years of age (%)	<b>0.9</b>	0.0	0.0	0.0
30–50 years of age (%)	<b>76.1</b>	90.0	60.0	69.2
50+ years of age (%)	<b>22.9</b>	10.0	40.0	30.8
<b>Senior Professional/Supervisor</b>				
Total Employees (#)	<b>1,402</b>	463	86	152
Male Employees (%)	<b>90.2</b>	92.9	95.3	94.7
Female Employees (%)	<b>9.8</b>	7.1	4.7	5.3
<30 years of age (%)	<b>7.1</b>	3.5	4.7	7.9
30–50 years of age (%)	<b>72.1</b>	67.2	67.4	76.3
50+ years of age (%)	<b>20.8</b>	29.4	27.9	15.8
<b>Technician/Professional/Clerical Role</b>				
Total Employees (#)	<b>5,242</b>	1,494	431	644
Male Employees (%)	<b>88.5</b>	86.1	89.3	90.8
Female Employees (%)	<b>11.5</b>	13.9	10.7	9.2
<30 years of age (%)	<b>22.4</b>	25.8	20.6	27.3
30–50 years of age (%)	<b>67.3</b>	62.9	56.8	60.6
50+ years of age (%)	<b>10.3</b>	11.4	22.5	12.1

(m) Reported data includes Morobe Mining Joint Venture and Namosi Joint Venture employees. Hidden Valley and Wafi-Golpu employees were not reported in FY2014 due to unavailability of data.

**PERFORMANCE DATA**

Hidden Valley	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
1	0	1	0	0	6
100.0	0.0	100.0	0.0	0.0	66.7
0.0	0.0	0.0	0.0	0.0	33.3
0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	100.0	0.0	0.0	50.0
100.0	0.0	0.0	0.0	0.0	50.0
1	1	2	1	4	21
100.0	100.0	100.0	100.0	100.0	90.5
0.0	0.0	0.0	0.0	0.0	9.5
0.0	0.0	0.0	0.0	0.0	0.0
100.0	100.0	50.0	0.0	25.0	71.4
0.0	0.0	50.0	100.0	75.0	28.6
12	5	13	2	9	59
91.7	100.0	92.3	50.0	100.0	78.0
8.3	0.0	7.7	50.0	0.0	22.0
0.0	0.0	0.0	0.0	0.0	0.0
75.0	60.0	53.8	50.0	66.7	79.7
25.0	40.0	46.2	50.0	33.3	20.3
342	38	25	8	36	95
89.2	97.4	76.0	75.0	83.3	68.4
10.8	2.6	24.0	25.0	16.7	31.6
12.3	2.6	8.0	12.5	0.0	9.5
72.5	68.4	84.0	25.0	83.3	70.5
15.2	28.9	8.0	62.5	16.7	20.0
1,002	473	91	3	59	104
88.2	91.3	89.0	33.3	93.2	54.8
11.8	8.7	11.0	66.7	6.8	45.2
23.9	15.9	22.0	33.3	18.6	30.8
67.0	77.4	67.0	66.7	71.2	54.8
9.2	6.8	11.0	0.0	10.2	14.4

**PERFORMANCE DATA** CONTINUED

	Number (#)	Percentage (%)
<b>SOCIAL</b> continued		
<b>LA12</b> continued		
<b>Composition of governance bodies<sup>(n)</sup> according to gender and age group</b>		
<b>Board of Directors</b>		
Male Employees	9	90.0
Female Employees	1	10.0
<30 years of age	0	0.0
30–50 years of age	2	20.0
50+ years of age	8	80.0
<b>Audit &amp; Risk Committee</b>		
Male Employees	3	100.0
Female Employees	0	0.0
<30 years of age	0	0.0
30–50 years of age	1	33.3
50+ years of age	2	66.7
<b>Human Resources &amp; Remuneration Committee</b>		
Male Employees	4	80.0
Female Employees	1	20.0
<30 years of age	0	0.0
30–50 years of age	1	20.0
50+ years of age	4	80.0
<b>Safety &amp; Sustainability Committee</b>		
Male Employees	3	75.0
Female Employees	1	25.0
<30 years of age	0	0.0
30–50 years of age	0	0.0
50+ years of age	4	100.0
<b>Nominations Committee</b>		
Male Employees	3	100.0
Female Employees	0	0.0
<30 years of age	0	0.0
30–50 years of age	1	33.3
50+ years of age	2	66.7

(n) Composition as at 30 June 2015.

# ASSURANCE STATEMENT



Building a better  
working world

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## Independent Limited Assurance Report in relation to Newcrest Mining Limited's 2015 Sustainability Report

To the Board of Directors of Newcrest Mining Limited ('Newcrest'),

### Our Conclusion

Based on our limited assurance procedures, nothing has come to our attention that causes us to believe that the Subject Matter, as detailed below and as presented in Newcrest's 2015 Sustainability Report ('the Report'), is not presented fairly, in all material respects, in accordance with the Criteria as presented below.

### Subject Matter

The Subject Matter for our limited assurance engagement included the following for the year ended 30 June 2015:

- ▶ Subject Matter 1: The alignment of Newcrest's sustainability policies to ICMM's 10 Sustainable Development Principles and mandatory requirements set out in ICMM Position Statements
- ▶ Subject Matter 2: Newcrest's material sustainability risks and opportunities based on its own review of the business and the views and expectations of stakeholders
- ▶ Subject Matter 3: The 'existence' and 'status of implementation' of sustainability data collation and reporting processes used by Newcrest to manage a selection of the identified material sustainability risks and opportunities
- ▶ Subject Matter 4: Newcrest's reported performance during the reporting period for a selection of material GRI indicators - which were selected based on Newcrest's materiality assessment process, in consultation with EY (see below).

Performance data	Criteria
Society	S01, S03, S011
Environment	EN24
Economic	EC8, EC9
Human Rights	HR7
Labour Practices	LA6, LA12
Mining & Metals Sector Supplement	MM1, MM3, MM8, MM9

These disclosures are referenced in Newcrest's Global Reporting Initiative ('GRI') G4 Content Index and the GRI Data Tables.

The subject matter did not include:

- ▶ Data sets, statements, information, systems or approaches other than the selected material GRI indicators and related disclosures
- ▶ Management's forward looking statements
- ▶ Any comparisons made against historical data.

### Criteria

The following Criteria have been applied to the Subject Matter described above:

- ▶ Subject Matter 1: ICMM principles and any mandatory requirements set out in ICMM Position Statements
- ▶ Subject Matter 2: Newcrest's own reporting process for determining material risks and opportunities, the outcome of this process, and how the views and expectations of its stakeholders were considered during this process. Assessed with regard to AccountAbility's AA1000 Assurance ('AA1000AS') and Principles Standards ('AA1000APS')
- ▶ Subject Matter 3: Newcrest's own reporting criteria for 'existence' and 'status of implementation' of systems and approaches, as detailed in the Disclosures on Management Approach for material sustainability risks and opportunities

- ▶ Subject Matter 4: Performance information criteria disclosed by Newcrest for each indicator such as:
  - ▶ Definitions as per the GRI G4 Sustainability Reporting Guidelines
  - ▶ Company-specific definitions that are publicly disclosed.

### Management's Responsibility

The management of Newcrest is responsible for the preparation and fair presentation of the Subject Matter in accordance with the Criteria, and is also responsible for the selection of methods used in the Criteria. Further, Newcrest's management is responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate criteria; maintaining adequate records and making estimates that are reasonable in the circumstances.

### Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion on the Subject Matter based on our assurance engagement conducted in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and in accordance with the requirements of a Type 2 assurance engagement under AccountAbility's AA1000 Assurance Standard (2008) ('AA1000AS (2008)') and the terms of reference for this engagement as agreed with Newcrest.

Our procedures were designed to obtain a limited level of assurance on which to base our conclusion, and, as such, do not provide all of the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the Subject Matter, whether due to fraud or error. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls.

Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems, which would have been performed under a reasonable assurance engagement. No conclusion is expressed as to whether management's selected methods are appropriate for the purpose described above.

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

### Summary of Procedures Undertaken

Our procedures included but were not limited to the following:

- ▶ Performing a gap analysis between Newcrest's implementation of the Principles of Inclusivity, Materiality, and Responsiveness based on evidence gathered, and the criteria outlined in APS (2008)
- ▶ Interviewing a selection of Newcrest staff and management at corporate and the Lihir and Cadia Valley sites responsible for the Subject Matter and the preparation of the Report
- ▶ Determining whether material topics and performance issues relevant to the Subject Matter identified during our procedures had been adequately disclosed
- ▶ Sample testing of reported data, performance statements, claims and case studies included in the Subject Matter against supporting source information, Newcrest's reported boundary and GRI's G4 Sustainability Reporting Framework principles of balance and completeness
- ▶ Sample testing as to whether the methods used for calculating data were aligned with the stated Criteria

## ASSURANCE STATEMENT CONTINUED



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- ▶ Reading selected management information and documentation supporting assertions made in relation to the Subject Matter and assessing alignment with the reported data
- ▶ Reading selected Newcrest policies and standards and assessing alignment with ICMM's 10 Sustainable Development Principles and other mandatory requirements as set out in ICMM's Position Statements.

In order for us to provide a conclusion in relation to the AA1000 AccountAbility Principles we considered the following questions:

- ▶ Inclusivity: Has Newcrest demonstrated a commitment to including its stakeholders in developing and achieving an accountable and strategic response to sustainability?
- ▶ Materiality: Does Newcrest have in place a process to identify, prioritise and include in its report the material information and data required by its stakeholders to make informed judgements, decisions and actions?
- ▶ Responsiveness: Does Newcrest have in place processes that enable it to respond to material sustainability issues through decisions, actions and performance?

#### Use of our Limited Assurance Engagement Report

We disclaim any assumption of responsibility for any reliance on this assurance report, or on the Subject Matter to which it relates, to any persons other than management and the Directors of Newcrest, or for any purpose other than that for which it was prepared.

#### Independence and Quality Control

In conducting our assurance engagement, we have met the independence requirements of the APES 110 Code of Ethics for Professional Accountants. We have the required competencies and experience to conduct this assurance engagement.

#### Positive Observations and Opportunities for Improvement

The observations and opportunities for improvement below do not affect our conclusions expressed above. We acknowledge that Newcrest has made progress in addressing previous management findings including timeliness of the report and quality of disclosures within Newcrest's GRI Content Index.

Where a company has its own definitions, deviation from the GRI definitions creates subjectivity and reduces comparability. We note that Newcrest uses a company specific definition for GRI indicators EN24 and SO11.

Newcrest's approach to collecting data has been updated to align with the GRI G4 approach to reporting what is material. However, systems and processes are currently focused on providing end of year data for inclusion in the Report, rather than enabling more frequent monitoring at an aggregated corporate level of performance to support decision making.

#### AccountAbility's AA1000 Principle of Inclusivity

At the corporate level, Newcrest enhanced its stakeholder engagement process. For example, involving groups representing broader society and the environment, such as NGOs, provided greater insights to the company on material issues however engagement with all stakeholders identified as important to Newcrest could be undertaken. Additionally, at site level we observed opportunities to improve the documentation of stakeholder activities in the stakeholder management plans.

#### AccountAbility's AA1000 Principle of Materiality

To support the development of the Report, Newcrest undertook a materiality assessment process consistent with the guidance provided by the GRI. The material issues selected were validated with Executive Management and the Sustainability Committee. However, additional engagement with sites as part of the process

would enhance the assessment and provide greater insight in selecting and prioritising material issues for reporting and validating that the issues selected are adequately reported.

#### AccountAbility's AA1000 Principle of Responsiveness

Newcrest has improved the timeliness of the report to enhance its effectiveness as a mechanism to respond to stakeholder concerns.

Newcrest has also enhanced disclosures in the report relating to specific issues raised by stakeholders and clearly identified stakeholder areas of interest.

We have provided detail on these observations and opportunities for improvement in a report to Newcrest's management.

*Ernst & Young*

Ernst & Young  
Melbourne, Australia  
17 December 2015



# CORPORATE DIRECTORY

## Investor Information

### Registered and Principal Office

Newcrest Mining Limited  
Level 9  
600 St Kilda Road  
Melbourne, Victoria 3004  
Australia  
T: +61 (0)3 9522 5333  
F: +61 (0)3 9525 2996  
Email: investor.relations@newcrest.com.au  
Internet: www.newcrest.com.au

### Company Secretaries

Francesca Lee and Claire Hannon  
Newcrest Mining Limited  
Level 9  
600 St Kilda Road  
Melbourne, Victoria 3004  
Australia  
T: +61 3 9522 5333  
F: +61 3 9521 3564  
Email: francesca.lee@newcrest.com.au

### Investor Relations

Chris Maitland  
Head of Investor Relations  
Level 9  
600 St Kilda Road  
Melbourne, Victoria  
Australia, 3004  
T: +61 3 9522 5717  
E: chris.maitland@newcrest.com.au

### Stock Exchange Listings

Australian Stock Exchange  
(Ticker NCM)  
Port Moresby Exchange  
(Ticker NCM)  
New York ADRs  
(Ticker NCMGY)

### Share Registry

Link Market Services Limited  
Level 1  
333 Collins Street  
Melbourne, Victoria 3000 Australia  
Locked Bag A14  
Sydney South, New South Wales 1235  
Australia  
Telephone: +61 1300 554 474 (toll free  
within Australia)  
Facsimile: +61 (0)2 9287 0303  
+61 (0)2 9287 0309\*

\*For faxing of Proxy Forms only.

Email:  
registrars@linkmarketservices.com.au  
Internet: www.linkmarketservices.com.au

### PNG Registries Limited

Level 2, AON Haus McGregor Street  
Port Moresby NCD121  
PO Box 1265  
NCD, Port Moresby, PNG  
Telephone: (675) 321 6377  
Facsimile: (675) 321 6379

### American Depository Receipts (ADRs)

The Bank of New York Mellon  
Shareholder Services  
PO Box 358516  
Pittsburgh, PA 15252-8516  
Telephone: Toll Free for US domestic  
callers: 1-888-269-2377  
International Callers: +1 201-680-6825  
Email: shrrelations@bnymellon.com  
Website:  
www.bnymellon.com/shareowner

### Other Offices

Perth and Telfer Office  
234 Railway Parade  
West Leederville WA 6007  
Telephone: +61 (0)8 9270 7070

### Port Moresby Office

Level 4  
Port Tower Building  
Hunter Street  
Port Moresby, Papua New Guinea  
Telephone: + 675 321 7711  
Facsimile: + 675 321 4705

### Company Events

Visit our website at [www.newcrest.com.au](http://www.newcrest.com.au)  
to view our key dates, current share price,  
market releases, annual, quarterly and  
financial reports; operations, project  
and exploration information; corporate,  
shareholder, employment and  
sustainability information.

