

# MANAGING CORPORATE RESPONSIBILITY

## OUR STRATEGY

**In 2009, Kinross launched a Corporate Responsibility Strategy to provide an improved framework for the corporate and country-specific initiatives the Company has undertaken, and more fundamentally, to help ensure that our behaviour on the ground consistently reflects our Ten Guiding Principles for Corporate Responsibility.**

We had a strong foundation from which to build:

- A history of solid, on-the-ground performance at our mine sites and reclamation properties;
- Our [Code of Business Conduct and Ethics](#), which enshrines the principles of fairness, non-discrimination and ethical conduct throughout the Company and sets the standards for suppliers and contractors;
- Our [Ten Guiding Principles for Corporate Responsibility](#), introduced in 2007, which provide a clearly articulated standard for defining our working relationships with our stakeholders;
- Our [Environmental Policy](#) and [Health and Safety Policy](#);
- A Company-wide [EHS Management System](#) that includes targets and performance benchmarks as well as processes for measurement, accountability and continuous improvement; and
- Biennial [Corporate Responsibility Reporting](#) to provide our stakeholders with what we believe is a balanced, comprehensive and transparent account of our activities.

The CR Strategy expands on these initiatives to provide an enhanced Policy Framework, a Company-wide Corporate Responsibility Management System and site-specific Site Responsibility Plans which, together, are helping us deliver consistent results aligned with the Kinross Way.

## KEY RISKS, IMPACTS AND OPPORTUNITIES

The nature of our global operations creates both opportunities and risks. Our operations provide significant local employment and economic benefits. They are large users of water and energy resources and can have potentially significant environmental impact if they are not designed and managed well.

The Company has focused attention on these issues by setting high performance standards, allocating the necessary resources, assigning responsibility and accountability for their management, and routinely reviewing performance, improvement opportunities and risk. Kinross collaborates with affected communities to advance sustainable development during the life of our operations.

While we strive to design and manage our operations to minimize our environmental impact, some impact is inevitable due to the nature of mining. Environmental programs are in place at each operation to ensure that such impacts are controlled and mitigated, including routine inspections, independent assessments, risk assessments and emergency preparedness. Upon mine closure, Kinross systematically reclaims land affected by mining for productive post-mining uses, thereby minimizing the long-term environmental impact of mining. Water and energy management programs are in place or under

development at all of our operations.

These programs include predictive water balance models, continuous improvement programs, and performance monitoring systems. For our Maricunga and La Coipa operations, both located in water-sensitive regions, we systematically track and monitor risks associated with water quantity, title to water rights, access to water usage permits, cost and the impact to local communities.

To minimize the likelihood of unexpected events affecting performance, we take a comprehensive approach to risk management. The Audit and Risk Committee of the Board of Directors reviews the principal risks affecting Kinross' business on a quarterly basis. As a key part of each site's business management plan, site risks are reviewed and reported on monthly and progress is tracked. In every country where Kinross operates, we also conduct annual risk management workshops, which bring together corporate and local leaders, and in many cases outside experts, to analyze and rank operational, economic, political, environmental and social trends and risks, including human rights and security risks, that could affect current performance or future plans.

Specific risk factors are outlined in the Company's [Annual Information Form](#). The Company's submission to the [Carbon Disclosure Project](#) addresses the question of potential risks related to climate change.

# MANAGING CORPORATE RESPONSIBILITY

## DEVELOPING A CORPORATE RESPONSIBILITY STRATEGY: THE KINROSS WAY

The development of our new Corporate Responsibility Strategy in 2008 coincided with a period of significant growth at Kinross as we brought three major new projects into production, while launching our next growth phase with the acquisition of two new development projects, including a major investment in a new country, Ecuador.

This expansion presented Kinross with both an opportunity, and an obligation, to build on our solid track record in corporate responsibility by strengthening our global framework of policies, management systems and practices.

Our aim is to establish Kinross as a leader in corporate responsibility, recognizing the critical importance of corporate responsibility both in maintaining our social license to operate and in gaining access to and developing quality new mineral deposits around the world.



The strategy is based on:

- integrating corporate responsibility into business strategy at each stage of the mine life cycle;
- a strong focus on two-way stakeholder engagement and partnerships; and
- a systematic and structured approach to managing and measuring corporate responsibility performance across the Company.

The strategy builds on Kinross' Ten Guiding Principles by establishing: a policy framework to articulate our commitments in specific areas; a CR Management System that expands our existing EHS Management System to include a Social Management System; and Site Responsibility Plans for each location focusing on stakeholder engagement, community investment and other commitments.



"OPERATIONALIZE" THE KINROSS WAY

We believe our new strategy provides a comprehensive framework to ensure consistent performance and accountability across our operations, and helps to entrench corporate responsibility as a fundamental aspect of the Kinross Way of doing business at each stage of the mining cycle.

Also, we hope that our strategy will help us to build increasingly meaningful and productive relationships with all of our stakeholders. We look forward to receiving feedback from those stakeholders on how the new strategy is working and advice on how we can improve our performance going forward.

**James Crossland**

Executive Vice-President, External Relations and Corporate Responsibility  
Kinross Gold Corporation

# MANAGING CORPORATE RESPONSIBILITY

## KINROSS' GUIDING PRINCIPLES

To complement Kinross' [Ten Guiding Principles for Corporate Responsibility](#) and [Four Values](#), in January 2010 we became a signatory to the [United Nations Global Compact](#) (UNGC), a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Kinross will issue its first Report on Progress measured against the UNGC principles in 2011.

## POLICY FRAMEWORK

Kinross' policy framework articulates our policy commitments in key areas including health and safety, and the environment. We also strengthened our Code of Business Conduct and Ethics and the amendments were approved in early 2010. In 2010, as part of our Corporate Responsibility Strategy, we are reviewing our policy framework and management guidance regarding specific areas including indigenous peoples, supplier conduct, biodiversity, water usage and climate change. Kinross is committed to the protection of human rights in the workplace and the community, in accordance with the Universal Declaration of Human Rights, and supports the UN Voluntary Principles on Security and Human Rights.

Our [Environmental Policy](#), [Health and Safety Policy](#) and [Code of Business Conduct and Ethics](#) are all available on our web site.

## CORPORATE RESPONSIBILITY MANAGEMENT SYSTEM

With operations and projects in six countries, it is important that we have a method of communicating our expectations and measuring our performance. For that reason, we have implemented a Company-wide Corporate Responsibility Management System.

Our Environmental, Health and Safety (EHS) Management System is modelled on ISO 14001, OHSAS 18001 and other internationally accepted standards. It provides a foundation of policies and guidance to protect the environment and worker health and safety, and to drive continuous improvement wherever we work. Through it, we set targets and performance standards that our operations worldwide are expected to meet. In 2010, we are expanding this EHS Management System to provide additional direction in certain areas, for example, air emissions control. We are also developing a complementary social management system for roll-out in late 2010 and early 2011. The new Corporate Responsibility Management System will provide the same rigour to areas of social performance that we have established in environment, health and safety. Our operators around the world will be guided, and their performance will be measured, by standards, guidelines and benchmarks in areas such as stakeholder engagement, community investment strategies, community grievance procedures and social impact assessments.

## BENCHMARKS FOR ACCOUNTABILITY AT KINROSS

- Managers at our exploration, development, operating mines and reclamation sites are accountable to senior corporate management monthly and the Board's Corporate Responsibility Committee quarterly
- CR performance improvement targets are set annually as part of the Four-Point Plan, through processes established in our EHS Management System and our enhanced Site Responsibility Plans
- A portion of incentive compensation is determined by the Company's overall safety and environmental performance, and for achievement of individual corporate responsibility goals where applicable
- Safety and environmental protection are the responsibility of every employee.



# MANAGING CORPORATE RESPONSIBILITY

## SITE RESPONSIBILITY PLANS

The success of our CR strategy will be measured by how we perform across our global operations. To meet the objectives of our strategy, a site-specific approach is required at each of our mine operations. The Site Responsibility Plan (SRP) includes four elements:

- **Engagement:** An ongoing dialogue with stakeholders in the communities where we operate, maintained in a spirit of transparency and honesty;
- **Evaluation:** Analysis of engagement feedback, community aspirations and resources, project impacts, systematic analysis of socio-economic data and other information to inform our project designs and community development strategies;
- **Action:** Strategic initiatives based on the results of engaged evaluation of stakeholder interests and concerns, designed to consolidate sustainable benefits within the communities where we operate and generate project support;



> The Site Responsibility Plan framework provides a common Kinross Way for managing corporate responsibility at the site level.

- **Monitoring:** Regular, quantitative and qualitative measurement of the effectiveness of our corporate responsibility initiatives, to inform further engagement, evaluation and action.

The majority of our operations and projects have already developed many of the elements of the SRP. Our objective in 2010 is to assess the current status of each site’s community outreach activities in line with the overall strategic business plan of the operation. Sites will establish a baseline for assessment and stakeholder

perception and a plan to fully implement best-practice community outreach programs. Launched over two key phases, all sites are required to complete the first phase with the submission of a first SRP in June 2010. Our goal is to complete implementation of the SRPs by the end of 2011.

The common standards required of SRPs include:

- The establishment of a standing community advisory group;
- The performance of regular stakeholder perception surveys or other feedback processes;
- An evaluation of the social impact of their community activities against such criteria as community well-being, community capacity building and sustainable community economics;
- A quantification of their “benefit footprint” based on a two-tier analysis of the local benefits and how much of that local benefit is sustainable beyond our mining activities.

