



# IN THE WORKPLACE

- Complete development and deployment of compensation structures aligned to local market practices in key regions;
- Continue strengthening performance management globally; and
- Deliver security and human rights training to security personnel and key management at all sites.

## OUR PEOPLE STRATEGY

We took steps to strengthen our human resources strategy in the fall of 2009, aligning it with the Company's growth objectives and our goal to be the "employer of choice" in mining. We operate in highly competitive job markets, characterized by an aging workforce in North America and Russia and significant skills gaps in some of the countries in which we operate. Against this backdrop, and informed by the results of our third global employee survey, our strategy is aimed at:

- Attracting the talent we need to maintain our current operations and prepare for a 50% increase in employee numbers from 2014 onwards as new projects begin production;
- Developing employee expertise, including the necessary foundation skills for new employees through training partnerships and future career opportunities for our current employees through ongoing training and development;

## LIVING OUR VALUES

In June 2009, Kinross celebrated the winners of our first-ever Living Our Values Awards. The awards honour employees who have gone above and beyond to demonstrate their commitment to our four values: putting people first; outstanding corporate citizenship; high performance culture; and rigorous financial discipline. More than 200 nominations were received from every site and office worldwide.

The awards have become an important annual event for Kinross employees, with over 800 nominations received in 2010. Kinross presented gold and silver awards for each value at a special ceremony hosted by President and CEO Tye Burt in Toronto, Canada.



- Engaging employees by developing leaders who model our values, support employee innovation and create an inspiring and collegial workplace culture; and
- Retaining employees through challenging development opportunities, organizational stability, a positive work environment and strong leadership.

As we roll out the strategy in 2010, we are concentrating our efforts on the needs of specific locations. At our Fruta del Norte development in Ecuador, for example, we expect a sharp increase in the need for skilled, local operators over the next three years in a country with little labour experience in mining. In Chile, our expansion initiatives, as well as the expected start-up of several competing projects in the near future, will strain the pool of trained workers. At our mines in these countries and others,

we are developing critical programs to facilitate the rapid integration of, and knowledge transfer to, new employees.

## EMPLOYEE EDUCATION, TRAINING AND DEVELOPMENT

We provide a wide range of training, skills and career development opportunities that promote professional competency, personal growth and safety, culture-building initiatives and structured performance management evaluations. The performance of executive and senior management is evaluated, in part, on how well they attract, retain and develop talent in their respective teams and organizations.

Through our new strategy, we refined our critical focus areas and are developing programs to enhance our ability to attract, develop, engage and retain our expanding workforce.

# IN THE WORKPLACE

## Developing Our Leaders

In 2009, we provided 5,184 hours of leadership training to over 200 managers and supervisors. In 2010, we are introducing the second phase of our leadership training, focusing on leadership behaviour to hold ourselves and others accountable and “live the Kinross values.” We are also creating a new global curriculum to support the development of supervisor and management leadership practices and behaviours.

Our Generation Gold program recruits top-calibre university graduates by offering them a four-year employment commitment featuring diverse work assignments, mentoring and other professional development opportunities, including two international postings outside of the candidate’s home country.

## Employee Training and Development

We provide a variety of global training programs and site-specific initiatives, usually in partnership with local institutions. We conduct mandatory safety and environmental training at all of our sites and risk competency training to continuously improve safety performance. Specific training programs at our sites include, at Round Mountain, an electrical apprenticeship program; at Kettle River-Buckhorn, a Job Skills Program, offered by the State of Washington and in partnership with community colleges; and at Kupol, some 45 training programs in mining and related industries, with more than 700 certificates issued to 250 employees by the end of 2009.

In 2010, as part of our strategy, we are undertaking a fresh needs assessment and creating an employee development strategy.

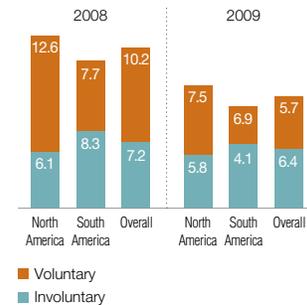
## WORKPLACE DIVERSITY

With operations and development projects in six countries, Kinross employs a diverse workforce. Our Code of Business Conduct and Ethics prohibits any form of discrimination in hiring or contract tendering. While our goal is to hire the best employee for the job, the majority of our operations have established practices that encourage and promote the hiring of qualified local candidates, both at Kinross and in some cases, like Paracatu, among local suppliers. At the end of 2009, approximately 84% of our senior managers were local hires from the host community, region, state, province or country.

Currently, workforce data is maintained in a variety of systems globally. We have recently undertaken work to move to a global HR system, which will allow us to enhance our capabilities in reporting and analyzing global workforce data.



## 2008/2009 Employee Turnover (percent)



Voluntary employee turnover in 2009 decreased by over 40% compared to 2008.

## 2009 Local<sup>1</sup> Hiring (Director level and above)

Location	Total	Local	% Local
Canada	61	56	92
United States	35	35	100
Chile	28	24	86
Russia	22	13	59
Brazil	18	15	83
Ecuador	6	1	17
<b>Total</b>	<b>170</b>	<b>144</b>	<b>84</b>

<sup>1</sup> Represents from within the country

## 2009 Gender Diversity (Vice-President and above)

Location	Male	Female
Canada	26	5
United States	9	0
Chile	6	0
Russia	5	1
Brazil	3	0
Ecuador	2	0
<b>Total</b>	<b>51</b>	<b>6</b>

At the end of 2009, our Board of Directors was composed of eight males and one female and we employed 51 males and six females at the vice-president level or above.

## COMPENSATION AND BENEFITS

Kinross' compensation programs are designed to meet five basic principles:

- **Pay for performance:** Employees are rewarded based on Company and individual performance;
- **Competitiveness:** We provide a compensation package which is competitive in the local market and enables the Company to attract and retain top talent;
- **Consistency and fairness:** Our global employees are treated in a fair and consistent manner, while recognizing and adapting to local laws, practices and circumstances;
- **Opportunity:** Employees are able to improve their total compensation through their efforts and performance; and
- **Transparency and clarity:** We clearly communicate the design and administration of compensation programs so employees can understand how their compensation is determined, and how they can affect it through their performance.

In each region, we strive to achieve alignment between our global programs and local market practices. We regularly review local market compensation data to ensure we provide a total package that remains fair, competitive, and well-positioned to attract and retain the best talent, targeting total compensation around the 75th percentile. For many employees, total compensation is also linked to performance, and may be above or below this target level, depending on individual and company performance for the year.

As we move into new markets, it is particularly important that we determine a compensation structure appropriate for the local market. For example, our Fruta del Norte development project represents Kinross' first experience working in Ecuador, where there is less market data available. In determining the appropriate compensation levels for our employees, we looked to general industry market data and peers in the oil and gas industry. In addition, recognizing our responsibility as a significant employer in a remote region, we also evaluated our proposed compensation levels against the living wage to ensure that the minimum rate we provided was at least equal to or above that level.

Of our global workforce, approximately 44% is salaried, and 56% receives hourly-based compensation. In 2009, Kinross provided wages and benefits of \$302.2 million, an increase from \$281.5 million in 2008.

Senior executive compensation is closely linked to both personal and overall Company performance. In addition, a high percentage of total executive compensation through options and other equity grants is "at risk" and contingent on future Kinross share performance.



**Wages and Benefits**  
(\$ millions)



The Company outlines its executive compensation philosophy and a detailed breakdown of compensation for top executives in our [2010 Management Information Circular](#).

Our employee share purchase plan is available to Canadian and U.S. employees who have completed six months of service. Employees can contribute up to 10% of their wages, with the Company matching up to 50% of each employee's contribution. Under this plan, the Company issued 225,426 shares in 2009 and 187,353 shares in 2008.

The Company also administers retirement plans that cover substantially all employees in North America and Brazil. Kinross does not currently have any active defined benefit plans in place; however, we do have some historical plans where members still have accrued pensions.

Remuneration usually includes access to extended health coverage, life insurance, disability insurance and other benefits aimed at protecting and enhancing employee health and well-being. In 2010, we are undertaking a review of our global benefits to formally assess the competitiveness of our programs in each of our regions and ensure they continue to meet our global standards.

## ENGAGING OUR EMPLOYEES

In 2009, we conducted our third biennial global employee survey and achieved a 74% participation rate. The survey provides us with an in-depth perspective on what our employees think we are doing well and areas where we need to improve.

### 2009 KINROSS EMPLOYEE SURVEY HIGHLIGHTS

(Indicates percent surveyed who agree with statement)

- 95% I value safety as a top priority
- 87% I believe Kinross Gold is an environmentally responsible company
- 80% I fully support the values for which Kinross Gold stands
- 76% Kinross Gold is socially responsible in the communities where we operate
- 70% I believe Kinross Gold is an outstanding corporate citizen
- 70% Employees are treated with respect here regardless of their job
- 68% The values of Kinross Gold guide me in my work on a day-to-day basis
- 66% I am satisfied with my involvement in decisions that affect my work



Based on the key opportunities identified by employees in the survey, the following emerged as areas of focus that we are addressing through action plans at the functional, regional, site and corporate levels:

- Provide development opportunities for all of our employees regardless of level;
- Provide training so that our supervisors and managers can continue to develop and become more effective in their roles;
- Continue to demonstrate our value of outstanding corporate citizenship and regularly communicate with our people about how we are doing this;
- Leverage Continuous Improvement programs to engage our people, learn from their innovative ideas and involve them in identifying and implementing workplace improvements; and
- Continue to promote and “live” our four core values.

Our next global survey will take place in 2011.

## HUMAN RIGHTS

**Kinross is committed to the protection of human rights in the workplace and in the community, in accordance with the Universal Declaration of Human Rights. Our Code of Business Conduct and Ethics ensures that all employees are made aware of, and are required to comply with, the Company's anti-discrimination and anti-harassment policies. In 2008, we launched an updated and more robust Whistleblower Policy, which provides employees and non-employees with a mechanism to confidentially report any human rights concerns.**

We uphold the principle of freedom of association, meaning our employees have the right to choose whether they want to belong to a union. At year-end 2009, 68% of our workforce in Chile and 100% of our workforce in Brazil was represented by collective agreements. Our workforce in Canada, Ecuador, Russia and the United States is non-unionized.

Kinross supports the Voluntary Principles on Security and Human Rights and, as a signatory to the UN Global Compact, we implicitly support the core standards of the International Labour Organization. As a regular part of our due diligence process in evaluating potential new investments or partnership arrangements, we assess relevant environmental and social considerations, including potential human rights issues.

In 2010, we are rolling out a Human Rights Adherence and Verification Program (HRA & VP). The program aligns directly with Kinross' Ten Guiding Principles for Corporate Responsibility, the objectives of the United Nations Human Rights Council and the UN Voluntary Principles on Security and Human Rights. The HRA & VP training will help to ensure that all security personnel, as well as key site management, understand and are consistently compliant with the Voluntary Principles on Security and Human Rights. It will provide guidance to ensure that each location has robust systems for allegation reporting and verification, investigation and resolution, monitoring investigations conducted by public officials and other essential elements of security oversight. Training is expected to be completed by the end of 2010 and will be conducted on an annual basis going forward.

Procedures regarding notice of change of operations are handled at the site level. In the U.S. and Russia, we comply with regulatory requirements to provide employees with at least 60 days' notice if we are instituting changes that will affect a worker's employment, such as a layoff or site closure that would affect 50 or more employees. In Chile, each situation is reviewed on a case-by-case basis. In Canada, we comply with legal requirements regarding the length of notice to provide employees before a change in operations.