

2016 Sustainability Report



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**“THERE IS NO MORE IMPORTANT OBJECTIVE
IN NEWCREST THAN THE ELIMINATION OF
FATALITIES. WE WILL NEVER BE SATISFIED
WITH OUR PERFORMANCE UNTIL
WE ACHIEVE THIS OBJECTIVE”**

SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

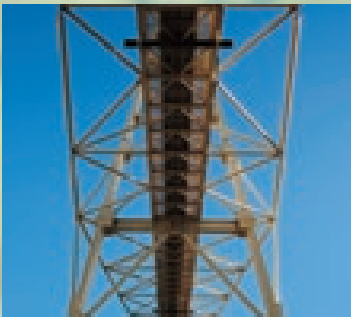


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Front page: Lihir school students learning to analyse samples.
IFC: Fiona Karaut, Superintendent – Orebody Knowledge,
pegging a drill hole at Kapit Flat Stockpile.



Message from the CEO

At Newcrest, we aim to be the Miner of Choice™, striving to be a safe miner, a trustworthy partner, a highly sought after employer and a sound and valued investment.

Within the first three months of FY2016, we experienced two fatalities. In July 2015, a Hidden Valley Joint Venture employee was fatally injured in an incident on a road at the mine site in Papua New Guinea. In September 2015, a mine technician was fatally injured at Cadia in Australia. In the nine months since these incidents, we have conducted an intensive review across the organisation and continued our Safety Transformation Plan, determined to eliminate fatalities and life-changing injuries from our Company.

Our three key pillars of Safety Transformation – a strong safety culture, critical controls for every high-risk task and robust process safety systems – remain firm, with clear focus and priority given to each pillar, and resources supporting the transformation unprecedented and unrelenting. Continuing to consistently and methodically channel our efforts into these three pillars is key to ensuring our people go home safe every day. A key focus of both NewSafe – the means by which we build our safety culture – and our new Critical Control Management system is the emphasis on positive safety conversations and coaching out in the field. The combined effort results in hundreds of positive safety conversations every day, at all levels, helping our culture to improve and strengthen with each interaction. During the year, we commenced work on defining our process safety hazards, and identifying gaps between existing processes and controls. Newcrest adopted the Centre for Chemical Process Safety (CCPS) Framework, which sets the foundation to ensure we can systematically and comprehensively manage the integrity and containment of high-energy and toxic processes.

In February 2016, we experienced a fall of ground at our Kencana mine in Gosowong, Indonesia. The event trapped one of our employees underground and led to the suspension of mining operations at both Kencana and Toguraci mines. The entire workforce, as well as industry peers, partners, suppliers and government agencies, rallied behind our rescue effort, and after eight days, we successfully freed our employee from the mine safely and in a relatively healthy condition. Following this, we conducted a detailed review, which led to a revised mining sequence and method at Kencana. Operations remained suspended during investigations, with Toguraci resuming in April and Kencana recommencing in June.

Together with safety, the health of our people is also important. Newcrest has a three-year strategic health plan in place, which is supported by our occupational health standards, setting out clear business expectations to help manage our health and hygiene programs across the Company. During the year, the occupational health standards were streamlined in consultation with our site teams to reflect their changing needs and to identify opportunities to help support the delivery of these programs. Fatigue management, mental health and infectious diseases were other key areas of focus during the year.

From a financial perspective, improved operational performance was driven throughout the year by a continued focus on safe cash generation, operational discipline and profitable growth. Three years of improving efficiencies, driving down our costs and reducing debt has put us in a strengthened financial position to consider profitable growth options in the years ahead.

Newcrest remains focused on our three key transformation pillars of safety, operational performance and people, and committed to lead in safe, responsible, efficient and profitable mining.



Newcrest's economic growth is tied strongly to our contributions in the countries in which we operate, alongside our relationships with our stakeholders in these countries. Building and maintaining strong and sustainable relationships with our host communities continues to be a priority, and in recognition of the importance of mutually beneficial relationships with government and communities to our long-term success, I appointed Ian Kemish to the role of Executive General Manager of Public Affairs and Social Performance.

Key to our successful relationships with all our stakeholders is transparency and communication. We aim to meet the highest global industry standards in this regard. During the year, Newcrest continued its commitments to the Voluntary Principles on Security and Human Rights and the Extractive Industries Transparency Initiative (EITI). As a member of the Voluntary Principles on Security and Human Rights Initiative (VPI), Newcrest completed a baseline assessment for all overseas operations and projects. Newcrest was also an active participant in the annual VPI Plenary meeting in Columbia on 20–21 April 2016. Further to this, Newcrest established a new Anti-bribery and Corruption portal. The new portal provides helpful information for Newcrest personnel on how to comply with Newcrest's policies that deal with anti-bribery and corruption and laws prohibiting bribery. A new online Code of Conduct training module was also developed and translated into the languages of the communities in which we operate.

Looking after the environments we operate in is important to us and our host communities and governments. This year, we conducted a cost accuracy review at our sites against our Mine Closure Standard, continued voluntary implementation of the Cyanide Code and conducted Environmental Impact Studies for new projects.

In conclusion, I'd like to thank our employees, contractors, suppliers, host communities and governments for their efforts and support over the year. I look forward to working together in the year ahead as we continue to work towards realising our vision as Miner of Choice™.

A handwritten signature in black ink, appearing to read 'S. Biswas'.

SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



Who We Are

The health and safety of our workforce is a core value 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.

Our profile

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 2016, Newcrest had a market capitalisation of USD 13.1 billion and had a workforce of over 12,000 people across Australia, the Asia-Pacific region and Africa.



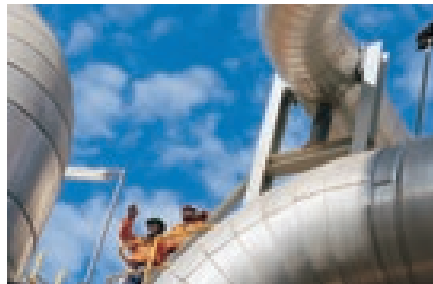


Our assets



CADIA

Located in central west New South Wales, Australia, 25 kilometres south-west of Orange and 250 kilometres west of Sydney, Cadia has one of the deepest panel caves in the world and is 100 percent owned by Newcrest.



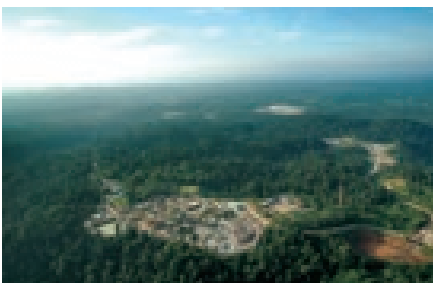
LIHIR

One of the world's largest gold deposits, Lihir is 100 percent owned by Newcrest and located on the island of Niolam, 900 kilometres north-east of Port Moresby in the New Ireland Province of Papua New Guinea (PNG).



TELFER

Operating since 1977 and 100 percent owned by Newcrest, the Telfer gold-copper mine is located in the Great Sandy Desert in Western Australia, approximately 400 kilometres south-east of Port Hedland.



GOSOWONG

Located on Halmahera Island, Indonesia, Gosowong is operated by PT Nusa Halmahera Minerals, which is owned by Newcrest (75 percent interest) and PT Aneka Tambang (25 percent interest).



BONIKRO

Located approximately 250 kilometres north west of Abidjan in Côte d'Ivoire, Bonikro is a gold mine 89.89 percent owned by Newcrest.



HIDDEN VALLEY

A gold and silver mine located approximately 90 kilometres south-west of Lae in the Morobe Province of PNG, Hidden Valley is part of the Hidden Valley Joint Venture⁽¹⁾, which is owned 50 percent by Newcrest and 50 percent by Harmony Gold Mining Company Limited.

⁽¹⁾ Subsequent to the reporting period, Newcrest sold its 50 percent interest in the Hidden Valley mine, as announced on 19 September 2016 and 27 October 2016.

Governance, ethics and transparency

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.

LEADERSHIP

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.

An annual review is undertaken in relation to the Board's performance and effectiveness and that of its Committees and individual Directors. This process is based on interviews with, and/or questionnaires provided to, each Director and the General Counsel and Company Secretary and other relevant Executives. Regular improvements are made to the functionality and performance of the Board and its associated committees. Public affairs and social performance is a standing agenda item at most Board meetings.

As at 30 June 2016, 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, were Non-Executive and were considered independent in accordance with the Board's Director Independence Policy. Changes to the Board have occurred since 30 June 2016, as noted on page 34 of the Annual Report. Each Director's skills, experience and relevant qualifications and expertise, as well as the term of office held as at 1 October 2016, are set out on pages 7 to 9 of this Report.

The functions of the Board are set out in the 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 a 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 papers and minutes for all Committees and are invited to attend all Committee meetings.

The Safety and Sustainability Committee assists the Board in its role of overseeing, monitoring and reviewing the Company's practices and governance in the areas of safety, health, relationships with communities, environment, 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 the Company's management, reporting, risk, control systems and assurance with respect to safety, health, relationships with communities and other areas within its remit. Within its scope, the Committee monitors the Company's resources applied to achieve compliance with applicable policies and standards, reviews the Company's response on issues of concern or non-compliance and reviews management's recommendations in relation to industry trends and standards.

BOARD OF DIRECTORS⁽²⁾**PETER HAY**
LLB, FAICD, 66

Independent
Non-Executive Chairman
Mr Hay was appointed as Non-Executive Chairman of the Board in January 2014, after being appointed as a Non-Executive Director in August 2013. Mr Hay is also the Chairman of the Nominations Committee.

Skills, Experience and Expertise

Mr Hay has a strong background and breadth of experience in business, corporate law, finance and investment banking advisory work, with a particular expertise in relation to mergers and acquisitions. He has also had significant involvement in advising governments and government-owned enterprises. Mr Hay was a partner of the legal firm Freehills until 2005, where he served as Chief Executive Officer from 2000.

Current Listed Directorships

- Chairman of Vicinity Centres (from 2015)

Other Current Directorships/ Appointments

- Director of Australian Institute of Company Directors (AICD)
- Member of AICD Corporate Governance Committee
- Member of the Australian Government Takeovers Panel

Former Listed Directorships (last three years)

- Director of GUD Holdings Limited (2009–2015)
- Director of Novion Limited (2014–2015)
- Director of Alumina Limited (2002–2013)
- Director of Australia and New Zealand Banking Group Limited (2008–2014)
- Director of Myer Holdings Limited (2010–2014)

SANDEEP BISWAS
BEng (Chem) (Hons), 54

Managing Director and Chief Executive Officer
Mr Biswas was appointed Managing Director and Chief Executive Officer effective 4 July 2014. He joined Newcrest in January 2014, as an Executive Director and Chief Operating Officer.

Skills, Experience and Expertise

Mr Biswas was previously Chief Executive Officer of Pacific Aluminium, a wholly owned subsidiary within the Rio Tinto group, which incorporated the bauxite, alumina, refining and smelting operations in Australia and New Zealand. He began his career with Mount Isa Mines, working in both Australia and Europe. Mr Biswas has also worked for Western Mining Corporation in Australia and Rio Tinto in Canada and Australia. He has experience in research, operations, business development and projects, across commodities including aluminium, copper, lead, zinc and nickel.

Other Current Directorships/ Appointments

- Director of the Minerals Council of Australia

GERARD BOND
BComm, Graduate Diploma Applied Finance and Investment, Chartered Accountant, F Fin, 48

Finance Director and Chief Financial Officer
Mr Bond was appointed to the Board as an Executive Director in February 2012, after joining Newcrest as Finance Director and Chief Financial Officer in January 2012.

Skills, Experience and Expertise

Mr Bond has experience in the global financial and resources industry with BHP Billiton, Coopers & Lybrand and Price Waterhouse. Prior to joining Newcrest, Mr Bond was with BHP Billiton for over 14 years where he held a number of senior executive roles in Europe and Australia, including in Mergers and Acquisitions, Treasury, as Deputy CFO of the Aluminium business, CFO and then Acting President of the Nickel business, and as BHP Billiton's Head of Group Human Resources.

PHILIP AIKEN AM
BEng (Chemical), Advanced Management Program (HBS), 67

Independent
Non-Executive Director
Mr Aiken was appointed to the Board in April 2013. He is Chairman of the Safety and Sustainability Committee and a member of the Human Resources and Remuneration Committee and the Nominations Committee.

Skills, Experience and Expertise

Mr Aiken has extensive Australian and international business experience, principally in the engineering and resources sectors. He was Group President Energy BHP Billiton, President BHP Petroleum, Managing Director BOC/CIG, Chief Executive of BTR Nylux and Senior Advisor Macquarie Capital (Europe).

Current Listed Directorships

- Chairman of Aveva Group plc (from 2012)
- Chairman of Balfour Beatty plc (from 2015)

Former Listed Directorships (last three years)

- Senior Independent Director of Kazakhmys plc (2008–2013)
- Senior Independent Director of Essar Energy plc (2010–2014)
- Director of Essar Oil Limited (a listed subsidiary of Essar Energy plc) (2010–2014)
- Director of National Grid plc (2008–2015)

⁽²⁾ As at 1 October 2016.

BOARD OF DIRECTORS⁽²⁾ continued**ROGER HIGGINS**

BE (Civil Engineering) (Hons), MSc (Hydraulics), PhD (Water Resources), Stanford Executive Program, FIEAust, FAUSIMM, 65

Independent

Non-Executive Director

Dr Higgins was appointed to the Board in October 2015. He is a member of the Safety and Sustainability Committee.

Skills, Experience and Expertise

Dr Higgins brings extensive experience leading mining companies and operations, and has deep working knowledge of Papua New Guinea as a current Non-Executive Director and a former Managing Director of Ok Tedi Mining Limited in Papua New Guinea. In his most recent executive position, Dr Higgins served as Senior Vice President, Copper at Canadian metals and mining company, Teck Resources Limited. Prior to this role he was Vice President and Chief Operating Officer with BHP Billiton Base Metals Customer Sector Group working in Australia and also held senior positions with BHP Billiton in Chile. He also holds the position of Adjunct Professor with the Sustainable Minerals Institute, University of Queensland.

Current Listed Directorships

- Director of Minotaur Exploration Limited (from 2016)
- Director of Metminco Limited (from 2013)

Other Current Directorships/ Appointments

- Director of Ok Tedi Mining Limited (Non-Executive Director from 2014, Managing Director 1997–2002)
- Chairman of the International River Foundation (from 2014)

Former Listed Directorships (last three years)

- Blackthorn Resources Limited (2014)

LADY WINIFRED KAMIT

BA, LLB, 63

Independent

Non-Executive Director

Lady Kamit was appointed to the Board in February 2011. She is a member of the Human Resources and Remuneration Committee and the Safety and Sustainability Committee.

Skills, Experience and Expertise

Lady Kamit has extensive business experience and broad community knowledge of Papua New Guinea. She is currently a consultant at Gadens Lawyers in Port Moresby and was formerly a senior partner at that firm. Lady Kamit was a Director of Lihir Gold Limited from 2004 until 2010.

Current Listed Directorships

- Director of Steamships Trading Company Limited (from 2005)

Other Current Directorships/ Appointments

- Chairman of ANZ Banking Group (PNG) Limited
- Director of Post Courier Limited
- Director of South Pacific Post Limited

RICK LEE AM

BEng (Chemical) (Hons), MA (Econ) (Oxon), FAICD, 66

Independent

Non-Executive Director

Mr Lee was appointed to the Board in August 2007. He is Chairman of the Human Resources and Remuneration Committee and a member of the Audit and Risk Committee.

Skills, Experience and Expertise

Mr Lee has extensive resources, banking, finance and international commercial experience. His previous senior executive roles include 16 years with CSR Limited and nine years as Chief Executive Officer of NM Rothschild Australia Limited. He is a former Chairman of the Australian Institute of Company Directors and C. Czarnikow Limited and is a former Non-Executive Director of CSR Limited.

Current Listed Directorships

- Chairman of Oil Search Limited (Director from 2012, Chairman from 2013)
- Chairman of Ruralco Holdings Limited (from 2016)

Former Listed Directorships (last three years)

- Chairman of Salmat Limited (2002–2013) (Chairman from 2002, Lead Independent Director from 2013)
- Deputy Chairman of Ridley Corporation Limited (2001–2013) (Director from 2001, Deputy Chairman from 2006)

⁽²⁾ As at 1 October 2016.



XIAOLING LIU

**BEng (Extractive Metallurgy),
PhD (Extractive Metallurgy),
GAICD, FAusIMM, 60**
Independent
Non-Executive Director

Dr Liu was appointed to the Board in September 2015. She is a member of the Human Resources and Remuneration Committee, the Safety and Sustainability Committee and the Audit and Risk Committee.

Skills, Experience and Expertise

Dr Liu has extensive executive experience in leading global mining and processing businesses. Her last executive role was as President and Chief Executive Officer of Rio Tinto Minerals based in Denver, where she ran integrated mining, processing and supply chain operations in the United States, Europe and Asia. Prior to her last executive role, Dr Liu held senior management and operational roles at Rio Tinto throughout her career including President – Primary Metal Pacific, Managing Director – Global Technical Services and General Manager Bell Bay Smelter.

Current Listed Directorships

- Director of Iluka Resources Limited (from 2016)

Other Current Directorships/ Appointments

- Director of Melbourne Business School (from 2016)



VICKKI MCFADDEN

BComm, LLB, 57
Independent
Non-Executive Director

Ms McFadden has been appointed as Non-Executive Director of the Board and a member of the Audit and Risk Committee effective from 1 October 2016.

Skills, Experience and Expertise

Ms McFadden has broad experience in finance and law and is an investment banker with considerable experience in corporate finance transactions, having served as Managing Director of Investment Banking at Merrill Lynch in Australia and as a Director and Principal of Centaurus Corporate Finance. Vickki has extensive experience in several roles as Member or Chairman of Audit Committees.

Current Listed Directorships

- Tabcorp Holdings Limited (from 2016, subject to receipt of necessary regulatory and ministerial approvals)

Other Current Directorships/ Appointments

- Chairman of eftpos Australia Payments Pty Ltd (from 2016)
- Director of Myer Family Investments Pty Ltd (from 2011)
- President of the Australian Government Takeovers Panel (Member from 2008, President from 2013)
- Member of the Advisory Board and Executive Committee of the UNSW Business School (from 2006)

Former Listed Directorships (last three years)

- Chairman of Skilled Group Limited (Director from 2005, Chairman from 2010–2015)
- Director of Leighton Holdings Limited (2013–2014)



JOHN SPARK

BComm, FCA, MAICD, 67
Independent
Non-Executive Director

Mr Spark was appointed to the Board in September 2007. He is Chairman of the Audit and Risk Committee and a member of the Nominations Committee.

Skills, Experience and Expertise

Mr Spark has an extensive background in company reconstruction, accounting, profit improvement and financial analysis. He is a registered company auditor and former Managing Partner of Ferrier Hodgson, Melbourne. He is a former Director of ANL Limited, Baxter Group Limited and Macarthur Coal Limited and former Chairman of Ridley Corporation Limited.

Former Listed Directorships (last three years)

- Chairman of Ridley Corporation Limited (Director from 2008, Chairman from 2010–2015)

EXECUTIVE COMMITTEE⁽²⁾**SANDEEP BISWAS****BEng (Chemical) (Hons)**

Managing Director and
Chief Executive Officer

Sandeep was appointed Managing Director and Chief Executive Officer in July 2014. He joined Newcrest in January 2014 as an Executive Director and Chief Operating Officer.

Sandeep was previously Chief Executive Officer of Pacific Aluminium, a wholly owned subsidiary within the Rio Tinto group, which incorporated the bauxite, alumina, refining and smelting operations in Australia and New Zealand. He began his career with Mount Isa Mines, working in both Australia and Europe. Sandeep has also worked for Western Mining Corporation in Australia and Rio Tinto in Canada and Australia. He has experience in research, operations, business development and projects, across commodities including aluminium, copper, lead, zinc and nickel.

Sandeep is a Director of the Minerals Council of Australia.

GERARD BOND**BComm, Graduate Diploma
Applied Finance and Investment,
Chartered Accountant, F Fin
Finance Director and
Chief Financial Officer**

Gerard joined Newcrest as Finance Director and Chief Financial Officer in January 2012 and was appointed to the Board in February 2012.

Gerard has experience in the global financial and resources industry with BHP Billiton, Coopers & Lybrand and Price Waterhouse. Prior to joining Newcrest he was with BHP Billiton for over 14 years where he held a number of senior executive roles in Europe and Australia, including in Mergers and Acquisitions, Treasury, as Deputy CFO of the Aluminium business, CFO and then Acting President of the Nickel business, and was BHP Billiton's Head of Group Human Resources.

Gerard is a Fellow of the Financial Services Institute of Australia.

CRAIG JONES**BEng (Mechanical)**

Executive General Manager –
Cadia & MMJV

Craig is responsible for Cadia and the Morobe Mining Joint Venture (which includes the Golpu project) in Papua New Guinea.

Craig joined Newcrest in 2008 and has held various senior management and executive roles including General Manager – Projects, General Manager – Cadia, Executive General Manager – Projects and Asset Management, Executive General Manager – Australia and Indonesian Operations and most recently Executive General Manager – Australian Operations and Projects. Prior to joining Newcrest, Craig worked in projects at Rio Tinto.

PHIL STEPHENSON**Bsc, Graduate Diploma
Mineral Processing Technology
Executive General Manager –
Gosowong & Telfer**

Phil is responsible for the Gosowong and Telfer operations and Asset Management.

Phil joined Newcrest in 2014 as General Manager – Health, Safety, Environment and Security. He has extensive international mining operations experience, with 29 years in the industry working for some of the world's largest mining companies including Newmont Mining Corporation, Barrick Gold Corporation and Placer Dome Inc.

⁽²⁾ As at 1 October 2016. On 19 October 2016, the Company announced a number of changes to its Executive Committee, which are effective 1 January 2017.



MICHAEL NOSSAL

MBA (Finance), BSc

Chief Development Officer

Mike joined Newcrest in July 2015 with responsibility for Business Development, Projects and Studies, Exploration, Minerals Resource Management and West African operations and regional growth.

Prior to joining Newcrest, Mike was at MMG where, for five years, he was Executive General Manager Business Development. He has over 25 years' resource industry experience in Australia and internationally and has worked extensively in the gold sector and base metals with En+ Group, Macquarie Bank, WMC Resources, Normandy Mining and Kenmare Resources.

Mike is a member of the Institute of Directors (UK).



FRANCESCA LEE

**BComm, LLB (Hons), LLM,
Graduate Diploma CSP, AGIA**

General Counsel and
Company Secretary

Francesca joined Newcrest as General Counsel and Company Secretary in March 2014.

She was General Counsel and Company Secretary of OZ Minerals Limited from 2008 until 2014, and its antecedent companies from 2003. Francesca has more than 30 years' experience working across various senior legal and commercial roles within the mining industry including BHP Billiton, Rio Tinto Limited and Comalco Limited, including as General Manager Internal Audit and Risk at Rio Tinto Limited. She also spent several years as Vice President Structured Finance with Citibank Limited.

Francesca was a member of the Australian Government Takeovers Panel from 2009 until March 2015.



IAN KEMISH AM

BA (Hons), Graduate Diploma Ed

Executive General Manager –
Public Affairs and Social Performance

Ian joined Newcrest in May 2016 with responsibility for government relations, social performance and media.

Prior to joining Newcrest Ian led ExxonMobil's external relations in Asia-Pacific. This followed an extensive foreign service career, including as Australian High Commissioner to PNG, Ambassador to Germany, head of the Prime Minister's international division, and leader of the consular service.

Ian is a Board Member of the Australia-Indonesia Centre, an Adjunct Associate Professor at the University of Queensland, and a Fellow of the Lowy Institute for International Affairs. He was awarded membership of the Order of Australia for his leadership of Australia's response to the 2002 Bali bombings.

Governance, ethics and transparency continued

CONDUCTING BUSINESS ETHICALLY AND TRANSPARENTLY



OUR APPROACH

Newcrest proactively engages with governments and communities in the areas where we operate with the understanding that different stakeholders have differing views about, and expectations of, our activities. This can cover a wide range of areas, including economic, environmental and social responsibility. We engage constructively, respecting other points of view and aim to develop mutually-compatible outcomes.

Many of our stakeholders are unaware of the full range of community investment or capacity building activity we undertake or fund directly or indirectly. We continue to work with our stakeholders on increasing awareness and educating people on the scale of our social investment activity and the commercial realities that drive our business, thus helping them to better 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.

At each operating site, Newcrest commissions targeted, periodic community baseline studies, which provides a basis for understanding the nature of the national, regional and local stakeholders, their politics, history, culture and challenges. These studies, along with extensive consultation, provides the understanding of expectations and, importantly, local anticipations and concerns necessary to guide the development of appropriate and relevant social policy. Through this form of dialogue, expectations can be addressed.

Baselines are undertaken throughout the life of mine at significant times within the mine development plan. For example, Telfer has recently commissioned a baseline study, which will be completed in FY2017. In this instance, the baseline study has been commissioned to coincide with the signing of a new agreement between all the

stakeholders (further discussed on pages 44 and 46). Also at Cadia, a Community Sentiment Survey was conducted during the reporting period. The Survey reports that 'on balance, relations between Cadia and its neighbours are positive and have improved since the 2010 survey. Cadia's neighbours are highly satisfied with the frequency of communications from Cadia; an increasing number of the community feel that Cadia takes their concerns seriously, both during consultation processes and on a day to day basis; and there have been improvements in the efficacy of the complaints process. Overall impact and performance ratings have improved; however, road infrastructure and traffic related impacts are still a key concern for the community.'

Government expectations of resource developments tend to be reflected in legislation and regulations, and Newcrest maintains a senior presence in each jurisdiction to maintain dialogue with senior government members and other key stakeholders to identify and explain matters of concern and general industry conditions.

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.

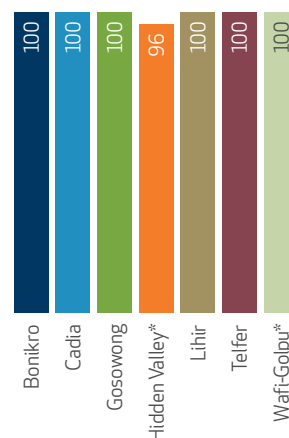
Respect for human rights has always been part of the way we do business and is embedded in our Human Rights and Security Policies, as well as the Newcrest Code of Conduct and Diversity Policy. Part of the implementation process of the Human Rights and Security Policies is a review of the Company's various 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.

As a member of the Voluntary Principles on Security and Human Rights Initiative (VPI), Newcrest completed a baseline assessment for all overseas operations and projects. Progress on the action plans is proceeding, including the training of our security personnel. Newcrest is a regular participant in various VPI working group calls and was an active participant in the annual VPI Plenary meeting in Columbia on 20–21 April 2016.

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 in Newcrest's Sustainability Report.

At Lihir, an anti-violence, behaviour-change campaign, called Trupla Man Trupla Meri, was launched in September 2015 to help empower our workforce to shift behaviour and speak out against all forms of violence. In March 2016, the campaign conducted a baseline survey to monitor and measure its effectiveness, compared to other campaigns. It was found that the positive message of the Trupla Man Trupla Meri resonated with, and had better understanding amongst, our local workforce. Trupla Man Trupla Meri's tagline, 'Happy Home = Safe, Productive Workplace', is helping employees understand the connection between their personal and professional lives.

Graph 1: Percentage of directly employed security personnel trained in human rights policies or procedures FY2016 (%)



* Joint venture employees.

CODE OF CONDUCT

Newcrest’s Code of Conduct reflects the values that underpin all of Newcrest’s behaviours and its relationships with its stakeholders. We are guided by our values of caring about people, acting with integrity and honesty, working together, valuing innovation and problem solving, and striving for high performance. These values shape the behaviours we expect from everyone who works for Newcrest and provide the basis for our Code of Conduct.

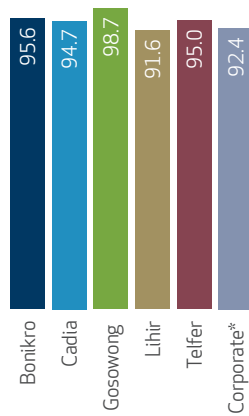
Newcrest has made the Code of Conduct accessible to all employees and contractors. It is available in printed and electronic formats on Newcrest’s website and intranet. During the reporting period, Newcrest updated its online Code of Conduct training module that has been translated into the languages of the communities in which Newcrest operates.

The Company’s Code of Conduct draws together the comprehensive range of policies and standards which govern the way Newcrest behaves and operates.

Relevant policies and standards include the following:

- Anti-Bribery and Corruption Policy
- Communities Policy
- Diversity Policy
- Donations Policy
- Gifts, Entertainment and Functions Standard
- International Employees Policy
- Safety and Health Policy
- Securities Dealing Policy
- Speak Out Standard
- Sponsorship Policy
- Workplace Behaviour Standard

Graph 2: Percentage of employees that have undertaken code of conduct training that includes a unit of anti-corruption policies and procedures as at 30 June 2016 (%)



* Exploration employees included in Corporate Offices.

ANTI-BRIBERY AND CORRUPTION

Activities involving bribery, corruption, money laundering, payment of secret commissions, breach of sanction laws, 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. 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. The obligations for employees and contractors are clear and Newcrest provides training to ensure they are understood. All suppliers are required to comply with applicable anti-bribery and corruption laws and appropriate due diligence is undertaken before Newcrest acquires an interest in a third party entity or enters into a new joint venture. During the reporting period, Newcrest established a new Anti-bribery and Corruption portal. The new portal page provides helpful information for Newcrest personnel on how to comply with Newcrest’s policies that deal with anti-bribery and

corruption and laws prohibiting bribery. Newcrest has internal audit and other processes in place to identify and investigate instances of actual or potential corruption and bribery across the business. The internal audit plan identifies bribery, fraud and corruption as significant risks to the business.

Table 1: Operations analysed for organisational risks relating to corruption during FY2016

Bonikro	✓
Cadia	
Gosowong	✓
Hidden Valley	✓
Lihir	✓
Telfer	

TRANSPARENCY

Newcrest acts with integrity and honesty when conducting business, in a manner that promotes transparency in business dealings. In 2013, Newcrest became a Supporting Member of the Extractive Industries Transparency Initiative (EITI), a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenues from natural resources. Newcrest continues to support the efforts of governments of EITI member countries where we operate (namely Indonesia, Côte d’Ivoire and Papua New Guinea) to improve transparency in the flow of revenues and benefits generated from the resource sector to government.



Mission, vision and values

During the year, Newcrest released a new mission and vision statement, outlining our purpose, aspiration for the future and our roadmap for forging a stronger Newcrest.

Caring about people is a core value 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.

Forging a stronger Newcrest

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



Integrity and honesty



Working together



Innovation and problem solving



High-performance

We achieve superior results through...



Employee involvement



Personal ownership



Bottom-up innovation



Operational discipline



Shared vision



Inspirational leaders



Talent development



About This Report

This is Newcrest Mining Limited's 15th Sustainability Report and our second that is in accordance with the Global Reporting Initiative (GRI) G4 framework. We report on our sustainability performance annually.



Waste rock dumps, Telfer.

Summary

Our report⁽³⁾ in accordance with GRI's 'core' level reporting intends to provide a vehicle by which we may communicate our environmental, social and governance performance to our stakeholders.

This year, our report covers all of Newcrest's operations globally, including joint venture projects, for the period 1 July 2015 through to 30 June 2016. There has been no significant change in the scope of the report since last year.

AUSTRALIA

- Telfer Open Pit and Telfer Underground (Western Australia).
- Cadia⁽⁴⁾, comprising Cadia East Underground mine (New South Wales).

PAPUA NEW GUINEA

- Lihir (New Ireland Province).
- Hidden Valley⁽⁵⁾ (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⁽⁶⁾ and Hire Open Pit and the nearby Dougbafla deposit.

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.
- Namosi (Fiji) (Namosi Joint Venture, an unincorporated joint venture between Newcrest (70.67 percent), Nittetsu Mining Co. Ltd and Mitsubishi Materials).

Currency figures are reported in US dollars unless otherwise stated.

RESTATEMENTS

On 31 December 2015, Newcrest commenced reporting financials in US dollars. As a result, our year-on-year financials have been restated on pages 60 and 61 of the report.

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.

Newcrest's approach to identifying its material sustainability aspects is based on the AccountAbility AA1000 Assurance Standard (2008) 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.

⁽³⁾ These materials include 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. The Company continues to distinguish between outlook and guidance in forward looking statements. Guidance statements are a risk-weighted assessment constituting Newcrest's current expectation as to the range in which, for example, its gold production (or other relevant metric), will ultimately fall in the current financial year. Outlook statements are a risk-weighted assessment constituting Newcrest's current view regarding the possible range of, for example, gold production (or other relevant metric) in years subsequent to the current financial year.

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.

⁽⁴⁾ The Ridgeway Underground mine was placed in care and maintenance during the reporting period.

⁽⁵⁾ Subsequent to the reporting period, Newcrest sold its 50 percent interest in the Hidden Valley mine, as announced on 19 September 2016 and 27 October 2016.

⁽⁶⁾ Bonikro Open Pit was placed in care and maintenance during the reporting period.

Note: All sites are 100 percent Newcrest owned unless otherwise specified.

Report development

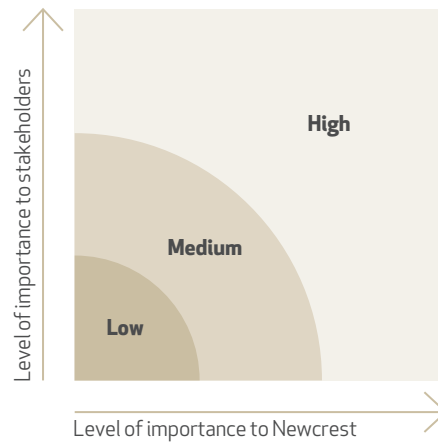
MATERIALITY ANALYSIS AND ASSESSMENT

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, peers, industry and NGO reports, and internal and external stakeholder interviews. We built upon last year's materiality assessment to include broader engagement with our external stakeholders (drawing upon our key stakeholder groups outlined in the following section). These included industry body representatives, non-government organisations, analysts, government representatives, suppliers and shareholders.

An independent consultant was commissioned to consolidate this information into key aspects, calculating and prioritising each aspect based on clearly defined criteria to identify the importance of each topic as it related to Newcrest and its shareholders. Each aspect was then classified as either 'high', 'medium' or 'low' importance, and were plotted in Figure 1.

A workshop was held with Newcrest management to present and discuss the findings from the materiality assessment process and to validate the ratings of the identified aspects as they related to Newcrest by confirming the appropriateness of the associated material rankings.

Figure 1: Newcrest FY2016 sustainability aspects



In line with the GRI G4 guidance, we mapped the boundaries of these aspects against Newcrest's sites, including operations, projects and exploration sites (see Table 2) and identified the impact boundaries in relation to Newcrest's key stakeholders across its value chain (see Table 3, below). 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.

Table 2: Issues of highest importance to Newcrest and its stakeholders and their impacts across Newcrest sites in FY2016

Issues of Highest Importance	Sites Impacted
Conducting business ethically and transparently	All operations, projects and exploration sites
Ensuring employee and contractor health and safety	All operations, projects and exploration sites
Managing our people and their capabilities	All operations, projects and exploration sites
Productivity, financial sustainability and growth	All operations, projects and exploration sites
Local community development and investment	All operations, projects and exploration sites
Water management	All operations, projects and exploration sites
Closure planning	All operations, projects and exploration sites
Waste and tailings management	All operations, projects and exploration sites

Table 3: Identification of stakeholder groups impacted across Newcrest's value chain

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

Report development continued

STAKEHOLDER ENGAGEMENT

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. 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 4: Key stakeholders and methods of engagement

Stakeholder Group	Types of Stakeholders	Engagement Approach	Areas of Interest
Shareholders	Shareholders, analysts	<ul style="list-style-type: none"> Annual reports, quarterly production reports, half-yearly financial reporting Website and email, investor briefings, one-on-one discussions Investor days Conference calls Market announcements Annual General Meeting (also webcast) 	<ul style="list-style-type: none"> Safety performance Asset performance Executive remuneration Equity raising and debt Community relations
Employees and Contractors	Executive Committee, site management teams, employees, contractors	<ul style="list-style-type: none"> Employee briefings Intranet, email, newsletters, social events, notice boards, departmental site and toolbox meetings, performance reviews Site General Manager town hall meetings Speak-out service Site-localised media stories Direct engagement between people leaders and their teams Organisational Health Survey participation 	<ul style="list-style-type: none"> Job security Operational performance Safety and environmental performance
Local Communities	Local residents, Indigenous communities, landowners	<ul style="list-style-type: none"> Community relations team visits Resident/community meetings Site visits Regular communication with leaders and community generally, providing feedback forums Complaints and grievance mechanisms Sponsorships and partnerships Collaborative agreements Media engagement on localised initiatives Community newsletters Websites 	<ul style="list-style-type: none"> Impact on, and relations with, communities Land use agreements Environmental impacts Community benefits agreements Compensation agreements
Suppliers	Local suppliers, non-local suppliers	<ul style="list-style-type: none"> Collaborative guidelines Out to market approaches Open and collaborative face-to-face engagement and discussions Regular performance meetings Contractual agreements 	<ul style="list-style-type: none"> Impacts from industry downturn and instilling operational efficiency
Government and Regulators	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"> Open and collaborative face-to-face engagement Quarterly updates in Asia and Pacific regions Annual reports, website and email, compliance audits and inspections Regulatory submissions Direct engagement on matters of local importance Industry body involvement Media engagement on localised initiatives 	<ul style="list-style-type: none"> Royalty fees and Indigenous agreements Safety performance Employment Proposed changes in legislation and regulations



Community engagement at Cadia and Lihir.

Table 4: Key stakeholders and methods of engagement continued

Stakeholder Group	Types of Stakeholders	Engagement Approach	Areas of Interest
Industry	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"> Meetings, reports and discussions around the specific considerations of mining and considerations for policy Reports, face-to-face discussions, presentations, collaborative agreements 	<ul style="list-style-type: none"> Industry downturn Environmental impacts Safety performance Mental health
Non-government organisations (NGOs)	Environmental, community, mining	<ul style="list-style-type: none"> Meetings, reports, face-to-face discussions Site visits Exploring collaborative opportunities 	<ul style="list-style-type: none"> Impacts to people, communities and the environment Bribery, corruption and disclosure of payments
Education and Research	Research institutions, tertiary and vocational institutes	<ul style="list-style-type: none"> Conference attendance Meetings, reports, face-to-face discussions 	<ul style="list-style-type: none"> Promoting training in resources area
Media	National business media, localised media (site and country)	<ul style="list-style-type: none"> Media briefings Day-to-day enquiries Site visits News stories/media releases Newcrest website 	<ul style="list-style-type: none"> Lihir turnaround Operational performance Growth strategies Safety performance Social development issues
Civil Society	General public	<ul style="list-style-type: none"> Newcrest website Reports Feedback tools Sponsorships and partnerships 	<ul style="list-style-type: none"> Impacts to people, communities and the environment Safety and environmental performance Industry downturn
Customers	Smelters, refineries	<ul style="list-style-type: none"> Meetings Reports Face-to-face discussions Site visits 	<ul style="list-style-type: none"> Terms and conditions of contracts Maintaining of relationships

ASSURANCE

This year, Ernst & Young provided independent limited assurance over certain elements of our report in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical or Financial Information, and the requirements of a Type 2 assurance engagement under Accountability's AA1000 Assurance Standard (2008) as per our assurance report. A copy of their Assurance Statement is located on pages 70 and 71. It is Newcrest's intent to obtain independent assurance of the content of its sustainability reports, to enhance data accuracy and reader confidence. The limited assurance 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.



The Year In Review

Newcrest continues its focus on sustainability through membership with the Minerals Council of Australia (MCA), the Voluntary Principles on Security and Human Rights Initiative (VPI), and as a supporting member of the Extractive Industries Transparency Initiative (EITI). We continue our progressive alignment to the International Council on Mining and Metals (ICMM) Sustainable Development Principles, and maintain and continue to seek out key memberships and affiliations with international bodies.



Environmental monitoring at Telfer.

Global commitments

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 2016, 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);
- Business Council of Papua New Guinea;
- 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);
- Fiji Mining and Quarrying Council;
- Institute of National Affairs, Papua New Guinea;
- International Copper Association, Australia;
- International Cyanide Management Code (ICMI);
- 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);
- New South Wales Minerals Council;
- Papua New Guinea Chamber of Mines and Petroleum;
- Port Moresby Chamber of Commerce;
- Sustainable Minerals Institute (SMI) – University of Queensland;
- Suva Chamber of Commerce and Industry;
- Transparency International, Papua New Guinea;
- Voluntary Principles on Security and Human Rights; and,
- Western Australian Chamber of Mines.

Sustainability performance

ENDURING VALUE

Newcrest is a member of the MCA and in May 2005 became a signatory to 'Enduring Value – the Australian Mining Industry Framework for Sustainable Development'. During the reporting period, Newcrest renewed its commitment to Enduring Value.

Enduring Value adopts the 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 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, as identified in the section below.



Sustainability performance continued

ICMM ALIGNMENT

Table 5: Newcrest's alignment to the ICMM principles in FY2016

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 May 2016 and the Code of Conduct in July 2015. The Code of Conduct is binding for all Newcrest employees. Electronic compliance training has been implemented in relation to Code of Conduct, Anti-Bribery and Corruption, Continuous Disclosure and Securities Dealings. Details of Newcrest's corporate governance statement and structure are provided in our 2016 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 include detailed consideration of sustainable development aspects. The Executive Committee also considers sustainable development aspects during monthly meeting updates on the status of key health safety, environment and community programs.
3. Uphold fundamental human rights and respect cultures, customs and values in dealings with employees and others who are affected by our activities.	The principles contained in the Newcrest Human Rights Policy have been migrated into the newly adopted Social Performance Standard and are also being integrated into the guidelines that will assist in the application across all Newcrest assets. The Social Performance Standard includes explicit commitments on key issues such as Free, Prior and Informed Consent, Resettlement and Gender. Human Rights are also key to our internal employee Code of Conduct and to the manner in which Newcrest treats its own employees. During FY2016, Newcrest continued to implement the requirements of the Voluntary Principles on Security and Human Rights, including completion of a company-wide baseline review and security staff training.
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. 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 Safety and Health Policy includes a commitment to continual improvement. This year, we updated the Safety and Health Policy in line with our Safety Transformation Plan. In particular, our continual improvement efforts in relation to safety and health focused on cultural improvements through NewSafe, enhanced verification of critical controls in the workplace, and increased understanding and analysis of our process safety risks. Improvements were also progressed on programs for occupational hygiene monitoring of potential workplace exposures and control measures.
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. Key programs during the reporting period also included closure plan reviews, implementation of the voluntary Cyanide Code at selected sites and Environmental Impact Studies for new projects.
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 management measures for flora and fauna of high biodiversity value at our operations and proposed development projects. Biodiversity aspects are also a consideration during development of closure plans for our operations as part of integrated land use planning.
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, including using resources efficiently and managing waste streams.
9. Contribute to the social, economic and institutional development of the communities in which we operate.	Community investment is a core element of Newcrest's new Social Performance Standard which provides a framework for assets to establish a locally and asset-appropriate basis for benefits to be provided to local communities impacted by the operation. Such benefits are rarely provided in cash, which is usually only paid out for compensation for personal loss, but are delivered in the form of programs through local institutions and business groups.
10. Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.	Newcrest recognises that transparency of action and decision-making is the best defence against corruption and maladministration. It also generates confidence in communities and greatly enhances relationships with local communities and governmental agencies. These principles are built in to the Community Engagement plans and programs required under the Social Performance Standard.

MATERIAL ISSUES

The issues identified from our materiality assessment measured as 'high importance' to Newcrest and its stakeholders are the focus of this report. However, similar to our approach last year, we have continued to represent issues in this report that have been identified as those of 'medium importance'. The table below identifies the sections of the report these issues are located.

The following sections of the report cover these issues:



Table 6: Issues of high and medium importance to Newcrest and its stakeholders in FY2016

High importance	Page in report	Medium importance	Page in report
● Conducting business ethically and transparently	6	● Human rights	12
● Ensuring employee and contractor health and safety	25	● Workforce diversity and equal opportunity	36
● Managing our people and their capabilities	32	● Managing government and community expectations, managing broader socio-economic impacts across communities, and local community engagement	46
● Productivity, financial sustainability and growth	39	● Adapting to geopolitical and legislative changes	46
● Local community development and investment	43	● Local employment and procurement	47
● Water management	51	● Land acquisition and resettlement	49
● Closure planning	53	● Energy and climate change	56
● Waste and tailings management	54		



Our People

At Newcrest, we value our people. We remain clearly focused on eliminating fatalities and life-altering injuries from our business. We also strive to build a sense of purpose and achievement among our people through encouraging the development of talented and motivated employees while becoming a more inclusive and diverse workforce.



Emma Pratten, Community Relations Officer at Cadia.

Ensuring employee and contractor health and safety



OUR APPROACH

The health and safety of our workforce is a priority for Newcrest. Our clear focus remains in 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 meet at least 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. Health and safety incidents are recorded in CHES (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 PERFORMANCE

SAFETY

The health and safety of our workforce is a core value for Newcrest. Our clear focus remains on eliminating fatalities and life-changing 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.

Tragically, during the financial year, two of our employees were fatally injured. In July 2015, an employee of the Hidden Valley Joint Venture was killed while operating a vehicle on a mine roadway, and in September 2015 a technician was killed while working underground at Cadia. The pain of these losses continues to be felt across Newcrest, and especially touches most heavily on those closest to the deceased. These fatalities are unacceptable and Newcrest's Safety Transformation has been our overriding business imperative during the reporting period.

Our Safety Transformation Plan was developed during 2015, supported by extensive independent investigations and reviews conducted across the Company, and aims to help us eliminate fatalities and life-changing injuries. The plan focuses on three key pillars:

- a strong safety culture;
- critical controls for every high-risk task; and,
- robust process safety management.

Graph 3: Newcrest LTIFR FY2013-FY2016



Graph 4: Newcrest TRIFR FY2013-FY2016



Three focus areas:

OUR SAFETY VISION

Everybody going home safe and healthy every day



MEASURE OF SUCCESS

Zero fatalities and life altering injuries



1. Build a stronger safety culture through NewSafe



2. Critical controls for every high-risk task



3. Robust process safety management

Supported by the right systems and tools.

Ensuring employee and contractor health and safety *continued*

NewSafe is the driving force behind our first pillar, a strong safety culture. It is about creating a workplace environment where we each choose to put safety first in everything we do for the benefit of ourselves and our work mates. NewSafe involves Newcrest employees and contractors through leadership workshops, coaching in the field, and personnel committing to a set of behaviours developed by our employees for our employees. The roll-out and embedding of NewSafe continued at Telfer and Cadia throughout the year, with NewSafe launching in Exploration in November and at Gosowong in February. The engagement, involvement and leadership shown by all levels of the business in the safety journey has been inspirational. Safety is owned by the line and tailored for the mine site and department by the people who best understand the specific challenges they face – the front-line employees. NewSafe will be introduced at Hidden Valley, Lihir and Bonikro in FY2017.

The second pillar of our safety transformation is having critical controls for every high-risk task. During the reporting period, we introduced a formal Critical Control Management (CCM) system to provide a systematic approach to verify that the most important, life-saving controls are known, in place and working.

Our CCM system involves three levels of structured, regular checks at the management, supervisor and operator levels. The first step in Newcrest's roll-out of CCM started in February 2016 and involved the training and coaching of managers and other front line leaders in how to undertake the first level of checks – System Verifications. These are conducted to ensure critical controls are established and healthy. At this level, department managers and above verify the management systems by reviewing individual critical controls in detail to ensure systems are properly designed and implemented.

The second level of checks, Field Critical Control Checks, aim to verify the effectiveness of the critical controls in the field. Supervisors and above monitor high-risk tasks and major hazards to ensure critical controls are implemented effectively. We launched this part of the program in May 2016, at Telfer, Lihir, Gosowong and Cadia and with our exploration team.

The third level of checks, Operator Critical Control Checks, will be rolled out in FY2017.

Between initial roll-out in February and the end of the financial year, more than 900 people across Newcrest had been trained in the CCM system, with more than 1,000 System Verifications and 7800 Field Critical Control Checks completed.⁽⁷⁾

The third pillar, robust process safety management, aims to systematically and comprehensively manage the integrity and containment of high-energy and toxic processes to protect our people and the environment. It applies a technical, engineering-focused approach, which adopts robust engineering standards and controls across our operations.

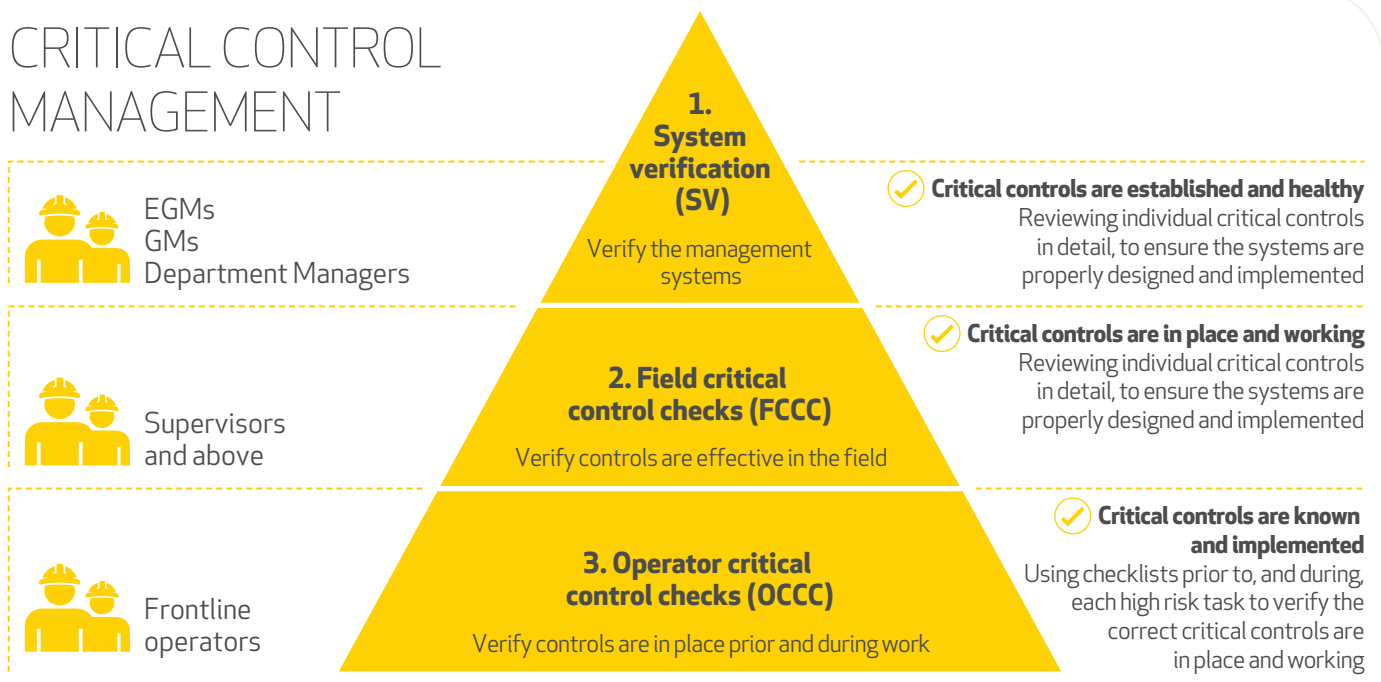
Together, these three pillars form the backbone of our plan. By channelling our efforts consistently and methodically into these three areas, we believe we will go a long way towards realising our vision for safety – the elimination of fatalities and life-changing injuries from our business.

In April, Newcrest updated its Safety and Health Policy to reflect our Safety Transformation Plan and is available on the Newcrest website.

⁽⁷⁾ Figures stated as at 18 July 2016.

Three levels of checks:

CRITICAL CONTROL MANAGEMENT



 CASE STUDY

NewSafe roll-out at Cadia



Chief Executive Officer, Sandeep Biswas, speaking to the Cadia workforce about NewSafe.

The NewSafe program commenced at Cadia in July 2015 as the next step in achieving a sustainable record of zero fatalities and life-changing injuries. NewSafe involves everyone at Cadia – from all levels of the organisation, from full-time employees through to short-term shutdown contractors – and focuses on leadership, behaviours, and coaching.

In the first 12 months of NewSafe at Cadia, more than 1,600 people participated in the *NewSafe Leadership* workshops, underpinning the entire NewSafe program and empowering each individual worker to be a safety leader. With a strong emphasis on self-reflection, the workshops shared anonymous stories from participants regarding risk-taking behaviours. This enabled each person to identify their individual impact on site safety and make a personal commitment to their own safety and that of their colleagues.

A select number of Cadia employees were identified by their peers as informal opinion leaders and engaged to develop *NewSafe Behaviours* specific to each work area. By analysing the stories collected in Leadership workshops, the opinion leaders identified key contributors to risk-taking behaviour and the main drivers of safe culture within their unique work environments. From this, they defined several behaviours that positively impacted safety performance and would ultimately underpin the cultural change inherent in NewSafe. In the past 12 months, employees from 12 different work groups at Cadia have attended Commitment Sessions

to launch *NewSafe Behaviours* at operator, supervisor and management levels. The NewSafe opinion leaders continue to drive the safety culture from the ground up, as they progressively implement a range of influencing strategies or ‘plays’ to motivate and encourage ongoing commitment to NewSafe among their peers.

NewSafe Coaching improves the safety leadership capability of all site leaders and recognises the significant opportunity front line supervisors have to influence employees and contractors to choose safer behaviours. Supervisors often have little previous training in leading teams but in the past year, 80 Cadia supervisors have undergone training and are receiving ongoing guidance from selected Cadia Superintendents who have been seconded into full-time *NewSafe Coaching* roles. Twenty-six managers and superintendents have also received training from external safety leadership specialists.

An example of NewSafe in action occurred during a scheduled shutdown at the Cadia East mine early in 2016 when an underground crew was tasked to replace concrete panels in a road. On arrival however, they found the site was not as far progressed as the documentation had indicated, the equipment required was not available, and their chance of completing the job within the prescribed timeframe was unachievable. When assessing the situation, the supervisor observed high levels of confusion and stress among team members, poor communication and low morale. Using one of the NewSafe ‘plays’ implemented by his crew, the supervisor paused the job, called the team together

and tapped the ‘Reset’ sticker on his hat. The supervisor used skills acquired through his NewSafe Coaching sessions to ask a series of open-ended questions which helped the team vocalise their frustrations and diffuse the pressure of being behind schedule. After workers had an opportunity to discuss the issues, they refocused on factors that were within their control and made a plan to complete the job without trying to make up time. The supervisor thanked the workers and left them to finish the job safely and without the pressure of the unachievable time constraint.

Since the introduction of NewSafe at Cadia, a cultural change has been observed site-wide, with survey results and anecdotal evidence showing an increased focus on safe behaviours at all levels of the organisation. In a recent Cadia survey, more than 90 percent of respondents ‘agreed’ or ‘strongly agreed’ that they see a positive difference in their supervisor, and that their crew was more safety-focused. Teams have reported they are more accepting of feedback and are actively leading courageous conversations with each other and with their supervisors about safety.

Ensuring employee and contractor health and safety continued

📄 CASE STUDY

Critical control management roll-out at Lihir



Esilomi Eliuda and Damian Symons, process plant employees, conducting a high-risk task analysis at Lihir.

The introduction of Newcrest's formal Critical Control Management (CCM) system commenced at Lihir in February 2016, with an intensive training program to coach managers and other senior leaders on conducting System Verifications (SVs), the first of three levels of checks conducted under the CCM framework.

During the initial training and coaching week at Lihir, 26 SV coaching sessions were conducted in total, exposing 48 managers and superintendents to the SV process and the online system for capturing the important verification information and evidence. The participants and site administrators were also given user training in the Forwood system.

SVs are conducted by senior leaders to verify the design, implementation and training elements of a critical control. These verifications involve checking the systems underpinning a critical control, as well as checking how effective the critical control is operating in the field.

An important part of the verification process is the interaction and conversations with workers in the field, with the CCM system providing a standard and specific set of questions on which to structure the conversation to verify the critical controls. There is also a strong integration of CCM with NewSafe, the first pillar of Newcrest's Safety Transformation plan, through the use of Visible Felt Safety Leadership (VFSL) principles by leaders when undertaking the checks with their team.

The results of the verifications from the initial training week highlighted opportunities to make the critical controls more effective. Some jobs were stopped to rectify a critical control. This is seen as a positive and Newcrest's workforce has been explicitly told to stop a job if the right controls are not in place or are not effective.

In the months following the SV training, the Lihir leadership team has focused on embedding SVs by scheduling regular and frequent system verifications and engaging the broader workforce in this proactive and important risk management activity. More than 178 SVs of major hazards have been conducted by leaders at Lihir during the reporting period since their introduction in February.

In late May, the roll-out of CCM at Lihir progressed with the introduction of the second level of checks – Field Critical Control Checks (FCCCs) – which are conducted by superintendents, coordinators and supervisors to verify that critical controls are effective in the field.

The roll-out process involved initial classroom training, followed by intensive coaching and practise out in the field, where the real impact of the verifications is evident.

During the fortnight-long roll-out program at Lihir, more than 253 people were trained and coached in the FCCC system, with more than 656 FCCCs completed.

In many cases, including at Lihir, the introduction of CCM is an evolution of work already completed by sites on high-risk task analysis, with CCM moving the work into a formal system and making it even more powerful.

The roll-out of CCM at Lihir will continue in FY2017, with the introduction of the final level of checks – Operator Critical Control Checks (OCCCs).

 CASE STUDY

Successful Kencana underground mine rescue



Pak Mursalim Sahman arrives at the Gosowong medical clinic after his successful rescue.

On 8 February 2016, a ground fall at the Kencana underground mine at Gosowong, Indonesia, trapped one of Newcrest's drill operators, Pak Mursalim Sahman. The following eight days, leading up to the successful rescue of Pak Mursalim on the 16 February after 181 hours underground, highlighted the tenacity, determination and commitment of Newcrest's workforce to the welfare of one of their colleagues.

The ground fall occurred around 8.30pm local time as a result of a geotechnical event. The mine was evacuated immediately and all personnel accounted for, with the exception of Pak Mursalim who was trapped approximately 300 metres underground. No other injuries were reported during the ground fall.

From this time, Newcrest's first priority was to locate and rescue Pak Mursalim, and emergency response and crisis management teams were rapidly formed.

Verbal contact was made with Pak Mursalim at 10am on 10 February, approximately 37 hours after the initial ground fall event. Contact was established via a small diameter hole drilled through 54 metres of ground to where Pak Mursalim was located. The rescue team was able to speak to him at this stage and to confirm that he was in good health and spirits, and that he had supplies of water and food. Preparations were made to send down additional water and food as well as to drill a second small diameter hole to use as a dedicated communication link. This second 95-metre hole was in place by 11 February and was valuable over the coming days as Pak Mursalim was able to provide the rescue team with useful information to assist with his rescue.

A selection of different rescue options were analysed and prioritised based on safety and speed. During this process, Newcrest drew upon expertise from within the Company, as well as skills and assistance from other mining companies and specialist advisors who had led similar underground rescue efforts around the world. Specialist equipment and personnel were sourced from Australia.

The successful rescue option involved drilling a near-vertical hole using a raise boring machine down into the area of the mine where Pak Mursalim was located. The 38-metre long hole had a diameter of 0.7 metres. A rescue cage was built and tested, and an emergency response specialist travelled down the hole to help Pak Mursalim prepare for his ascent.

There was an enormous sense of relief among everyone involved when Pak Mursalim safely reached the surface. Pak Mursalim showed great courage, remaining positive and providing valuable information to the rescue teams through his time underground. Following medical checks, he was happily reunited with his wife and children.

Many people worked tirelessly to ensure this result, including the on-site rescue teams, hundreds of people from across our Gosowong operation and wider Newcrest, as well as external parties, including suppliers, other mining companies and government agencies in both Indonesia and Australia.

A full and thorough investigation into the cause of the geotechnical event was undertaken by Newcrest Mining and processing operations at the Toguraci mine remained suspended until 12 April, while mining operations at Kencana remained suspended until 12 June, to ensure we could be confident mining could be resumed safely.

The rescue of Pak Mursalim was a display of Newcrest culture at its best and is symbolic of just how much the safety of our people matters to us all at Newcrest.

Ensuring employee and contractor health and safety continued

OCCUPATIONAL HEALTH AND HYGIENE

Newcrest has occupational health standards, which set business expectations for the management of our health and hygiene programs to support the intent of our Safety and Health Policy. Newcrest also has a strategic health plan aimed at achieving 'a healthy and safe workplace free of fatalities, injuries and occupational illness.'

Key programs of work in FY2016 to support this strategic plan related to occupational health and hygiene, including:

- streamlining and improving health standards and governance;
- developing (or improving) workplace occupational hygiene monitoring and management programs;
- improving health database systems to support regular reporting and analysis of health data; and,
- developing Fitness for Work and Wellness programs.

Standards and governance

During the reporting period, occupational health standards were redrafted and streamlined in consultation with site teams for easier interpretation and application in each of the global regions where we operate. The new draft standards are planned for management review and endorsement in FY2017, followed by implementation at sites and commencement of integrated health, safety and environment audits to identify improvement areas.

Newcrest holds monthly Executive Health and Safety Leadership Team meetings involving members of senior management, including site General Managers. The meetings focus specifically on health and safety aspects and performance. A Health Community of Practice has also been established in Newcrest where monthly calls are held with site health representatives to improve knowledge-sharing between sites and capacity-building. Updates on health programs and performance are also reported monthly to our Executive Committee and during quarterly meetings with our Safety and Sustainability Committee.

Occupational hygiene programs

A staged occupational baseline monitoring program commenced at each site during the reporting period for ongoing application during FY2017. The first step of the occupational hygiene improvement program was to establish (or verify) Similar Exposure Groups (SEGs) for each of our sites based on common work activities. Occupational hygiene surveys of the work environments were then conducted at selected sites to identify potential health hazards that the SEGs may be exposed to, e.g. welding fumes, diesel particulate matter, noise, vibration or exposure to silica dust. Risk-based monitoring programs are then designed and implemented to monitor workplace conditions and apply controls to mitigate potential exposures. Further work is underway to continue surveys of potential workplace exposures, complete baseline monitoring programs and embed regular monitoring of potential exposures and application of mitigation measures.

CASE STUDY

Lihir Malaria Elimination Project

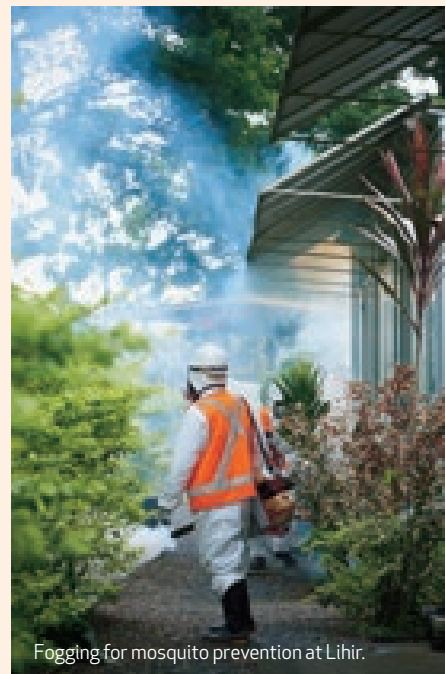
Newcrest's five-year alliance with the not-for-profit organisation Medicines for Malaria Venture (MMV) continued during the reporting period. Through the alliance, a project has been established at Lihir to prevent the transmission of malaria within the Lihir population by eradicating the malaria parasites.

The Lihir Malaria Elimination Project represents a first attempt for elimination of malaria within a region of PNG. Newcrest continues to engage with the PNG National Department of Health about the project and the department has been supportive of malaria elimination as part of the National Malaria Strategic Plan for PNG.

The project team have been working with the PNG government and international experts to undertake clinical trials. The clinical trials

are intended to help establish protocols for the implementation of the program, which is based on providing International and PNG-approved medicines in a specific sequence to break the cycle of malaria parasite transmission. During FY2016, educational programs were undertaken focusing on informing community members about the project.

Since the alliance with MMV that commenced five years ago as well as implementation of malaria prevention programs at each of our sites, there has been a decline in the total number of cases of malaria across the Group. However, malaria is still prevalent in each of the offshore regions where we operate, and malaria programs that help to address the prevalence of malaria in neighbouring communities as well as within our workforce are important to drive continual improvement.



Fogging for mosquito prevention at Lihir.

Improving health database systems

During the reporting period, Newcrest approved the purchase and installation of the occupational hygiene components of Medgate for each of our sites, an online health tool to support data recording and reporting. In consultation with Information Technology and site occupational health and hygiene specialists, the system was installed and preliminary testing commenced. Further work is underway to source and upload historical data from each site, train users and pilot the system. The Medgate system will allow each Newcrest site to input detailed data from occupational hygiene monitoring for improved trending and reporting of data and management of potential workplace exposures.

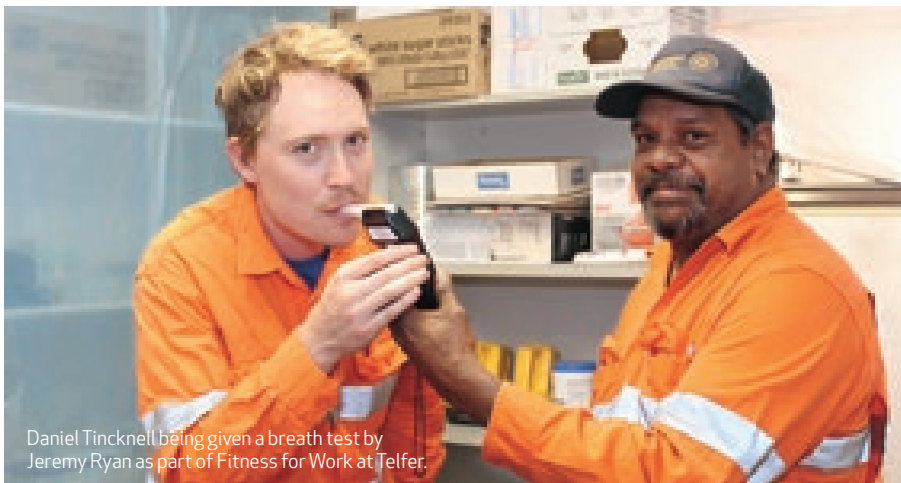
Fitness for work and wellness programs

Newcrest recognises that employee wellbeing, including both psychological and physical wellbeing, is a significant component of Fitness for Work. The release of the Blueprint for Mental Health and Wellbeing developed by the New South Wales Minerals Council, and the focus on mental health impacts of fly-in/fly-out lifestyles by the Western Australian Government, has helped raise the profile of mental health issues within the resources industry.

In previous years, training programs on the identification and management of mental health aspects have been conducted at our Australian operations in collaboration with Beyond Blue. During FY2016, Newcrest developed a draft guideline designed to provide a framework for promoting physical wellbeing within the workforce, as well as reducing the risks and potential impacts of mental illness. The draft framework comprises

multiple linked strategies integrated within existing Safety, Health and Human Resource programs and has the flexibility to be tailored to each of our sites based on cultural aspects. Ongoing work is planned to develop effective tools and programs to support the implementation of the framework and assist our sites with managing this challenging issue.

As a component of Fitness for Work, during FY2016 a program of site-based fatigue reviews across Newcrest operations commenced with the assistance of an external specialist. Reviews are scheduled to continue during FY2017 to cover each of our sites to assess the current status of fatigue management programs and identify site-specific improvement opportunities.



Daniel Tincknell being given a breath test by Jeremy Ryan as part of Fitness for Work at Telfer.

Managing our people and their capabilities

OUR APPROACH

We aim to have a high-performance, no-nonsense culture with top quartile organisational health. To support this, our People Strategy focuses on talented people, working together to achieve their full potential. This Strategy has a focus on getting the basics right, developing our people and capability and creating a diverse and inclusive environment.

We strive to build a sense of purpose and achievement among all our people in the work we do. We value our people and encourage the development of talented and motivated employees to support the continued performance and growth of our operations, offering exciting work and development opportunities.

We recognise that it is our employees' diversity of ideas, skills, and experience that ensure that we can find innovative responses to the challenges our business faces. We encourage an inclusive culture, in order to use our diversity fully, to build collaboration and to raise performance.

The attraction and identification of talented employees, our leadership team effectiveness, training our people and our culture and diversity have been areas of key focus for the past year.

OUR PERFORMANCE

ATTRACTION AND RETENTION

We aim to hire high-quality people. We invest significant effort in the attraction and recruitment of people with leadership capability and deep functional expertise. Applicants are evaluated according to their job-related skills, qualifications, abilities, aptitudes and alignment to *Our Vision and Values*.

To meet our current and future human resourcing requirements, we undertake talent acquisition activities at the local, national and international level that are aligned to our broader business strategy. Internal candidates are prioritised for roles and supplemented by external recruitment in the local labour market in the first instance where we seek to attract and hire from a diverse pool of candidates. We recognise that to attract and retain a talented workforce at some of our sites, we need to offer a mix of residential and fly-in/fly-out (FIFO) based employment options.

Accountability for managing recruitment is via central and locally-delivered services. Recruitment activities and employment opportunities are merit-based, supported by our commitment to have a workforce that best represents the communities in which we operate. In some jurisdictions, targeted affirmative action may be required to address any imbalances. This is achieved through Indigenous employment and training programs and by undertaking sourcing and recruitment activity to increase the representation of females in our workforce.

ENSURING WE HAVE THE RIGHT PEOPLE IN THE RIGHT ROLES

In an effort to ensure we are focusing our recruitment and development effort on the most strategically significant areas, we identified critical roles across the business. Once identified, we developed success profiles to highlight the key skills, knowledge, competencies and behaviours required for success in these roles. These profiles are used to support targeted and accelerated development plans for individuals in critical roles and provide key sourcing and selection guidance during a recruitment process.

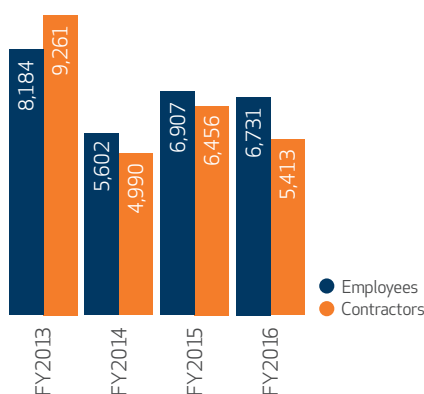
Overall, this activity has meant that we have:

- Higher-quality talent in our business critical roles;
- Created instant visibility of critical roles; and,
- Increased the average people leadership capability evaluation score, for critical roles.

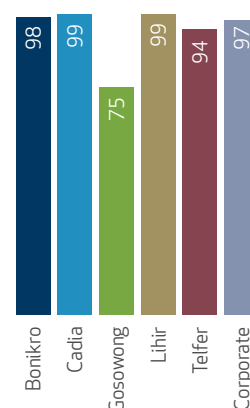
To follow on with this work, we have also accelerated external talent pools and put in place a regular process to manage talent and talent pools for critical roles. This talent framework is now being applied more broadly.

In 2016, we have implemented dashboard reporting to measure efficiency and service levels so that we can continue to improve outcomes for quality, time to fill, and cost. We have reduced our time to fill and implemented active stage-gate management. We have also realigned our central recruitment team structure to allow for more targeted and proactive sourcing.

Graph 5: Total number of employees and contractors FY2013 – FY2016 (#)



Graph 6: Percentage of eligible employees receiving regular performance and career development reviews FY2016 (%)



PERFORMANCE AND A HEALTHY CULTURAL CLIMATE

To achieve sustainable performance and a healthy cultural climate, we need our Group-wide performance systems to support the consistent and transparent assessment of people across the Company. Our systems also drive a performance-focused culture by making clear linkages between performance and reward, and enable employees to articulate their development needs and career aspirations. We offer our employees a comprehensive reward package – the principles of which are consistent across the Group. These principles are designed to be competitive, in compliance with all applicable laws and regulations, and to appropriately balance fixed pay with variable pay linked to performance.

To ensure the long-term sustainability of our business, we also need our people leaders to inspire others. We need them to engage, excite, guide and encourage. Therefore, building the People management capability has been prioritised in 2016, though it is part of a long-term journey. The focus on People Leaders has begun by improving Leadership Team Effectiveness across our sites.

Overall, we recognise that our organisational culture is critical for performance and sustainable outcomes. We aim to improve our Organisational Health by embedding inspirational leadership, having a shared vision and improving employee involvement. This is measured by an annual Organisational Health Survey. Our key focus for the last year has been to:

- Unlock people potential through skills and knowledge development and strengthening personal ownership;
- Engage and inspire employees through meaningful vision, leadership and transparent communication; and,
- Continuously improve through daily innovations and operational discipline.

With the aim to build our leadership capability and build high-performing leadership teams, we have run the Leadership Team Effectiveness program with the Executive Committee and the management teams at each site in 2016 with very positive and impactful outcomes.

In FY2016, we conducted our annual survey to measure organisational health. More than 4,000 of our employees completed the 2016 Organisational Health Index (OHI) survey, which represents an excellent response rate of 78 percent. Newcrest's overall OHI score was up five points from 2015. All of our OHI outcomes and practices have also improved. Since we started doing the survey two years

ago, our score has improved from being in the lowest 25 percent (or quartile) of the 750 companies in the global survey in 2014, to the third quartile in 2015, and now the second quartile in 2016. It shows that we are continuing to improve and that our goal of being in the top quartile of companies for organisational health is achievable. This overall OHI score is a summary of how effectively Newcrest operates day-to-day to get things done. It reflects how well we set a clear direction, execute our plans, and learn and adapt. Our ability to maintain and improve on our performance safely, regardless of the operating conditions, all comes down to having a 'healthy' culture. A healthy company is safer, performs better, provides greater returns to shareholders, and is a better place to work.

The gain we have made over the past year is the result of improvements across each of our seven priority practices. The strongest improvement was in our Shared Vision practice, which increased by 11 points, followed by Employee Involvement, which increased by 7 points, and Inspirational Leaders which improved by 6 points.

Some of our practices, such as Talent Development, Inspirational Leaders and Personal Ownership, still represent opportunities for improvement.



Scott Smith, Underground Electric Coordinator at Cadia.

2ND

highest quartile in an Organisational Health Index survey of 750 companies worldwide

Managing our people and their capabilities continued

TRAINING AND EDUCATION

An important component of Newcrest's People Strategy is a commitment to the ongoing development of its employees, with training and development programs a key element of its high-performance culture. Training courses cover a broad range of areas, including technical skills, managerial skills and a range of specialised programs. We are currently implementing a new learning management system at our sites to improve training documentation management and delivery of training activities. It will be rolled out in stages across the business over the next 18 months.

Newcrest has a range of operator training programs available for employees across all sites, which cover a number of technical areas. These include mobile and fixed plant, safety and compliance. A great deal of training has been delivered around leadership development. NewSafe training has been a major focus. It is a program which targets all levels and aims to change our safety culture and our responsibilities towards safety ownership and leadership. There has also been a focus this year on Newcrest's Code of Conduct across all sites, so there is a good understanding on how we all conduct ourselves and behave across the business.

Newcrest provides opportunities to employees to complete external programs at various levels and provides funding support for approved applications. Employees can apply for study leave to attend compulsory residential schools, examinations and face-to-face classes when they are not available outside of normal working hours. Paid education/study leave is in addition to an employee's normal annual leave entitlement.

A personal development plan is developed for each employee in consultation with their direct manager as part of the annual performance planning and review process. Interim and annual performance reviews are a requirement of Newcrest's career development and work performance systems. These reviews provide an important opportunity for staff to set personal development targets, including training and development needs for the year ahead.



First-aid training, Cadia.

 CASE STUDY

Improving People Practices for Better Safety and Organisational Health



Mobile Maintenance team, Bonikro.

Our Mobile Maintenance team at Bonikro is an integral part of the site workforce who ensure safe production through resolving maintenance issues on our mobile equipment. The team must remain safety focused, responsive and organised.

An external maintenance audit was completed during the reporting period, which highlighted opportunities where effective workforce management and capability building could make a difference. The following recommendations for improvement were advised:

- appointing capable supervision with effective communication skills, to provide confidence during difficult conversations and empower employees to speak openly at pre-start meetings;
- building employee capability in safety awareness;
- clearly defining accountability so that supervisors were able to spend more time with their teams; and
- reinvigorating Newcrest's Values and associated behaviours.

Based on the outcome of the audit, the following actions were implemented:

- acquiring supervisors with experience in safety leadership;
- appointing two high-performing female maintenance planning resources;
- training all supervisors in the use of courageous conversations tools to help coach their teams in the importance of feedback, while helping to inspire and motivate safe behaviour through stressing the importance of personal safety; and
- mentoring the remaining supervisors, with time spent coaching on:
 - safe work before production;
 - effective role modelling by consistently applying visible, safe leadership every day;
 - reinforcing task allocation and risk assessment; and
 - building confidence to stop work for safety reasons and understand why we do it.

Further to this, supervisors spent time with their teams in the field by asking them questions about their work, the associated hazards and encouraging them to speak up and 'have a go'. When they made a contribution, it was celebrated, as were demonstrations of Newcrest Values and behaviours.

As a result of a focus on people practices, particularly on effective workforce management and capability building, various improvements have been recognised. Most importantly, employees have a renewed trust in the leadership team, regularly approaching them to discuss work and safety issues. Healthier relationships have formed and employees now willingly discuss issues at safety meetings, with actions quickly progressed. Overall, there has been improvement in the calculated Organisational Health at Bonikro relating to better engagement and leadership practices. From an operational perspective, maintenance turnaround time has improved due to a greater focus on proactive maintenance, with requests for new parts now actively raised and actioned with senior leaders.

These significant changes within Bonikro's Mobile Maintenance team clearly demonstrate the tireless efforts focused on improving safety and operational discipline within the site while empowering employees' confidence and understanding in safe production.

Workforce diversity and equal opportunity



OUR APPROACH

We are focused on becoming a more inclusive and diverse workplace, increasing the representation of women in our business and achieving a better balance of gender in the short-term, and of ethnicity and nationality in the medium-term. We are also focused on developing more diverse leadership teams. This involves developing local nationals in emerging regions to ensure they have the capabilities and experience to lead our operations.

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.

NON-DISCRIMINATION

Newcrest's commitment to a workplace free from discrimination is underpinned by Newcrest's Values, Diversity Policy and International Employees Policy. Additionally, Newcrest's Workplace Behaviour Standard and Resolving Workplace Behaviour Complaints Procedure, coupled with Newcrest's over-arching Code of Conduct, detail and support the appropriate behaviour expected of employees, contractors, suppliers, consultants and visitors of Newcrest. We believe the workforce should reflect the communities in which we operate and, wherever practicable, Newcrest is committed to local hiring and development of workers at each site.

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.

Newcrest has continued to strengthen its diversity and inclusion platform, most notably by the following elements:

- Executive Committee Diversity Sub-committee: the Executive Committee Diversity Sub-committee continue to provide guidance, input and advice regarding the implementation of Newcrest's Diversity and Inclusion Strategy.
 - Diversity Policy: the Diversity Policy outlines how Newcrest seeks to create a diverse workforce, including treating employees fairly, setting measurable targets, ensuring legislative compliance and supporting diversity in all its communities. Newcrest's Diversity Policy actively promotes a culture that values difference. The Diversity Policy is published on the Newcrest website at <http://www.newcrest.com.au/about-us/company-policies>, and it is able to be accessed by all employees via the internal portal. The Policy is also displayed at all sites. Newcrest's standards and procedures are reviewed and updated annually.
 - Workplace Behaviour Standard: Newcrest's Workplace Behaviour Standard similarly underpins Newcrest's diversity and inclusion priorities by promoting a workplace that is inclusive and free from discrimination, harassment, bullying and victimisation. Ensuring employees understand what is appropriate workplace behaviour and encouraging them to speak up if they see inappropriate behaviour supports Newcrest building a positive and productive workplace environment.
 - Flexible Work Practices Standard: provides access to employees to adopt flexible work practices to support a range of professional and personal circumstances.
- Newcrest's values: the Newcrest values support the diversity and inclusion agenda and demonstrate how they are integrated into the fabric of the business. Key values relevant to diversity and inclusion include high performance, work together, care about people, innovation and problem solving.
 - Board and Executive Committee engagement: the Newcrest Board and Executive Committee actively lead Newcrest's diversity and inclusion agenda.



Telfer Environmental Advisors Claire Learey and Anne-Louise Vague inspecting off-site rehabilitation areas.

44%

women in the graduate program

Newcrest has three ASX gender diversity measures. These measures are focused on building a pipeline of female talent within the business. The measures are as follows:

- a. Increase the representation of women in management Levels 2-4 to a minimum of 16 percent by 31 December 2016.
- b. Increase the proportion of women accessing programs aimed at accelerating development by a minimum of 20 percent by 31 December 2016.
- c. Increase the representation of women selected for the graduate program to a minimum of 40 percent by 31 December 2016.

OUR PERFORMANCE

- **Increase the representation of women in management Levels 2-4 to a minimum of 16 percent by 31 December 2016.**

As at 30 June 2016, women in management (Levels 2-4)⁽⁶⁾ accounted for 15.9 percent (77 women) of Newcrest's Australian workforce. The percentage of women has increased by 2.2 percent when compared with 30 June 2015. Newcrest will continue to identify innovative ways to attract, develop and progress women within the business and accelerate its performance under this measure.

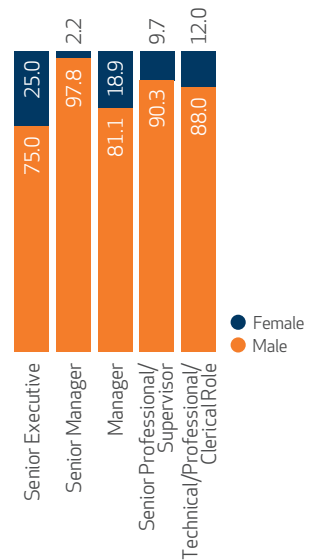
- **Increase the proportion of women accessing programs aimed at accelerating development, by a minimum of 20 percent by 31 December 2016.**

Over the past 12 months we have taken the opportunity to review our approach to development, focusing on how we identify individuals with leadership potential and the development we offer. The review indicated a need to improve our development processes. In FY2016 focus on development has been with our Executive Committee and Site Leadership Teams, with the purpose to build the needed structure, alignment and interaction to be high-performing teams. We are now implementing new talent identification and development planning processes to increase the visibility of our females with leadership potential. We have made a commitment that 100 percent of our women in leadership roles will have a development plan in place by 31 December 2016.

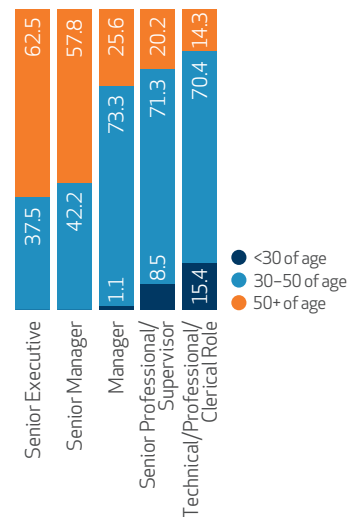
- **Increase the representation of women selected for the graduate program to a minimum of 40 percent by 31 December 2016.**

Newcrest has nine graduates employed on the Newcrest Graduate program. Female participation on the Newcrest Graduate Program stands at 44.4 percent. Newcrest continues to invest heavily in its Vacation and Scholarship programs. In FY2015, female vacation students accounted for 72.7 percent of the total population.

Graph 7: Employment ratio by gender by employment level FY2016 (%)



Graph 8: Employment ratio by age group by employment level FY2016 (%)



⁽⁶⁾ Levels 2-4 includes Senior Professionals/Supervisors, Managers and Senior Managers. Senior Executives and Technical/Professional/Clerical Roles are excluded.



Economic Performance

Newcrest's improvement in financial strength is the result of the operational discipline, energy and efforts applied by our employees and contractors over the last two years.



Productivity, financial sustainability and growth

PRODUCTIVITY AND FINANCIAL SUSTAINABILITY



OUR APPROACH

Newcrest's rigorous business transformation program, Edge, has been underway for two and half years. It has delivered substantial benefits to the Company. Our focus continues to be on improvements in safety, operational performance and culture whilst embedding the Edge mindset and systems into the culture of the Company on a long-term basis. This continuing focus will further unlock substantial improvements to performance.

Edge is based on bottom-up innovation, empowering our people to identify and deliver improvements across the business.

Improvement ideas are generated through a mix of formal and organic idea generation sessions. The majority of Edge improvement projects are site-led and owned, with light support from the central transformation office.

The connection between Edge and Newcrest's seven Organisational Health Practices has also been strengthened during the reporting period, with line leadership focusing and demonstrating the Practices when implementing Edge projects and their broader responsibilities. Newcrest's Organisational Health Practices are employee involvement, operational discipline, personal ownership, bottom-up innovation, inspirational leadership, talent development, and shared vision. By embedding the Practices into everything we do, including Edge improvement initiatives, we embed the organisational health mindset and behaviours into the way Newcrest does business.



OUR PERFORMANCE

The focus of Edge during the reporting period has remained on cash generation through cost control, productivity improvements and utilisation of our assets and ore bodies. We are also increasing our focus on step-change innovation through technological and digital advances that we can apply to our short, medium and long-term horizons. These include in areas such as proximity detection for safety applications, mining and big data technologies for block cave performance, process technologies to more efficiently liberate valuable metals and leverage of data for predictive maintenance to reduce equipment downtime.



CASE STUDY

Edge energy projects continue to improve the bottom line at Lihir

An ongoing program of Edge initiatives has continued to deliver positive results for Lihir.

The focus during the reporting period has been centred on fuel efficiency, which makes up to 70 percent of the cost of a megawatt of power from heavy fuel oil-fired engines.

Edge energy projects at Lihir have included:

- Cleaning out of storage tanks of oil sludge and upgrade of fuel separation units. This minimises fuel solids reaching and wearing the engine piston rings, thereby reducing fuel oil consumption and decreasing emissions.
- Upgrade of Fuel Conditioning Modules to ensure the fuel is at the optimum temperature and viscosity before being injected into the engines, leading

to smoother running of the engines which provides better reliability and fuel combustion.

- In conjunction with the manufacturer of the engines, further upgrade of cylinders and fuel pumps took place which what is known as a LoNOx conversion. This promotes optimum burning of gases in the combustion chamber leading to an eight percent decrease in fuel consumption and less emission of greenhouse gases.
- An ongoing trial to test a new modern style silencer on the outlet of the engines' exhaust pipes. If successful, the initiative will be rolled out to all the remaining engines thereby further reducing background noise for the neighbouring community.

- Continuation of the previous strategy of sustaining Lihir's geothermal steam field; geothermal generation averaged 21 megawatts during the reporting period, 20 percent higher than forecast.
- Completion of the accommodation village air conditioner power reduction initiative, saving up to \$0.5 million per year in power costs.
- Initial planning to clean the large Linde Oxygen Plant's main heat exchanger in Quarter Four. This will recover three percent in lost oxygen production efficiency and have a corresponding positive effect on overall energy consumption.

Productivity, financial sustainability and growth continued

CASE STUDY

New Jameson cell pays dividends at Cadia

During the reporting period, Cadia commissioned the latest item in its extensive Ore Treatment Metallurgy project pipeline, a Jameson cell in the Concentrator 2 plant, to optimise gold recovery.

Ore from Cadia East is now the sole source for feed for both concentrators at Cadia. Fluorine bearing minerals are prevalent in Cadia East ore and present in the final flotation concentrate when processed in standard flotation cells.

A significant amount of work has been undertaken looking at rejecting fluorine in Concentrator 1. This resulted in the installation of the world's largest Jameson cell in a metalliferous application in November 2014, an Edge project that paid itself back within four months.

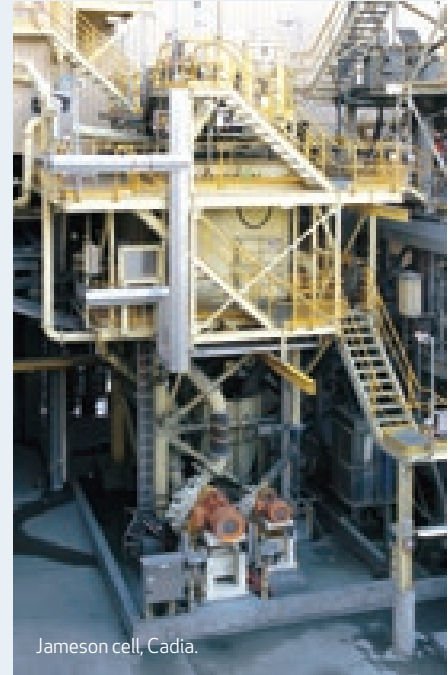
In addition, a plant trial in Concentrator 2 highlighted poor performance on recovery

of fine copper and gold mineral particles, presenting an opportunity for improvement in circuit recovery.

The commissioning of the second Jameson cell was the next step in the strategic focus of producing the highest quality, gold rich copper concentrate we can for our customers.

The project was delivered on-time, and was used as a vehicle to encourage close collaboration and a safe culture with Newcrest's business partners as part of our NewSafe journey. It also embedded critical controls in all high-risk tasks involved, ultimately delivering a value-add outcome for the business, safely.

While only recently commissioned, the planned improvements are being achieved with concentrate grade and fluorine rejection targets are being met.



Jameson cell, Cadia.

GROWTH

OUR APPROACH

Growth at Newcrest is managed through four key areas:

- **Brownfield exploration:** The Company's brownfield exploration activities are centred within and around our existing operations and seeks to sustain our existing operations through new resource growth.
- **Greenfield exploration:** The Company's greenfield strategy is focused on making new discoveries within targeted geological belts that are situated outside of our present operating districts. Our targeted geological belts are located within West Africa, Asia-Pacific and our new search space within Central America and South America.
- **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 and brownfields projects, such as the pre-feasibility into the expansion of Cadia.

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 Executive 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 growth 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 greenfields exploration portfolio.



OUR PERFORMANCE

During the 2016 financial year, Newcrest exploration programs were centred on seeking to attempt to grow the resource base of our existing operations (brownfield exploration) and search for new discoveries within our greenfield projects (greenfields exploration).

Brownfield exploration was undertaken at the Telfer, Cadia, Bonikro, Lihir and Gosowong operations. At Gosowong, exploration was focused on targeting resource growth within the vicinity of the Toguraci and Kencana operations and searching for new discoveries within regional contract of work. Within the regional contract of work, exploration has identified a number of high priority targets that presently are being systematically drill tested. Target generation exploration was also undertaken at Lihir, Telfer and Cadia with a number of targets being defined, these targets will be assessed during the present financial year.

The Greenfield exploration strategy is focused on securing projects within targeted geological belts that meet the Company's growth criteria and have the potential of delivering multiple discoveries that can be converted into the Company's next generation of mines.

West Africa is one of the world's major gold regions containing greater than 400 million ounces of gold, and a number of world-class gold deposits and has the most multiple million ounce discoveries within the last ten years. Newcrest is targeting Côte d'Ivoire as it has a present operation within the country and it is the most prospective under explored region within West Africa. Within Côte d'Ivoire, Newcrest is exploring four key early stage projects. Exploration of these priority projects has recently commenced.

Within Asia-Pacific, Newcrest is targeting selected geological belts within Australia, the epithermal districts within the North Island of New Zealand and the highly prospective epithermal and porphyry belts within Indonesia and Papua New Guinea.

Over the last twelve months, target generation exploration and drilling was completed on the Wamum Project (PNG), Mungana Project (North Queensland) and the Southern Coromandel Exploration Project (New Zealand).

Newcrest is also searching for new opportunities in Indonesia within porphyry and epithermal belts. Indonesia is a highly prospective region as it contains world-class porphyry and epithermal deposits.

Newcrest during the year made a strategic decision to expand its search space to include targeted geological belts within Central and South America. These regions contain a broad range of gold deposit styles, large number of lower risk jurisdictions, well-established mining and exploration culture in many areas and deposit styles where Newcrest can leverage off its in-house exploration and mining capability.

Newcrest's most exciting greenfield project is Wafi-Golpu, located in the Morobe Province of 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 in the Morobe Province.

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.

In December 2014, Newcrest and Harmony Gold Mining Company Limited released an updated pre-feasibility study for the project, which 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 encompasses the rest of the ore reserve.

In February 2016, Newcrest and Harmony released an update on progress of the Wafi-Golpu Feasibility Study and Prefeasibility Study. The update on the Feasibility Study completed sufficient work to justify access declines, which are required to undertake more drilling of the orebody at depth to inform the next stage of the feasibility study.

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.



Social Performance

A planned, transparent and constructive approach to community engagement and development is critical to maintaining Newcrest's social licence to operate. We are conscious of the need to balance government and community expectations against a projects ability to deliver short-term and long-term benefits.



Lihir high school students learning to filter water samples.

Local community development and investment



OUR APPROACH

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 social 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 throughout the life of the mine. In the longer term, we also need to ensure that we do not 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 more capable, than when Newcrest arrived.

The principles that guide our community investments are:

- Maximise capability building, primarily through education and training to build self-sufficiency and economic independence within communities for the long term;
- Ensure community involvement and engagement in the determination and delivery of community investments; and,
- Prepare the community for the post-mining environment.

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

- Improved access to employment, health and education opportunities;
- Investment in community infrastructure and services, e.g. road access and maintenance, clean water supply;
- Income-generating activities, e.g. local level business development, goods and services and support for local agricultural businesses; and,
- Improved community lifestyle, e.g. sponsorship of regional events and activities.

Newcrest also seeks to deliver community benefits through local institutions. By maximising involvement in tandem with capacity and capability development support over time, the long-term aim is to embed community self-reliance.

Measurement of the impact of the community programs over time is provided for by periodic community baseline surveys and program evaluations.

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



OUR PERFORMANCE

Newcrest delivers economic benefits to local communities through payments under in-country and local, negotiated land use agreements or by agreed direct investment into local communities. Newcrest may contribute significant infrastructure investments or services to local host communities, usually in support of capital projects that sit within broader community development programs. It is Newcrest's aim to have a net positive impact on the communities in which it operates. During the year, Newcrest reported on its continued support through significant investments in excess of USD 20 million in local infrastructure, services and community projects and health programs. For instance, at the Lihir Operations, we invested more than USD 6 million in medical services facilitated by the Lihir Medical Centre, which provides services to the Company as well as local community. We also invested more than USD 2 million in local high schools through administration of the Provincial Tax Credit Scheme. The Company also provides further opportunities for employment, skill and knowledge development, and is committed to sound environmental management. Such significant commercial investments have lasting positive benefits on the health and wellbeing of the local community for years to come.

As Newcrest continues to improve and evaluate the effectiveness of its local community programs to support community development, it was reported in FY2015 that some internal audits identified weaknesses in system management (e.g. documentation alignment with standards, reporting

consistently on grievances and performance against site community objectives and targets across sites). Our stated commitment at that time was to 'continue to address these weaknesses and build site awareness of key gaps to enable us to improve in the future' through a roll-out of a new 'Social Performance Architecture' in FY2016. Our report on the approach and progress towards that commitment by improving governance, capabilities and awareness, community programs and integrated social closure planning is as follows:

• Embedding social performance at executive level and sites

During the reporting period, Newcrest appointed Ian Kemish into a newly created position, EGM Public Affairs and Social Performance, raising the profile and focus in the areas of government relations, strategic communications and corporate social performance. The appointment is in line with the importance that Newcrest places on developing and maintaining strong relationships with our key stakeholders which underpin our long-term success.

• Improved standards

The Community Standards that previously supported the Newcrest Communities Policy have been replaced by a new Social Performance Standard in March 2016, providing a new framework of mandatory requirements on which to base context-specific site social performance strategies, guide actions and build relationships designed to secure and maintain community support. The Social Performance Standard contains auditable elements that are the minimum requirements necessary to meet Newcrest's social performance commitments.

The new Social Performance Standard amalgamated the previous eight stand-alone Community Standards, and brought in areas of practice not covered formerly in those Community Standards. The introduced areas of practice include:

- Free Prior and Informed Consent
- Resettlement and Economic Displacement
- Indigenous Peoples
- Human Rights.

Local community development and investment continued

The incorporation of formal statements with respect to Indigenous Peoples and Human Rights ensures that the new Standard is consistent with Newcrest Human Rights Policy.

The new Social Performance Standard is supported by Social Performance Definitions. An update of the Social Performance Guidelines, that recommend best-practice social performance interactions and activities identified in the new Standard, will be completed in FY2017.

• Improving capabilities

Separating out System Requirements from the Thematic Requirements (such as those listed above) within the Standard further enables improvements in Social Performance management practices, including:

- Social Risk Management processes;
- Training and competency;
- Legal requirements;
- Documentation;
- Community Incidents; and,
- Grievance management.

A capability uplift program was initiated in FY2016, in tandem with these system requirements, focused initially on our Lihir and Gosowong operations.

A Social Performance competency development program has also been initiated in association with the University of Queensland's Centre for Social Responsibility in Mining to train Social Performance professionals.

All Newcrest's operations are expected to demonstrate social performance capability and competence based on the new Standard within 24 months.

• Improved social awareness

Newcrest ensures that all employees understand and respect local culture and local people through site-based social awareness training. Trained on matters of local cultural norms and expectations, employees are required to acknowledge and apply those learnings in their day-to-day engagement. Where practicable, such as at our Telfer and Lihir operations, local people are engaged in the delivery of these awareness sessions.

• Community programs

Across the business, site community relations teams are responsible for day-to-day engagement with local community members and stakeholder institutions. Included here are oversight and/or delivery of community development programs.

Community development initiatives are primarily delivered via programs that have been agreed with local communities; contributions to the health and education sectors tend to focus on support for government institutions as these fall under core government function and responsibility.

Community benefits streams are being targeted towards sustainable outcomes that will support and serve the community in a post mining environment, whenever that transition might occur.

• Integrated Social Closure Planning

Over the last year, these proactive initiatives have been further augmented by Newcrest's commitment to improved transparency and community engagement in the area of Social Closure Planning with executive level endorsement for a cross-functional integrated process approach focused on:

- Maximising capability building, primarily through education and training to build self-sufficiency and economic independence within communities for the long term;
- Ensuring community involvement and engagement in the determination and delivery of community investment; and,
- Preparing the community for the post-mining environment.

CASE STUDY

Making a positive social impact in the Pilbara

In late 2015, Newcrest signed an Indigenous Land Use Agreement with the Martu people, the traditional owners of the land surrounding its Telfer gold mine in the Pilbara, Western Australia.

The agreement will see Newcrest pay more than \$18 million over five years through a series of annual payments to the Western Desert Lands Aboriginal Council and a trust for the benefit of the Martu, after which a revenue-based payment from mining in the agreement area will apply.

It also commits Newcrest to continue providing employment and training opportunities, strengthened heritage

protection, and transparency in planning and environmental protection.

The agreement – the most significant in the mine's 40-year history – formalises the already strong relationship between the miner and the Martu people, and builds on a broad range of initiatives which are delivering positive social and economic outcomes.

More than 400 indigenous people, mostly Martu, have participated in Telfer training programs, and many have gone on to work at Newcrest or in other areas of the mining industry.

Ngurra Kujungka is a community-run sports organisation based in the Western Desert. The program is the evolution of the desert sport and recreation program, developed by Newcrest and the Martu in the early 2000s. Today, with ongoing support from Newcrest and the West Australian Department of Sports and Recreation, it is increasing engagement in sports for hundreds of school-aged children and adults, boosting school attendance and building pathways to training and employment.

 CASE STUDY

UNDP Partnership and Future Direction



UNDP farming project.

In 2011, Newcrest and the United Nations Development Program in Côte d'Ivoire (UNDP) formalised a partnership, to encompass a period until 2015, in the first instance. The objective of this partnership consisted in offsetting the non-mitigatable, residual impacts of mining through social investments, aiming to leave a positive legacy and strengthen the social licence to operate. At the onset of the program, a participatory needs analysis was conducted, leading to the local development plan (LDP) in the Hire sub-prefecture. Based on this LDP, an array of projects were proposed and implemented in the areas of health, agriculture, infrastructure and education. This partnership facilitated a neutral and independent involvement of Newcrest through a reputable and well-established program enabling a true ownership of these projects by the local community.

Recent mining legislative development brought about the new concept of making social investments mandatory, to an equivalent amount of 0.5 percent of the mining revenue, which was paid during the reporting period. Newcrest, in compliance with this new legislation, agreed with UNDP to bring the program to an end by December 2015 and to ensure that the social investment activities would be incorporated in a new governmental social investment program for the mining sector (referred to as the Local Mining and Development Committee or CDLM).

By the end of 2015, the UNDP submitted a final mission report, which identified the progress and status of each project. Furthermore, project acceptability and improvement opportunities were identified. Several ongoing projects were proposed to be included in the CDLM program and UNDP committed to provide further support during this transitional process in 2016.

Some key activities included:

- Revenue-generating activities developed from a rotating support fund for micro-businesses;
- Local farming and agricultural projects;
- Business and agricultural opportunities for women formerly associated with local artisanal mining practices;
- Urban Solid Waste Management;
- Improved learning conditions for municipal high school students;
- Establishment of a new Urban Health Centre (UHS) in Hire; and,
- WATTA FM radio station for strengthening social cohesion.

The total budget amount made available by Newcrest Côte d'Ivoire was approximately USD 1.3 million.

The report concludes that the programme had: 1) reinforced local capacities in terms of planning, coordination and monitoring of actions in the fight against poverty; 2) sustainably developed the economic capacities of disadvantaged populations, especially youth; and 3) contributed to better access of basic social services as well as improving quality of life.

While Newcrest is fully committed to support the CDLM program, it will continue to conduct targeted social projects above and beyond the required obligations. This approach enables Newcrest to provide rapid projects complementing potential gaps within the CDLM program and focus on issues relating to post-closure land use, sustainable local economic development and agricultural projects to promote a positive legacy.

Managing government and community expectations



OUR APPROACH

Newcrest seeks ongoing, 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. For example, at Lihir, the General Manager holds quarterly briefings with the three tiers of government, as well as on-island 'town hall' events, including Q&A sessions, with the local community.

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.

ADAPTING TO GEOPOLITICAL AND LEGISLATIVE CHANGES

A key consideration for the extractive industry, which by its nature is high risk and capital intensive, is fiscal and regulatory certainty. During the reporting period, fiscal and/or regulatory reviews were underway in every jurisdiction in which the Company operated. This included a review of state government royalty on gold revenue in Western Australia and wide-ranging reviews of mining and tax legislation in Papua New Guinea and Côte d'Ivoire.

Newcrest seeks to have input into the development of relevant government policy mainly via its membership of industry bodies in the various jurisdictions in which we operate. However, from time to time, Newcrest makes submissions and representations in its own right, especially where there is a potentially disproportionate or significant impact on our Company.

LOCAL COMMUNITY ENGAGEMENT

At all our operations, teams conduct local community engagement and development programs, and form various committees to help address our impacts. Under the new Social Performance Standard endorsed by Newcrest's Executive Committee in March 2016, all Newcrest operating sites are required to conduct a Community Baseline Assessment and a Social Impact Assessment prior to project start-up. Not all sites have done so historically, with most sites having carried out a combined Socio-Economic Impact Assessment (SEIS) as part of permitting procedures. The new Standard requires that a 'social impact assessment' be conducted as a separate technical exercise apart from Environmental Impact Assessments, which have been implemented at all our sites. We continue to integrate various community initiatives consistently across the Company, e.g. formal local community grievance mechanisms. During the year, Telfer formalised its local community grievance process through the Indigenous Land Use Agreement (ILUA) with the Martu people.

Community relations teams at each site are responsible for building and maintaining on-the-ground relationships with the local community and relevant stakeholders. They work closely with local communities to design and implement programs to meet the community's long-term needs in a manner that is respectful of local culture and traditions. It is a requirement of the Newcrest Social Performance Standards that sites commission independent community baseline and social impact assessment studies to inform project development and planning. It is Newcrest's intention that this process becomes standard practice across all sites and for all future development.

GRIEVANCE MECHANISMS

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 Social Performance Standard.

MANAGING BROADER SOCIO-ECONOMIC IMPACTS ACROSS COMMUNITIES



OUR APPROACH

Newcrest recognises its activities have the potential to impact the economy, society and environment of the countries, regions and communities where we operate. An open and constructive approach to community engagement and investment is critical to maintaining Newcrest's social licence to operate and ensuring that communities see lasting benefits from Newcrest's operations. Our approach to working with local communities, and assessing and managing impacts on them, is guided by our Communities Policy and related standards. The Communities Policy sets out the key principles that are designed to guide our engagement with communities, which are to:

- Identify the cultural values, traditions and beliefs of the communities, including Indigenous peoples, and respect and respond to those values and belief systems;
- Be open and transparent when dealing with communities and in describing and explaining potential social and environmental impacts that might occur;
- Seek broad community support for our activities;
- Commit to developing long-term partnerships that are mutually beneficial over a life of mine time scale;
- Ensure that communities are fairly compensated for impacts and obtain a fair share in the benefits generated by a development;
- Work to apply internationally recognised principles of best practice in all fields of endeavour; and,
- Newcrest will at all times adhere to the laws and regulations of the country in which it is operating.

LOCAL EMPLOYMENT AND PROCUREMENT



OUR APPROACH

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 a further opportunity for employment and 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.

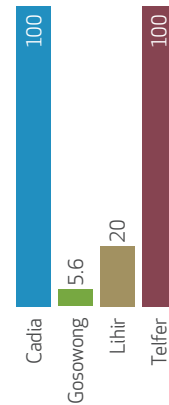
In accordance with Newcrest's International Employee Policy, each site strives to give preference for employment to the people of the local community and specific country of operation.

For the purpose of Lihir and New Ireland Province, where suitable candidates are available, priority is given in the following order: Lihir Island Group; New Ireland Province; and then other areas in PNG.

Outside of these commitments, selection for local employment is undertaken without favour in accordance with the principles of Equal Employment Opportunity (EEO), maintaining a process where access to opportunities is merit based.

Where specialist technical skills are not available within the local or national sourcing stream we may employ a suitable non-citizen with an obligation to up-skill national employees with whom they are working.

Graph 9: Proportion of senior management from local community by site FY2016 (%)*



* Definitions for 'local communities' are site-specific. These definitions are listed on page 62.



USD 69^M

invested into local communities during FY2016

Managing government and community expectations continued

SUPPLY CHAIN STEWARDSHIP

OUR APPROACH

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 service-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 competition during the reporting period to be awarded the contract for drilling works, while another Lihir landowner company, National Catering Services (NCS), were awarded the catering and camp management contract for the Lihir operation.

Risks are managed through a series of processes, including off-site receipting for our Lihir and Gosowong operations, managing relationships with suppliers and proactive and continuous review of inventory levels (safety stock) through SAP monitoring.

All pricing exercises involve eligible national and local suppliers in the market engagement process on equal footing with others.



OUR PERFORMANCE

In FY2016, Newcrest's global operating procurement expenditures on goods and services totalled more than USD 1.9 billion. Of this, around 55 percent was spent in Australia, 32 percent in Papua New Guinea, 8 percent in Indonesia and 5 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.



NCS supports our operations in Papua New Guinea (PNG).

USD 700^M
spent on supplies in PNG

Land acquisition and resettlement



OUR APPROACH

Newcrest utilises a range of tools to inform the design of its community approach and programs across all operations. Social impact assessment studies (SIAs) 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, SIAs 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, for instance in situations where an individual family or community needs to be relocated.

Our approach to land acquisition, relocation and resettlement aims to align with international best practice. In particular, Newcrest applies a Company-wide Social Performance Standard, which includes specific sections dealing with land acquisition and involuntary resettlement. The Standard adopts the International Finance Corporation (IFC) Performance Standard 5: Land Acquisition and Involuntary Resettlement and progressively applies 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 element of the Standard is to 'ensure that access to all land required for mining operations is acquired through negotiation and agreement 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 by defining the methodology during its social and environmental impact assessment, which commenced in 2012 and was approved in 2013. In order to achieve an equitable compensation process, a land and crop compensation tariff rate was negotiated between Newcrest and the landholders, under the supervision of the regional government. Once the final footprint and the construction sequence was defined by the mining engineers as part of the final feasibility study, the sequential land acquisition process was implemented through the direct supervision of the regional and local government, and carried out by a certified land surveyor. Concomitant to this process, a series of community consultations was conducted to formalise the land compensation payments with all potentially affected

stakeholders. The land surveyor's team first confirmed the participating landowners and user mapping process initiated during the SEIA, which included agricultural inventories across the anticipated footprint within the Hiré mining lease. Subsequently, all 109 landowner tracts and the 2,054 nested land user plots were properly compensated through a thorough process, initiated in 2014 and finalised by early 2016.

Our long-term focus is on completing resettlement and reporting against an international standard resettlement action plans (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 also a key objective of our resettlement planning.



Newly developed resettlement village, Bonikro.

0

community resettlements during FY2016



Environmental Stewardship

Newcrest is committed to achieving an excellent standard of environmental performance in all its business activities in accordance with the Newcrest Environmental Policy.



Water monitoring, Lihir.

Water management



OUR APPROACH

Efficient and responsible use of water is an important consideration for each of our sites as a component of sustainable operation and stable production. Our sites use water from a variety of sources such as surface water, groundwater, seawater and mine dewatering. Where practical, water is also recycled to reduce consumption of water. Water extraction, discharge volumes and quality are monitored in accordance with regulatory and internal requirements to mitigate potential impacts and manage risks. Newcrest has adopted the Minerals Council of Australia water accounting framework to support the reporting of water in the Sustainability Report (refer to page 59 in this Report).



OUR PERFORMANCE

During the reporting period, our Water Standard was revised for review by management in FY2017 and progressive risk-based implementation at our sites. The Standard is intended to complement and enhance the water monitoring programs in place for each of our sites and, where required, go beyond regulatory requirements.

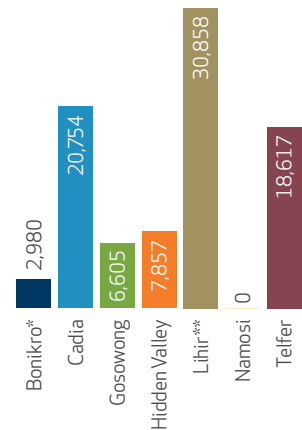
As part of change management for the revised Water Standard, gap assessments were conducted at our mines to assess the practicality of implementing the standard and identify improvement actions.

The Standard requires each Newcrest site to assess water risks and maintain a water management plan and water balance. The plan and water balance are intended to be used to apply appropriate controls for water risks and regularly assess opportunities to improve water recycling and efficiency.

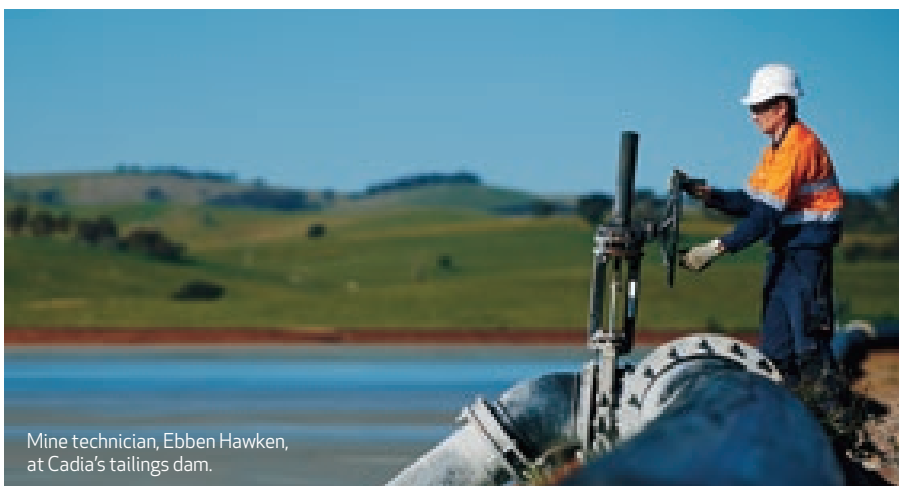
Under the Standard, community grievances in relation to water would continue to be addressed through direct engagement with site teams or, if required, in consultation with regulatory bodies. During FY2016, a community grievance regarding water use at Londolovit River was raised by a Londolovit community group. Newcrest engaged with the regulator and community group to define the scope of an external audit that identified improvement opportunities for maintaining baseflow conditions in Londolovit River. Lihir has developed an Environmental Improvement Plan to address the environmental and technical findings of the audit, which has been lodged with the regulator. Lihir is continuing to consult with the community and regulator on water management aspects at Londolovit River.

During Environmental Impact Studies (EIS) in FY2016 for the Wafi-Golpu Project in PNG, extensive water studies and modelling were conducted along with site sampling to assess potential environmental impacts of the project. Detailed EIS studies were also progressed on water aspects of the Namosi Project in Fiji.

Graph 10: Total water withdrawn by site FY2016 (ML)



* Figure based on water consumed.
** Excludes seawater.



Mine technician, Ebben Hawken, at Cadia's tailings dam.

Water management continued

As part of stable operation, the risks of water supply are periodically reviewed by each site, including potential impacts on neighbouring communities and mitigation measures applied where required. During FY2016, Lihir developed and implemented a variety of water efficiency improvements during a drought period (refer to case study) while maintaining water supply to neighbouring villages. Cadia also proactively used their water balance to refine water storage levels and pump operating schedules for substantial water and energy savings (refer to case study).

CASE STUDY

Water improvements at Lihir during drought conditions

In response to drought conditions at Lihir during the reporting period, the site formed a multidisciplinary water efficiency project team to maintain community water supplies and continue production while managing potential environmental impacts.

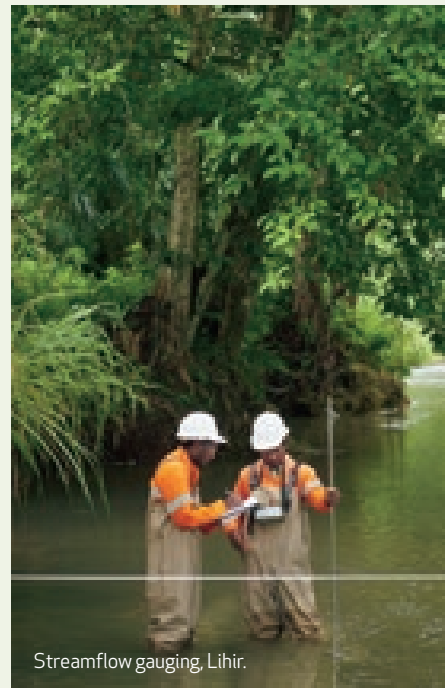
The team utilised Newcrest's business improvement methodology, Edge, to deliver five initiatives within the space of eight weeks, resulting in a reduction in fresh water requirements while maintaining or increasing mill throughput.

Improvements were based in greater monitoring and control of freshwater extraction and creating a model (in reference to data from past drought events) to estimate expected river flows and water availability. Additional freshwater was also captured from around the Lihir mine pit by redirecting some runoff drainage.

A water study was also undertaken to review additional water sources for potential future use.

Components of the water efficiency project related to stakeholder engagement and process plant improvements also included:

- Mine site, plant site and local awareness campaigns in the township, camp and in the broader Lihir community on efficient use of water;
- A maintenance campaign to prevent unnecessary water leakage from process plant equipment and the potable water system;
- Refinement of operating strategies for the three milling lines based on available water; and,
- Use of seawater to replace freshwater in plant areas resistant to corrosion.



Streamflow gauging, Lihir.

CASE STUDY

Balancing water management at Cadia

Water is a critical input to the ore processing system at Cadia; it is used to transport crushed ore through the flotation cells to extract metals, transport crushed waste rock (tailings) to the tailings storage facilities and for many operational and ancillary purposes.

There are several sources of water that are utilised at Cadia, including extraction from local rivers and streams, treated effluent from Orange and Blayney, captured rainfall, and minor groundwater extraction.

The majority of Cadia's water sources rely heavily on seasonal rainfall; prolonged dry periods can reduce water storages and, similarly, extended wet periods can increase the risk of oversupply and water discharge.

Over the past two years, Cadia has been, developing and refining a detailed water balance for the site. The water balance is used to guide day-to-day decisions on water extraction and climate risk with the aim of maintaining high water reliability and security for the site and low risk of oversupply and discharge.

During the reporting period, a technical project was conducted to analyse the best options for sourcing water, taking into account water reliability risk, environmental risk and cost factors. By reducing the target water storage and priorities, less water was extracted and the lowest energy requirement sources were prioritised.

The project reduced electricity requirements for water extraction by approximately 50 percent and resulted in an estimated 250 millilitres water saving from reduced evaporation during FY2016.

Closure planning



OUR APPROACH

Newcrest's Mine Closure Standard includes requirements for a multidisciplinary approach to closure planning that meets regulatory requirements. It also takes into consideration stakeholder expectations in reference to predicted land use and management of biodiversity aspects and provides a basis for financial provisions.



OUR PERFORMANCE

During the reporting period, reviews were conducted on the cost accuracy of selected closure plans for Newcrest sites, in comparison to the requirements of our Closure Standard.

The reviews resulted in the development of site-specific forward work plans and action plans to help address knowledge gaps and improve the cost accuracy of closure plans. The total mine closure provision as at 30 June 2016 is USD 353 million.

As part of closure planning, sites are required to consider suitable post-closure land uses and develop steps to mitigate potential impacts on biodiversity. During the reporting period, Cadia has been establishing a biodiversity offset area to mitigate potential

impacts from the block caving subsidence zone with maintenance of the offset to be integrated into their closure plan. Cadia also continued progressive rehabilitation in accordance with environmental management plans lodged with the regulator and continues monitor rehabilitation unit rates for inclusion in future cost estimates.

Meeting regional legal requirements is a minimum requirement of the Closure Standard, along with internal requirements to promote consistent performance across our sites. At Bonikro, closure planning had previously been prepared as integrated sections of Social and Environment Impact Assessments in accordance with government requirements. During the reporting period, three separate and detailed mine closure plans for each of the site's satellite mine areas (i.e. Bonikro, Hiré and Dougbafla) were developed in reference to the Newcrest Closure Standard, going beyond local regulatory requirements. Update of Bonikro's three mine closure plans also led to additional improvements in rehabilitation activities (refer to case study) and Hiré's waste rock dumps were redesigned to create a stable landform for closure.

Table 7: Operations with mine closure plans in place in FY2016

Bonikro	✓
Cadia	✓
Gosowong	✓
Hidden Valley	✓
Lihir	✓
Telfer	✓



CASE STUDY

Progressive rehabilitation work at Bonikro

Bonikro's Mine Closure Plan was progressed during the reporting period in line with Newcrest's Mine Closure Standard. Based on the Mine Closure Plan, progressive rehabilitation work was undertaken at site, reducing the timeframe and cost for rehabilitation at the end of mine life.

During the reporting period, approximately 13.8 hectares of the Eastern Waste Dump was rehabilitated, while preparation work was conducted at the Western Waste Dump to readiness for future rehabilitation work.

Rehabilitation of the Eastern Waste Dump at Bonikro utilised topsoil that needed to be cleared and removed from a tailings storage facility (TSF) expansion. A local contractor was employed to complete the stripping and placement of topsoil on the waste dump. Access to the top of the waste dump was developed by creating temporary ramps using excavators and dozers. This machinery was also used to shape and flatten waste rock to enable placement of topsoil.

Tipper trucks transported topsoil from the TSF basin and soil was placed according to the rehabilitation sequence. The rehabilitation activity took place during the wet season to promote faster revegetation.

Waste and tailings management



OUR APPROACH

Waste rock and tailings are our two largest waste streams, which are managed on an ongoing basis to facilitate long-term geochemical and physical stability.

WASTE ROCK

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.

TAILINGS MANAGEMENT AND DEEP SEA TAILINGS PLACEMENT

Tailings are the waste material from ore after the economically recoverable metals and minerals have been extracted. At our Australian sites and at Hidden Valley, Bonikro and Gosowong, tailings are stored in engineered tailings storage facilities (TSFs) that are regularly inspected according to regulatory and internal requirements.

Risk reviews of on-land tailing storage facilities conducted during FY2016 identified the following focus areas for ongoing management, including:

- Regular review of risk consequence categories to guide the application of relevant management methods;
- Ongoing validation of design data;
- Regular peer review processes;
- Project tracking during construction; and,
- Regular update of emergency response plans.

Following a comprehensive risk assessment of social, environmental and safety aspects, Deep Sea Tailings Placement (DSTP) was chosen as the preferred tailings management method for Lihir. Rigorous technical, environmental and social studies were undertaken prior to the approval of the Lihir DSTP system by the PNG government. Monitoring of the DSTP system is undertaken based on an Environmental Monitoring and Management Plan (EMMP) that has been lodged with the regulator and Lihir also maintains an ISO14001 certified Environmental Management System (EMS).



OUR PERFORMANCE

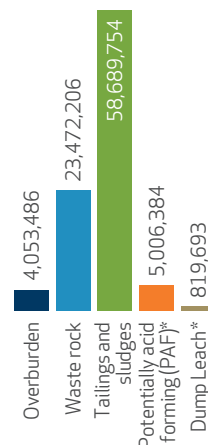
During the reporting period, two significant environmental incidents occurred related to waste rock or tailings management.

- One incident at Lihir resulted from an overflow of ground ore material from the mill (prior to processing into tailings). The ground material exceeded the capacity of the bund before the plant could be shutdown and a quantity of material reached a stormwater drain leading to Luise Harbour. The incident was reported to the regulator and community representatives were advised and samples were collected to monitor for potential environmental impacts.
- A second incident at Bonikro involved a release of tailings following a fire in shrub-land that is believed to have affected the integrity of a nearby tailings pipeline resulting in a release of tailings. The regulator and the community were notified of the incident and the regulator was invited to site to inspect remediation measures, which included the installation of a sump to collect tailings and pump them to the Bonikro Tailings Storage Facility.

Site and project activities during the reporting period related to waste rock and tailings management included the following:

- Newcrest conducted reviews of the tailings storage facilities at each of our sites to assess current performance, effectiveness of management systems and identify improvement opportunities. The reviews were conducted in conjunction with external specialists and in some cases also involved third party peer review.
- During pre-feasibility assessment of the Lihir Pit Optimisation Project, an innovative approach was developed to utilise clay waste from pit expansion and construct an impermeable barrier that would reduce seawater ingress and enable access to additional ore.
- During development of Newcrest's Wafi-Golpu project in PNG, options for on-land tailings storage facilities were assessed and studies also commenced to assess the suitability of the region for potential future application of Deep Sea Tailing Placement.
- At Hidden Valley, construction of their tailings storage facility continued under the observation of site-based external engineers. Gosowong commenced an expansion of their tailings storage facility following regulatory review of the design. Bonikro commenced a lift on their tailings dam to help extend the life of the operation. Cadia investigated innovative ways to manage tailings, including an aerial dust suppression trial (see case study on opposite page).

Graph 11: Total waste by type FY2016 (t)



* Telfer only.

 CASE STUDY

Cadia tailings dust suppression trial



Helicopter applying dust suppressant to Cadia tailings storage facility.

Cadia conducted an aerial dust suppression trial on the surface of their northern tailings storage facility. Generally, wet tailings are continually deposited on the surface of the storage facility suppressing dust. From time to time, there can be areas that cannot be covered by the tailings slurry and these areas can become dry and generate dust during hot, dry and windy conditions.

While the tailings can be dry on the surface, the underlying material is still quite wet and not sufficiently stable to support access by personnel or machinery. Further complicating the situation is the size of the facility, with some dry areas more than one kilometre from the dam wall. These access restrictions required developing a solution that did not

rely on land access, could target the dry areas, and could be done during the hot, dry and windy weather conditions.

During the trial, Cadia worked with Commercial Helicopters and Reynolds Soil Technologies to develop a solution. The dust suppression trial utilised a Bell 412 helicopter with a 1,400-litre belly tank, normally used in aerial bush fighting, applying a dust suppressant product mixed with water to the dry areas of tailings. The helicopter was used on three separate days, with the pilot targeting the dry areas where dust could be seen lifting from the surface. The helicopter continued operating each day until no wind-blown dust could be seen.

In total, an estimated 91,000 litres of dust suppressant fluid was applied to the surface of the tailings storage facility. Despite the adverse hot, dry and windy weather conditions, air quality monitoring at neighbouring properties was compliant with mine approvals.

Cadia will continue to focus on using controlled deposition of tailings slurry to manage dust suppression from the tailings storage facilities, with periodic utilisation of a helicopter to place dust suppressant fluid in targeted areas during dry periods where increased dust is experienced.



Environmental Advisors Lindsay Hyde and Adiratma Endro overlooking the tailings storage facility at Cadia.

92^{MT}
total waste FY2016

Energy and climate change



OUR APPROACH

Newcrest seeks to utilise energy efficiently to minimise both our overall energy use and potential greenhouse gas emissions per unit of gold produced at our operations. We participate in a Minerals Council of Australia working group to monitor environmental regulatory conditions relating to climate change and greenhouse gas emissions and adapt our operations to changing requirements as needed, e.g. changes to carbon tax. Newcrest is subject to a number of clean energy initiatives in Australia, including the carbon emission-related Clean Energy legislation, state and federally based renewables programs and the New South Wales Energy Savings Scheme.

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 operational performance, compliance, data collection, energy efficiency and involvement in industry bodies associated with regulatory processes in Australia and overseas.



OUR PERFORMANCE

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. Newcrest reports on gross Scope 1 emissions (fuel and energy produced or consumed and greenhouse gas emissions produced directly by the Company) and gross Scope 2 emissions (greenhouse gas emissions from consumption of electricity, heat or steam imported from sources outside the Company boundaries) at each of Newcrest's Australian facilities. Refer to <http://www.climatechange.gov.au/reporting> for further information.

Data from information reported in October 2016 on tonnes of carbon dioxide emitted were consistent with values from the previous year. It is noted, however, that the Scope 1 emissions from Telfer, which generates its own power from natural gas fired turbines, are many times higher than the emissions from Cadia, which purchases electricity from the grid and has progressively installed conveyors to move ore that helps reduce diesel emissions from truck operations.

As a component of climate change adaptation, climate related aspects are considered in proposed final landform design and post-closure land uses.



Cadia air quality monitoring station.



Data Tables



MESSAGE FROM THE CEO	WHO WE ARE	ABOUT THIS REPORT	THE YEAR IN REVIEW	OUR PEOPLE	ECONOMIC PERFORMANCE	SOCIAL PERFORMANCE	ENVIRONMENTAL STEWARDSHIP	DATA TABLES	ASSURANCE STATEMENT
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ENVIRONMENT

	FY2016	FY2015	FY2014	FY2013
MM1				
Total land disturbed and not yet rehabilitated prior to reporting period (ha) (A)				
Company	8,182	8,843	7,553	7,893
Lihir	703	1,300	750	936
Telfer	5,194	4,690	4,261	4,101
Cadia	1,285	1,359	1,949	1,713
Gosowong	189	367	NA*	353
Hidden Valley	744	530	NA*	NA*
Bonikro	44	562	562	562
Exploration	0	0	0	0
Namosi	22	31	31	83
Wafi-Golpu	0	4	NA*	145
Corporate Offices	-	-	-	-
Total amount of land newly disturbed within the reporting period (ha) (B)				
Company	750	750	984	1,073
Lihir	43	708	746	750
Telfer	504	0	145	160
Cadia	0	0	89	154
Gosowong	200	0	0	7
Hidden Valley	2	40	NA*	NA*
Bonikro	0	0	NA*	0
Exploration	0	0	0	0
Namosi	1	0	4	2
Wafi-Golpu	0	2	NA*	NA*
Corporate Offices	-	-	-	-
Total amount of land newly rehabilitated within the reporting period to the agreed end use (ha) (C)				
Company	240	286	313	307
Lihir	0	231	192	186
Telfer	0	0	4	4
Cadia	36	36	108	88
Gosowong	189	11	0	14
Hidden Valley	0	3	NA*	NA*
Bonikro	14	0	0	NA*
Exploration	0	0	0	0
Namosi	1	2	9	9
Wafi-Golpu	0	3	0	6
Corporate Offices	-	-	-	-
Total land disturbed and not yet rehabilitated (ha) (D = A+B-C)				
Company	8,691	9,307	8,713	8,377
Lihir	746	1,777	1,300	1,314
Telfer	5,697	4,690	4,886	4,176
Cadia	1,249	1,323	1,764	1,779
Gosowong	200	356	180	340
Hidden Valley	746	567	NA*	NA*
Bonikro	31	562	NA*	NA*
Exploration	0	0	0	0
Namosi	22	29	21	74
Wafi-Golpu	0	3	0	132
Corporate Offices	-	-	-	-

* 'NA' is 'not available'.

	FY2016	FY2015	FY2014	FY2013
MM3				
Total waste rock (kt)				
Company	23,472	27,677	62,058	116,858
Lihir	1,505	5,934	12,077	11,832
Telfer	6,688	7,221	20,795	61,450
Cadia	0	6	51	613
Gosowong	263	325	4,839	6,264
Hidden Valley	3,613	8,383	16,485	17,872
Bonikro	11,404	5,808	7,811	18,827
Exploration	-	-	-	-
Namosi	-	-	-	-
Wafi-Golpu	-	-	-	-
Corporate Offices	-	-	-	-
Total tailings (kt)				
Company	58,690	61,852	57,596	60,585
Lihir	12,936	10,775	9,929	6,936
Telfer	17,559	21,918	21,124	21,376
Cadia	21,749	22,797	19,741	25,300
Gosowong	479	738	826	822
Hidden Valley	3,456	3,647	4,002	3,640
Bonikro	2,510	1,976	1,974	2,512
Exploration	-	-	-	-
Namosi	-	-	-	-
Wafi-Golpu	-	-	-	-
Corporate Offices	-	-	-	-
Total waste rock and tailings (kt)				
	82,162	89,529	119,654	177,443

	Company	Lihir	Telfer	Cadia	Gosowong	Hidden Valley	Bonikro	Namosi	Wafi-Golpu
EN8									
Total water withdrawal by source (ML) FY2016									
Category 1									
Surface water	38,550	24,670	0	10,996	1,196	1,428	260	-	-
Ground water	4,566	0	1,213	20	3,187 ^(a)	0	146	-	-
Sea water	0	0	0	0	0	0	0	-	-
Geothermal water	0	0	0	0	0	0	0	-	-
Third-party water	2,579	0	0	2,579	0	0	0	-	-
Total - Water withdrawn by source (Category 1) (ML)									
	45,695	24,670	1,213	13,595	4,383	1,428	406	-	-
Category 2									
Surface water	23,444	6,188	0	6,031	2,222	6,429	2,574	-	-
Ground water	18,532	0	17,404	1,128	0	0	0	-	-
Sea water	226,956	226,956	0	0	0	0	0	-	-
Geothermal water	0	0	0	0	0	0	0	-	-
Third-party water	0	0	0	0	0	0	0	-	-
Total - Water withdrawn by source (Category 2) (ML)									
	268,933	233,144	17,404	7,159	2,222	6,429	2,574	-	-
Total - Water withdrawn (ML)									
	314,627	257,814	18,617	20,754	6,605	7,857	2,980 ^(b)	-	-

EN10									
Percentage and total volume of water recycled and reused (ML) FY2016									
Total volume reused	65,294	0	2,080	54,142	69	6,429	2,574	-	-
Reused (%)	- ^(c)	0	11	79 ^(d)	2	82	86	-	-

^(a) Figure based on groundwater reported in FY2015.

^(b) Figure based on water consumed.

^(c) Refer to site level.

^(d) Total volume reused based on total water used.

MESSAGE FROM THE CEO	WHO WE ARE	ABOUT THIS REPORT	THE YEAR IN REVIEW	OUR PEOPLE	ECONOMIC PERFORMANCE	SOCIAL PERFORMANCE	ENVIRONMENTAL STEWARDSHIP	DATA TABLES	ASSURANCE STATEMENT
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ECONOMIC

	FY2016	FY2015	FY2014	FY2013
EC1				
Total community expenditure (USD M)				
Lihir	41.6	49.3	62.2	110.2
Telfer	4.5	2.9	2.9	4.7
Cadia	1.8	1.4	1.3	0.8
Gosowong	10.5	16.2	15.7	20.6
Hidden Valley	0.2	0.3	0.8	3.2
Bonikro	3.8	5.6	2.0	2.1
Exploration	0.1	0.1	0.2	0.0
Namosi	0.3	0.4	0.3	0.6
Wafi-Golpu	1.1	0.0	0.9	5.3
Corporate Offices	4.7	4.0	3.0	2.1
Company	68.6	80.2	89.3	149.6
Total revenue	3,295.0	3,604.0	3,707.0	3,859.0
% of revenue	2.08	2.23	2.41	3.88
Total payments to governments (non-recoverable) (USD M)				
Lihir	20.5	24.9	28.8	44.0
Telfer	21.5	27.9	41.4	49.7
Cadia	36.6	51.6	62.9	37.1
Gosowong	84.4	32.3	66.4	139.5
Hidden Valley	2.5	2.9	4.4	3.9
Bonikro	5.7	4.7	4.0	4.2
Exploration	0.0	0.0	1.8	0.0
Namosi	0.0	0.0	0.0	0.0
Wafi-Golpu	0.0	0.0	0.1	0.0
Corporate Offices	(39.8)	1.8	68.8	18.6
Company	131.4	146.1	278.6	297.0
Total revenue	3,295.0	3,604.0	3,707.0	3,859.0
% of revenue	3.99	4.05	7.52	7.70
Total operating costs (USD M)				
Lihir	638.0	719.0	645.0	432.0
Telfer	460.0	522.0	594.0	742.0
Cadia	448.0	549.0	522.0	581.0
Gosowong	170.0	202.0	207.0	211.0
Hidden Valley	106.0	122.0	131.0	165.0
Bonikro	99.0	77.0	101.0	91.0
Exploration	0.0	0.0	0.0	0.0
Namosi	0.0	0.0	0.0	0.0
Wafi-Golpu	0.0	0.0	0.0	0.0
Corporate Offices	50.0	66.0	88.0	105.0
Company	1,971.0	2,257.0	2,288.0	2,327.0

	FY2016	FY2015	FY2014	FY2013
ECI continued				
Total payments to suppliers (USD M)				
Lihir	620.8	641.2	781.7	1,289.4
Telfer	447.8	477.3	540.6	1,031.4
Cadia	505.4	622.1	715.0	1,052.5
Gosowong	160.1	177.8	179.5	236.2
Hidden Valley	79.8	130.3	139.4	219.0
Bonikro	92.9	81.9	77.4	166.8
Exploration	20.1	4.4	0.9	0.0
Namosi	0.4	1.8	1.7	10.1
Wafi-Golpu	18.7	20.7	23.6	82.9
Corporate Offices	7.0	7.8	37.9	87.8
Company	1,953.0	2,165.3	2,497.7	4,176.1
Total employees salaries and wages (USD M)				
Lihir	93.4	96.9	113.8	135.6
Telfer	64.8	73.2	90.2	126.7
Cadia	83.2	104.7	122.4	101.1
Gosowong	45.4	49.4	57.1	51.8
Hidden Valley	16.6	21.7	25.4	23.9
Bonikro	21.1	20.0	24.3	24.3
Exploration	9.3	10.2	11.4	15.2
Namosi	0.1	0.1	0.7	0.8
Wafi-Golpu	0.0	0.0	1.1	1.7
Corporate Offices	50.0	57.7	81.9	114.6
Company	383.9	433.9	528.3	595.7
Total superannuation (USD M)				
Lihir	6.4	7.0	8.5	10.4
Telfer	5.9	6.5	7.7	11.0
Cadia	7.4	9.2	10.7	8.6
Gosowong	0.0	0.0	0.0	0.0
Hidden Valley	1.7	2.3	2.6	2.5
Bonikro	1.9	1.8	2.0	2.1
Exploration	0.7	0.8	0.9	1.2
Namosi	0.0	0.0	0.1	0.1
Wafi-Golpu	0.0	0.0	0.1	0.2
Corporate Offices	4.6	5.5	7.7	10.2
Company	28.6	33.1	40.3	46.3
Economic value retained (USD M)^(e)				
	1,127.0	1,159.0	1,130.0	1,002.0

^(e) Economic value retained is calculated as revenue less operating costs (inclusive of community expenditure, salary and wages), interest, dividends and income tax payments.

MESSAGE FROM THE CEO	WHO WE ARE	ABOUT THIS REPORT	THE YEAR IN REVIEW	OUR PEOPLE	ECONOMIC PERFORMANCE	SOCIAL PERFORMANCE	ENVIRONMENTAL STEWARDSHIP	DATA TABLES	ASSURANCE STATEMENT
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ECONOMIC continued

	FY2016	FY2015	FY2014	FY2013
EC5				
Entry level wage as a percentage of local minimum wage (%)				
Lihir	141	253	339	194
Telfer	329	331	325	261
Cadia	322	322	319	295
Gosowong	238	144	149	223
Hidden Valley	113	143	185	118
Bonikro	214	197	217	221
Exploration	356	354	354	347
Namosi	140	140	138	133
Wafi-Golpu	143	149	-	-
Corporate Offices	263	262	262	262

EC6				
Proportion of senior management from the local community (%)^(f)				
Company	66.1	11.3	37.3	69.5
Lihir	20.0	0.0	8.3	8.7
Telfer	100.0	0.0	0.0	100.0
Cadia	100.0	100.0	100.0	100.0
Gosowong	5.6	3.4	5.9	4.0
Hidden Valley	0.0	0.0	22.2	24.2
Bonikro	0.0	0.0	9.1	8.3
Exploration	NA*	NA*	NA*	NA*
Namosi	0.0	75.0	71.4	57.1
Wafi-Golpu	0.0	0.0	-	-
Corporate Offices	-	-	-	-

Goods

Services

EC9		
Percentage of local^(g) supplier spend by country, by goods and services (%) FY2016		
Company	Goods	Services
Australia	43	82
Papua New Guinea	57	93
Indonesia	14	63
Cote de Ivoire	66	77
	35	69

^(f) Local community employees are defined in FY2016 across our sites as follows:

- Lihir – Employees who are PNG nationals.
- Telfer – Employees who are Australian nationals or have work rights to work in Australia.
- Cadia – Employees who are Australian nationals or have work rights to work in Australia.
- Gosowong – Employees who have resided within the North Maluku area for a minimum of five years.
- Hidden Valley – Employees who are PNG nationals.
- Bonikro – Employees who are Côte d'Ivoirian nationals.
- Namosi – Employees who are Fijian nationals.
- Wafi-Golpu – Employees who are PNG nationals.

^(g) Newcrest defines 'local' as in-country.

* 'NA' is 'not available'.

SOCIAL

	FY2016	FY2015	FY2014	FY2013
SOCIETY				
S03				
Total number and percentage of operations assessed for risks related to corruption				
Company (#)	4	6	5	5
Lihir	1	1	1	1
Telfer	0	1	1	1
Cadia	0	1	1	1
Gosowong	1	1	1	1
Hidden Valley	1	1	1	1
Bonikro	1	1	0	0
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 (%)	67	100	83	83
S05				
Total number of incidents of corruption (#)				
Company	0	0	0	0
S06				
Total value of financial and in-kind contributions to political parties, politicians and related institutions (USD)				
Company	0	0	0	0
S07				
Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices (#)				
Company	0	0	0	0
MM8				
Number and percentage of operating sites where artisanal and small-scale mining (ASM) takes places on, or adjacent to the site				
Company (#)	4	4	4	4
Lihir	0	0	0	0
Telfer	0	0	0	0
Cadia	0	0	0	0
Gosowong	1	1	1	1
Hidden Valley	1	1	1	1
Bonikro	1	1	1	1
Exploration	0	0	0	0
Namosi	0	0	0	0
Wafi-Golpu	1	1	1	1
Corporate Offices	-	-	-	-
Percentage of operations (%)	44	44	44	44
MM9				
Total number and percentage of operations where resettlements took place				
Company (#)	0	0	0	0
Percentage of operations (%)	0	0	0	0

* 'NA' is 'not available'.

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SOCIAL continued

	FY2016	FY2015	FY2014	FY2013
HUMAN RIGHTS				
HR2				
Employees receiving training in human rights policies and procedures (%)				
Company	76.2	29.9	30.6	22.0
Lihir	91.6	68.3	NA*	22.0
Telfer	95.0	59.1	54.5	40.0
Cadia	94.7	14.3	100.0	100.0
Gosowong	98.7	21.6	1.0	1.0
Hidden Valley	NA*	NA*	NA*	0.0
Bonikro	95.6	0.0	4.3	4.0
Exploration	NA*	NA*	NA*	NA*
Namosi	NA*	NA*	NA*	NA*
Wafi-Golpu	NA*	NA*	NA*	NA*
Corporate Offices	92.4	NA*	3.8	3.0
Total number of hours of employee training provided concerning human rights policies or procedures (#)				
Company	5,151	4,222	2,686	6,857
Lihir	2,034	3,699	2,000	4,509
Telfer	403	164	335	60
Cadia	696	75	330	151
Gosowong	1,187	268	0	2,088
Hidden Valley	NA*	NA*	NA*	NA*
Bonikro	503	0	0	46
Exploration	NA*	NA*	NA*	NA*
Namosi	NA*	NA*	NA*	NA*
Wafi-Golpu	NA*	NA*	NA*	NA*
Corporate Offices	328	17	21	4
HR5				
Number of operations at significant risk for incidents of child labour (#)				
Company	0	0	0	0
HR6				
Number of operations identified as having significant risk for incidents of forced or compulsory labour (#)				
Company	0	0	0	0
HR7				
Security personnel directly employed who are trained in human rights policies or procedures (%)				
Company	99	17	31	34
Lihir	100	68	26	100
Telfer	100	40	55	100
Cadia	100	0	100	100
Gosowong	100	6	1	0
Hidden Valley	96 ^(h)	NA*	0	0
Bonikro	100	0	4	100
Exploration	0 ⁽ⁱ⁾	0	0	0
Namosi	0	0	0	0
Wafi-Golpu	100 ^(h)	NA*	0	0
Corporate Offices	100	0	4	0

^(h) Joint venture employees.

⁽ⁱ⁾ Exploration included in Gosowong and Bonikro.

* 'NA' is 'not available'.

	FY2016	FY2015	FY2014	FY2013
HUMAN RIGHTS continued				
HR7 continued				
Total number of third party organisations' security personnel trained in Newcrest's human rights policies and procedures (#)				
Company	402	107	57	NA*
Lihir	104	0	NA*	NA*
Telfer	6	0	2	NA*
Cadia	0	1	8	NA*
Gosowong	126	0	0	NA*
Hidden Valley	22 ⁽ⁱ⁾	NA*	NA*	NA*
Bonikro	137	106	47	NA*
Exploration	0	NA*	NA*	NA*
Namosi	0	NA*	NA*	NA*
Wafi-Golpu	7 ^(k)	NA*	NA*	NA*
Corporate Offices	0	0	NA*	NA*
HR8				
Total number of incidents of Indigenous rights (#)				
Company	0	1	0	0
LABOUR PRACTICES AND DECENT WORK				
LA1				
Total employees (#)				
Company	6,731	6,907	5,602	8,184
Lihir	2,197	1,979	1,942	2,327
Telfer	432	528	549	754
Cadia	735	810	865	916
Gosowong	1,141	1,176	1,208	1,351
Hidden Valley	1,148	1,358	NA*	1,670
Bonikro	489	517	532	646
Exploration	124	132	150	NA*
Namosi	14	14	16	47
Wafi-Golpu	131	108	NA*	NA*
Corporate Offices	320	285	340	473
Total contractors (#)				
Company	5,413	6,456	4,990	9,261
Lihir	1,858	2,138	2,205	2,762
Telfer	769	746	575	922
Cadia	519	802	934	1,130
Gosowong	480	930	813	1,524
Hidden Valley	857	881	NA*	2,196
Bonikro	630	504	265	497
Exploration	186	0	124	NA*
Namosi	0	6	0	46
Wafi-Golpu	50	192	NA*	NA*
Corporate Offices	64	132	74	184

⁽ⁱ⁾ Exploration included in Gosowong and Bonikro.

^(k) Joint ventures.

* 'NA' is 'not available'.

MESSAGE FROM THE CEO	WHO WE ARE	ABOUT THIS REPORT	THE YEAR IN REVIEW	OUR PEOPLE	ECONOMIC PERFORMANCE	SOCIAL PERFORMANCE	ENVIRONMENTAL STEWARDSHIP	DATA TABLES	ASSURANCE STATEMENT
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SOCIAL continued

	FY2016	FY2015	FY2014	FY2013
LABOUR PRACTICES AND DECENT WORK continued				
LA6				
Lost Time Injury Frequency Rate (LTIFR)				
Company	0.7	0.4	0.6	0.4
Lihir	0.2	0.1	0.2	0.1
Telfer	0.6	1.3	4.0	0.8
Cadia	2.7	1.3	0.6	0.7
Gosowong	0.6	0.0	0.0	1.0
Hidden Valley	1.3	0.3	0.3	0.1
Bonikro	0.3	0.0	1.8	0.8
Exploration	0.0	3.4	0.0	0.0
Namosi	0.0	0.0	0.0	0.2
Wafi-Golpu	0.0	0.0	0.0	0.0
Corporate Offices	1.3	0.0	1.0	0.0
Total Recordable Injury Frequency Rate (TRIFR)				
Company	3.7	3.6	3.1	3.6
Lihir	0.6	1.1	1.0	1.3
Telfer	10.9	10.7	8.6	7.1
Cadia	10.6	8.1	6.3	7.8
Gosowong	4.3	4.4	2.7	4.7
Hidden Valley	2.7	2.1	2.2	1.6
Bonikro	0.9	1.2	3.5	3.9
Exploration	10.7	10.2	0.0	2.6
Namosi	0.0	0.0	7.7	5.0
Wafi-Golpu	0.0	0.0	1.0	0.0
Corporate Offices	2.6	0.0	1.9	3.2
			Employees	Contractors
Lost Time Injury Frequency Rate (LTIFR) (by employment type) FY2016				
Company			0.5	0.6
Lihir			0.2	0.2
Telfer			2.0	0.0
Cadia			2.1	3.2
Gosowong			0.8	0.0
Hidden Valley			0.0	4.0
Bonikro			0.0	0.5
Exploration			0.0	0.0
Namosi			0.0	0.0
Wafi-Golpu			0.0	0.0
Corporate Offices			0.0	6.8
Total Recordable Injury Frequency Rate (TRIFR) (by employment type) FY2016				
Company			2.6	4.0
Lihir			0.9	0.3
Telfer			8.9	11.7
Cadia			7.7	12.7
Gosowong			4.6	3.5
Hidden Valley			0.6	7.3
Bonikro			0.8	1.1
Exploration			29.5	0.0
Namosi			0.0	0.0
Wafi-Golpu			0.0	0.0
Corporate Offices			0.0	13.5

Company Lihir Telfer Cadia Gosowong Hidden Valley Bonikro Namosi Wafi-Golpu Corporate Exploration

TRAINING AND EDUCATION

LA9

Total average training hours per employee by gender and by employee category (#) FY2016⁽¹⁾

Senior Executive												
Male employees	15.3	-	-	-	-	-	-	-	-	-	15.3	-
Female employees	24.5	-	-	-	-	-	-	-	-	-	24.5	-
Senior Management												
Male employees	6.1	11.5	45.0	10.5	3.7	0.0	0.0	0.0	0.0	0.0	6.5	0.0
Female employees	6.0	-	-	-	-	-	-	-	-	-	6.0	-
Manager												
Male employees	8.6	1.6	40.8	11.9	15.3	0.0	0.5	0.0	0.0	0.0	6.3	0.0
Female employees	5.7	0.0	-	16.0	0.0	-	0.0	0.0	0.0	0.0	5.5	0.0
Senior Professional/Supervisor												
Male employees	35.7	21.0	46.8	68.0	43.1	55.1	39.5	0.0	0.0	0.0	4.8	2.5
Female employees	15.9	16.8	44.3	14.5	10.6	32.7	-	0.0	0.0	0.0	3.7	4.0
Technical/Professional/Clerical Role												
Male employees	74.9	33.2	46.6	310.3	59.0	81.5	7.3	0.0	0.1	0.1	6.0	1.0
Female employees	31.9	16.7	44.3	64.8	14.1	70.9	22.5	0.0	0.4	0.4	3.3	0.0
Total average training hours per employee	59.6	28.0	46.3	232.2	51.9	72.4	9.4	0.0	0.1	0.1	5.3	1.3

LA11

Percentage of employees receiving regular performance and career development reviews (%) FY2016

Employees	93.2	99.0	93.5	99.0	75.0	NA*	98.0	NA*	NA*	97.2	NA*
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Number (#)

Percentage (%)

LA12

Composition of governance bodies as at 30 June 2016, and breakdown of employees per employee category according to gender and age group

Board of Directors:		
Male	8	80.0
Female	2	20.0
<30 years of age	0	0.0
30-49 years of age	1	10.0
50+ years of age	9	90.0
Audit & Risk Committee:		
Male	2	66.7
Female	1	33.3
<30 years of age	0	0.0
30-49 years of age	0	0.0
50+ years of age	3	100.0
Human Resources & Remuneration Committee:		
Male	2	50.0
Female	2	50.0
<30 years of age	0	0.0
30-49 years of age	0	0.0
50+ years of age	4	100.0
Safety & Sustainability Committee:		
Male	3	60.0
Female	2	40.0
<30 years of age	0	0.0
30-49 years of age	0	0.0
50+ years of age	5	100.0
Nominations Committee:		
Male	3	100.0
Female	0	0.0
<30 years of age	0	0.0
30-49 years of age	0	0.0
50+ years of age	3	100.0

⁽¹⁾ Cadia training hours include formal on-the-job training for technical operators. The data has not been calculated for other operations.

* 'NA' is 'not available'.

SOCIAL continued**Company**

Lihir

Telfer

Cadia

Gosowong

LABOUR PRACTICES AND DECENT WORK continued**LA12 (INCLUDES G4-10)****Employment ratio by gender and level (%) FY2016****Senior Executive**

Total (#)	8	0	0	0	0
Male employees (%)	75.0	0.0	0.0	0.0	0.0
Female employees (%)	25.0	0.0	0.0	0.0	0.0
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0
30-50 years of age (%)	37.5	0.0	0.0	0.0	0.0
50+ years of age (%)	62.5	0.0	0.0	0.0	0.0

Senior Management

Total (#)	45	2	1	2	6
Male employees (%)	97.8	100.0	100.0	100.0	100.0
Female employees (%)	2.2	0.0	0.0	0.0	0.0
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0
30-50 years of age (%)	42.2	0.0	0.0	50.0	50.0
50+ years of age (%)	57.8	100.0	100.0	50.0	50.0

Manager

Total (#)	180	27	12	14	21
Male employees (%)	81.1	92.6	100.0	78.6	81.0
Female employees (%)	18.9	7.4	0.0	21.4	19.0
<30 years of age (%)	1.1	7.4	0.0	0.0	0.0
30-50 years of age (%)	73.3	85.2	75.0	57.1	85.7
50+ years of age (%)	25.6	7.4	25.0	42.9	14.3

Senior Professional/Supervisor

Total (#)	1,502	574	94	145	211
Male employees (%)	90.3	93.0	95.7	92.4	92.4
Female employees (%)	9.7	7.0	4.3	7.6	7.6
<30 years of age (%)	8.5	12.2	3.2	6.2	2.4
30-50 years of age (%)	71.3	66.9	68.1	75.2	82.0
50+ years of age (%)	20.2	20.9	28.7	18.6	15.6

Technical/Professional/Clerical Role

Total (#)	4,996	1,594	325	574	903
Male employees (%)	88.0	87.5	88.0	88.0	92.8
Female employees (%)	12.0	12.5	12.0	12.0	7.2
<30 years of age (%)	15.4	15.1	19.4	21.4	9.1
30-50 years of age (%)	70.4	65.0	58.2	64.5	84.3
50+ years of age (%)	14.3	19.9	22.5	14.1	6.6

G4-11**Percentage of total employees covered by collective bargaining agreements (%) FY2016**

Employees covered	34.6	0.0	50.7	61.9	97.8
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LA13**Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation (%) FY2016**

Senior Executive	0	0	0	0
Senior Management	0	0	0	0
Manager	85	0	89	60
Senior Professional/Supervisor	73	95	92	69
Technical/Professional/Clerical Role	97	86	80	122

	Hidden Valley	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
	0	0	0	0	0	8
	0.0	0.0	0.0	0.0	0.0	75.0
	0.0	0.0	0.0	0.0	0.0	25.0
	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	0.0	37.5
	0.0	0.0	0.0	0.0	0.0	62.5
	1	1	2	1	4	25
	100.0	100.0	100.0	100.0	100.0	96.0
	0.0	0.0	0.0	0.0	0.0	4.0
	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0	25.0	56.0
	100.0	100.0	100.0	100.0	75.0	44.0
	9	5	11	2	9	70
	100.0	80.0	81.8	50.0	88.9	71.4
	0.0	20.0	18.2	50.0	11.1	28.6
	0.0	0.0	0.0	0.0	0.0	0.0
	77.8	100.0	54.5	50.0	44.4	72.9
	22.2	0.0	45.5	50.0	55.6	27.1
	296	11	23	8	38	102
	89.9	100.0	82.6	75.0	86.8	66.7
	10.1	0.0	17.4	25.0	13.2	33.3
	9.5	0.0	4.3	12.5	5.3	8.8
	71.3	90.9	87.0	37.5	73.7	67.6
	19.3	9.1	8.7	50.0	21.1	23.5
	842	472	88	3	80	115
	87.4	90.7	88.6	33.3	91.3	48.7
	12.6	9.3	11.4	66.7	8.8	51.3
	18.6	8.7	20.5	33.3	18.8	23.5
	69.6	80.9	72.7	66.7	70.0	60.9
	11.8	10.4	6.8	0.0	11.3	15.7
	0.0	94.7	38.7	0.0	0.0	8.8
	0	0	0	0	0	44
	0	0	0	0	0	98
	35	85	107	133	60	93
	81	0	118	75	63	89
	82	106	151	150	194	91

Assurance Statement



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Independent Limited Assurance Report in relation to Newcrest Mining Limited's 2016 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 2016 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 2016:

- Subject Matter 1: The alignment of Newcrest's sustainability policies to International Council on Mining and Metals' (ICMM) 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).

GRI category	GRI performance indicator	Subject matter	Page
Social	LA6	Lost time injury frequency rate (Company)	66
		Total recordable injury frequency rate (Company)	66
	LA9	Total average training hours per employee (Company)	67
	LA11	Percentage of employees receiving regular performance and career development reviews (Company)	67
	SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	46
	SO3	Total number and percentage of operations assessed for risks related to corruption	63
Environmental	EN8	Total water withdrawn (Company)	59
Mining and Metals Sector Supplement	MM3	Total waste rock and tailings (Company) and associated risks	59
	MM10	Number of operations with closure plans and overall financial provision for closure	53
Economic	EC1	Direct economic value generated and distributed (Company)	61
	EC7	Development and impact of infrastructure investments and services supported	43

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 as detailed above
- Management's forward looking statements

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- Any comparisons made against historical data or comparative information from prior years.

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 publically 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 information technology or human resource management 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 sites responsible for the Subject Matter and the preparation of the Report
- Performing site visits to the Telfer and Bonikro sites to perform interviews and visually inspect operations
- 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 and performance statements, included in the Subject Matter against supporting source information and Newcrest's reported boundary
- Sample testing of claims and case studies included in the Subject Matter against supporting source information and relevant context
- Sample testing as to whether the methods used for calculating data were aligned with the stated Criteria
- 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 following observations, which do not affect our conclusions expressed above, were identified in the execution of our procedures:

- Newcrest has continued to focus on improving the sustainability reporting process and in particular improving the timeliness of the report's publication.
- A number of opportunities for improvement related to data collation, calculation processes and management systems which have been communicated to management.

- Newcrest has transparently noted throughout the report where it used company specific definitions, however, deviation from the GRI definitions can create subjectivity and reduce comparability.
- As noted in the Report, total average training hours per employee data for Cadia has been reported inclusive of formal on-the-job training, however, this data has not been calculated for other Newcrest operations. We recommend Newcrest apply a consistent approach to calculating this indicator across operations in future years.

AccountAbility's AA1000 Principle of Inclusivity

At the corporate level, Newcrest continued to enhance its stakeholder engagement process. This included expanding the stakeholder engagement component of the materiality assessment to include interviewing suppliers, investors, government and non-government organisation representatives, employees and shareholders. There is opportunity for Newcrest to further expand this stakeholder engagement process to include a broader range of stakeholder perspectives. Newcrest should also look to integrate existing stakeholder engagement mechanisms into the materiality assessment process where possible.

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 materiality process considered a broader range of issues than in previous years, and established a revised approach for ranking and prioritising material issues. This process also incorporated a two-step validation process involving a workshop with a range of management representatives and formal sign-off from the Executive Committee.

AccountAbility's AA1000 Principle of Responsiveness

Newcrest has further improved the timeliness of the report by publishing the report soon after its Annual General Meeting. This will enhance its effectiveness as a mechanism to respond to stakeholder concerns and drive broader dissemination amongst stakeholders.

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 November 2016





Land rehabilitation at Bonikro.

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