

2018 SUSTAINABILITY REPORT



Newcrest bases its reporting approach on guidance provided by the Global Reporting Initiative (GRI) Standards and AA1000 AccountAbility Principles Standard. Our report covers all of Newcrest's operations globally, including joint venture projects, for the period 1 July 2017 through to 30 June 2018. We divested Bonikro in December 2017 and have reported key metrics for six months only, which will impact total numbers reported in our data tables. There are no restatements from last year in this report. Currency figures are in USD unless stated otherwise.

For any comments or enquiries about this report, please email Newcrest at sustainabilityfeedback@newcrest.com.au.

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Forward Looking Statements

This report includes forward looking statements. Forward looking statements can generally be identified by the use of 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. Guidance statements relate to the current financial year. Outlook statements relate to 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 statements in this presentation. 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's good faith assumptions as 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 will prove to be correct. There may be other factors that could cause actual results or events not to be as anticipated, and many events are beyond the reasonable control of the Company. 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. Except as required by applicable laws or regulations, 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 assumptions on which any such statement is based.

Reliance on Third Party Information

The views expressed in this report contain information that has been derived from sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. This report should not be relied upon as a recommendation or forecast by Newcrest.

COVER IMAGE: Margaret Yanda, from the Communications and Public Affairs team in Lihir, empowering Lihir women leaders during a recent Trupla Man Trupla Meri awareness session as they prepare to roll out their five-year action plan.

THIS PAGE: Lihir, Papua New Guinea.



**NEWCREST'S VISION IS TO
BE THE MINER OF CHOICE TO
ALL OUR STAKEHOLDERS.**

A handwritten signature in blue ink, appearing to read 'S. Biswas', positioned above the name and title.

SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Newcrest has continued to make good progress on its sustainability journey as we work towards our vision of being a Miner of Choice for our people, shareholders, host communities, partners and suppliers.

Our admission to the International Council on Mining and Metals (ICMM) in November 2017 included a public commitment to the ICMM's sustainable development principles and position statements, which address core sustainability development challenges in the industry.

During the past financial year, we also updated our company strategy to include sustainability in one of our five core pillars – Safety and Sustainability, People, Operating Performance, Technology and Innovation, and Profitable Growth – each of which is essential to the next stage of our transformation journey.

The inclusion of sustainability in our pillars highlights the importance of sustainability in all our decision-making as we strive for continued improvement across our business.

Transparency is also essential and each year, we follow a process to determine the issues that matter most to our stakeholders. This year, the issues identified as most material to our business and stakeholders were: safety and health; managing community impacts and expectations; waste and tailings management; financial and economic sustainability; ethics, transparency and disclosure; growth; mine closure; human rights; operational disruption; and climate change. We address each of these issues throughout this report, illustrating what we are doing through case studies, where possible.

Our greatest responsibility is ensuring our people go home safe and healthy from work every day; it is essential to our ongoing success and an enduring focus for our business. I am particularly pleased to have finished this year with no fatalities or life-changing injuries and a 28 per cent reduction in our total recordable injury frequency rate.

We have seen a significant overall improvement in our safety performance as we embed and renew our Safety Transformation Plan, working to build a strong safety culture, ensuring we have critical controls in place for high-risk tasks and applying robust process safety management to everything we do. By also providing the right tools and systems, we empower our people to make the best decisions and take the action they need to work safely.

We know organisations with diverse and inclusive cultures perform well and during the year, we formally broadened our diversity and inclusion approach to acknowledge cultural and religious differences and local customs. Our first public Diversity and Inclusion Strategy includes new targets to support us in increasing our representation of women, Aboriginal and Torres Strait Islander people, and employees local to the communities in which we operate, both in number and type of role.

A good business is only as strong as its people and we remain focused on developing and managing our capabilities through effective leadership, education and training. We have introduced new leadership programs, such as LeadingMatters, which take our leaders on a learning journey designed to help them lead themselves, their teams, and the business through their own personal values and our Newcrest values: caring about people; acting with integrity and honesty; working together; valuing innovation and problem-solving; and striving for high-performance. Our ManagingMatters workshops, also being rolled out across the Company, support leaders with practical skills to assist them in areas such as delegation, decision-making, developing talent, managing work, effective communication, feedback, and coaching.

MyLearning, our new learning management system, is now in place at all our Australian sites with planning underway to introduce it at Lihir. Work will continue this year to further develop our people and build strength in our team to support our growth strategy.

Newcrest is equally committed to building sustainable futures for the communities in which we operate, and we engage with our communities and all relevant levels of government to minimise our impact and deliver the best possible results for our business and external stakeholders.

During the year, a limited breakthrough of tailings material occurred at our Cadia operation. The material was contained and no environmental damage was observed. Following the incident, we immediately notified the regulator and local landholders and residents. Regular and open dialogue with our local community ensured their concerns were addressed efficiently and effectively.

Our engagement and community development activities focus on better enabling our communities to meet their own long-term needs and aspirations, with close and collaborative relationships essential to ensuring mutual success. We employ people on the ground in all key locations to establish and maintain these relationships and to help our host governments and communities understand our plans and business needs, and for us to understand theirs.

This includes our growth areas, and in the past year, we have established an office in Ecuador to help guide our expansion in the Americas as part of our aspiration to achieve profitable growth through exposure to five tier one orebodies by 2020. During the year, we divested our interest in the Bonikro operation in Côte d'Ivoire following a review of our asset portfolio. We continue to explore further promising options in West Africa.

Newcrest's standards align with the principles of the ICMM to manage and improve environmental performance, and our Company has committed to further improvements in areas such as climate change, water and biodiversity as part of our membership. This includes the release of our Climate Change Statement in September 2018.

Gold and copper mining operations are energy intensive and we are working to better understand and reduce the greenhouse gas emissions produced by our business, including through the use of renewable power generation and low emission technologies. Our operating sites are vulnerable to physical climate impacts and we are working with experts and research organisations to better understand these threats.

We are working to increase the transparency of our climate change reporting to meet the needs of our investors, governments, communities and customers, including the development of performance metrics and targets. This work will continue over the coming months as we work towards our goal of building a sustainable, resilient business that will thrive in a low carbon future.

In all, it's been a solid year for Newcrest. We are making steady progress towards our goals and are well placed for a strong future. I thank all our people for their efforts and achievements throughout the past year. We can all be proud of our success.



SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

**THE INCLUSION OF
SUSTAINABILITY IN OUR
PILLARS HIGHLIGHTS
THE IMPORTANCE OF
SUSTAINABILITY IN ALL
OUR DECISION-MAKING AS
WE STRIVE FOR CONTINUED
IMPROVEMENT ACROSS
OUR BUSINESS.**

WHO WE ARE

OUR VISION

To be the
**Miner of
Choice.**

To be the Miner of Choice for our people, shareholders,
host communities, partners and suppliers.



OUR MISSION

To safely deliver superior returns to our
stakeholders from finding, developing and
operating gold/copper mines.

FORGING A STRONGER NEWCREST

The health and safety of our workforce is of primary importance at 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 and enduring commitment to the health and safety of our workforce best reflects our values and underpins and sustains optimal business performance.



OUR EDGE

Being agile, bold and having an owner's mindset.

WE ACHIEVE SUPERIOR RESULTS THROUGH...



Safety leadership



Process control and analytics



Management operating system



Asset management



Safe mine design



Exploration and resource capture

Living Our Values Awards

Each year we celebrate our employees through the Living Our Values Awards, recognising the outstanding contribution they make to the business and their strong commitment to living by our values.



CARING ABOUT PEOPLE

Fransisca Saroinsong, Gosowong

Demonstrated kindness and caring through the establishment of an ongoing program to make food donations to a local orphanage, hospital and children's shelter.



INTEGRITY AND HONESTY

Matthew Warner, Cadia

Supported improvements to the culture of the Fixed Plant Maintenance team through open and honest communication and strong leadership, making the time to reward positive behaviour and ensure the team are engaged and inspired.



INNOVATION AND PROBLEM SOLVING

Ryan Tooher, Telfer

Performed game-changing analysis on metallurgical modelling through the budget and forecasting process, transforming cashflow. By challenging the status quo, and looking beyond the easy options, Ryan demonstrated that innovation can be achieved by looking at problems through a different lens.



HIGH-PERFORMANCE

Mareska Raming, Gosowong

Demonstrated consistently high performance including superior efficiency, helpfulness, a willingness to share her knowledge with others, and a strong commitment to safety activities at site.



WORKING TOGETHER

Chris Vaughan, Sam Elbanna, Muhammad Ali, Vivek Patel and Mark Drew, Melbourne

Provided collaborative, responsive, customer-oriented service that resulted in higher productivity and delivery.

Our five pillars

Newcrest’s ‘Forging a Stronger Newcrest’ plan, released in February 2018, sets out the second phase of our transformation journey.

The plan focuses on how Newcrest can build on what we have achieved over the last three years – how we move forward and accelerate the realisation of the Company’s full potential.

Over the past few years we have made genuine progress in improving safety and addressing major hazards, in implementing Edge, improving operational performance, and populating our growth pipeline. We have made headway in aligning our people on priorities, and in engaging with our shareholders.

We are now in a new phase where we are focused on further improvements in safety, growing the business profitably, sustaining and extending our performance improvements, improving our risk management, reinvigorating Edge, and refreshing our long-term strategy.

To be successful for our people, shareholders, host communities, partners and suppliers, our Company strategy focuses on five key pillars.

These are the foundations which we believe are required to take Newcrest from good to great.

1

SAFETY AND SUSTAINABILITY

PRIORITISE THE IMPORTANCE OF SAFETY AND SUSTAINABILITY

Everybody going home safe and healthy every day is our priority. We care for the communities we work with and the environment, applying sustainable practices across all aspects of our business.

2020 aspiration ⁽¹⁾
Zero fatalities and industry leading Total Recordable Injury Frequency Rate (TRIFR)

2

PEOPLE

VALUE OUR PEOPLE
Our people are capable and engaged, empowered to deliver superior returns. We have a focus on diversity and inclusion, and developing our people at all levels.

2020 aspiration ⁽¹⁾
First quartile Organisational Health

3

OPERATING PERFORMANCE

MAXIMISE OPERATING PERFORMANCE BY SAFELY OPERATING OUR ASSETS TO THEIR FULL POTENTIAL

Optimising the returns we can achieve from our current operating assets, we aim for low-cost, long-life operations. Integrated planning, asset management and rigorous performance programs are utilised to maximise production and minimise costs.

2020 aspiration ⁽¹⁾
First quartile Group AISC per ounce

4

TECHNOLOGY AND INNOVATION

EMBRACE TECHNOLOGY AND INNOVATION

We are targeting audacious technical breakthroughs that will optimise current mining while providing significant step changes for future success.

2020 aspiration ⁽¹⁾
Five breakthrough successes

5

PROFITABLE GROWTH

FOCUS ON PROFITABLE GROWTH

Actively growing the value of our business through brownfield and greenfield exploration, combined with a focus on early-entry merger and acquisition prospects in known gold/copper regions.

2020 aspiration ⁽¹⁾
Exposure to five tier one orebodies (operations, development projects or equity investments)

(1) An aspiration should not be viewed as a forward looking statement or commitment. It is an ambition or objective that is strongly desired.

Profile

Newcrest is one of the world's largest gold mining companies. We safely deliver superior returns to our stakeholders from finding, developing and operating gold and copper mines.

Newcrest has strong technical capabilities in exploration, deep underground block caving, targeted underground mines, open pits and a variety of metallurgical processing skills. We are 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.



Asset overview

5 Bonikro

4 Gosowong

3 Lihir

6 Wafi-Golpu

2 Telfer

7 Namosi

1 Cadia

AUSTRALIA

1 CADIA

LOCATION: 25 kilometres from Orange, New South Wales

PRODUCTION: 600 Koz of gold, 62Kt of copper FY18

MINING METHOD: Underground

OWNERSHIP: 100% Newcrest

2 TELFER

LOCATION: Pilbara, Western Australia

PRODUCTION: 426 Koz of gold, 16Kt of copper FY18

MINING METHOD: Open pit and underground

OWNERSHIP: 100% Newcrest

PAPUA NEW GUINEA

3 LIHIR

LOCATION: Niolam Island, New Ireland Province, 955 kilometres north-east of Port Moresby

PRODUCTION: 940 Koz of gold FY18

MINING METHOD: Open pit

OWNERSHIP: 100% Newcrest

INDONESIA

4 GOSOWONG

LOCATION: Halmahera Island, North Maluku Province

PRODUCTION: 251 Koz of gold, 298 Koz of silver FY18

MINING METHOD: Underground

OWNERSHIP: Gosowong is owned and operated by PT Nusa Halmahera Minerals (Newcrest 75%).

AFRICA

5 BONIKRO

Located approximately 250 kilometres north west of Abidjan in Côte d'Ivoire, Bonikro was divested in FY18.

ADVANCED PROJECTS

6 WAFI-GOLPU

LOCATION: Morobe Province, 65 kilometres south-west of Lae, Papua New Guinea

POTENTIAL: *Golpu:* Underground copper-gold mine; *Wafi:* Open pit gold-copper mine; *Nambonga:* Underground gold-copper mine

STATUS: Updated feasibility study completed – Awaiting special mining lease approval

OWNERSHIP: 50% Newcrest, 50% Harmony Gold Mining Company Limited.

7 NAMOSI

LOCATION: Namosi Province, 30 kilometres west of Suva, Fiji

POTENTIAL: Waisoi: Open pit copper-gold mine

STATUS: Waisoi: Pre-feasibility study

OWNERSHIP: 71.42% Newcrest.

EXPLORATION

LEVERAGING OUR EXPLORATION EXPERIENCE

Our aspiration to grow our asset base is ideally achieved “through the drill bit” by our exploration team focussing on brownfield and greenfield opportunities globally.

We are also pursuing alliances and joint venture arrangements with junior explorers and other mining companies who have access to prospective land. Our experienced exploration teams will partner with these companies to maximise potential exploration results. Newcrest has experience mining and processing a diverse range of orebodies, which gives confidence to our partners that Newcrest will be able to develop any viable deposits discovered.

In the 2018 financial year Newcrest entered into more than nine of these agreements of various forms with junior explorers and other mining companies.

OUR APPROACH TO SUSTAINABILITY



SUSTAINABLE MINING DELIVERS SAFE AND PROFITABLE OPERATIONS. IT MEANS THAT LOCAL COMMUNITIES ARE ENGAGED AND RESPECTED, THAT ENVIRONMENTAL IMPACTS ARE ASSESSED AND MANAGED, AND THAT BUSINESS DECISIONS ARE MADE ETHICALLY AND TRANSPARENTLY.

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

SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



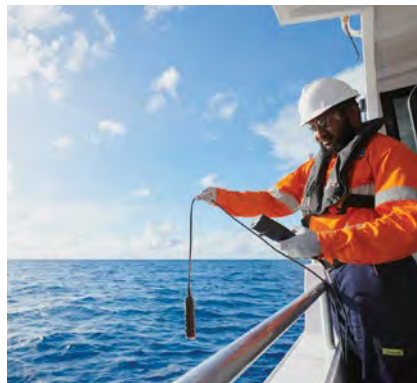
Newcrest recognises that to achieve our vision of being the Miner of Choice for our people, shareholders, host communities, partners and suppliers we must integrate sustainability into our business strategy, 'Forging a stronger Newcrest'.

Our sustainability vision

Newcrest is committed to sustainability in everything we do. Everybody going home safe and healthy every day; we care for communities and the environment.

To this end, we have updated our Company vision to include sustainability in one of our five pillars: Safety and Sustainability, People, Operating Performance, Technology and Innovation, and Profitable Growth.

Our sharper focus on sustainability through the Safety and Sustainability pillar reflects our commitment to continuous improvement in safety and health, environmental management, and our social performance through the way we care for our communities. It reminds us of the importance of integrating sustainability in all our decision-making as we strive for continued improvement.



EVERYBODY GOING HOME SAFE AND HEALTHY EVERY DAY

The health and safety of our workforce is a priority for Newcrest. We focus on eliminating fatalities, life-changing injuries and occupational illnesses from our business, while reducing all injuries and health impacts. We value learning and sharing knowledge to improve safety and health in our workplace, through an emphasis on safety leadership, effective management of critical risks, a focus on health, hygiene and wellbeing and robust process safety management.

WE CARE FOR THE ENVIRONMENT

We integrate environmental management across our business, identifying and managing environmental risks to achieve positive environmental outcomes. We acknowledge that mining and processing is a major consumer of energy, water and other resources and we work continually to reduce energy consumption and emissions and maximise the responsible management of materials. We aim to minimise the impact on the environment in which we operate and to minimise our lasting footprint.

STRONG RELATIONSHIPS WITH COMMUNITIES AND GOVERNMENTS

We recognise a planned, transparent and constructive approach to stakeholder engagement and local socioeconomic development are key to attaining sustainable goals. Our engagement with governments, communities and lease area landholders in the areas where we operate is active, inclusive and equitable. We employ local people and local businesses and ensure landholders and affected communities are fairly compensated. Our approach includes agreement-making (through direct and indirect benefits), as well as active partnerships with government and non-governmental organisations.



For further details on our sustainability commitments, refer to www.newcrest.com.au/sustainability.

Our industry commitment to sustainable development

In 2017, Newcrest joined the International Council on Mining and Metals (ICMM), an international organisation dedicated to a safe, fair and sustainable mining and metals industry. ICMM serves as a catalyst for change to enhance mining's contribution to society. Through our ICMM membership, we aspire to be industry leaders in sustainable mining, with a commitment to conducting our activities ethically and transparently.

Newcrest's admission into ICMM is testament to the strong sustainability foundation we have built – in partnership with our host communities – to help strengthen our transformation and progress toward our vision of being Miner of Choice.

We know sustainable mining delivers safe and profitable operations. It means local communities are engaged and respected, environmental impacts are assessed and managed, and business decisions are ethical and transparent.

SUSTAINABILITY OBJECTIVES

In our 2017 Sustainability Report we published the following sustainability objectives with a commitment to report our progress in this year's report. We have made good progress against these objectives.

OBJECTIVE	STATUS	PROGRESS
Zero fatalities and life changing injuries	✓	There were no fatalities or life-changing injuries during the reporting period.
10 per cent annual reduction in total recordable injury frequency rate (TRIFR)	✓	
Year-on-year improvement in local workforce participation and increase in female representation in line with set targets	✓	In FY18, we had a 4.3 per cent increase in local workforce management representation and a 2.1 per cent increase in female management representation in line with our targets. Local employees accounted for 76.8 per cent in management levels 2-4 in our global operations as at 30 June 2018. Women accounted for 21.1 per cent in management levels 2-4 in Australia as at 30 June 2018.
Further improve our organisational health (OH) to top quartile	○	Our organisational health increased two points to 71 overall, which represents our fifth consecutive annual increase and our third consecutive year in the second quartile. For further details, please refer to page 44.
Application of the Minerals Council of Australia's Water Accounting Framework for reporting water use at all sites	✓	The water accounting framework has been incorporated into the annual water data reporting process for Australian and overseas sites. For information on our water usage for the reporting period, please refer to the Water Management section at page 63.
Develop a climate change position statement to complement the environment policy	✓	Our Climate Change Statement was released on 4 September 2018.
100 per cent of security employees and contractors trained in the security code of conduct	✗	The unavailability of security trainers in June, to administer the Security Code of Conduct training to new starters, prevented both Lihir and Wafi Golpu from achieving 100% of security employees being trained in the Code. In the future, the Security Code of Conduct is being launched as an online training module to resolve this issue. For further details, please refer to page 33.
All sites to implement a standardised community grievance management system that includes close-out reporting of grievances	○	All sites have a functioning grievance management system however these are not yet standardised around a single guideline. A new Community Concerns, Complaints and Grievance Guideline has been prepared and is in the process of finalisation to be rolled out at all sites to conform all sites to a standardised approach. For further details, please refer to page 51.
Social performance and human rights reviews to be conducted annually for all sites	○	Social Performance reviews were completed for all operational sites by 30 June 2018. Human rights reviews were 90% completed by 30 June 2018 with only Cadia outstanding. For further details, please refer to page 33.
All sites to have cultural heritage management systems in place and functioning	○	Both Telfer and Cadia have functioning Cultural Heritage Management Systems although Cadia requires updating to bring it up to currently expected standards. Lihir has developed a draft Cultural Heritage Management Plan. Gosowong is yet to develop a Cultural Heritage management plan and system. All advanced exploration sites all have functioning systems and our greenfields sites operate Cultural Heritage management processes within stage-appropriate specific parameters.

✓ Met ○ In progress ✗ Not met

As part of our membership, Newcrest has committed to full alignment within ICMM's principles and relevant position statements on sustainable development.

Our ICMM membership has given us a renewed focus on our approach to sustainability. As we implement the ICMM action plan, we will continue to refine our sustainability objectives and the way we approach sustainability in our operations.

Over the next year, we will continue to focus on improving our safety, growing the business profitably and sustaining and extending improvements to our performance. We will continue to find opportunities to improve our sustainability metrics, including our data collection and verification processes.

In addition to our regular communications and outreach with our people, government, communities and other key stakeholders, we publicly disclose our performance in the regions where we operated through this Sustainability Report.

As part of the development of our Sustainability Report, we undertake a materiality assessment to determine what information matters and to whom. This process helps us to determine the current and emerging issues that matter most to each of our stakeholders – our most material issues – to ensure we provide our stakeholders with the most useful information. This assessment enables us to identify Newcrest's material sustainability risks and opportunities and their priority to our stakeholders.

“NEWCREST’S MEMBERSHIP OF ICMM PROVIDES THE OPPORTUNITY TO BENCHMARK OUR PERFORMANCE, TO LEARN FROM OUR GLOBAL PEER COMPANIES, AND TO CONTRIBUTE OUR OWN EXPERIENCE IN SUPPORT OF ICMM’S EFFORTS TO SHAPE GLOBAL INDUSTRY STANDARDS.”

SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

ICMM'S 10 SUSTAINABLE DEVELOPMENT PRINCIPLES

PRINCIPLE 1

Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.

PRINCIPLE 2

Integrate sustainable development in corporate strategy and decision-making processes.

PRINCIPLE 3

Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.

PRINCIPLE 4

Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.

PRINCIPLE 5

Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.

PRINCIPLE 6

Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.

PRINCIPLE 7

Contribute to the conservation of biodiversity and integrated approaches to land-use planning.

PRINCIPLE 8

Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.

PRINCIPLE 9

Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.

PRINCIPLE 10

Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.

As part of our ICMM membership, a set of actions were agreed on to achieve full alignment. Newcrest is progressing these actions, including articulating its sustainability vision (see page 11) and delivering a climate change statement (see page 21).

Newcrest will continue to update its progress against ICMM commitments through future Sustainability Reports.

How we engage with our stakeholders



As a culturally-diverse company operating across many territories and sites, we focus on building and maintaining a constructive dialogue with a broad range of stakeholders, seeking feedback and acknowledging and respecting other points of view.

Our stakeholders include our employees and contractors, shareholders, the communities in which we operate, suppliers, governments and regulators, and customers, along with industry and the broader business community, non-government organisations, education and research bodies, the media and general public.

Specialised Newcrest teams and employees are accountable for developing and managing our key relationships. They use formal and informal methods to build and maintain these relationships, to keep stakeholders informed about our plans and business achievements (as required), and to explore our stakeholders' issues and concerns. The types of engagement they use are tailored to suit the needs of the stakeholder involved.

Newcrest proactively engages with government, industry and our local communities in an open, transparent and honest way. We understand different stakeholders have different opinions and expectations about our operations; we respect other points of view and aim to develop mutually-suitable outcomes.

All Newcrest employees comply with relevant laws, regulations and Company policy in their engagement activities, and our senior leaders are informed when significant stakeholder concerns and opportunities arise.

In this Report, we demonstrate how we are strengthening our engagement with our key stakeholder groups. Our ongoing relationships with our employees and contractors, shareholders, local communities and governments, our suppliers, customers and industry associations, including the International Council on Mining and Metals (ICMM), the Minerals Council of Australia (MCA) and the World Gold Council (WGC), are crucial for enabling a sustainable and profitable business.

Key stakeholders and the ways we engage



SHAREHOLDERS



Annual reports, quarterly production reports, half-yearly financial reporting, website and email, investor briefings, one-one-one discussions, investor days, conference calls, market announcements, annual general meeting, and industry conferences.

EMPLOYEES AND CONTRACTORS



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.

COMMUNITIES



Community Relations team visits, resident and community meetings, site visits, communication and feedback forums with leaders and communities, complaints and grievance mechanisms, sponsorships and partnerships, collaborative agreements, media engagement on local initiatives, community newsletters, fact sheets, websites.

SUPPLIERS



Collaborative guidelines, out-to-market approaches, face-to-face discussions, performance meetings, contractual agreements.

GOVERNMENT



Face-to-face meetings, regular briefings, direct engagement.

CUSTOMERS



Market tenders, meetings, reports, face-to-face discussions and site visits.

Newcrest also engages in a wide variety of ways with industry and business, non-government organisations, education and research institutions, media and the general public. Engagement with these stakeholders include face-to-face meetings and discussions, formal presentations, conference attendance, reports, media briefings, hosting visits to our operations, sponsorship and partnership arrangements, and via our website, email and feedback tools.

Our material topics and management approach

Our FY18 materiality assessment identified 10 issues of highest significance and these inform the scope and content of the narrative in our Sustainability Report.

OVERVIEW OF THE MATERIALITY ASSESSMENT APPROACH



Our FY18 materiality assessment process, conducted independently in accordance with AccountAbility's Five-Part Materiality Test, sourced information from internal and external documents, such as the Material Risk Register, policies and procedures, media research, peer and industry publications, and internal and external stakeholder interviews. The information was consolidated into key aspects, calculating and prioritising each aspect based on clearly defined criteria to identify the importance of each as it related to Newcrest and its stakeholders. Each aspect was classified as either 'high', 'medium' or 'low' importance, and was plotted in Figure 1. Newcrest managers then attended an internal validation workshop to discuss the findings and validate the ratings.

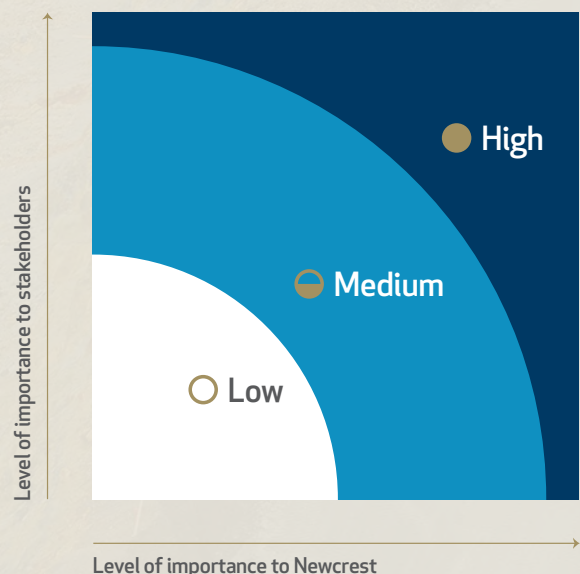
We also explored how our material issues aligned with the 17 United Nations Sustainability Development Goals (SDGs), which provide a universal framework to address socio-economic, governance and environmental challenges, such as poverty, health, education, water, climate change and energy, gender equality, and social justice. We will continue our work to understand how best to integrate the SDGs into our sustainability framework.

OUR MOST MATERIAL ISSUES



Our FY18 materiality assessment identified 10 issues of highest significance and these inform the scope and content of the narrative in our Sustainability Report.

This table presents information on how we have defined the material issues, the relevant stakeholders impacted, how we are responding to each of these issues and the associated International Council on Mining and Metals (ICMM) principle.







FIGURE 1: NEWCREST SUSTAINABILITY ASPECTS




























MATERIAL TOPICS

DEFINITION	GRI BOUNDARY	HOW ARE WE RESPONDING	RELEVANT STAKEHOLDERS	ICMM PRINCIPLE
Managing community impacts and expectations				
Maintaining Newcrest’s social licence to operate by managing community expectations and relations and delivering on mutually beneficial agreements.	Outside	<p>Ongoing engagement with governments and communities in the areas in which we operate to achieve mutually agreeable outcomes in economic, environmental and social responsibility.</p> <p>Continuing work to increase stakeholders’ awareness of the many ways we invest and build capacity in communities.</p> <p>Maintained a presence in each jurisdiction to enable regular dialogue with government and other stakeholders.</p> <p>Commissioned baseline research throughout mine development and planning to help build an understanding of the national, regional and local stakeholders, their politics, history, culture and challenges.</p> <p>Continued to comply with local agreements that identify and quantify Newcrest’s direct benefits, including payments and charitable donations.</p> <p>Worked with all levels of government to ensure social development outcomes align with national, regional and local objectives and goals.</p> <p>Followed clear community grievance processes to deal with issues as they arose.</p> <p>Maximised capability-building through community investment to build self-sufficiency and economic independence within communities for the long term; ensured government and community involvement and engagement in the determination and delivery of community investments; and prepared those we engaged with for the post-closure.</p>		<p>Principle 9: Pursue continual improvement in social performance and contribute to the social, economic and institutional development of host countries and communities.</p> <p>Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.</p> <p>Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.</p>
Safety and health				
Maintaining Newcrest’s commitment to providing a healthy and safe workplace for employees and contractors through effective safety systems, culture and secure operations.	Both	<p>Continued rolling out Safety Transformation plan with its three pillars: NewSafe, Critical Control Management and Process Safety Management.</p> <p>Continued NewSafe leadership program and NewSafe coaching.</p> <p>Embedded critical controls across the business for all high-risk tasks.</p> <p>Completed safety audits at all sites, improvement plans are in place and being addressed.</p> <p>Continued roll-out of three-year health and safety strategy, including development of safety leaders, defining and promoting hygiene, health and welfare of our people, and application of technology to support Health, Safety and Environment (HSE) solutions.</p> <p>Conducted programs to monitor and control occupational hazards, and wellness programs covering issues such as fatigue management, supported by a fatigue management standard, mental health, and health and wellbeing.</p>		<p>Principle 5: Pursue continual improvement in health and safety performance with the ultimate goal of zero harm.</p>

STAKEHOLDER KEY

-  Shareholders
-  Employees and Contractors
-  Local Communities
-  Suppliers
-  Government and Regulators
-  Customers

DEFINITION	GRI BOUNDARY	HOW ARE WE RESPONDING	RELEVANT STAKEHOLDERS	ICMM PRINCIPLE
Waste and tailings management				
Managing the hazardous and non-hazardous waste materials generated through Newcrest's mining operations.	Both	<p>Maintained voluntary membership to the Cyanide Code and recertified the Telfer operation and Lihir supply chain.</p> <p>Conducted technical reviews on the management of our tailings storage facilities to assess performance, effectiveness of management systems and track progress of improvement opportunities.</p> <p>Conducted a geochemical assessment of waste rock dumps and their designs at Gosowong.</p> <p>Continued progressive rehabilitation of waste rock dumps at Telfer in line with closure designs and completed a waste rock optimisation program.</p> <p>Conducted regular bathymetric surveys of the waste rock placement locations to monitor the condition of the seabed near our Lihir deep sea tailings placement (DSTP) location.</p> <p>Conducted Health, Safety and Environment (HSE) audits at Telfer, Cadia and Bonikro to assess site performance against the Waste Rock and Tailings Management Standard.</p>		<p>Principle 8: Facilitate and support the knowledge-base and systems for responsible design, use, re-use, recycling and disposal of products containing metals and minerals.</p> <p>Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.</p>
Financial and economic sustainability				
Managing our financial performance, productivity and economic sustainability.	Both	<p>Implemented operational improvements and value-generation initiatives through the Edge performance improvement process.</p> <p>Improved our Management Operating System at all sites to enable proactive management and eliminate root causes of variance.</p> <p>Focused on process control and analytics.</p>		<p>Principle 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.</p> <p>Principle 2: Integrate sustainable development in corporate strategy and decision-making processes.</p>
Ethics, transparency and disclosure				
Delivering on Newcrest's commitment to high quality governance, transparency and ethical business practices across the organisation.	Both	<p>Strictly applied the Newcrest Code of Conduct, Anti-Bribery and Corruption Policy and related standards. Provided training in the Policy to all roles considered 'high risk'.</p> <p>Maintained membership of the Extractive Industries Transparency Initiative (EITI) and reported in accordance with EITI requirements in international markets.</p>		<p>Principle 1: Apply ethical business practices and sound systems of corporate governance and transparency to support sustainable development.</p> <p>Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.</p>
Growth				
Driving growth through expansion of operational sites and exploration activities.	Inside	<p>Focused on exploring for high value 'tier one' deposits in the Asia-Pacific, Americas and West Africa.</p> <p>Continued to seek profitable growth by exploring new opportunities in the Americas, including greenfield exploration projects in Mexico, the United States, Argentina, Chile and Ecuador.</p> <p>Established an office in the Ecuador capital, Quito, to assist growth and relationship building in the region.</p>		<p>Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.</p> <p>Principle 2: Integrate sustainable development in corporate strategy and decision-making processes.</p>

DEFINITION	GRI BOUNDARY	HOW ARE WE RESPONDING	RELEVANT STAKEHOLDERS	ICMM PRINCIPLE
Mine closure				
Managing environmental (including biodiversity and land rehabilitation) and social considerations of mine closure.	Both	Continued engagement with stakeholders on closure planning, including social aspects (such as ownership and use of land, resources and infrastructure) throughout the life cycle, and stakeholders' concerns and interests relating to post-mining transitions. Progressed environmental research studies related to closure planning, including studies on long-term management of water and waste rock at Gosowong, updating Telfer's mine closure plan, undertaking a mine closure risk assessment to guide future updates to Lihir's closure plan, and reviewing Cadia's closure costs.	   	<p>Principle 7: Contribute to the conservation of biodiversity and integrated approaches to land-use planning.</p> <p>Principle 10: Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.</p>
Human rights				
Managing and protecting the human rights of Newcrest's workers, local communities and other stakeholders	Both	Commenced a Human Rights Assurance Review Program to appraise procedures and operations at both Newcrest corporate functions and managed sites, with performance results tracked and reported annually.	     	<p>Principle 3: Respect human rights and the interests, cultures, customs and values of employees and communities affected by our activities.</p>
Operational disruption				
Driving growth through expansion of operational sites and exploration activities. Managing the impacts of disruptions to our operations due to operational failure and/or natural events.	Inside	We are strengthening our approach to Material Risk Management by having the right people in place, ensuring an effective risk framework, knowing our material risks and doing what we say we will including the implementation of effective controls.	     	<p>Principle 4: Implement effective risk-management strategies and systems based on sound science and which account for stakeholder perceptions of risks.</p> <p>Principle 10 Proactively engage key stakeholders on sustainable development challenges and opportunities in an open and transparent manner. Effectively report and independently verify progress and performance.</p>
Climate Change				
Newcrest's approach to climate change mitigation and adaptation, and the implications for its operations.	Both	Developed and released Climate Change Statement. Committed to further work to better understand and reduce our greenhouse gas emissions, including the use of renewable power generation and low emission technologies. Endorsed industry association statements on climate change.	    	<p>Principle 6: Pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change.</p>

Our position on climate change

Subsequent to the reporting period on 4 September 2018, Newcrest released a climate change statement outlining its approach. Stakeholders are increasingly seeking our views on how climate has the potential to impact our business. We are taking action to manage our climate change risks and opportunities, consistent with our objective to sustainably deliver superior returns to our stakeholders. Newcrest reports on its energy use and emissions, and continues to obtain voluntary assurance against the National Greenhouse Energy Reporting Scheme.

Our industry associations, including the International Council on Mining and Metals (ICMM), World Gold Council (WGC) and Minerals Council of Australia (MCA), have statements on climate change which Newcrest endorses. Newcrest participates in industry association discussions on climate and closely monitors climate change policy developments through our associations.

Our climate change statement notes that we are assessing the Taskforce on Climate-related Financial Disclosure guidelines for reporting climate change risks and opportunities.

Our climate change statement is available on our website.



CLIMATE CHANGE STATEMENT

Newcrest is committed to the sustainable discovery, development and production of gold and copper. As a responsible miner we must identify, assess and report our responses to climate change challenges. As an energy-intensive business, we are seeking options to increase energy efficiency and to transition to a lower carbon future.

We acknowledge climate change is one of the most significant challenges facing the world today and that mining operations contribute to global greenhouse gas emissions.

As a member of the International Council on Mining and Metals (ICMM), the World Gold Council and the Minerals Council of Australia, Newcrest endorses our industry association statements on climate change. We are also working with these associations to better understand the life-cycle greenhouse gas emissions for the gold and copper value chains, and to identify best practices in the mining and metals industry to reduce emissions, adapt to the changing climate and to contribute positively to a low carbon future.

Newcrest is taking action to appropriately manage climate change risks and opportunities, consistent with our objective to sustainably deliver superior returns to our stakeholders. We are committed to engaging with our stakeholders on climate change risks and opportunities, playing our role in the transition to a low carbon economy and contributing to adaptation plans.

The Safety and Sustainability Committee of Newcrest's Board leads our consideration of climate change risks and opportunities. An executive-led management committee is coordinating our work to respond to the ICMM action plan as well as Group policies and standards to ensure consistency across the business. We are working to increase the transparency of our climate change reporting to meet the needs of our investors, governments, communities and customers including the development of performance metrics and targets.

Our climate change performance is reported publicly primarily through our Sustainability Report. We acknowledge investors are keen to understand the potential of climate change impacts on our business. We are assessing the Taskforce on Climate-Related Financial Disclosure guidelines for reporting climate change risks and opportunities. We are building more robust measuring, reporting and verification processes across all operating sites to develop a global greenhouse gas emissions intensity target. We will publicly report our performance against this target annually.

Newcrest recognises the need to integrate climate change and energy issues into our strategic planning as we plan for portfolio growth. We are assessing approaches to apply climate scenarios and the associated future price of energy into our medium to long term analysis. Climate change will create risks and uncertainties; however we also expect to identify opportunities for Newcrest. Gold and copper have an essential role to play in the transition to a low carbon economy. Copper contributes to the global deployment of renewable energy and storage technologies, electrification of the transport sector and uptake of smart technologies. Gold in a nanoparticulate form can be used in a range of new applications to enhance low emission technologies such as fuel cells and solar photovoltaic panels.

Gold and copper mining operations are energy intensive and in the short term we expect to continue to rely heavily on fossil fuels. Significant ore must be mined and processed to produce pure gold metal. We are seeking opportunities to improve our energy efficiency to reduce direct mining costs and assessing options to use renewable power generation and low emission energy technologies to reduce our global greenhouse gas emissions intensity while improving our productivity. At our Lihir mine, we are using a geothermal resource for some of our power generation. The Lihir Geothermal Power Project was successfully registered as a UN Clean Development Mechanism project which has generated international carbon credits, providing sustainability and financial value.

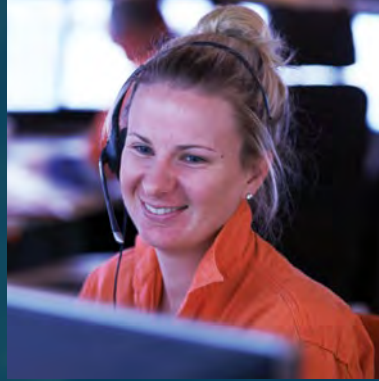
Newcrest's future energy supply options must offer a balance in energy reliability, lower emissions and cost effectiveness. Innovative mine design has the potential to reduce energy demand at site, in comparison with more traditional approaches.

Extreme weather events have the potential to impact operations. We are working with experts and research organisations to better understand physical threats from climate change at our current and planned operating sites to build resilience into our infrastructure.

We are working with our industry partners and through our industry associations to identify opportunities to constructively contribute to policy development in our host countries and share international learnings with governments. We support stable, predictable regulatory regimes to facilitate investment.

We believe that the diversity of our people will be a strength in identifying innovative solutions to climate challenges for current and new assets and we invest in the capability of our people as a key enabler to manage our approach to climate change. Our goal is to continue to build a sustainable, resilient business that will thrive.

GOVERNANCE



GOOD GOVERNANCE IS AT THE HEART OF ANY SUCCESSFUL BUSINESS AND DRIVES PERFORMANCE ACROSS NEWCREST.



We know adherence to the highest standard of corporate governance is essential to ensuring we achieve our vision. It helps us to drive growth and improvement, while protecting and maintaining our reputation with our stakeholders.

OUR LEADERSHIP

The Board of Directors and the Executive Committee determine Newcrest's strategic direction and the Board regularly reviews its appropriateness and oversees its implementation. While the Newcrest Board has ultimate accountability for our sustainability strategy, sustainable development matters are considered by the Safety and Sustainability Committee. Responsibility for sustainability is in turn entrusted to senior leaders and their teams.

The Board's performance and effectiveness is reviewed each year, as is that of its Committees and Directors, with regular improvements made to its functionality and performance. Public affairs and social performance is a standing agenda item at all regular Board meetings. As at 30 June 2018⁽¹⁾, the Newcrest Board comprised of eight Directors, including two Executive Directors: Mr Sandeep Biswas, Managing Director and Chief Executive Officer, and Mr Gerard Bond, Finance Director and Chief Financial Officer.

The remaining six Board members, including the Chairman, were Non-Executive Directors and considered independent in accordance with the Board's Director Independence Policy. Each Director's skills, experience and relevant qualifications and expertise are included in our Annual Report.

The Board Charter sets out the functions of the Board. The roles and responsibilities of each of the Board Committees are also set out in the relevant Committee 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), each of which provides a forum for detailed analysis of key issues. All Directors receive papers and minutes for all Committees and are invited to attend all Committee meetings. The Board also delegates matters to the Board Executive Committee from time to time to facilitate Board processes and decisions between scheduled Board meetings, and at short notice.

Sustainable development considerations are integrated as part of Newcrest's decision-making processes. The Safety and Sustainability Committee assists the Board by overseeing, monitoring and reviewing Newcrest's practices and governance in relation to safety, health, relationships with communities, human rights, security, environment, and sustainability, including our annual Sustainability Report.

Newcrest has policies supporting ethical business principles and practices. These include the Board's Director Independence Policy, the Director's Conflicts of Interests Policy, the Market Disclosure Policy, the Market Releases and Investor Relations Policy, the Media and External Communications Policy, and the Securities Dealing Policy.

All relevant employees undertake regular training to ensure they understand their obligations under the Market Disclosure Policy and the Securities Dealing Policy.

Newcrest's Communities, Environmental, and Safety and Health Policies enhance the sustainable development of our operations, and are supported by performance standards.

THE SAFETY AND SUSTAINABILITY COMMITTEE ASSISTS THE BOARD BY OVERSEEING, MONITORING AND REVIEWING NEWCREST'S PRACTICES AND GOVERNANCE IN SAFETY, OCCUPATIONAL HEALTH, SOCIAL PERFORMANCE, ENVIRONMENT AND SUSTAINABILITY, AND THE HUMAN RIGHTS AND SECURITY OF COMMUNITIES, EMPLOYEES AND OPERATIONS.



(1) Subsequent to the reporting period on 1 September 2018, Mr Peter Tomsett was appointed as a Non-Executive Director of the Board and member of the Safety and Sustainability Committee and Audit and Risk Committee.

Board of Directors⁽¹⁾



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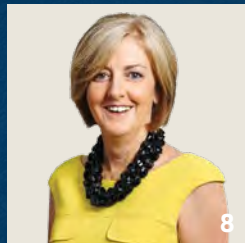
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1. PETER HAY

LLB, FAICD

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 Chair of the Nominations Committee.

2. SANDEEP BISWAS

BEng (Chem) (Hons), FAusIMM

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.

3. GERARD BOND

BComm, Graduate Diploma Applied Finance and Investment, Chartered Accountant, F Fin 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.

4. RICK LEE AM

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

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.

5. ROGER HIGGINS

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

Independent Non-Executive Director

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

6. PHILIP AIKEN AM

BEng (Chemical), Advanced Management Program (HBS)

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.

7. XIAOLING LIU

BEng (Extractive Metallurgy), PhD (Extractive Metallurgy), FTSE, GAICD, FAusIMM

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 Audit and Risk Committee and the Nominations Committee.

8. VICKI MCFADDEN

BComm, LLB

Independent Non-Executive Director

Ms McFadden was appointed to the Board in October 2016. She is Chairman of the Audit and Risk Committee and a member of the Human Resources and Remuneration Committee.

9. PETER TOMSETT

BEng (Mining) (Hons), MSc (Mineral Production Management), GAICD

Independent Non-Executive Director

Mr Tomsett was appointed to the Board in September 2018. He is a member of the Audit and Risk Committee and the Safety and Sustainability Committee.

(1) As at 1 September 2018.

Executive Committee



1. SANDEEP BISWAS

Managing Director and Chief Executive Officer

Mr Biswas 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.

2. GERARD BOND

Finance Director and Chief Financial Officer

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

3. MELANIE ALLIBON

Executive General Manager – People

Ms Allibon is responsible for Human Resources and joined Newcrest in January 2017.⁽¹⁾

4. CRAIG JETSON

Executive General Manager – Cadia and Lihir

Mr Jetson is responsible for the Cadia and Lihir operations. He also has accountability for Group Technical Services. Mr Jetson joined Newcrest in 2014.

5. CRAIG JONES

Executive General Manager – Wafi-Golpu

Mr Jones is responsible for the Wafi-Golpu project in Papua New Guinea. He joined Newcrest in 2008.

6. IAN KEMISH AM

Executive General Manager
– Public Affairs and Social Performance

Mr Kemish is responsible for government relations, social performance and media and joined Newcrest in May 2016.

7. FRANCESCA LEE

General Counsel and Company Secretary

Ms Lee is General Counsel and Company Secretary and joined Newcrest in March 2014.

8. MICHAEL NOSSAL

Chief Development Officer

Mr Nossal is responsible for Newcrest's growth and development activities, including our global exploration program and a growing portfolio of strategic partnerships, farm-in arrangements and investments across Asia Pacific, West Africa and the Americas. Mr Nossal joined Newcrest in July 2015.

9. PHILIP STEPHENSON

Executive General Manager – Gosowong, Telfer, and HSES

Mr Stephenson is responsible for the Gosowong and Telfer operations. He also has accountability for Health, Safety, Environment and Security (HSES). Mr Stephenson joined Newcrest in 2014.

(1) Subsequent to the reporting period, Ms Allibon resigned from Newcrest. As at 1 November 2018, Mr Ian Kemish (EGM – Public Affairs & Social Performance) will assume responsibility for the People function.

Risk management

Newcrest recognises that risk is inherent in our business and that effective risk management is essential to protecting value and securing our growth. We consider the risks in everything we do and work to manage them by ensuring we have safeguards in place to stop risk events from happening and by reducing the impact if they do occur.

Newcrest's Risk Management Policy, which was updated in December 2016, guides our approach to risk management. It covers the way Newcrest considers risk when establishing our strategic direction; a risk management framework describes how risk management is embedded in our business systems and processes, and ensures risk management is applied as an integral part of our decision-making at every level. Risk assessments are regularly conducted using approved criteria to determine the likelihood and seriousness of risk events and to identify potential impacts. Material Risks identified in this process are managed through the implementation of risk controls that are monitored and audited regularly for effectiveness.

The Risk Management Policy also covers crisis management and business continuity planning and the provision of effective strategies for managing risk, including insurance.

Consistent with our Risk Management Policy, Newcrest's Material Risk Program operates Company-wide and actively engages key operational and functional employees, risk owners, control owners and internal and external subject matter experts.

This program requires the business to identify potential material impacts (risks that could affect our ability to continue operating) in areas such as health and safety, environmental, social and economic. Material risk information is presented to, and discussed with, the Executive Committee, the Audit and Risk Committee, and the Safety and Sustainability Committee, to ensure active oversight and involvement in risk management is maintained at a high level within the Company.

Risk is not just managed at a corporate level; our operations are also accountable. Each Newcrest site is required to understand and actively manage their own material risks and have measures in place to prevent their occurrence, including clear management plans for each material risk.

Over the past year, Newcrest has continued to focus on improving material risk management across the Company and to further embed effective systems and tools for risk management.

This includes ensuring we make resources available to implement the Risk Management Framework; developing a material risk management procedure to be applied across the business and putting in place improved verification and review processes to ensure that controls are effective.

For day-to-day operational risks, employees and contractors receive training, education, counselling and risk control information to reduce their risk of exposure to workplace hazards and occupational illnesses or disease.

For example, three of our sites are located in malaria-endemic regions so our operations run malaria prevention programs to stop mosquitoes being infected, prevent them surviving long enough to share the infection, and prevent people being bitten by mosquitoes.

Work also continues to improve and streamline the assurance and auditing process.

GOVERNMENT RELATIONS AND GEOPOLITICAL RISK

Newcrest operates across many sites and jurisdictions and fiscal and regulatory certainty are essential to our business.

Political change or instability can affect our ability to operate, while decisions on issues such as taxation, royalties, government spending, regulation, currency valuation, trade tariffs, labour laws and the environment can have a major impact on Newcrest, the resources industry and the economy in general.

Governments and regulatory authorities are important stakeholders and Newcrest actively engages with governments in every jurisdiction in which we operate to ensure our point of view is heard and understood.

We employ people on the ground in key locations to establish and maintain government relationships, to ensure governments understand our plans and business needs, and to respond to potential and actual legislative change.

For example, in September 2017, the Western Australian (WA) Government announced plans to increase the state's gold royalties by 50 per cent without consulting the mining industry. The decision would have had a significant impact on the viability of our Telfer operations, including possible closure of the mine, the loss of 1,550 direct jobs and about four times that number of indirect jobs – a total loss of approximately AUD\$4 billion to the WA economy. It would have had a major impact on future mining investment in WA.

Over the following weeks, Newcrest joined a state-wide campaign, led by the Chamber of Minerals and Energy of WA, to advise the government about the impact of the royalty increase. Newcrest representatives raised their concerns with the WA Premier, Treasurer, relevant ministers and cross-benchers, while Telfer employees joined the Jobs First for WA campaign, appearing across media and social media platforms to point out the personal impact and ensure the full implications of the decision were understood. They wrote directly to politicians and joined colleagues from across the industry to rally on the steps of Parliament House. The government's attempt to increase the gold royalty was eventually not supported by parliament.

HOW WE'RE STRENGTHENING OUR MATERIAL RISK MANAGEMENT PROCESS

1 HAVE THE RIGHT PEOPLE IN PLACE
Risk Leads at each site and Risk Champions in each function
Risk Owners and Control Owners trained and competent

2 ENSURE AN EFFECTIVE FRAMEWORK
Risk Management Standard and procedures in place
Risk Management integrated into business systems & processes

3 KNOW OUR MATERIAL RISKS
Material Risks determined for the business on a pre-control basis
Management Plans show controls & improvement actions

4 DO WHAT WE SAY WE WILL
Controls implemented and tested for effectiveness
Reporting of residual risk and action taken to improve controls

+ **IMPROVED AND STREAMLINED ASSURANCE OVER MATERIAL RISKS**

In the past year, we have also worked closely with the Indonesian Government over a legislative change requiring our 75 per cent owned Indonesian subsidiary, PT Nusa Halmahera Minerals, to amend the Gosowong Contract of Work and divest a minimum of 26 per cent of our ownership to Indonesian parties. Our strong relationships in Indonesia meant we were able to work productively with the government to reach an outcome acceptable to all stakeholders.

In Papua New Guinea (PNG), our work continues with the PNG Government and other regulatory authorities to guide the Wafi-Golpu project through the approvals process. An updated Feasibility Study was published in March 2018, followed by the Environmental Impact Statement (EIS) in June 2018.

Newcrest also works to assess and manage geopolitical risk in jurisdictions where we explore or are looking to expand. One of our pillars is to seek profitable growth by exploring new opportunities in new areas, such as the Americas, and we have greenfield exploration projects in Mexico, the US, Argentina, Chile and Ecuador. In the past year, Newcrest continued to explore and invest in mining operations in Ecuador, and has established an office in the capital city, Quito, as part of our commitment to building relationships in the region.

FINANCIAL AND ECONOMIC SUSTAINABILITY

Newcrest's improvement in financial strength is the result of the operational discipline, energy and efforts applied by our employees and contractors and is driven by the operating performance pillar of our business strategy.

Empowering every employee to adopt an owner's mindset, Newcrest's Edge performance improvement processes allow us to implement value-adding solutions to identified opportunities. Purpose-built for Newcrest and centrally-led by the Chief Performance Officer, Edge is designed to embed a culture of innovation, high performance and continuous improvement.

Refining our Management Operating System (MOS) at Newcrest sites has been a focus area over the last year. MOS is the framework which defines the people, processes, systems and tools required to successfully deliver on our plans. An effective MOS enables proactive management by focusing on eliminating root causes of variance, enabling data-driven decision-making by tracking performance of key business drivers and our critical leading indicators.

Edge aims to identify opportunities for development and innovation to safely deliver the same or higher production outcomes, and at lower operating or capital costs. Improvement ideas are generated through a mix of formal and organic idea-generation sessions. Most Edge improvement projects are site-led and owned, with light support from the central performance team. Stand-out Edge initiatives are shared regularly through internal presentations, enabling greater understanding of successful Edge initiatives across the business while acknowledging our employees' hard work. The deep-dive presentations start at a site level within weekly site Edge meetings. Stand-out projects are recognised at executive level, providing an opportunity for initiative owners and sponsors to be acknowledged while building the reward and recognition of our people throughout the year.



During the reporting period, hundreds of operational improvements and value-generating initiatives have been implemented through Edge.

At the beginning of the reporting period, aspirational targets were set to safely stretch performance to new levels. Subject matter experts were engaged in top-down opportunity reviews and bottom-up idea generation sessions with the aim of producing developmental concepts and continuously restocking the initiative pipeline. Throughout the year, performance was compared to the aspirational target with teams closing the gap to achieve full potential.

There is a continuous focus on accelerating the implementation of improvement projects to achieve operational and financial improvements safely and quickly.

For further information on our operating performance, please refer to our 2018 Annual Report.

MITIGATING OPERATIONAL DISRUPTION

In March 2018, a limited breakthrough of tailings material was identified at the Northern Tailings embankment at our Cadia operation. The breakthrough was contained within the Southern Tailings Storage Facility, with no environmental damage observed. An area of the embankment slumped shortly after cracks were identified. The site team quickly engaged an independent geotechnical consultant to assist Newcrest's geotechnical engineers at Cadia with an inspection and preliminary assessment of the embankment. The New South Wales (NSW) regulators were immediately notified and local landholders and residents were actively engaged.

As a precaution, we immediately stopped depositing tailings into both dams, and progressively suspended all mining and processing operations at Cadia to allow site management to focus on the evaluation of the event and remediation plans.

By late March, mining progressively commenced at Cadia East pursuant to a predefined test and response program. In addition and following a detailed assessment and independent review of the Southern Tailings Storage Facility, we began deposition in the Southern Tailings Storage Facility on 3 April 2018. Real-time radar monitoring equipment was introduced, scanning the length of the wall for ground movement every 30 minutes, coupled with daily physical geotechnical inspections and regular drone surveys to verify the integrity of the wall.

We continued to evaluate the readiness of the Cadia Hill open pit as a tailings facility, confirming approval by the NSW Department of Planning and Environment on 23 April 2018. Tailings deposition into the Cadia Hill open pit began in early May following the construction and commissioning of pipeline infrastructure.

Further information on the investigation process is described in the case study on page 56.

SUPPLY CHAIN

Newcrest is committed to achieving an excellent standard of supply-chain management and performance in all our business activities. We aim 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: appropriate contracts; management of suppliers’ performance to ensure value is achieved from each relationship; and management of the inbound logistics process with suppliers, as well as storage, distribution and inventory control.

Our Supply Policy provides an overview of Newcrest’s supply chain principles, including fair treatment of suppliers and their representatives, without bias or prejudice, and open and fair competition.

Financial and non-financial criteria are considered in evaluating Newcrest’s potential suppliers. For commodity-based agreements, financial criteria, such as financial strength and company structure, are important. For service-based agreements, significant weighting is given to factors such as safety record, sustainability approach, culture, and ability to meet statutory requirements such as licences, permits and relevant standards.

Our suppliers, customers and service providers are contractually required to meet Newcrest’s policies and standards, with provisions articulating the principles and practices we expect in areas such as health and safety, social performance, and environmental management. Where required, Newcrest conducts due diligence on providers to assess their suitability.

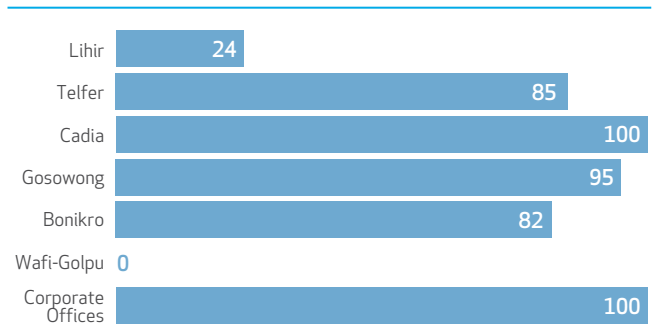
Newcrest complies with the United Nations Security Council Sanctions Check, which means suppliers and their directors are assessed prior to on-boarding.

All Newcrest’s suppliers are expected to act with integrity and to comply with Newcrest’s Human Rights Policy, Anti-Bribery and Corruption Policy and Code of Conduct. Compliance is contractually required in all our supply agreements. Potential suppliers’ safety performance, culture and human rights approaches are examined in detail as part of major tender submissions.

Where safety, quality and service can be ensured, recognition is given to local suppliers. For example, a local indigenous community company, Mata Kurlu, overcame open-market, national competition to be awarded the contract for the Telfer access road and site civil works, while a Lihir landowner company, Anitua Radial Drilling Services, was awarded a long-term services contract extension for drilling services to the Lihir mine site. In FY18, Lihir spent \$238 million on local contractors and suppliers supporting Lihir’s operations.

Risks are managed through processes such as off-site receipting, which involves checking a supplier’s goods against our order and receipting them off-site before transporting them to our Lihir, Telfer and Gosowong operations, managing relationships with critical suppliers, assessing key safety and human rights risks during the tender submission process, and proactive and continuous review of inventory levels through our SAP monitoring.

GRAPH 1
PROPORTION OF SPENDING ON LOCAL SUPPLIERS BY SITE FY18 (%)⁽¹⁾



(1) Locally-based suppliers: Providers of materials, products, and services that are based in the same geographic market (i.e. no trans-national payments to the supplier are made).

Growth



Newcrest is using its core capabilities to secure world-class growth opportunities, supporting our aspiration of exposure to five tier one orebodies by 2020.

We currently have two tier one operations in our long-life, low-cost Cadia and Lihir assets. By optimising our business, and ensuring we safely operate these assets to their full potential, we are achieving organic growth in these assets.

Wafi-Golpu, our joint venture project in Papua New Guinea (PNG), is another tier one development. Wafi-Golpu will take 10 years of Newcrest's groundbreaking block caving experience to become the first major underground mine to be developed in the Morobe Province in PNG.

During the year, we completed our \$250 million investment in Lundin Gold, and agreed to form an exploration joint venture, which together make up a partnership with Lundin Gold. This is an important step for us in pursuing profitable growth. It provides us with access to Lundin Gold's tier one Fruta del Norte gold mine in Ecuador and, we believe, will open up further opportunities in the Americas.

Other transactions during the year include buying additional shares in SolGold (we now own 13.6%) and a 19.9% placement in Almadex Minerals (now known as Azucar Minerals) to gain exposure to the El Cobre prospect in Mexico.

We aim to have a well-stocked portfolio and balanced exploration pipeline to provide us with options for future long-term growth.

EXPLORATION

Our exploration is focused on discovering the highest value tier one deposits.

We target regions where Newcrest can leverage its competitive strengths, including:

- Ability to mine and process a diverse range of gold and gold-copper deposits;
- Expertise in exploration for porphyry and epithermal gold-rich deposits;
- Exploration innovation; and
- Collaboration with external parties.

Our exploration is positioned in three key areas; Asia-Pacific, Americas and West Africa. Newcrest is actively exploring in Australia, PNG, Indonesia, Côte D'Ivoire, the United States, Ecuador, Chile, Argentina, and in Mexico through Azucar Minerals.

ASIA-PACIFIC

Newcrest is leveraging its bulk underground capability in Australia to explore for deeper deposits within the known metal districts and within priority target areas under post-mineralisation cover.

Australia is regarded as a mature exploration address with all of the outcropping ore bodies found and largely mined out. Australia, however, remains largely under-explored at depths greater than 200 metres and in areas obscured by post-mineralisation cover. There is strong potential for new discoveries at depth and post mineralisation cover.

Our Exploration group is targeting the Tanami District where we have entered into six early-stage joint ventures and farm-in agreements, the Mount Isa district through 100 per cent Newcrest ground and one early-stage option agreement, the Patterson Province and the Lachlan Fold Belt.

Within Asia-Pacific, we are also active in PNG through our farm-in agreement with St Barbara on Tatau and Tabar Island, and in Indonesia through our target generation alliance with Antam.

AMERICAS

Our America strategy is to develop and test a pipeline of growth opportunities through targeting districts where we can leverage off our strengths. We are active within the Northern Andes, Southern Andes, Veracruz State Mexico and the Great Basin Nevada.

Within the Northern Andes, we are focused on Ecuador, where we have gained exposure to the Fruta del Norte and Cascabel projects through our equity investments in Lundin Gold and SolGold, and also acquired our own tenements.

We have three active early-stage farm-in projects in Argentina and Chile. Our exploration target is high sulphidation and intermediate epithermal gold deposits within the emerging Pedernales gold belt.

Our equity investment within Azucar Minerals has given us access to El Cobre project located in the Veracruz State, Mexico. The El Cobre project is centred on emerging porphyry district and contains a portfolio of drill-staged targets.

We have also begun exploring for low sulphidation epithermal deposits in the Great Basin, Nevada.

WEST AFRICA

The Seguela project has been the focus over the last 12 months with a maiden resource reported.

ADVANCED PROJECTS

Newcrest's most advanced greenfield project is Wafi-Golpu, in the Morobe Province of PNG, approximately 65 kilometres south-west of the city of Lae. The Wafi-Golpu project is owned by the Wafi-Golpu Joint Venture (WGJV) between subsidiaries of Newcrest and Harmony Gold Mining Company Limited.

The project 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 March 2018, Newcrest and Harmony released the findings of the updated Wafi-Golpu Feasibility Study. This study incorporates the findings from the earlier Pre-Feasibility and Feasibility Studies announced in February 2016, interpretation of the additional orebody data derived from further drilling and geotechnical studies, together with further work undertaken on mine design, hydrology, tailings and port and power options. The updated Feasibility Study draws on extensive data collection undertaken since 2016, providing a deeper understanding of the project's geotechnical, oceanographic, environmental and social parameters. This study proposes a larger (16mpta) and deeper starter block cave, with three block caves in total; a processing plant to include onsite self-generation of bulk power and associated fuel handling; and identifies Deep Sea Tailings Placement (DSTP) as the preferred method of tailings management, based on consideration of long-term safety, engineering, environmental, social, cultural heritage and economic factors.

In June 2018, WGJV submitted an Environmental Impact Statement (EIS) for the project to the relevant PNG regulatory authority, the Conservation and Environment Protection Agency (CEPA). The EIS has been prepared as the statutory basis for the environmental, social and cultural heritage assessment of the project under the Environment Act 2000. The objective of the EIS is to identify potential environmental, social and cultural heritage impacts associated with the project and to set out the management measures WGJV proposes to address potential adverse impacts. CEPA has commenced its assessment of the EIS and is undertaking public consultations, as required by PNG law. With the permission of CEPA, the EIS has been made available by WGJV on its website at www.wafigolpujv.com/eis. Once CEPA has completed its public consultation process, the PNG Government will decide whether to grant an Environment Permit for the project in accordance with the PNG Environment Act 2000 and, if so, under what conditions.

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



**WE TARGET REGIONS
WHERE NEWCREST CAN
LEVERAGE ITS COMPETITIVE
STRENGTHS, INCLUDING
OUR ABILITY TO MINE
AND PROCESS DIVERSE
ASSETS, USING OUR
EXPERTISE AND INNOVATION
IN EXPLORATION, AND
COLLABORATING WITH
EXTERNAL PARTIES.**

Ethics, transparency and disclosure

Newcrest engages with governments and communities in the areas in which we operate, working hard to achieve mutually agreeable outcomes through constructive and respectful engagement.

Our engagement spans economic, environmental and social responsibility and we work with our stakeholders to increase their awareness of the many ways we invest and build capacity in communities.

We actively engage with government and other stakeholders on policy and reforms, both directly and indirectly, through industry groups such as the Minerals Council of Australia (MCA) and the PNG Chamber of Mines and Petroleum.

Newcrest commissions targeted baseline research throughout mine development and planning to help build an understanding of the national, regional and local stakeholders, their politics, history, culture and challenges. The studies, combined with extensive consultation, help us to understand community expectations and concerns ensuring our social policies are relevant to each local community.

Newcrest maintains a presence in each relevant jurisdiction to enable regular dialogue with government and other key stakeholders. This allows us to identify and address concerns as they arise.

CODE OF CONDUCT

Newcrest's Code of Conduct reflects the values underpinning all of Newcrest's behaviours and our relationships with our stakeholders. We are guided by our values: 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 provides the basis for our Code of Conduct.

The Code of Conduct applies to all employees and contractors, and regular Code of Conduct training, including a two-yearly refresher, is provided. The online Code of Conduct training module is available in the languages of the communities in which we operate.

Newcrest's Code of Conduct covers the comprehensive range of policies and standards that govern the way we behave and operate.

Newcrest's Supply Policy provides an overview of our supply chain principles, including the fair treatment of suppliers and their representatives, without bias or prejudice, and open and fair competition. All Newcrest's suppliers are expected to act with integrity and in accordance with our policies and procedures, including compliance with contract terms consistent with Newcrest's Human Rights Policy and Anti-Bribery and Corruption Policy. Compliance is a contractual requirement in all our supply agreements.

ANTI-BRIBERY AND CORRUPTION

Newcrest's Code of Conduct, Anti-Bribery and Corruption Policy and related standards strictly prohibit bribery, corruption, facilitation payments, money laundering, payment of secret commissions, breach of sanction laws and exercise of improper influence. This applies to all Newcrest people and entities in all the jurisdictions in which we operate.

Our position on bribery is covered in Newcrest's Code of Conduct and Anti-Bribery and Corruption Policy, as well as our standard regarding gifts, hospitality and sponsored travel. Employees and contractors have clear obligations, which are broadly communicated in induction materials, contracts and on the Newcrest website and intranet site. Newcrest provides training to ensure these obligations are understood, including through Code of Conduct training.

All employees have access to an online register for the purpose of declaring gifts. Annual training on the Anti-Bribery and Corruption Policy is provided to roles considered 'high risk' which are predominantly located in our international operations. During FY18, 96 per cent of high risk roles at Lihir received initial or refresher training. At Gosowong, 84 per cent of high risk roles received initial or refresher anti-bribery and corruption training. In Australia, at the Cadia mine 85 per cent of high risk roles received initial or refresher anti-bribery and corruption training. In FY19, Newcrest will continue training and refresher training for all high risk roles including a focus on group and corporate roles. During the past financial year, 75 per cent of corporate high risk roles received either initial or refresher training.

Suspected policy breaches must be reported to the employee's manager, the General Counsel and Company Secretary or through the Speak Out Service, as per Newcrest's Speak Out Standard.

Our suppliers must also comply with anti-bribery and corruption laws and Newcrest completes due diligence before it acquires an interest in a third-party entity or enters into a new joint venture.

Newcrest's Anti-Bribery and Corruption portal page provides employees and contractors access to our policies about bribery and corruption, and laws prohibiting bribery.

Newcrest also has internal auditing and other processes in place to identify and investigate instances of actual or potential corruption and bribery across the business. We operate in some high-risk jurisdictions and continue to increase our scrutiny of bribery and corruption risks.

During the reporting period, Newcrest established a Group-wide Legal Governance Compliance framework to assess and monitor that adequate policies, standards and controls are in place to ensure Newcrest operates in a legal and responsible way across all its operations. Newcrest is committed to conducting business with the highest standards of lawful and ethical behaviour at all times, and the Legal Governance Compliance framework and team focus on

the following key legal risk areas: anti-bribery and corruption, fraud, sanctions, conflicts of interest, data protection/privacy, continuous disclosure, and insider trading.

REVENUE TRANSPARENCY

Newcrest seeks to act with integrity, honesty and transparency in all its business dealings. We are a supporting member of the Extractive Industries Transparency Initiative (EITI), a global coalition of governments, companies and societies working to improve openness and accountable management of revenue from natural resources.

Newcrest supports the efforts of governments of EITI member countries in which we operate to improve transparency of the flow of revenues to government and other benefits generated by the resources sector.

Newcrest reports in line with the EITI requirements in Papua New Guinea (PNG), Indonesia and Côte d'Ivoire, and engages independent auditors to assure material payments made, in line with annual and sustainability reporting requirements.

Newcrest participates in forums to improve revenue transparency and is a member of the EITI multi-stakeholder groups for Australia and PNG.

HUMAN RIGHTS

Newcrest respects the human rights of all stakeholders, including our employees, contractors and local communities, and does not tolerate human rights violations by anyone associated with our business.

Respect for human rights is embedded in our Human Rights and Security Policies, as well as the Newcrest Code of Conduct, Social Performance Standard, Security and Human Rights Standard and a specific Security Code of Conduct. Our policies and standards align with international standards, including the United Nations Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights.

In FY18, we initiated a Human Rights Assurance Review Program, with a focus on human rights that have the potential to be affected by Newcrest activities and over which Newcrest can have full or partial control, or over which it can exert influence that can affect human rights risk. Performance results will be tracked and reported. Human rights reviews were 90 per cent completed by 30 June 2018, with Cadia completing their reviews on 20 September 2018.

Newcrest regularly seeks feedback from employees on matters of mutual concern. For example, the annual Organisational Health Index Survey, which seeks confidential feedback from employees, enables us to assess organisational health, track progress in the way we work, set a clear direction, execute plans, and adapt and improve over time (refer to Organisational Culture on page 44).

FORCED, COMPULSORY OR CHILD LABOUR

Newcrest seeks fair treatment and work conditions for all employees and expects its leaders to comply with detailed policies and procedures covering remuneration, recognition and reward, benefits and conditions, diversity and inclusion, workplace behaviour, Code of Conduct, and fair treatment.

Newcrest does not engage in, or condone, forced or compulsory labour, nor knowingly engage in, or condone, child labour. We recognise the risk of exposure to child labour at international mining operations, due to lack of reliable birth data, and pressure from communities to maximise employment, which can unwittingly result in under-age employment. Our human resources teams screen applicants in line with Newcrest recruitment processes, using available records and advice from community leaders.

Newcrest also requires its suppliers to engage in conduct consistent with international human rights laws and standards.

Newcrest employees are paid above the minimum statutory wage in their country of operation.

HARASSMENT AND UNFAIR DISCRIMINATION

Newcrest's commitment to a workplace free from discrimination is underpinned by our values and our Diversity and Inclusion Policy. Our Workplace Behaviour Standard and Resolving Workplace Behaviour Complaints Procedure, coupled with our Code of Conduct, set out the behaviour expected of all employees, contractors, suppliers, consultants and visitors.

We strongly support and encourage employees to report misconduct or unethical behaviour by fostering an environment that protects those who wish to raise a concern. Employees are supported to raise concerns through our Speak Out Service, Fair Treatment Procedure and a Resolving Workplace Behaviour Complaints Procedure.

TRAINING AND GUIDANCE

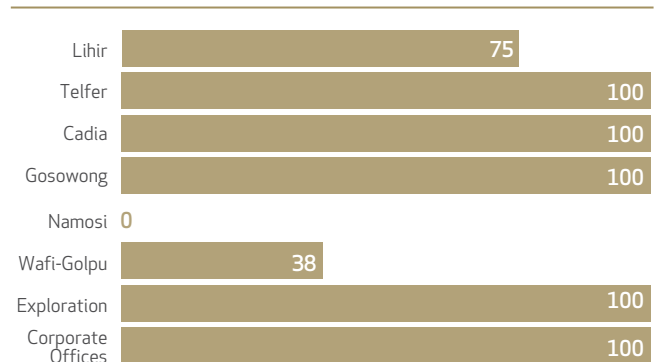
All Newcrest staff and security personnel, including contracted private security, must conform to our Human Rights and Security Policies. This includes human rights awareness and refresher training every two years, respect for the communities in which we operate, the appropriate delivery of security services, and a zero-tolerance for human rights abuse. Newcrest has memorandums of understanding in place in countries where public security, such as police or military, have or can be deployed to address security-related issues impacting on our operations.

The unavailability of security trainers in June to administer the Security Code of Conduct training to new starters prevented both Lihir and Wafi-Golpu from achieving 100 per cent of security employees being trained in the Code. In the future, the Security Code of Conduct is being launched as an online training module to resolve this issue. New security employees will undertake the training as part of their initial on-boarding induction. The Learning Management System (LMS) will then manage ongoing refresher training for security employees to ensure that the 100 per cent annual target is achieved.

During the reporting period, Human Rights training was also provided to a total of 416 Indonesian police deployed to and rotated through the Gosowong operation. During the final stage of a long-term, planned downsizing of the workforce (that included changes to security personnel), protests and threats of industrial disruptions were raised. The six-month deployment of additional police allowed operations to continue, while providing a stable environment for the continued dialogue with the affected employees.

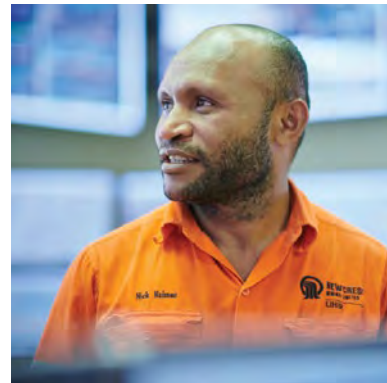
The Newcrest Social Performance Standards require all operations to provide a fit-for-purpose description of local culture, social context, sensitivities, risks and expected behaviours in their employee, contractor and visitor inductions. All sites are required to work with local communities under national and local laws to protect and manage cultural heritage in the areas of their activities. Operations must also develop a Cultural Heritage Management Plan designed by a suitably-experienced cultural heritage professional and approved by the General Manager – Social Performance. These plans inform our internal training programs.

GRAPH 2
DIRECTLY EMPLOYED SECURITY PERSONNEL TRAINED IN HUMAN RIGHTS POLICIES OR PROCEDURES FY18 (%)





SAFETY AND HEALTH



Caring about people is one of our values and their health and safety is at the forefront of everything we do. The most important measure of our success is for all our people to go home safe and healthy every day.

SAFETY MANAGEMENT

The past 12 months have shown a significant improvement in our safety performance.

There were no fatalities at Newcrest again for this reporting period and the total recordable injury frequency rate (TRIFR) saw a positive reduction of 28 per cent, with no life-changing injuries.

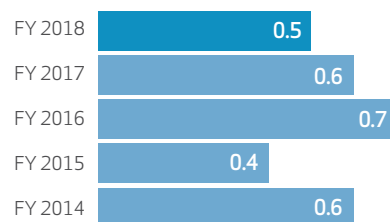
Our continued long-term commitment to our Safety Transformation Plan is the catalyst for this continued improvement in performance. The plan focuses on three key pillars:

- A strong safety culture through NewSafe;
- Critical Control Management; and
- Robust Process Safety management.

These three pillars are supported by the right systems and tools to enable risk-based decision-making and empower our people to take the action they need to work safely.

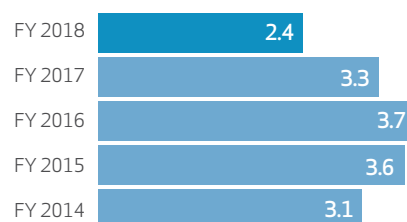
GRAPH 3

NEWCREST LTIFR FY14-FY18 PER MILLION HOURS WORKED (#)



GRAPH 4

NEWCREST TRIFR FY14-FY18 PER MILLION HOURS WORKED (#)





Our first pillar is focused on building a strong safety culture, through NewSafe. The three focus areas are:

1. NewSafe Leadership to build safety leadership at all levels;
2. NewSafe Coaching for frontline supervisors; and
3. NewSafe Behaviours, with employees choosing their own set of vital safety behaviours and formulating their own plan to enable and motivate these behaviours.

These three elements work together as a cultural program to foster a supportive environment where every employee and contractor is empowered as a safety leader and works collaboratively toward improved safety performance.

During the year, we completed embedding the NewSafe Leadership program across all areas of the business, with refresher training for those who completed the program early in the rollout also now underway. The rollout of NewSafe Coaching was completed at Lihir and they commenced implementation of their NewSafe Behaviours. Gosowong has completed a third cohort of NewSafe Coaching and are almost complete with NewSafe Behaviours. Cadia and Telfer continue to progress all elements of the program.

The second pillar of our Safety Transformation Plan is ensuring critical controls are in place for all high-risk tasks. During the reporting period, we continued a strong focus on embedding the Critical Control Management (CCM) system into the way we operate day-to-day, to ensure that the most important, life-saving controls are known, in place and working.

OUR CCM SYSTEM COMPRISES THREE LEVELS OF VERIFICATION:

1. System Verifications (SVs) conducted by senior leaders to verify the robustness of our management systems;
2. Field Critical Control Checks (FCCCs) conducted by front-line supervisors to verify that critical controls are effective in the field; and
3. Operator Critical Control Checks (OCCCs) conducted on every high-risk task to ensure the correct controls are in place and effective prior to and during work.



Approximately 35 System Verifications (SVs) and over 4,000 Field Critical Control Checks (FCCCs) are planned and conducted every week. A mobile app to undertake Critical Control Management (CCM) checks is in use at all sites to improve the ease of use and effectiveness of the system. As all layers of verification have been embedded and target numbers of verifications are consistently achieved, the focus now turns to improving the system and the overall quality of field verifications.

As our first and second pillars progress in their implementation across our sites, they are increasingly complementing each other in day-to-day activities, strengthening our position on our safety journey.

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 is based on a technical, engineering-focused approach with regular review of risks and controls at all sites and the adoption of robust engineering standards and controls across our operations.

All sites have undertaken process safety audits, with improvement plans in place and being addressed. Lihir has recognised its unique process safety requirements and has sourced additional expertise to join the site team and provide a high level of focus and rigour.

OUR SAFETY AND HEALTH FOCUS

Our three-year strategy for health and safety focuses on:

- Developing inspirational safety and sustainability leaders;
- Application of the Newcrest Risk Management Framework to identify and manage Health, Safety and Environment (HSE) risks;
- Defining and promoting the hygiene, health and welfare of our people;
- Becoming a learning organisation through investigation, analysis and knowledge sharing;
- Application of technology to support HSE solutions;
- Embedding the HSE Management system through simple, concise and effective processes;
- Sustained compliance with all commitments; and
- Continuously developing and realising the potential of all our people.

NEWCREST CONTINUES TO MONITOR NEW AND EMERGING ISSUES IN OCCUPATIONAL HEALTH AND HYGIENE, AND CHANGES IN REGULATORY ENVIRONMENTS, SO WE CAN IDENTIFY MITIGATION STRATEGIES OR RESPONSES AS REQUIRED.

HEALTH AND HYGIENE

Newcrest continued to introduce and offer programs with a focus on maintaining and improving workforce health across all sites over the past year. These include programs to monitor and control potential occupational exposures, such as diesel particulate matter (DPM), and Fitness for Work and wellness programs, covering issues such as fatigue management and health and wellbeing (including mental health).

Cadia, Lihir, Gosowong and Telfer completed ongoing occupational hygiene exposure assessments, with sites using data from the hygiene exposure assessments to identify the top three exposure risks for each site and to begin developing exposure-control programs to manage those risks. The new data is also being used to develop risk-based occupational health surveillance and medical-assessment programs, in consultation with occupational health physicians.

Use of the occupational health and hygiene database Cority (formally Medgate) is enabling enhanced reporting and communication of exposure risks and trends within the organisation, while improving data security.

Newcrest continues to monitor new and emerging issues in occupational health and hygiene, and changes in regulatory environments, so we can identify mitigation strategies or responses where required.

To reduce the risk of fatigue-related workplace incidents, operational sites have developed and begun implementing fatigue management plans based on the recommendations of fatigue assessments conducted by an external fatigue specialist in FY17.

These fatigue management plans focus on areas such as work design, including shift rostering and camp facilities, as well as lifestyle and health factors that may cause workplace fatigue. Fatigue awareness training for workers, supervisors and managers is a key component of the fatigue management plans. Newcrest has developed tailored fatigue awareness training in consultation with an external fatigue specialist, including translation into indigenous languages, tailored content to suit local cultures, and training for relevant Newcrest employees who will deliver the fatigue awareness training.

Several of our sites have implemented wellbeing programs designed to help employees and business partners to maintain and improve their physical and mental health.

In collaboration with a specialist external provider, Lihir developed a wellbeing program that initially focused on the physical health and wellness of employees and business partners, and has now shifted its focus to mental wellness, providing site-based counsellors and psychological support (see case study on page 38).

Telfer has partnered with an external specialist provider to develop a one-day mental health workshop designed to address issues relating to working in a fly-in-fly-out environment. The workshop includes a participant self-assessment. Feedback from employees who have completed the workshop has been positive.





**WELLNESS PROGRAM
HELPS EMPLOYEES TO
IMPROVE THEIR PHYSICAL
AND MENTAL HEALTH.**

CASE STUDY

HEALTHY BUSINESS SUPPORTS WELLBEING AT LIHIR

Thousands of employees and business partners at our Lihir operations have benefited from the Healthy Business program, which was introduced in 2016.

Developed in partnership with HBP Group, Healthy Business helps people to improve their physical health and wellness by identifying potential health issues such as obesity, high blood sugar or high cholesterol levels.

More than 6,200 people have registered with the program since it launched with nearly 6,000 people seen for consultations.

Along with health promotion and nutritional and lifestyle initiatives to improve employee health, Healthy Business includes a musculoskeletal and injury management program to reduce musculoskeletal dysfunction, and a customised fatigue management program being rolled out across the site by expatriate and Papua New Guinean (PNG) national trainers.

Once the physical wellness program was established, the program shifted its focus to mental wellness and the Healthy Business team now includes two counsellors who provide site-based counselling, and a specialist psychologist available on site eight to 10 days a month. The team also has program managers, team leaders, health extension officers, physiotherapists and a recreation officer.

Healthy Business has been embraced by the Lihir community with 3,165 people attending 6,909 face-to-face consultations in the five months from 1 January to 31 May 2018.

Of these, 2,049 people consulted on food nutritional issues; 1,265 people consulted on blood glucose/diabetes issues; 465 consulted for high cholesterol; 412 consulted for blood pressure and 225 were seen for injuries or musculoskeletal issues.

In the same period, 223 people attended counselling, with family issues, personal health, stress and financial issues identified as the primary reason. Many individuals were rated as having moderate to high levels of anxiety, depression or stress.

This year Healthy Business will continue its focus on the social and mental health program, while increasing its involvement in activities supporting Lihir's Trupla Man Trupla Meri anti-violence and behavioural change program.

Counselling and psychological support will be extended to nominated fly-in-fly-out workers and their families and the program's psychologist will oversee the rollout of a Mental Health First Aid course, and the education of site leaders and managers in mental health support.

Successful initiatives, such as the women's support group and well-used gymnasium, where team members are available to provide professional advice and exercise rehabilitation, also will continue.



**INNOVATIVE TECHNOLOGY
ENABLES OPERATORS TO
DETECT REAL-TIME RISKS TO
HELP PREVENT COLLISIONS
AND CRITICAL INCIDENTS.**

CASE STUDY

PROXIMITY DETECTION SYSTEMS IMPROVE SAFETY AT MINE SITES

Proximity detection technology is being rolled out across the Company following incidents involving collisions or near misses between vehicles and other vehicles, vehicles and pedestrians, and vehicles and infrastructure at our operations.

As an example, Newcrest has deployed fit-for-purpose proximity detection technology to all vehicles and personnel on foot in the Telfer open pit as part of the roll-out of new technology to improve safety and reduce the incidence of collisions and vehicle rollovers.

The technology provides equipment operators with real-time awareness, including audible tones, voice prompts and visualisations, so they can determine with accuracy their proximity to people, other equipment or infrastructure, and can react accordingly.

As well as increasing safety, the technology reduces the cost of lost production and equipment damage caused by collisions and rollovers, and brings Newcrest into line with other major mining groups using the technology.

Supported by Newcrest's Executive Committee, a working group comprising representatives from Group Safety, Technology & Innovation, Group Supply, and key stakeholders from each of our sites, developed a strategy to deploy the technology and identified solutions suitable for use in surface and underground mining, supplied by GE Mining and Newtrax Mineprox, respectively.

Since the GE Mining collision avoidance system (CAS) was fitted to equipment in the Telfer open pit 12 months ago, vehicle-to-vehicle collisions have reduced by 33 per cent. The same system is due to go live at Lihir in November 2018.

Cadia surface operations has awarded a contract to GE Mining to roll out CAS on their surface fleet, with the technology expected to become fully operational in January 2019.

Telfer and Gosowong underground operations have awarded contracts to Newtrax to deploy Mineprox on their mobile mining fleets. Contractor mobilisation at Telfer commenced in September 2018.

Given the anticipated automation and tele-remote system program of works at Cadia, the business has adjusted the criteria for its proximity detection solution and is expected to award a contract soon.



CASE STUDY

NEXTGEN STEPS UP LEADERSHIP IN SAFETY TRANSFORMATION

The roll-out of NewSafe continues across our sites as Newcrest works towards its safety vision of everybody going home safe and healthy every day.

NewSafe is the first pillar of Newcrest's Company-wide Safety Transformation Plan, which focuses on three pillars: a strong safety culture, critical controls for high-risk tasks, and robust process safety management.

NewSafe NextGen builds on the material covered in the original NewSafe Leadership course, which around 95 per cent of our employees have completed. For some of these people, it's more than two years since their original training. NewSafe NextGen provides a refresher on the material covered in the original training.

NewSafe NextGen was developed from feedback, information and data gathered during the successful implementation of the original NewSafe process. Over 50 line managers, superintendents and opinion leaders represented the three core areas of NewSafe Leadership, Coaching and Behaviours at developmental brain-storm sessions. NextGen reinforces key messages around safety leadership while continuing to equip people with the skills, knowledge and abilities to identify, speak up and address less safe behaviours and conditions. It also includes a significant site-specific component and provides a powerful and personal experience.

All sites will begin rolling out NewSafe NextGen by October 2018.

During the year, NewSafe workshops for Exploration were conducted simultaneously in English and Spanish, which was a first for NewSafe. This advance means that we are now ready to deliver our flagship program to our exploration teams in South America, on demand.

Teams working at the Wafi-Golpu Joint Venture (WGJV) were also introduced to our safety transformation during the first round of 'WafiSafe' leadership workshops held in Lae and at the Wafi-Golpu site. WafiSafe is designed to build a strong safety culture and is closely-related to NewSafe. The ongoing safety program includes coaching and mentoring to help participants to become better safety leaders.

Leaders from Newcrest's Business Development team attended a NewSafe Behaviours workshop in December 2017 to discuss and define NewSafe behaviours specific to Exploration, which centres on the geographic regions of Australia-Asia-Pacific, Africa and the Americas. Leaders representing each of the three regions spent two days developing NewSafe behaviours for their teams, which they believe will significantly lower the risk of serious injury and improve safety performance.

Newcrest introduced the Safety Transformation Plan three years ago and it is now embedded into the way we do business.

LEADERS TAKE PART IN TRAINING AND WORKSHOPS AS OUR SAFETY CULTURE PROGRAM ROLLS OUT ACROSS THE COMPANY.

NEWCREST IS WORKING WITH PARTNERS TO HELP TRAIN NURSES AND MIDWIVES TO IMPROVE MATERNAL AND CHILD HEALTH IN PNG.

CASE STUDY

NEWCREST SUPPORT BUILDS HEALTH CAPACITY IN PAPUA NEW GUINEA



A high number of mothers and babies in Papua New Guinea (PNG) die during childbirth, often because women give birth at home with no skilled birth attendant present.

Newcrest is strongly committed to helping build health service capacity in PNG through partnerships to provide training for nurses, midwives and community health workers.

Three PNG nurses have already upgraded their skills with midwifery qualifications through a partnership between Newcrest and the Australian Government. This is sponsored by Newcrest through the Australia Awards-PNG program.

Jennifer Kaitonpe, Julian Paraide and Maristella Gabriel (pictured) graduated with midwifery qualifications from St Mary's School of Nursing in Kokopo, and the three registered nurses plan to immediately make a difference to maternal health care in their communities with their newly-acquired skills.

A further 16 trainees are studying midwifery and nursing in 2018 thanks to scholarships provided through the Newcrest-Australia Awards. The 16 recipients, from New Ireland and Morobe Provinces, are studying in Madang, Kokopo, Port Moresby and Lae.

Through a separate partnership with the New Ireland Provincial Health Authority and the Kavieng Provincial Hospital in New Ireland Province, Newcrest has also supported community health workers to achieve Certificates in Advanced Maternity Care Skills from the Kavieng Provincial Hospital.

Community health workers play a critical role in the PNG health system and are the first point of contact and assistance for villagers in remote areas of the provinces, who may live many hours from the nearest hospital.

The Upskilling Training Program sponsored by Newcrest means these graduates now have the skills to assist pregnant mothers and their babies to ensure New Ireland children have a safe start to their lives.

These initiatives help boost education and health capacity in PNG, while promoting equal opportunities and empowering women and girls well beyond the boundaries of our operations, delivering benefits to the wider PNG community.



OUR PEOPLE



We continue to pursue our vision of highly capable and engaged people and teams aligned to deliver outperformance.

HIGHLY CAPABLE AND ENGAGED PEOPLE

During FY18 we have fully implemented a consistent Learning Management System (LMS) called MyLearning across our Australian sites and offices and have commenced planning for its implementation at Lihir.

FY18 also saw the launch of two new leadership development efforts that will help our leaders live our values and advance our priority management practices. (For more on MyLearning and our development efforts, refer to Developing Our People on this page).

To help create a workplace where everyone feels comfortable bringing their 'whole, unique self' to work, we broadened our diversity and inclusion approach to acknowledge individual, cultural and religious differences and local customs.

In support of our growth strategy, we conducted deep-dive assessments of our core capabilities in the areas of caving, asset management, technology and innovation, exploration, geology, and processing. These assessments evaluated our strengths and allowed us to identify where we need further investment in developing our people.

RECRUITMENT AND RETENTION

Attracting and retaining the right people is a critical focus for Newcrest. Our philosophy is to ensure our hiring decisions and promotions are merit-based and align with our responsibility to have a workforce that best represents the communities in which we operate while delivering on business requirements.

We work to support and accelerate our talent progression to ensure our people have long, fulfilling and successful careers at Newcrest. To create

an environment where our people see career opportunities at Newcrest, we aim to fill vacancies with internal candidates where possible. In FY18, we filled 36 per cent of our management and professional vacancies with internal candidates, which compares favourably with the overall rate of 28 per cent across all industries in Australia.

In FY18, we filled 422 Australian and expatriate positions, 300 Papua New Guinean (PNG) nationals at Lihir and 13 Indonesian nationals at Gosowong. At the end of FY18, we employed 21.1 per cent females in management and professional roles in our Australian sites.

Key to ensuring we have the right people in the right roles is our focus on high-potential talent. We accelerate the development and careers of our high-potential talent by offering them robust mentoring programs, prioritising them for our new leadership development programs, and providing suitable leadership experiences.

DEVELOPING OUR PEOPLE

Newcrest's values provide a solid basis for leading the Company. In FY18, we launched LeadingMatters – a values-based experience that helps leaders identify their personal values and connect with Newcrest's values. This helps them lead themselves, their teams, and their part of the business. LeadingMatters has been launched initially with site and functional leadership teams and will cascade through the organisation. Since its pilot in January 2018, almost 100 of our most senior leaders, including the leadership teams from Cadia and Telfer, and more than half our Executive Committee, have participated in LeadingMatters. Rollout will continue in FY19 with leadership teams from Telfer and Gosowong and further cascades to superintendents at all sites and to additional leaders in Melbourne.

We also launched a second program, ManagingMatters, which provides targeted skills such as delegation, giving and receiving feedback, and coaching others. ManagingMatters helps people leaders advance Newcrest's priority management practices as identified in our annual Organisational Health survey (refer to Organisational Culture on page 44).

The rollout of ManagingMatters commenced with site supervisors and cascades upwards to include superintendents and managers where needed. Launched in September 2017 at Lihir, over 300 participants have attended ManagingMatters at Cadia, Lihir, and at our corporate offices. ManagingMatters is scheduled to be launched at Telfer and Gosowong in early FY19 and rollouts will continue at all sites. Both LeadingMatters and ManagingMatters will be supported with coaching which will be launched in FY19.

In FY18, we began to take full advantage of our online Learning Management System (LMS) called MyLearning. MyLearning is now fully implemented at Cadia, Telfer, and at our Melbourne office. MyLearning provides users with a catalogue of learning opportunities organised into categories such as safety, health and environment, technical skills, leadership skills, business skills and professional development.

MyLearning is used to ensure required training, such as any compliance training, for example, bribery and corruption, or role-specific training, for example, operating an elevated work platform, is completed in a timely manner. MyLearning will be deployed at Lihir over the next 18 months and Lihir will continue to use their own site-based system to manage training requirements until then.

MyLearning also provides a platform to deliver online training. Over the course of FY18, online inductions were initiated at Cadia, Telfer and in the Melbourne office, helping us ensure all employees and contractors were properly inducted before commencing work.

As in previous years, NewSafe remains an area of focus and in FY18 a second level of NewSafe that we call 'NextGen' is being rolled out (refer to case study on page 40).

GRAPH 5
PROPORTION OF SENIOR MANAGEMENT FROM LOCAL COMMUNITY BY SITE FY18 (%)⁽¹⁾



(1) Definitions of 'senior managers':

- Level 3.1 and above

Definitions of 'local communities':

- Corporate: Australian citizens/permanent residents.
- Lihir: Papua New Guinea nationals.
- Gosowong: Citizens that have Maluku Utara identification.
- Bonikro: Côte d'Ivoire national employees.
- Telfer: Australian citizens/permanent residents.
- Cadia: Australian citizens/permanent residents.
- Namosi: Fiji national employees.



ORGANISATIONAL CULTURE

Positive organisational culture is critical for performance and sustainable outcomes and in FY18, we continued to measure our culture through our annual Organisational Health survey. This survey is used by many firms representing different industries, enabling us to benchmark ourselves against other organisations.

Newcrest improved in eight of the nine crucial outcomes, including achieving top-quartile results, when compared to other benchmarked organisations, in the outcomes of accountability, coordination and control, and innovation and learning. We also showed significant improvement in the outcome that measures the quality of the Company's vision and strategy. We also showed a strength in our people leaders generating bottom-up innovation, where we achieved a top 10 per cent ranking, and in demonstrating operational discipline.

Overall, our organisational health increased two points to 71, which represents our fifth consecutive annual increase. This score has us remaining second quartile when compared to other benchmarked companies.

We are particularly proud that both our Australian sites, Cadia and Telfer, showed significant improvement compared to last year and three sites, Cadia, Gosowong and corporate office, scored in the top quartile.

To continue our push to be a top-quartile company in terms of organisational health, Newcrest will increase our focus on:

- Ensuring employees are given career development opportunities and that their managers are helping them plan a career at Newcrest;
- Continuing to provide more development opportunities, including those beyond traditional training such as coaching and mentoring, and to focus on the development of our high-potential employees; and
- Involving employees in setting company direction and aligning their personal goals with Newcrest's goals.

DIVERSITY AND INCLUSION

We aim to create a diverse and inclusive environment where everyone feels safe, valued and supported to bring their whole unique self to work.

The compelling case for diversity and inclusion informs us that organisations with diverse and inclusive cultures are twice as likely to meet or exceed financial targets, three times as likely to be high performing, six times as likely to be innovative and agile, and are safer work environments.

Our people reflect the communities in which we operate; our different backgrounds, distinct experiences and attributes help our business achieve more.

We know having a diverse and inclusive work environment goes beyond gender and local representation – it is about having a culture that values and respects differences. This includes differences in background and life experience, communication styles, interpersonal skills, education, functional expertise and problem-solving styles.

These differences help us find better ways to solve problems; attract and retain the best people; and to explore, develop and produce more gold safely and profitably.

Newcrest's Diversity and Inclusion Policy outlines the ways we aim to support a diverse and inclusive workplace by embracing diversity in recruitment and retention, through leadership development programs that create inclusive leaders and improve the diversity pipeline, and flexible work practices. It also ensures we comply with legislation and support diversity in local communities through preferential employment opportunities and the use of local suppliers, where possible, to build business capabilities and stimulate local and regional economies.

This business case is a convincing one and supports Newcrest's first public Diversity and Inclusion Strategy, with new targets taking us through to FY21:

- Increase the Australian representation of women in all levels to a minimum of 20 per cent;
- Increase the Australian representation of women in management and professional roles to a minimum of 22 per cent;
- Gain baseline data understanding of Aboriginal/Torres Strait Islander employees (FY19), introduce targets (FY20) to be delivered (FY21 onwards);
- Increase the global representation of women in all levels to a minimum of 15 per cent; and
- Increase the representation of locals and/or nationals in management and professional roles to 80 per cent.

ORGANISATIONS WITH DIVERSE AND INCLUSIVE CULTURES ARE:

X2

TWICE AS LIKELY TO MEET OR EXCEED FINANCIAL TARGETS⁽¹⁾



X3

THREE TIMES AS LIKELY TO BE HIGH PERFORMING⁽¹⁾



X6

SIX TIMES AS LIKELY TO BE INNOVATIVE AND AGILE⁽¹⁾



AND ARE SAFER WORK ENVIRONMENTS⁽²⁾



(1) Deloitte Review, 2018

(2) McKinsey & Company, 2017

Our wider focus reflects our maturity as we are able to extend our commitments. It is particularly important for us to shift the discussion at Newcrest to this broader strategic focus so that all employees feel that they can and will benefit from diversity and inclusion. Our targets reinforce that diversity and inclusion is about everyone feeling safe and supported to contribute their best selves to our workplace.

“The more we set ourselves up to embrace our different backgrounds, distinct experiences and attributes, the more we will be able to achieve as a business. A strong approach to diversity and inclusion is the right thing to do, but also makes good business sense,” said Sandeep Biswas, Managing Director and Chief Executive Officer.

The following two measures were set in 2015 for the period ending 31 December 2017:

INCREASE THE REPRESENTATION OF WOMEN IN MANAGEMENT LEVELS 2-4 TO AT LEAST 18 PER CENT BY 31 DECEMBER 2017



There has been excellent progress in this area and as at 31 December 2017 women represented 20.7 per cent of management levels 2-4 in Australia



As at 30 June 2018, women accounted for 21.1 per cent in management levels 2-4 in Australia

A MINIMUM OF 50 PER CENT OF WOMEN IN SENIOR MANAGEMENT AND PROFESSIONAL ROLES (LEVEL 3 AND 4) TO HAVE COMPLETED, OR BE PARTICIPATING IN, A LEADERSHIP DEVELOPMENT PROGRAM⁽¹⁾ AS AT 31 DECEMBER 2017



As of 31 December 2017, 60.9 per cent of females in senior professional and management roles had completed, or were participating in leadership development

This year, we were proud to complete another Newcrest first, concluding a Gender Remuneration Review to identify and analyse any pay gap discrepancies between genders in ‘like-for-like’ roles. The analysis proved to be a positive and insightful exercise, and confirmed that Newcrest sets remuneration objectively and without procedural biases that can drive gender pay differences.

The review could not identify any systemic remuneration gaps between genders that are not simply explained by the types of roles occupied by males and females.

Across Newcrest, we continue to focus on the relatively low representation of women in technical and operational roles in comparison to males. When this is combined with low representation of men in support and administration roles, pay gaps arise. These gendered role perceptions require sustained cultural, social and behavioural change, which we aim to address through our Diversity and Inclusion Strategy, embedding actions such as:

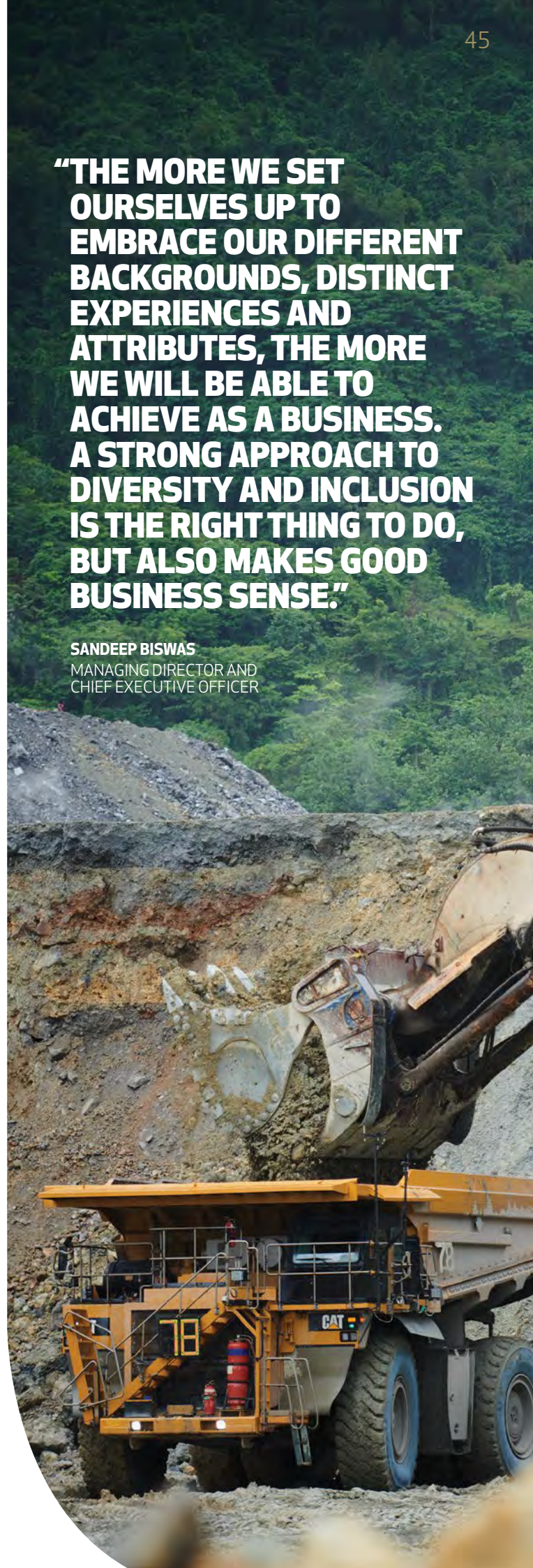
- Continued attention on improved education to reduce unconscious bias; and
- Communication regarding the benefits of diverse workforces.

The Gender Remuneration Review is an example of an important initiative that Newcrest conducted to ensure we are progressing in the right direction for creating a diverse and inclusive work environment.

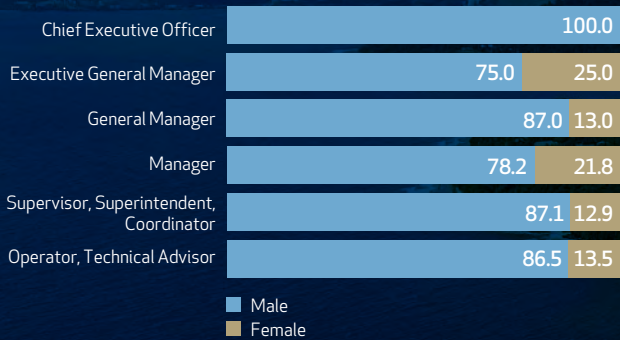
(1) We defined this as formal leadership development training, mentoring/coaching or leadership role /stretch assignment.

“THE MORE WE SET OURSELVES UP TO EMBRACE OUR DIFFERENT BACKGROUNDS, DISTINCT EXPERIENCES AND ATTRIBUTES, THE MORE WE WILL BE ABLE TO ACHIEVE AS A BUSINESS. A STRONG APPROACH TO DIVERSITY AND INCLUSION IS THE RIGHT THING TO DO, BUT ALSO MAKES GOOD BUSINESS SENSE.”

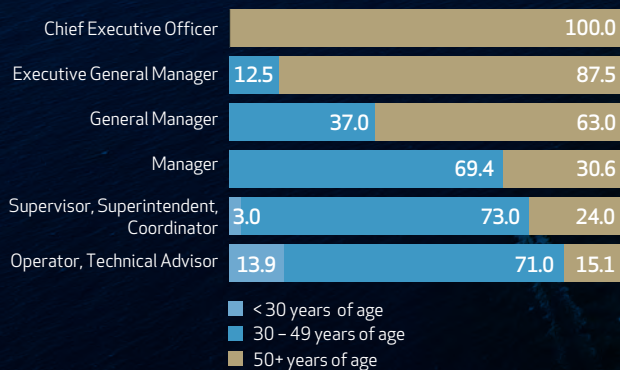
SANDEEP BISWAS
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER



GRAPH 6
EMPLOYMENT RATIO BY GENDER BY EMPLOYMENT LEVEL FY18 (%)



GRAPH 7
EMPLOYMENT RATIO BY AGE GROUP BY EMPLOYMENT LEVEL FY18 (%)



WE AIM TO CREATE A DIVERSE AND INCLUSIVE ENVIRONMENT WHERE EVERYONE FEELS SAFE, VALUED AND SUPPORTED TO BRING THEIR WHOLE UNIQUE SELF TO WORK.

NEWCREST'S DIVERSITY AND INCLUSION FRAMEWORK IS SUPPORTED THROUGH:

Board and Human Resources and Remuneration Committee

The Board and the Human Resources and Remuneration Committee actively lead Newcrest's diversity and inclusion agenda, in particular by reviewing measurable objectives for achieving diversity and inclusion and monitoring our progress towards achieving them.

Executive Committee

The Executive Committee discusses diversity and inclusion at regular intervals and provides guidance and input regarding the implementation of Newcrest's Diversity and Inclusion framework.

Diversity and Inclusion Policy

The Policy outlines how Newcrest seeks to create a diverse workforce and actively promotes a culture that values difference. The Policy is published on the Newcrest website and can be accessed by all employees via the internal portal. It also is displayed at all sites. Newcrest's standards and procedures are reviewed and updated annually.

Indigenous Relations Policy

The Policy provides a clear statement of Newcrest's commitment to indigenous peoples and their communities. Newcrest is committed to respecting indigenous peoples and preserving their cultures and customs in the communities in which we operate. The Policy is published on the Newcrest website and can be accessed by all employees via the internal portal. It also is displayed at all sites. Newcrest's standards and procedures are reviewed and updated annually.

Diversity and Inclusion Strategy 2018-2021

The Diversity and Inclusion Strategy, with its long-term approach, ensures Newcrest will strive to reach objectives that go beyond ad-hoc priorities, as well as broadening our focus beyond gender and local targets. It reinforces how we are creating and communicating our commitment to diversity and inclusion.

Flexible Work Practices Standard

The Standard enables employees to adopt flexible work practices to support a range of professional and personal circumstances.

Workplace Behaviour Standard

The Standard promotes a workplace inclusive and free from discrimination, harassment, bullying and victimisation. Ensuring employees understand appropriate workplace behaviour and encouraging them to speak up if they see inappropriate behaviour, supports us in building a positive and productive workplace environment.

CASE STUDY

PNG NATIONALS TAKE REINS OF MANAGING MATTERS AT LIHIR



PNG national facilitators are helping with the rollout of the ManagingMatters leadership program in PNG. Pictured are (back, left to right) Aisa Victor, Johnson Tololo, Adlyn Nagwi, David Barnett, Craig Roberts and Colleen Deakin. (Front left to right) Vikitoi Tau, Darius Muguduo, Rasawa Nindi.

Newcrest takes its responsibility to have a workforce that best represents the communities in which we operate seriously. This extends to how we develop our local workforce.

At our Lihir site in Papua New Guinea (PNG), PNG nationals are helping with the rollout of our ManagingMatters leadership program by tailoring the content to make it more culturally-relevant and delivering the workshops to ensure the material speaks to participants' experiences.

Developing national facilitators is crucial to our business' next stage of growth. ManagingMatters supports Lihir's people leaders to improve business performance through their people and is a critical piece of our overall Integrated Leadership Development framework. Building a team of talented national facilitators ensures the content is communicated with impact and in a culturally appropriate manner.

A 'Train the Trainer' session for Lihir-based PNG national facilitators was held, ensuring facilitators are equipped to deliver all Lihir ManagingMatters workshops over FY19. They expect this will cover more than 200 supervisors and another 200 superintendents.

In addition to practising the facilitation of ManagingMatters, the nationals helped to incorporate 'wantok' into the ManagingMatters content. Wantok is a practice whereby members of the same provincial area must demonstrate an obligation or preferential treatment to each other. This obligation could make it difficult to apply concepts, such as giving feedback and coaching others. With the help of the PNG nationals, wantok was integrated into the ManagingMatters content in a way that will help local supervisors when they need to give feedback or coach workmates from the same province.

The train-the-trainer experience was well-received by those who participated.

PNG nationals will continue to lead the implementation of ManagingMatters at Lihir throughout the next financial year. Their passion and skill makes the delivery relevant to local attendees, while ensuring supervisors at Lihir can continue to develop their people while strengthening a culturally relevant program through local facilitation.

CASE STUDY

TELFER EMBRACES WORK FLEXIBILITY IN JOB SHARE



Brett McFadgen, Manager – Ore Treatment, with Nadia Benavides, Metallurgist – Plant, who has a flexible work arrangement through job share role, outside the mill at Telfer.

Newcrest recognises that workplace flexibility improves employee attraction, retention and productivity, while reducing stress, improving job satisfaction and health outcomes. Flexible working arrangements also improve job performance and are a key driver for people when making decisions about their employment.

Newcrest's Diversity and Inclusion Strategy encourages support for flexible work options where possible and thinking outside the box when crafting positions and role requirements.

In FY18, Telfer filled a vacancy for a plant metallurgist role using a flexible work approach, enabling two high performing individuals to take up the opportunity.

The role was offered as a job-share position to ensure we attracted the best candidates and provided an opportunity for those unable to work full-time but still keen to continue their mining careers.

This attracted a larger pool of candidates and the role was filled by two part-time employees, working four-day-on and 10-day-off rosters as a job share.

Both successful applicants bring a wealth of experience to the team, but have different motivations for joining Newcrest.

Nadia Benavides has more than five years' experience as a metallurgist but resigned from her previous role to focus on her two young children when her husband had to transfer to Perth. This 'flex-work' role allowed Nadia to return to work, while still having time at home to support her family.

The second employee, Michelle Helm, has been working independently for the past few years, mainly on feasibility studies. She is involved in a predictive analytics graduate diploma and this new role will allow her to work on site while still having time to continue her studies.

The recruitment team received positive feedback from potential candidates regarding Newcrest's approach to workplace flexibility, with one candidate saying that even if they didn't get the job, it was great to see a mining company willing to offer a flexible role for professionals.

Two surveyors in the Open Pit team at Telfer also share a role. The two men successfully work an eight-day-on and 20-day-off roster as a job share.

The recruitment team will continue to look at flexible work options as an opportunity to attract and retain diverse talent by creating an appealing inclusive environment for all.

Enabling Nadia and Michelle to share a key technical role at Telfer demonstrates our commitment to creating an inclusive work environment that understands the importance and value of flexibility.

FLEXIBLE EMPLOYMENT OPTIONS INTRODUCED TO OUR SITES ARE IMPROVING DIVERSITY AMONG OUR EMPLOYEES AND HELPING US RECRUIT THE BEST PEOPLE.

CASE STUDY

TRUPLA MAN TRUPLA MERI PROMOTES ZERO TOLERANCE TO VIOLENCE



Lihir employees Thomas & Josephine Ngaffkin, pictured with their children Kennedy and Ellesma are proud of the success of the Trupla Man Trupla Meri Program.

An innovative program to tackle violence and anti-social behaviour impacting our employees and their communities continues to gain strength in Papua New Guinea (PNG).

Trupla Man Trupla Meri (TMTM) aims to end domestic and sexual violence, and social issues such as drug and alcohol abuse, by providing education, support and awareness to men, women and families while recognising the important role women play in their homes and communities, the mining industry and PNG economy. It encourages open and constructive conversations about violence, respect, trust, safety and security.

Complementing Newcrest's NewSafe and Lihir's healthy living initiative, Trupla Man Trupla Meri is changing mindsets and has empowered more than 5,000 Newcrest Lihir employees, individuals and families to manage conflict responsibly, with men and women embracing the program and taking it home to their communities.

"I am empowered by Trupla Man Trupla Meri to spread the word of managing conflict and bad behaviour within my home community when I am on break," said Chris Allickson from the Mine department, who has organised outreach sessions in Mussau, New Ireland province, to address violence.

"Trupla Man Trupla Meri resonates with me because it focuses on prevention rather than cure. Violence on another person, including one's wife, is the outcome of an underlying root cause... TMTM helps us to identify that root cause so we control the way we address our anger or bad behaviour."

Joe Wot, a broadcaster with Newcrest Lihir's community radio station Trupla FM, says the program challenges employees to stop behaviours that promote violence and misconduct in the community.

"If I see a person throwing rubbish on the street, as a Trupla Man I am expected to correct that person by asking him to pick up the rubbish and put it in the bin," said Joe. "If I see my neighbour beat up his wife, I must intervene and stop him by calming him down with gentle words. If I don't stop him then it means I support his behaviour. TMTM holds everyone responsible to take that first step to change PNG."

Established in 2015 after Lihir identified a link between violence and abuse in employees' personal lives and its impact on workplace safety and productivity, Trupla Man Trupla Meri encourages and supports people who have suffered abuse to speak out and seek help, while empowering perpetrators to admit they have a problem and seek help. Our operation has counsellors and a psychologist on site to assist.

FY18 saw the program embraced throughout PNG. A local airline now carries the Trupla Man Trupla Meri logo on its fleet, taking the anti-violence message across the country, and the PNG Mineral Resources Authority hopes to extend the program to other operations.

There are 40 TMTM advocates at Lihir including male and female managers and superintendents, who use daily team meetings to remind employees to be 'Trupla Man Trupla Meri' and achieve 'Zero 3 Tasol'⁽¹⁾ by having clear minds so they can work safely and efficiently.

Newcrest is also formalising a 'Leaders of Change' program to train employees to become influencers for positive behaviour in families, social and sporting clubs, workplaces and communities.

AN ANTI-VIOLENCE AND BEHAVIOUR CHANGE INITIATIVE EMPOWERS OUR EMPLOYEES AND THEIR COMMUNITIES IN PNG.

(1) A local slogan that refers to zero injuries on site and the reasons employees identify about why they want to work and go home safely every day.



OUR COMMUNITIES



Newcrest demonstrates its commitment to social responsibility through planned, transparent and responsive engagement with stakeholders. We strive to deliver sustainable and long-term benefits in a manner that supports and respects the rights and aspirations of the communities in which we operate.

Newcrest seeks ongoing, active, and inclusive engagement with governments, communities and landowners to help build understanding and manage expectations about the impact of our operations, and to build trust and acceptance to support sustainable company-stakeholder interactions.

Newcrest's Communities Policy and Social Performance Standard guides our approach to working with government, communities, and other stakeholders, and outlines our commitment to developing long-term partnerships that are mutually beneficial over the life of the mine.

The Social Performance Standard supports our Communities Policy by providing a framework of mandatory requirements, which drives social performance strategies on our sites, guides actions and builds relationships to secure and maintain community support. All sites actively implement the Standard and undergo periodic audit assessment.

Social Performance Guidelines support the Standard and facilitate effective and consistent delivery across our sites. These Guidelines are updated as required. At a site level, standard operating procedures and other implementation plans and agreements are developed to identify and deliver on community commitments.

Our engagement and community development activities focus on contributing to communities to improve their ability to meet their own long-term needs and aspirations. We respond proactively to stakeholder issues and local community concerns and grievances. We engage in constructive dialogue, give and seek feedback, respect other points of view, and are considerate of stakeholder needs.

MANAGING COMMUNITY IMPACTS AND EXPECTATIONS

Newcrest operates in multiple national jurisdictions and under licences or contracts consistent with national legislation and policy. In addition, there are often associated regional and local agreements at sites, and the terms of these arrangements, in conjunction with our own policies and standards, set the agenda for stakeholder engagement and management of issues and opportunities.

Our Social Performance Standard requires all sites to complete and maintain community social baseline studies upon which social impact and social risk assessments are conducted. These assessments are used to inform project development planning and monitoring and are now standard practice at all advanced exploration and operating mine sites.

We actively engage with government and other stakeholders on policy and reforms, either directly or indirectly, for example, through industry groups such as the Minerals Council of Australia (MCA) and PNG Chamber of Mines and Petroleum. Consultation is critical to any reform process and we also participate in a wide range of forums.

Newcrest continues to improve communications channels and raise awareness with our stakeholders on both the commercial aspects of our business, as well as the full range of government and community investment and capacity-building projects and programs that we undertake or fund, either directly and indirectly.

We are conscious of the need to balance government requirements and community expectations against a project's financial capacity to deliver benefits throughout the life of the mine. We also need to ensure that we do not replace government services or create unsustainable community dependencies on our mining operations.

Newcrest has developed a new Community Concerns, Complaints and Grievance Guideline, which will be rolled out at all sites to ensure they conform to a standardised approach. The guideline will be supported by new Stakeholder Engagement software, which includes a standardised grievance management solution. We are working to ensure that the new guideline and software is in place by 30 June 2019.

ARTISANAL AND SMALL-SCALE MINING

Artisanal and small-scale mining (ASM) and illegal mining activities continue to present challenges for some overseas operations and the adjacent communities, particularly around Gosowong and Wafi-Golpu, and the potential security, environmental, social and health and safety impacts require careful management. In some areas, such as Wafi-Golpu, ASM provides livelihoods for entire communities within the mining lease application area.

Newcrest understands the importance of taking a strategic approach to managing artisanal and illegal mining and in June 2018, the Board endorsed an ASM Strategy.

The Social Performance, External Affairs, and Health, Safety, Environment and Security departments will assist Gosowong and Wafi-Golpu to develop tactical plans to address artisanal and illegal mining issues, to be rolled out by the start of FY20.

INDIGENOUS ENGAGEMENT

Newcrest recognises and supports the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights. We have a Human Rights Policy which states that "Newcrest will recognise and respect the cultural values, traditions and beliefs of the communities where it operates, including indigenous peoples".

Newcrest's Communities Policy states that the Company will "identify the cultural values, traditions and beliefs of the communities, including indigenous peoples, and respect and respond to those values and belief systems".

Our Social Performance Standard further directs that Newcrest sites will "proactively consult and work with relevant communities under national and local laws to protect and manage cultural heritage in the areas of their activities. Cultural heritage includes: tangible places and objects, such as archaeological sites and ceremonial sites, burials, art and historical infrastructure; and intangible heritage such as story sites, song lines, language and dance, consistent with IFC Performance Standard 8".

Throughout the year, we continued to focus on cultural heritage management plans and systems. Both Telfer and Cadia have functioning cultural heritage management systems, although Cadia requires some updating. Lihir has developed a draft cultural heritage management plan, which it is finalising. Gosowong has not yet developed a cultural heritage management plan and system. All advanced exploration sites have functioning systems and our greenfields sites operate cultural heritage management processes within stage-appropriate specific parameters.

The Standard also recognises that "every indigenous community is unique, (and) all assets will operate in accordance with the United Nations Declaration of the Rights of Indigenous Peoples (UNDRIP) in those jurisdictions that have signed the Declaration, and elsewhere in accordance with its principles. Wherever indigenous groups have ethnographically confirmed customary rights and interests coincident with the asset's areas of interest, the asset will work with these groups in a spirit of reciprocity, transparency and mutual future interest. Where indigenous groups have legally recognised rights and interests coincident with an asset's interests, specific agreements that recognise the indigenous group's connections to lands and waters will be entered into. Such agreements will be consistent with and satisfy the tenets of 'free prior informed consent' (FPIC) as defined in IFC Performance Standard 7".

Newcrest has detailed in-country contracts or agreements with indigenous peoples at each of our operations located in or adjacent to the lands of indigenous peoples, specifically at our Telfer, Lihir, and Gosowong operations, demonstrating our commitment to FPIC. These include:

1. Telfer: A comprehensive indigenous land use agreement (ILUA) with the Martu people of the Western Desert in Western Australia, which was signed by the Martu people in December 2015.
2. Lihir: A comprehensive integrated benefits package, including benefits, compensation and resettlement agreements with the communities at the Lihir gold mine. Compensation agreements are required under Papua New Guinea (PNG) law and the land-owning communities have a legal right of veto over the development/disturbance of customary land owned by indigenous communities. Agreements providing consent to impact cultural sites, consent to impact economic crops, and consent for site access have all been signed between Lihir Gold Limited (LGL) and the affected land block holders prior to any entry or works occurring.
3. Gosowong: Individual development agreements are in place with local indigenous groups including the Pagu tribe, a customary land group formally recognised by and registered with the Government of Indonesia.

During the reporting period, there were no violations or grievances registered involving the rights of indigenous peoples.

There were four significant disputes that occurred during the year that related to land use or the customary rights of local communities or indigenous peoples.

1. A landowner dispute between two clans on Lihir's special mining lease area. The aggrieved parties took their dispute to the lands court and settled in the favour of one of the clans. The case is now closed.
2. A dispute between families in relation to Lihir Gold Limited (LGL) benefit sharing arrangements. The issue was resolved through a mediated process whereby the parties agreed to an equal (50/50 arrangement) share of benefits between the two families.
3. A dispute with LGL by four clans over the Company's categorisation of cultural sites and who requested compensation at rates accorded by the Company to major sites. A cultural heritage assessment by LGL deemed the site was a minor site due to past impacts caused by government road works. Several meetings were held with the aggrieved parties and it was mutually agreed to release payments based on the minor site category. Payment was distributed equally between the four clans.
4. A dispute at Lihir between clans over the destruction and ownership of a sacred site. Both clans claimed ownership of the site. The dispute was resolved with compensation paid by LGL equally to both clans.

None of these disputes impacted operations.

LOCAL COMMUNITY DEVELOPMENT AND INVESTMENT

Newcrest provides direct and indirect socio-economic benefits to national, regional and local governments including through taxes, royalties, compensation and rates. Some of these are legislated and some are negotiated.

Each of our operations has local agreements established through extensive formal community engagement and negotiation, which identify and quantify Newcrest's direct benefits, including payments and charitable donations. The scope of these agreements covers sustainable development activities, such as local infrastructure development, housing, rural electrification, health and education services support, scholarships, agri-business development, business development training, preferential local employment and training, and the terms for supply and procurement opportunities.

Newcrest works with all levels of government to ensure social development outcomes align with national, regional and local objectives and goals, and community development programs vary from country to country and site to site. This approach seeks full participation to deliver a net positive impact on the governments, communities and landowners.

For example, at Cadia, many primary infrastructure projects derive from a partnership scheme between Cadia and the local community as an initiative to increase the desirability of the district as a place to live and work, and to enhance the value of the area as an agricultural, mining and lifestyle choice. Projects include road infrastructure improvements, telecommunications facilities upgrades, and renewable energy initiatives.

During the past financial year, the Lihir team, working under agreement with the 15 local government wards and affected area landowners, invested \$3.19 million in village development schemes, providing housing, power, water supply, garbage and sewage systems. A total of 172 houses were completed with 99 houses at various stages of completion. In addition, the construction and major renovation of the all-female government-run Madina Secondary School was completed at a cost of \$5.7 million, under the Papua New Guinean (PNG) Government's Tax Credit Scheme. More than 500 students now attend the school with the new facilities officially opened and handed over to the government on 12 December 2017. In total, in FY18 Lihir invested over \$16 million in community infrastructure and services, including roads and bridges, airport, school, education and health infrastructure. This included \$3.4 million invested under the Tax Credit Scheme.

At Gosowong, PT Nusa Halmahera Minerals has invested in major health and education infrastructure projects in consultation and agreement with the North Halmahera regency government. This includes the construction of a major hospital in the sub-district of Kao, a community health centre in West Kao, and a primary school in Bobaneigo in Kao Bay. These investments in social infrastructure will provide essential services to the communities surrounding our Gosowong operations.

Newcrest applies the following approach to guide community investment:

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

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

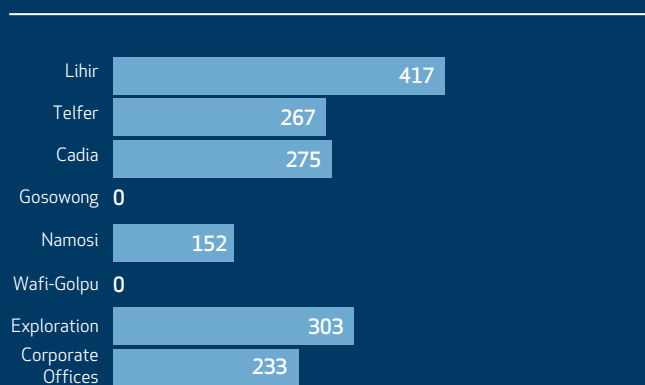
- Improved access to employment, health and education opportunities;
- Investment in community infrastructure and services, for example, road access and maintenance, and clean water supply;
- Income-generating activities, for example, employment, local level business development training, supply opportunities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

Newcrest seeks to maximise the delivery and sustainability of such benefits by improving the capacity and capability of local institutions and embedding self-reliance.

TABLE 1
ECONOMIC VALUE DISTRIBUTED FY 18 (USD MILLION)⁽¹⁾

Segment	ECONOMIC VALUE DISTRIBUTED					ECONOMIC VALUE RETAINED
	Sales revenue ⁽²⁾	Operating costs ⁽³⁾⁽⁴⁾	Community expenditure ⁽³⁾	Employee benefits expense ⁽³⁾	Payments to government ⁽⁵⁾	Economic value retained
Lihir	1,207	474	44	117	37	535
Telfer	686	456	4	62	24	140
Cadia ⁽⁷⁾	1,182	234	2	82	48	816
Gosowong	351	139	13	42	33	124
Bonikro	136	44	1	17	6	68
Exploration and Projects	0	45	2	13	0	(60)
Corporate ⁽⁶⁾	0	0	1	85	41	(127)
Total	3,562	1,392	67	418	189	1,496
Payments to providers of capital⁽⁸⁾						
Dividends paid						129
Interest payments						110
Total payments to providers of capital⁽⁹⁾						239
Economic value retained						1,257

GRAPH 8
ENTRY LEVEL WAGE AS A PERCENTAGE OF LOCAL MINIMUM WAGE BY SITE (%)



- ⁽¹⁾ Community expenditure includes native title/landowner agreements, indigenous land use agreements, investment in local communities, donations made to charities and community department costs.
- ⁽²⁾ Amounts include revenues determined on an accruals basis, consistent with the Group's audited Income Statement.
- ⁽³⁾ Amounts include costs determined on an accruals basis, consistent with the Group's audited Income Statement.
- ⁽⁴⁾ Operating costs exclude community expenditure, employee benefits expense and payments to governments (as these are separately reported). It also excludes significant items and depreciation.
- ⁽⁵⁾ Amounts include income taxes paid determined on a cash basis, consistent with the Group's audited Statement of Cash Flows, and other payments to governments, determined on an accruals basis, consistent with the Group's audited Income Statement. Other payments to governments primarily include royalties, payroll taxes and customs/excise duties. The amount does not include employee taxes, which are disclosed as part of employee benefits expense.
- ⁽⁶⁾ Operating costs in the Corporate segment is net of corporate cost recoveries from other segments.
- ⁽⁷⁾ Operating costs in the Cadia segment includes a credit for insurance proceeds of US\$1.55m relating to the Cadia Seismic event in April 2017.
- ⁽⁸⁾ Amounts include costs determined on a cash basis consistent with the Group's audited Statement of Cash Flows.
- ⁽⁹⁾ Calculated as economic value generated less economic value distributed. Per GRI guidelines, this does not include capital expenditure.



LOCAL EMPLOYMENT

Newcrest's approach to working with local communities, including local suppliers, is guided by Company policies, in-country legislation and mining contracts. Our Diversity and Inclusion, Communities, and Supply Policies variously focus on promoting and valuing diversity in our workforce, maximising direct local engagement in our operations through the employment of local people and engagement of local businesses, where practical, and ensuring communities are fairly compensated and obtain a fair share of benefits from our operations.

Outside of these commitments, selection for local employment follows equal employment opportunity principles, and a merit-based system. Where specialist technical skills are not available locally or nationally, we may employ a non-citizen with an obligation to up-skill national employees. In line with our in-country agreements, Newcrest has site-based policies for local supplier preference, and we seek opportunities to purchase goods and services from the communities in which we operate. Local procurement helps enhance suppliers' capabilities and capacities and build a diversified local economic base.

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. This varies according to site, and Newcrest works with local stakeholders to ensure we meet our obligations and the expectations of community and government. As part of our in-country operating contracts, we regularly provide data on procurement to government bodies, including the proportion spent on local contractors.

MINING PARTNERSHIPS FOR DEVELOPMENT

Newcrest actively seeks to identify and encourage partnerships with government and non-government organisations (NGO) to improve the design and delivery of local community businesses and programs, and to encourage effective regulation and ongoing government commitment. This objective covers our established operations and key growth jurisdictions.

We have significant partnerships with local government agencies and community entities, such as landowner associations and businesses. These are managed through negotiated agreements on the sources and uses of benefits funds. Management systems vary from site to site and we take care to ensure probity in the use of funds to deliver agreed projects and programs.

Some of our most significant partnerships are in the area of community health, particularly at our off-shore sites. During the reporting period, Newcrest entered into a memorandum of understanding with the Australian Government to collaborate in support of development activities across Papua New Guinea (PNG). Under this innovative private-public partnership model, Newcrest contributes funds to the Australian aid program to support projects of mutual interest, thereby furthering key

development outcomes while capitalising on the expertise and scale of the Australian aid program. Through this partnership, Newcrest has now funded 16 scholarships for midwifery students, to help improve outcomes for mothers and babies in PNG (refer to case study on page 41). In FY18, six students commenced a three-year Diploma of Nursing under the Newcrest-Australia Awards partnership. We also supported a series of workshops conducted under the Extractive Industries Transparency Initiative (EITI) to help improve reporting of major resource projects in PNG.

Newcrest has entered into a number of exciting partnerships with civil society organisations achieving important development outcomes in PNG. For example, Newcrest has a five-year alliance with the Medicines for Malaria Venture (MMV), an NGO focused on malaria management and elimination. In partnership with MMV, the PNG National Department of Health and the PNG Institute for Medical Research, Newcrest is supporting the Lihir Malaria Elimination Project to eradicate malaria from the Lihir group of islands through a management and mass drug administration project at a total cost of over \$6 million. This will be a pilot project for wider application in future throughout PNG.

Newcrest's partnership with the Kokoda Track Foundation is part of our ongoing strategy to increase social investment across PNG, consistent with our status as a committed, long-term partner, with a vested interest in PNG's social and economic prosperity. The strategy aims to enhance Newcrest's national contribution as a development partner, focused on five themes aligned with PNG's own development goals and Newcrest's existing social-performance programs: protecting and empowering women; supporting education and regional employment for youth; helping build administrative capacity; supporting national community health initiatives; and promoting the environment and biodiversity. Our case study on page 59 highlights one specific project with teacher education. Their new certification ensures that teachers can be properly recognised and registered by the government, enabling them to continue teaching the many students who depend on them.

At Cadia, in partnership with Regional Development Australia, we are sponsoring the Farm to Institute Project. The primary objective of this Project is to capture more institutional food spend in the central western region and create new markets for small-to-medium food producers in supplying local hospitals, universities and schools across the region.

The project's major achievements in the first 12 months include:

- Formation of a regional Farm to Institution Network – to drive the movement, guide the project, and develop collaborative initiatives into the future; and
- Creation of a Regional Food Charter – to outline the vision, aims, and values that will guide the movement in central west New South Wales (NSW).

We have committed to continuing the partnership for two years focusing not just on strengthening the regional food economy but more ambitiously on creating a sustainable regional food system for communities, which is multi-dimensional.

OUR PNG STRATEGY AIMS TO ENHANCE NEWCREST'S NATIONAL CONTRIBUTION AS A DEVELOPMENT PARTNER, FOCUSED ON FIVE THEMES:

- Protecting and empowering women;
- Supporting education and regional employment for youth;
- Helping build administrative capacity;
- Supporting national community health initiatives; and
- Promoting the environment and biodiversity.

Programs are monitored and assessed and remedial actions are taken through agreed local processes where deficiencies are identified. Program outcomes are shared with the community in newsletters explaining progress and the delivery of infrastructure and services.

Promoting transparency in our business dealings is an important catalyst for Newcrest in driving successful local community programs and institutional development. The Company is a supporting member of the 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 in countries where we operate, namely Australia, Indonesia and PNG. The initiative substantially improves the transparency of the flow of revenues and benefits generated from the resource sector to national and sub-national levels of government. This enables society, businesses and communities to be better informed concerning Newcrest's payments to governments, and encourages dialogue with multiple stakeholders (such as governments, industry and NGOs) concerning the transparency and sustainable management of mineral revenues.

CASE STUDY

ENGAGING THE CADIA COMMUNITY



When a limited breakthrough of tailings material was identified at the Northern Tailings embankment at Cadia in March 2018, the Community Relations team at Cadia responded immediately.

Our highest priorities were – and remain – the safety of the Cadia workforce and our local community, as well as our care for the environment and our operation. At the time of the incident, the release was immediately contained, the area around the tailings dam was secured, and operations suspended pending further investigation.

The Cadia Community Relations team responded within a communication strategy, involving notifying the New South Wales (NSW) regulators, emergency services and the Blayney Shire Council. Potentially impacted residents, including near neighbours and representatives of the Community Consultative Committee, were advised via the Panuara Facebook page and direct phone calls from members of our team. Information flyers were distributed to the wider community.

Cadia district landholders were identified as specific key stakeholders due to their direct proximity to the site and level of interest in our operations. These landholders were invited to a public meeting at Cadia where Cadia's General Manager provided a briefing on the slump, related issues and management controls. The landholders were invited to inspect the site and to discuss the proposed pathways to remediation.

Throughout the process of assessing the impact on the Cadia operation, and managing the remediation efforts, the Community Relations team actively engaged with all community stakeholders downstream of the tailings facility to keep them up-to-date and informed. This included public consultation meetings attended by our specialist groundwater consultant, who was available to answer questions.

Cadia's rapid and consistent communications facilitated an ongoing cooperative working relationship with key regulatory agencies, including the NSW Environment Protection Authority and Department of Planning and Environment. We continue to work with these agencies to meet the expectations of community and government stakeholders.

The support of the site's near neighbours and the broader community also was instrumental in ensuring the measures proposed by Cadia to manage the event, and return to full production, moved smoothly and without local or regulatory opposition.

**PROACTIVE COMMUNITY
ENGAGEMENT AND
TRANSPARENT
COMMUNICATIONS WAS
FUNDAMENTAL IN OUR POST
INCIDENT RECOVERY.**



CASE STUDY

SUPPORTING INDIGENOUS EMPLOYMENT AND TRAINING AT TELFER



**A HANDS-ON SUPPORT
PROGRAM DRIVES
INDIGENOUS RECRUITMENT
AND EMPLOYMENT AT OUR
WESTERN AUSTRALIAN MINE.**

Telfer's Indigenous Training and Employment strategy is a long-standing and comprehensive program that supports the training and employment chain, from pre-employment training through to post-employment support.

Geographically-isolated, Telfer is located approximately 450 kilometres from the nearest major town of Port Hedland. This isolation provides challenges to indigenous people from the north who wish to access employment and training, with some communities located more than 700 kilometres from the nearest post office or police station.

Telfer considered this isolation when designing its indigenous employment and training program.

The unique Telfer program was developed in 2002 and has continued to evolve since the mine, and the Martu people (the traditional land owners of the area surrounding Telfer), identified training and employment as a key opportunity for Martu to benefit from Telfer's operations.

Telfer's Community Relations team has dedicated employment and training officers who implement the Indigenous Training and Employment strategy from commencement to completion.

A key difference and strength in Telfer's approach to indigenous training and employment is the length to which the team will go in providing opportunities for people throughout the region. Telfer has a dedicated group of drivers and mentors who regularly provide transport for employees and trainees for hundreds of kilometres across some of the most remote locations in the country.

The program also offers ongoing mentoring, to assist employees and trainees as they make the adjustment to living and working onsite and away from home. This part of the program is integral to its success.

Telfer currently has more than 90 full-time indigenous employees resulting from its Indigenous Training and Employment program. This number is growing rapidly, and the team is expecting to reach 100 full-time indigenous employees for the first time, later this year.

CASE STUDY

MAKING COMPOST FROM WATER HYACINTH AT GOSOWONG



The community around our Gosowong operations in Indonesia is benefiting from an innovative initiative, whereby water hyacinth from Galela Lake is harvested and processed for sale as compost.

Water hyacinth causes ecological and socioeconomic problems and damages local ecosystems by clogging lakes and waterways. It impacts local livelihoods by hindering transport, irrigation and fishing.

A collaboration between PT Nusa Halmahera Minerals (PT NHM), which owns and operates the Gosowong mine, and the Government of North Halmahera, the water hyacinth composting project generates an additional source of income to benefit a wide range of community stakeholders, while alleviating negative impacts on the Galela Lake ecosystem.

The program employs local residents, who have formed a small cooperative to harvest the hyacinth from the lake and turn it into an effective and sustainable compost fertiliser. The commercially produced compost is used by Newcrest as part of an extensive land rehabilitation and management project in the districts of Malifut and Kao.

PT NHM expects to purchase around 10 tons of the compost every couple of months for use at Gosowong, as well as for offset land rehabilitation projects in Bukit Tinggi and Kao Teluk.

The rehabilitation projects, which aim to restore the productivity and sustainability of the land, cover 263 hectares in Malifut and 1,669 hectares in Kao. Using the high-quality bio-fertiliser minimises reliance on expensive mineral fertilisers, improves soil quality and environmental sustainability.

The project has resulted in increased economic activity in the lake region, including increased entrepreneurship opportunities through product development, marketing and sales, improved livelihoods and general living standards.

The hyacinth compost product was launched for sale at Seki village in June 2018.



**A COLLABORATIVE
COMPOSTING PROJECT
SOLVES A MAJOR
ECOLOGICAL PROBLEM
WHILE GENERATING
INCOME AND CREATING
LOCAL JOBS FOR
COMMUNITY MEMBERS.**

OUR SUPPORT FOR EDUCATION AND DEVELOPMENT PROGRAMS ACROSS PNG HAS SEEN MORE THAN 900 NEW TEACHERS ACHIEVE QUALIFICATION AND ALMOST 1,000 ADULT LEARNERS ENROLLED IN CERTIFICATES IN NUMERACY AND LITERACY.

CASE STUDY

TRAINING TEACHERS IN PNG



Papua New Guinea (PNG) has worked with the Kokoda Track Foundation (KTF) to train more than 900 teachers in New Ireland and Morobe provinces as part of our support for PNG's national education development objectives.

KTF's Teach for Tomorrow program has trained thousands of primary school teachers across nine provinces in PNG, in partnership with the National Department of Education, PNG Education Institute, provincial education departments and the private sector.

The new certification means the teachers can be properly recognised and registered by the government, enabling them to continue teaching thousands of students who depend on them.

The graduates also each received a solar-powered light so they can prepare lessons in the evening.

This partnership is part of Newcrest's ongoing strategy for increased social investment across PNG.

Newcrest also supports education in PNG through our community development programs surrounding the Wafi-Golpu project area in the Morobe Province through the Wafi-Golpu Joint Venture (WGJV) with Harmony Gold.

In 2013, WGJV initiated adult literacy schools in the region and 13 teachers have since been trained to operate the seven new schools, teaching a total of 978 students.

In November 2017, 39 adult learners in Dengea Village, Morobe Province, graduated with certificates in adult literacy and numeracy at a ceremony witnessed by more than 300 villagers. Dengea was the first school to hold its graduation.

The WGJV assisted the schools by providing logistical support, stationery and allowances for the teachers, while maintaining an emphasis on community ownership of the school.

The WGJV has also supported education in Morobe through the provision of 'tutudesks' to primary schools. These colourful and educational tools double as lap desks to provide a functional work surface for students who do not have desks available in their classrooms.



ENVIRONMENTAL STEWARDSHIP



Newcrest is committed to achieving excellence in environmental performance in accordance with the Newcrest Environmental Policy.

The Board's Safety and Sustainability Committee oversees Newcrest's strategic environmental aspects of our Company, complementing the Executive Committee's management of our sustainability programs.

The Newcrest Environmental Policy and Environmental Standards, including our Mine Closure Management Standard, guide the ongoing assessment and mitigation of potential environmental impacts from exploration stage, through project development, into active operation, and eventual closure.

The addition of sustainability into one of our five core pillars, the Safety and Sustainability pillar, has increased awareness of sustainability aspects across the Company and our drive for continual improvement in social and environmental performance.

As a member of the International Council on Mining and Metals (ICMM), Newcrest's standards are aligned with the ICMM principle to manage and improve environmental performance. Improvement actions linked to environmental aspects such as climate change, water and biodiversity were agreed with ICMM during the membership application for progression during FY18 and FY19. Our climate change position statement is discussed in detail on page 21.

As part of the Newcrest assurance model, audits of the Health, Safety and Environment (HSE) Management System Standards and Health and Environment Standards were conducted at Telfer, Cadia and Bonikro in FY18. Follow-up audits are scheduled for FY19 to assess the implementation progress of the HSE management system and standards.

Newcrest maintained corporate voluntary membership to the Cyanide Code and recertified the Telfer operation and Lihir supply chain. Technical reviews were also conducted by the Geotechnical department with the involvement of third parties on the management of our tailings storage facilities.

Newcrest reports and records environmental incidents and hazards in our online Community, Health, Environment and Safety System (CHESS). Incident investigations are undertaken to identify and implement appropriate preventative and remediation measures and these investigations take into account both the actual and potential outcome of an incident. Environmental incidents are managed and reported in accordance with regulatory and internal requirements. During FY18, based on the actual impacts of environmental incidents recorded in CHESS, there was one significant environmental incident related to a release of material from the grinding circuit at Lihir outside of a bunded area, which was reported to the regulator and the local community. The majority of material was collected and returned to the grinding circuit. Environmental monitoring, including water sampling to assess potential impacts, showed no measurable medium or long-term impacts from the incident.

WASTE ROCK MANAGEMENT

Waste rock and tailings are our two largest waste streams and are managed on an ongoing basis to facilitate long-term geochemical and physical stability. Waste rock is defined as the barren (non-mineralised) rock in a mine or mineralised material that is too low in grade to be mined and milled economically.

Waste rock from mining activities at Cadia, Telfer and Gosowong is disposed of in purpose-built, engineered waste rock dump structures or, when appropriate, used for construction such as road base. At Lihir, waste rock not used in construction is disposed of via offshore submarine waste rock placement from barges at government approved locations in accordance with the Lihir environmental permits, which were established following an extensive environmental impact assessment. Volumes of waste rock placed by barges are tracked through an electronic system and we conduct regular bathymetric surveys of the waste rock placement locations to monitor the condition of the seabed.

Additional waste rock management activities in FY18 included:

- Telfer continuing progressive rehabilitation of waste rock dumps in line with closure designs and completing a waste rock optimisation program to apply efficient dumping strategies, and constructing final landforms without double-handling of material where possible;
- Gosowong conducting a geochemical assessment of waste rock dumps and their designs using a third party to guide waste rock considerations during closure planning;
- Bonikro installing armouring on selected waste rock dumps at Hiré in accordance with the final landform designs in the site closure plan to reduce potential long-term erosion of the waste rock dumps.

NON-MINERAL WASTE MANAGEMENT

In accordance with mining permits, Telfer, Lihir and Gosowong maintain landfills to receive non-mineral waste from mine camps and operational facilities while Cadia uses local contractors to transport non-mineral waste off-site for disposal in approved regional waste management locations and landfills. Gosowong has an on-site waste recycling area where non-hazardous waste is sorted and either re-used or transported to off-site waste-handling facilities. Gosowong also uses contractors to transport non-mineral hazardous waste off-site for disposal in an approved waste management facility. Gosowong and Lihir also use incinerators to help manage waste stream volumes.

To complement regulatory requirements, the Newcrest Non-Mineral Waste Management Standard drives continual improvement in managing these waste streams, including regular audits. Telfer, Cadia and Bonikro were audited in FY18 with follow-up audits planned in FY19.

During FY18, Lihir and Gosowong installed new engineered landfill cells and upgraded fences to improve traffic management and access control. Telfer acquired all relevant approvals for additional industrial waste landfill sites to manage the volumes predicted until mine closure and Lihir drafted a design to upgrade their incinerator facility as part of long-term mine planning.





Lihir Environment graduate servicing a remote weather station.

GRAPH 9
TOTAL WASTE BY TYPE FY18 (kt)

Waste rock	PAF	27,133	NAF	27,623
	Tailings		57,533	
Dump leach	624			

'PAF' Potentially acid forming
'NAF' Non-acid forming

TAILINGS MANAGEMENT

Tailings are the waste materials left after the economically recoverable metals and minerals have been extracted from ore. At Cadia, Telfer, Bonikro, and Gosowong, tailings are stored in engineered tailings storage facilities, which are regularly inspected according to regulatory and internal requirements.

The Geotechnical department conducts internal and external technical reviews of each tailings storage facility on a rolling annual schedule. The Newcrest material risk assessment process also considers potential risks associated with tailings storage facilities to identify hazards and apply controls for regular verification. In addition, all our operations have emergency response teams on site, who are trained and equipped to manage emergency situations, including potential incidents related to tailings management.

During FY18, a slump occurred on the southern embankment at the Cadia Northern Tailings Storage Facility. All tailings material was contained with the Southern Tailings Storage Facility and there were no discharges to the environment or environmental impacts resulting from the incident. Further information is located in the case study on page 56.

Projects and activities during the reporting period:

- Health, Safety and Environment (HSE) audits were conducted at Telfer, Cadia and Bonikro that involved assessment of site performance against Newcrest's Waste Rock and Tailings Management Standard.
- Following a review of tailings management options and a comprehensive technical and baseline study program, Deep Sea Tailings Placement (DSTP) was selected as the preferred tailings management option for the updated Wafi-Golpu Feasibility Study. The subsequent Wafi-Golpu Environmental Impact Statement (EIS) was lodged with the Papua New Guinean (PNG) Government for assessment and made publicly available on the Wafi-Golpu Joint Venture (WGJV) website.
- As part of a regular annual schedule of reviews for each of our sites, the Geotechnical department continued reviews of tailings storage facilities with third-party specialists to assess performance, effectiveness of management systems and track progress of improvement opportunities, including a review of the Telfer tailings storage facility.
- An investigation was carried out in consultation with regulatory authorities and external specialists into the Cadia Northern Tailings Storage Facility incident and the site implemented a recovery program in consultation with stakeholders to recommence operations. The investigations into the cause of the embankment slump are ongoing.

DEEP SEA TAILINGS PLACEMENT

Following a comprehensive risk assessment of social, environmental and safety aspects prior to construction, DSTP was chosen as the preferred tailings management method for Lihir.

The PNG Government required rigorous technical, environmental and social studies to be completed prior to the approval of the Lihir DSTP system. The system is monitored based on an environmental monitoring and management plan approved by the regulator, with Lihir also maintaining an ISO14001 – certified Environmental Management System.

WATER MANAGEMENT

The Newcrest approach to management of water is guided by the Newcrest Environmental Policy, Water Management Standard and voluntary commitments, including International Council on Mining and Metals' (ICMM) Principle 6: to pursue continual improvement in environmental performance issues, such as water stewardship, energy use and climate change. During FY19, Newcrest plans to expand on the water elements of our Environmental Policy to develop a Group water management strategy.

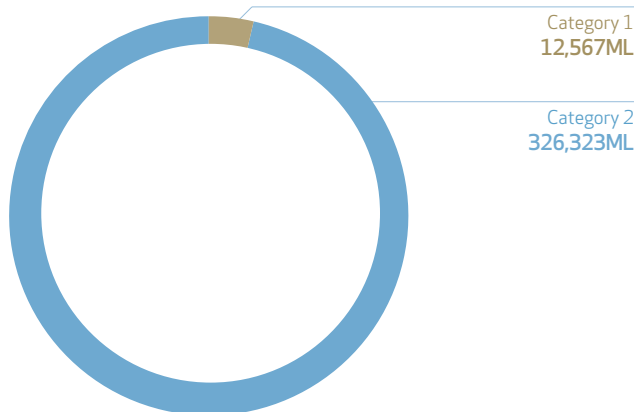
Water presents both challenges and opportunities related to managing water consumption and releases within permitted extraction and discharge limits to maintain stable operation of our mines. Our sites are located in a variety of climatic regions and depending on seasonal variations may experience water surplus or reduced water availability at different times of the year. As a requirement of the Newcrest Water Management Standard, sites maintain probabilistic water balances to guide efficient water use and manage potential local and/or regional catchment impacts on water sources used by operations and local communities. Based on the Aquaduct Water Risk Atlas, which assesses water risk on a five-tiered scale⁽¹⁾ against a series of indicators (including physical quantity, quality, and regulatory and reputational risk) at Newcrest sites, water risk ranges from low to medium at Telfer, medium to high at Cadia, and high at both Gosowong and Lihir.

Newcrest has adopted the Mineral Council of Australia's Water Accounting Framework to support the reporting of water for all our sites. Water extraction volumes, discharge volumes and quality are monitored in accordance with regulatory and internal requirements to mitigate potential impacts and manage risks. Site water risks are included on site registers for regular update and review, particularly during expansions or new projects.

Our sites use water from a variety of sources, such as surface water, groundwater, seawater and mine dewatering. Where practical, water is recycled to reduce consumption, with a focus on recovering water from the terrestrial tailings storage facilities. The main operational water activities at Newcrest include: use of water in process plants for gold and copper production, the use of seawater at Lihir for cooling and tailings dilution; dewatering for access to mine pits; use of water for dust suppression; and, water for services in camps and potable water supplies.

(1) The Aqueduct Water Risk Atlas (<https://www.wri.org/applications/maps/aqueduct-atlas>) rates water risk according to a five-tiered scale that includes: low risk (0 to 1), low to medium risk (1 to 2), medium to high risk (2 to 3), high risk (3 to 4), extremely high risk (4 to 5).

GRAPH 10
TOTAL WATER WITHDRAWN BY CATEGORY FY18 (%)⁽¹⁾



(1) Based on the Minerals Council of Australia (MCA) Water Accounting Framework. Category 1 represents water that is close to the drinking water standards, as it only requires minimum treatment (disinfection) to be safe for human consumption. Category 1 water may be used for all purposes. Category 2 represents water that is suitable for a range of purposes, subject to appropriate treatment to remove total dissolved solids and/or to adjust other parameters to be safe for human consumption and more sensitive agricultural and recreational purposes.

WATER MANAGEMENT CONTINUED

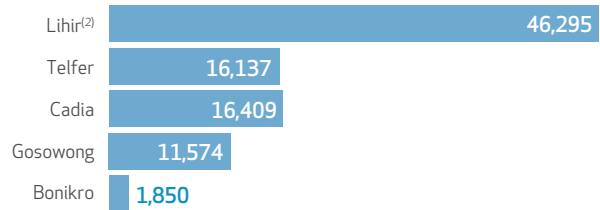
Key consumption water activities include: water entrained in tailings during processing that is discharged to tailings storage facilities, dilution of tailings for deep-sea tailing placement (DSTP), dust suppression, camp services including food preparation, shower and sewerage as well as drinking water supplies.

Sources for water withdrawal include groundwater aquifers, surface water collected from runoff, and extracted from streams or rivers and seawater. Methods for key water discharges include water entrained in tailings from evaporation and DSTP, surface runoff to drainage systems and release of water from dewatering or mine operational activities from licensed discharge points.

Audits against the Newcrest Water Management Standard in FY18 at Telfer, Cadia and Bonikro showed progressive improvements by those sites. The Standard is intended to complement and enhance site water monitoring programs and, where required, go beyond regulatory requirements. 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. Our planned water strategy development in FY19 to complement the Environment Policy and the Water Management Standard includes a review of water monitoring baselines to establish future company and site-based water targets.

Key opportunities we will be considering include improved monitoring of water-use data to enhance water balances, and models including greater recycling and re-use of water. There are also opportunities to engage more broadly with stakeholders to support regional water improvement projects. Alongside local partners, Lihir has supported the delivery of water, sanitation and hygienic improvements in Kabil village in Central New Ireland, Papua New Guinea (PNG). Through its third WaSH initiative in the province, the Company financed construction of 25 rain-water catchments and 125 latrines over a nine-month period. As a result, Kabil's population of 1,000 people now has access to clean water and sanitation infrastructure.

GRAPH 11
TOTAL WATER WITHDRAWN BY SITE FY18 (ML)



(2) Excludes seawater

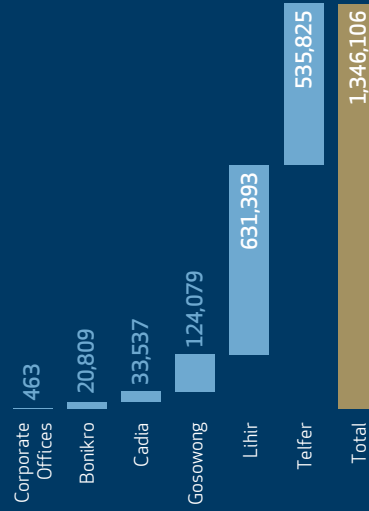
ENERGY

Newcrest recognises mining as an energy-intensive activity. Through our Edge program, Newcrest continues to seek opportunities to improve our energy efficiency to reduce direct mining costs and assess options to use renewable power generation and low-emission energy technologies, reducing our greenhouse gas emissions intensity while improving productivity. Newcrest's future energy supply options must offer a balance in energy reliability, lower emissions and cost effectiveness. Innovative mine design has the potential to reduce energy demand at site, compared with more traditional approaches.

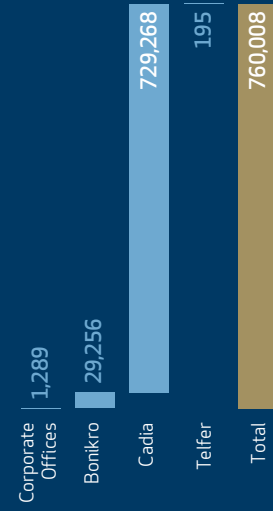
We continue to establish and document processes to identify and manage risks and opportunities for the efficient use of energy. For example, geothermal energy has been used at our Lihir operation for approximately 15 years to supplement the electricity generated to operate the mine and provide power for local communities. Newcrest has established an Energy Working Group, chaired by a member of our Executive Committee, to review energy opportunities and initiatives on a site-by-site basis to evaluate the most appropriate energy options to support future energy needs, including the potential role of renewable sources such as solar. During FY18, Cadia progressed improvements to electricity infrastructure including upgrades to high voltage power lines.

Newcrest participates in a MCA working group to monitor environmental regulatory conditions and industry initiatives relating to greenhouse gas emissions and adapt our operations to changing requirements as needed.

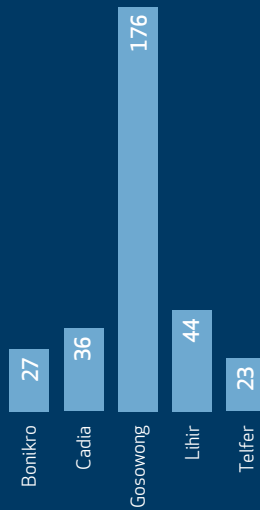
GRAPH 12
SCOPE 1 EMISSIONS BY SITE FY18 (t CO₂-e)



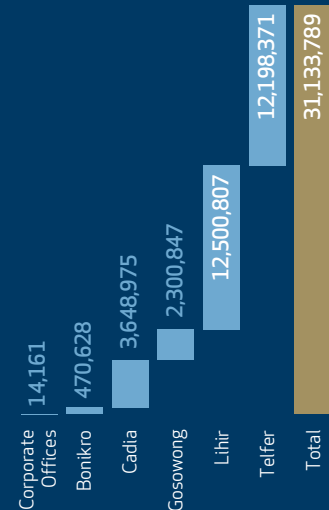
GRAPH 13
SCOPE 2 EMISSIONS BY SITE FY18 (t CO₂-e)



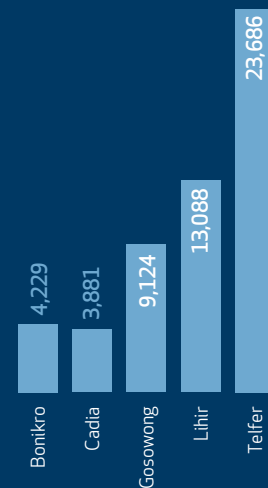
GRAPH 14
GHG EMISSIONS INTENSITY (TONNES PROCESSED) BY SITE FY18 (kg CO₂-e/t)



GRAPH 15
DIRECT ENERGY CONSUMPTION BY SITE FY18 (GJ)



GRAPH 16
ENERGY INTENSITY (OUNCES PRODUCED) BY SITE FY18 (MJ/OZ AUE)



Newcrest reports on greenhouse gas emissions from its Australian activities to the regulator as part of the Australian Government's National Greenhouse and Energy Reporting Scheme (NGERS), a reporting system for greenhouse gas emissions, energy production and consumption, which applies to companies above a certain threshold of emissions. During the previous reporting period in FY17, a safeguard limit for Telfer and Cadia was set with the Clean Energy Regulator based on reported carbon emissions over the past five years to guide the management of future emissions.

Newcrest reports on gross Scope One emissions, which includes fuel and energy produced or consumed and greenhouse gas emissions produced directly, and gross Scope Two emissions, which are greenhouse gas emissions from consumption of electricity, heat or steam imported from sources outside Newcrest, at each of our Australian sites. During the financial year, Newcrest's annual data collection of energy consumption and greenhouse gas emissions at international sites were further embedded to support the establishment of a baseline for energy and greenhouse gas emissions. These baselines will help guide site-based objectives for energy efficiency and greenhouse gas emissions to complement ongoing Edge business improvement and efficiency projects.

MINE CLOSURE

Newcrest ensures all projects and managed operations proactively plan for closure and conduct it in a way that enhances sustainable development.

Our Mine Closure Management Standard outlines a multidisciplinary approach to closure planning that meets regulatory and corporate requirements while also considering stakeholder expectations.

Ongoing engagement with regulators, the community and industry is important and enables us to achieve responsible environmental and social management objectives.

All site mine closure plans reflect Newcrest's corporate standards and principles and local regulatory guidelines. The plans facilitate the consideration of all stakeholders' interests during mine closure and allow agreement to be reached on post-mining land use. Mine closure plans are regularly reviewed and updated throughout the life of each operation as 'live' documents to support mine planning and progressive rehabilitation.

Newcrest regards reviews of mine closure plans as an opportunity to ensure there is clear accountability and adequate allocation of resources for the cost of closure, so the community is not left with a liability. The reviews result in the development or update of site-specific forward work plans to address knowledge gaps and improve the cost accuracy of closure plans.

During FY18, the following work was undertaken:

- Gosowong progressed environmental research studies related to closure planning, including studies on long-term management of water, biodiversity, contaminated site and waste rock. To complement the latest version of their mining plan, Gosowong updated their mine closure plan and lodged a copy with the regulator.
- Telfer updated its mine closure plan, including review of demolition activities and waste rock dump designs with third parties. A copy of the latest closure plan for Telfer was lodged with the Western Australian regulator.
- Prior to divestment, Bonikro updated its closure plan for the regulator and installed rock armouring on selected waste rock dumps based on final landform designs in the mine closure plan.
- Lihir undertook a mine closure risk assessment to guide future updates to its closure plan. Outcomes of the assessment were incorporated into the site risk register to help track improvement actions.
- Cadia reviewed closure unit cost rates for physical earthworks and demolition costings to be incorporated into future updates of their closure plan. As part of governance processes, these updates to unit rates will also be subject to third party external review and industry benchmarking before finalisation.
- Estimates of employee benefits at closure were updated in the Telfer and Gosowong closure plans to assist with long-term mine planning.

At 30 June 2018, the total mine closure accounting provision for the Group was \$329 million.

SOCIAL CLOSURE

At Newcrest, closure planning includes social aspects, considering the ownership and use of land, resources and infrastructure throughout the life cycle, and stakeholders' concerns and aspirations relating to post-mining transitions. Closure considerations are integrated into land use agreements, social investment programs, and other social mechanisms.

Critical consideration is given to future ownership of rehabilitated land and the dynamics of land ownership (ownership, maintenance and viability of services and infrastructure particularly in remote and regional areas) and expectations relating to the economic environment.

Newcrest routinely implements extensive engagement with a range of stakeholders using a variety of engagement mechanisms, placing a high importance on working with our stakeholders in closure planning and identifying an agreed closure scenario.

We require that all our operated sites develop and maintain social performance plans that integrate closure planning processes in consideration of social consequences relevant to the context and in line with the corporate strategic intent. Each of our operations invests in building capacity and maximising opportunities from the mining operations, to enable a realistic and sustainable closure scenario.

LAND FORM REHABILITATION CONTINUES AT OUR WEST AUSTRALIAN MINE SITE DELIVERING ON OUR UPDATED MINE CLOSURE PLAN.

LAND MANAGEMENT AND PROGRESSIVE REHABILITATION

Newcrest's approach to progressive rehabilitation aligns with regulator and stakeholder expectations, while taking into account the availability of operational areas based on mine plans. Our approach considers whether future mining is likely to affect specific areas of the mine footprint so rehabilitated areas are not re-disturbed at a later date.

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

Newcrest practises progressive rehabilitation, ensuring we undertake continual rehabilitation work throughout the life of a mine. Each operation sets rehabilitation objectives based on considerations such as regulatory requirements, mine plan objectives, business resources, closure plan objectives and stakeholder considerations. During annual reporting, sites provide information on the areas of disturbed land, rehabilitated land and land available for rehabilitation, based on current mine plans. Newcrest is seeking to evolve this baseline information into site specific progressive rehabilitation targets.

At the local level, each site has procedures in place to manage local land disturbances in compliance with the Land Use and Disturbance Management Standard and other relevant Newcrest standards.

Both in pre-project planning and prior to surface disturbance activities, protected areas and species within the region are assessed, including whether our operations could potentially impact biodiversity. If our operations contain areas of protected habitats, these are managed with site-specific plans.

During FY18, substantial vegetation and biodiversity baseline studies were conducted during development of the Wafi-Golpu Environmental Impact Statement (EIS), which was lodged with the Papua New Guinean (PNG) Government and publicly released on the Wafi-Golpu Joint Venture (WGJV) website. Hardcopies were also printed to be made available at selected government and WGJV offices. The baseline information in the EIS was referenced during design of the mine in consideration of key flora and fauna.

As part of mine approvals, Gosowong is planning to rehabilitate an offset area based on approved work areas. An offset area adjacent to the mine has been agreed with the government and Gosowong has commenced rehabilitation of the area.

During FY18, Telfer engaged a rehabilitation contracting company to conduct progressive rehabilitation of waste rock dumps, including reshaping the slopes of the waste rock dump with bulldozers, rock armouring where necessary and placement of growth medium to a final landform design consistent with the site closure plan.

Planned rehabilitation work on waste rock dumps at Cadia was temporarily deferred while the site focused on the recovery from a slump on the southern embankment of the Cadia Northern Tailings Storage Facility. A biodiversity offset area established by Cadia following development of the Cadia East mining area was maintained.

CASE STUDY

PROGRESSIVE REHABILITATION AT TELFER

Progressive rehabilitation has been a strong focus at Telfer over the past year, with detailed work packages developed, competitive tender processes completed and almost 60 hectares rehabilitated via a dedicated specialist rehabilitation contractor. Ongoing rehabilitation is proposed to continue at Telfer and the work aligns with the updated mine closure plan based on final landform designs.

During FY18, Telfer updated their mine closure plan in line with the internal Mine Closure Management Standard and regulatory requirements and lodged the updated plan with the regulator. A multi-disciplinary approach was taken to update the plan through engagement with Mine Planning, Open Pit, Site Support Services, Community Relations, Finance and Human Resources.



Almost 60 hectares has been rehabilitated at our Telfer mine site and work is continuing.

CASE STUDY

WAFI-GOLPU PROJECT UPDATE

The Wafi-Golpu Joint Venture (WGJV)⁽¹⁾ ('Wafi-Golpu Project' or the 'Project') is currently investigating the feasibility of constructing, operating and (ultimately) closing an underground copper-gold mine and associated ore processing, concentrate transport and handling, power generation, water and tailings management and related support facilities and services in the Morobe Province of Papua New Guinea (PNG).

The proposed underground copper-gold mine will be located beneath Mt Golpu, approximately 300 kilometres north-northwest of Port Moresby and 65 kilometres southwest of Lae. Proposed support facilities include access roads to the mine and pipelines from the mine to the Port of Lae and to new coastal facilities near the village of Wagang.

Geographically, the Project occupies a footprint that extends from the Mine Area to the Coastal Area with an Infrastructure Corridor that links the two areas. Together these discrete areas make up the proposed Project Area. The Mine Area, encompassing the proposed mine and related ancillary facilities, is located on the northern side of the Owen Stanley Ranges of PNG, in the foothills of the Lower Watut River catchment. Much of the Mine Area is steep, mountainous and heavily forested, transitioning to the broad, flat to gently undulating Lower Watut River valley to the west. The Infrastructure Corridor follows the broad flat plains of the Lower Watut River and Markham River valleys and connects the mine area to the coastal area. The Coastal Area encompasses both the proposed port facilities area, located at the Port of Lae, where copper-gold concentrate will be exported, and the outfall area, where it is proposed that mine tailings management will take place via Deep Sea Tailings Placement (DSTP).

The Project is predicted to discharge 360 million tonnes of tailings over a period of 28 years. The WGJV has extensively investigated options for tailings management for the life of the Project both on land and by DSTP.

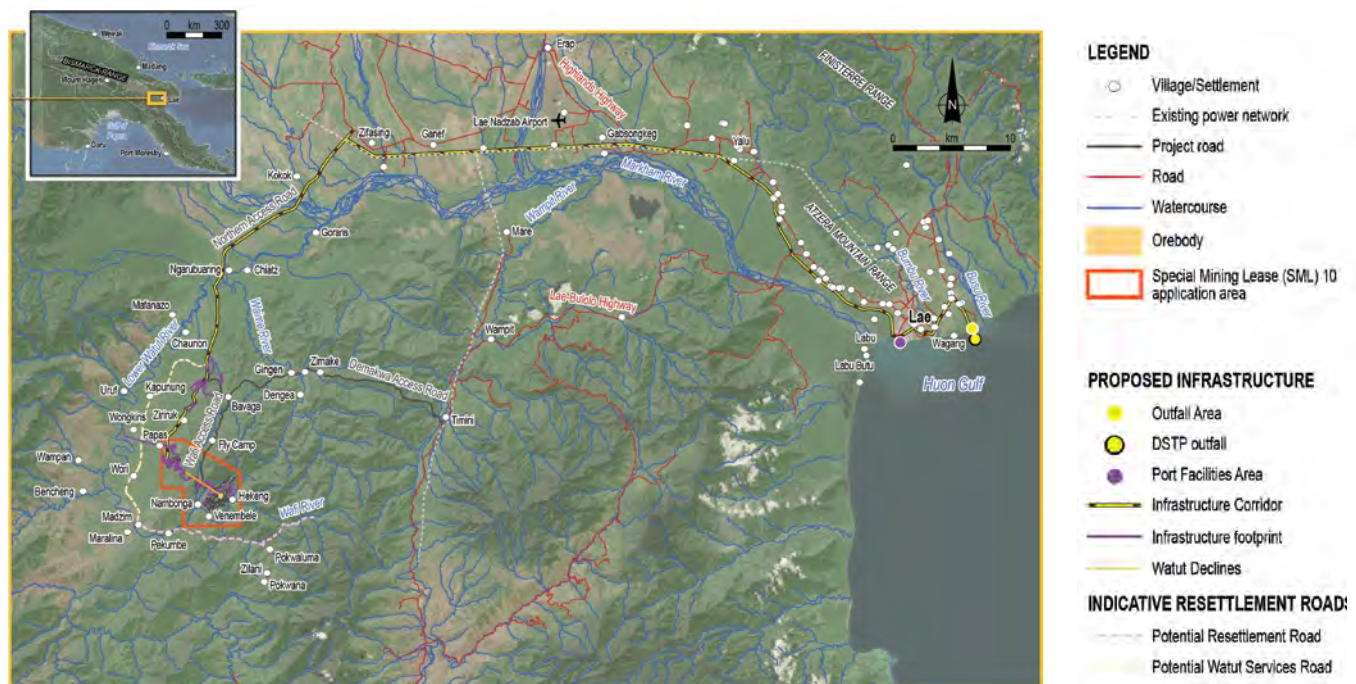
From 2016 to 2018, the WGJV completed more than 20 field surveys to investigate the marine environment in the Huon Gulf, with a particular focus on the deep ocean environment. This represents the most comprehensive series of investigations into the marine environment undertaken at the Environmental Impact Statement (EIS) stage for any DSTP project in PNG.

The methods employed during the marine investigations were consistent with PNG and relevant international standards, conventions and guidelines, including the Draft General Guidelines for DSTP in PNG to the maximum practical extent.

These investigations have confirmed DSTP as the WGJV's preferred method of tailings management based on consideration of long-term safety, engineering, environmental, social, cultural heritage and economic factors.

Applications have been submitted to the Mineral Resources Authority for a special mining lease and related ancillary tenements.

Full electronic copies of the EIS are available from the WGJV website: <https://www.wafigolpujv.com/eis/>.



(1) Wafi Mining Limited and Newcrest PNG 2 Limited (the 'WGJV Participants') are equal participants in the Wafi-Golpu Joint Venture (the WGJV). The ultimate parent companies of the WGJV Participants are (in the case of Wafi Mining Limited) Harmony Gold Mining Company Limited of South Africa and (in the case of Newcrest PNG 2 Limited) Newcrest Mining Limited.

**DURING THE YEAR,
A COLONY OF EASTERN
BENTWING BATS WAS
SUCCESSFULLY RELOCATED
FROM THE CADIA HILL PIT
IN ACCORDANCE WITH THE
THREATENED SPECIES
MANAGEMENT PROTOCOL.**

CASE STUDY

RELOCATING EASTERN BENTWING BATS AT CADIA

Prior to the embankment slump on the Northern Tailings Storage Facility at Cadia, the site had commenced a preliminary review of future requirements for managing tailings volumes and management options. Following the embankment slump, significant effort went into the recovery process, including accelerating a review of possible alternative locations to deposit tailings. The Cadia Hill open pit was identified as the preferred option and work undertaken to understand the potential impacts of this option from a change management perspective and to prepare information to support an application for regulatory approval.

While there was a clear objective to restart operations as soon as practical, our core pillar of Safety and Sustainability guided the scope of work for environmental assessments in accordance with Company standards and regulatory requirements. Despite the challenging timeframes, the site applied thorough due diligence processes to assess potential environmental impacts related to changing the method for tailings storage management, which identified important fauna to be considered.

The Cadia Hill open pit had not been used for mining activity since 2012 and detailed studies identified that micro-bats were using a tunnel near the base of the pit. Prior to the pit being used to store tailings, the tunnel required plugging, so an expert was engaged to complete a targeted survey. The survey confirmed the presence of the eastern bentwing bat, which is listed as vulnerable under the New South Wales (NSW) Biodiversity Conservation Act 2017. The conservation status of the bats triggered implementation of the Threatened Species Management Protocol, including preparation of a management strategy by site with input from an expert independent consultant. The management strategy was endorsed by the Office of Environment and Heritage and implemented.

In keeping with the endorsed strategy, a suitable alternative habitat was identified nearby and the bats were relocated with the assistance of specialists. Activities included installation of air ventilation and lights and continuous monitoring to confirm there were no remaining bats. Once the bats had left the tunnel, a barricade was installed, preventing them from re-entering and the results of the successful relocation were reported to the regulator.





OUR PERFORMANCE DATA

**TRANSPARENT REPORTING
OF OUR PERFORMANCE
USING THE GRI STANDARDS
DEMONSTRATES
OUR COMMITMENT
TO SUSTAINABLE
DEVELOPMENT,
HIGHLIGHTING WHAT WE
DO WELL AND WHERE
WE CAN DO BETTER.**





GRI 302-1**Energy consumption within the organisation (GJ) FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽¹⁾	Corporate Offices
Diesel (ADO)	8,742,653	7,210,474	55,163	0	1,477,016	0	0
Natural gas	7,629,822	0	7,629,822	0	0	0	0
Electricity consumption (self-generated)	6,438,715	3,426,297	2,492,258	0	520,160	0	0
Total - electricity (Scope 1)	22,811,190	10,636,771	10,177,243	0	1,997,176	0	0
Acetylene	758	451	120	40	113	30	4
Diesel (ADO)	4,488,052	1,657,412	1,845,314	451,487	259,451	274,388	0
Fuel oil combusted	0	0	0	0	0	0	0
Grease	11,884	4,435	4,067	1,644	775	963	0
Liquid petroleum gas (LPG)	8,310	0	900	1,016	0	6,377	17
Pipeline natural gas (PNG)	8,970	0	0	0	0	0	8,970
Oil	186,914	97,482	49,853	7,940	15,579	16,060	0
Petrol (ULP)	7,085	7,028	55	2	0	0	0
Hydraulic fluid	2,290	0	1,073	1,217	0	0	0
Total-non-transport (including on-site mobile fleet)	4,714,264	1,766,808	1,901,382	463,346	275,918	297,819	8,991
Aviation gas	10,592	0	0	0	10,592	0	0
Diesel (ADO)	236,239	64,699	118,651	22,498	17,161	13,230	0
Jet fuel	32,529	32,529	0	0	0	0	0
Petrol (ULP)	42	0	0	42	0	0	0
Total - transport	279,402	97,228	118,651	22,540	27,753	13,230	0
Total - diesel used	13,466,944	8,932,585	2,019,128	473,985	1,753,628	287,618	0
Total - electricity (Scope 2)	3,328,933	0	1,095	3,163,089	0	159,579	5,170
Total - energy consumption	31,133,789	12,500,807	12,198,371	3,648,975	2,300,847	470,628	14,161

GRI 302-3**Energy intensity FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽¹⁾	Corporate Offices
Energy intensity by tonnes processed (MJ/t)	511	876	530	173	3,268	256	0
Energy intensity by gold produced (MJ/Oz) ⁽²⁾	11,224	13,088	23,686	3,881	9,124	4,229	0

GRI 303-1**Water withdrawal by source (ML) FY2018⁽³⁾**

	Company	Lihir	Telfer	Cadia ⁽⁴⁾	Gosowong	Bonikro ⁽¹⁾	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Surface water	8,722	0	0	5,854	1,320	1,548	0	0	0	0
Ground water	1,307	0	972	28	5	302	0	0	0	0
Sea water	0	0	0	0	0	0	0	0	0	0
Geothermal water	0	0	0	0	0	0	0	0	0	0
Third-party water	2,538	0	0	2,538	0	0	0	0	0	0
Total Category 1	12,567	0	972	8,420	1,325	1,850	0	0	0	0
Surface water	38,637	31,377	0	7,260	0	0	0	0	0	0
Ground water	41,062	14,918	15,165	729	10,249	0	0	0	0	0
Sea water	246,624	246,624	0	0	0	0	0	0	0	0
Geothermal water	0	0	0	0	0	0	0	0	0	0
Third-party water	0	0	0	0	0	0	0	0	0	0
Total Category 2	326,323	292,919	15,165	7,989	10,249	0	0	0	0	0
Total water withdrawn (ML)	338,890	292,919	16,137	16,409	11,574	1,850	0	0	0	0

(1) Bonikro figures pro-rated based on nine (9) months of operational control.

(2) Cadia and Telfer are reported as gold plus gold equivalent ounces based on a gold price of US\$1200/oz and a copper price of US\$3/lb.

(3) Based on the Minerals Council of Australia (MCA) Water Accounting Framework. Category 1 represents water that is close to the drinking water standards, as it only requires minimum treatment (disinfection) to be safe for human consumption. Category 1 water may be used for all purposes. Category 2 represents water that is suitable for a range of purposes, subject to appropriate treatment to remove total dissolved solids and/or to adjust other parameters to be safe for human consumption and more sensitive agricultural and recreational purposes.

(4) Cadia abstraction volumes exclude storage facility releases (spillway and ecological flow).

GRI 303-3

Water recycled and reused FY2018⁽¹⁾

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽²⁾ Exploration	Namosi	Wafi-Golpu	Corporate Offices
Total volume reused (ML)	42,800	13,797	3,416	25,445	142	0	0	0	0
Reused (%)	27	23	17	65	1	0	0	0	0

GRI 305-1

Direct greenhouse gas (GHG) emissions (Scope 1) by source (tCO₂-e) FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽²⁾	Corporate Offices
Diesel (power generation)	613,734	506,175	3,872	0	103,687	0	0
Pipeline natural gas (PNG)	393,627	0	393,165	0	0	0	462
Acetylene	39	23	6	2	6	2	0
Automotive diesel	315,060	116,350	129,541	31,694	18,213	19,262	0
Grease	42	16	14	6	3	3	0
Liquid petroleum gas (LPG)	504	0	55	62	0	346	1
Lubricating oil	2,598	1,355	693	110	217	223	0
Petrol (ULP)	484	477	4	3	0	0	0
Aviation gasoline	718	0	0	0	718	0	0
Aviation turbine (jet fuel)	2,284	2,284	0	0	0	0	0
Diesel (haulage & production)	16,655	4,561	8,365	1,586	1,210	933	0
Non combustion emissions	361	152	110	74	25	0	0
Total – Scope 1 greenhouse gas emissions	1,346,106	631,393	535,825	33,537	124,079	20,809	463

GRI 305-2

Indirect greenhouse gas (GHG) emissions (Scope 2) (tCO₂-e) FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽²⁾	Corporate Offices
Total – Scope 2 greenhouse gas emissions	760,008	0	195	729,268	0	29,256	1,289

GRI 305-4

Greenhouse gas (GHG) emissions intensity FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽²⁾	Corporate Offices
Scope 1 + 2 (tCO ₂ -e)	2,106,112	631,393	536,019	762,805	124,077	50,066	1,752
Ore processed (t)	60,984,428	14,274,000	23,026,080	21,145,006	704,092	1,835,250	0
Intensity (kg CO₂-e/t)	35	44	23	36	176	27	0

(1) Percentage of water recycled and reused within our operations is based on the total volume of water recycled divided by the total volume of water consumed during the reporting period. This excludes seawater abstraction at Lihir, which is not introduced into the processing circuit for the purpose of ore processing. Total volume of water recycled includes Tailings Storage Facility return water and plant recirculation. Total volume of water consumed is the summation of total water abstracted and total water recycled.

(2) Bonikro figures pro-rated based on nine (9) months of operational control.

GRI 306-3**Significant spills (L) FY2018**

Spills to Land	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro ⁽²⁾	Namosi	Wafi-Golpu	Corporate Offices
Diesel	0	0	0	0	0	0	0	0	0
Coolant	0	0	0	0	0	0	0	0	0
Oils	0	0	0	0	0	0	0	0	0
Tailings	0	0	0	0	0	0	0	0	0
Process water	200,000	200,000	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0

Spills to water: No significant spills to report.

MM3**Waste rock and tailings (kt)**

	FY2018	FY2017	FY2016	FY2015	FY2014
Waste rock					
Company	54,756	53,288	23,473	27,677	62,058
Lihir	21,476	16,680	1,505	5,934	12,077
Telfer	26,657 ⁽¹⁾	19,017	6,688	7,221	20,795
Cadia	283	25	0	6	51
Gosowong	236	218	263	325	4,839
Hidden Valley	-	-	3,613	8,383	16,485
Bonikro ⁽²⁾	6,104	17,348	11,404	5,808	7,811
Tailings					
Company	57,533	58,372	58,689	61,851	57,596
Lihir	14,274	13,091	12,936	10,775	9,929
Telfer	19,826	18,318	17,559	21,918	21,124
Cadia	20,894	23,666	21,749	22,797	19,741
Gosowong	704	565	479	738	826
Hidden Valley	-	-	3,456	3,647	4,002
Bonikro ⁽²⁾	1,835	2,732	2,510	1,976	1,974
Total waste rock and tailings	112,289	111,660	82,162	89,529	119,654

(1) Total figure includes scats, reported in FY18 for the first time.

(2) Bonikro figures pro-rated based on nine (9) months of operational control.

GRI 202-1

Entry level wage as a percentage of local minimum wage (%)

	FY2018	FY2017	FY2016	FY2015	FY2014
Lihir	417	131	141	253	339
Telfer	267	271	329	331	325
Cadia	275	275	322	322	319
Gosowong	0	124	238	144	149
Hidden Valley	-	-	113	143	185
Bonikro	-	111	214	197	217
Exploration	303	303	356	354	354
Namosi	152	162	140	140	138
Wafi-Golpu	0	131	143	149	0
Corporate Offices	233	244	263	262	262

GRI 202-2

Proportion of senior management from the local community (%)⁽¹⁾

	FY2018	FY2017	FY2016	FY2015	FY2014
Company	59.3	56.0	66.1	11.3	37.3
Lihir	16.0	20.8	20.0	0.0	8.30
Telfer	92.0	100.0	100.0	0.0	0.0
Cadia	71.0	100.0	100.0	100.0	100.0
Gosowong	6.0	4.0	5.6	3.4	5.9
Hidden Valley	-	-	0.0	0.0	22.2
Bonikro	-	0.0	0.0	0.0	9.1
Exploration	23.0	0.0	-	-	-
Namosi	100.0	100.0	0.0	75.0	71.4
Wafi-Golpu	13.0	0.0	0.0	0.0	0.0
Corporate Offices	84.0	93.2	0.0	0.0	0.0

GRI 204-1

Proportion of spending on local suppliers (%) FY2018⁽²⁾

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Wafi-Golpu	Corporate Offices
Goods and supplies purchased locally	71.3	24.0	85.0	100.0	95.0	82.0	-	0.0	100.0
Services purchased locally	87.3	68.0	99.0	97.0	97.0	100.0	-	0.0	95.0

'-' is not available.

(1) Definitions of 'senior managers':

- Level 3.1 and above

Definitions of 'local communities':

- Corporate: Australian citizens/permanent residents.
- Lihir: Papua New Guinea nationals.
- Gosowong: Citizens that have Maluku Utara identification.
- Bonikro: Côte d'Ivoire national employees.
- Telfer: Australian citizens/permanent residents.
- Cadia: Australian citizens/permanent residents.
- Namosi: Fiji national employees.

(2) Locally-based suppliers: Providers of materials, products, and services that are based in the same geographic market (i.e. no transnational payments to the supplier are made).

GRI 205-3**Confirmed incidents of corruption FY2018**

No incidents of corruption to report.

GRI 206-1**Legal actions for anti-competitive behaviour, anti-trust and monopoly practices FY2018**

No legal actions for anti-competitive behaviour, anti-trust and monopoly practices to report.

GRI 401-1**New employee hires and employee turnover FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Employment type										
Total full-time employees (#)	5,048	2,423	446	620	949	-	124	11	160	315
Total new full-time hires (#)	651	356	98	55	7	-	18	0	28	89
Full-time employee turnover (#)	710	312	84	62	136	-	15	0	17	84
Full-time employee turnover to total full-time (%)	14	13	19	10	14	-	12	0	11	27
Full-time employee turnover to all employees (%)	14	13	19	10	14	-	11	0	11	25
Total part-time employees (#)	52	1	6	15	0	-	11	0	0	19
Total new part-time hires (#)	6	1	0	1	0	-	1	0	0	3
Part-time employee turnover (#)	8	0	0	3	0	-	1	0	0	4
Part-time employee turnover to total part-time (%)	15	0	0	20	0	-	9	0	0	21
Part-time employee turnover to total employees (%)	0	0	0	1	0	-	1	0	0	1
Gender										
Total males employed (#)	4,406	2,107	401	570	873	-	113	6	132	204
Total new male hires (#)	507	285	82	45	5	-	14	0	21	55
Male turnover (#)	610	279	70	53	127	-	10	0	15	56
Male turnover (of male employees) (%)	14	13	18	9	15	-	9	0	11	28
Male turnover (of all employees) (%)	12	12	16	8	13	-	7	0	9	17
Females employed (#)	694	317	51	65	76	-	22	5	28	130
Total new female hires (#)	146	72	16	11	2	-	4	0	7	34
Female turnover (#)	103	33	14	12	9	-	5	0	2	28
Female turnover (of female employees) (%)	15	10	28	19	12	-	23	0	7	22
Female turnover (of all employees) (%)	2	1	3	2	1	-	4	0	1	8
Age Group										
Total employees <30 (#)	539	289	46	100	32	-	12	1	27	32
Total new hires <30 (#)	163	85	21	24	1	-	2	0	10	20
Employees <30 turnover (#)	76	28	14	15	2	-	4	0	3	10
Turnover employees <30 (of total employees) (%)	2	1	3	2	0	-	3	0	2	3
Total employees 30-50 (#)	3,623	1,649	287	427	831	-	102	5	106	216
Total new hires 30-50 (#)	408	234	59	27	4	-	12	0	15	57
Employees 30-50 turnover (#)	449	197	52	38	89	-	9	0	9	55
Turnover employees 30-50 (of total employees) (%)	9	8	12	6	9	-	7	0	6	17
Total employees 50+ (#)	938	486	119	108	86	-	21	5	27	86
Total new hires 50+ (#)	82	38	18	5	2	-	4	0	3	12
Employees 50+ turnover (#)	188	87	18	12	45	-	2	0	5	19
Turnover employees 50+ (of total employees) (%)	4	4	4	2	5	-	2	0	3	6

GRI 401-3

Return to work and retention rate after parental leave by gender FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Male employees entitled to parental leave (#)	4,223	2,105	374	546	823	-	94	6	92	183
Female employees entitled to parental leave (#)	637	316	44	61	74	-	15	5	16	106
Male employees that took parental leave (#)	6	4	0	0	0	-	0	0	0	2
Female employees that took parental leave (#)	59	22	1	14	3	-	1	0	3	15
Male employees that returned to work after parental leave (#)	6	4	0	0	0	-	0	0	0	2
Female employees that returned to work after parental leave (#)	34	12	1	7	3	-	1	0	3	7
Male employees that returned to work after parental leave and employed 12 months after returning to work (#)	0	0	0	0	0	-	0	0	0	0
Female employees that returned to work after parental leave and employed 12 months after returning to work (#)	0	0	0	0	0	-	0	0	0	0
Retention rate of male employees who took parental leave (%)	0	0	0	0	0	-	0	0	0	0
Retention rate of female employees who took parental leave (%)	0	0	0	0	0	-	0	0	0	0

GRI 403-2

	FY2018	FY2017	FY2016	FY2015	FY2014
Lost Time Injury Frequency Rate (LTIFR) (per million hours worked) (#)					
Company	0.5	0.6	0.7	0.4	0.6
Lihir	0.0	0.1	0.2	0.1	0.2
Telfer	1.7	1.2	0.6	1.3	4.0
Cadia	2.0	2.3	2.7	1.3	0.6
Gosowong	0.3	0.9	0.6	0.0	0.0
Hidden Valley	-	-	1.3	0.3	0.3
Bonikro	1.3	0.6	0.3	0.0	1.8
Exploration	0.0	0.0	0.0	3.4	0.0
Namosi	0.0	0.0	0.0	0.0	0.0
Wafi-Golpu	0.0	0.0	0.0	0.0	0.0
Corporate Offices	0.0	0.0	1.3	0.0	1.0
Total Recordable Injury Frequency Rate (TRIFR) (per million hours worked) (#)					
Company	2.4	3.3	3.7	3.6	3.1
Lihir	0.5	0.7	0.6	1.1	1.0
Telfer	9.4	10.7	10.9	10.7	8.6
Cadia	6.7	10.7	10.6	8.1	6.3
Gosowong	1.1	2.4	4.3	4.4	2.7
Hidden Valley	-	-	2.7	2.1	2.2
Bonikro	1.7	0.9	0.9	1.2	3.5
Exploration	0.0	2.9	0.0	1.2	0.0
Namosi	0.0	0.0	0.0	0.0	7.7
Wafi-Golpu	0.0	0.0	0.0	0.0	1.0
Corporate Offices	0.0	0.0	2.6	0.0	1.9

'-' is not available.

Lost Time Injury Frequency Rate (LTIFR) by employee type (per million hours worked) (#) FY2018

	Employees	Contractors
Company	0.3	0.7
Lihir	0.0	0.0
Telfer	2.3	1.5
Cadia	0.8	2.9
Gosowong	0.5	0.0
Bonikro	0.0	2.4
Exploration	0.0	0.0
Namosi	0.0	0.0
Wafi-Golpu	0.0	0.0
Corporate Offices	0.0	0.0

Total Recordable Injury Frequency Rate (TRIFR) by employee type (per million hours worked) (#) FY2018

	Employees	Contractors
Company	1.2	3.2
Lihir	0.6	0.4
Telfer	6.9	10.1
Cadia	1.6	10.3
Gosowong	1.4	0.6
Bonikro	0.9	2.4
Exploration	0.0	0.0
Namosi	0.0	0.0
Wafi-Golpu	0.0	0.0
Corporate Offices	0.0	0.0

GRI 404-1**Average training hours per employee by gender and employee category (#) FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Senior Executive – male (Level 5 & 6)	50.6	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	50.6
Senior Executive – female (Level 5 & 6)	48.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	48.0
General Manager – male (Level 4)	26.8	9.0	40.0	72.5	0.0	-	8.0	0.0	2.0	29.0
General Manager – female (Level 4)	46.2	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	46.2
Manager – male (Level 3)	19.1	9.3	44.4	49.3	0.0	-	4.5	1.0	5.8	20.5
Manager – female (Level 3)	25.2	12.0	87.0	0.3	0.0	-	5.3	0.0	0.0	21.4
Supervisor, Superintendent, Coordinator & senior technical specialist – male (Level 2)	23.6	28.9	42.7	60.9	0.0	-	1.6	0.0	0.3	6.9
Supervisor, Superintendent, Coordinator & senior technical specialist – female (Level 2)	11.7	17.9	26.4	0.7	0.0	-	5.2	0.0	0.0	8.3
Operator, technical advisor & other – male (Level 1)	42.2	43.4	44.0	122.3	0.0	-	0.1	0.0	0.0	1.2
Operator, technical advisor & other – female (Level 1)	13.0	33.6	25.1	0.7	0.0	-	0.1	0.0	0.0	5.4

GRI 404-3**Employees receiving performance reviews (%) FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Proportion of employees	96	100	99	93	100	-	100	100	100	100

GRI 405-1
Composition of governance bodies FY2018

	Board of Directors	Audit & Risk Committee	Human Resources and Remuneration Committee	Safety & Sustainability Committee	Nominations Committee
Male (%)	75.0	33.3	50.0	100.0	100.0
Female (%)	25.0	66.7	50.0	0.0	0.0
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0
30-49 years of age (%)	0.0	0.0	0.0	0.0	0.0
50+ years of age (%)	100.0	100.0	100.0	100.0	100.0
Total (#)	8.0	3.0	4.0	3.0	2.0

GRI 405-1
Breakdown of employees by category, gender and age group FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Chief Executive Officer (Level 6)										
Total employees (#)	1.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	1.0
Male (%)	100.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	100.0
Female (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
30-49 years of age (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
50+ years of age (%)	100.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	100.0
Executive General Manager (Level 5)										
Total employees (#)	8.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	8.0
Male (%)	75.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	75.0
Female (%)	25.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	25.0
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
30-49 years of age (%)	12.5	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	12.5
50+ years of age (%)	87.5	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	87.5
General Manager (Level 4)										
Total employees (#)	46.0	4.0	1.0	2.0	0.0	-	3.0	0.0	4.0	32.0
Male (%)	87.0	100.0	100.0	100.0	0.0	-	100.0	0.0	100.0	81.3
Female (%)	13.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	18.8
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
30-49 years of age (%)	37.0	25.0	0.0	100.0	0.0	-	0.0	0.0	25.0	40.6
50+ years of age (%)	63.0	75.0	100.0	0.0	0.0	-	100.0	0.0	75.0	59.4
Manager (Level 3)										
Total employees (#)	170.0	21.0	11.0	15.0	17.0	-	19.0	2.0	11.0	74.0
Male (%)	78.2	95.2	90.9	80.0	88.2	-	78.9	50.0	90.9	67.6
Female (%)	21.8	4.8	9.1	20.0	11.8	-	21.1	50.0	9.1	32.4
<30 years of age (%)	0.0	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	0.0
30-49 years of age (%)	69.4	57.1	90.9	73.3	82.4	-	57.9	50.0	36.4	74.3
50+ years of age (%)	30.6	42.9	9.1	26.7	17.6	-	42.1	50.0	63.6	25.7
Supervisor, Superintendent, Coordinator (Level 2)										
Total employees (#)	1,257.0	606.0	100.0	146.0	208.0	-	35.0	6.0	49.0	107.0
Male (%)	87.1	89.6	88.0	87.7	92.3	-	82.9	66.7	77.6	68.2
Female (%)	12.9	10.4	12.0	12.3	7.7	-	17.1	33.3	22.4	31.8
<30 years of age (%)	3.0	2.6	7.0	3.4	1.4	-	5.7	0.0	4.1	2.8
30-49 years of age (%)	73.0	66.2	70.0	80.1	84.6	-	85.7	33.3	77.6	78.5
50+ years of age (%)	24.0	31.2	23.0	16.4	13.9	-	8.6	66.7	18.4	18.7
Operator, Technical Advisor (Level 1)										
Total employees (#)	3,617.0	1,793.0	340.0	472.0	724.0	-	78.0	3.0	95.0	112.0
Male (%)	86.5	85.9	88.8	90.7	92.0	-	84.6	33.3	83.2	42.9
Female (%)	13.5	14.1	11.2	9.3	8.0	-	15.4	66.7	16.8	57.1
<30 years of age (%)	13.9	15.2	11.5	20.1	4.0	-	12.8	33.3	26.3	25.9
30-49 years of age (%)	71.0	68.9	60.9	62.9	88.5	-	78.2	66.7	66.3	56.3
50+ years of age (%)	15.1	15.9	27.6	16.9	7.5	-	9.0	0.0	7.4	17.9

GRI 405-2

	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Ratio of basic salary and remuneration of women to men (%) FY2018									
Basic salary of women to basic salary of men	71.3	90.2	86.7	121.8	-	139.5	104.8	79.9	66.8
Ratio of basic salary by gender and employee category (%) FY2018									
Basic salary of women to basic salary of men (Board)	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	77.6
Basic salary of women to basic salary of men (Senior Executive)	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	64.1
Basic salary of women to basic salary of men (General Manager)	0.0	0.0	0.0	0.0	-	0.0	0.0	0.0	87.6
Basic salary of women to basic salary of men (Manager)	78.0	90.1	104.7	110.7	-	160.6	133.0	80.9	94.3
Basic salary of women to basic salary of men (Supervisor, Superintendent, Coordinator)	71.8	97.4	83.2	114.6	-	84.9	88.7	98.6	87.6
Basic salary of women to basic salary of men (Operator, technical advisor)	93.3	87.8	81.6	124.0	-	241.0	151.3	243.8	96.7

GRI 406-1**Incidents of discrimination (#) FY2018**

	Total	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Number of incidents of discrimination (based on race, colour, sex, religion, political opinion, national extraction or social origin)	10	5	0	5	0	-	0	0	0	0

Status of incidents and actions taken

	Lihir	Cadia
Has the incident/s been reviewed by the organisation?	Yes	Yes
Have remediation plans been implemented?	Yes	Yes
Have remediation plans been implemented and results reviewed through routine internal management review processes?	Yes	Yes
Is the incident/s still subject to action/s?	No	No

GRI 408-1**Number of operations at significant risk for incidents of child labour**

No operations at significant risk for incidents of child labour to report.

GRI 409-1**Number of operations identified as having significant risk for incidents of forced or compulsory labour**

No operations identified as having significant risk for incidents of forced or compulsory labour to report.

GRI 410-1**Security personnel directly employed who are trained in human rights policies or procedures FY2018**

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Percentage of security personnel trained (%) ⁽¹⁾	71	75	100	100	100	-	100	0	38	100
Total number of third party organisations' security personnel trained in Newcrest's human rights policies and procedures (#)	793	126	6	17	644	-	0	0	0	0

GRI 411-1**Total number of incidents for indigenous rights (#)**

	FY2018	FY2017	FY2016	FY2015	FY2014
Company	1	0	0	1	0

'-' is not available.

(1) Percentage of security personnel excludes contractors and third-party organisations, as at 30 June 2018.

GRI 415-1

Value of financial and in-kind contributions to political parties, politicians and related institutions

No financial or in-kind contributions to political parties, politicians and related institutions to report.

GRI 419-1

Significant fines and non-monetary sanctions for non-compliance with laws and regulations

No significant fines and non-monetary sanctions for non-compliance with laws and regulations to report.

GRI 102-8

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Employment type										
Male employees – full time	4,396	2,106	399	570	873	-	108	6	132	202
Female employees – full time	652	317	47	50	76	-	16	5	28	113
Male employees – part time	10	1	2	0	0	-	5	0	0	2
Female employees – part time	42	0	4	15	0	-	6	0	0	17
Total employees	5,100	2,424	452	635	949	-	135	11	160	334
Breakdown by employee category										
Male employees – permanent	4,223	2,105	374	546	823	-	94	6	92	183
Female employees – permanent	637	316	44	61	74	-	15	5	16	106
Male employees – fixed term or temporary	183	2	27	24	50	-	19	0	40	21
Female employees – fixed term or temporary	57	1	7	4	2	-	7	0	12	24
Contractors										
Male contractors/ supervised workers	7,257	3,561	1,359	2,236	0	-	0	0	0	101
Female contractors/ supervised workers	382	0	144	184	0	-	0	0	0	54
Total	7,639	3,561	1,503	2,420	0	-	0	0	0	155

GRI 102-41

Collective bargaining agreements (%) FY2018

	Company	Lihir	Telfer	Cadia	Gosowong	Bonikro	Exploration	Namosi	Wafi-Golpu	Corporate Offices
Employees covered	33	0	54	60	100	-	73	0	0	0

ASSURANCE STATEMENT



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

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

Independent Limited Assurance Report in relation to Newcrest Mining Limited's 2018 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 2018 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 2018:

- ▶ Subject Matter 1: The alignment of Newcrest's sustainability policies to International Council on Mining and Metal's ('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 Global Reporting Initiative ('GRI') indicators – which were selected based on Newcrest's materiality assessment process, in consultation with EY (see table 1 below).

Table 1: GRI performance indicators that form part of the Subject Matter

GRI category	GRI performance indicator	Subject Matter	Page(s)
Social	403-2	Lost time injury frequency rate ('LTIFR') (Company)	34, 77
		Total recordable injury frequency rate ('TRIFR') (Company)	34, 77
		Number of work-related fatalities (Company)	34
	410-1	Percentage of security personnel trained in the organisation's human rights procedures that are relevant to operations (Company)	33, 80
Environmental	302-1	Total energy consumption in gigajoules (Company)	65, 72
	302-3	Total energy intensity in gigajoules per troy ounce of gold equivalent (Company)	65, 72
	303-1	Total water withdrawal by source (Company)	64, 72
	305-1	Total direct greenhouse gas emissions (scope 1) in tonnes of carbon dioxide equivalent ('tCO ₂ -e') (Company)	65, 73
	305-2	Total indirect greenhouse gas emissions (scope 2) in tCO ₂ -e (Company)	65, 73
Mining and Metals Sector Supplement	MM3	Total waste rock, and tailings in tonnes (Company) and associated risks	63, 74
Economic	201-1	Direct economic value generated and distributed in US dollars (Company)	53

These disclosures are referenced in Newcrest's GRI Standard Content Index and sector supplements, 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 in Table 1
- ▶ Management's forward looking statements
- ▶ Any comparisons made against historical data or comparative information from prior years.

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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 Standards
 - ▶ 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 AA1000AS 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 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:

- ▶ Interviewing a selection of Newcrest staff and management at corporate and sites responsible for the Subject Matter and the preparation of the Report.



- ▶ Performing a site visit to the Telfer site 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 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 obtained ICMM Membership in November 2017, and are actively working towards achieving full alignment with the Sustainable Development Principles in line with the agreed ICMM Action Plan.
- ▶ Newcrest has made improvements to the sustainability reporting data collation and review process, in particular streamlining and consolidating the data reporting process compared to prior years. A number of other opportunities for improvement related to data collation and raw data aggregation and calculation processes have been communicated to management.

AccountAbility's AA1000 Principle of Inclusivity

At the corporate level, Newcrest continued to seek stakeholder perspectives to inform the sustainability reporting process. There remains an opportunity for Newcrest to further integrate existing stakeholder engagement mechanisms into the materiality assessment process, as well as further expand this stakeholder engagement process to include a broader range of stakeholder perspectives.

AccountAbility's AA1000 Principle of Materiality

In this reporting year, Newcrest undertook a 'deep dive' materiality assessment process consistent with the guidance provided by the GRI and AccountAbility's Five Part Materiality Test. To support the development of the Report, Newcrest held direct interviews with internal and external interviews and drew on broader stakeholder engagement channels to ensure its materiality assessment was reflective of evolving stakeholder interests.

AccountAbility's AA1000 Principle of Responsiveness

Newcrest has improved the timeliness of the Report by publishing the Report in time for its Annual General Meeting. This improves the effectiveness of the report as a mechanism to respond to stakeholder concerns and drive broader dissemination amongst stakeholders.

Ernst & Young
Ernst & Young
Melbourne, Australia
24 October 2018



CORPORATE DIRECTORY

INVESTOR INFORMATION**Registered and Principal Office**

Newcrest Mining Limited
Level 8
600 St Kilda Road
Melbourne, Victoria 3004
Australia
T: +61 (0)3 9522 5333
F: +61 (0)3 9525 2996
E: investor.relations@newcrest.com.au
www.newcrest.com.au

Company Secretaries

Francesca Lee and Claire Hannon
Newcrest Mining Limited
Level 8
600 St Kilda Road
Melbourne, Victoria 3004
Australia
T: +61 (0)3 9522 5333
F: +61 (0)3 9521 3564
E: francesca.lee@newcrest.com.au
claire.hannon@newcrest.com.au

Investor Relations

Chris Maitland
Head of Investor Relations
Newcrest Mining Limited
Level 8
600 St Kilda Road
Melbourne, Victoria 3004
Australia
T: +61 (0)3 9522 5717
E: chris.maitland@newcrest.com.au
Tamara Brown
Vice President Investor Relations and
Corporate Development (Americas)
Newcrest Mining Limited
First Canadian Place
100 King Street West – Suite 5600
Toronto, ON, M5X 1C9, Canada
T: +1 647 255 3139
E: tamara.brown@newcrest.com.au

STOCK EXCHANGE LISTINGS**Australian Securities Exchange**

(Ticker NCM)

Port Moresby Stock Exchange

(Ticker NCM)

New York ADRs

(Ticker NCMGY)

Share Registry

Link Market Services Limited
Tower 4
727 Collins Street
Docklands, Victoria 3008
Australia
Locked Bag A14
Sydney South, New South Wales 1235
Australia
T: +61 1300 554 474
(toll free within Australia)
F: +61 (0)2 9287 0303
+61 (0)2 9287 0309*
*For faxing of Proxy Forms only.
E: registrars@linkmarketservices.com.au
www.linkmarketservices.com.au

PNG Registries Limited

Level 2, AON Haus
MacGregor Street
Port Moresby, NCD
Papua New Guinea
PO Box 1265
Port Moresby, NCD
Papua New Guinea
T: +675 321 6377/78
F: +675 321 6379
E: brenda@online.net.pg

**AMERICAN DEPOSITORY
RECEIPTS (ADRS)**

BNY Mellon
Shareholder Services
PO Box 505000
Louisville, KY 40233-5000
USA
T: +1 888 BNY ADRS or +1888 269 2377
(toll free within the US)
International Callers: +1 201-680-6825
E: shrrelations@bnymellon.com
www.mybnyhdr.com

OTHER OFFICES**Perth Office**

Level 1, 1 Centro Ave
Subiaco WA 6008
Australia
T: +61 (0)8 9270 7070

Port Moresby Office

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



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