

SAGE:

Sustainability Achieved Through Greater Engagement

Calvert SAGE Strategies:

emphasize strategic engagement to advance environmental, social, and governance (ESG) performance on the part of companies that may not meet all of Calvert's Signature ESG criteria today but have the potential to improve.*

Newmont Mining Corporation

This company is a Calvert SAGE™ Strategy holding and is not eligible for investment in the Calvert Signature® Strategy portfolios.

Newmont has responded to significant environmental, social, and governance (ESG) challenges in some very demanding operating environments. The company has implemented a strong ESG management system and leads its peers in reporting payments to host governments. In fact, Newmont's voluntary payment reporting and public support of the Energy Security Through Transparency Act (ESTTA) is an example for its peers. However, environmental and community challenges at Newmont's Ghana, Indonesia, Peru, and U.S. mines indicate problems with consistent implementation of its policies. Strong initial steps toward addressing these challenges could include the company clarifying its policies regarding Free, Prior, and Informed Consent and banning both submarine and riverine tailings disposal. Community-managed water quality monitoring systems also should be expanded and adapted to all operations where local communities rely on agriculture and other water-intensive livelihoods. In 2007, the Newmont board supported a shareholder resolution to undertake an assessment of community relations at its mines. In March 2009, the findings of this review were released. The company should implement the recommendation of this review in a transparent manner that incorporates community input into the action plans developed at each mine and features a timetable for implementation, benchmarks, and indicators in order for all stakeholders and shareholders to assess Newmont's progress.

NEWMONT ADVOCACY OBJECTIVES

- Implement operational changes recommended by shareholder-requested community relations review and report on outcomes annually.
- Reevaluate a system of social and conflict assessment tools with an eye toward resolving the root causes of community concerns in Ghana, Indonesia, Peru, and the United States regarding sacred/protected sites, resettlement, water management, reclamation/bonding, compensation, and community consent.
- Apply operational lessons as appropriate from Voluntary Principles on Security and Human Rights (VPS)** implementation with security staff in Peru, Indonesia, and Ghana.
- Develop a company-wide greenhouse gas (GHG) emission reduction plan with targets and report on the program annually.
- Support climate change public policy initiatives that set strong and clear reduction requirements in GHG emissions and leverage any current carbon mitigation and renewable energy strategies.
- Deploy a company-wide water quality monitoring system that centers on communities, presents reliable data, and provides an agenda for action to which the company can be held accountable.
- Engage in the development of legislative reform of the General Mining Law that addresses shortcomings in reclamation bonding, protected areas provisions, and royalty rates, among other areas.

*Calvert's Signature ESG criteria examine corporate performance across seven broad areas of concern: governance and ethics, environment, workplace, product safety and impact, human rights, Indigenous Peoples' rights, and community relations. For more information, please visit <http://www.calvert.com/sri-signature-criteria.html>.

**The Voluntary Principles are global human rights standards for the oil, gas, and mining sectors and the first operational standards for any sector addressing corporate responsibility in zones of conflict.

ENGAGEMENT TOOLS APPLIED

- Direct dialogue with Newmont executive management
- Possible shareholder resolutions
- Sign-on letters on specific objectives

RECENT ENGAGEMENT

- On June 2, 2010, Calvert spoke with the Chief Sustainability Officer and Vice President of Corporate Social Responsibility (CSR) regarding Newmont's ongoing advocacy in support of the ESTTA, which is one of the company's SAGE objectives. Newmont was very enthusiastic about helping Calvert and Publish What You Pay demonstrate mining industry support for the legislation and offered to call Senator Harry Reid (D-NV) and sign off on a statement to be used during the SEC rule-making process for the now-passed bill.
- On November 19, 2009, Calvert's Senior Vice President of Sustainability Research and Policy and Extractive Industries Analyst met with Newmont's Chief Sustainability Officer and Vice President of CSR following the Community Relationship Global Workshop. The group discussed the workshop, Newmont's role in the VPs, and the company's public support of the ESTTA (a SAGE Advocacy Objective).
- On November 17, 18, and 19, 2009, Calvert participated in Newmont's Community Relationship Global Workshop, a gathering of senior staff and key stakeholders to evaluate implementation of the company's Community Relationships Review (CRR).

- On August 28, 2009, Calvert met with Newmont's Vice President of CSR by phone and the Manager of ESR in person. The meeting focused on the SAGE advocacy objectives regarding Newmont's CRR, the VPs, extractive industries revenue transparency, water management policy, and the company's GHG emissions reduction plans. During the discussion, Newmont detailed its public reporting plans for the CRR and expressed its support for the U.S. revenue transparency legislation. The group decided to meet again in Q4 2009 to carry on discussions, especially those relevant to the CRR, the VPs, water quality management, and relevant pending legislation.

STATUS AND NEXT STEPS

Calvert plans to meet in person with Newmont during the first half of 2011.