

New Afton team members overlooking the historic pit.



LOOKING FORWARD

At New Gold, we are committed to embedding sustainability principles in our company DNA. In 2021, we launched a Sustainability Strategy that includes three Anchors: Environment (Climate, Water Management and Tailings Management), Community Engagement and Indigenous Rights.

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As a Canadian-focused company, we will work to strengthen our relationships with Indigenous communities that are affected by our mining operations, recognizing the obligations and responsibilities that come with operating on traditional lands of Indigenous communities.

FUTURE GOALS AND TARGETS

As we position ourselves to be a leading Canadian-focused intermediate gold producer, we understand the need to continuously improve our economic, environmental, social and governance performance, and to enhance the health and well-being of people in our company and operating communities.

As part of our Sustainability Strategy, we will continue to evolve our ESG disclosure to meet the rising standards of our industry and the ongoing needs of our stakeholders. This process has already begun: our 2021 Corporate Scorecard addresses priority ESG areas, and our 2021 ESG Report – our first ever – provides insights about our 2020 non-financial performance. Improvements in ESG disclosure will continue as we establish performance baselines and define KPIs in the years ahead.

FUTURE INITIATIVES

Governance

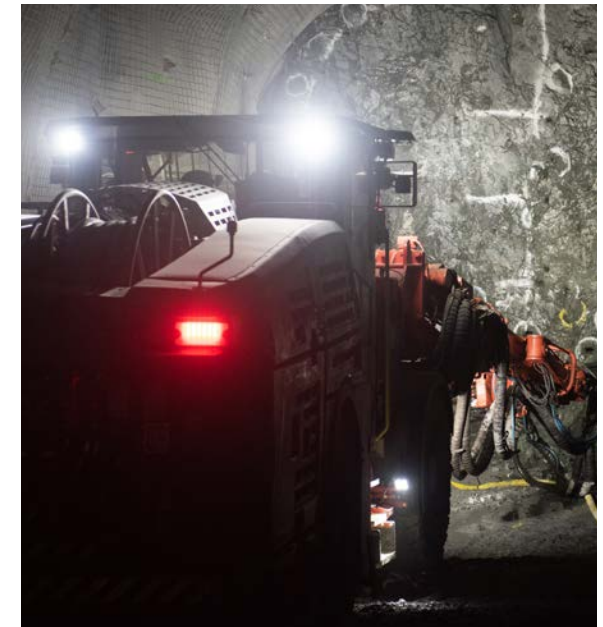
Good governance is central to effective operations, and to executing our Sustainability and ESG strategies. We will continue to evaluate governance practices at all levels of the organization.

Sustainability Governance responsibilities at New Gold include:

- **Board Committee** – Oversees technical operations and sustainability
- **CEO** – Accountable for sustainability performance and priorities
- **Director of Sustainability** – Responsible for Sustainability Strategy development and working with sites
- **Site GMs, Community and Environment Managers** – Responsible for site-based activities, regulators and priorities
- **Community and Environmental teams** – Responsible for implementing plans

Health and Safety

We are committed to prioritizing the health, safety and well-being of our people by continuing to review and improve health and safety best practices and aligning with health and safety regulations.



▲ Underground blast site at New Afton.



Environmental

As part of our commitment to sustainability, New Gold has identified three focus areas for environmental performance and accountability:

- 1. Water Management** – Strengthening our approach to water stewardship to allow operations to focus on improving water standards and processes.
- 2. Tailings Management** – Supporting and adhering to the Mining Association of Canada’s Towards Sustainable Mining Tailings Management Protocol; we are also a member of the Canadian Dam Association.
- 3. Climate Action** – Focusing on energy efficiency, reducing fossil fuel consumption and reducing electricity generated from fossil fuels to reduce our carbon footprint (see sidebar).

Climate Action

Climate change modelling indicates areas where New Gold operates will become hotter with slight increases in precipitation. Key seasonal impact resulting from climate change will depend on the timing of the precipitation and rain-on-snow events due to milder winter temperatures.

With this in mind, extreme precipitation events are predicted to become more frequent for both our operating mines. Our Rainy River operation will likely see larger snow-packs with more frequent rain-on-snow events, which could lead to wetter spring and fall periods. The projected climate change impacts are likely to affect Rainy River infrastructure and associated water management infrastructure during mine closure, with less of an impact during operation.

Our New Afton Mine is in a semi-arid location, meaning that it is more prone to lightning impact and increased convective precipitation.

Our site-based teams are constantly monitoring and reviewing data to ensure our risks are mitigated through both operation and closure of our mines. New Gold began work on our Climate Change Strategy in 2020 to address these risks and opportunities to help inform operational decision making.

New Gold’s climate change strategy identifies risks and opportunities over multiple time horizons:

Short-term (up to 2 years) – Focuses on optimizing our sustainability performance by developing an approach rooted in social and environmental resilience.

Medium (2–5 years) – Focuses on growing New Gold by expanding our approach in social and environmental resilience.

Long-term (5 years through Life of Mine) – Focuses on growing New Gold into a company with progressive sustainability goals.

LOOKING FORWARD

Social Responsibility

As part of our commitment to sustainability, New Gold has identified three focus areas for Social performance and accountability:

- 1. Indigenous Relations** – We partner with Indigenous community leadership and members to identify opportunities for economic benefit through training, business development and procurement opportunities.
- 2. Community Investment** – We support organizations that align with our Sustainability Strategy, including education programs (K-12 and post-secondary) for Indigenous communities; we also support water quality and water management initiatives in communities near our operations.
- 3. Community Engagement** – We actively seek and encourage dialogue with our communities.

Economic

We are committed to creating long-term value by optimizing our current operations and seeking opportunities to grow our assets.

Ongoing Disclosure Changes

As the reporting landscape changes and new frameworks are introduced, New Gold will continue to evolve its sustainability disclosure practices.

We have begun working with a third-party analyst to better align ourselves to begin reporting to the TCFD for our future reports. We began to introduce mapping our report against the TCFD in 2020 to better position ourselves for future reporting years.



▲ **Scott Davidson**, Environment, Lands and Permitting Manager, New Afton.