



Beyond the Mine

2020 ESG REPORT

newgold™



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ABOUT THIS REPORT



The New Gold 2020 ESG Report provides insights on the company's sustainable and socially responsible business practices. In conjunction with our 2020 Sustainability Report and 2020 Annual Report, it presents a transparent account of the company's non-financial performance and the strategies we follow in pursuit of our Mission and goals.

LETTER FROM THE DIRECTOR OF SUSTAINABILITY



The path to becoming a responsible mining company is one that requires deep commitments to the people, policies and processes that bring measurable, ongoing success – and to the transparent reporting of the strategies and actions we take to honour those commitments.

This is particularly true in the areas of environment, social and governance (ESG) performance.

As a Canadian-focused company, we believe we have the opportunity – and the responsibility – to set an example for the Canadian mining industry by being a class leader in ESG and Sustainability performance and reporting.

Each year we assess our approach in these areas and improve where we can – always striving to ensure strong environmental practices, to improve the livelihoods and well-being of employees and surrounding communities, and to ensure that we have the right policies in place to realize our Mission.

Guided by our Core Values and our four Strategic Pillars of Operational Excellence, Sustainability, People and Growth, we seek to create a culture of leaders that will take our company to new levels of performance and positive impact for years to come.

As we do, we will continue to report on our progress and fulfill our responsibilities to the people who make it possible for us to grow and succeed as a company, and to the planet that we all share.

Sincerely,

A handwritten signature in black ink that reads "Bethany Borody". The signature is fluid and cursive, with the first name and last name clearly distinguishable.

Bethany Borody
Director, Sustainability

ESG AT NEW GOLD



At New Gold, we continuously take steps to improve how we approach and report on issues that matter to our stakeholders, including our Environment, Social and Governance performance. We do this not simply in response to stricter regulations and higher expectations from investors and our communities, but because it makes us a stronger company.

While impact stories are important, we know we must do more to create the meaningful change that will sustain Operational Excellence – one of four Strategic Pillars for our company (see our annual Sustainability Report, available on our website, for further details). A public accounting of our non-financial performance is essential to the continuous improvement we seek in all aspects of our business.

Through the data in this report, and in other annual publications related to it (including our Sustainability Report and Annual Report), we strive to demonstrate our efforts to deliver on the expectations we hold for ourselves – and that our stakeholders hold for us.

As with all disclosure at New Gold, our approach to ESG reporting will continue to evolve as new and relevant standards, frameworks and expectations become applicable.

Our ESG Report in Context

Our ESG Report is part of New Gold's suite of annual disclosure materials, which currently includes a comprehensive Sustainability Report and our Annual Report's Management's Discussion and Analysis. Both documents are available on our website.

New Gold's 2020 ESG and Sustainability reports were prepared to align with GRI Sustainability Reporting Standards (Core Option) and the G4 Mining and Metals Disclosures, and in accordance with the SASB Metals and Mining Standards to allow for integration of sustainability accounting.

This year, we have also incorporated United Nations Sustainable Development Goals (UN SDGs) in our disclosure to better communicate our performance to stakeholders – see our Sustainability Report for full details. Plans are underway to better align our reporting with the Task Force on Climate-related Financial Disclosures (TCFD) in 2021.

ESG Oversight

Primary oversight of ESG reporting lies with New Gold's Sustainability department, led by New Gold's Director of Sustainability. The Sustainability team is responsible for the strategy, implementation, reporting and impacts associated with all these areas.

ESG considerations are embedded across multiple departments at New Gold, including Sustainability, Human Resources, Health & Safety, Finance, and Operations. New Gold will continue to integrate ESG principles into key company departments based on material priorities and market trends in the months and years to come.

Additional roles that support New Gold ESG efforts include:

- **Technical and Sustainability Board Committee** – Oversees technical operations and ESG/sustainability
- **CEO** – Accountable for ESG/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



Download our [2020 Sustainability Report](#).

For an overview of current Governance policies at New Gold, see the Governance section of this report. For a comprehensive list of our Board's Principal Duties and Responsibilities, see our 2020 Sustainability Report.

The following are highlights from our 2020 ESG reporting:

Health and Safety

Our 2020 Health and Safety performance is based on our scorecard which identifies Total Reportable Injury Frequency Rate (TRIFR). For 2020 our objective was to have a 25 percent reduction of our 2019 TRIFR. Our 2020 performance was 1.16; our 2020 objective was achieved (2019 TRIFR of 2.11).

Environmental

Our 2020 Environmental performance is based on our reportable environmental release incidents. For 2020, our objective was to reduce reportable environmental release incidents to fewer than nine; we have 10 environmental incidents, three of which were insignificant (minor incidents or contractor-related). With only seven reportable incidents, we met our 2020 goal.

Social

Our 2020 community engagement is based on the Mining Association of Canada's Towards Sustainable Mining protocols. For 2020, our objective was to achieve AA for all indicators. We achieved our 2020 objective with four indicators scoring AAA and four indicators scoring AA.

Economics*

In 2020, New Gold spent \$87,344,707 on local procurement and \$133,864,847 on Indigenous procurement for a total of \$220,209,554 in local and Indigenous procurement at our Rainy River and New Afton mine sites.

New Gold spent a total of \$706,856,980 on overall procurement at the Rainy River and New Afton mine sites.

1.2

**Total Reportable Injury
Frequency Rate**

7

**Reportable Environmental
Release Incidents**

8

**Total Indicators
Scoring AA and Above**

\$220⁺
million

**Total Local and Indigenous
Procurement**

*Dollar amounts stated in CAD.

ENVIRONMENT

Environmental stewardship is integral to our business. It is an anchor of our Sustainability Pillar – one of four Strategic Pillars that guide our decisions as a company.

By its nature, the mining industry affects the use and quality of air, water and the land, including wildlife habitats. Mining operations have an impact on the climate through greenhouse gas (GHG) emissions and energy use, which can have wide-ranging effects.

As members of a responsible mining community, we are committed to reducing our impact on the environment and returning it to conditions that are the same or better than they were when we began operations. This includes preserving water quality, biodiversity and air quality as well as limiting our impacts on climate through our GHG emissions and energy use during the life of mine.

Our primary areas of focus in our Environmental Stewardship anchor include:

- **Climate action**, with priorities to reduce GHG emissions and energy use and efficiency;
- **Water management**, with priorities to improve water use efficiency and ensure water recycling, quality and access;
- **Tailings management**, with priorities to minimize the environmental impact of tailings and ensure best practice in public disclosure; and
- **Biodiversity management**, with an emphasis on protection of endemic species in areas where we operate.

For further information on our 2020 Environmental performance, see our 2020 Sustainability Report. For more details on our approach to Environmental Stewardship, see our Sustainability Strategy. Both documents are available on our website.

Regulatory Actions and Incidents

	TOTAL
Regulatory Actions and Incidents	10
Environmental Fines	0
Non-Monetary Sanctions	1
Reportable Spills	10

Energy Use and Energy Intensity (GJ)

	GIGAJOULES
Total Energy Used	2,123,670
Energy Per Tonne of Ore Mined	426.37
Energy Per Tonne of Ore Treated	524.81
Energy Per Ounce of Gold Production	283.7606594

GHG and Emissions

	% OF WORKFORCE
Total GHG Emissions (Scope 1 and Scope 2) (tCO ₂ e)	163,585
Direct GHG Emissions (Scope 1)	147,939
Indirect GHG Emissions (Scope 2)	15,646

Other Air Emissions

	TOTAL
Nitrogen Oxides (t)	not available
Sulfur Oxides (t)	not available
Particulate Matter (PM10 or less) (t)	not available

Biodiversity

	TOTAL
IUCN Red List Species and National Conservation List Species Affected	643

Significant Material Use

	TOTAL
Diesel Fuel (L)	49,617,000
Gasoline (L)	998,761
Propane (L)	2,330,000
Sodium Cyanide (t)	1,614

Water

	TOTAL
Total Fresh Water Withdraw (m³)	6,981,000
Total Water Discharge (m³)	1,648,000
Total Water Consumption (water withdrawal – water discharged) (m³)	5,333,000
Total Water Recycled (m³)	23,155,000
Total Water Use (consumed and recycled) (m³)	28,488,000
Percent Recycled (total water recycled/total water use)	0.812798371%
Water consumed per Tonne of Ore Treated (m³/t)	1,368.488581

Tailings

	TOTAL
Reportable Tailings-Related Incidents	0
Total Tailings Generated (t)	14,232,751
Tailings to surface (t)	14,232,751
In-pit tailings (t)	0
Sub-surface tailings (t)	0
Sub-sea tailings (t)	0
Acid Generation Tailings	62%

SOCIAL

At New Gold, the relationships we have with our employees, contractors and suppliers – along with the communities where we operate – have a significant impact on all aspects of our financial and non-financial performance.

With these potential impacts in mind, New Gold takes an inclusive and responsive approach to managing social issues that is designed to maximize positive outcomes, strengthen community resilience, and protect the safety, well-being, rights, and dignity of all people affected by our operations.

In early 2021, we began the process to lay groundwork on a comprehensive Social Management System to guide engagement with all key New Gold stakeholders; we expect the System to be in place by 2022.

Our primary areas of focus in Social performance include:

- **Employee Health, Safety and Well-being**, with an ongoing goal of zero harm to people through our commitment to the prevention of all occupational injuries and illnesses;
- **Indigenous rights**, with an emphasis on delivering positive social, economic and environmental outcomes based on community-defined aspirations;
- **Community engagement**, with an emphasis on strengthening relationships and developing targeted strategic community investment plans; and
- **Local economic development**, with a focus on strengthening the capacity of local institutions and developing alternative industries in local areas.

For further information on our 2020 Social performance, see our 2020 Sustainability Report. For more details on our approach and vision for Community Engagement, Indigenous Rights, Safety and other social performance areas, see our Sustainability Strategy. Both documents are available on our website.

Full-Time Employees

DEMOGRAPHIC	# OF EMPLOYEES
Male	1,293
Female	258
Total	1,551

Workforce by Gender

	% OF WORKFORCE
Male	83%
Female	17%

Workforce in Management Roles

	% OF WORKFORCE
Male	2%
Female	1%

Indigenous and Local Workforce

	% OF WORKFORCE
Indigenous	22%
Local	76%

New Hires and Turnover Rate

	# OF EMPLOYEES	RATE BY %
New Hires (Full-time Employees)	344	21%
Turnover (Full-time Employees)	220	15%

Other

	TOTAL
Employees covered by collective bargaining agreement	9%
Total Training Hours/Employee	46.94906512

Safety

2020	TOTAL
TRIFR	1.16
Lost-time Injuries (LTI)	0
Fatal Injuries	0
Occupational Illness Frequency Rate	not available
Accident Severity Rate	32.98
Workforce covered by OHS Management System	100%
Workforce represented by JOSH Committees	27%

Procurement Spend

TYPE	% OF SPEND
Local	19%
National	74%
Indigenous	12%
Social or Regulatory Fines	0%

Incidents and Complaints

	TOTAL
Complaints and Grievances Filed at Site	9
Incidents of violations involving rights of Indigenous people	0
Grievances Resolved/Closed within 30 days	40%
Whistleblower Complaints	3
Complaints that warranted investigations	3
Complaints investigated and closed during the year	3
Complaints still undergoing investigation	0

Community Investment

	TOTAL
Total amount given to charities, NGOs and Research Institutes	\$624,277.66
Community Infrastructure	\$1,683,852.00

GOVERNANCE

Good governance is central to executing our ESG and Sustainability strategies, and to delivering on New Gold's four Strategic Pillars. Our Board of Directors continuously evaluates our governance policies, incorporating new best practices as needed to manage risk and ensure the continuous improvement of our performance.

Our comprehensive suite of corporate policies, detailed here, is designed to ensure the ethical behaviour and accountability of our employees, the compliance and transparency of our operations and communications, and the safety, well-being, and rights of all people impacted by our business.

Key corporate policies at New Gold include:

- **Code of Business Conduct and Ethics**, which provides guidelines for ethical conduct, transparent disclosure, and compliance with applicable laws, regulations, and codes inside and outside New Gold;
- **Respectful Workplace Policy**, which provides guidance for ensuring a workplace free from discrimination, bullying, harassment and violence;
- **Whistleblower Policy**, which provides protection for all directors, officers, contractors and employees who report actual or suspected violations of the company's Code of Conduct;
- **Anti-racism Policy**, which seeks to eliminate the mistreatment of people based on their ancestry, race, colour, sexual orientation, citizenship, ethnic origin, faith and place of origin; and
- **Human Rights Policy**, which supports New Gold's commitment to human rights, labour, environment and anti-corruption in all of our business operations.

For a comprehensive description of the specific duties and responsibilities of our Board of Directors and Board Committees, as well as a discussion on New Gold's approach to determining Materiality, see our 2020 Sustainability Report. For more on New Gold's approach to enterprise risk management, see our 2020 Management's Discussion and Analysis. Both documents are available on our website.



POLICY NAME	PURPOSE	LOCATION
Anti-bribery and anti-corruption	Ensures compliance with Canada's Corruption of Foreign Public Officials Act, the U.S. Foreign Corrupt Practices Act, and other applicable anti-bribery and anti-corruption laws.	Website
Respectful workplace	Provides guidance for ensuring a workplace free from discrimination, bullying, harassment and violence.	Internal
Whistleblower	Provides protection for all directors, officers, contractors and employees who report actual or suspected violations of the Company's Code of Conduct.	Website
Code of Business Conduct and Ethics	Promotes guidelines for ethical conduct, transparent disclosure, and compliance with applicable laws, regulations, and codes inside and outside New Gold.	Website
Anti-racism	Seeks to eliminate mistreatment of people based on their ancestry, race, colour, sexual orientation, citizenship, ethnic origin, faith and place of origin.	Internal
Human Rights	Supports New Gold's commitment to human rights, labour, environment and anti-corruption in all of our business operations.	Website
Community Engagement Development Management System Standard	Establishes minimum engagement requirements for employees and contractors and provides guidance on understanding and managing impacts on Communities of Interest (COI).	Internal
HSE and CSR	Sets key goals in relation to Health, Safety and Environment, and Corporate Social Responsibility.	Internal

POLICY NAME	PURPOSE	LOCATION
Occupational Health and Safety Management System	Ensures compliance with and continual improvement of our internal health and safety management systems.	Internal
Sustainability and Safety Policy	Sets key goals for Health, Safety and Sustainability, including environmental stewardship, community development, Indigenous engagement, and community health and well-being.	Internal
Supply Chain Policy	Sets key objectives for supply chain process, including inclusion of local and Indigenous businesses in our supply chain at each operation.	Internal
Board Diversity Policy	Supports increased Board diversity by gender, age, ethnic origin, religion, sexual orientation and disability.	Internal
Executive Compensation Clawback Policy	Sets guidelines for executive compensation and for the potential recovery of compensation paid to executives in the event of misconduct.	Internal
Say on Pay Policy	Provides guidance for an annual shareholder advisory vote on executive compensation.	Internal
Policy on Outside Board Positions	Ensures approval when a New Gold director proposes to serve on an outside board of directors.	Internal
Majority Voting Policy	Ensures that New Gold Board members carry the support of its shareholders.	Internal
Board Shareholder Communication and Engagement Policy	Ensures informed dialogue and transparency with shareholders.	Internal
Corporate Diversity Policy	Ensures our commitment to workplace diversity in relation to gender, race, ethnicity, age, religion, sexual orientation and disability.	Internal

LOOKING AHEAD

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.

In line with our Sustainability Strategy (launched in 2021), New Gold will continue to improve ESG disclosure to meet the rising expectations and standards of our industry. Our forthcoming 2021 Corporate Scorecard will provide insights about our priorities and performance in critical ESG areas.

Specific initiatives underway include the following:

Environmental

- **Water management:** We will continue to set site-specific water targets for operations where water is identified as a material risk, and work towards net-neutral water use at our operations by 2030.
- **Tailings management:** We will continue to develop ways to minimize the impact of tailings and develop a Life-of-Tailings Management Plan at each of our work sites.
- **Climate:** We will continue to refine a holistic Climate Action Strategy, which will include creating Energy and Greenhouse Gas Emissions Management Plans at all current operations in 2021.
- **Biodiversity:** We will work towards achieving a net positive impact at our work sites by 2040.

Social

- **Social management:** We have begun development of a holistic Social Management System to guide and inform engagement, community investment and local economic development activities. We expect to launch the System in 2022.
- **Community investment:** We expect to launch a comprehensive Community Investment Strategy in 2021 to increase impact in line with community needs and UN SDGs.

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- **Local economic development:** We will continue to develop and implement a Local Economic Development Strategy that encourages local entrepreneurship and supports local business development, along with a Diverse Supplier Strategy that cultivates local procurement opportunities for diverse suppliers, including Indigenous and women-owned enterprises.
 - **Indigenous rights:** We will continue to refine our Indigenous Relations Strategy to achieve an AAA Toward Sustainable Mining (TSM) rating and align with the Canadian Council for Aboriginal Business Progressive Aboriginal Relations (CAB PAR) program by 2025.
 - **Health and safety:** We will continue to prioritize the safety and well-being of our people through safety training and development.

Governance

- **Governance KPIs:** We will continue to evaluate and refine governance policies and oversight processes to align with evolving best practices, and look to establish KPIs in governance areas deemed to be material to our business.
- **Disclosure:** We have begun working with a third-party analyst to better align ourselves to begin reporting to Task Force on Climate-related Financial Disclosures (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.



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