

# Governance

## IN THIS SECTION

Environment and Social Compliance

Good governance is central to executing our Sustainability Strategy and to delivering on New Gold's four Strategic Pillars. Our comprehensive suite of corporate policies promote and guide 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.



“The greatest challenge and opportunity in mining relating to governance is moving beyond assessments and measurements, and taking real action to proactively make changes and improve.”

**Patricia Good**  
Legal Counsel, Corporate Head Office

## Analysts Corner

### Disclosures and Indices Tags

GRI 307-103, 307-1, 419-103, 419-1, EM-MM-160a.1

## ENVIRONMENT AND SOCIAL COMPLIANCE

We are committed to establishing site operating standards and procedures that enable best practices and work toward operational excellence.

Standards and procedures are designed to meet or exceed relevant laws and regulations and fulfill New Gold's commitments to environmental management, social management and mine closure.

### Management

#### Statutory and Regulatory Requirements

New Gold's mining, exploration and development activities are subject to various federal, provincial, state, county and municipal laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties.

In all jurisdictions where New Gold operates, specific statutory and regulatory requirements and standards must be met throughout the exploration, development and operations stages of a mining property regarding air quality, water quality, fisheries and wildlife protection, solid and hazardous waste management and disposal, noise, land use, and reclamation.

We are vigilant about compliance and ensure any non-compliance is remediated swiftly.

#### Management Systems

New Afton implemented an Environment and Social Responsibility Policy and comprehensive ISO 14001:2015 certified management system. The site's environmental management system was recertified in 2020 and an external surveillance

audit was conducted in 2021. CSP's ISO 14001:2015 management system continued to drive its environmental program in 2021. Rainy River implemented an environmental management system, which incorporates ISO 14001 criteria. The system will undergo an implementation audit by the end of 2022. Rainy River's management plans and programs consist of an operations, maintenance and surveillance manual, environmental effects monitoring program, biological monitoring plan, surface water flow monitoring plan, contingency plans, geochemical monitoring plan, groundwater monitoring program and sampling protocol. Management plans are designed by discipline, permit and approval conditions.

In 2021, a universal permitting database was developed to provide greater oversight from the Corporate Head Office around permitting requirements, amendments, renewals or any delays in receiving permits.

#### Our Performance

Water management ponds (WMPs) exist downstream of the Historic Afton TSF (HATSF). The WMPs have not been pumped back since HATSF operations ceased (in the 1990's), nor were there any requirement for pump-back when New Afton took ownership of the HATSF in 2017. In 2021, the Ministry of Energy, Mines and Low Carbon Innovation (EMLI) imposed a condition to implement

a pump-back system, as part of the B3 permitting process, by December 31, 2021. Through subsequent discussions with EMLI, New Afton received an order to implement and commission an interim pump-back system by April 31, 2022, which is underway. New Afton intends to construct and commission a permanent system by year end. In 2020, Rainy River received a notice of non-compliance from the Impact Assessment Agency of Canada (IAAC) that is still active in 2021 as field work was performed to complete an engineered solution. In 2022, New Gold is addressing this by constructing a 1-metre compacted engineered liner in the Stockpile Pond to minimize water loss and maximize fish habitat in the pond and associated diversion. This solution

will also maximize fish passage from the Stockpile Pond headwaters to the Pinewood River and, eventually, the Rainy River.

In 2021, there were no significant environmental or social and economic fines or non-monetary sanctions. Any issues raised by communities are addressed through IBA dispute resolution mechanisms and the Joint Implementation Committee (JIC) process. There was one case brought through dispute resolution mechanisms in 2021.

We experienced two reportable spills in 2021, down from 10 in 2020.



“From COVID-19 variants to the residential school discoveries and extreme weather events, 2021 was a year of challenges. Our workload was high but the whole site came together in an effort to extend the mine life with B3 and C-Zone development, thickener plant construction, permitting efforts and signing a new Cooperation Agreement with our Indigenous partners.”

Luke Holdstock

Acting Manager, Environment, Lands and Permitting, New Afton



## ENVIRONMENT AND SOCIAL COMPLIANCE CONTINUED

### Initiatives and Stories

#### Amended Permit Will Take New Afton Into the Next Phase

In Q2 of 2021, New Afton received both the Mines Act permit amendment to M-229 (May 21) and the Environmental Management Act permit amendment to 100224 (June 30). These updated permits allow for the mining of the B3 ore body, TAT deposition to the Historic Afton Open Pit and stabilization and dewatering activities for the New Afton TSF.

These approvals come after months of effort by many consultants and employees from departments across the site. Pre-engagement for the amendments started two years ago, with rigorous engagement for the last year and a half.

“There was a lot of engagement with First Nations, the government and neighbouring stakeholders,” said Luke Holdstock, Acting Manager, Environment, Lands and Permitting at New Afton Mine. “B3 Permitting allows us to thicken and amend tailings and then put that into the historic pit. It was quite a substantial permit to have received.”

The amendment process required engagement with regulators on geotechnical, geoscience, reclamation and closure plan details to ensure risks are adequately mitigated.

A significant amount of time was also spent with partners from SIB, TteS and SSN, the Nlaka’pamux Nation Tribal Council (NNTC) and other interested local stakeholders to ensure environmental, traditional and safety values were recognized and managed effectively.

This amended permit will allow B3 mining through to 2024, while setting New Afton up for success for the rest of C-Zone mine life with the approval for TAT deposition to the Historic Afton Open Pit.

“This is ideal,” Holdstock said. “It is better to keep tailings deposition in the existing historic pit versus putting it somewhere new. We are utilizing this historic infrastructure instead of green field construction.”

Every new permit approval is an achievement based on the support of the entire site and truly is a representation of the hard work put in by all employees.




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## POLICIES

Policy	Description	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
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
Board Guidelines on Term Limits, Retirement, Over-boarding and Board Interlocks	Provides guidance on succession planning and diligently managing potential conflicts of interest between directors and the Company. Sets out general principles to approach limitations on the terms of directors and the membership of directors on the boards of other companies.	Internal
Board Shareholder Communication and Engagement	Ensures informed dialogue and transparency with shareholders.	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 of New Gold.	Website
Corporate Diversity	Outlines New Gold's policy with respect to diversity on its Board of Directors and senior management.	Internal
Diversity, Equity and Inclusion	Outlines the organization's expectations when it comes to diversity, equity and inclusion.	Internal
Education and Tuition	Guidelines concerning the approval process and the provisions around financial support regarding employee development.	Internal
Employee Privacy	Outlines New Gold's practices for collecting, using and disclosing employee personal information. It is subject to the provisions of applicable privacy laws and does not seek to replace or override those laws.	Website
Executive Compensation Clawback	Sets guidelines for executive compensation and for the potential recovery of compensation paid to executives in the event of misconduct or the restatement of financial statements.	Internal
Flexible Work Arrangements	Provides key information about scheduling options to support employees' work arrangement preferences.	Internal
Human Rights	Supports New Gold's commitment to human rights, labour, environment and anti-corruption in all its business operations.	Website
Pregnancy/Parental Leave	Outlines entitlement of employees relating to pregnancy leave and/or parental leave.	Internal

**POLICIES CONTINUED**

Policy	Description	Location
Recruitment – New Hires General	Outlines and communicates key information relating to New Gold’s hiring practices.	Internal
Respectful Workplace	Provides guidance for ensuring a workplace free from discrimination, bullying, harassment and violence.	Internal
Say On Pay	Provides guidance for an annual shareholder advisory vote on executive compensation.	Internal
Sustainability and Safety	Sets goals for health, safety and sustainability, including environmental stewardship, community development, Indigenous engagement, and community health and well-being.	Internal
Whistleblower	Provides protection for all directors, officers, contractors and employees who report actual or suspected violations of New Gold’s Code of Business Conduct and Ethics.	 Website

Please note this is not an exhaustive list of the policies or corporate governance documents maintained by New Gold.


[Learn more about all our public policies >](#)