



Forging the Path Forward

Governance Report | 2022

newgold™



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Cautionary Note Regarding Forward-looking Statements

New Gold Inc.'s ("New Gold" or the "Company") 2022 ESG Report, finalized as of June 16th, 2023 and certain information contained in this 2022 ESG Report, including any information relating to New Gold's future financial or operating performance are "forward looking". All statements in this 2022 ESG Report, other than statements of historical fact, which address events, results, outcomes or developments that New Gold expects to occur are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "targeted", "estimates", "forecasts", "intends", "anticipates", "projects", "potential", "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved" or the negative connotation of such terms. Forward-looking statements in this 2022 ESG Report include among others, statements with respect to: New Gold's commitment to the environment and surrounding communities; projected potential of the Intrepid underground zone; projected mining of first ore from the C-Zone and the timing thereof; planned activities and focus areas as well as the timing thereof at the Rainy River mine and New Afton mine, including planned development and exploration activities and related expenses; projected life of mine for Rainy River and New Afton and the potential extension thereof; the Company's sustainability strategy goals and intended timing thereof; New Gold's current approach to ESG reporting and intended approach moving forward; intended UN SDG targets and planned progress towards UN SDG goals; the Company's environmental commitments, including GHG reduction commitment and intended pursuit of reduction opportunities; planned updating of the TCFD Report in 2023; planned mapping of Scope 3 GHG emissions; intended increase in reclamation efforts over time; the Company's aims for mine closure planning; the potential extension of New Afton's Life of Mine plan; timing expectations for the completion of New Afton closure plans, including the Beyond New Afton Plan; the continued progression and consultation program relating to the Beyond Rainy River Plan; the Company's tailing management practices, including post-closure practices and strategies, and the continued review and improvement thereof; planned upcoming dam safety reviews; expected lower overall water consumption at New Afton; the continued improvement of site practices as it relates to tailings management and otherwise; intended use of New Afton's water balance model; the planned update to Rainy River's water balance model; goals and anticipated benefits surrounding community engagement, human capital and Indigenous rights; plans to expand the Assertiveness for Women in Business pilot project in 2023; the Company's learning and development opportunities for employees; the completion of a permanent pump-back system at New Afton by year end; potential opportunities for New Gold to reduce GHG emissions; New Gold's climate change and action commitments, intended next steps and the timing thereof; anticipated impacts on operations as a result of climate change; the Company's Indigenous rights commitments, intended next steps and the timing thereof; the Company's commitments to tailings management and proposed methods for improving practices, and the timing thereof; the Company's commitment to water management, intended next steps and the timing thereof; and anticipated changes in the way the Company operates in response to climate change. All forward-looking statements in this 2022 ESG Report are based on the opinions and estimates of management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond New Gold's ability to control or predict. Certain material assumptions regarding such forward-looking statements are discussed in this 2022 ESG Report, New Gold's annual and quarterly management's discussion and analysis ("MD&A") and its other publicly filed documents available on SEDAR (www.sedar.com) and EDGAR (www.sec.gov).

In addition to assumptions discussed in more detail elsewhere, the forward-looking statements in this 2022 ESG Report are also subject to the following assumptions: (1) there being no significant disruptions affecting New Gold's operations; (2) political and legal developments in jurisdictions where New Gold operates, or may in the future operate, being consistent with New Gold's current expectations; (3) the accuracy of New Gold's current Mineral Reserve and Mineral Resource estimates and the grade of gold, copper and silver expected to be mined; (4) the exchange rate between the Canadian dollar and U.S. dollar, and to a lesser extent the Mexican peso, and commodity prices being approximately consistent with current levels and expectations for the purposes of 2023 guidance and otherwise; (5) prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; (6) equipment, labour and material costs increasing on a basis consistent with New Gold's current expectations; (7) arrangements with First Nations and other Indigenous groups in respect of the Rainy River Mine and New Afton Mine being consistent with New Gold's current expectations; (8) all required permits, licenses and authorizations being obtained from the relevant governments and other relevant stakeholders within the expected timelines and the absence of material negative comments or obstacles during any applicable regulatory processes; (9) the results of the life of mine plans for the Rainy River Mine and the New Afton Mine described herein being realized; (10) there being no material disruption to the Company's supply chains and workforce at either the Rainy River Mine or New Afton Mine due to cases of COVID-19 or otherwise that would interfere with the Company's anticipated course of action at its operations.

Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Such factors include, without limitation: price volatility in the spot and forward markets for metals and other commodities; discrepancies between actual and estimated production, between actual and estimated costs, between actual and estimated Mineral Reserves and Mineral Resources and between actual and estimated metallurgical recoveries; equipment malfunction, failure or unavailability; accidents; risks related to early production at the Rainy River Mine, including failure of equipment, machinery, the process circuit or other processes to perform as designed or intended; the speculative nature of mineral exploration and development, including the risks of obtaining and maintaining the validity and enforceability of the necessary licenses and permits and complying with the permitting requirements of each jurisdiction in which New Gold operates, including, but not limited to: uncertainties and unanticipated delays associated with obtaining and maintaining necessary licenses, permits and authorizations and complying with permitting requirements; changes in project parameters as plans continue to be refined; changing costs, timelines and development schedules as it relates to construction; the Company not being able to complete its construction projects at the Rainy River Mine or the New Afton Mine on the anticipated timeline or at all; volatility in the market price of the Company's securities; changes in national and local government legislation in the countries in which New Gold does or may in the future carry on business; compliance with public company disclosure obligations; controls, regulations and political or economic developments in the countries in which New Gold does or may in the future carry on business; the Company's dependence on the Rainy River Mine and New Afton Mine; the Company not being able to complete its exploration drilling programs on the anticipated timeline or at all; inadequate water management and stewardship; disruptions to the Company's workforce at either the Rainy River Mine or the New Afton Mine, or both, due to

cases of COVID-19 or otherwise; the responses of the relevant governments to any disease, epidemic or pandemic outbreak, including the COVID-19 outbreak, not being sufficient to contain the impact of such outbreak; disruptions to the Company's supply chain and workforce due to any disease, epidemic or pandemic outbreak, including the COVID-19 outbreak; an economic recession or downturn as a result of any disease, epidemic or pandemic outbreak, including the COVID-19 outbreak, that materially adversely affects the Company's operations or liquidity position; there being further shutdowns at the Rainy River Mine or New Afton Mine; significant capital requirements and the availability and management of capital resources; additional funding requirements; diminishing quantities or grades of Mineral Reserves and Mineral Resources; actual results of current exploration or reclamation activities; uncertainties inherent to mining economic studies including the Technical Reports for the Rainy River Mine and New Afton Mine; impairment; unexpected delays and costs inherent to consulting and accommodating rights of First Nations and other Indigenous groups; climate change, environmental risks and hazards and the Company's response thereto; tailings dam and structure failures; ability to obtain and maintain sufficient insurance; actual results of current exploration or reclamation activities; fluctuations in the international currency markets and in the rates of exchange of the currencies of Canada, the United States and, to a lesser extent, Mexico; global economic and financial conditions and any global or local natural events that may impede the economy or New Gold's ability to carry on business in the normal course; inflation; compliance with debt obligations and maintaining sufficient liquidity; taxation; fluctuation in treatment and refining charges; transportation and processing of unrefined products; rising costs or availability of labour, supplies, fuel and equipment; adequate infrastructure; relationships with communities, governments and other stakeholders; geotechnical instability and conditions; labour disputes; the uncertainties inherent in current and future legal challenges to which New Gold is or may become a party; defective title to mineral claims or property or contests over claims to mineral properties; competition; loss of, or inability to attract, key employees; use of derivative products and hedging transactions; reliance on third-party contractors; counterparty risk and the performance of third party service providers; investment risks and uncertainty relating to the value of equity investments in public companies held by the Company from time to time; the adequacy of internal and disclosure controls; conflicts of interest; the lack of certainty with respect to foreign operations and legal systems, which may not be immune from the influence of political pressure, corruption or other factors that are inconsistent with the rule of law; the successful acquisitions and integration of business arrangements and realizing the intended benefits therefrom; and information systems security threats. In addition, there are risks and hazards associated with the business of mineral exploration, development, construction, operation and mining, including environmental events and hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding or drought and gold bullion losses (and, in each case, the risk of inadequate insurance or inability to obtain insurance to cover these risks) as well as "Risk Factors" included in New Gold's latest annual information form. Forward-looking statements are not guarantees of future performance, and actual results and future events could materially differ from those anticipated in such statements. All of the forward-looking statements contained in this 2022 ESG Report are qualified by these cautionary statements. New Gold expressly disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, events or otherwise, except in accordance with applicable securities laws.



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Forging the Path Forward

Good governance has been fundamental to our progress on the goals outlined in our Sustainability Strategy.

From ethical behaviour and accountability to operational compliance and transparency to safety and well-being, our work is guided by a comprehensive suite of corporate policies. As we forge the path forward, we are committed to ensuring our policies, standards and procedures continue to reflect our commitment to operational excellence and support our success into the future.

* All dollar amounts stated in Canadian dollars, unless otherwise noted.



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2022 Governance Performance Highlights



38%

female representation on Board of Directors

4

new ESG Strategy Statements

Updated

and implemented company-wide
Code of Business Conduct Training



MESSAGE FROM THE VICE PRESIDENT, GENERAL
COUNSEL AND CORPORATE SECRETARY

“Achieving New Gold’s environmental and social goals requires a strong governance structure. New Gold’s governance structures, both at the Board of Directors and management levels, provide leadership for our sustainability strategy and also provide the accountability necessary to comply with our social and environmental obligations and achieve our objectives.”

Sean Keating

Vice President, General Counsel and Corporate Secretary

Learn more about New Gold’s 2022 performance in
our Overview, Environmental and Social reports.

[Read the reports >](#)

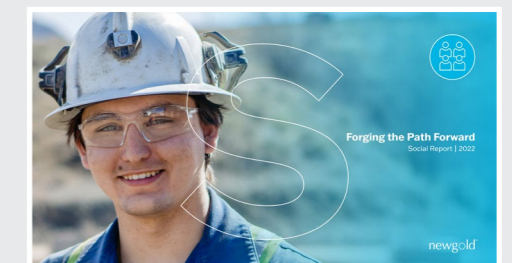




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GRI 307-103, 307-1, 419-103, 419-1,
EM-MM-160a.1

Environment and Social Compliance

Through site operating standards and procedures, we are able to identify best practices, fulfill our commitments to environmental management, social management and mine closure, and work toward operational excellence.





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Management

Statutory and Regulatory Requirements

Our mining, exploration, development and closure activities are subject to various federal, provincial, state, county and municipal laws and regulations relating to the protection of the environment. All New Gold mine operations are subject to specific jurisdictional statutory and regulatory requirements and standards. Throughout the exploration, development and operations stages of a mining property, these requirements and standards will encompass a wide range of areas, including 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 work to ensure any non-compliance is remediated promptly.

Management Systems

New Afton is guided by an Environment and Social Responsibility Policy and comprehensive ISO 14001:2015 certified management system. The site's environmental management system was recertified in 2020, an external surveillance audit was conducted in 2021 and an internal audit was conducted in 2022 to confirm the functionality of the environmental management system.

Cerro San Pedro's ISO 14001:2015 management system continued to drive its environmental program in 2022.

Rainy River implemented an environmental management system, which incorporates ISO 14001 criteria. The system underwent an implementation audit at the end of 2022. Rainy River's management plans are designed by discipline, permit and approval conditions, consisting of

- 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
- sampling protocol

New Gold is developing a Social Management System at each operations that aligns with the Mining Association of Canada's TSM Indigenous and Community Relations Protocol. 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.

Performance

Water management ponds exist downstream of the Historic Afton Tailings Storage Facility (TSF) and they have not been pumped back since Historic Afton TSF operations ceased in the 1990s. 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. Through subsequent discussions with EMLI, New Afton received an order to implement and commission an interim pump-back system by April 30, 2022, which is underway. In accordance with discussions with the EMLI, New Afton is underway in implementing an interim pump-back system and 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. New Gold is addressing this, disclosed in 2021 report, by lowering the diversion sill to connect Stockpile Pond to Stockpile Diversion. This will maximize fish passage to the Pinewood River and, eventually, the Rainy River.

In 2022, there were no significant environmental or social and economic fines or non-monetary sanctions. Any issues raised by communities are addressed through Impact Benefit Agreement (IBA) dispute resolution mechanisms and the Joint Implementation Committee process.

We experienced 11 reportable spills in 2022. All spills were reported and addressed in a timely matter. No fines were received.

Initiatives and Stories

Completion of C-Zone Permitting



In October 2022, New Afton received the Mines Act M229 Permit Amendment.

This updated permit allows for mining of the C-Zone ore body as well as the continued deposition of Thickened and Amended Tailings into the Historic Afton Open Pit – and comes after a substantial effort over the last several years by many qualified professionals, including employees and consultants.

Our positive working relationship with Skeetchestn Indian Band, Tk'emlúps te Secwépemc and Stk'emlúpsemc te Secwépemc Nation (SSN), the Nlaka'pamux National Tribal Council, and other interested local stakeholders has helped enable this milestone achievement and we thank all those involved.

Within the parameters of the New Gold SSN partnership, consent-based decision making was completed in early 2022 to ensure that all necessary parties were aligned on the steps forward. Working with the Ministry of EMLI, geotechnical, geoscience, reclamation and closure plan details were determined to help ensure risks are adequately mitigated.

The milestone C-Zone permit achievement has been reached as a result of the support of the entire site and is truly representative of New Gold's values-based approach to ensuring environmental, traditional knowledge and safety values are recognized and managed effectively.

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significant environmental, social and economic fines or non-monetary sanctions¹

¹ New Gold defines a significant fine as anything over US\$100,000*



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New Gold Sustainability Strategy Framework



In developing New Gold’s Sustainability Strategy, both the Board and management identified areas for improvement, in particular the development of specific objectives to accompany our ambitious goals. These objectives are intended to help provide direction and identify key successes along the way and can be found in the commitments outlined in our Strategy Statements.

Sustainability is one of New Gold’s four key Strategic Pillars and a framework for our Sustainability Strategy is designed to help create a shared mental model for sustainability at New Gold.

The following framework has been taken to embed sustainability into New Gold’s business:

1

Recognize

the role of business in society, key sustainability trends and the global agenda (SDGs).

- a. Board and senior management presentation on New Gold Sustainability Strategy
- b. Sustainability workshops involving CEO – strategy kick-off and scanning the issues

2

Prioritize

the Company’s top challenges, opportunities and where success, business and society intersect.

- a. Materiality assessment and ranking
- b. Background document on the three Anchors (Environment, Community Engagement, Indigenous Rights)

3

Establish

the purpose of the Company in relation to society and establish a vision, values and principles.

4

Clarify

a set of aspirations, consistent with societal and business success and establish more tangible goals and targets.

5

Understand

the gaps between current realities and business aspirations and goals.



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Climate change is a key global challenge for society, industry and communities. The increase in greenhouse gas (GHG) emissions due to human and industrial activities has changed our atmosphere, climate and global weather patterns. We continue to witness increased extreme weather events, changing rainfall patterns and increased average overall temperature.

The risks and opportunities associated with climate change are significant due to the large-scale and long-term nature of the issue, and the inherent impact on economic decision making. As calls for action on climate change continue to evolve and the world transitions to a low-carbon economy, there are uncertainties regarding the shift to future technological innovations, economic growth and other complex systems, and the thresholds for climate impacts.

A threshold outlined in the international Paris Agreement on climate change indicated that we should limit the increase in global average temperature to below 1.5°C above pre-industrial levels. Urgent action against climate change is part of the UN SDGs. In particular, SDG 13 calls for “urgent action to combat climate change and its impacts.” The Government of Canada has also released proposed legislation to reach net-zero emissions by 2050.

New Gold undertook a climate risk assessment using the Task Force on Climate-Related Financial Disclosures (TCFD) guidance on risk management and integration. Using scenarios, New Gold identified potential risks and opportunities, and developed mitigation strategies to manage risks and better understand how climate change and adaptation links to our business strategy. For more details see our 2021 TCFD Report.

New Gold recognizes our role in industry and society, as well as our responsibility to address the environmental and social impacts of our business. Tracking and reducing our GHG emissions to lessen our climate change impact are key aspects of our Sustainability Strategy launched in 2020, and provide important opportunities can help drive momentum for global climate action.

Climate Change and Action Strategy Statement

Strategic Relevance of Climate Change and Action

Climate change is strategically relevant to New Gold in both the impacts on our mining operations as well as our GHG emissions’ effects on the climate. We have seen climate change directly affect our operations through increased temperatures, increased rainfall and other extreme weather events.

As part of our scenario analysis, we identified four key potential climate impacts on New Gold’s business strategy (outlined in detail in our 2021 TCFD Report) including

1. Life of Mine planning. Depending on how quickly extreme weather occurs, this may impact how quickly sites move into mine closure and reclamation. We will also need to account for “net-zero thinking” in future business opportunities, whether it be organic growth through new exploration/development or acquisition of existing entities/sites.
2. Underground versus surface mining. While currently more carbon intensive, surface mining may become comparable with underground mining operations due to technology developments.
3. Rethinking employee well-being and success. People are central to New Gold’s business strategy and ensuring the well-being and success of employees, particularly in unpredictable and potentially difficult working conditions, is critical.
4. Strengthening extreme weather readiness. With the increasing frequency and severity of natural disasters, New Gold requires greater investment – time, budget and planning – to improve sites’ readiness against extreme weather events.

Achieving climate goals will require changes to how we operate. As we develop our transition plan, we will outline these changes.

New Gold has the opportunity to be part of the global solution to reduce GHG emissions by

- continuing to review climate action and policy in line with Company activities
- integrating carbon accounting software into our reporting to better monitor GHG emissions and select projects for carbon reduction
- reducing our carbon footprint by focusing on energy efficiency, reducing fossil fuel energy consumption and decreasing reliance on the use of electricity generated from fossil fuels
- investing in carbon reduction/low-carbon alternative projects for our mines
- adapting to the physical impacts of climate change and incorporating forecasted climate scenarios into project design and mine closure planning

Commitments

As a member of the Mining Association of Canada, New Gold adheres to the Towards Sustainable Mining (TSM) Energy Use and GHG Emissions Management Protocol. As we develop and strengthen our climate action plan, we intend to use science-based targets for GHG reduction consistent with the Science Based Targets initiative. We intend to take actions that support UN SDG 13.

We intend to continue to improve our practices in the following ways:

- **Strategize** – Create intensity targets (GHG emissions per ounce of gold produced) by the end of 2030 to support a 30 percent reduction in Scope 1 and Scope 2 emissions based on 2020 numbers
- **Reporting** – Integrate carbon accounting software into our reporting to better monitor GHG emissions and select projects for further carbon reduction - Report performance and better align with the requirements of the TCFD
- **Planning** – Create energy and greenhouse gas emissions management plans and transition planning for our operations, including short- and medium-term actions that reduce GHG emissions while understanding our current Life of Mine limitations

Climate Change and Action and Other Sustainability Focus Areas

In recent years, climate change has become synonymous with GHG emissions, but we recognize that it goes beyond GHG emissions and is interconnected to our other Sustainability Focus Areas of Water Management, Indigenous Rights and Tailings Management. The effects of climate change have impacts on weather events such as rainfall and droughts, the consequences of which we are seeing in the form of more frequent and extreme weather events at our sites. The communities and Indigenous partners we work with are also impacted by climate change through these weather events. Climate change can impact our tailings management as increased rainfall and storm events can pose a large risk for tailings facilities.



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Indigenous Peoples' cultures are strongly tied to ancestral territories and the surrounding environment. Extractive industries, like mining, are associated with transforming and degrading lands and resources, which creates the potential to negatively impact the lives, livelihoods and cultures of Indigenous Peoples in surrounding areas.

Indigenous Peoples should be engaged in project development because they are vulnerable to the impacts associated with mining, such as increased poverty, impacts to livelihoods due to environmental degradation, increased substance abuse and health issues.

The United Nations Guiding Principles on Human Rights state that companies should respect the human rights of those affected by their activities. This includes the individual and collective rights of Indigenous Peoples that may be affected by the development of a large-scale mining project. These rights include the rights to participation, self-determination and pursuit of their own priorities for developing natural resources, to rights related to property, culture, religion and health.

Mining companies should support the principles of the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and Free, Prior and Informed Consent (FPIC) to respect the rights and interests of Indigenous Peoples.

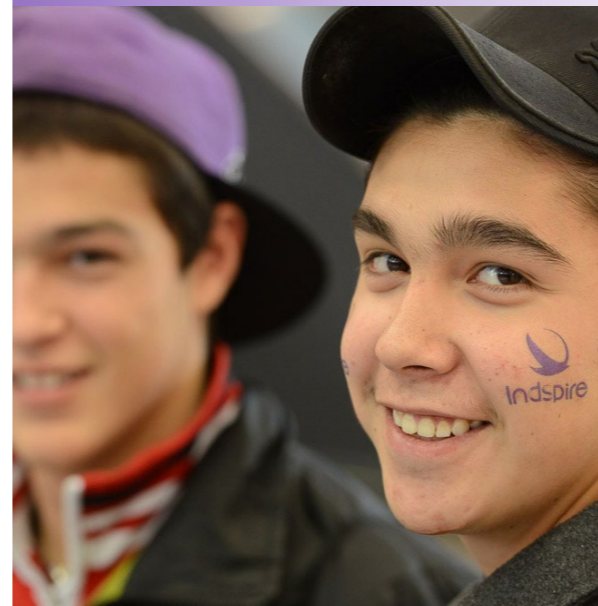
Indigenous Rights Strategy Statement

Strategic Relevance of Indigenous Rights

Indigenous Peoples worldwide continue to demand greater involvement in mining projects for social, cultural and environmental reasons. Companies that have a history of building relationships and working with Indigenous Peoples in a respectful and transparent manner, and acknowledging the legitimacy of their concerns, are less likely to face conflict, project delays, and challenges in negotiating and finalizing agreements.

New Gold recognizes the strategic relevance of Indigenous relations in line with the UNDRIP and FPIC. We are partnered with 21 Indigenous Nations across our operations. Building and maintaining strong relationships with Indigenous groups is a key part of our business continuity.

21
Indigenous Nations
across our operations that
we have partnered with



Commitments

As a member of the Mining Association of Canada, New Gold adheres to the Towards Sustainable Mining (TSM) Indigenous and Community Relations Protocol. We intend to take actions that support UN SDGs 1 and 3.

We intend to continue to improve our practices in the following ways:

- **Strategize** – Advance our goal to work with Indigenous Peoples to generate economic benefits, advance reconciliation and improve community well-being
- **Representation** – Increase local employment and procurement opportunities by 2025 to deliver direct economic benefits to communities through better targeted recruitment efforts, and review our internal procurement policies

Indigenous Rights and Other Sustainability Focus Areas

Indigenous Rights is one of the four interconnected Sustainability Focus Areas with which New Gold has identified. Climate Change and Action, Water Management and Tailings Management are all connected to the Indigenous communities we partner with and we want to ensure that we act in ways that are respectful and considerate of Indigenous rights and their ancestral lands. We recognize that working with Indigenous communities and protecting their rights further support our other Sustainability Focus Areas.



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Tailings are a common waste product of the mining process, typically generated when mined ore is crushed and processed to separate the valuable minerals and create a saleable concentrate product. They are commonly a composition of pulverized rock, milling effluent water and residual milling chemicals. Management of tailings involves storage in a specially designed impoundment called a tailings storage facility. Tailings facilities take many different forms such as liquid within dams underwater in lakes or coastal depositions, within old mining facilities, mixed with waste rock (co-mingling), or dried and mechanically placed (dry stack). When mining is complete or tailings facilities are full, the facilities can be reclaimed, through covers, vegetation and stabilization.

As with other mine waste storage, there are potential risks and impacts associated with all types of tailings facilities. While most tailings facilities are operated without incident, tailings facility failures can have significant consequences to communities, local economies and the environment. Potential environmental impacts such as mine-impacted water storage, seepage to surface water or groundwater, water quality changes, dust, and biodiversity impacts should be considered during construction, operations and closure. Climate change has required increased consideration for future climate conditions in considering tailings design parameters.

Tailings Management Strategy Statement

Strategic Relevance of Tailings Management

Recent high-profile tailings dam failures have triggered mining industry reviews and actions by companies and stakeholders including governments, surrounding communities and investors. The outcome of these reviews is a push for improvements in practices that will help to prevent future disasters. In addition to ensuring that tailings facilities are planned, designed, constructed and managed to the highest standards, other key recommended management practices have emerged from the reviews.

These include

- assigning accountability and responsibility for tailings management at the highest levels of the company
- completing alternative analyses to consider new or better technologies
- reducing risk to as low as reasonably practical
- conducting frequent internal reviews of tailings facility performance and ensuring that corrective actions are implemented on schedule
- enabling independent review of site investigation and selection, design, construction, operation, closure and post-closure of tailings facilities

Commitments

As a member of the Mining Association of Canada, New Gold adheres to the TSM Tailings Management Protocol. We strive for zero harm to people and the environment as a result of tailings management. New Gold maintains compliance with the Canadian Dam Association standards and continues to review and participate in dialogue on the Global Industry Standard on Tailings Management (GISTM). We intend to take actions that support UN SDGs 6, 12 and 13.

We intend to continue to improve our practices in the following ways:

- **Governance** – Maintain strong and transparent tailings governance that considers external interests, including the allocation of clear responsibilities and accountabilities for tailings, from the Board to management to site levels. Ensure all sites have oversight by an Independent Tailings Review Board that reports to site management and the Board on performance of tailings and water management processes.
- **Collaboration** – Continue to provide Indigenous partners the opportunity to review risks and findings from independent reviews annually through designated report out processes.
- **Reporting** – Publicly disclose information on all tailings storage facilities, including tailings facilities currently active, under rehabilitation or closed; construction method; hazard categories; risks; opportunities; and management approach. Update annually and make data freely available on the Company website.

Tailings Management and Other Sustainability Focus Areas

Tailings Management is a component of our other Sustainability Focus Areas of Climate Change and Action, Indigenous Rights and Water Management. The effects of climate change have impacts on weather events such as rainfall, which has impacts on tailings design criteria and closure strategies. The construction of tailings facilities often permanently changes landscapes and land uses. The associated impacts on Indigenous interests should be considered throughout design, construction, maintenance and closure of tailings facilities. Water management is an essential component of safe tailings management.





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



Responsible management of the world's water resources is increasingly being recognized as a significant global challenge, intersecting with other global challenges such as climate change, biodiversity loss and human rights. Shifts in the water system can happen quickly and be irreversible, particularly when thresholds are reached in water catchments. Further, water is becoming increasingly scarce. According to UN-Water, the United Nations water organization, "Water can be scarce for many reasons: demand for water may be exceeding supply, water infrastructure may be inadequate, or institutions may be failing to balance everyone's needs."

New Gold recognizes the Alliance for Water Stewardship's (AWS) definition of water stewardship: "The use of water that is socially equitable, environmentally sustainable and economically beneficial, achieved through a stakeholder-inclusive process that involves site and catchment-based actions. Good water stewards understand their own water use, catchment context and shared risk in terms of water governance, water balance, water quality and important water-related areas; and then engage in meaningful individual and collective actions that benefit people and nature."¹

New Gold acknowledges our role in society and our responsibility to address the environmental and social impacts of our business. That is why we launched our Sustainability Strategy in 2020. Water stewardship, including water governance, water quality and water quantity is a key part of our Sustainability Strategy, and it provides important opportunities to help drive momentum for global and localized water management action.

Water Management Strategy Statement

Strategic Relevance of Water Management

New Gold recognizes the strategic relevance of water management to our business in accordance with the TSM Water Stewardship Framework, which endorses the International Council for Mining and Metals Water Stewardship Position Statement.

- Water is a precious shared resource with high social, cultural, environmental and economic value. Access to water has been recognized as a right, integral to well-being and livelihoods and the spiritual and cultural practices of many communities. It is also essential to the healthy functioning of ecosystems and the services they provide.
- Water is a vital input for all mining and metals operations, required for the health and well-being of employees and at every stage of an operation's lifecycle including closure.
- Water challenges are increasing around the world. Earth's freshwater resources are finite and under pressure. These challenges are shared across countries, industry sectors and society. To meet demand, a change is needed in the way water is used, managed and shared.
- Through the UN SDGs, world leaders have publicly acknowledged the urgency of using and managing water sustainably.
- Effective water management requires a holistic approach as water-related risks and impacts are primarily experienced by people and ecosystems at the local/catchment level. This approach looks beyond traditional operations-based water management to the dynamics and interactions of various water users in the wider catchment.
- Proactive and holistic water management strategies can create substantial competitive advantage through reducing water-related risk, identifying opportunities, attracting investment and building trust through improved transparency.

New Gold operates mines in areas that are vulnerable to water deficit through increased drought and dry seasons, while also vulnerable to surplus water through flooding or operational processes. Water is strategically relevant to New Gold because we require water for our mining and milling processes, in addition to waste management, which has the potential to impact water quality. Availability of water, as well as adequate storage and flood management, are critical to business continuity. Effective management of water and water flows, and protection of water quality, are all imperative and relevant to our business.

Commitments

As members of the Mining Association of Canada (MAC), New Gold adheres to the Toward Sustainable Mining (TSM) Water Stewardship Framework. We intend to take actions that support UN SDG 6.

We intend to support these commitments in the following ways:

- **Update our internal standards and processes** – Strengthen our approach to water stewardship and centre it on promoting better water use, effective catchment management and improved water security. We intend to achieve this through:
 - **Values** – Develop a shared values proposition in collaboration with stakeholders that includes the social and spiritual value of water to inform stronger water management practices.
 - **Governance** – Maintain strong and transparent corporate water governance that considers external interests and values, including the development of a water stewardship framework, water management plans, and allocation of clear responsibilities and accountabilities.
- **Risks and Opportunities** – Continue to maintain a comprehensive approach to risks and opportunities identification, mitigation and continual improvement in site risk registers, and review quarterly.
- **Information** – Ensure projects, operations and legacy facilities are appropriately monitored to identify impacts and carry out future work appropriately. Maintain operational water balances and include water resource forecasts in our business planning process. Monitor and model throughout Life of Mine and closure.

Water and Other Sustainability Focus Areas

We understand that our sustainability must be approached holistically and water is intrinsically linked to our other Sustainability Focus Areas of Climate Change and Action, Indigenous Rights and Tailings Management. The effects of climate change have impacts on weather events such as rainfall and droughts, the consequences of which we are seeing at our sites in the form of more frequent and extreme weather events. The protection of water is an important Indigenous interest in our operations. Water management is an essential component of safe tailings management.



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Leadership, Accountability and Policies





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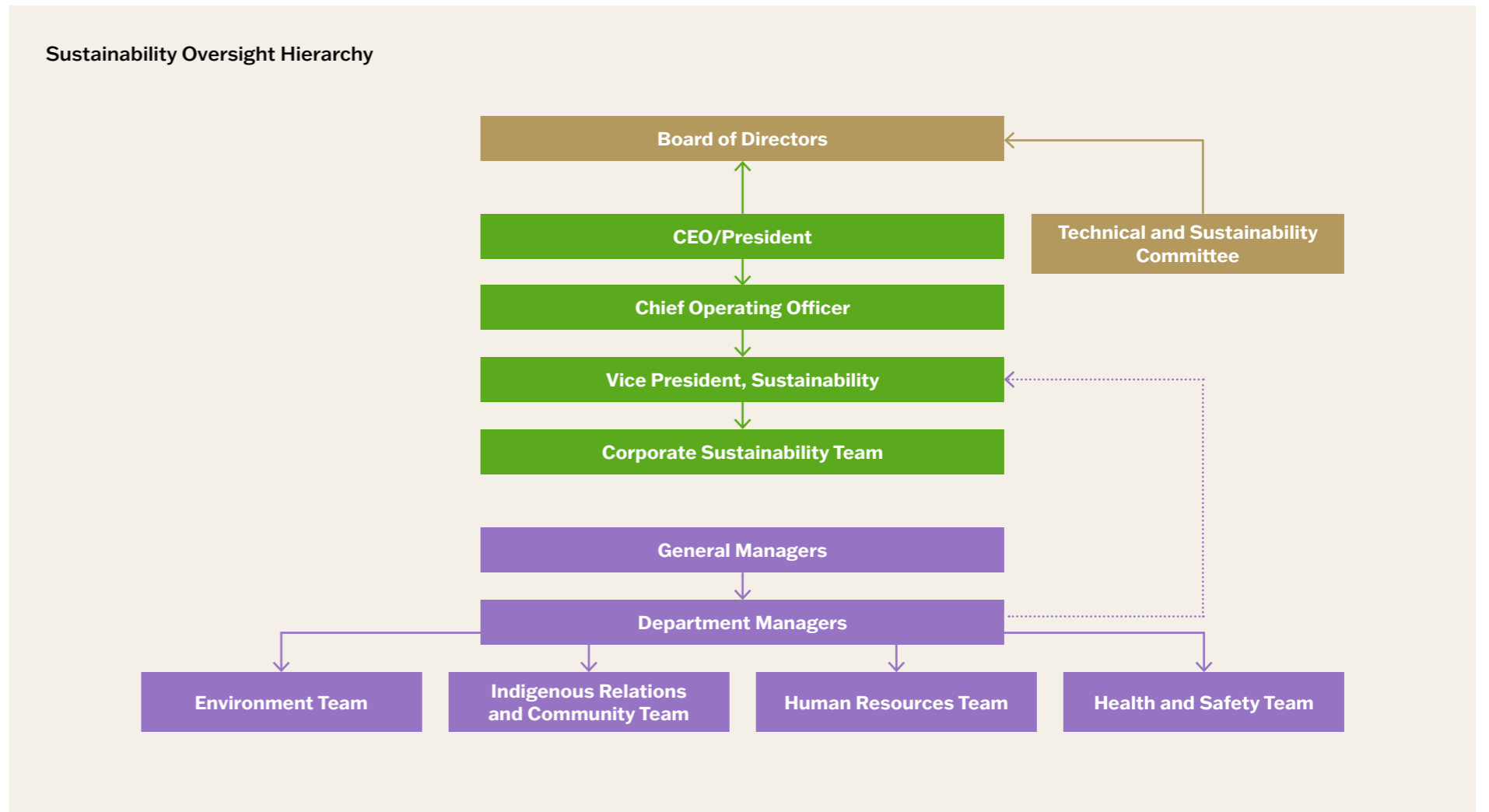
Leadership and Accountability

ESG considerations are incorporated into our governance systems, Board structure and policies for shareholders' rights and committee mandates.

Essential oversight on ESG reporting and sustainability performance is provided by New Gold's Sustainability Team. The Sustainability Team, led by the Vice President, Sustainability, sets the Sustainability Strategy, works across functions to support the Sustainability Strategy's implementation and reports on its progress. Our Sustainability and Safety Policy sets out our key goals and commitments in relation to health, safety and sustainability. Looking forward, New Gold is dedicated to continuing to integrate sustainability principles across the business in the years ahead.

Key roles in the oversight of New Gold's sustainability efforts include

- **Technical and Sustainability Committee of the Board** – oversees Sustainability Strategy and objectives, and monitors performance and risks
- **President and CEO** – accountable for sustainability performance and priorities
- **Chief Operating Officer** – responsible for the implementation and operationalization of the climate strategy and chairs the Climate Steering Committee
- **Vice President, Sustainability and Corporate Sustainability Team** – responsible for Sustainability Strategy development, supporting sites with its implementation and ESG reporting
- **General Managers and Department Managers** – responsible for site-based activities (including Health and Safety, Human Resources, Finance, etc.) and regulatory requirements
- **Site-based Teams** – responsible for implementing management plans



Board of Directors

Responsible for the overall stewardship and conduct of New Gold's business, New Gold's Board of Directors oversees New Gold's Corporate Strategy, including the Sustainability Strategy, and management activities. It discharges this responsibility directly and by delegation to Board Committees and Company management. The eight-member Board consists of five men and three women, who also review sustainability materials every quarter for updates, material risks and progress.

Technical and Sustainability Committee

The Board's Technical and Sustainability Committee oversees the Sustainability Strategy and its objectives including those related to health and safety, the environment, and relations with communities and Indigenous Peoples. The Technical and Sustainability Committee also assists the Board in overseeing major technical and operational matters.

Site-based Teams

Site-based teams conduct social and environmental impact assessments and have dedicated community relations teams that interface with local communities to identify impacts, risks and opportunities for members. Material results from these assessments are shared with the Technical and Sustainability Committee as appropriate.



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Policies

Policy	Description	Location
Anti-bribery and Anti-corruption	Embodies New Gold's commitment to compliance with Canada's <i>Corruption of Foreign Public Officials Act</i> , the U.S. <i>Foreign Corrupt Practices Act</i> , 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, Overboarding 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	Seeks to provide informed dialogue and transparency with shareholders.	Website
Code of Business Conduct and Ethics	Outlines expectations and sets guidelines for ethical and respectful conduct, honest reporting and compliance with applicable laws, regulations and policies for all those who work for and with 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
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 >](#)

NEW GOLD HEADQUARTERS

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