



Business leadership for nature

Newmont

DECEMBER 2023





INTRODUCTION: PROTEUS PARTNERSHIP

Proteus helps leading businesses address their relationships with biodiversity.

1. Help companies recognise their responsibilities for nature and communicate the business case for its management
2. Accelerate and scale decision support tools and capacity building to help improve corporate performance
3. Strengthen and increase business engagement in the global policy agenda on nature
4. Sustain a viable mutually beneficial partnership through cross-sectoral collaboration

proteus

Biodiversity and Nature Importance to Newmont



A MATERIAL RISK AND HIGH PRIORITY STANDARD DIRECTLY ALIGNED WITH STRATEGIC OBJECTIVES

- Newmont Biodiversity Standard (since 2016) has objectives of no net loss (NNL) for new projects and expansions.
- Biodiversity Action Plans (BAPs) required for Key Biodiversity Values.
- Offsets required at Akyem, Boddington, Merian, Yanacocha. Others have legally driven offsets.
- IUCN completed independent review of Nevada sites, Boddington and Akyem. Merian planned for 2024.
- ICMM Nature Position Statement drafted that requires commitments across multiple spheres of influence: direct operations, value chain, landscape and system transformation.
- Several jurisdictions increasing legal regulation of nature in alignment with the Global Biodiversity Framework.
- Working to develop integrated nature targets that accelerate performance and demonstrate Newmont's contribution to a nature positive world.

Type of Project	Requirement
Exploration	Develop understanding of KBVs via desktop and on-the-ground assessments before any ground-disturbing activities to ensure NNL of KBVs.
New Projects and Expansions	No net loss of key biodiversity values as a result of mine-related activities or a net gain, when possible, within 10 years post mine closure.
Operational Sites	No additional loss of key biodiversity values as a result of mine-related activities by the time of mine closure.
Legacy Sites	Seek to enhance the long-term health and resiliency of species and ecosystems in affected areas and/or managed areas in accordance with regional conservation goals and long-term land use plans.

Mitigation Hierarchy





The imperative for action

NATURE AND BIODIVERSITY

NATURE “The nonhuman world, including coproduced features, with particular emphasis on living organisms, their diversity, their interactions among themselves and with their abiotic environment” (IPBES, 2019)

- Biodiversity, the biosphere, ecosystem functioning, biomes
- Geology, water, climate
- Ecological, evolutionary and biogeochemical processes
- Natural resources, natural capital and natural assets

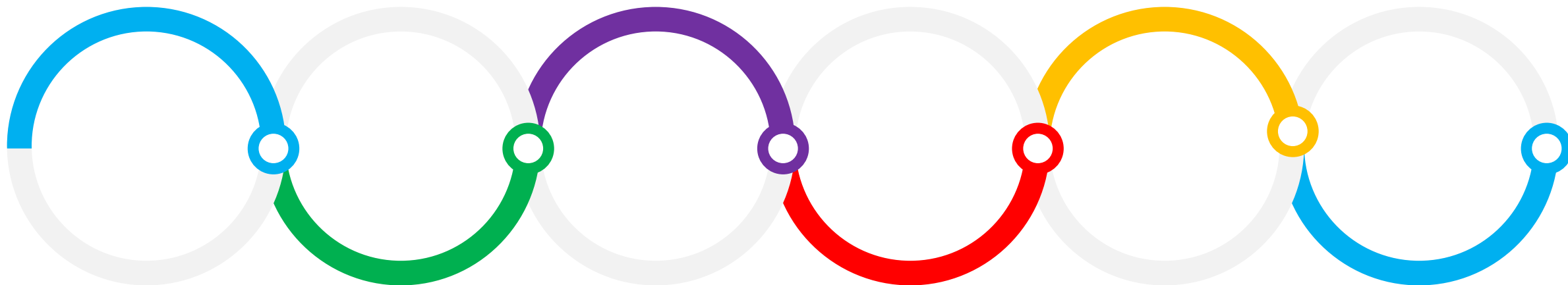
BIODIVERSITY “The variability among living organisms from all sources including, inter alia, terrestrial, marine and other aquatic ecosystems and the ecological complexes of which they are a part; this includes diversity within species, between species and of ecosystems” (CBD, 1992)



Nature under multiple, sustained, accelerating pressures

Resource extraction intensifying

Window of opportunity to address climate crisis closing



Ecosystem services in decline

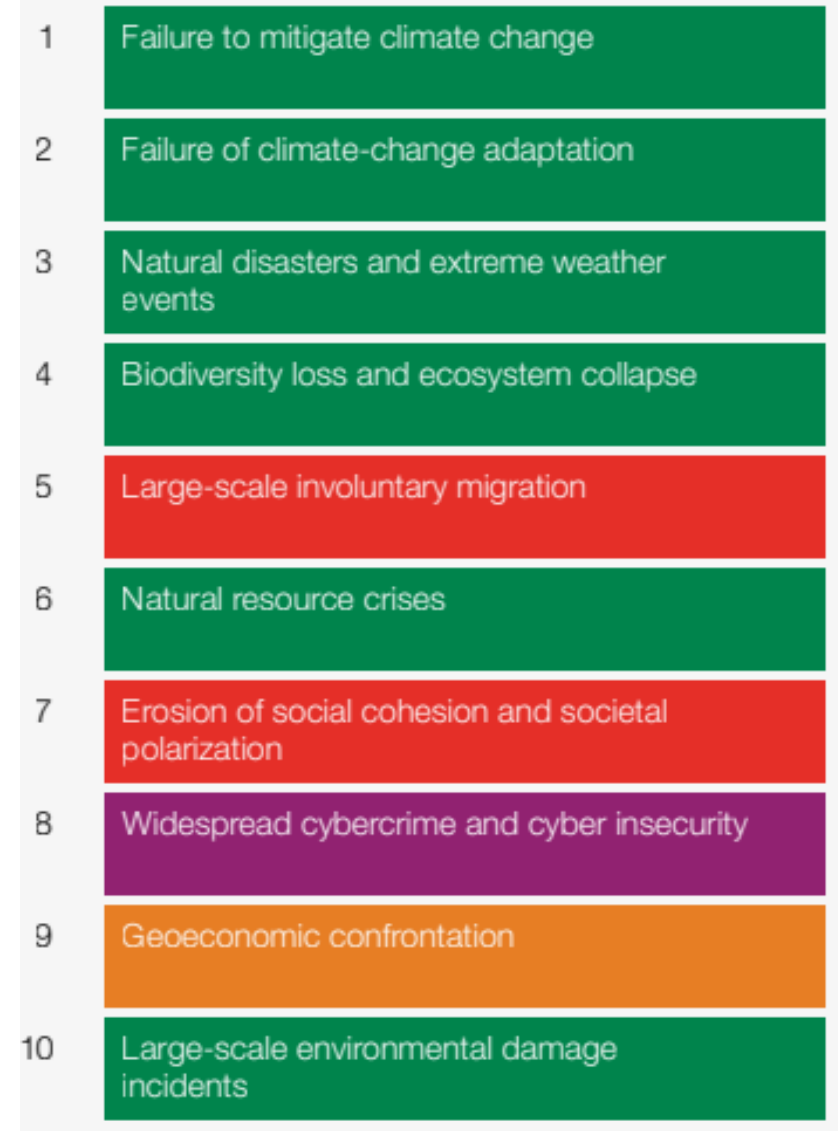
Economic growth drawing down on natural capital

Nature loss creating high business risk

Nature loss as
business risk is
now well
recognised

Top 10 Global Risks by Severity

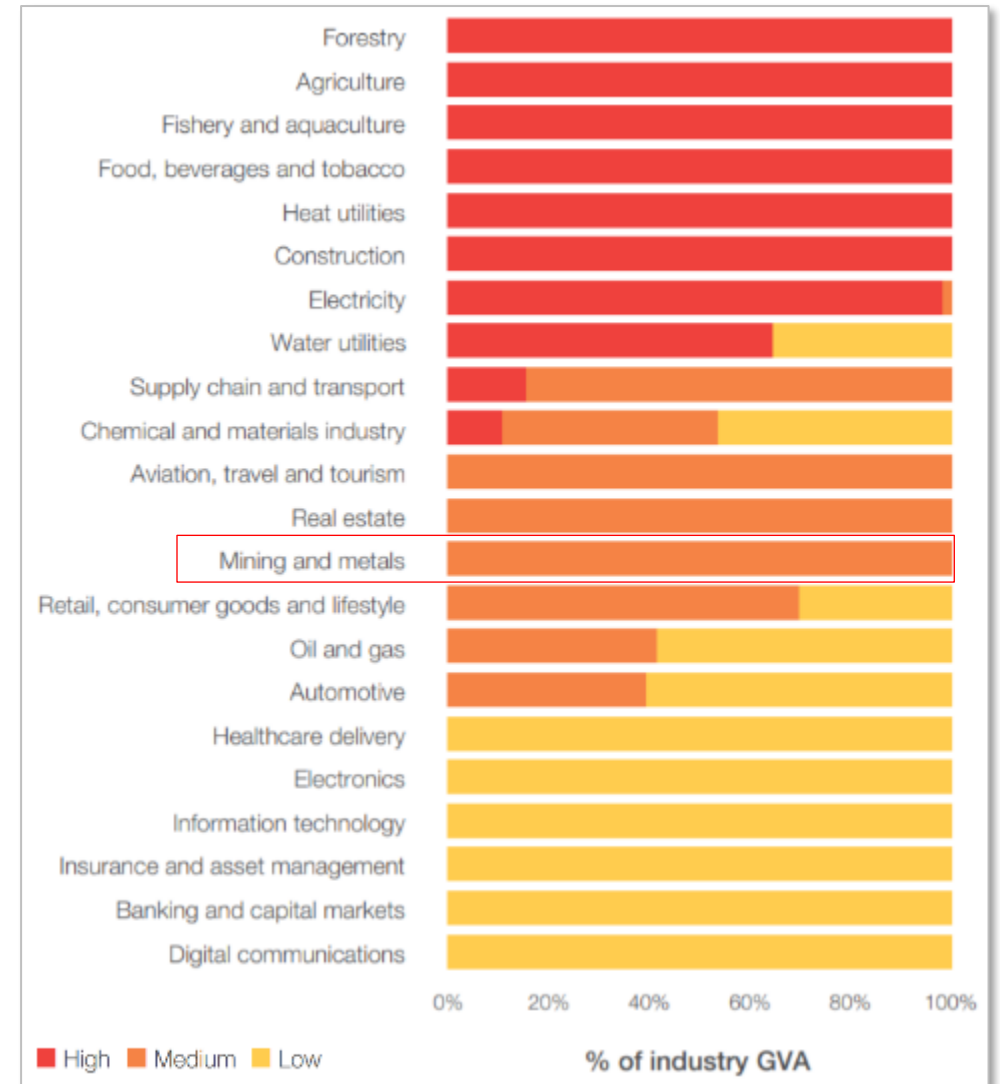
Over the next 10 years



THIS TRANSLATES TO POTENTIAL DISRUPTION FOR BUSINESSES

- Globally, \$44 Trillion of economic value generation are at risk from nature loss (50% of Global GDP)

Percentage of direct gross value added (GVA) with high, medium, low nature dependency, by industry



Source: World Economic Forum (2020)

**CLIMATE
CHANGE**



**NATURE
LOSS**

Physical risks
Acute
Chronic

**COMPANY
RISKS**

Transition risks
Policy and Legal
Technology
Market
Reputation

**COMPANY
FINANCIAL IMPACT**

Income statements
Revenues
Expenditure

**Cash Flow
Statements**

Balance sheets
Assets and liabilities
Capital and Financing

Credit risk

**FINANCIAL
IMPACT**

Market risk

Operational risk

Liquidity risk

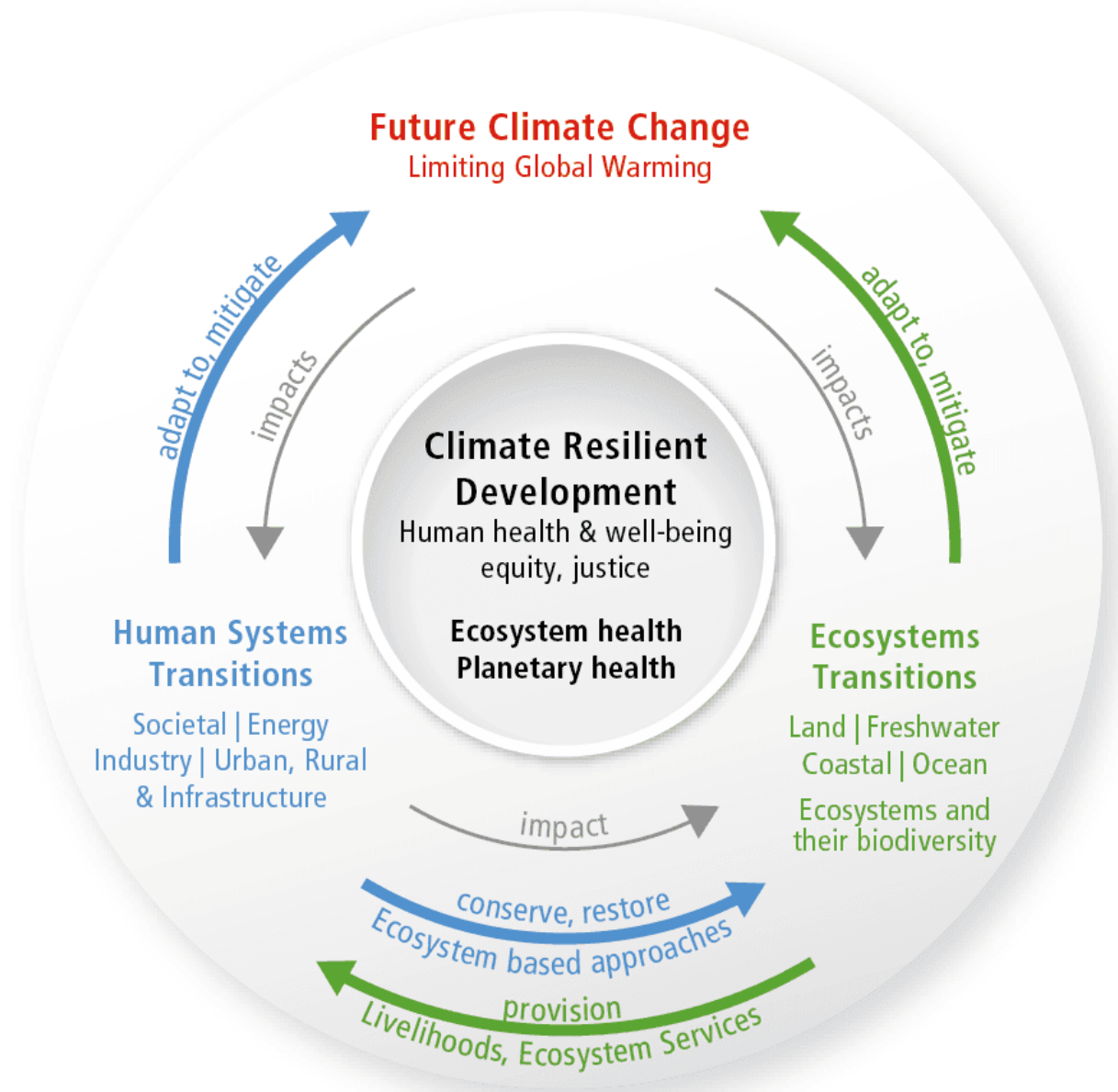
SHIFTING FINANCIAL FLOWS

The cost of stabilising biodiversity intactness now by 2050 is approximately US\$7 trillion dollars (~8% of global GDP)

But, delaying action by 10 years would more than double the cost to approximately US\$15 trillion (~17% of global GDP)



Whole of society
and whole of
economy solutions
are required



CREATING A SUSTAINABLE ECONOMIC SYSTEM

- Recognition of these interconnections and synergies between global goals will enable coordinated action towards a nature-positive, net-zero and socially equitable world.

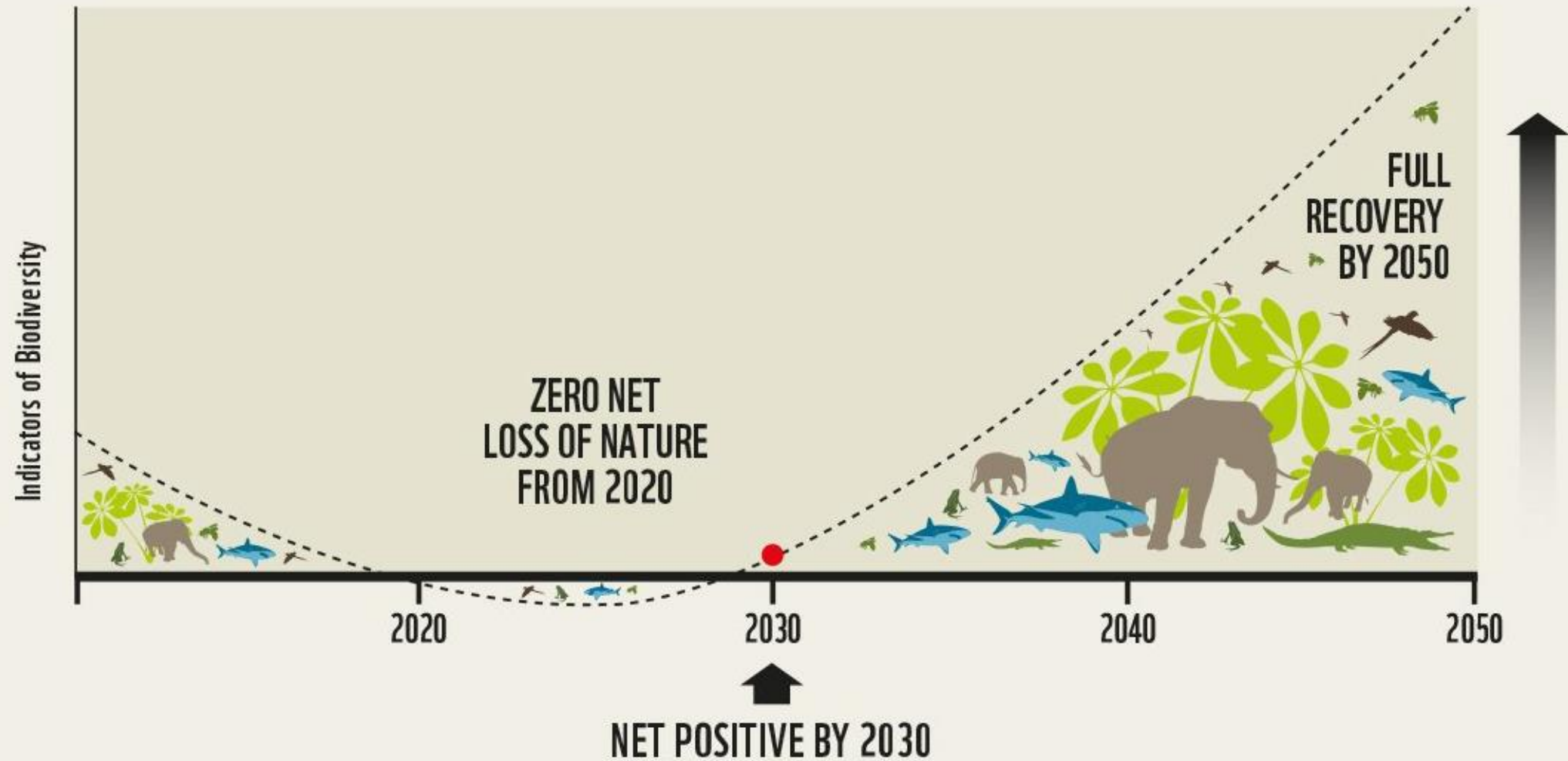


Source: Natural Capital Coalition, Biodiversity Guidance



Ambition towards a nature-positive future is gathering pace

Global Goal for Nature: Nature Positive by 2030



KUNMING-MONTREAL GLOBAL BIODIVERSITY FRAMEWORK

Goal A

Increasing the resiliency of ecosystems, species and genetic diversity

Goal B

Biodiversity is sustainably used and managed

Goal C

Utilisation of genetic resources and digital sequence information

Goal D

Adequate means of implementation (including financial resources and capacity building)

23 action targets under the headings:

- Reducing threats to biodiversity
- Meeting people's needs through sustainable use and benefit-sharing
- Tools and solutions for implementation and mainstreaming

The entire framework is relevant for business

BUSINESS COMMITMENTS TOWARDS NATURE ARE GROWING

Teck: “Goal to become a **nature positive** mining company by 2030 ... including through conserving or rehabilitating at least three hectares for every one hectare affected by its mining activities”

BHP: “create **nature-positive outcomes** by having at least 30% of land and water...under conservation, restoration or regenerative practices”

Shell: “nature-based solutions projects will have a **net positive impact** on biodiversity starting in 2021

BP: “From 2022 all new bp projects in scope will have plans in place aiming to achieve **net positive impact** (NPI)”

Unilever: “working towards a **nature-positive future**, where forests are protected and restored, agricultural systems are regenerated, water systems are preserved, and smallholder farmers are empowered.”

Anglo American: “achieving a **net positive impact** on biodiversity across our managed operations”

Orsted: “all new renewable energy projects from 2030 should deliver a **net positive biodiversity impact**”

Holcim: “nature strategy with **measureable 2030 targets** to restore and preserve biodiversity and water”

STAKEHOLDER INTERESTS ARE SHIFTING

- Investors are increasingly interested in ESG and sustainability
- Sustainability considerations and ESG performance are increasingly important for attracting and retaining talent
- Companies need to understand biodiversity to better engage with stakeholders

95% of millennials and 85% of *all investors* are now interested in sustainable investing strategies

Morgan Stanley 2020

Institutions with over \$14 trillion in assets have committed to divesting from oil & gas in a movement often led by students

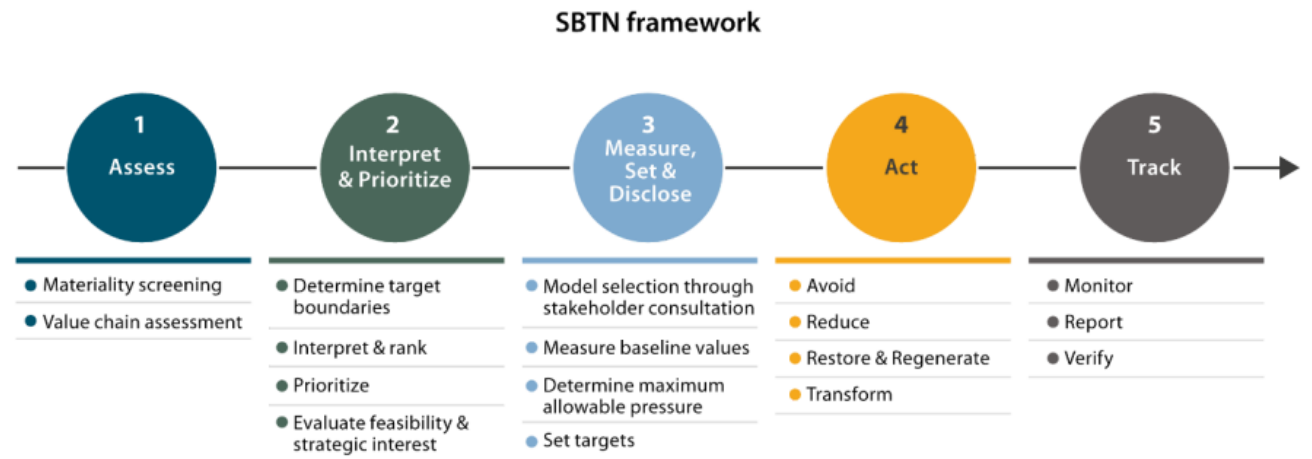
Fossil Free 2021

36% of employees favour companies that focus on social equity and environmental protection

Mercer, Global Talent Trends, 2020-2021

SETTING SCIENCE-BASED TARGETS

- The Science-Based Targets Network is developing methods for companies to set targets on water, land, biodiversity and oceans.
- Science-based targets are measurable, actionable and time-bound objectives
- Allow actors to align with Earth's limits and societal sustainability goals



REPORTING AND DISCLOSURE

Biodiversity disclosure is rising up the agenda of the finance sector, driven by policy changes and civil society demands.

The EU Corporate Sustainability Reporting Directive (CSRD) will require all large companies to disclose on environmental and social risks and opportunities

DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

ESRS E4

Biodiversity and ecosystems



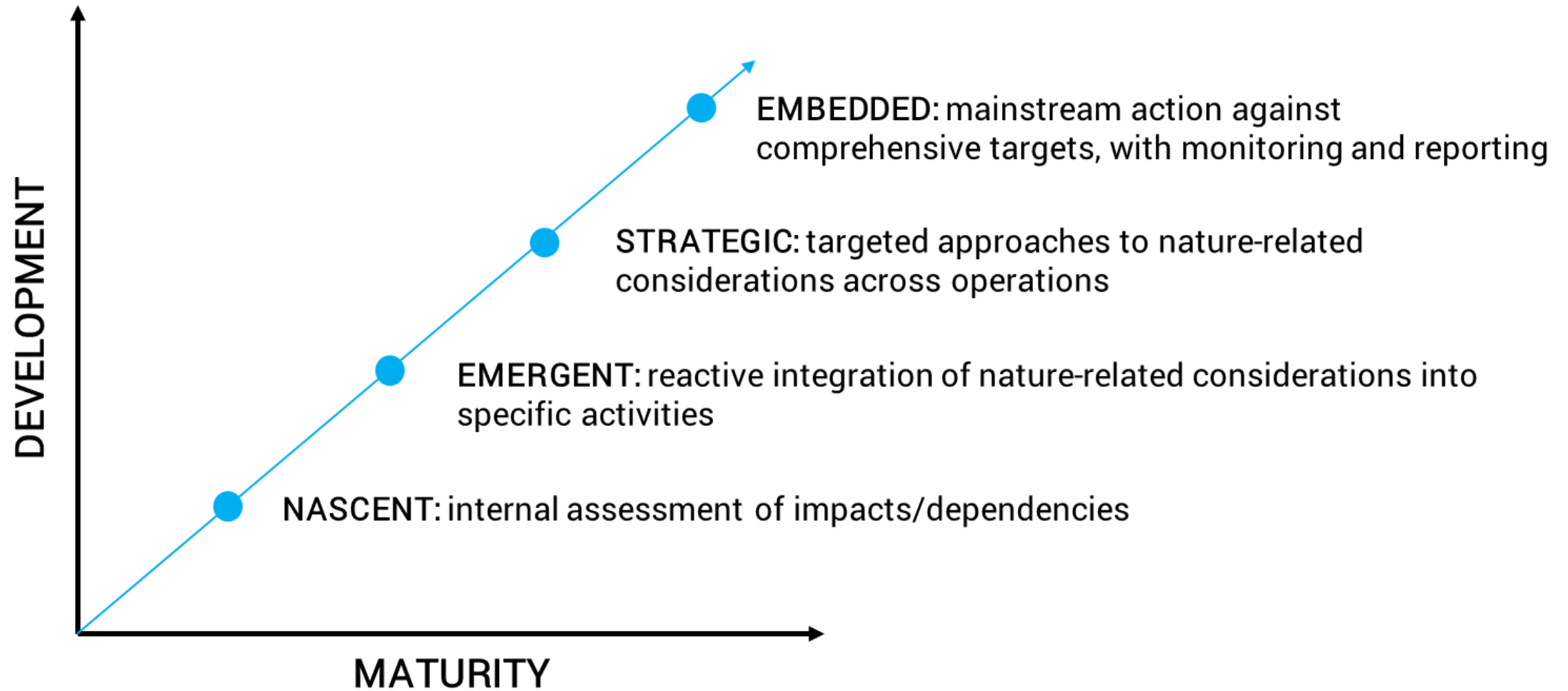
November 2022

TASKFORCE FOR NATURE-RELATED FINANCIAL DISCLOSURES (TNFD)

- A risk management and disclosure framework for organisations to report and act on nature-related risks from operations & value chains
- Disclosure recommendations are closely aligned to those used by TCFD to ensure consistency in approach and language

Governance	Strategy	Risk & impact management	Metrics & targets
<p>Disclose the organisation's governance of nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the effects of nature-related dependencies, impacts, risks and opportunities on the organisation's business model, strategy and financial planning where such information is material.</p>	<p>Describe the processes used by the organisation to identify, assess, prioritise and monitor nature-related dependencies, impacts, risks and opportunities.</p>	<p>Disclose the metrics and targets used to assess and manage material nature-related dependencies, impacts, risks and opportunities.</p>
<p>Recommended disclosures</p> <p>A. Describe the board's oversight of nature-related dependencies, impacts, risks and opportunities.</p> <p>B. Describe management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities.</p> <p>C. Describe the organisation's human rights policies and engagement activities, and oversight by the board and management, with respect to Indigenous Peoples, Local Communities, affected and other stakeholders, in the organisation's assessment of, and response to, nature-related dependencies, impacts, risks and opportunities.</p>	<p>Recommended disclosures</p> <p>A. Describe the nature-related dependencies, impacts, risks and opportunities the organisation has identified over the short, medium and long term.</p> <p>B. Describe the effect nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analysis in place.</p> <p>C. Describe the resilience of the organisation's strategy to nature-related risks and opportunities, taking into consideration different scenarios.</p> <p>D. Disclose the locations of assets and/or activities in the organisation's direct operations and, where possible, upstream and downstream value chain(s) that meet the criteria for priority locations.</p>	<p>Recommended disclosures</p> <p>A(i) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its direct operations.</p> <p>A(ii) Describe the organisation's processes for identifying, assessing and prioritising nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s).</p> <p>B. Describe the organisation's processes for managing nature-related dependencies, impacts, risks and opportunities.</p> <p>C. Describe how processes for identifying, assessing, prioritising and monitoring nature-related risks are integrated into and inform the organisation's overall risk management processes.</p>	<p>Recommended disclosures</p> <p>A. Disclose the metrics used by the organisation to assess and manage material nature-related risks and opportunities in line with its strategy and risk management process.</p> <p>B. Disclose the metrics used by the organisation to assess and manage dependencies and impacts on nature.</p> <p>C. Describe the targets and goals used by the organisation to manage nature-related dependencies, impacts, risks and opportunities and its performance against these.</p>

MOST COMPANIES ARE EARLY IN THE JOURNEY





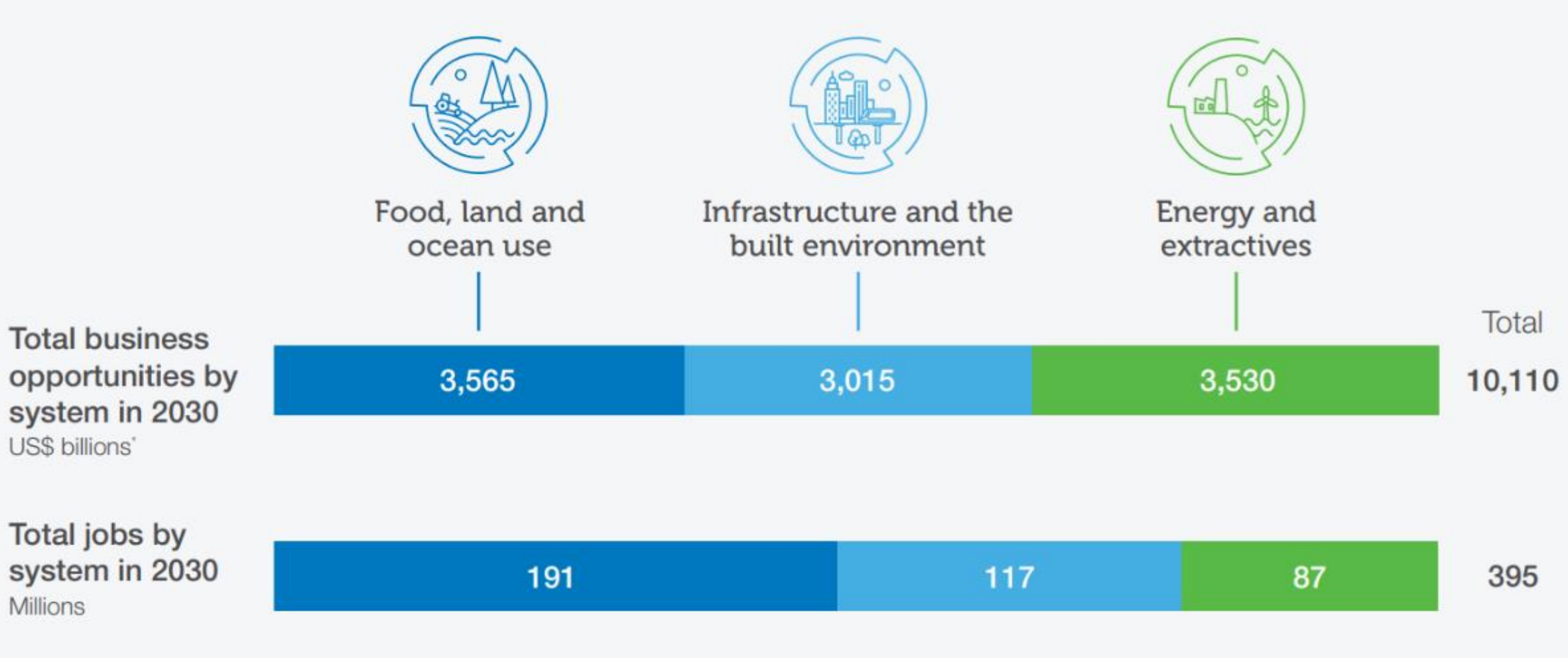
Business leadership on nature

NATURE IMPACTS AND DEPENDENCIES IN THE MINING SECTOR

Direct impacts ²⁰				
Land/sea use change	Resource exploitation	Climate change	Pollution	Invasive species/other
VH	VH	H	H	H
<p>The highest impacts of the mining industry are its potential to severely degrade and fragment habitats (land/sea use change) and its large consumption of water, used at all stages of the mining process (e.g. cooling of drilling machinery, dust suppression, leaching solutions). Other types of impacts are climate change (GHG released through extraction), pollution (creation of waste), noise/seismic activity and invasive species.</p>				

Direct dependencies ²¹			
Direct physical input	Enabling production	Mitigating direct impacts	Protecting from disruption
H	H	N/A	H
<p>The mining sector is dependent on nature, with a high dependency on three categories of ecosystem services: 1) direct physical inputs, especially water e.g., for machinery cooling, dust suppression); 2) those that enable production such as water flow maintenance for leaching solutions; and 3) those that provide natural protection from disruption such as natural erosion control provided by vegetation, protecting the mine infrastructure.</p>			

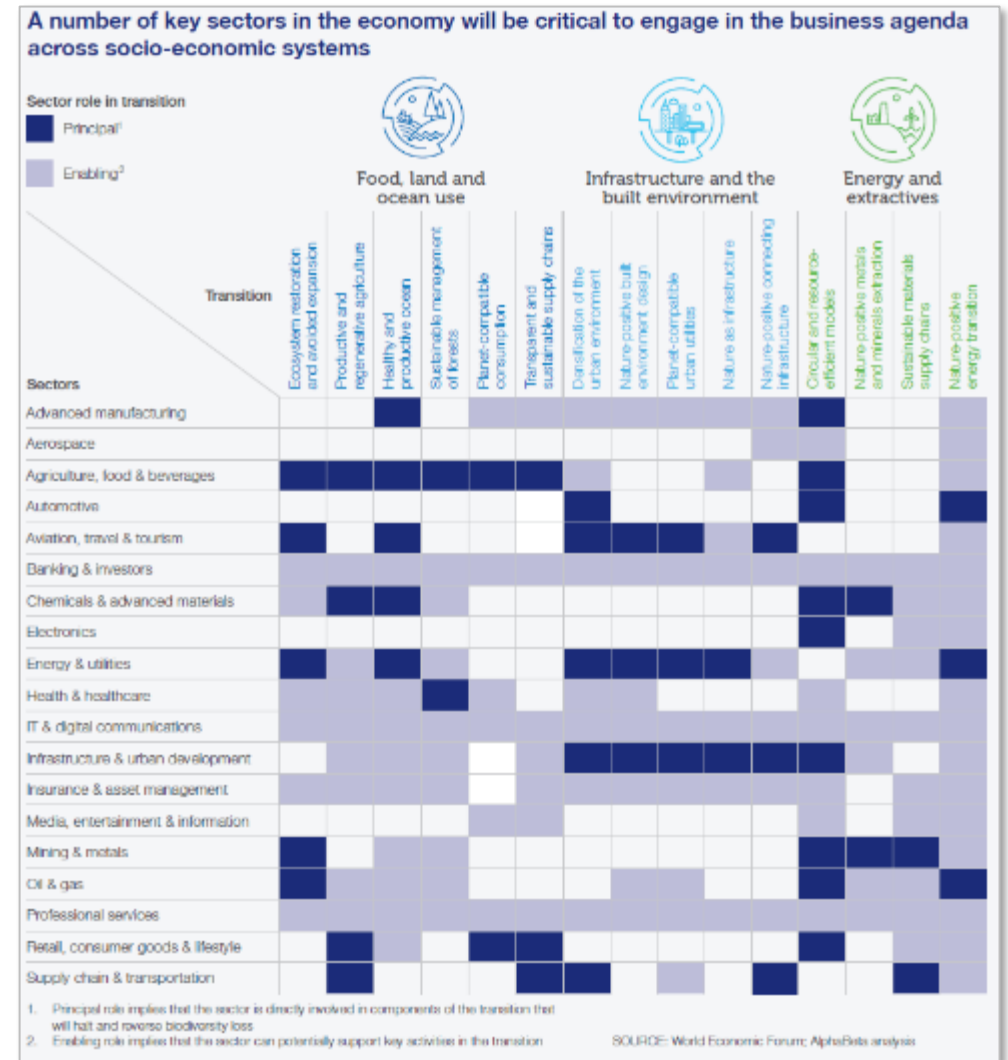
A NATURE-POSITIVE TRANSITION PRESENTS BUSINESS OPPORTUNITIES



Source: World Economic Forum (2020)

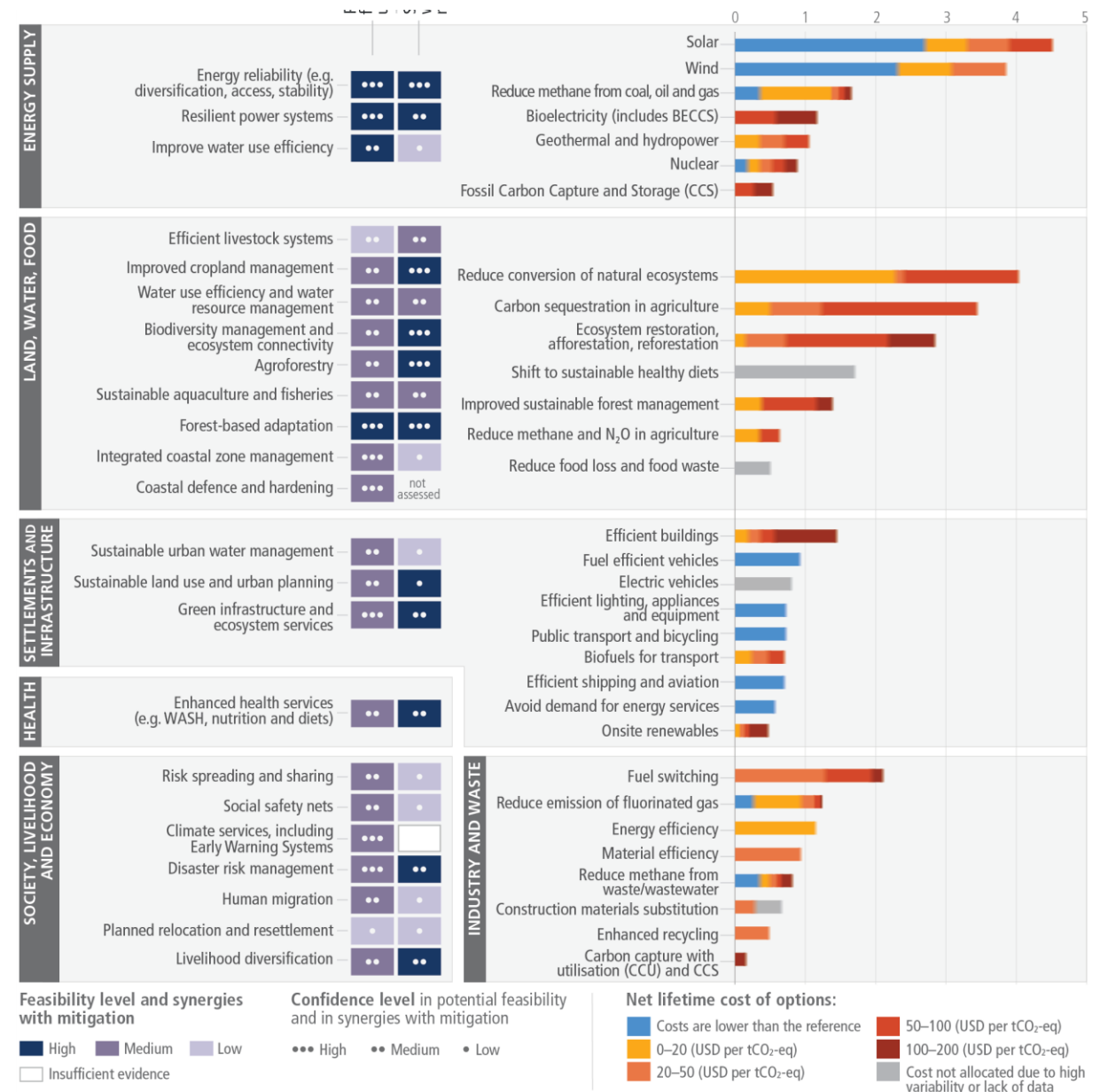
THE MINING SECTOR WILL BE CRITICAL TO KEY TRANSITIONS

- Emerging business opportunities for the energy sector could create over \$(USD) 3.5 trillion of annual value and 87 million jobs by 2030
- The mining sector can engage through 4 critical transitions:
 - Ecosystem restoration and avoided expansion
 - Adoption of circular and resource efficient models
 - Nature positive metals and minerals extraction
 - Nature positive energy transition



RESPONSIBLE ENERGY TRANSITION

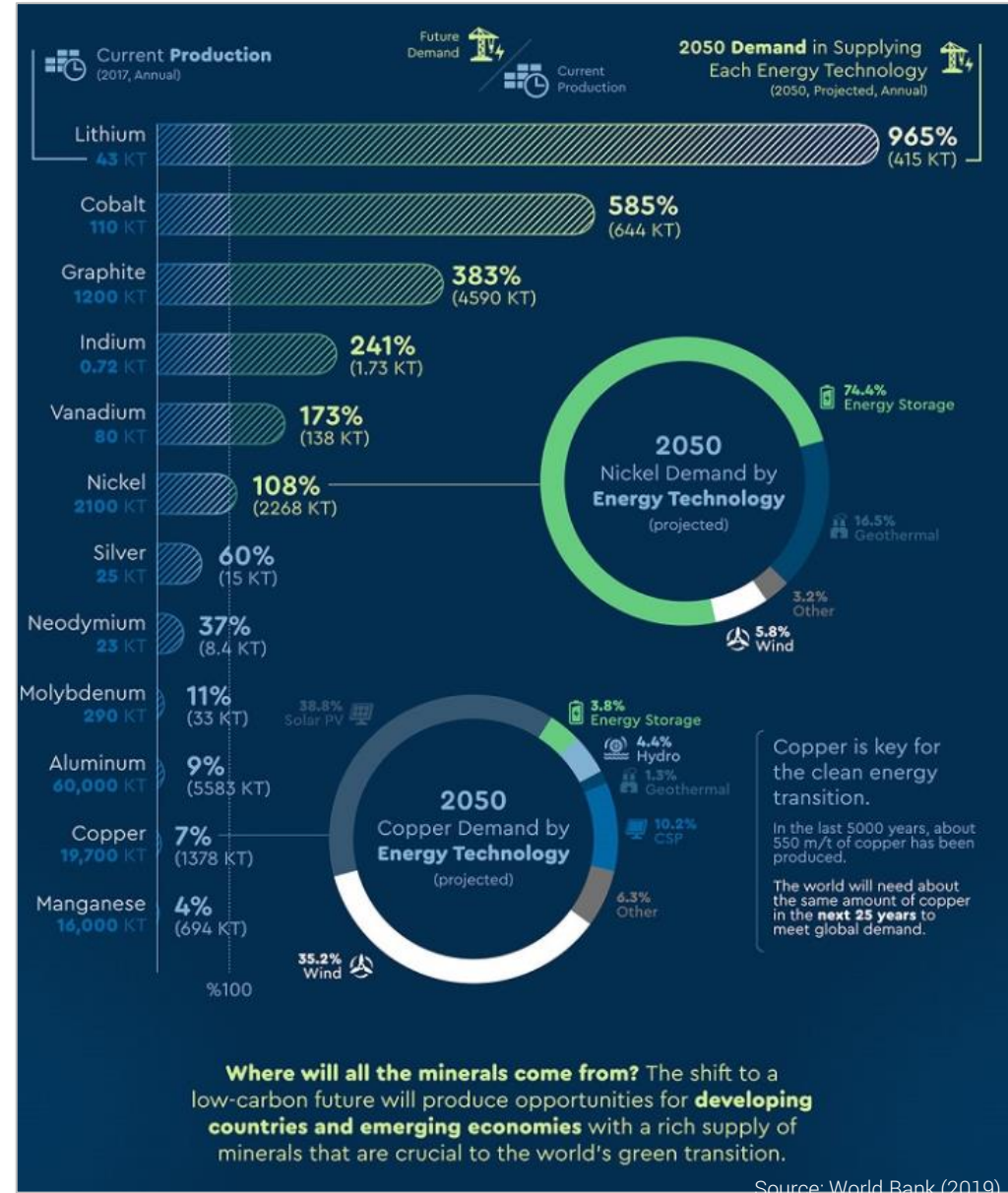
- Rapid acceleration of the energy transition considering outcomes for
 - Climate
 - Nature
 - Society
- Scaling climate responses and adaptation options
- Businesses need to set high-integrity net-zero commitments



Source: IPCC (2023)

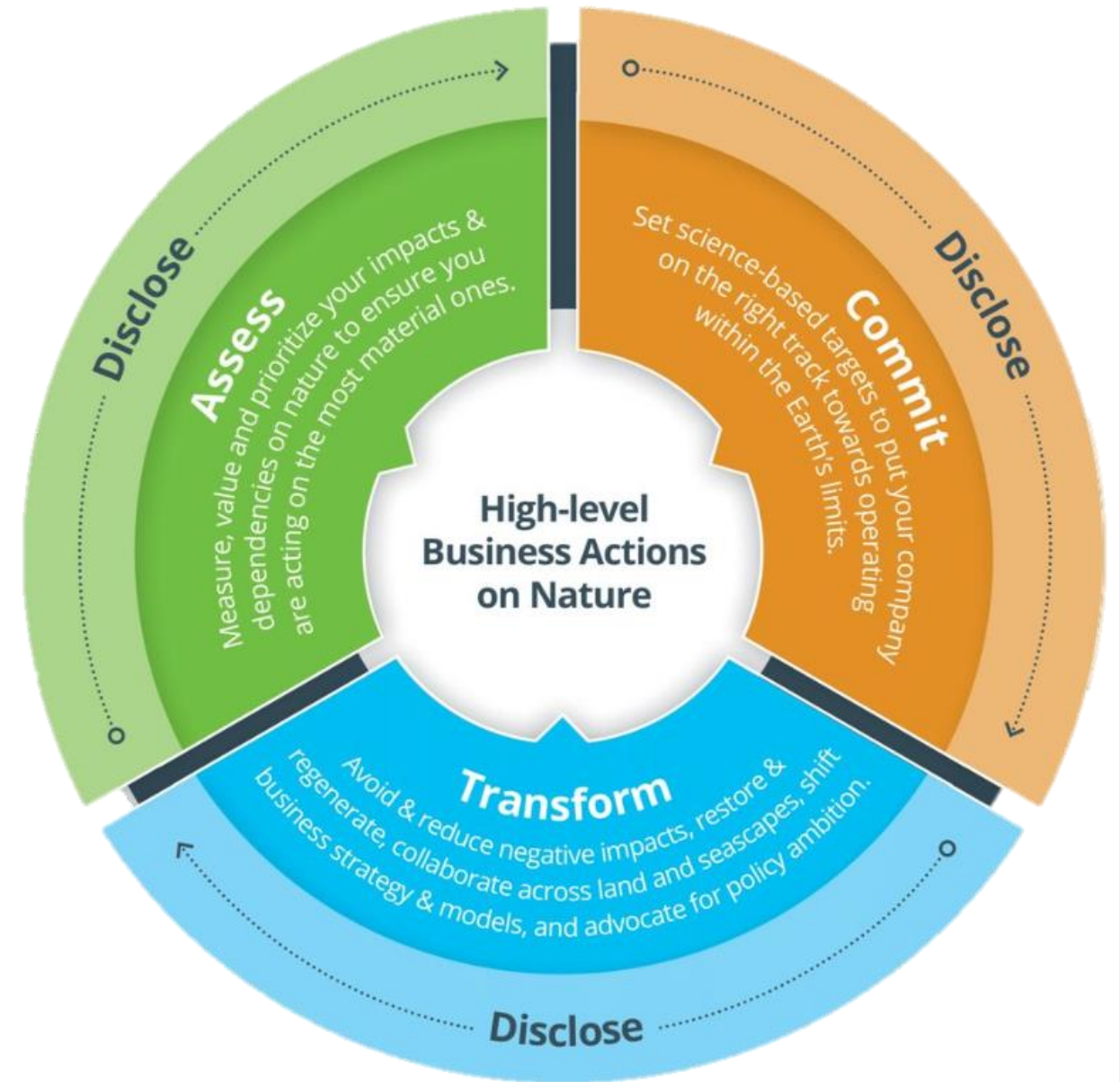
MINING AND SUPPLY CHAINS

- Demand for critical mineral and metals is rising exponentially
- Essential shift to renewables to meet climate targets places new demands on metals and mining
- Supply chain impacts of metal sourcing



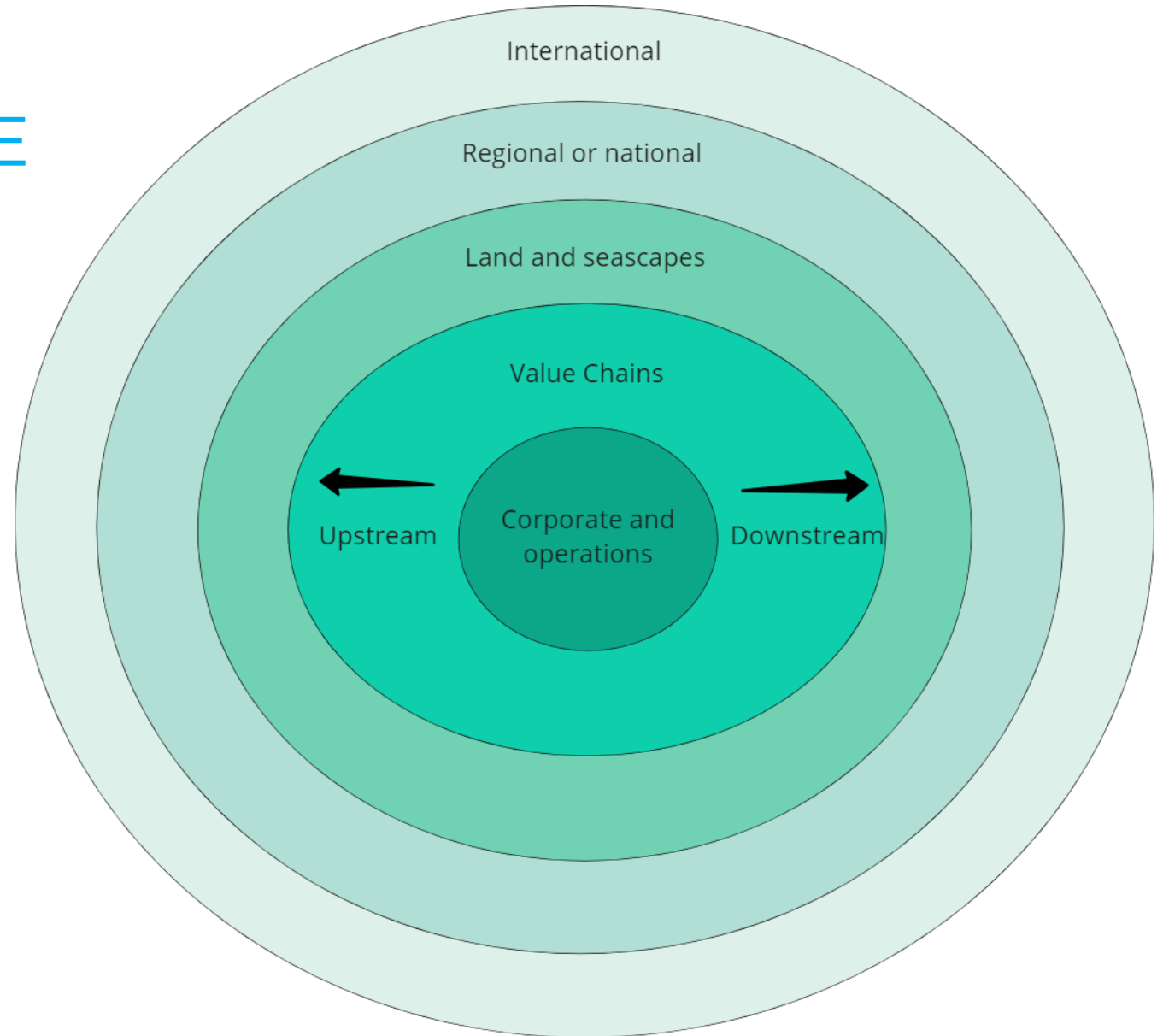
BUSINESS ACTIONS

- Assess impacts and dependencies
- Set science-based commitments
- Maintain robust internal policies and standards to achieve net gains
- Use positive influence to amplify efforts



ACTIONS CUT ACROSS SPHERES OF INFLUENCE

- To achieve nature-positive outcomes businesses need to act across spheres of control and influence.
- Alignment with international goals and advocating for increased ambition.





Thank you

UN 
**environment
programme**

WCMC

REFERENCES / FURTHER RESOURCES

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