

Note: Any underlined terms in the disclosures represent terms that are defined in the glossary (pp. 27 to 29). The majority of definitions in the glossary are drawn from the GRI.

LPRM 100: Context for local procurement disclosures

These disclosures provide the context necessary for understanding subsequent disclosures. For example, reporting the number of workers at a mine site provides the context necessary for external stakeholders, such as a garments supplier, to better understand the scale of business opportunity. For the mining company, these disclosures are a starting point for managing external expectations around the scale and duration of the mining project.

DISCLOSURE 101: CONTEXT

The reporting organisation shall report the following:

- Mining company name.
- Mine site name.
- Reporting period.
- Stage of the asset, including any significant expansion development under way.
- Estimated year of mine closure (if producing) or estimated mine-life for a mine under development (if not producing).
- Average number of workers on the mine site at once during the reporting period.

LPRM 200: Procurement systems

These disclosures focus on processes related to local procurement and require companies to report on policies and systems that support procurement from local suppliers. For external actors, this information discloses the company priorities, procedures, and points of contact related to local procurement.

DISCLOSURE 201: POLICY ON LOCAL SUPPLIERS

The reporting organisation shall report the existence of any mine site-specific local procurement policy and / or other company policies or company standards that include local procurement.

Note: Other company policies or standards could include, but are not limited to, a supply chain policy, a stakeholder engagement policy, or a CSR policy.

DISCLOSURE 202: ACCOUNTABILITY ON LOCAL SUPPLIERS

The reporting organisation shall report the name of the mine site departments responsible for local procurement.

DISCLOSURE 203: MAJOR CONTRACTORS AND LOCAL SUPPLIERS

The reporting organisation shall report if and how the mine site requires major suppliers / major contractors at the mine site to prioritize local suppliers. Explain how the reporting organization evaluates its major suppliers / major contractors on their local procurement.

Note: Major suppliers / major contractors can include engineering, procurement, and construction management (EPCM) and / or engineering, procurement, and construction (EPC) firms, or other major service providers.

DISCLOSURE 204: PROCUREMENT PROCESS

- **Disclosure 204 A**
The reporting organisation shall provide contact information (address or phone number) for the publicly available supplier contact persons or point of contact for suppliers, such as information offices.
- **Disclosure 204 B**
The reporting organisation shall provide information on any internal or external supplier procurement portals, databases, or registries (if applicable, provide URLs).
- **Disclosure 204 C**
The reporting organisation shall provide information on requirements and support for prequalification (if applicable, provide phone numbers, emails, or URLs).
- **Disclosure 204 D**
The reporting organisation shall provide information about local supplier development programmes or supplier capacity support (if applicable, provide URLs and phone numbers).

LPRM 300: Local procurement spending by category

These disclosures allow companies to measure and monitor how much is being spent on local procurement from one reporting period to the next. For external actors, this information provides a better understanding of what the mining company buys, where there are opportunities for potential and existing suppliers, and supports an informed dialogue with the mine site regarding how to increase local procurement.

DISCLOSURE 301: CATEGORISING SUPPLIERS

The reporting organisation shall report how the mine site categorises suppliers based on:

- Geographic location, such as proximity to the site.
- Level of participation, including level of ownership and/ or employment by local individuals or particular groups (Indigenous people, vulnerable groups, etc.).
- Level of value addition.

DISCLOSURE 302: BREAKDOWN OF PROCUREMENT SPEND

The reporting organisation shall report the breakdown of procurement spend for each category of supplier provided in *Disclosure 301: Categorising suppliers*, including international suppliers. Reporting shall provide a breakdown by amount (in relevant currency) and by percentage of total spend (see Note 1). In addition, if possible, reporting shall provide a breakdown of spending by major spend families (see Note 2).

Note 1: The reporting organisation should report total procurement spend as defined in the GRI 204-1 recommendations (below). If another approach is used to define total procurement spend, the reporting organisation shall detail this approach.

GRI 204-1: "When compiling the information specified in *Disclosure 204-1*, the reporting organisation should calculate the percentages based on invoices or commitments made during the reporting period, i.e., using accruals accounting" (GRI, 2016).

Note 2: Reporting organisations should broadly define each spend family provided, such as consumables, logistics, and construction spending.

LPRM 400: Local procurement due diligence

The purpose of these disclosures is to encourage mine sites to create and demonstrate systems that ensure they are not inadvertently supporting problematic processes (such as corruption, child labour, forced labour, and human rights abuses) among their suppliers.

DISCLOSURE 401: DUE DILIGENCE PROCESSES

The reporting organisation shall report the supplier due diligence processes used at the mine site to avoid purchasing from suppliers with problematic behaviour.

DISCLOSURE 402: ANTI-CORRUPTION POLICY

The reporting organisation shall report the existence and location of any anti-corruption policy it has and / or any policies that are intended to prevent corruption in their procurement processes and in their suppliers.

DISCLOSURE 403: TRAINING AND GUIDANCE FOR SUPPLIERS

The reporting organisation shall report information and training provided to suppliers on best practices related to due diligence processes.

LPRM 500: Methods to incentivise local procurement

These disclosures cover various methods that mine sites may use to provide additional support to suppliers, but that are not advisable in every context. When companies use the methods below it is advisable to be as transparent as possible in these processes to help suppliers and other host country stakeholders navigate the procurement process.

DISCLOSURE 501: COMMITMENTS

The reporting organisation should provide time-bound commitments that the mine site has made to increase local procurement.

Note: Commitments could include, but are not limited to, annual or mid-term targets for local procurement spending, supplier development programmes, local procurement plans, local procurement key performance indicators (KPIs) for procurement staff, and other local procurement objectives.

DISCLOSURE 502: PREFERENCE IN SCORING OF BIDS

The reporting organisation should, in as much detail as possible, explain if and how the scoring of bids provides preference for local suppliers.

DISCLOSURE 503: PREFERENCE IN SCORING OF BIDS FOR SIGNIFICANT LOCAL CONTRIBUTIONS

The reporting organisation should describe if additional scoring preference is given to suppliers that demonstrate significant local economic contributions.

Note: Additional preference could include, but is not limited to, suppliers with significant levels or a specific percentage of local staff, or suppliers who buy components from local suppliers, etc.

DISCLOSURE 504: NON-SCORING METHODS TO INCENTIVISE LOCAL PURCHASING

The reporting organisation should explain non-scoring methods that are used at the mine site to be inclusive of local suppliers.

Note: Non-scoring methods include, but are not limited to, unbundling contracts to allow smaller suppliers to bid on tenders appropriate to the size of their business, or efforts to help more than one small supplier form a larger co-operative or cluster.

DISCLOSURE 505: SUPPORTING SUPPLIERS TO UNDERSTAND THE TENDER PROCESS

The reporting organisation should describe activities or support that the mine site provides to local suppliers navigating the tendering and prequalification processes.

Note: The types of activities that support suppliers navigating the tender and prequalification process include but are not limited to: information sessions, training, information handouts, and communications that explain reasons for rejected bids.

DISCLOSURE 506: SPECIAL PAYMENT PROCEDURES FOR LOCAL SUPPLIERS

The reporting organisation should describe special payment procedures that the mine site uses to assist local suppliers.

Note: Special payment procedures include, but are not limited to: paying upfront, partially in advance, within a shorter period of time than international suppliers, or any other type of payment accommodation that is made.

DISCLOSURE 507: ENCOURAGING PROCUREMENT FROM PARTICULAR GROUPS

The reporting organisation should describe efforts that proactively encourage suppliers to include and support particular groups, such as women, visible minorities, youth, and Indigenous communities.

LPRM 600: External commitments and obligations

The use of these disclosures is encouraged at the mine sites that are subject to particular legal or agreement-based requirements regarding local procurement and processes to increase local procurement. Providing information on these requirements helps suppliers and other stakeholders understand the context for a mine site's efforts on local procurement, and increases transparency.

DISCLOSURE 601: REGULATIONS

The reporting organisation should detail regulations for local procurement or procurement from specific types of local suppliers, or any specific contract provisions between the mine site and the host country government.

DISCLOSURE 602: OTHER AGREEMENTS AND CONTRACTS

The reporting organisation should detail memoranda of understanding, impact benefit agreements (IBAs), or other types of community benefit agreements that the mine site is subject to from specific local stakeholder groups, and that require action towards procurement from specific types of host country suppliers.