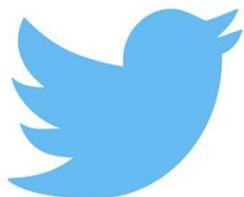




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An Engineers Without Borders Canada Venture

# Progress Update: The Mining Local Procurement Reporting Mechanism (#LPRM)



**@ewb\_msv**

**Mining Local Procurement  
Reporting Mechanism - #LPRM**

Jeff Geipel  
Mining Shared Value  
*for Ryerson University Institute for the  
Study of Corporate Social Responsibility  
Session on Procurement Transparency*  
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### Definition of “Local” as Agreed with Local Communities



The Company has developed an extensive network of over 300 local suppliers. Since 2017, our local procurement has injected approximately US\$68 million into the Province of Zamora Chinchipe’s economy, spending an average of \$2.4 million per month during 2019. Overall, in 2019, we purchased over \$247 million in goods and services within Ecuador, 37 percent more than during 2018.

### Procurement Spending

Spending by Region	2017	2018	2019
Ring 1	7.4	18.7	17.4
Ring 2	4.3	7.4	9.7
Ring 3	0.7	1.6	1.3
Ring 4	57.6	153.4	218.9
Total Ecuador	70.3	180.3	247.3
Total International	31.9	124.7	146.0
Total	102.2	305	393.3

Spending by Region	2017	2018	2019
Local (Rings 1-3)	12%	9%	7%
Total Ecuador	69%	59%	63%
Total International	31%	41%	37%

*NOTE: Procurement spending includes Aurelianmenor and Aurelian Ecuador.*

As detailed more extensively in previous Sustainability Reports, we continue to survey, train, certify or otherwise support numerous local vendors to enable them to join both Lundin Gold’s supply chain as well as that of our main contractors. We monitor and disclose our procurement performance, disaggregated by region, to our stakeholders and encourage our contractors to do the same. One of our award-winning suppliers, Catering Las Peñas, has successfully grown and diversified its client base, while also supporting the growth of its own local supply chain.



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**Mining Local Procurement  
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## Annex 3: Mining Local Procurement Reporting Mechanism Reporting

Disclosure	Title	Location/Comment
100	Context for local procurement disclosure	About Lundin Gold Inclusive Procurement Fruta del Norte in Production
200	<b>Procurement System</b>	
	201 – Policy on Local Suppliers	Responsible Mining Policy Inclusive Procurement
	202 – Accountability of Local Suppliers	Inclusive Procurement
	203 – Major contractors and local suppliers	Inclusive Procurement
	204 – Procurement process (A-D)	A: Back cover B-D: We maintain an internal database of 'vetted' suppliers, and inform prospective vendors about prequalification requirements, code of conduct and capacity building programs. See also Inclusive Procurement.
300	<b>Local Procurement Spending by Category</b>	
	301 – Categorizing suppliers	See Inclusive Procurement and concentric rings (agreed through engagement during Community Roundtables)
	302 – Breakdown of procurement spend	Inclusive Procurement
400	<b>Local Procurement due Diligence</b>	
	401 – Due diligence process	Business Code of Conduct and Ethics, and the Anti-Bribery Policy also applies to suppliers
	402 – Anti-corruption policy	Business Code of Conduct and Ethics, and the Anti-Bribery Policy also applies to suppliers
	403 – Training and guidance for suppliers	Business Code of Conduct and Ethics, and the Anti-Bribery Policy also applies to suppliers

*Note: Reporting in accordance with LPRM Core option*

## Annexe 6 : Données sur le contenu local (Effectifs, Masse salariale et Fournisseurs) - Sociétés minières

Entreprises	Effectifs	Permanents	Contractuels	Hommes	Femmes	Masse salariale (en FCFA)	Nombre Fournisseurs	Cumul Paiements Fournisseurs en 2018 en FCFA
SOCOCIM	Nationaux	330		303	27	6 081 312 325	567	64 568 550 953
SOCOCIM	Non Nationaux	9		9	0	212 569 119	240	32 549 051 675
SGO	Nationaux	309	1 009	1 201	117	14 727 054 180	267	87 395 850 722
SGO	Non Nationaux	86	2	85	3	1 707 587 510	228	22 050 719 958
CDS	Nationaux	746		678	68	4 785 920 000	242	45 102 451 831
CDS	Non Nationaux	8		8	0	253 916 000	164	43 358 807 965
DANGOTE	Nationaux	253	463	676	40	4 192 163 432	307	17 997 789 985
DANGOTE	Non Nationaux	19	31	49	1	1 477 982 648	95	34 931 467 813
GCO	Nationaux	723	167	779	111	7 181 452 253	372	53 575 845 356
GCO	Non Nationaux	62	0	59	3	2 045 496 689	220	15 133 716 668
PMC	Nationaux	244	0	195	49	2 160 890 000	195	45 078 743 224
PMC	Non Nationaux	53	0	52	1	4 382 360 000	111	12 639 283 734
COGECA	Nationaux	399		378	10	1 028 036 952	285	19 996 846 625
COGECA	Non Nationaux	11		11	0	70 361 027	55	4 468 534 725
ICS	Nationaux	1 564		1 511	53	13 872 286 074	621	55 642 973 786
ICS	Non Nationaux	56		56	0	2 541 967 152	453	247 222 094 659
SOMIVA	Nationaux	130	227	258	99	914 402 350	110	15 793 688 968
SOMIVA	Non Nationaux	4	0	3	1	233 862 795	27	837 779 267
AGEM	Nationaux	55	53	51	4	526 579 594	137	1 611 930 260
AGEM	Non Nationaux	5		5		422 274 687	8	227 014 665
SMC	Nationaux	26	13	39	0	685 251 851	22	483 777 883
SMC	Non Nationaux	0	0		0	0	3	47 529 117
SEPHOS	Nationaux	103		95	8	n/c	131	1 900 321 486
SEPHOS	Non Nationaux	1		1	0	n/c	14	134 824 497
AIG	Nationaux	12	3	10	2	171 688 854	n/c	n/c