

## INDICES

### LPRM INDICES

The Mining Local Procurement Reporting Mechanism (LPRM) is a set of disclosures that seeks to standardize how the global mining industry and host countries measure and talk about local procurement. In most cases procurement of goods and services is the single largest in-country payment type by a mine site, and yet to date there has been no commonly accepted way of reporting on the issue. Commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) through GIZ and created by the Mining Shared Value initiative of Engineers Without Borders Canada, the LPRM helps mine sites report on local procurement to:

- improve internal management in mining companies to create more benefits for host countries and to strengthen their social licence to operate
- empower suppliers, host governments, and other stakeholders with practical information that helps them to collaborate with mine sites
- increase transparency in the procurement process to deter problematic practices such as corruption.

#### LPRM-100

**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.

LPRM-101: Context		
Mining company name:	New Gold Inc.	
Reporting period:	2020	
	Rainy River	New Afton
Stage of the asset, including any significant expansion development underway:	Open Pit Production with development of underground underway	Underground Production with expansion of underground underway
Estimated year of mine closure (if producing) or estimated mine-life for a mine under development:	2028	2030
Average number of workers on mine site at once during the reporting period:	585	550

#### LPRM-200

**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.

LPRM-201: Policy on local suppliers		
The reporting organization shall report the existence of any mine site-specific local procurement policy and/or other company policies or company standards that include local procurement.		
	Rainy River	New Afton
Response	Local procurement policy is included in the corporate Community Engagement and Development Management Standard (CEDMS).	Local procurement policy is included in the corporate CEDMS.
Comments	The CEDMS is being reviewed and revised in 2021. Local procurement and economic development is being reviewed in 2021 to align with the company's Indigenous Relations strategy.	The CEDMS is being reviewed and revised in 2021. Local procurement and economic development is being reviewed in 2021 to align with the company's Indigenous Relations strategy.

LPRM-202: Accountability on local suppliers		
The reporting organization shall report the name of the mine site departments responsible for local procurement.		
	Rainy River	New Afton
Response	Supply Chain	Supply Chain
Comments	Our local supply chain team manages all RFP processes and local contracts associated with the mine.	Our local supply chain team manages all RFP processes and local contracts associated with the mine.

LPRM-203: Major contractors and local suppliers		
The reporting organization 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.		
	Rainy River	New Afton
Response	A pre-notification package (PNP) is sent to local communities twice a year. From there, when required RFPs are sent out to qualified suppliers, Contracts evaluates the ability to meet the needs of the specific RFP. We have clauses built into our RFPs under the evaluation criteria that gives considerations to proposals that partner with local suppliers.	Clauses built into our RFPs under the evaluation criteria section give considerations to the amount of employment and business given to local suppliers.
Comments	There is weighting assigned for local suppliers or proposals partnering with local suppliers.	There is a weighting assigned for local suppliers in the Evaluation Template that goes to the team for review.

LPRM-204: Procurement process		
LPRM-204A: The reporting organization 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.		
	Rainy River	New Afton
Response	Sabina Janik - Finance Manager	Paul Frediani - Procurement Supervisor
Comments	5967 Highway 11/71, P.O. Box 5, Emo Ontario, Canada, POW 1E0 P +1.807.234.8182 M +1.416.671.5146	Box 948 Station Main Kamloops, BC V2C 5N4 Canada O +1.250.377.2796 M +1.250.214.0085

LPRM-204B: The reporting organization shall provide information on any internal or external supplier procurement portals, databases or registries (if applicable, provide URLs).		
	Rainy River	New Afton
Response	All pre-qualified suppliers are kept in an internal database.	All pre-qualified suppliers are kept in an internal database.
Comments		

LPRM-204C: The reporting organization shall provide information on requirements and support for pre-qualification (if applicable, provide phone numbers, emails or URLs).		
	Rainy River	New Afton
Response	We encourage all suppliers to partner with a local community when possible. We promote active partnerships with Indigenous communities when possible. We have pre-qualification forms that are completed to ensure local suppliers do not have to re-enter information with each proposal.	We encourage all suppliers to partner with a local community when possible. We promote active partnerships with Indigenous communities when possible. We have pre-qualification forms that are completed to ensure local suppliers do not have to re-enter information with each proposal.
Comments	Rainy River is partnered with 16 Indigenous communities and an additional five non-Indigenous communities surrounding the Rainy River Mine. When possible we actively try to use local partners or encourage joint ventures with suppliers and local communities.	New Afton is partnered with the two main Indigenous communities in the area and another additional relationship has been added in the past two years. When possible we actively try to use local partners or encourage joint ventures with suppliers and local communities.

LPRM-204D: The reporting organization shall provide information about local supplier development programs or supplier capacity support (if applicable, provide URLs and phone numbers).		
	Rainy River	New Afton
Response	Rainy River Mine employs a full-time Business Development Officer (BDO) who works with both local communities and our procurement department to understand the needs of the operation and develop partnerships with local communities.	New Afton Mine employees a full-time BDO who works with both local communities and our procurement department to understand the needs of the operation and develop partnerships with local communities.
Comments	The BDO works as a liaison between Indigenous community partners and the mine to help build capacity for upcoming bids, provide suggestions for partnership opportunities and promote Indigenous businesses within the procurement process.	The BDO works as a liaison between Indigenous community partners and the mine to help build capacity for upcoming bids, provide suggestions for partnership opportunities and promote Indigenous businesses within the procurement process.

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#### LPRM-300

**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 and where there are opportunities for potential and existing suppliers, and supports an informed dialogue with the mine site regarding how to increase local procurement.

LPRM-301: Categorizing suppliers		
The reporting organization shall report how the mine site categorizes suppliers based on:		
<ul style="list-style-type: none"> <li>Geographic location, such as proximity to the site.</li> <li>Level of participation, including level of ownership and/or employment by local individuals or particular groups (Indigenous people, vulnerable groups, etc.).</li> <li>Level of value addition.</li> </ul>		
	Rainy River	New Afton
Geographic Location	Local suppliers are located in northwestern Ontario.	Local suppliers refers to our regional district - Thompson, Nicola Regional District.
Level of Participation	13.6% of 2020 procurement spend was local.	25.42% of 2020 procurement spend was local.

LPRM-302: Breakdown of procurement spend		
The reporting organization shall report the breakdown of procurement spend for each category of supplier provided in Disclosure 301: Categorizing 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).		
	Rainy River	New Afton
Total 2020 spend	CAD \$372,639,118.88	CAD \$334,217,862.00
Local spend	CAD \$57,840,260.60	CAD \$84,965,839.00
Indigenous spend	CAD \$72,871,069.93	CAD \$59,993,778.00
Domestic and international spend	CAD \$241,927,788.35	CAD \$189,258,246.00

#### LPRM-400

**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. 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 and where there are opportunities for potential and existing suppliers, and supports an informed dialogue with the mine site regarding how to increase local procurement.

LPRM-401: Due diligence processes		
The reporting organization shall report the supplier due diligence processes used at the mine site to avoid purchasing from suppliers with problematic behaviour.		
	Rainy River	New Afton
Response	During the RFP process we send our anti-bribery forms as well as a vendor pre-qualification form that has to be completed by all bidders.	During the RFP process we send our anti-bribery forms as well as a vendor pre-qualification form that has to be completed by all bidders.
Comments	New vendors are also required to fill out a form disclosing if they are a related party, or if their company has ever been investigated, charged, or convicted of bribery, corruption or fraud.	Information collected includes corporate information and structure, labour and financial capabilities, as well as a Claims Disclosure relating to disputes or claims.

LPRM-402: Anti-corruption policy		
The reporting organization 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.		
	Rainy River	New Afton
Response	New Gold Anti-Bribery & Anti-Corruption Policy	New Gold Anti-Bribery & Anti-Corruption Policy
Comments	<a href="#">Learn more.</a>	<a href="#">Learn more.</a>

LPRM-403: Training and guidance for suppliers		
The reporting organization shall report information and training provided to suppliers on best practices related to due diligence processes.		
	Rainy River	New Afton
Response	This is presently being reviewed and will be updated for 2021.	This is presently being reviewed and will be updated for 2021.