

## **Local Procurement & Employment Standard**

### **Purpose & Objectives**

This Global Standard sets the minimum requirements to ensure that programs are in place to identify and provide employment and business opportunities that can deliver sustainable mutual benefits to local stakeholders and Newmont. These stakeholder benefits are intended to align with the targeted outcomes of the Community Investment Strategy.

### **Scope**

The scope of this Standard is global. It applies to all directors, officers and employees of Newmont Corporation (“NC”) or any entity that is controlled or managed by NC (together with NC, “Newmont” or the “Company”). In addition, where explicitly stated in an applicable contract, it may apply to Newmont’s contingent workers, vendors, contractors, and other types of business partners. It is applicable to all sites and in all phases of the mine life cycle including exploration, design, construction, operation and closure.

### **Content**

#### **1. Planning & Design**

- 1.1 Sites will identify the local, regional, and/or national legal and regulatory provisions and capacity relative to local content procurement and employment. Sites will ensure that Local Procurement and Employment programs consider local stakeholder expectations, commitments and relationships.
- 1.2 Sites will conduct an internal opportunities analysis to identify priorities for primary and sub-contract opportunities that may exist for incorporation within the local procurement and employment programs. Consideration will be given to the economic and operating environment relative to potential Site business plan expansion or contraction.
- 1.3 Appropriate internal and external stakeholders will be included in the planning and advisory process for local procurement and employment to evaluate and develop capacity to undertake opportunities as identified by the internal opportunities analysis and relative to changing business needs.
- 1.4 In association with the internal opportunities analysis, Sites will use socio-economic data from baseline studies and community engagements to analyze, inform, develop and manage Site Local Procurement and Employment Plans.
- 1.5 Local Procurement and Employment Plans or equivalent will be developed and integrated with cross-functional business strategies to optimize procurement and employment opportunities for key stakeholder groups by promoting:
  - a) Local employability and skills development
  - b) Diversity of workforce
  - c) Small business development for locals, indigenous, women and/or minority business owners
  - d) Sustainable business opportunities
- 1.6 Local Procurement and Employment Plans will define and prioritize procurement and employment objectives as well as identify key performance indicators to measure program successes and opportunities for improvement.
- 1.7 Sites shall form a cross-functional team consisting of S&ER, Human Resources, Supply Chain, and Legal representatives to clearly articulate roles and responsibilities relative to development and

implementation of Local Procurement & Employment Plans and associated capacity development activities.

- 1.8 Sites will develop and communicate procedures, in consultation with stakeholders, which promote equitable and transparent recruitment and procurement practices.
- 1.9 Sites will communicate procurement and employment opportunities and encourage local stakeholders to apply for suitable positions or contracts.
- 1.10 Sites will identify and select procurement activities from the opportunities analysis, which will form the basis for Local Procurement and Employment Plans which seeks to manage and/or optimize development opportunities in alignment with community investment strategies throughout the mine lifecycle.
- 1.11 Sites will define vendor type attributes which will be managed within the Local Procurement and Employment Plans including but not limited to:
  - a) Locality = Local-Local; Local; National; International
  - b) Minority Owned
  - c) Women Owned
  - d) Diverse Supplier

## **2. Implementation & Management**

- 2.1 Sites shall establish a cross-functional team to review and/or revise the Local Procurement and Employment Plans no less than annually to ensure that the plans are appropriate for evolving business risks and opportunities.
- 2.2 Sites will integrate local procurement and employment objectives and practices as specified by Local Procurement and Employment Plans into cross-functional business strategies.
- 2.3 Sites will implement recruitment and employment policies with associated communication plans, records management and mechanisms to ensure compliance.
- 2.4 Partnership opportunities shall be preferred over unilateral action to implement Local Procurement and Employment Plans in alignment with community investment and development strategies.
- 2.5 Sites will develop processes to communicate procurement needs and opportunities and promote local suppliers to build capacity and apply for suitable contracts including supporting them to complete the contract process.
- 2.6 Site Local Procurement and Employment Plans will analyze the workforce needs including staffing levels and requisite skills throughout each phase of the mining-lifecycle (inclusive of employees and contractors).
- 2.7 Sites will identify activities and processes that will be undertaken to prioritize employment opportunities at the Site and develop necessary skills capabilities including succession planning.
- 2.8 Sites will define relevant workforce classifications (target groups) and skill levels which will be managed within the Local Procurement and Employment Plans including but not limited to:
  - a) Classifications = locality, indigenous, women, minorities
  - b) Skill levels = unskilled, semi-skilled, skilled, professional

- 2.9 Sites will identify local resource and capacity development requirements to suit business needs.
- 2.10 Sites will develop and implement training programs as needed to support capacity building activities for personnel and suppliers.
- 2.11 Sites will provide appropriate cross-cultural, capacity building and awareness training for relevant staff relative to the local operating environment and business risks.
- 2.12 Sites will develop and maintain protocols to require contractors to participate in and support activities to optimize local procurement and employment relative to changing business needs.
- 2.13 Sites will implement mechanisms to track records of local procurement and employment statistics, participation in training programs, and any other related initiatives.

**3. Performance Monitoring**

- 3.1 Sites will establish targets and maintain a mechanism to track, evaluate and report local procurement and employment KPIs relative to the vendor type attributes and workforce classifications which have been identified for the Site.
- 3.2 Sites will conduct routine monitoring and evaluation of local suppliers to improve quality, safety, environmental and social performance.

**Terms**

Refer to the S&ER Policies & Standards glossary for definitions.

- Diverse Supplier
- Indigenous
- International
- Local
- Local Content
- Local-Local
- Minority
- National
- Procurement
- Professional
- Recruitment
- Semi-skilled
- Skilled
- Un-skilled
- Sustainable development

**References**

- IFC: A Guide to Getting Started in Local Procurement
- NEM-SER-STA-019 Community Investment and Development Standard
- Procurement Standard

**Document Control**

VERSION	AUTHOR	APPROVER	APPROVAL DATE
1.0	Jared Stohner	Policies & Standards Committee	03/21/2014
2.0	Allison Coppel	Policies & Standards Committee	01/25/2018
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