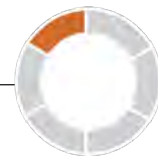




**COMMUNITY GUIDANCE TO SUPPORT
INDIGENOUS PROCUREMENT IN MINING**





NOTE TO READERS AND ACKNOWLEDGEMENTS



Natural Resources
Canada

Ressources naturelles
Canada

The *Community Guidance to Support Indigenous Procurement in Mining* is funded by Natural Resources Canada and was written by the Mining Shared Value program of Engineers Without Borders Canada with the support of the Indigenous consultancy Mokwateh. Mokwateh provided input to this Guidance and linked Checklist, and led consultation with Indigenous communities and Economic Development Corporations across Canada.



The Mining Shared Value (MSV) program of Engineers Without Borders Canada, is a non-profit initiative that encourages and supports the global mining sector and related stakeholders maximize local procurement of goods and services in host communities and countries. With funding from the German development agency GIZ, MSV created the Mining Local Procurement Reporting Mechanism (LPRM), which helped inform the selection of best practices in this checklist.



Mokwateh

Mokwateh is a bridge building consultancy, proudly committed to finding common ground and creating common good. What stands in the way of moving Reconciliation forward is often a credible path forward. Mokwateh creates just that through a team of richly experienced and authentically engaged experts to help focus your efforts where it matters most.

Cat. No.: M34-91/2024E (Print)
ISBN: 978-0-660-70255-1

Cat. No.: M34-91/2024E-PDF (Online)
ISBN: 978-0-660-70254-4

Aussi disponible en français sous le titre : Les Conseils à la communauté pour soutenir l'approvisionnement auprès d'entreprises autochtones dans l'industrie minière



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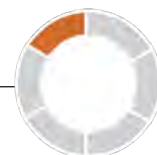
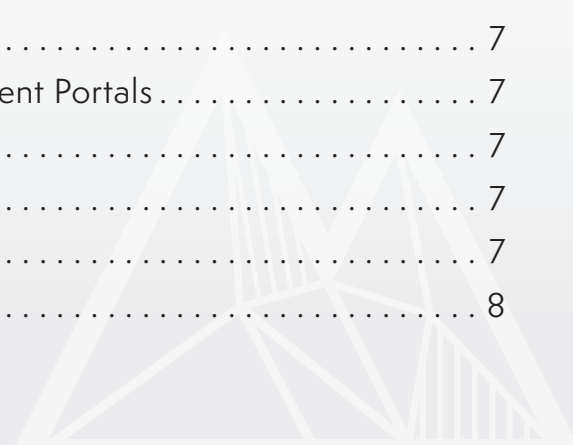
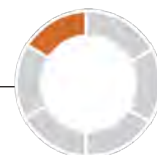


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INTRODUCTION

The Canadian Minerals and Metals Plan (CMMP) identifies six strategic directions, including advancing the participation of Indigenous Peoples in Canada's minerals and metals sector. The Local Procurement Checklist to Support Indigenous Procurement in Mining aims to support procurement from Indigenous-owned businesses through the five areas for action prioritized under this strategic direction: respecting rights, meaningful engagement, capacity building, Indigenous women, and economic benefits.

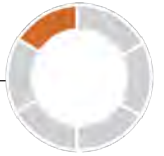
The purpose of this Checklist is to highlight the procurement of goods and services as a valuable economic opportunity for Indigenous entrepreneurs and communities that choose to participate in exploration and mining activity, and to support mining and exploration companies to implement effective strategies to support Indigenous-owned businesses. The building of business relationships through sustainable and meaningful participation in the mining value chain supports the process of reconciliation by acknowledging Indigenous mining host communities as holders of rights and titles.

This guidance which accompanies the Checklist is intended to support Indigenous businesses and community enterprises in harnessing procurement opportunities. It seeks to support Indigenous stakeholders in constructively holding mining and exploration companies accountable to best practices in negotiations and discussions of potential procurement opportunities.

One of the key barriers faced by suppliers seeking procurement opportunities in the minerals and metals sector is the availability of information on company procurement practices and goods and service needs. This information is valuable for Indigenous stakeholders looking to participate in the sector in order to make informed, strategic decisions. In a recent study on business engagement with the Canadian mining industry, it was noted that "the lack of planning capacity within Indigenous Economic Development Corporations to anticipate the needs of the mine and to plan, respond to opportunities and communicate effectively with mining clients stems from an initial lack of awareness about where the opportunities for business development are, and how to access training programs or create businesses that support Aboriginal engagement and meet the demand."¹ There are opportunities for the Canadian mining sector to strengthen communication with suppliers to inform procurement processes, initiatives and accommodations. This guidance is focused on the most common barriers, such as access to informative materials, including procurement policies, requirements of suppliers, processes for prequalification, and the existence of supplier capacity building or support programs.



¹ Darychuk, A. & Travers, K. (2016). Partnerships in Procurement: Understanding Aboriginal business engagement in the Canadian mining industry. <https://www.ccab.com/research/publications/research-procurement/partnerships-in-procurement-understanding-aboriginal-business-engagement-in-the-canadian-mining-industry/>



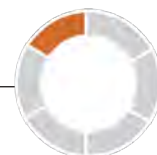
PURPOSE OF THE GUIDANCE

This guidance seeks to support Indigenous suppliers, as well as those representing and advocating for Indigenous suppliers, by highlighting mining sector best practices and providing questions to guide engagement with companies regarding procurement opportunities. This guidance is intended for use by the following types of stakeholders: Indigenous suppliers; Indigenous economic development corporations; Indigenous governing bodies, such as Chief and Council, Band Council, and Community Councils; consultants hired to support Indigenous procurement; non-governmental organizations, educational institutions, other actors who may be supporting Indigenous suppliers in engaging with the mining sector; and others who may be involved in establishing expectations with a mining company through negotiation of Impact Benefit Agreements (IBAs) or other types of community development agreements.

STRUCTURE OF THE GUIDANCE

The following table lists the best practices identified in local and Indigenous procurement, informed by existing guidance, standards and reporting frameworks. Please reference the full Local Procurement Checklist to Support Indigenous Procurement in Mining for more detailed information on the practices discussed in this document. Each practice is detailed in the following sections, including a set of questions that may inform research and information-gathering processes, and which can be used in direct communications with companies. The questions listed are designed to explore a company's existing approach and may not be suitable for all contexts.





CATEGORY

PRACTICE

1. INDIGENOUS PROCUREMENT STRATEGY AND MANAGEMENT

Indigenous Procurement Policies and Inclusion of Indigenous Procurement in Wider Policies

Accountability and Management Structures for Indigenous Procurement

Indigenous Procurement Policies for EPC, EPCM and Other Major Suppliers

Measuring and Reporting Indigenous Procurement

Internal Incentives and Reward Structures

Internal Communication

Multi-Stakeholder Management with External Partners

2. PREFERENTIAL AND CONDUCIVE PROCUREMENT PROCEDURES

Advanced Notification of Procurement Opportunities

Setting Aside Contracts for Indigenous Suppliers

Price Preferences

Early and Flexible Payment Procedures

Unbundling Contracts

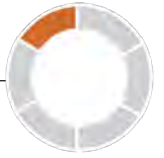
Supplier Registration, Prequalification and Procurement Portals

Making Public Announcements and Advertisements

Supplier Searches and Assessment

Supplier Open Days

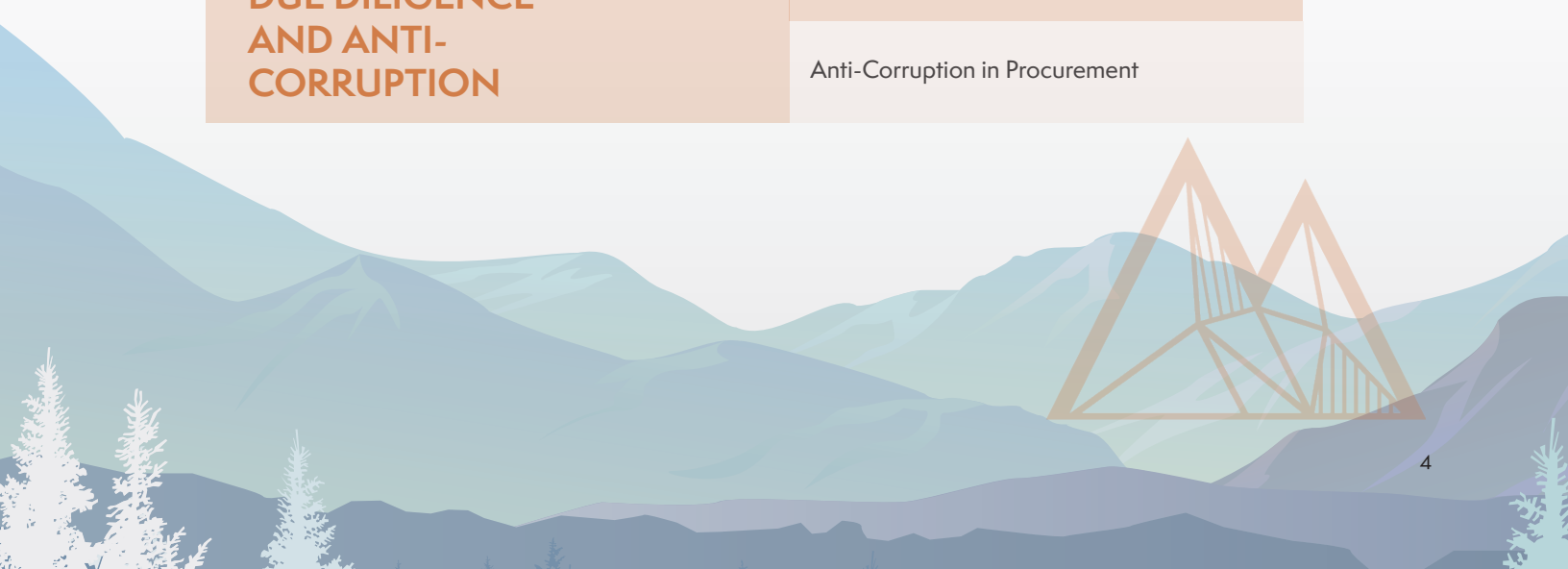
Attending and Sponsoring Relevant Events

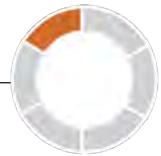


CATEGORY

PRACTICE

<p>3. SHARING INFORMATION AND REPORTING</p>	Notification of Procurement Procedures
	Notification of Procurement Needs
	Sustainability Reporting on Indigenous Procurement
<p>4. CAPACITY BUILDING FOR EXISTING POTENTIAL SUPPLIERS</p>	Capacity Audits for Suppliers
	Economic Capabilities Assessment for Surrounding Areas
	Training for Existing and Potential Suppliers
	Business Creation and Incubation
	Joint Ventures
	Providing Loans and Grants to Existing and Potential Suppliers
	Financial Literacy Training
	Vouching for Suppliers
<p>5. SUPPLIER DUE DILIGENCE AND ANTI-CORRUPTION</p>	Supplier Due Diligence
	Anti-Corruption in Procurement





1. INDIGENOUS PROCUREMENT STRATEGY AND MANAGEMENT

Indigenous Procurement Policies and Inclusion of Indigenous Procurement in Wider Policies

- What policies has the company implemented that pertain to Indigenous procurement (e.g., local procurement policy, supply chain policy, sustainable development strategy)?
 - o If no procurement specific policy: Has the company considered implementing a procurement policy that prioritizes Indigenous suppliers?
- If this policy is publicly available, where can it be accessed?
- How does the company manage implementation of this policy and how is progress evaluated?

Accountability and Management Structures for Indigenous Procurement

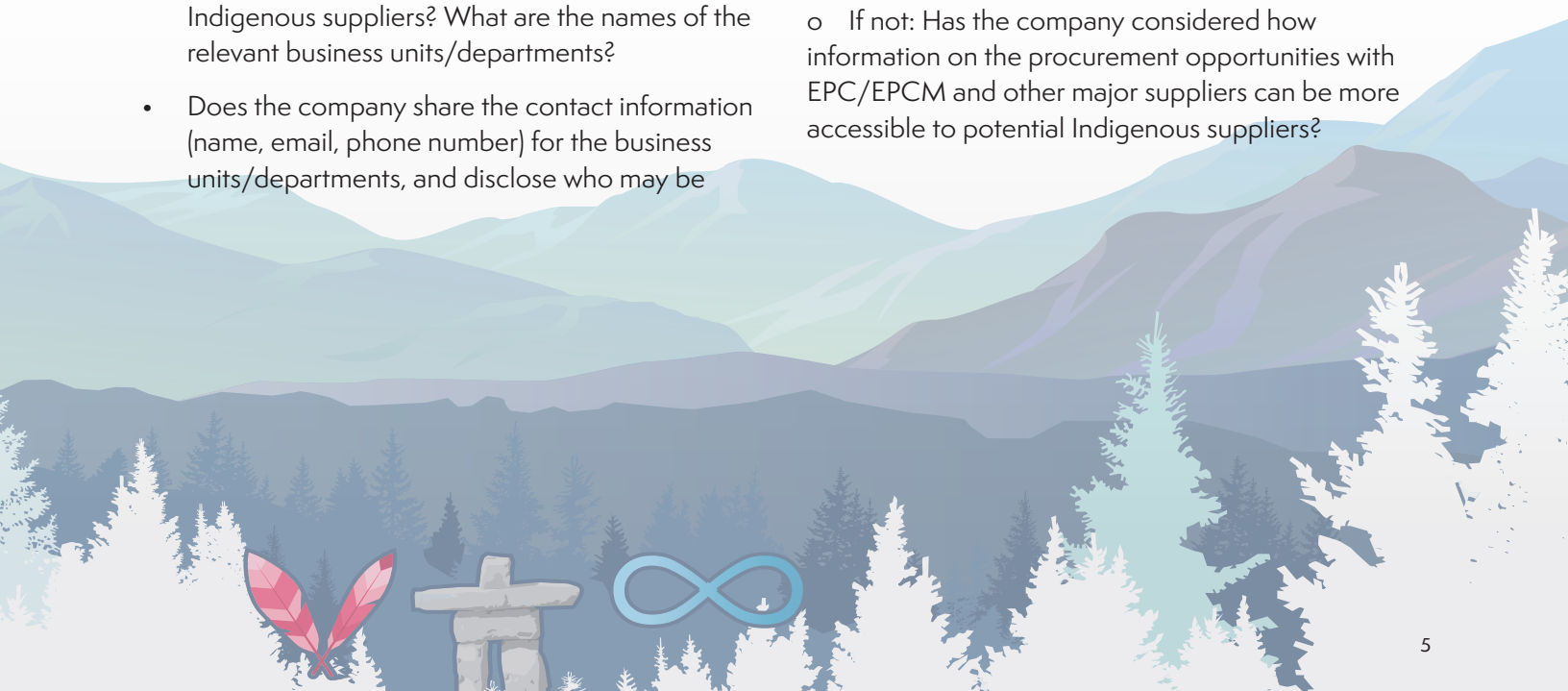
- Who within the company is responsible for the mine site's performance on procurement from Indigenous suppliers? What are the names of the relevant business units/departments?
- Does the company share the contact information (name, email, phone number) for the business units/departments, and disclose who may be

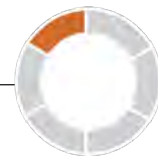
contacted regarding Indigenous procurement?

- o If not: Has the company considered making contact information for representatives facilitating Indigenous procurement public (e.g. on company websites)?
- What internal structures does the company have in place that focus on Indigenous procurement opportunities?
 - o If none: Has the company considered establishing roles, interdepartmental committees, or working groups on this topic?

Indigenous Procurement Policies for EPC, EPCM and Other Major Suppliers

- What actions has the company taken to encourage Indigenous procurement by major contractors, including EPC/EPCM firms?
 - o If none: Has the company considered Indigenous procurement plans as part of bid submissions from major contractors, or accountability mechanisms following contract award, such as reporting or committee meetings?
- Does the company share information on how to access procurement opportunities offered by EPC/EPCM firms
 - o If not: Has the company considered how information on the procurement opportunities with EPC/EPCM and other major suppliers can be more accessible to potential Indigenous suppliers?





Measuring and Reporting Indigenous Procurement

- Does the company disclose the percentage of goods and services the mine site sources from Indigenous suppliers?
 - If supplier categorization lacks specificity: Has the company considered tracking procurement spend on Indigenous and non-Indigenous suppliers?
 - If procurement spend breakdown is not publicly available: Has the company considered making this information public?
 - Has the company considered setting a target for Indigenous procurement spending (e.g. absolute amount or percentage of total procurement spending)?

Internal Incentives and Reward Structures

- Does the company offer internal incentives for management and employees that support the prioritization of Indigenous procurement?
- What types of incentives are used (e.g. remuneration structures linked to KPIs for Indigenous procurement)?
- If none: Has the company considered integrating Indigenous procurement priorities into relevant KPIs or remuneration structures to drive performance on Indigenous procurement?

Internal Communication

- Does the company communicate internally its Indigenous procurement priorities (e.g. via employee newsletters, site-level notice boards and information screens, interdepartmental meetings and workshops, or employee onboarding)?

Multi-Stakeholder Management with External Partners

- Is the company taking part in any multi-stakeholder management systems which include the topic of Indigenous procurement, such as a committee or working group with local Indigenous suppliers and other partners?
 - If so: Does the company disclose information from these engagements, such as any targets set, outcomes, or issues being addressed? If so, where can this information be found?

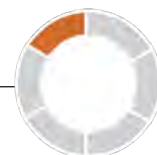
2. PREFERENTIAL AND CONDUCTIVE PROCUREMENT PROCEDURES FOR INDIGENOUS SUPPLIERS

Advanced Notification of Procurement Opportunities

- Does the company ensure right of first refusal to Indigenous suppliers for specific goods and services?
 - If so: Which goods and services are included?
 - If so: What channels are used to communicate these opportunities?

Setting Aside Contracts for Indigenous Suppliers

- Does the company set aside certain goods or service contracts for Indigenous suppliers?
 - If so: Which goods or service contracts are set aside?
 - If so: What channels are used to communicate these opportunities?



Price Preferences

- Does the company pay slightly more for specific goods or services if they are available for purchase from Indigenous suppliers?
- If so: Is there a phase out period for these price preferences?
- If so: Does the company offer support to suppliers receiving preferential pricing to achieve operational efficiencies and/or cost savings?

Early and Flexible Payment Procedures

- Does the company offer accommodations to Indigenous suppliers through its payment procedures (e.g. expedited or advance payments)?
- If so: What is the processing time for paying invoices from Indigenous suppliers?

Unbundling Contracts

- Does the company unbundle contracts to enable bidding by Indigenous suppliers on smaller work scopes, where needed?
- If so: How does the company decide which contracts to unbundle?
- If so: What are some past examples of contracts that have been unbundled?

Supplier Registration, Prequalification and Procurement Portals

- Describe the supplier database used by the company.
- In addition to its supplier registration process, does the company use any multi-sector supplier platforms?
- How does the company confirm or certify Indigenous ownership?
- Describe the company's prequalification process.

- Where can information be found regarding prequalification requirements and how to complete the process?

Making Public Announcements and Advertisements

- How does the company communicate procurement opportunities to Indigenous suppliers?
- Has the company considered using [insert methods most effective for the context, such as local media, postings in community spaces, languages to include]?

Supplier Searches and Assessment

- Does the company actively seek out new Indigenous suppliers? How?
- Has the company considered having a designated representative to facilitate discussions with Indigenous communities on how best to identify procurement opportunities, such as working with relevant local stakeholders (e.g., Chief and Council and Economic Development Officers (EDOs))?
- Has the company considered joining organizations that provide directories of Indigenous suppliers, such as the Canadian Council for Aboriginal Business?

Supplier Open Days

- Does the company host routine supplier sessions or "open days"?
- When is the next supplier session, meetings, workshops, or employee onboarding?
- Has the company considered scheduling a series of supplier sessions, for example, twice a year?



Attending and Sponsoring Relevant Events

- Does the company participate in events where Indigenous businesses can meet with representatives of the company to discuss procurement opportunities?
- If so: Which events happen on a regular basis, such as annual trade shows?
- If so: When is the next event where Indigenous businesses will be able to meet with representatives of the company to discuss procurement opportunities?
- If so: How can Indigenous suppliers keep informed of future events?

3. SHARING PRACTICAL INFORMATION AND REPORTING

Notification of Procurement Procedures

- How does the company communicate its procurement processes and opportunities?
- Has the company considered a “Suppliers” section for its website to provide details regarding the procurement process and how to bid on opportunities?
- Are there printed materials available for current and potential suppliers that provide details regarding the procurement process and how to bid on opportunities?
- What local and social media outreach does the company do to promote procurement opportunities, information sessions, and information on how to register as a supplier?

Notification of Procurement Needs

- Does the company inform suppliers of its current and forecasted procurement needs to help suppliers prepare for upcoming opportunities?

- If so: Has the company considered providing advanced notice of upcoming procurement needs for Indigenous suppliers to prepare?
- Has the company considered establishing a working group or committee for the company to update Indigenous suppliers regularly on current and future supplying opportunities?

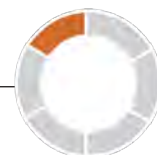
Sustainability Reporting on Indigenous Procurement

- How does the company communicate its performance on Indigenous procurement in sustainability reporting?
- What sustainability reporting frameworks does the company use?
- Has the company considered disclosing information on its Indigenous procurement practices at the site level in accordance with the Mining Local Procurement Reporting Mechanism (LPRM)?

4. CAPACITY BUILDING FOR EXISTING AND POTENTIAL SUPPLIERS

Capacity Audits for Suppliers

- Does the company conduct audits of its suppliers?
- If so: Has the company considered using information gathered through supplier audits to inform capacity building support provided to Indigenous suppliers?
- How does the company identify which suppliers to audit?
- Does the company disclose its audit findings to EDOs or other relevant stakeholders?



Economic Capabilities Assessment for Surrounding Areas

- What is the company's approach to understanding Indigenous procurement opportunities and the existing capacity of local suppliers?
- How can Indigenous entrepreneurs and businesses seeking procurement opportunities engage with those conducting feasibility studies and assessing economic capabilities within local communities?
- Are the resulting assessment findings made publicly available?
- Has the company considered developing a business action plan to seek out and support Indigenous suppliers in partnership with Indigenous community leaders?

Training for Existing and Potential Suppliers

- Does the company provide training for existing and potential suppliers?
 - If so: When is upcoming training taking place, and where can suppliers find this information?
 - If so: How does the company determine the topics covered by this training, and how are Indigenous suppliers engaged in this process?
 - If not: Has the company considered developing training to address skills gaps, or partnering with a third party that provides training?

Business Creation and Incubation

- Does the company support Indigenous entrepreneurs to launch new businesses to supply the mine site, either directly, or through a partnership with a third party?
 - Where can suppliers find information on this type of support?

Joint Ventures

- Does the company encourage or require joint ventures with Indigenous suppliers for specific goods or service contracts?
 - If so: How are such goods or service contracts identified?
 - If so: Where can suppliers find information regarding joint venture opportunities?
- What metrics are used to monitor and ensure capacity and skills upgrading for Indigenous partners in a joint venture (e.g., number and seniority of Indigenous employees, transition planning for Indigenous partners)?

Providing Loans and Grants to Existing and Potential Suppliers

- Does the company facilitate access to capital for Indigenous suppliers, either directly, or through a third party (e.g., loans, grants, or equity financing)?
- Where can suppliers find information regarding financing opportunities and eligibility?

Financial Literacy Training

- Does the company provide training in financial literacy for Indigenous suppliers, either directly, or through a third party?
- Where can suppliers find information regarding training opportunities?

Vouching for Suppliers

- Does the company provide support for Indigenous suppliers to obtain financing?
- Does the company vouch for Indigenous suppliers (e.g., by confirming current value of contracts)?

5. SUPPLIER DUE DILLIGENCE AND ANTI-CORRUPTION

Supplier Due Diligence

- Does the company have a supplier code of conduct?
 - o If so: Is it publicly available on the company's website?
 - o If so: What training or other forms of support does the company offer suppliers to understand and comply with the supplier code of conduct?

Anti-Corruption in Procurement

- Does the company have an anti-bribery and corruption policy?
 - o If so: Is it publicly available on the company's website?
- How does the company prevent bribery, corruption, and other problematic practices in its procurement processes?



