



Preparing to do business with Goldcorp

September 13, 2016

 **GOLDCORP**



Doing Business with Goldcorp – Procurement overview

Agenda

- Becoming a supplier
- Setting up as a supplier
- 3rd Party Due Diligence
- Requirements
- Procurement process
- Goldcorp Commercial Practices
- Competitive Procurement

Doing Business with Goldcorp – Procurement overview

What is required to be a Supplier?

- Registered business (HST number)
- Email account
 - **Communication**
 - **All Purchase Orders (PO's) are transmitted via email**
 - **All Invoices need to be submitted via email**
- English/Bilingual
 - **Site safety inductions are in English**
 - **Drivers need to be able to communicate with security and others on the site**
- Suppliers and Contractors must not violate Goldcorp's Code of Conduct and other applicable policies while working for or on behalf of Goldcorp.

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Setting you up as a supplier

- A new vendor request form is filled out internally asking basic information:
 - Address, full company name, phone number, email address (for correspondence and for PO's)
A request for banking information is also initiated with the vendor request form.
- All new vendor requests are screened internally our Third Party Due Diligence portal (FTI Comply).
 - FTI rates vendors based on risk level, current and future spend with supplier, affiliation with government entities, contribution or donation request, FN vendor request, etc.
 - The risk level is calculated based on the responses provided to the 11 questions, based on the risk, a separate list of requirements are required.
 - Low dollar, low risk vendors move through quickly, higher spend, higher risk vendors will require reference checks, world check background screens, business legitimacy documents, company code of conduct signed off which could delay the process of setting up a vendor.
- The purpose of FTI Comply is to ensure we are not engaging with vendors who pose a threat to our company.
- Low risk vendors – within a few days to set up
- High risk vendors – within a week to two – case by case depending on risk level and requirements to fulfill

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3rd Party Due Diligence

- Goldcorp may be held liable as a result of the activities conducted by third parties. Therefore, all third parties that Goldcorp contracts with must undergo a due diligence review process prior to entering into a business relationship.
- The extend of the due diligence process is directly related to the level of risk exposure that the activities of a particular third party represents to Goldcorp.
- The due diligence may include actions such as review of references; criminal, credit and financial background checks; review of compliance related information for the third party; requests for compliance certifications, among others.

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What is required once you have become a Supplier

- On site (Contractors)
 - **WSIB registered**
 - **Liability Insurance: \$5 million**
 - **Only Company Vehicles – require minimum \$2 million insurance**
 - **Safety/visibility**
 - Seat belts, Buggy Whip, Fire Extinguisher, 2 way radio, Flashing dome light (amber), reverse audible alarm, first aid kit, spill kit, wheel chocks, Unique signage
 - **Safety Inductions**
 - Depending on where on the site determines which inductions are required

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SEMS: Local Procurement and Procurement

- Purpose:

In order to generate income, economic growth and create sustainable value in the communities where we operate, all Goldcorp sites will strive to hire employees and procure goods and services locally, wherever possible.

- Requirements:

- **SP.6.1: SEMS leadership shall develop and maintain local hiring and procurement guidance.**
- **SP 6.3: Where sites have formal agreements with communities that include commitments related to local employment and/or procurement, the local employment and procurement strategies shall support the implementation of such agreements.**

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Goldcorp Commercial Practices

- “The goal of Supply Chain at Goldcorp is to achieve maximum value from all third party spending while minimizing any associated risks in a manner that maintains an ethical, safe and productive workplace for employees. Goldcorp’s ongoing commitment to the communities in which we operate also means that Supply Chain will work with the sites to select suppliers that share our vision of sustainable development. Additionally, a key aspect of Goldcorp’s supply chain strategy is to procure goods and services locally, wherever practicable. This allows Goldcorp to support economic development at the local and regional levels in the areas where the company operates.”

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Goldcorp Commercial Practices (cont'd)

- Goldcorp will aim to procure goods and services locally, wherever possible and to the extent commercially practicable.
- Goldcorp will not compromise on safety, cost, quality, competitive procurement, environmental, human rights, timeliness, compliance with anti-corruption and other applicable laws when using local suppliers.
- However, where local suppliers need to improve their practices in these areas, Goldcorp will work with them to support growth, build capacity and meet our requirements.

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Competitive Procurement

The responsibility of the Supply Chain department is to procure materials, equipment or services at the right time with the best value. This does not always mean the lowest cost as the following factors must also be considered:

- Total cost of ownership
- Technical experience
- Performance
- Quality
- Equipment standardization
- Delivery date/schedule
- Environment
- Human Rights

- Safety
- Service
- Sustainability Performance

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Competitive Procurement (cont'd)

- For all materials, equipment, or services with an aggregate annualized value over US \$50,000, at least three written quotes must be obtained from three separate suppliers.
- In addition, the Supply Chain department may request competitive quotes in any case where they determine there is an opportunity to lower costs or add value by conducting the competitive procurement process.

- Questions??