

ICMM  
International Council  
on Mining & Metals

MINING WITH  
PRINCIPLES

A woman with a warm smile is the central focus of the image. She is wearing a vibrant green cable-knit sweater and a beige knit hat with a pom-pom. She is holding a basket filled with fresh garlic. The background is a soft-focus outdoor setting, possibly a market or a rural area. The overall tone is positive and community-oriented.

# We mine for progress

**MMG Limited**  
Voluntary Principles Initiative  
Full Report 2023

HKEX: 1208

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MMG Limited ("MMG," "the Company") was accepted as a full member of the Voluntary Principles Initiative (VPI) in May 2022. This report is the Company's fourth VPI report, covering the period from 1 January to 31 December 2023.



# A

# Commitment to the Voluntary Principles



# Commitment to the Voluntary Principles Continued

## 1. Public commitment and endorsement

### Commitment and endorsement

Implementing the Voluntary Principles on Security and Human Rights (VPSHR) is important to MMG throughout its global portfolio, with a particular focus on identifying and managing risks in the Democratic Republic of the Congo (DRC) and Peru. MMG is committed to increasing awareness of the intent of the Voluntary Principles Initiative (VPI), as well as recognition and respect for human rights across all our people and asset protection activities. We operate in accordance with the VPSHR, as well as the rules of engagement, and the United Nations Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

MMG has issued a [public statement](#) on its corporate website stating its affiliation and engaged membership with the VPI and has also endorsed the VPI through the [MMG Human Rights Policy](#).

In 2023, we highlighted our involvement in the VPI as full member at our annual results presentation and our sustainability briefing, as well as on our corporate and sustainability website [wemineforprogress.com](#). We also include information about our VPSHR alignment and work in both the Sustainability Report and the Modern Slavery Statement.

We also assisted in the VPI Plenary in 2023, with senior MMG management present to participate in the various dialogues and working group meetings.

VPI awareness and promotion as well as potential human rights risk analysis across the business continue to be reviewed as part of MMG's Code of Conduct and People Committee's charter.

We have standardised our site security management plans (SMPs), and these plans align with the VPSHR in relation to the deployment and conduct of public and private security. We also ensure that public security forces supporting our sites are adequately trained in the use and application of the VPSHR.

MMG regularly engages in Pillar meetings, in-country meetings and dialogue with other members to support the implementation of the VPSHR and has committed to providing timely responses to requests for information related to the implementation of the

VPSHR as required. Our participation in 2023 included verification presentations, Pillar meetings, participation in the strategic review of the VPI as well as online participation in some of the VPI Plenary meetings.

### Transparency

MMG supports transparency while respecting commercial in-confidence matters. MMG's corporate philosophy is underpinned by the International Council on Mining and Metals' (ICMM) Mining Principles, of which we are a member, and the Extractive Industries Transparency Initiative (EITI). Being listed on the Hong Kong Stock Exchange, MMG is required (under the Hong Kong Listing Rules) to produce a report on the Company's environmental, social and governance (ESG), and business performance. Our ESG report is published annually in MMG's Annual Report. Our annual Sustainability Report is prepared with reference to the Global Reporting Initiatives' (GRI) 2021 Sustainability Reporting Guidelines. This report is externally assured as guided by the ICMM's 'Sustainable Development Framework: Assurance Procedure' and details MMG's approach to sustainability across our business and at each operation.

The approach to security and human rights is publicised by MMG in several ways:

- MMG reports on any serious circumstances, where market notification is necessary through public statements and tailored management plans.
- MMG reports on its approach to the management of security and human rights internally and through the company-wide grievance mechanisms in MMG's sustainability reports. The MMG Sustainability Report provides an annual summary on our approach and performance across our material sustainability issues. Elements of our sustainability reports are externally assured in line with our commitments as a member of the ICMM. View our [MMG Sustainability Reports](#).
- MMG avails relevant standards and policies on its corporate website [www.mmg.com](#)

# Commitment to the Voluntary Principles Continued

## 2. Efforts to promote awareness of the VPSHR

We work with private and public security forces at our Kinsevere (DRC) and Las Bambas (Peru) sites. This work involves ongoing training and mentoring on security and human rights.

In 2023, the MMG Peru and DRC human rights working groups continued to work on the implementation and assessment of their site-specific VPI Action Plans. Las Bambas established the Las Bambas Committee on Human Rights in 2023 to coordinate initiatives relating to human rights and delegate actions as required. The Committee has a formal procedure and nominated members from 10 internal functions, with oversight and governance by both the General Manager of Sustainability and Corporate Affairs and General Manager of Operations. In Kinsevere, the site implemented a holistic training approach for internal departments, holding sessions with employees on the VPSHR, modern slavery requirements, MMG's

values and the Code of Conduct, as well as national legislation around worker's rights and broader human rights considerations. This approach was a great success, with plans to replicate update training for functions using a similar methodology in 2024.

Ongoing training was provided to our suppliers in 2023 relating to modern slavery in the supply chain and risk assessments, with broader human rights considerations included as part of this. We have also included security provisions in our new Supplier Code of Conduct, to be released in 2024, requiring both our existing and potential suppliers who either provide security services or have their own security provisions to adhere to the VPSHR.

We also engage regularly with host governments as well as authorities at all levels about the VPI, including participating in workshops, training exercises, national dialogue spaces and advocacy.



# Commitment to the Voluntary Principles Continued

## 3. Efforts to promote and advance implementation of the VPSHR

In 2023, MMG representatives worked with civil society organisations and partners to promote the VPSHR, including our security contractors, national security forces and other organisations.

We work with local partners, including local government and communities, to raise awareness about the VPSHR, and continue to engage externally with peer companies, shareholders and other stakeholders about our membership to the VPI and our implementation experience.

In Peru, we actively participated in the development of national guidelines for the implementation of a human rights due diligence process for the extractive industries, led by the Sociedad Nacional de Minería, Petróleo y Energía (SNMPE). These guidelines are aligned to VPSHR and the ICMM Mining Principles.

In the DRC, our team continued to promote the VPSHR through their participation in the Haut Katanga province VPI working group, including attendance in all monthly human rights meetings. They also participated in official human rights meetings organised by the DRC's human rights ministry and the Geneva Centre for Security Sector Governance (DCAF), with the goal of implementing the VPSHR action plan at a national level.



# B

## Policies, Procedures and Related Activities



# Policies, Procedures and Related Activities Continued

## 4. Relevant policies and procedures

MMG's standards on human rights and security are based on a strong commitment to respecting the rights of individuals as described in the UN Universal Declaration of Human Rights, the UN Global Compact principles, the International Finance Corporation's Performance Standards and the core conventions of the International Labour Organization.

Our commitment and approach to human rights is embedded across our standards that, together, constitute our Human Rights Framework. We integrate human rights considerations into our Code of Conduct, employment and procurement processes including the Supplier Code of Conduct, risk-analysis activities, supply management, SMPs, engagement, social investment and formal grievance mechanisms. Our approach to managing human rights risk is embedded into our broader risk management framework. All our documents are available in the official languages of the jurisdictions in which we operate – English, Chinese, French and Spanish.

MMG also has robust assurance processes to ensure all mandated requirements within MMG's standards are being met. This 'three lines of defence' approach ensures specific actions are developed and executed to provide line management with first line assurance on the processes executed by the functional department. Processes are then implemented to provide line and functional management with second line assurance on actions executed by assets. Head Office Functional Discipline Heads are responsible for second line, providing assurance to the accountable executive committee member/s and relevant site General Managers. A Board-reviewed and mandated internal audit process provides third line defence.

In 2023, we undertook a cross functional review of our Human Rights Framework and Human Rights Policy, through internal and external interviews, comprehensive reviews of our regulatory and voluntary requirements and the jurisdictions in which we operate. As a result of this, we are in the process of developing an updated Human Rights Framework and Policy, which we will launch during 2024. This will support our alignment internally, and make sure we are complying with international best practice relating to security and human rights.

VPSHR requirements are included in the Safety, Security, Health, Environment (SSHE) Performance Standard and the SSHE team at Head Office performs second line assurance to support and review the implementation of the VPSHR and provide feedback to executive committee members.

MMG respects the sovereign laws of the countries in which it operates, and in doing so its commitment to security and human rights remains its priority. MMG does this by mandating the SSHE Performance Standard across the business. The standard requires MMG sites to develop, implement and maintain site-specific SMPs based on the identification and analysis of site-related security threats and respective critical control, and it must also comply with the VPSHR.

MMG sites need to develop, implement and maintain site-specific procedures for MMG-controlled firearms management that complies with the International Association of Oil & Gas Producers, specifically firearms and the use of force (Report 320).

As a member of the ICMM, MMG also adheres to ICMM Mining Principles in its operations and standards.

## 5. Approach to risk assessments

MMG applies business-wide standards to define the minimum requirements for managing material risks, meeting legal requirements and external reporting obligations, and creating and preserving competitive advantage and organisational effectiveness. In our assessments we consider issues and risks arising from specific geographical, political, social, economic and governance contexts with security and human rights as a central component.

Our assurance program focuses on verifying that the critical controls required to manage material risk events are implemented and effective.

We identify material, credible security threats to worker safety and the seizure of assets by accessing local information and knowledge. Critical controls in our threat-based site SMPs aim to provide physical security and deter unauthorised access, as well as provide appropriate intervention if unauthorised access is detected. Our material security-related human rights risks include those related to engaging private security contractors and using public security forces at Kinsevere and Las Bambas.



# Policies, Procedures and Related Activities Continued

MMG's principles for security management ensure that our site-specific SMPs are aligned with the VPSHR and include critical security controls and rules of engagement for MMG-controlled security personnel that are frequently verified by site management.

The Company's risk management and internal audit processes are subject to periodic, independent external assessment against relevant international standards and industry best practice. The annual internal audit plan is approved by the Audit and Risk Management Committee. Its focus is on material risks to the business, both financial and non-financial, including security and human rights.

MMG regularly assesses sites' alignment of SMPs through the SSHE function, which focus on the effectiveness of the critical security controls.

MMG's review of performance involves a business-wide integrated audit with external verification to assess the effectiveness of MMG's critical risks and controls.

In 2023, MMG undertook a comprehensive review of its Human Rights Framework and Policy, and will launch updated versions in 2024 to align with international best practice. This also includes redefining human rights risk assessment expectations, including human rights risk intelligence and defining the triggers for heightened HRDD.

In 2024, all our sites will be required to conduct a salient human rights issue assessment, including assessing the adequacy of controls in place and developing actions plans and metrics.

## 6. Company procedures to report security-related incidents

MMG captures and records significant incidents through our centrally managed electronic Incident and Event Management system (IEM), which oversees corrective actions for incidents, near-misses, high-risk hazards, legal non-compliances, inspections and audits. This includes any security-related incidents with human rights implications by public or private security forces. We track, monitor and manage these



# Policies, Procedures and Related Activities Continued

the same as any other significant incident that takes place at our operations, with investigations led as required by the corporate office to ensure impartiality and timely resolution of incidents.

Where a significant incident has taken place, our site teams are required to report this to the relevant authorities within the host country to decide how best to respond to the incident, as well as ensure the corresponding action is taken to manage and prevent a similar incident from occurring again. Regular dialogue with government representatives, members of the public security force and briefings would be required, as outlined in our site-specific SMPs.

We support efforts for strengthening the protections for human rights within the public institutions in our host countries through ongoing advocacy and regular engagement channels.

## 7. Company procedure to consider VPSHR in security relations

MMG's SSHE Performance Standard requires private security companies to be a signatory to, or commit in writing that they comply with, the International Code of Conduct (ICoC) for private security providers and the VPI. Public security agencies that support MMG's operations are advised of MMG's commitment to the VPI and its expectation of their adherence to the principles, confirming this, where possible,



in a memorandum of understanding (MoU). VPSHR requirements have been included in a scope of works, and providers are requested to produce a certificate/proof of being a member of International Code of Conduct for private security services providers.

MMG periodically reviews and amends MOUs with security forces. These MoUs articulate MMG's expectation of private and public security provider's code of conduct, their use of firearms, and the use of force responses appropriate to any given threat.

MMG's approach to training continues to focus on building a solid foundation and awareness about the VPI across the company.

In 2023, MMG trained 1,814 public security personnel across the business, with 1,634 located in Peru and 180 in the DRC. We also trained a total of 995 private security contractors throughout the year. This represented a significant increase in training at both of our operations in comparison with 2022, and highlights the sites' commitment to VPI training and awareness. This does not include the extra police and private security personnel that were trained at Las Bambas prior to short-term security postings, which is mandatory before any security officer undertakes an operation near our site. Both operations provided mandatory refresher training for all private security personnel on site during the year.

### MMG Security Training Snapshot (1 Jan 2023 to 31 Dec 2023)

Country	Training topics	# Participants who received training
DRC 	<ul style="list-style-type: none"> <li>VPSHR</li> <li>Rules of engagement</li> <li>Criminal participation</li> </ul>	<ul style="list-style-type: none"> <li>180 police/public security force</li> <li>560 private security employees</li> <li>37 MMG security team employees</li> </ul>
Peru 	<ul style="list-style-type: none"> <li>Modern Slavery</li> <li>VPSHR/Department</li> <li>MMG Code of conduct</li> </ul>	<ul style="list-style-type: none"> <li>131 MMG employees (Other departments)</li> </ul> <p><b>Total people trained: 908</b></p>
Peru	<ul style="list-style-type: none"> <li>VPSHR</li> <li>Rules of engagement</li> </ul>	<ul style="list-style-type: none"> <li>1634 police / public security officers</li> <li>435 private security employees</li> <li>1 MMG security team employee</li> </ul> <p><b>Total people trained: 2,070</b></p>

# Policies, Procedures and Related Activities Continued

## 8. Company procedure to investigate security-related incidents by security forces

MMG's grievance mechanisms are governed by MMG-wide procedures, which include managing alleged security and human rights abuses. Each site is required to follow these procedures while also taking into account individual cultural and legal contexts.

Proactive communication, community engagement, training and grievance resolution are pivotal elements within MMG's Human Rights Framework. MMG's Stakeholder Grievance Management Work Quality Requirement (WQR) helps to identify impacts, address them at an early stage and provide remedy where applicable.

Each of our operations has a site-specific grievance mechanism in place, aligned with the common MMG Stakeholder Grievance Management WQR, aimed at facilitating a timely, culturally appropriate investigation and response to grievances raised by community members. Reporting can occur through a company registry, an independent whistle blower service, Human Resources or MMG people.

MMG's site-specific external facing Stakeholder Feedback Portals provide a transparent way to record,

report and monitor the handling of any security-related incidents with human rights implications by public/private security forces operating on any MMG sites. This has been integrated into our broader site-specific grievance mechanisms and ensures any and all complaints received by stakeholders are addressed through a structured process, aligned with international best practice. These can be raised anonymously and has been designed to protect stakeholders from fear of reprisal or repercussions.

MMG's Whistleblower Framework outlines the process for reporting any improper conduct (including human rights breaches or other breaches of the [MMG Code of Conduct](#)), the protections afforded to people who report improper conduct, how such reports will be dealt with and the type of action that may be taken as a result. The framework applies to all current and former officers, employees, associates, suppliers and others. Concerns can be raised internally within MMG or externally via the independent and confidential Whistleblower Service. MMG also has dedicated contact officers with whom employees can contact to raise a concern. External parties, such as suppliers, are given access to MMG's confidential Whistleblower Service, via the Code of Conduct and Supplier Code of Conduct, to raise any concerns they may have in relation to improper conduct. View the [Whistleblower Framework](#).



# C

# Country Implementation



# Country Implementation Continued

## 9. Overview of country operations selected for reporting

### DRC



- The DRC is still recovering from a series of conflicts in the 1990s. It remains a fragile country with tremendous economic and social development needs, including governance.
- The security situation in eastern DRC remains unstable. Armed groups are present and intercommunal violence can affect the political, security and humanitarian situation. There are continued reports of several towns in eastern DRC being attacked by, or falling under temporary control of, armed groups. There are reports of attacks and kidnappings, including against staff from NGOs and international organisations.
- The adoption of the VPSHR is ongoing in the DRC. In 2023, the DRC team continued to focus on the following:
  - Presentation and training across all departments within the operation about human rights, the VPI, modern slavery and national legislation relating to human rights and security.
  - Retraining and refreshing VPSHR knowledge among MMG onsite teams, as well as public and private security forces.
  - Participation and active lobbying about the importance of the VPI as part of a tripartite working group (civil society, the state and private extractive companies) for the Haut-Katanga province VPSHR working group.
  - Participation in official human rights meetings organised by the DRC's human rights ministry and DCAF, aimed at the implementation of the VPSHR action plan at a national level.

### Peru



- In 2023, political and social uncertainty continued to impact Peru, with significant political unrest caused by an attempted coup causing nation-wide violence, protests and uncertainty.
- This led to an environment already challenged by political corruption and instability, with economic growth significantly slower than in previous years.
- Unrest near our Las Bambas operation reduced compared to 2022, with significant work being undertaken by the Las Bambas teams to create meaningful engagement spaces and deliver on commitments to our host communities.
- We recognise that, for a period of the year, a State of Emergency had been declared along our Logistics Corridor. This prevented the road from being blocked by communities due to the risk of violence, but it did not prevent community members being able to assemble freely or protest. We continued to work with our stakeholders to address any issues as they arose, and have been working hard on developing new engagement strategies and systems and processes for our teams to better support our communities.
- In addition to the ongoing activities related to the Las Bambas VPI Action Plan, the site also:
  - Participated in national, regional and local dialogue spaces relating to security and human rights.
  - Supported the SNMPE as they developed national guidelines for the implementation of a human rights due diligence process for extractive industries.
  - Reviewed key documentation and updated more internal processes to include human rights and security considerations.
  - Undertook broad awareness raising and training of our employees on site about our responsibility in line with the VPI.

# Country Implementation Continued

## Australia



Our Australian Operations Human Rights Working Group continues to work on the initial steps required to undertake their VPSHR gap analysis, risk assessment and action plans, which will be completed during the course of 2024.



### 10. Engagement with stakeholders on country implementation

This year the focus continued to be on training the PNP officers in Peru and training the mine police officers in the DRC. Both countries also significantly increased their participation in workshops, seminars and dialogue with civil society and government on the importance of the VPI.



### 11. VPI considerations in the selection of private security providers

MMG's supplier engagement and contract award processes include a comprehensive assessment across a range of criteria including commercial, social, safety, environment, quality and technical capabilities. As part of the supplier selection processes, we also assess a range of non-financial criteria around supporting sustainable development in the regions where we work, including local community training and commitment to local employment. As part of our supplier engagement process, we seek formal agreement from suppliers to comply with our Code of Conduct, Supplier Code of conduct and Anti-Corruption Standard, as well as with all relevant Company standards, policies and procedures. This includes the Supply, Fatal Risk, Social Performance and SSHE Performance Standards.

Selection of private security providers is done by MMG sourcing and contracting teams at each site. The process is conducted through a tender process. The criteria and requirements are communicated in the scope of work and MMG expectations are clearly articulated. The documentation, due diligence and assessment of information is done in partnership with the sourcing and contracting teams and the security teams. Security teams specifically focus on assessment of security, safety and human rights practices. Part of this assessment is to assure all private security providers are signatories to, or agree in writing to comply with, the International Code of Conduct for Private Security Providers (ICoC) and the VPSHR. Once the bidders are shortlisted, then security teams undertake site visits to assess each short-listed bidder. Those bidders who are successful are awarded a contract.

# Country Implementation Continued

## 12. Examples of supporting outreach, education and/or training

Las Bambas is an active participant in SNMPE's Human Rights team and through this group it supports training and education initiatives. They also participated in a number of workshops and seminars about the VPI and VPSHR.

Our Kinsevere team played an active role in the Haut-Katanga tripartite VPSHR working group, which includes representatives from civil society, the state and private extractive companies. The group is a forum for sharing best practice in VPSHR, security incidents and other human rights violations recorded on mining sites, with a view to formulating recommendations and follow-up measures in the context of VPSHR. The monthly meetings and advocacy of this group has led to the DRC to request admission to the VPI.

## 13. Company procedure to review progress on implementing VPSHR at local facilities

Human rights working groups at each site continued to regularly meet and progress their work in 2023.

The working groups support and guide the site as it implements the VPSHR. These working groups consist of representatives from Security, Social Performance, Legal, Human Resources, Operations, Supply Chain, Corporate Affairs and SSHE functions, who come together to review and address site-specific issues and advance the VPI Action Plan.

Site-specific policies, procedures and processes are reviewed in conjunction with the gap analysis and risk assessments to develop further actions for improvement.

The working groups meet with MMG head office representatives at least once a quarter to update on progress and gain any additional support as required. The progress of these groups is then shared with the Code of Conduct and People Committee, as well as with our ExCo as required.



# D

## Lessons and Issues





# Lessons and issues Continued

## 14. Lessons and issues

While MMG developed and has been implementing our Human Rights Framework for a number of years, in 2023 we found increasing stakeholder expectations, reporting requirements and an internal desire to be continuously improving in this space. We used this as an opportunity to undertake a comprehensive review of our Human Rights Framework and Human Rights Policy, to see how we could strengthen our controls and guidance. This was finalised towards the end of 2023 and we will be rolling out the recommendations from this throughout 2024.

Issues relating to ongoing social unrest and artisanal mining activity around the Kinsevere operation continue to cause problems for the operation, with incidents recorded of community members or miners encroaching the Kinsevere tenement. All situations were managed in accordance with the VPSHR. The site social development and security teams are working closely together to continue strengthening community engagement ties and look for alternative forms of employment and opportunities, to reduce the risk of encroachment moving forward.

While 2023 was a challenging year with the early months of the year marked by civil unrest, our operation was well protected by both private and public security forces in full compliance of the VPSHR.

Our Las Bambas team continued to build on their learnings over the past few years and implemented a new Committee on Human Rights, with a formal procedure and General Manager oversight to manage human rights initiatives and controls, including the VPI action plan. The establishment of this Committee has helped strengthen the controls around human rights and empower our people to seek more information about ongoing initiatives. It will also help to prioritise the work relating to VPI at times when the site has competing priorities, by ensuring the Committee and its action plan are accountable to the General Manager of Sustainability and Corporate Affairs as well as the General Manager of Operations.

