

# VOLUNTARY PRINCIPLES INITIATIVE

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## INTRODUCTION

MMG was accepted as an Engaged Member of the Voluntary Principles Initiative (VPI) in May 2020. **This is MMG's first VPI report as an Engaged Member.** The report covers the period from 1 January to 31 December 2020.

Like most businesses with global operations, MMG's business has been significantly affected by the spread and global impacts of the COVID-19 pandemic. The remoteness of some of our operations, particularly in Peru and the Democratic Republic of the Congo (DRC), delayed the full impacts of the pandemic, thereby allowing us time to prepare for it. We undertook significant actions to protect our workforce and operations. These unprecedented circumstances impacted the execution of our VPI action plan. Across our business, we implemented a range of health and safety measures to safeguard our people, operations and communities while continuing with day-to-day operations at each site, to the extent it was safe to do so.

- › **Dugald River (Australia) site:** Our operations continued normally, with strict controls around social distancing and hygiene. We have worked proactively with the Queensland Resources Council and the Queensland State Government to ensure our controls meet the state's COVID-19 control requirements.
- › **Kinsevere (DRC) site:** In late-March 2020, the DRC Government announced a mandatory 14-day national lockdown to prevent the spread of COVID-19 within the DRC. During that period, operations were supported by a reduced workforce of essential workers to ensure the safe management of critical activities. Following the lifting of lockdown on 6 April 2020, our Kinsevere mine resumed full operations with increased levels of controls to protect people's health and safety.
- › **Las Bambas (Peru) site:** The Peruvian Government announced a strict national lockdown and mandatory self-isolation measures that have significantly impacted our operations and the movement of our workforce. As a result of the national lockdown, many of our workers remained on site for an extended time. Only critical operations were maintained, and we worked with the Peruvian Government to coordinate a periodic, carefully managed changeover of workers to ensure ongoing safe management of essential activities on the

site. In April 2020, we were permitted to return several of our people to their homes. We have continued to work with the government on approaches to bring new rosters of people to site to relieve those remaining, and carry out critical operations.

- › **Rosebery (Australia) site:** Our operations continued normally with significant self-distancing measures in place, coupled with increased sanitation, cleaning and awareness raising.

MMG approached its broader public response through a human rights lens. We recognised that public health emergencies such as COVID-19, in addition to their short-term impacts, have far-reaching and long-lasting implications for communities, their livelihoods and wellbeing. MMG took into consideration the most appropriate support required by its host communities and regions that, in 2020, predominately focused on supporting health and hygiene initiatives, support for local and regional government and food security programs.

IMAGE: Employee at Las Bambas, Peru.



## ABOUT MMG



**IMAGE:** Employees at Las Bambas, Peru.

Founded in 2009, MMG Limited is a mid-tier global producer of base metals listed on the Hong Kong Stock Exchange (HKEx:1208). We operate and develop copper, zinc and other base metal projects across Australia, the DRC and Peru. These commodities are critical to realising the global UN Sustainable Development Goals (SDGs), as they are essential for the further advancement of the technology, infrastructure and agriculture sectors and are required to meet the needs of a growing population. We strive to deliver projects in a way that minimises our impact.

We are structured as a public liability company with approximately 10,000 employees and contractors. Working in partnership with our major shareholder China Minmetals, our objective is to be valued as one of the world's top miners. Our Corporate Offices are in Melbourne, Australia and Beijing, People's Republic of China. Through our subsidiaries we operate four mines:

1. *Dugald River*: one of the world's highest-grade known zinc deposits, located approximately 65 kilometres north-west of Cloncurry in Queensland, Australia.
2. *Kinsevere*: a copper mine located in the DRC, approximately 35 kilometres from Lubumbashi in the Katanga Province.
3. *Las Bambas*: a large, long-life copper mine located in Cotabambas in the Apurimac region of southern Peru.
4. *Rosebery*: a polymetallic base metal mine located approximately 300 kilometres north-west of Hobart in Tasmania, Australia.

Our business is based on a commitment to comply with international standards and respect for human rights, coupled with operational efficiency and simplicity. We operate in accordance with processes and procedures that guide us in identifying and managing significant risks to human health and the environment during the transportation, storage, handling and processing of our products.



# COMMITMENT TO THE VOLUNTARY PRINCIPLES



# A: COMMITMENT TO THE VOLUNTARY PRINCIPLES CONTINUED

## 1. PUBLIC COMMITMENT AND ENDORSEMENT

Implementing the Voluntary Principles on Security and Human Rights (VPSHR) is important to MMG throughout its global portfolio, with particular focus on identifying and managing risks in the DRC and Peru. MMG is committed to increasing awareness of the intent of the 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 (both available [here](#)).

We have standardised our security management plans (SMPs), and these plans reference 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.

From our experience, we are aware that many security incidents have roots in community concerns that have built up over time. Often these concerns are well understood by our social performance teams, who are working on strategies to resolve them before they become security incidents. In line with this, we take the opportunity, wherever possible, to bring our security and social performance teams together to develop strategies around proactive risk identification and mitigation, grievance management and incident identification processes. We also work collaboratively with other stakeholders to review our human rights exposures and potential risks.

## 2. 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 in accordance with the Global Reporting Initiatives' (GRI) 2016 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 MMG Sustainability Reports [here](#).
- › MMG avails relevant standards and policies on its corporate website [www.mmg.com](http://www.mmg.com)



## A: COMMITMENT TO THE VOLUNTARY PRINCIPLES CONTINUED

MMG will issue its first Modern Slavery Statement as required under the *Modern Slavery Act 2018* (Cth) by June 2021 and this Statement will be publicly available on [www.mmg.com](http://www.mmg.com) in the second quarter of 2021.

### 3. EFFORTS TO PROMOTE THE VPSHR

#### EFFORTS WITHIN MMG INCLUDING VALUE CHAIN

We have worked with private and public security forces at our sites in Kinsevere (DRC) and Las Bambas (Peru). This work has involved training and mentoring on security and human rights.

MMG established human rights working groups in the DRC and Peru in 2020. The working groups focus on a broad range of human rights issues, particularly the VPSHR, modern slavery, stakeholder grievance management, human rights management plans and reporting. MMG will establish a human rights working group for Australian sites in 2021.

MMG reviewed the charter for its Code of Conduct and People Committee and has expanded the committee's scope to include human rights such as VPI awareness and promotion and potential human rights risks across the business.

#### EFFORTS TO PROMOTE VPSHR INTERNATIONALLY

In 2020, we highlighted our involvement in the VPI as an Engaged Member at our annual and interim results presentations, as well as on our corporate and sustainability website [wemineforprogress.com](http://wemineforprogress.com). We have also promoted the VPSHR in our upcoming Modern Slavery Statement. Due to the COVID-19 pandemic, other opportunities to promote the VPI internationally in 2020 were not possible.

### 4. ENGAGEMENT WITH THE VPI AND VPSHR

In 2020, MMG representatives participated in several verification presentations and webinars.



IMAGE: MMG employee with community members, Kinsevere, DRC.



# POLICIES, PROCEDURES AND RELATED ACTIVITIES





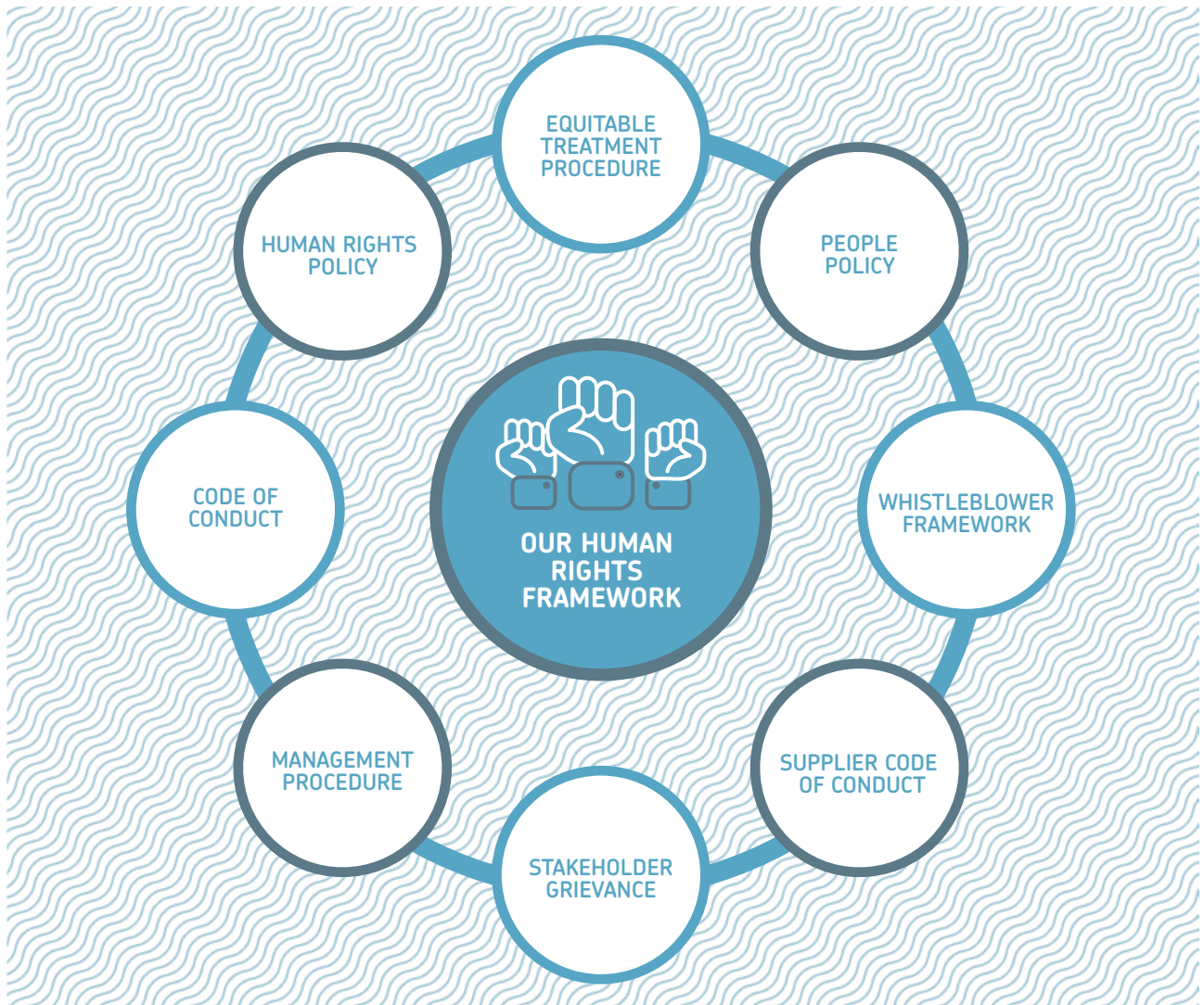
## B: POLICIES, PROCEDURES AND RELATED ACTIVITIES CONTINUED

### 5. 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, risk-analysis activities, supply management, 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.





## B: POLICIES, PROCEDURES AND RELATED ACTIVITIES CONTINUED

<b>Human Rights Policy</b>	Outlines our commitment to respecting human rights, our belief in the dignity of every human being and our commitment to operate in accordance with international frameworks. Our policy can be accessed <a href="#">here</a> .
<b>Code of Conduct</b>	Sets out the standards of behaviour we expect from all our people, contractors and suppliers. In 2020, we began a review process of our Code of Conduct to emphasise our commitment to the protection of human rights, which will be completed in early 2021. Our current Code of Conduct can be accessed <a href="#">here</a> .
<b>Supplier Code of Conduct</b>	Outlines our minimum expectations of suppliers in relation to compliance with laws, human rights, modern slavery, health and safety, environmental compliance and ethical business practices. This Supplier Code of Conduct has been developed with the requirements the <i>Modern Slavery Act 2018</i> (Cth) in mind. Our Supplier Code of Conduct can be accessed <a href="#">here</a> .
<b>Equitable Treatment Procedure</b>	Outlines our commitment to a working environment where everyone including our employees, contractors, subcontractors, apprentices, trainees and labour hire employees, is treated with dignity, courtesy and respect. This is an internal guidance document and is not publicly available.
<b>People Policy</b>	Provides an overview of the core MMG principles in relation to the management of company employees, and several of the principles directly support the preservation of basic human rights. We support the right to freedom of association across our business and ensure that all our employees feel empowered to exercise this right. This is an internal guidance document and is not publicly available.
<b>Whistleblower Framework</b>	Explains the process for reporting any improper conduct (including human rights breaches or other breaches of the 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 Hotline. MMG also has dedicated contact officers who employees can contact to raise a concern. External parties, such as suppliers, are given access to MMG's confidential Whistleblower Hotline, via the Code of Conduct and Supplier Code of Conduct, to raise any concerns they may have in relation to improper conduct. Such complaints are addressed in accordance with the Whistleblower Framework. MMG's Whistleblower Framework can be found <a href="#">here</a> .
<b>Stakeholder Grievance Management Procedure</b>	<p>Outlines our procedure for receiving, categorising, managing and remediating grievances from our local stakeholders, including human rights-related grievances. We reviewed and updated this procedure in 2020. This is an internal guidance document. This mechanism also provides a way of identifying negative impacts and allows MMG to continuously learn from, and place appropriate mitigations to protect against future impacts.</p> <ul style="list-style-type: none"> <li>› MMG's stakeholder grievance mechanism is governed by a group-wide procedure that includes managing alleged security and human rights abuses. The procedure supports MMG teams to conduct a timely, culturally appropriate record, investigation and response process to grievances raised by community members, including human rights grievances. The process is non-judicial and complements existing legislative remedies. It also reflects MMG's commitment to the UN Guiding Principles on Business and Human Rights. Reporting can occur through a company registry, an independent whistleblower hotline, Human Resources or MMG people. The forms of remedy are specific to the grievances themselves. Confidentiality and third-party mediation are respected and applied depending on the matter. All grievances, but particularly security and human rights-related grievances, are addressed immediately.</li> <li>› Each site is required to develop a site-specific grievance mechanism that aligns with a group-wide procedure, while also considering site-specific cultural and legal contexts.</li> </ul>

MMG acknowledges that women have different experiences and interactions to men when dealing with security personnel. MMG is progressively reviewing gender considerations to align with the requirements of the VPI. For example, in the DRC gender provisions are made in the Rules of Engagement Procedure; whereby, there is a consideration for specific needs of women, such as ensuring that if women are detained at site there are provisions to provide them with a suitable women-friendly facility away from men.

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 adopting and its Safety, Security, Health and Environment (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). We adhere to the UN's Basic Principles on the Use of Force and Firearms by Law Enforcement Officials.

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

## B: POLICIES, PROCEDURES AND RELATED ACTIVITIES CONTINUED



### CASE STUDY LAS BAMBAS VPSHR AND SECURITY TRAINING

We work closely with security forces, as well as our own employees, to raise awareness about human rights. The Las Bambas security team conducts regular security and human rights sessions with all private security forces that work at the site, as well as public security forces that operate in the vicinity of the Southern Road Corridor (the public national road where our logistics are transported). This training includes members of the Peruvian National Police force. Sessions include explaining what human rights are, the history and development of the Universal Declaration of Human Rights and the UN Global Compact, the VPSHR, and specific details about each framework. All participants are then informed of the expectations of each group (private security, public security, private companies, government and individuals), given the tools to identify and protect human rights in the line of duty and required to participate in role-play exercises.

### 6. EFFORTS TO INCREASE EMPLOYEE AWARENESS AND IMPLEMENTATION OF VPSHR

MMG’s approach to training focuses on building a solid foundation and awareness about the VPI across the company. MMG does this by undertaking consultations and meetings with teams across the businesses. Once the commitment is established, MMG translates this commitment through our policies and standards. We also improve our teams’ capabilities through ongoing professional development. MMG has a group office role that is available to the sites to provide advice, mentorship and assure policy and standards implementation.

In 2020, MMG had trained 575 public security personnel across the business, with 416 in Las Bambas and 159 in the DRC. Both operations provided mandatory refresher training for all private security personnel on site throughout the year.

#### MMG 2020 Security Training Snapshot

TRAINING TOPICS	COUNTRY	# PARTICIPANTS
Rules of engagement (February and August 2020)	DRC	159 policemen were trained
VPSHR and rules of engagement	Peru	416 policemen were trained, in addition to updated training for the onsite Las Bambas security team that supported the delivery the training.



IMAGE: Community engagement near Kinsevere, DRC.



## B: POLICIES, PROCEDURES AND RELATED ACTIVITIES CONTINUED



### CASE STUDY KINSEVERE ON SITE VPSHR TRAINING

In partnership with the Haut-Katanga Police Headquarters, MMG hosted a ceremony on 20 October 2020 to close a training session that involved 114 mine police officers (PMH, Police des Mines et des Hydrocarbures) that started a month earlier. The training focused on security and human

rights. At the closing ceremony, MMG Kinsevere's General Manager stressed the importance for professional security services working at the Kinsevere site to comply with human rights and the VPSHR. The Provincial Principal High Commissioner praised Kinsevere's support in providing attention and support to the police. The training aimed to increase human rights and security competence of the police and their role on the mine site, while imbedding the VPSHR.

## 7. 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. These standards provide the basis for sustainable operations and are aligned with ICMM's Mining Principles and the eight ICMM Position Statements.

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.

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.

## B: POLICIES, PROCEDURES AND RELATED ACTIVITIES CONTINUED

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.

Our risk and audit function broadly focuses on:

- › identifying and managing material risks to the group
- › establishing and maintaining group-wide standards relating to risk management and assurance
- › undertaking internal audits to test compliance with group standards and legal obligations, and to assess the adequacy and effectiveness of critical controls to material risks
- › reporting control weakness and non-compliances at MMG's operations.
- › monitoring critical control failings across the industry and assessing implications for MMG
- › monitoring and reporting closeout of management agreed actions to improve control effectiveness or to correct non-compliance
- › monitoring the group's risk profile and reporting substantive changes in the risk profile.

MMG regularly assesses sites' alignment of SMPs with the VPI annually 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.

### 8. ENGAGEMENT WITH SECURITY FORCES

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 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.



**IMAGE:** Closing ceremony for security training, Kinshasa, DRC.



# COUNTRY IMPLEMENTATION



## C: COUNTRY IMPLEMENTATION CONTINUED

### 9. OVERVIEW OF COUNTRY OPERATIONS SELECTED FOR REPORTING

#### DRC

- › The DRC is still recovering from a series of conflicts that broke out 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.
- › Following unrest in the Central African Republic, refugees have crossed the border into the DRC and are now in the Gemena area in Equateur Province. There have been several security incidents in Lubumbashi, most recently violent clashes involving a militia group in September 2020, and surrounding areas of Katanga, where the situation remains tense.
- › There were no recordable complaints/grievances from 2020, related to security or human rights in the DRC in the reporting year.
- › The adoption of the VPSHR has been ongoing in the DRC. In 2020, the DRC team focused on the following:
  - Retraining and refreshing knowledge about the VPSHR among MMG teams, as well as security forces. MMG teams have specifically focused on crowd control management.
  - Reviewing its Human Rights Management Procedure to better align practices to the VPI's requirements, and to further work quality requirements and procedures.
  - Moving towards setting governance mechanisms and a human rights working group to be operational in 2021.
  - Training on human rights.

#### PERU

- › Peru has been severely affected by the COVID-19 pandemic with more than 800,000 people infected. A strict generalised quarantine led to a GDP decline of 17.4% in the first half of 2020. According to the World Bank high-frequency surveys, Peruvian households experienced one of the largest employment and income losses among Latin American countries. The government has developed a comprehensive economic relief and aid program to protect vulnerable populations and support local companies. It includes cash transfers, tax payment deferrals and credit guarantees for the private sector. However, the slowdown in economic activity will lead to a substantial increase in monetary poverty, which is projected to reach pre-2012 levels. Such circumstances could lead to an increase in social conflicts.
- › During 2020, Las Bambas worked on increasing understanding and disseminating the VPSHR to staff involved in security functions, as well as to public and private security forces. In 2020, Las Bambas strengthened its commitment to the VPSHR by including provisions in the security contracts with the private security providers, and in the Public Security Agreements. These provisions, which are summarised in the following list, come into force in 2021:
  - › Private security: will not carry firearms or blunt weapons (rods and straps), and their scope will be around surveillance, access control and prevention of personnel and property. All companies providing security services to Las Bambas will be required to be members of and/or endorse the principle and guideline of:
    - International Code of Conduct Association
    - VPSHR
  - › Public security: Las Bambas has signed an agreement with National Police of Peru, whereby both parties commit to comply with the VPI. The MoU specifically focused on increasing and improving police services in the area of influence of Las Bambas in order to preserve internal order, public order and security of citizens.



## C: COUNTRY IMPLEMENTATION CONTINUED

- Las Bambas has introduced a procedure requiring private security forces to provide training on the VPI to all new personnel before they can work at Las Bambas site. This training will be ongoing with providers.
- Las Bambas has developed a VPSHR procedure for public order personnel.
- The site ensures compliance with the Social Performance Standard in regard to regular community engagement and follows the site-specific Stakeholder Grievance Management procedure whenever a community grievance is raised.

### 10. ENGAGEMENT WITH STAKEHOLDERS ON COUNTRY – IMPLEMENTATION

In the DRC, the focus was on the training of mine police officers.

In Peru, the focus was also on the training of the National Police Officers.

### 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 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. 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.

### 12. EXAMPLES OF SUPPORTING OUTREACH, EDUCATION AND/OR TRAINING

Las Bambas is an active participant in the Peruvian VPI working group, and through this group it supports countrywide training and education initiatives.

### 13. COMPANY PROCEDURE TO REVIEW PROGRESS ON IMPLEMENTING VPSHR AT LOCAL FACILITIES

MMG established human rights groups at the sites in 2020, but due to impacts relating to COVID-19 the sites started to operationalise and implement the groups in the fourth quarter of 2020.

- › The aim of these groups is to support and guide the site as it implements human rights principles, particularly the VPSHR. These working groups consist of representatives from Security, Social Performance, Legal, Human Resources, Supply Chain, Corporate Affairs and SSHE functions, who come together to review and address site-specific issues and advance their own actions and implementation plans.
- › These working groups will be undertaking a comprehensive assessment of site-specific policies, procedures and processes in the first quarter of 2021, and will use that information to develop further actions to improve.
- › The working groups will meet with MMG group office representatives at least once a quarter to update on progress and will submit a report to be tabled at the People and Code of Conduct Committee meeting.

# LESSONS AND ISSUES





## D: LESSONS AND ISSUES CONTINUED

### 14. LESSONS AND ISSUES

**Shifting to online training worked well for MMG staff during COVID-19, but in-person training worked best for public and private security forces for environments such as Peru and the DRC:**

COVID-19 created challenges for the implementation of the VPSHR across MMG, as initially planned, especially as a result of site physical distancing restrictions and training requirements. Consequently, MMG depended on online communication with sites, including virtual training, which has proven a very successful medium – especially for MMG senior functions. However, in-person training, especially to public and private security forces, has proven to be the preferred option for training especially in Peru and the DRC. Therefore, as soon as circumstances allowed for in-person training MMG resumed this method of instruction and will continue to do so.

**The COVID-19 response required MMG to extend additional support (in addition to its existing long-term community programs) to communities with human rights concerns in responding to the pandemic.**

Low access to public health and impacts on livelihoods have put additional strains on host communities. MMG provided support and additional resources to support public health initiatives and social systems in Peru and the DRC.

IMAGE: Employees at Las Bambas, Peru.





# ENGAGED COMPANY PROGRESS ON IMPLEMENTATION





# E: ENGAGED COMPANY PROGRESS ON IMPLEMENTATION CONTINUED

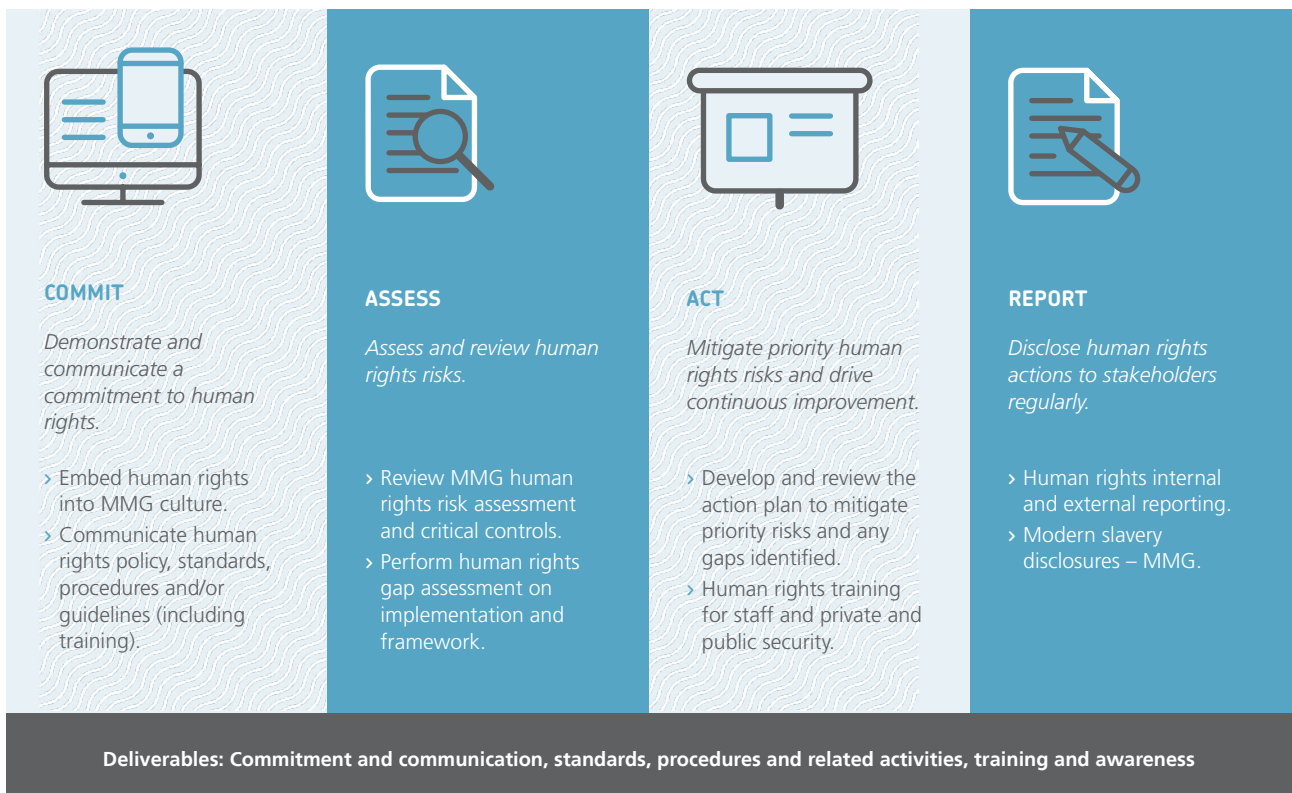
## 15. MMG PROGRESS REPORT ON ROLES AND RESPONSIBILITIES OF COMPANIES

As mentioned in the Introduction, our operations have been heavily impacted by COVID-19. Nonetheless, MMG has made progress in the implementation of its VPI Action Plan, taking into consideration COVID-19-related travel restrictions and resources.

The MMG Action Plan consists of four pillars shown in Figure 1. An update of the implementation of the actions can be found in can be found in the table on the following pages.



Figure 1: MMG Action Plan Pillars



## E: ENGAGED COMPANY PROGRESS ON IMPLEMENTATION CONTINUED

STATEMENT	OBJECTIVES	KEY PERFORMANCE INDICATORS	TASKS	TARGET DATE
<b>Commitment and communication</b>	<i>MMG is committed to, and communicates, the implementation of the VPSHR.</i>	<ul style="list-style-type: none"> <li>› MMG ExCo and Board is aware of, and committed to, the implementation of the VPSHR.</li> <li>› MMG has the SSHE Performance Standard and Social Performance Standard that set processes to assist with implementing the VPSHR.</li> </ul>	<ul style="list-style-type: none"> <li>› <b>MMG Standards have been published and communicated throughout the organisation (SSHE Performance Standard, Social Performance Standard).</b> <i>Status: Achieved. Standards that were updated include: Human Rights Policy, SSHE Performance Standard, Social Performance Standard, and work on Code of Conduct has started in the fourth quarter of 2020 to be completed in 2021.</i></li> <li>› <b>Corporate documentation is reviewed and updated to include the VPSHR. This includes the MMG Human Rights Policy, MMG Code of Conduct, MMG Whistleblower Framework.</b> <i>Status: In progress. MMG has reviewed and updated MMG Human Rights Policy and MMG Code of Conduct. The Whistleblower Framework will be considered in 2021.</i></li> <li>› <b>The VPSHR are being implemented and embedded at a site level by a regional human rights working group.</b> <i>Status: Achieved. MMG has established Human Rights Groups in Peru and the DRC and has embedded the VPSHR. While it has established a group in the DRC, the operationalisation of the group is progressing at a slower pace. MMG will support operationalisation of the group in 2021.</i></li> <li>› <b>In countries where MMG operates and National Action Plans (NAPs) are in place or under development, MMG has engaged in dialogue on the role of the NAPs in support of the VPI.</b> <i>Status: In Progress. In Peru, the teams are involved with the Peruvian VPI working group, as well as engaged in dialogue with local level NGOs and local government.</i></li> <li>› <b>Support the recognition and protection of human rights through social investment, public policy and advocacy</b> <i>Status: In progress/Ongoing. In 2020, MMG has particularly invested in health and food security support, focusing on host communities and those that are vulnerable within those communities, and putting human rights concerns in the centre of its social investment actions in 2020.</i></li> </ul>	<p><b>Documentation:</b> by 31 December 2021</p> <p><b>Site implementation:</b> by first quarter 2021 onwards (each region to develop their own work plan, with 2020 priority being Africa and Americas.)</p>



## E: ENGAGED COMPANY PROGRESS ON IMPLEMENTATION CONTINUED

STATEMENT	OBJECTIVES	KEY PERFORMANCE INDICATORS	TASKS	TARGET DATE
<b>Standards, procedures, and related activities</b>	<i>Implementation and management of the VPSHR incorporated into MMG's management systems</i>	<ul style="list-style-type: none"> <li>› There are standards, procedures and/or guidelines to assist with carrying out a Security and Human Rights Risk Assessment.</li> <li>› There are procedures or other requirements for the reporting of security-related human rights allegations against public and private security forces relating to the company's activities.</li> <li>› MMG's standards, procedures and/or guidelines are in place to assist with implementing the VPSHR regarding entering relations with public and private security providers.</li> <li>› MMG has a procedure or mechanism to address human rights incidents by public and private security forces relating to the company's activities.</li> </ul>	<p>Embed and improve the Security and Human Rights Risk Assessment procedure to assess the application of the VPSHR by MMG and its security providers. The procedure identifies security risks, potential for violence, human rights record (public and private security), rule of law, conflict analysis and any equipment transfers.</p> <ul style="list-style-type: none"> <li>› <b>Embed and improve procedure for the reporting of security and human rights-related allegations.</b> <i>Status: In progress. In 2020, MMG reviewed its reporting requirements and identified areas of improvement that will be addressed in 2021.</i></li> <li>› <b>The VPSHR are mandatory when entering new relationships with public and private security providers for operations where the VPSHR are relevant.</b> <i>Status: Achieved. MMG has included such provisions. In the DRC, security contractors must produce the certificate and/or proof of being a member of the International Code of Conduct for Private Security Service Providers (ICoC). In Peru, MMG also requires all private security contractors to be members of, and fully comply with, ICoC and the VPSHR.</i></li> <li>› <b>MoUs with private security providers are already 100% in place and other international standards on security and human rights are included in the MoUs as applicable for existing MMG operations. MoUs are in place with public security providers in Peru. Verification and assurance of implementation and effectiveness is undertaken periodically.</b> <i>Status: In Progress. MMG has progressively improved MOUs with private security providers in DRC; however, not all MOUs are yet in place. In Peru, these provisions have been included.</i></li> </ul>	<b>In place by 31 March 2021, and then ongoing</b>

## E: ENGAGED COMPANY PROGRESS ON IMPLEMENTATION CONTINUED

STATEMENT	OBJECTIVES	KEY PERFORMANCE INDICATORS	TASKS	TARGET DATE
<b>Training and awareness</b>	<i>VPSHR and the status of implementation is communicated to all internal and external stakeholders</i>	<ul style="list-style-type: none"> <li>› MMG actively promotes positive awareness of the VPSHR within the company and at host government level.</li> <li>› The VPSHR and related information, where appropriate, is included in external communications (corporate and site level)</li> </ul>	<ul style="list-style-type: none"> <li>› <b>Levels of awareness promoted globally throughout MMG and with host governments where MMG operates.</b> <i>Status: Achieved and ongoing. MMG is engaged both in Peru and the DRC discussion about VPIs at a national and local levels.</i></li> <li>› <b>Promotion of the VPSHR undertaken including presentations, external communications and engagement, membership of, and input to, international associations.</b> <i>Status: Not progressed. Due to COVID-19. MMG will, however, pursue greater international promotion in 2021 as circumstances allow.</i></li> <li>› <b>MMG to develop and deliver a multifaceted training plan to build the knowledge base, including: a) high-level view of commitment and objectives for Executive and senior management teams; b) ongoing requirements to manage security-related human rights risks, and c). general awareness for key staff.</b> <i>Status: In progress. All social performance, community and security teams received foundational training, and MMG will continue to expand the training in 2021, as well as embed the training into MMG induction process in 2021.</i></li> <li>› <b>Develop and coordinate delivery of MMG expectations to private security contractors and companies at all higher-risk sites as priority (Kinsevere and Las Bambas).</b> <i>Status: Achieved. This has been accomplished by channelling information and training through MMG security functions, from group office to the site level and thereafter to the private security contractors.</i></li> </ul>	<p><b>Awareness and promotion:</b> On-going 2021</p> <p><b>Training:</b></p> <ul style="list-style-type: none"> <li>› Security providers: ongoing</li> <li>› MMG management: second quarter, 2021</li> <li>› Exposed employees: second quarter 2021 and then ongoing</li> <li>› MMG employees: 2021 onwards</li> </ul>



## E: ENGAGED COMPANY PROGRESS ON IMPLEMENTATION CONTINUED

STATEMENT	OBJECTIVES	KEY PERFORMANCE INDICATORS	TASKS	TARGET DATE
<b>Management and assurance</b>	<i>Annual reporting on security and human rights program and activities</i>	Reports delivered on time and in accordance with the Action Plan.	<ul style="list-style-type: none"> <li>› <b>Assign single point accountability at group and country levels.</b> <i>Status: Achieved. MMG has a People and Code of Conduct Committee and has expanded its scope to include the VPSHR. At site levels, MMG has assigned a single point of accountability at both Las Bambas and Kinsevere.</i></li> <li>› <b>The VPSHR Gap Analysis tool to be implemented and exercised annually.</b> <i>Status: In progress. Planned for 2021. Due to COVID-19 related impacts, the sites began their use of the VPSHR Gap Analysis tool late in the fourth quarter, 2020. It will culminate in the first quarter of 2021, and help the sites establish site-specific action plans.</i></li> <li>› <b>Annual progress reports to MMG's Board and progress reported in the MMG Annual Sustainability Report.</b> <i>Status: Achieved. This reporting has started in 2019.</i></li> <li>› <b>Annual Report to the VPI Plenary.</b> <i>Status: Achieved. MMG has submitted its first report in 2021.</i></li> </ul>	<p><b>By 31 December 2020</b></p> <p><b>First Annual VPI report in 2021</b></p>

### 16. MMG USE OF VOLUNTARY PRINCIPLES TOOLS

MMG used VPI tools to align its processes and procedures, as well as identify best practices and tailor them to site-specific contexts. For the assessment of its processes, MMG teams have used the VPI's 'Voluntary Principles on Security and Human Rights: Implementation Guidance Tools (IGT),' especially 'Module 2: Risk Assessment' as well as 'Auditing Implementation of Voluntary Principles on Human Rights'.

For training, MMG teams have been using several resources including: 'Human rights due diligence in conflict-affected settings' and 'Addressing Security and Human Rights Challenges in Complex Environments'. MMG teams frequently visit the VPI site to access additional tools and information as required.

