

【Internal document】

Sustainable Mining Code

(Draft for consultation)

China Chamber of Commerce of Metals, Minerals & Chemicals Importers
& Exporters (CCCMC)

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Introduction

With continued global economic development and rising demand for mineral resources, investment and development in the mining sector remain highly active worldwide. The mining industry is typically characterized by long investment cycles, capital intensity, and a high degree of technical specialization. Mining-related investment and cooperation therefore require a stable, transparent, predictable, and well-governed political, economic, and social environment. At the same time, such activities may generate significant economic, social, and environmental impacts. Mining companies engaged in international investment and cooperation should pursue economic value creation while fully integrating sustainable economic, social, and environmental considerations into decision-making and operations. Companies are expected to establish effective communication and cooperation mechanisms with stakeholders, strengthen their capacity for responsible business conduct, respect human rights, operate fairly, reduce ecological impacts, properly manage community relations, improve transparency, and continuously enhance sustainability performance.

This Sustainable Mining Code, developed by the China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCME), provides a structured and implementable framework for overseas mining investment and cooperation. It represents a systematic enhancement of existing industry guidance, drawing on internationally

recognized sustainability frameworks and environmental and social risk management standards in the mining sector. It also references relevant green mining standards, incorporates established risk assessment and due diligence practices, and reflects the CCCMC's experience in mineral supply chain due diligence and biodiversity conservation.

I. Purpose

This Code provides a framework for mining companies to systematically integrate legal, ethical, social and environmental considerations into their management practice, including decision-making and daily operation. It aims to ensure that stakeholder rights and interests are addressed with utmost ethical integrity and transparency, thereby facilitating the effective management of potential risks and impacts associated with these activities.

The Code further supports companies in identifying priority risks, establishing and improving management systems, conducting due diligence and continuous improvement, and fostering continuous improvement. It intends to elevate overall governance, social, and environmental performance in investment and cooperation activities.

Furthermore, it furnishes a standardized framework and consistent terminology to facilitate self-assessment, drive performance improvement, enhance stakeholder communication, and promote information transparency, thereby enabling more comparable and verifiable implementation across diverse projects and business units.

II. Application of the Code

This Code applies to all entities engaged in mineral resource investment, development, and operational activities globally, regardless of their size, ownership structure, or jurisdiction of incorporation. Any organization committed to responsible mining practices may adopt this Code as a guiding reference. Companies are further advised to extend its requirements, where appropriate and within their sphere of influence, to their upstream and downstream business partners, including contractors, suppliers, and other relevant stakeholders.

Applicable Business Types and Facility: This Code encompasses all activities related to mineral resource exploration, mining, smelting, refining, and associated processing. Applicable mining areas refer to controlled physical sites and the operations conducted therein, including but not limited to, open-pit and underground mines, standalone or integrated smelters and refineries, mineral processing facilities, and supporting infrastructure such as tailings storage facilities, waste disposal sites, and energy systems.

Applicable Stage: This Code primarily governs the operational phase of mining projects. For new developments, expansions, or significant modifications (e.g., land acquisition, resettlement, and initial impact assessments), relevant requirements are addressed under corresponding thematic chapters. During the exploration phase, while certain operational requirements may not be fully applicable, provisions concerning stakeholder engagement, respect for human rights, and baseline

environmental assessment shall be implemented to support responsible project development. Furthermore, during the closure phase, the Code extends its application to mine closure planning, rehabilitation, and long-term post-closure management.

Supply Chain Engagement: Companies are encouraged to extend relevant requirements, where feasible and within their influence, to business partners such as contractors and suppliers, and to establish appropriate communication, cooperation, and monitoring mechanisms.

III. Structure

Each thematic chapter adheres to a consistent structural format, comprising: **Purpose** (management intent of the topic), **Scope of Application** (applicability and exclusions), **Requirements** (including standard and advanced requirements, along with implementation guidance where applicable), and a **Glossary** and **References** section.

This Code is structured around three fundamental pillars: Governance, Society, and Environment. This framework integrates international best practices into operational requirements to strengthen usability and effective implementation.

- **Governance:** Includes management systems, risk assessment and impact management, compliance and business integrity, stakeholder engagement, responsible supply chains, and grievance mechanisms
- **Society:** Includes labor rights and employment practices, child and forced labour, artisanal and small-scale mining, human rights and

security, community impact and development, occupational health and safety, emergency preparedness and response, land acquisition and resettlement, indigenous rights, and cultural heritage.

- **Environment:** Includes pollution prevention, water stewardship, circular economy, climate action, biodiversity, mine closure and rehabilitation, and tailings management.

IV. Code Usage and Hierarchical Explanation

Usage: This Code may be used for establishing governance structures, systems, and operational processes; conducting internal assessment and continuous improvement (including gap analysis, planning, implementation tracking, and verification); managing business relationships and promoting compliance among contractors and suppliers within the company's influence; and supporting external communication and transparency to drive continuous improvement.

Implementation levels and responsibility attribution: Companies shall determine appropriate scope and level of implementation based on organizational structure, business model, project stage, and operational boundaries. Certain requirements are primarily implemented at the site or project level (e.g., environmental monitoring and community grievance handling), while others are predominantly implemented at the corporate level (e.g., policy commitments and anti-corruption systems). Companies shall clearly define responsibilities and implementation boundaries across organizational tiers and ensure effective coordination between headquarters and operational sites. For instance, corporate-level policies,

systems, and resource allocation may be centrally established, while detailed operational procedures, execution controls, and recordkeeping are implemented at site level.

Tiered Requirements: This Code delineates a two-tiered structure of requirements, designed to facilitate progressive implementation based on corporate capacity and operational maturity:

- **Standard Requirements:** Foundational provisions that delineate essential systems, processes, and controls, aligned with international industry best practices.
- **Advanced Requirements:** These requirements extend beyond the standard provisions, establishing elevated management objectives and addressing sophisticated practical needs, thereby representing industry-leading or best-practice standards. Companies opting to adopt advanced requirements are obligated to simultaneously fulfill all applicable standard requirements and all pertinent clauses within the chosen advanced requirement level. **Within this document, advanced clauses are visually denoted by a gray highlight. The precise identification methodology is illustrated in the subsequent example:**

1.1.2 机构与人员

- a. 明确负责可持续发展管理的机构与人员，以及相应的职责。确保人员具备可持续发展管理相关能力，并分配所需的资源。
- b. 设置专门负责可持续发展管理的机构，并由最高决策层或高级管理层代表主持。

→ 标准要求

→ 进阶要求

Applicability Determination: Unless explicitly stated otherwise, the provisions of this Code shall, in principle, apply to the entirety of the scope defined herein. Should any provision be deemed inapplicable due to specific project stages, business boundaries, or operational characteristics (e.g., the absence of tailings facilities or indigenous communities), such a determination must be predicated upon objective evidence. The rationale and supporting basis for this determination shall be formally documented, and the applicability status shall be subject to prompt review upon any alteration of prevailing conditions.

V. Implementation of the Code

The China Chamber of Commerce of Metals, Minerals & Chemicals Importers & Exporters (CCCMC) may, in alignment with its strategic objectives, actively promote the widespread dissemination and application of this Code. This includes introducing the Code through targeted outreach and exchange programs, and capacity-building initiatives to facilitate understanding and adoption among relevant stakeholders.

CCCMC will encourage enterprises to conduct self-assessments and pursue continuous improvement based on the principles and requirements set forth in this Code. This encompasses the identification of performance gaps and the subsequent development and execution of robust improvement plans.

Subject to enterprises' information disclosure policies, CCCMC may collect and summarize implementation experiences and practices.

Furthermore, it will facilitate the exchange and dissemination of exemplary practices and periodically communicate updates on related activities and progress.

Issues covered by this Code

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 3: Compliance and business integrity

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 9: Diversity, equity and inclusion

Topic 10: Artisanal and small-scale mining

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Topic 14: Emergency preparedness and response

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 17: Cultural heritage

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 20: Circular economy

Topic 21: Climate action

Topic 22: Biodiversity

Topic 23: Mine closure

Topic 24: Tailings

1 Management System

Purpose

A robust sustainable development management system provides essential institutional support for embedding the principles of sustainable development across the mining and mineral processing industry. This system shall be founded on the principle of harmonious coexistence between humanity and nature and shall fully reflect the core values of resource conservation, environmental protection, safety and reliability, and social responsibility. It shall apply classified management and targeted measures according to the scale, nature, and complexity of each project. By establishing a management system that fully aligns with actual project operations and meets sustainable development requirements, the industry can significantly improve its management standards and risk control capabilities, thereby providing a strong institutional foundation for the high-quality development and sustainable utilization of natural resources.

The principles of sustainable development management shall apply to and permeate all issues of this Code.

Scope of Application

This section applies to all mining areas.

Requirements

1.1 Establishment of the Sustainable Development Management System

1.1.1 Policy and procedure

- a. The Company shall formulate a formal commitment to sustainable development that encompasses, at a minimum, all topics addressed in this Code.
- b. This commitment shall be approved by the highest decision-making body, publicly disclosed, and effectively communicated both internally and externally.
- c. The Company shall develop and maintain a sustainable development management system that clearly defines operational procedures, performance indicators, reporting processes, and accountability mechanisms
- d. The management system and its procedures shall be proportional to the scale, nature, and complexity of the project and shall comply with all applicable laws and regulations of the host jurisdiction.

1.1.2 Organizational unit and staffing

- a. The Company shall clearly define the organizational units and individuals responsible for sustainable development management, including their specific roles and responsibilities.

- b. The Company shall ensure that responsible personnel possess the necessary competencies and shall allocate adequate resources.
- c. A dedicated sustainable development steering body shall be established, chaired by the highest decision-making body or a designated senior management representative, with overall responsibility for overseeing sustainable development matters.

1.2 Sustainable Development Management Practices

1.2.1 General requirements

- a. The Company shall integrate all applicable topics of this Code into investment decision-making processes (including project development, acquisition, and divestment) and into the formulation of corporate development strategies.
- b. The highest decision-making body or senior management shall provide direct oversight of the implementation of sustainable development practices.
- c. The Company shall establish measurable sustainable development performance indicators and incorporate these indicators into the performance appraisal and remuneration systems for management personnel, with particular emphasis on senior management.

1.2.2 Risk assessment

- a. Risk assessments shall be conducted throughout the entire project lifecycle. These assessments shall address all applicable issues in

this Code, comply with relevant local regulations, and be appropriate to the scale, nature, and complexity of the project.

- b. Risk assessments shall identify and consider all potentially affected stakeholders, both internal and external.

1. 2. 3 Adverse impact management plan

- a. Based on the results of risk assessments covering all applicable issues in this Code, the Company shall develop and implement a management plan to avoid, prevent, mitigate and remedy potential adverse impacts. Where avoidance or prevention is not possible, appropriate mitigation and compensation measures shall be applied.
- b. The adverse impact management plan shall address all identified risks and apply appropriate categorization and classification for management purposes.
- c. The adverse impact management plan shall be fully integrated into the project's day-to-day operations and shall be proportionate to the scale, nature, and complexity of the project.
- d. Sufficient resources shall be allocated for the effective implementation of the adverse impact management plan, and all relevant personnel shall receive appropriate training.

1. 2. 4 Emergency and response

- a. The Company shall identify potential emergency situations associated with the project, assess their potential adverse impacts,

and identify all potentially affected stakeholders. Appropriate contingency plans shall be developed for each identified scenario.

- b. The Company shall establish an emergency response and management team, designate a senior manager to lead emergency command and coordination, with particular responsibility for stakeholder communication during emergencies.

1. 2. 5 Monitoring and continuous improvement

- a. The Company shall regularly monitor and evaluate the implementation of the adverse impact management plan and other sustainability practices. Monitoring and evaluation results shall be documented, and necessary corrective actions shall be taken in a timely manner.
- b. The Company shall periodically review the outcomes of emergency identification and contingency planning and take corrective actions based on the findings.
- c. All sustainability monitoring and evaluation results shall be regularly reported to the highest decision-making body and senior management.

1. 2. 6 Information disclosure

- a. The Company shall regularly disclose its sustainability policies, practices, and performance in written form (e.g., through an annual sustainability report).

- b. All disclosures shall comply with the laws and regulations of the host jurisdiction and internationally recognized reporting standards (e.g., GRI)
- c. The Company shall publicly disclose annual sustainability reports or integrated reports in accordance with internationally recognized double materiality reporting standards. Key topics in these reports shall be accompanied by complete, independent assurance statements prepared in accordance with international assurance standards (e.g., ISAE 3000, AA1000).
- d. The Company shall publicly disclose measures for the responsible management of mineral revenues in accordance with the Extractive Industries Transparency Initiative (EITI) principles. Significant payments to governments shall be disclosed at both national and project levels. In EITI-implementing countries, disclosures shall meet EITI requirements, including annual reporting of significant payments to governments at national and project levels, and any additional disclosures agreed under national EITI implementation. In countries not implementing EITI, significant payments to governments shall be disclosed at national and project levels in accordance with EITI principles or applicable local regulations.
- e. The Company shall publicly disclose new mineral development contracts signed with host governments, or provide direct links to

the publicly available contracts. Existing mineral development contracts shall also be publicly disclosed, or provided through the link.

- f. The Company shall publicly disclose the beneficial owners of the project in accordance with EITI standards. Listed companies shall disclose the relevant stock exchange and comply with applicable regulations and listing rules. Government payments shall be included within the scope of independent sustainability assurance or financial disclosures.

Glossary

Highest Decision-making Body: The individual(s) or body with ultimate decision-making over the company's development direction, strategic objectives, and other major matters. This typically includes the board of directors, executive directors, and key executives (e.g., legal representative, president, or general manager).

Senior Management: The group of managers appointed by top management to organize, direct, and oversee the implementation of the company's major policies, objectives, and systems.

Risk: The likelihood and severity of potential adverse impacts that the site may cause, contribute to, or be directly linked to. Risk is determined by the likelihood of occurrence, as well as the severity of the impact, including its scope and scale.

Risk Assessment: The process of evaluating actual or potential adverse impacts using both quantitative and qualitative methods.

Adverse Impact Management Plan: A set of operational plans and supporting documents designed to achieve defined objectives and to avoid and manage adverse impacts.

Internal Stakeholders: Individuals or groups within the Company who participate directly in production and operations due to their roles, responsibilities, or employment relationships, and who have a direct interest in the company's policies, decisions, management systems, and performance. Internal stakeholders typically include shareholders (internal), directors, employees at all levels, and their representative unions.

External Stakeholders: Institutions, organizations, or individuals outside the Company's organizational structure who have an actual or potential interest in the Company due to its operations, products, services, or environmental and social impacts. External stakeholders typically include government and regulatory bodies, local communities, landowners, business partners, suppliers, contractors, customers, external investors, industry associations, research institutions, media, and non-governmental organizations.

Assurance: An independent third-party assessment verifying the accuracy, completeness, and reliability of disclosed sustainability information.

Beneficial Owners: The natural persons who ultimately own or control the business entity, directly or indirectly

References

The China Mining Association's *ESG Governance Capability Rating Specification for Mining Enterprises*

International Finance Corporation (IFC)'s *Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts*

The Copper Mark, International Council on Mining and Metals (ICMM), Toward Sustainable Mining (TSM), and World Gold Council: *Consolidated Mining Standard Initiative (Final Draft)*

The Responsible Minerals Initiative (RMI) and Copper Mark: *Risk Readiness Assessment (RRA)*

The Initiative for Responsible Mining Assurance (IRMA): *IRMA Standards (Second Draft)*

2 Risk Assessment and Impact Management

Purpose

The purpose of risk assessment is to systematically identify potential environmental and social impacts throughout the entire project lifecycle, establish environmental and social baselines, and develop appropriate avoidance, prevention, mitigation, and remediation measures, to minimize or eliminate adverse environmental and social impacts arising from project activities. Since project operations and the external environment are dynamic and constantly evolving, associated environmental and social impacts also change over time. Therefore, risk assessment and impact management shall be treated as a continuous, iterative, and adaptive process.

Risk assessment and impact management are cross-cutting issues that intersect with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 3: Compliance and business integrity

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 10: Artisanal and small-scale mining

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Topic 14: Emergency preparedness and response

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 17: Cultural heritage

Topic 18: Pollution prevention and waste management

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This section applies to all mining areas.

Requirements

2.1 Risk Assessment and Impact Management Mechanism

2.1.1 System and procedure

The Company shall establish a comprehensive risk assessment and impact management system and develop clear procedures. These systems and procedures shall comply with all applicable laws and regulations of the host jurisdiction.

2.1.2 Organizational unit and staffing

The Company shall clearly define the organizational unit and

personnel responsible for risk assessment and impact management, including their specific roles and responsibilities.

2. 1. 3 Scope of assessment

- a. The assessment shall cover all potential risks posed by the project, including environmental, social, cultural, and economic risks.
- b. The assessment shall identify and cover all stakeholders who may be affected by project-related risks, including employees, visitors, contractors, affected communities (including indigenous peoples), etc.

2. 2 Risk Assessment and Impact Management Practices

2. 2. 1 Assessor

Personnel conducting risk assessments shall meet the legal requirements of the host jurisdiction. Where necessary, the Company may engage qualified external professional organizations or experts to perform the assessment.

2. 2. 2 Risk classification and graded assessment

- a. Risks shall be classified according to relevant issues in this Code and graded based on their likelihood of occurrence and potential severity of impact. The classification and grading results shall determine the appropriate level of assessment priority and methodology.

- b. For new projects or significant changes to existing operations that may result in substantial adverse impacts, the Company shall collect baseline data on the environmental, social, cultural, and economic context of the project area. This baseline information shall inform project design, risk assessment, impact evaluation, and the development of mitigation measures.
- c. For new projects, acquisitions, or material changes to existing operations, the Company shall prepare an Environmental and Social Impact Assessment (ESIA) or Environmental and Social Due Diligence (ESDD) in accordance with the requirements of the host jurisdiction. Where no such regulatory requirements exist, the ESIA or ESDD shall be conducted in line with internationally recognized standards, and all documentation shall be properly maintained.
- d. Based on the findings of the ESIA or ESDD, the Company shall adjust site selection, project design, acquisition decisions, and operational plans to avoid adverse impacts. Where avoidance is not feasible, the Company shall minimize them, and, where residual impacts remain, compensate or offset them, as appropriate.
- e. The risk classification and graded assessment process shall involve relevant stakeholders, including employees, contractors, affected communities (including indigenous peoples), and relevant government authorities.

f. The risk classification and graded assessment process shall take into account the specific needs and vulnerabilities of marginalized, vulnerable, and underrepresented groups.

g. The results of risk classification and graded assessment shall be disclosed to stakeholders in an accessible, understandable, and culturally appropriate manner.

2.2.3 Impact management plan

a. The Company shall develop and implement an Impact Management Plan to address potential adverse impacts, aiming to avoid, prevent, mitigate, and remedy adverse impacts resulting from project activities. At a minimum, the plan shall define: objectives, specific measures, assignment of responsibilities, timelines, required resources, monitoring indicators, and contingency arrangements.

b. The development of the Impact Management Plan shall involve relevant stakeholders, including but not limited to: employees, contractors, affected communities (including indigenous peoples), and relevant government authorities.

c. The Impact Management Plan shall take into account the specific needs and vulnerabilities of vulnerable and underrepresented groups.

d. The Impact Management Plan shall be communicated to stakeholders in an accessible, understandable and culturally appropriate manner.

2.2.4 Monitoring and continuous improvement

- a. The Company shall regularly review and update the risk assessment results and the Impact Management Plan. Updates shall be made promptly whenever there are material changes in the operating environment or project activities.
- b. The Company shall periodically assess the cumulative impacts of the project and update the Impact Management Plan accordingly.
- c. The Company shall regularly monitor the implementation of the Impact Management Plan and make timely updates based on monitoring findings.
- d. The organizational unit and personnel responsible for risk assessment and impact management shall regularly report risk assessment results and the implementation status of the Impact Management Plan to the highest decision-making body and senior management.
- e. The Company shall maintain regular communication with stakeholders and, where relevant and feasible, involve them in monitoring the implementation of the Impact Management Plan, reviewing and updating risk assessments and the Impact Management Plan, and evaluating cumulative impacts.

Glossary

Risk: The likelihood and severity of potential adverse impacts that the site may cause, contribute to, or be directly linked to. Risk is determined by the likelihood of occurrence, as well as the severity of the impact, including its scope and scale.

Risk Assessment: The process of quantitatively and qualitatively assessing the risk posed by actual or potential adverse impacts.

Environmental and Social Impact Assessment (ESIA): The process of predicting and evaluating the potential environmental and social impacts of a project, assessing alternatives, and designing prevention, mitigation, management, and monitoring measures and plans.

Baseline: A description of the existing situation, used as a reference point to measure and quantify changes resulting from project activities.

Cumulative Impact: The combined incremental effects of the project when added to the impacts of past, present, and reasonably foreseeable future projects and activities.

Impact Management Plan: A set of operational plans and supporting documents designed to achieve defined objectives, also to avoid and manage adverse impacts.

Vulnerable and Underrepresented Groups: Groups that face higher exposure to risks or have reduced capacity to cope with adverse impacts

due to factors such as gender, age, disability, ethnicity, or indigenous status.

References

The China Mining Association's *ESG Governance Capability Rating Specification for Mining Enterprises*

World Bank: *Environmental and Social Framework*

International Finance Corporation (IFC)'s *Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts*

The Copper Mark, International Council on Mining and Metals (ICMM), Toward Sustainable Mining (TSM), and World Gold Council: *Consolidated Mining Standard Initiative (Final Draft)*

The Responsible Minerals Initiative (RMI) and Copper Mark: *Risk Readiness Assessment (RRA)*

The Initiative for Responsible Mining Assurance (IRMA): *IRMA Standards (Second Draft)*

3 Compliance and Business Integrity

Purpose

The purpose of this section is to establish a robust compliance governance system that ensures the Company operates in strict adherence to applicable laws and regulations while conducting business in accordance with the highest standards of ethics and integrity. Through systematically implementing policies and management measures, the Company shall prevent and prohibit bribery, corruption, money laundering, and anti-competitive practices. Continuous monitoring and review shall promote fair competition and enhance the transparency and standardization of corporate compliance and integrity governance.

Compliance and business integrity management is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 5: Responsible supply chain

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 11: Human rights and security

Scope of Application

This section applies to all mining areas.

Requirements

3.1 Compliance Management

3.1.1 Establishment of a compliance management system

- a. The Company shall develop and implement a comprehensive compliance management system that ensures full compliance with all applicable laws and regulations. The compliance management system shall cover policies, objectives, risk identification, compliance training, implementation mechanisms, and monitoring procedures.
- b. The Company shall identify all relevant national, international, and local laws, regulations, and regulatory requirements. A register of legal obligations shall be established and maintained. The Company shall continuously monitor current and newly enacted laws, promptly identify key legal risks, and regularly update the register.

3.1.2 Compliance obligation monitoring and process control

- a. Under the compliance management system, the Company shall establish internal control and monitoring procedures to continuously monitor and document compliance with all applicable laws, regulations, and other legal obligations, ensure that operating sites remain compliant in their host countries and relevant jurisdictions.

- b. In the event of any non-compliance, the Company shall conduct an internal investigation to determine root causes and implement timely, effective corrective and preventive actions. All investigations and remedial actions shall be properly documented, and their effectiveness shall be evaluated to prevent recurrence.

3. 1. 3 Compliance management system audit and evaluation

The Company shall conduct internal assessments of the effectiveness of the compliance management system on a regular basis, to evaluate the performance of compliance processes, operations, and control measures. Based on assessment results and key findings, appropriate improvement measures shall be implemented and tracked to ensure continuous optimization of compliance practices.

3. 1. 4 Information disclosure and transparency

The Company shall record and publicly disclose the implementation status of its compliance management system, including any major regulatory actions, fines, or litigation. For any violations, the Company shall disclose the corrective and improvement measures that have been implemented or are planned, to ensure the effective fulfillment of compliance management responsibilities.

3. 1. 5 Capacity building and compliance training

The Company shall implement targeted compliance training programs based on the compliance management system to ensure that

employees and business partners clearly understand and fulfill their job-related compliance obligations. Training participation and assessment results shall be properly recorded to strengthen the organization's compliance culture and risk awareness.

3. 2 Business Ethics and Integrity

3. 2. 1 Public commitment

The Company shall publicly disclose its business ethics and integrity policies through official channels to stakeholders and the general public, ensuring that these formal commitments are accessible at all times.

3. 2. 2 Formulation of policy and Code of Conduct

- a. The Company shall develop clear business ethics and integrity policies and a Code of Conduct that explicitly prohibit bribery, corruption, fraud, money laundering, and anti-competitive practices.
- b. The Code of Conduct shall clearly define key ethical and integrity risks, including bribery, corruption, fraud, insider trading, facilitation payment, privacy breaches, gifts, conflicts of interest, lobbying, and interactions with government officials. It shall also stipulate corresponding prevention and response measures for each risk.

3. 2. 3 Establishment of integrity management system

The Company shall establish and maintain an effective integrity management system that includes an independent audit mechanism, internal controls, due diligence procedures, risk assessment processes,

employee training programs, and whistleblower mechanism. This system shall ensure that all operations strictly adhere to the Company's business ethics and integrity policies, as well as the Code of Conduct.

3. 2. 4 Risk identification and assessment

The Company shall conduct ethical and integrity risk assessments to identify key risks and document the findings in writing. These results shall serve as the basis for developing and updating relevant policies and measures.

3. 2. 5 Awareness enhancing and capacity building

- a. The Company shall communicate its ethics and integrity policies and Code of Conduct to all employees and business partners, ensuring they clearly understand the required ethical and integrity standards and compliance obligations.
- b. The Company shall provide regular training on business ethics and integrity to employees, to ensure that they understand and implement the Code of Conduct. Training records shall be maintained.

3. 2. 6 Establishment and implementation of the whistleblower mechanism

The Company shall establish and operate a secure, confidential, and anonymous whistleblower mechanism accessible to employees and other stakeholders. The mechanism shall include a formalized process for

receiving, investigating, and resolving complaints related to business ethics and integrity. Whistleblowers shall be protected from any form of retaliation or discrimination, and verified complaints shall be addressed with timely and appropriate remedial measures.

3. 2. 7 Due Diligence and Collaboration with Business Partners

- a. The Company shall implement a Know Your Counterparty (KYC), and conduct classified due diligence based on risk-based principle for all business partners to ensure compliance with corporate ethics and integrity requirements.
- b. The Company shall identify and prioritize business partners and work collaboratively with them to strengthen their ethical and integrity practices, ensure the cooperation processes meet corporate ethics and integrity requirements, thereby reducing compliance risks throughout the supply chain.
- c. The Company shall clearly communicate its integrity, honesty, and ethical requirements to business partners through business contracts and official correspondence to ensure mutual understanding and consistent implementation.

3. 2. 8 Monitoring and evaluation

- a. The Company shall establish an internal monitoring and audit system, and conduct regular (annual) monitoring and audits to identify business ethics and integrity risks in real time. Based on

audit findings, appropriate corrective actions shall be taken to reduce compliance risk and continuously improve governance.

- b. The Company shall periodically review the effectiveness of the Code of Conduct and whistleblower mechanism, and implement improvement measures to address any identified deficiencies.

3. 2. 9 Information disclosure and publicity

- a. Where donations are legally permitted, the Company shall establish clear guidelines for charitable and political donations, and publicly disclose all such donations as a core element of transparent governance. All donations shall comply with applicable laws and ethical standards.
- b. The Company shall publicly disclose any proven serious violations of its business ethics policies or Code of Conduct, using de-identified information to protect the privacy of individuals involved.
- c. The Company shall regularly disclose statistics on verified complaints, including the number of complaints received, their categorization, emerging risk trends, and types of remedial actions taken, while ensuring the identity of complainants remains protected.
- d. The Company shall publicly disclose its position on major public policy issues. If the Company participates in public affairs through industry associations or other representative bodies, it shall disclose

the name of the organization, its role, and any significant differences between its own position and that of the organization

Glossary

Applicable Law: All relevant international, national, state/provincial, and local laws, regulations, decrees, and government policies applicable to the mining area's operations. In case of any inconsistency between applicable law and this Code, the Company shall comply with the more stringent requirement¹, provided that no law is violated.

Bribery: The offering, giving, receiving, or soliciting of any advantage with the intention of inducing a person to act or to reward a person to breach their fiduciary, fair, or objective obligations, thereby achieving improper performance of duties.

Money Laundering: The process of concealing the origins of proceeds of crime through conversion, transfer, or other transactions, aiming to eliminate the link between these proceeds and the original illegal activities.

Anti-competitive behavior: A situation where businesses agree to prevent, restrict or distort competition to affect trade, for example by fixing prices for goods and services, limiting or preventing production or

¹ Refer to *RJC Code of Conduct* and *ASI Glossary*.

supply, dividing markets or customers and rigging bids, and/or the abuse of a dominant position by one or more businesses.

Register of legal requirements: A Register of Legal Requirements is a systematic record maintained by an organization of applicable laws, regulations, and other compliance obligations relevant to its operations, products, or services. It is used to identify, document, and track legal and regulatory requirements on an ongoing basis. It is not merely a collection of legal texts, but a structured tool that translates regulatory provisions into specific, actionable compliance obligations within the organization. The register serves as a foundational element for compliance management systems and supports risk identification, assessment, and ongoing evaluation of legal compliance.

Business Ethics: Business ethics refers to the ethical principles and professional standards that guide corporate conduct in business operations. It defines how enterprises should manage their relationships with employees, customers, shareholders, governments, and society while pursuing economic objectives. Its core purpose is to ensure that business decisions not only comply with legal requirements but also uphold principles of integrity, fairness, and responsible conduct beyond the minimum legal “bottom line.”

Code of Conduct: A Code of Conduct is a formal statement of an organization’s core principles, values, and expected standards of

behavior. It defines required conduct for employees and relevant stakeholders, including interactions with government officials and other key counterparties, and establishes accountability mechanisms and disciplinary measures for violations. It serves as a central framework to promote consistent compliance expectations across the organization, adapted as necessary to local operating and cultural contexts.

Conflict of Interest: A conflict of interest refers to any situation in which an individual's or organization's private interests—such as financial, familial, or social interests—may conflict with their professional duties or the interests of the organization. Such situations may compromise, or be perceived to compromise, objectivity, impartiality, or independent judgment in decision-making and execution of responsibilities, thereby posing risks to integrity and compliance.

Corruption: Corruption is any unlawful or improper behaviour that seeks to gain a private or commercial advantage through illegitimate means. Any kind of bribery is a form of corruption; but corruption also includes abuse of power, extortion, fraud, deception, collusion, cartels, embezzlement and money laundering.

Facilitation payment: Facilitation payments are small, informal payments made to public officials to secure or expedite the performance of routine, non-discretionary government actions. Important note: In most jurisdictions, including China, the United States, the United Kingdom,

and countries that are signatories to the OECD Anti-Bribery Convention, such payments are considered illegal forms of bribery and are strictly prohibited. They must not be made or justified under the pretext of “local practice” or customary behavior.

Fraud: refers to the intentional act of obtaining economic benefits or personal advantages, or causing financial or property loss to others, through deception, false representation, or the deliberate concealment of material facts.

Gifts: refer to items or benefits offered in a business context to express gratitude or to observe customary or cultural practices. Compliant gifts should be of nominal value and must not influence, or appear to influence, business decisions. High-value gifts, including substantial charitable donations, sponsorships, or significant hospitality expenses, may be considered inappropriate where they could be used to disguise improper transfers of value or undue influence.

Hospitality: refers to various forms of business-related social interaction with third parties aimed at establishing or maintaining professional relationships or facilitating legitimate business exchanges. This includes, but is not limited to, business meals and attendance at events such as celebrations, sporting events, cultural or educational performances, musical or theatrical shows, and charitable fundraising activities.

Insider Trading: Insider trading refers to the use of material non-public information obtained through one's professional role or duties to directly or indirectly conduct securities or related transactions for personal or third-party financial gain.

Whistleblower Mechanism: A Whistleblower Mechanism is a structured system that enables employees and other relevant stakeholders to confidentially or anonymously report suspected misconduct, including bribery, corruption, fraud, mismanagement, illegal activities, or other unethical behavior. It includes clearly defined responsibilities, multiple reporting channels, systematic procedures for reviewing and addressing reports, and safeguards to protect whistleblowers from retaliation.

Whistleblower: A whistleblower is an individual who reports suspected or actual misconduct, including bribery, corruption, fraud, mismanagement, or illegal activities intended to obtain financial or personal benefit. Reports may be based on direct knowledge or on reasonable grounds for suspicion supported by available facts or circumstances.

Know Your Counterparty (KYC): Know Your Counterparty (KYC) refers to due diligence processes implemented by organizations to prevent money laundering, terrorism financing, and other financial crimes. It requires organizations to fulfill the following core obligations before and during business relationships:

- Entity Identification: Verify the legal identity of business partners and identify the ultimate beneficial owners behind them.
- Legality Assessment: Understand the nature of the counterparty's business and assess the legality of the source of funds and transactions.
- Continuous Monitoring: Monitor transactions for unusual or suspicious patterns and take appropriate risk-based preventive or reporting actions.

Reference

Global Reporting Initiative (GRI) 205: *Anti-Corruption*

OECD: *Guidelines for Multinational Enterprises on Responsible Business Conduct*

Transparency International: *Internal Whistleblower Systems*

Transparency International: *Global Anti-Bribery Guidance*

United Nations Convention Against Corruption (UNCAC)

UNGCL: *United Nations Global Compact Principle 10: Anti-Corruption*

China Mining Association: *ESG Governance Capability Rating Specification for Mining Enterprises*

4 Stakeholder Engagement

Purpose

By establishing and implementing effective stakeholder engagement mechanisms, the Company ensures that stakeholders and rights holders affected by its operations can access timely and accurate information, express their views and concerns, and have their legitimate expectations considered in decision-making and management processes. This approach helps prevent and mitigate adverse impacts while promoting responsible and sustainable mining investment and operations.

Stakeholder engagement is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 10: Artisanal and small-scale mining

Topic 11: Human rights and security

Topic 12: Community impacts and development 社区影响与发展

Topic 14: Emergency preparedness and response

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 17: Cultural heritage

Topic 19: Water stewardship

Topic 22: Biodiversity

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This section applies to both the corporate and mining site levels. Stakeholder engagement shall primarily be conducted at the level where adverse impacts may occur, typically the mining area level. Corporate-level systems, resources, and oversight shall support and enable effective engagement activities at the mining area level. Engagement shall be ongoing throughout the entire mining lifecycle and shall be tailored to the specific risks and impact characteristics of each stage of mining operations.

Stakeholder engagement is based on mutual good faith. If the Company can demonstrate that it has made reasonable and good-faith efforts to engage a specific stakeholder or rights holder, and that party explicitly refuses to participate or remains unresponsive despite such efforts, the specific engagement requirement for that stakeholder may be

considered satisfied. Such cases shall be properly documented and verified. This issue is intended to ensure the fairness and practical operability of this Code.

Requirements

4.1 Management System

4.1.1 Management of stakeholder engagement commitment

The Company shall publicly communicate its stakeholder engagement commitment at the mine site or project level in a manner that is accessible and understandable to local stakeholders and rights holders. Where necessary, the Company shall clearly define the geographical scope of “local” to which these commitments apply.

4.1.2 Responsibilities and Resource Allocation

The Company shall clearly define responsibilities for stakeholder engagement, allocate adequate resources commensurate with the identified risks and complexity, and implement these responsibilities through institutionalized arrangements.

4.2 Stakeholder Identification and Engagement Scope Definition

4.2.1 Identification of stakeholders to be engaged

The Company shall identify all stakeholders and rights holders who may be actually or potentially affected by its operations, with priority given to affected communities. During the identification process, special

attention shall be paid to women, vulnerable groups, underrepresented groups, and any potential barriers to their meaningful participation. The Company shall develop and maintain a stakeholder identification list or map, review and update it at least annually, or whenever there are significant changes in project phases or operating conditions.

4. 2. 2 Identification scope and boundaries

Stakeholder identification shall be integrated with the risk and impact assessment process and shall include, where appropriate, adverse impacts arising from contractors and other business relationships. The Company shall define and regularly update the impact area by the project as necessary.

4. 2. 3 Dynamic information monitoring

The Company shall establish a mechanism to continuously monitor external feedback and public concerns related to the project through media, social media, and other public channels. This monitoring shall identify key issues and potential risks raised by communities, NGOs, the media, and other stakeholders. Monitoring results shall be used to update stakeholder identification and analysis, and shall inform adjustments to the engagement plan as needed. Significant public concerns identified through monitoring and the Company's response to them shall be reported to management on a regular basis (e.g., quarterly) in accordance with 4.5.2.

4.3 Implementation and Arrangements of Stakeholder Engagement

4.3.1 Engagement plan and information disclosure

- a. The Company shall develop stakeholder engagement arrangements proportionate to the project's risks and potential impacts. These arrangements shall clearly define the participants, key issues, engagement methods, division of responsibilities, and major decision-making milestones. The arrangements shall be updated promptly when there are significant changes in project phases or risk levels. Where the project may cause actual or potential adverse impacts on affected communities, the Company shall prepare and implement a written Stakeholder Engagement Plan (SEP) as the formal instrument governing engagement activities.
- b. The Company shall disclose relevant project information as early as possible to enable meaningful engagement. This includes the nature, scale, risks, mitigation measures, engagement arrangements, and grievance mechanisms of the project. All information shall be provided in an accessible, understandable, and culturally appropriate manner.

4.3.2 Consultation and collaborative participation

- a. The Company shall conduct meaningful consultations on any decision-making or management matters that may result in adverse

impacts. Consultations shall begin early in the risk identification process and shall be embedded into relevant decision-making procedures. Consultations shall be free from manipulation, interference, coercion, or intimidation. They shall be adapted to local languages, customary decision-making processes, and the specific needs of vulnerable groups. The Company shall maintain verifiable records of the consultation process to support subsequent effectiveness evaluations (see 4.6.1). When engagement occurs through representatives, the Company shall reasonably verify their representativeness and the reliability of information transmission.

- b. The Company shall respect the cultural traditions and customs of the host country and actively integrate local cultural contexts into its engagement activities.
- c. In cases where serious adverse impacts may occur, the Company shall conduct deeper, more structured, and iterative consultations to ensure that stakeholder views are meaningfully considered in decision-making and that feedback is properly recorded.
- d. The Company shall collaborate with stakeholders and rights holders to identify matters suitable for joint decision-making or co-design, and shall prioritize such matters based on mutual consensus. Upon request by stakeholders, the Company shall also engage on broader related issues.

4. 3. 3 External communication and response procedures

- a. The Company shall establish and maintain clear external communication procedures for receiving, registering, evaluating, and responding to information requests and public concerns from external stakeholders. These procedures shall also address issues identified through dynamic information monitoring (4.2.3) by proactively providing clarification or additional information when necessary.
- b. Issues identified through external communication (term a) shall be used to inform adjustments to relevant management measures.
- c. The Company shall establish open and accessible communication channels and clearly inform relevant parties of their availability. All communication shall respect confidentiality principles to prevent any adverse consequences or risk of retaliation against individuals expressing their views.

4. 3. 4 Management of engagement records and commitments

- a. The Company shall systematically record all stakeholder engagement activities and their outcomes. It shall track and manage commitments and follow-up actions arising from these activities and maintain a formal Commitment Register. Records shall include, at a minimum, the date, location, participants, topics discussed, key concerns raised, the Company's response, commitments made,

responsible persons, deadlines, and current status. These records shall be preserved as verifiable evidence.

- b. Based on effective record management, the Company shall establish a systematic approach to stakeholder engagement information management that ensures classified storage, easy retrieval, and traceability. This system shall support effective supervision, effectiveness evaluation, and continuous improvement of the engagement process.

4. 4 Capacity Building

4. 4. 1 Internal capacity assurance

The Company shall ensure that personnel involved in stakeholder engagement possess the necessary competencies, including cross-cultural communication and understanding skills. Appropriate training² and support shall be provided based on their roles, responsibilities, and level of interaction with stakeholders.

4. 4. 2 Participation capacity support

- a. Where relevant and feasible, the Company shall support effective stakeholder engagement by providing training, information, or other

² Training content may cover the host country's cultural background, local customs, communication skills, etc.

assistance, with particular attention to vulnerable and underrepresented groups.

- b. In external communications, the Company shall utilize local languages, local channels, and culturally relevant perspectives. Corporate social responsibility practices should be communicated through relatable, small-scale stories to enhance the effectiveness and credibility of engagement.

4. 5 Monitoring and Reporting

4. 5. 1 Regular feedback

The Company shall provide timely feedback to stakeholders on how their input has been considered, if or how it is incorporated into decision-making processes. At least annually, the Company shall provide affected communities with a summary of engagement activities and responses. The frequency of feedback may be increased depending on the level of public interest. Feedback shall include key public concerns identified through dynamic information monitoring (4.2.3) and the Company's responses.

4. 5. 2 Management oversight

The Company shall establish a mechanism for regularly reporting the status of stakeholder engagement activities, major issues, and emerging trends to senior management for review and oversight.

4.6 Engagement Effectiveness Assessment and Continuous Improvement

4.6.1 Internal Assessment and Improvement

The Company shall conduct regular assessments of the effectiveness of its stakeholder engagement process and outcomes.³ During these assessments, the Company shall actively seek input from stakeholders and rights holders through interviews, surveys, or joint meetings, and shall implement appropriate improvement measures based on the assessment results.

4.6.2 Independent review and disclosure

Where appropriate, the Company shall engage independent third parties to review its stakeholder engagement activities. Key findings of such reviews shall be disclosed to stakeholders to a reasonable extent.

Glossary

Stakeholder: Any individual, group, or organization that may be actually or potentially affected by, or may influence, the Company's activities, projects, or business relationships. This may include community members, rights holders, government agencies, social organizations, trade unions, industry associations, or other relevant parties.

³ The assessment can take into account the following information: stakeholder satisfaction feedback, the types and number of complaints received by the grievance mechanism, and the coverage and representativeness of the activities.

Rights holder: An individual or group that holds specific rights under national laws or international norms and may be affected by the Company's activities, projects, or business relationships. In the mining context, rights holders typically include but not limited to local community members, indigenous peoples, and other groups with legally or normatively recognized rights.

Affected community: Individuals, families, or groups located within the project's area of influence who experience or may experience direct adverse impacts on their health, safety, livelihoods, land, environment, or other rights and interests as a result of the Company's operations. Affected communities are generally defined geographically but may also include groups with functional or resource-based connections to the project.

Stakeholder engagement: A planned and ongoing process of communication, information exchange, consultation, and feedback between the Company and its stakeholders and rights holders. The objective is to support the identification, prevention, and mitigation of adverse impacts. In this Code, the term "stakeholder" includes both internal and external parties; however, in specific clauses, the application of this term should be understood in conjunction with the purpose and content of the clause. In this section, specific requirements for participation, consultation, and capacity support primarily focus on

stakeholders and rights holders affected by the project or needing to participate in processes influencing management and related decision-making. The division of responsibilities, capacity building, and training requirements for internal personnel are specified in the management system and related clauses.

Meaningful engagement: An interactive process based on mutual respect and good faith in which the Company provides understandable information, establishes appropriate communication channels, responds to legitimate concerns, ensuring that stakeholder views are duly considered in decision-making processes, thereby supporting the identification, prevention, and mitigation of adverse effects.

Adverse Impacts: Actual or potential negative impacts of the Company's activities, projects, or business relationships on individuals, groups, or the environment. Their significance is determined by the severity, scope, and duration of the impact.

Vulnerable and underrepresented groups: Groups that face higher risks or greater barriers to effective participation due to social, economic, cultural, gender, age, health, or other factors, making it more difficult for their opinions and concerns to be fully expressed or considered.

Stakeholder Engagement Plan (SEP): A formal, written document that outlines the arrangements for stakeholder engagement in specific

circumstances, clearly defining participants, methods, and implementation mechanisms.

Commitment register: A formal document or information system used to systematically record, track, and manage all commitments made during stakeholder engagement activities. It is not only a record of participating activities but also a core tool for closed-loop management of financial and non-financial obligations. It shall typically include the content of the commitment content, the recipient (individual or group), the responsible person or department, deadlines, current status (in progress/completed/delayed/changed), and the final feedback. By establishing a commitment register,⁴ the Company can ensure that every commitment made during engagement is traceable and accountable, and that the completion status is promptly reported to stakeholders, thereby enhancing the credibility and transparency of their engagement.

Co-design: A collaborative process in which the Company and stakeholders or rights holders work as equal partners to jointly design solutions, strategies, or services to achieve shared objectives. It emphasizes mutual respect, transparency, and the meaningful integration,

⁴The format and level of detail of the register can be flexibly adjusted according to the actual situation in the mining area, and it can also be integrated with other management systems (such as community complaint registration and action plan tracking forms).

to ensure that stakeholder insights, experience and real needs can effectively influence and shape the final outcomes.

References

International Finance Corporation (IFC), *Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts and Stakeholder Engagement*

OECD: *Due Diligence Guidance for Responsible Business Conduct (Extractive Industries)*

AccountAbility, *AA1000 Stakeholder Engagement Standard (2015)*

5 Responsible Supply Chain

Purpose

By conducting risk-based due diligence on suppliers, the Company can identify, prevent, mitigate, and remedy risks in the supply chain, thereby promoting responsible business practices. This process enables the establishment of a closed-loop supply chain due diligence system covering institutionalized management, risk identification and assessment, prevention and mitigation, assessment and improvement, communication and reporting, and remediation. The system aims to eliminate adverse impacts related to human rights, society, the environment, and business integrity, while preventing direct or indirect serious human rights violations, conflict escalation, or environmental damage.

For operations involving the sourcing and processing of minerals or metals, the Company shall implement a specialized due diligence management system in accordance with the *OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas* to identify and mitigate associated risks.

Responsible supply chain is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 3: Compliance and business integrity

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 10: Artisanal and small-scale mining

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Topic 16: Indigenous rights

Topic 20: Circular economy

Topic 21: Climate action

Topic 22: Biodiversity

Topic 24: Tailings

Scope of Application

Section 5.1 (Responsible Supply Chain) applies to all operating sites. Section 5.2 (Responsible Mineral Procurement) applies to operating sites engaged in or planning to engage in the procurement and processing of minerals or metals.

Requirements

5.1 Responsible Supply Chain

5.1.1 Public disclosure of responsible supply chain policies

The Company shall publicly disclose its responsible supply chain policies, which shall align with the *OECD Due Diligence Guidance for Responsible Business Conduct* and the *Chinese Due Diligence Guidelines for Mineral Supply Chain*, to clearly define due diligence standards, supplier requirements, and the management processes for identified risks. The policies shall be formally approved by the Company and made publicly available.

5.1.2 Communicating supplier requirements and incorporating them into contracts

The Company shall communicate its responsible business conduct expectations to all suppliers and incorporate them into contracts. Due diligence policies shall be clearly communicated, and relevant expectations shall be translated into specific contractual terms. An effective appeal or dispute resolution mechanism for cases of breach or non-compliance shall be established.

5.1.3 Supplier screening system

- a. The Company shall establish a supplier compliance screening system. For material suppliers, a supply chain control and transparency system shall be implemented commensurate with risk

level. This system shall collect information on raw material origin, upstream participants, transportation routes, and beneficial ownership.

- b. Identified risks shall be prioritized based on the “three types of red flags” outlined in the *Chinese Due Diligence Guidelines for Mineral Supply Chain*.

5. 1. 4 Establishment and implementation of risk-based supply chain due diligence management system

- a. The Company shall develop and implement a supply chain due diligence management system consistent with *OECD Due Diligence Guidance for Responsible Business Conduct* and referring to the “six due diligence steps” outlined in the *Chinese Due Diligence Guidelines for Mineral Supply Chain* (including establish due diligence system, identify and assess risks, risk prevention and mitigation, internal and external assessment, communicate and report risk management process and results, provide for or cooperate in remediation when appropriate). The system shall identify, assess, and prioritize sustainability risks in the most critical segments of the supply chain.
- b. For general suppliers, the Company shall focus on Type 2 risks (social, environmental, and economic risks). For suppliers operating in or sourcing from raw material origins or high-risk areas, Type 1

risks (serious human rights violations related to conflict-affected and high-risk areas) shall be assessed. For operations involving mineral or metal processing, recycled materials shall also be included in the due diligence system.

- c. The Company shall conduct regular internal reviews of the effectiveness of due diligence management system and make appropriate optimizations based on the findings to ensure its continued effective operation.

5.1.5 Development of risk management plans and implementation of mitigation measures

The Company shall develop and approve risk management plans for all identified risks. These plans shall include measurable mitigation strategies, performance targets, and improvement indicators. Depending on the circumstances, the Company shall adopt appropriate strategies such as “continue with mitigation,” “temporarily suspend with mitigation,” or “disengage the relationship”. The Company shall leverage its influence to support supplier improvement, monitor the effectiveness of mitigation measures, and adjust plans when significant changes in risk levels occur.

5.1.6 Integration of early warning/grievance mechanism information into due diligence

The Company shall incorporate information from operational site

early warning systems (such as hotlines) and grievance mechanisms into its due diligence process. Newly identified risks shall be promptly integrated into the risk identification and assessment phase.

5. 1. 7 Public disclosure of due diligence process and results

The Company shall publish an annual supply chain due diligence report (which may be integrated into the sustainability report). The report shall disclose due diligence policies, the status of the management system development, identified risks, mitigation measures taken, and their outcomes. The report shall be easily accessible to relevant stakeholders while protecting legitimate confidential business information.

5. 1. 8 Participation in remediation mechanism and provide cooperation

For adverse impacts that the Company has caused or contributed to, it shall provide appropriate conditions or cooperation for remediation, including the development of remedial plans, negotiation with affected parties, and implementation of compensation or restoration measures in accordance with legal and compliant procedures. For adverse impacts that are directly linked to the Company's operations, products, or services but not caused or contributed to by the Company, it shall provide appropriate support during the remediation process and participate in industry-level remediation arrangements when necessary.

5. 1. 9 Cooperation with stakeholders

The Company shall actively participate in industry-level collective actions and multi-stakeholder initiatives. It shall collaborate with industry associations, NGOs, and government agencies to address systemic risks and share risk assessment data, tools, and best practices to reduce due diligence costs and enhance overall leverage.

5. 1. 10 Establishment of supplier grievance mechanisms

- a. The Company shall require suppliers to establish grievance mechanisms that enable their employees, affected communities, and other stakeholders to report supply chain-related non-compliance issues. The Company shall provide or support collaborative remedial procedures in their operations or supply chains.
- b. Supplier grievance mechanisms shall be legitimate, accessible, predictable, equitable, and transparent, and shall protect complainants from any form of retaliation.

5. 1. 11 Supplier capacity building

- a. The Company shall support supplier capacity building through training, sharing of best practices, and joint development of improvement plans to enhance their due diligence performance.
- b. The Company shall foster long-term partnerships with suppliers to strengthen their ability to deliver positive impacts.

5.1.12 Collaboration with business partners and other stakeholders

The Company shall collaborate with business partners and other stakeholders to improve the effectiveness of engagement practices. This includes including engagement practice of business partners, jointly assessing high-priority sustainability risks, sharing assessment costs, providing capacity-building support to upstream suppliers, and conducting internal reviews.

5.2 Responsible Mineral Sourcing

5.2.1 Identification of Conflict-Affected and High-Risk Areas (CAHRA)

- a. The Company shall establish procedures for identifying CAHRAs, specifying information sources (e.g., government, international organizations, and NGO reports) and the frequency of CAHRAs list reviews and updates.
- b. Identification criteria shall cover risks of armed conflict, widespread violence, and serious human rights violations.

5.2.2 Conducting enhanced due diligence

When red flags are identified (e.g., minerals originating from CAHRAs or supplier's shareholder linked to red-flag lists), the Company shall conduct enhanced due diligence. This shall include understanding the CAHRA context, strengthening chain-of-custody and traceability

information, and performing on-site assessments (which may be conducted by third parties or through industry initiatives).

5.2.3 Implementation of risk management outlined in the OECD guidance and *Chinese Due Diligence Guideline for Mineral Supply Chain*

For minerals from CAHRA, the Company shall identify and assess Type 1 risks in accordance with the *OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas* and *Chinese Due Diligence Guideline for Mineral Supply Chain*. These risks include serious human rights violations, support to non-state armed groups, illicit activities by security forces, bribery, and fraudulent declarations of mineral origin. Targeted mitigation measures shall be developed.

5.2.4 Independent third-party audit

- a. Where red flags are identified, the Company shall arrange independent third-party audits at key points in the supply chain (typically at smelters or refineries) to verify the effectiveness and compliance of the due diligence system with OECD requirements.
- b. Downstream companies shall prioritize sourcing metals from audited and verified smelters or refineries.

5.2.5 Disclosure of annual due diligence reports

The Company shall annually disclose its supply chain due diligence

findings. Reports shall include all information required by the OECD, such as due diligence policies, management systems, risk assessment methodologies, identified risks, mitigation measures, and summaries of third-party audit reports (where applicable).

5.2.6 Provide for or cooperate in remediation when appropriate

In compliance with applicable laws and international standards, when the Company identifies that it has caused or contributed to actual adverse impacts, it shall provide appropriate conditions or cooperation to address and mitigate those impacts.

5.2.7 Record Keeping

The Company shall establish or maintain policies for information and record retention. All due diligence process, decisions, and responses shall be documented and retained for at least ten years.

Glossary

Business Partner: An entity with whom the Company has a contractual relationship. Business partners include contractors, agents, suppliers, local and international intermediaries or traders, and joint venture partners. They also include entities that provide services, such as security providers and recruitment agencies. Business partners do not include customers and end consumers.

Due Diligence: an on-going, proactive and reactive process through which a facility can identify, prevent, mitigate, and account for how they address human rights, environmental, and ethical risks associated with its operations, supply chain and business relationships. Due diligence is an integral part of business decision-making and risk management.

Six Steps of Due Diligence Management: The closed-loop process defined in the *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain*, consisting of: (1) establishing a management system; (2) risk identification and assessment; (3) risk prevention and mitigation; (4) internal and external assessment; (5) communicate and report; and (6) Provide for or cooperate in remediation when appropriate.

Conflict-affected and high-risk areas (CAHRA): Areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses. Such areas are often characterised by political instability or repression, institutional weakness, insecurity, the collapse of civil infrastructure, widespread violence and etc.

Type 1 Risks: Risks associated with conflict-affected and high-risk areas and serious human rights violations, as listed in Annex II of the OECD Guidance: serious human rights abuses, support to non-state armed

groups, illicit activities by security forces, bribery, fraudulent misrepresentation of the origin of minerals, money laundering, and payment of taxes, fees, and royalties due to governments.

Type 2 Risks: All other social, environmental, and economic risks excluding type 1 risks. These include, but are not limited to: negative impacts on the ecological environment (such as environmental pollution and biodiversity loss); serious violations of labour rights (such as forced labour, child labour, and employment discrimination); and business ethics risks.

Three Types of Red Flags: Unusual situations identified during due diligence that indicate the need for strengthened risk management. The *Chinese Due Diligence Guidelines for Responsible Mineral Supply Chain* defines the following three categories of red flags: (1) red flag locations of mineral origin and transit (e.g., from conflict-affected and high-risk areas); (2) supplier red flag (e.g., have shareholder or other interests in suppliers from above red flag locations); (3) circumstantial red flag (e.g., anomalies or unusual circumstances are identified or the origin cannot be identified).

Supply Chain Control and Transparency System: An internal management system established by the Company to identify upstream participants in the supply chain, determine the country or region of origin of raw materials, map transportation routes, and maintain accurate chain-

of-custody information. This system supports supply chain traceability and provides the necessary data foundation for risk assessment.

Chain of Custody: The documented sequence of custody and locations of raw materials as they move through the supply chain. The transfer of minerals or products along the supply chain requires accompanying transfer documentation at each stage of the supply chain.

Beneficial Ownership: The natural person(s) who ultimately own or control a company and/or operates the company for its benefit. This includes persons who exercise ultimate and effective control over a legal person or arrangement through a chain of ownership or indirect control.

Recycled Materials: Minerals or metals that have been previously processed and are reintroduced into the supply chain. This includes end-of-life products, post-consumer waste, scrap materials, and by-products generated during mineral or metal processing and manufacturing. These materials are returned to processors or downstream intermediate facilities to begin a new production cycle.

Risk Management Plan: A documented action plan for managing identified Type 1 and/or Type 2 risks, including measurable mitigation strategies aimed at progressive performance improvement within a reasonable timeframe.

Leverage: The ability of the Company to effect change or compel corrective action by an entity that has caused or contributed to adverse

impacts. The Company is considered to have leverage if it has the ability to influence and compel the corrective action of an entity that has caused harm.

Adverse Impact: Refers to the negative social, environmental, and economic impacts that a company may cause, contribute to, or be directly related to. Actual adverse impacts refer to adverse impacts that have already occurred; potential adverse impacts refer to adverse impacts that may occur.

Remediation: The process of correcting adverse impacts, also the substantial results that can offset or “remedy” adverse impacts. In the context of the *Chinese Due Diligence Guidelines for Mineral Supply Chain*, remediation involves providing timely conditions or cooperation to resolve impacts caused or contributed to by the Company through appropriate means such as apology, restitution, compensation, punitive sanctions, or measures to prevent recurrence.

Grievance Mechanism: A formal process that enables individuals or groups (such as affected communities, workers, or other stakeholders) to raise concerns about impacts caused by the Company and to seek appropriate remedial action.

OECD refers to the Organization for Economic Cooperation and Development.

References

CCCMC: *Chinese Due Diligence Guidelines for Mineral Supply Chain*

OECD: *Due Diligence Guidance for Responsible supply Chains of Minerals from Conflict-Affected and High-Risk Areas*

OECD: *Guidelines for Multinational Enterprises on Responsible Business Conduct*

OHCHR: *UN Guiding Principles on Business and Human Rights*

6 Grievance Management

Purpose

The Company shall establish grievance mechanisms in its overseas mining projects in accordance with the principles of legality, compliance, and collaborative governance. These mechanisms shall also be in line with the eight effectiveness criteria of the *UN Guiding Principles on Business and Human Rights* (UNGPs). The grievance mechanism shall provide effective channels for stakeholders and rights holders — particularly affected local communities — to raise concerns or grievances. The Company shall systematically receive, investigate, respond to, and resolve issues raised by stakeholders and rights holders in a timely manner, thereby maintaining open communication and fostering constructive relationships with local communities and other affected parties. Where the Company has caused, contributed to, or is directly linked to adverse human rights impacts or other harms, it shall provide or facilitate appropriate (non-judicial) remedies and work to build and maintain positive, respectful relationships with stakeholders and rights holders.

Grievance management is a cross-cutting issue that intersects with multiple other topics of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Scope of Application

This section applies to all mining areas. All companies operating overseas are responsible for respecting human rights and complying with applicable laws and regulations in their host jurisdictions. The Company shall design and implement grievance mechanisms that are appropriate to its scale, business context, organizational structure, and the scope and severity of potential human rights impacts on stakeholders and rights holders. Different operations may adopt grievance mechanisms of varying complexity and resource allocation depending on context. For example, worker-specific grievance mechanisms are further detailed in Topic 7: Employment Practices and Labour Rights.

Requirements

6.1 Commitment, Governance, and Design

6.1.1 Public commitment and policy development

- a. The Company shall make a clear public commitment to establishing and operating a grievance mechanism and shall commit to upholding the principles of confidentiality, anonymity where requested, and zero retaliation. These commitments shall ensure that complainants can safely raise concerns or grievances without fear of reprisal.
- b. The Company shall establish and continuously operate a grievance mechanism that meets the eight effectiveness criteria of the *UN Guiding Principles on Business and Human Rights* (UNGPs). The mechanism shall be understandable, culturally acceptable, and accessible to stakeholders and rights holders, and shall ensure that complainants receive appropriate remedies.

6.1.2 Division of responsibilities and personnel arrangement

The Company shall clearly define responsibilities and accountability for the grievance mechanism from senior management to mine-site personnel, ensuring effective implementation and supervising the grievance mechanism.

6.1.3 Procedure design and inclusive participation

- a. In designing the grievance mechanism, the Company shall consult with potentially affected stakeholders and rights holders. Their

needs and opinions shall be systematically collected, evaluated, and responded to or incorporated within a reasonable scope to ensure the mechanism is inclusive, acceptable, and effective.

- b. The Company shall collaborate with stakeholders and rights holders to identify and incorporate the specific needs, values, and cultural preferences of vulnerable and marginalized groups into the design and ongoing improvement of the grievance mechanism.

6.2 Development and Implementation of the Grievance Mechanism

6.2.1 Implementation and recording of the grievance process

- a. The Company shall establish and implement a grievance mechanism with clearly defined steps for receiving, acknowledging, investigating, resolving, tracking and evaluating. Clear timelines and process milestones shall be established for each stage. Every grievance shall be formally registered and its full lifecycle documented to ensure traceability, accountability, and fair, timely, and transparent handling.
- b. The Company shall maintain a structured grievance information management system or database to summarize, classify, and analyze grievance trends. This analysis shall help identify recurring issues, systemic risks, and management weaknesses, and shall support

informed decision-making, continuous improvement of the mechanism, and responses to internal or external audits.

6. 2. 2 Effective implementation of the grievance mechanism

- a. Accessibility: The Company shall provide multiple accessible channels for submitting grievances, including online, offline, and anonymous options.
- b. Security and Anti-Retaliation: The Company shall implement strict confidentiality and anonymity protection measures throughout the receipt, processing, and follow-up of grievances. It shall take necessary protective actions when recording, storing, or transmitting grievance information and shall prevent and address any form of discrimination, retaliation, harassment, threats, or intimidation against complainants.

6. 2. 3 Capacity building and compliance training

- a. The Company shall provide targeted training on the grievance mechanism to personnel responsible for its management and to those who have direct contact with communities. Training shall cover the principles, compliance requirements, and operational procedures of the mechanism to ensure staff have the necessary skills to handle grievances effectively.
- b. The Company shall establish and operate a broader training system which includes the grievance management, and ensure contractors

are covered. Through training, communication, or contractual provisions, contractors shall be required to understand the grievance mechanism's procedures and principles and to investigate or handle grievances appropriately, either through their own mechanisms or by utilizing the Company's mechanism.

6. 2. 4 Communication, feedback, and participation

- a. After accepting a grievance, the personal who is responsible for grievance handling shall maintain continuous and effective communication with the complainant in accordance with established procedures and timelines. Regular feedback shall be provided on the progress of the grievance and any proposed remedial measures, with the aim of achieving timely closure or advancement to the next stage.
- b. Where feasible and without undue influence, the Company shall support the affected party's full, informed, and meaningful participation in the evaluation, selection, and implementation of remedial measures, providing necessary information, consultation channels, and appropriate support, to fully solicit and consider their opinions and feedback.

6.2.5 Remediation mechanisms and protection of the right to remedy

- a. The Company shall implement a victim-centered remedial approach. Where it has caused or contributed to adverse human rights impacts, it shall directly provide or cooperate in delivering appropriate remedies. Where adverse impacts are directly linked to its operations, products, or services through business relationships (but not caused or contributed to by the Company), it shall support and facilitate remediation.
- b. The grievance mechanism shall be non-exclusive. If a grievance cannot be resolved internally, the Company shall clearly explain the situation and guide the complainant toward appropriate external grievance or remedy channels. No internal mechanism, process or procedure shall restrict, hinder, or substitute for the complainant's right to seek judicial, administrative, or non-judicial remedy channels.

6.3 Monitoring, Evaluation, and Continuous Improvement

6.3.1 Regular monitoring and evaluation

- a. The Company shall regularly collect, review, and analyze grievances and concerns raised through the mechanism. Mine management shall prepare reports summarizing the number, types, and categories of grievances while adhering to the confidentiality and protection

requirements for complainants. These reports shall detail the Company's actions in response, investigation, and resolution to support management's assessment of the mechanism's performance and key risk areas.

- b. The Company shall conduct annual assessments or reviews of the effectiveness of the grievance mechanism and related remedial measures, referring to the UNGPs effectiveness criteria. These reviews shall involve procedures jointly agreed with affected stakeholders and rights holders. Time-bound improvement measures shall be developed based on review findings where appropriate.

6.3.2 Continuous improvement and enhancement

- a. Mine management shall conduct regular internal reviews of the grievance mechanism and make necessary updates.
- b. The Company shall promptly adjust the grievance mechanism when there are material changes in business activities that affect risk levels or when signs of declining effectiveness appear.
- c. Reviews shall be informed by trend analysis and root-cause analysis of grievances, systematic feedback from affected stakeholders and rights holders. Insights gained from the operation of the mechanism shall be used to develop and implement corrective and preventive actions.

6.4 Information Disclosure and Publicity

6.4.1 Communication and Publicity of the Grievance Mechanism

- a. The Company shall actively communicate and publicize the availability of the grievance mechanism in local languages and in a culturally appropriate manner, to ensure that relevant stakeholders and rights holders are aware of and able to use it.
- b. Mine management shall consider additional measures to communicate the grievance mechanism and grievance related information, to ensure that vulnerable or marginalized groups have equal, full, and equitable access to the mechanism.

6.4.2 Public disclosure of grievance management status

Under the premise of strictly protecting complainant identities and safety, the Company shall publicly disclose a summary of grievance management performance on an annual basis. The disclosure may include the number and categories of grievances, affected groups, types of responses and remedial measures taken, and key timelines from submission to resolution. Such disclosure shall demonstrate the accessibility, transparency, and operational effectiveness of the grievance mechanism.

Glossary

Adverse human rights impacts: In the context of business and human rights, an adverse human rights impact occurs when an action or omission by a business enterprise removes or reduces the ability of an individual to enjoy their human rights. This includes impacts caused directly by the business, those it contributes to, and those directly linked to its operations, products, or services through business relationships.

Confidentiality: The practice of allowing complainants to file grievances anonymously or in a way that protects their identify, thereby eliminating their concerns about potential retaliation. At the same time, the Company shall ensure the substantive and closed-loop management of the complaint handling process, a controlled communication channel is maintained. This means that authorized investigators are allowed to interact with the complainant subsequently, performing procedures such as supplementing information, verifying facts, and informing them of the progress of the case, provided that the scope of their knowledge is strictly limited.

Grievance mechanism: a formalised means through which individuals or groups can raise concerns about the operation's impact on them – including, but not exclusively, the impact on their human rights – and can seek remedy. The mechanism aims to provide a protected

communication channel for affected parties, ensuring that their grievances are identified, assessed, and substantive remedial.⁵

Stakeholders: These are individuals, groups, or organizations that may be affected by a company's decisions, operations, products, or services, or whose actions may affect the company's achievement of its objectives. They include employees, contractors, local communities, suppliers, customers, investors, government agencies, and non-governmental organizations.

Rights Holders: Rights holders refer to individuals or groups who, under international human rights law, are entitled to enjoy and can assert specific human rights against those who bear the responsibility to respect, protect, and realize human rights obligations (states or specific non-state actors). According to the *Universal Declaration of Human Rights*, everyone is a rights holder; however, in certain situations, particular attention must be given to groups whose rights are more likely to be adversely affected or not fully realized, such as indigenous peoples and other vulnerable or marginalized communities. These groups require specific consideration in the Company's human rights due diligence processes.

⁵ Refer to OHCHR's *Corporate Responsibility to Respect Human Rights: An Interpretive Guide*

Vulnerable and Marginalized Groups: This includes, but is not limited to, women, minors, the elderly, persons with disabilities, ethnic minorities/indigenous peoples, migrant workers, and vulnerable groups employed by contractors. The Company shall provide differentiated accessibility measures, such as adaptations in language, cultural context, physical access, timing, and cost.

UNGPs' effectiveness criteria: A grievance mechanism must be predictable, transparent, accessible, equitable, rights-compatible, dialogue-based, while promoting continuous improvement, so that affected parties can truly raise and resolve human rights-related issues. When establishing and operating a grievance mechanism, the Company shall refer to the following effectiveness criteria for its design and management arrangements:

- **Legitimate:** The grievance mechanism shall be grounded in applicable laws and regulations and aligned with internationally recognized human rights standards. It shall maintain sufficient independence and procedural fairness, build and sustain the trust of stakeholders and rights holders, and operate with clear accountability for fair conduct and impartial outcomes.
- **Accessible:** broadly inform all stakeholder groups, and provide adequate assistance for those who could face barriers to access (e.g. language, literacy, costs, physical location and fears of reprisal).

- **Predictable:** The process shall be clear, with an indicative time frame, and the type of outcome and execution supervision method shall be transparent and knowable, making it easy to anticipate and track.
- **Equitable:** The grievance mechanism shall provide affected parties with reasonable access to relevant information, advice, and professional support. It shall ensure that all parties participate on an equal, informed, and mutually respectful basis.
- **Transparent:** The Company shall provide timely updates to complainants on the progress and publicly disclose appropriate information on the mechanism's performance, to build confidence in its effectiveness and meet any public interest at stake.
- **Rights-compatible:** Outcomes and remedial measures shall be consistent with internationally recognized human rights standards and shall not undermine or diminish existing rights.
- **Continuous Improvement:** The Company shall regularly review and improve the grievance mechanism based on lessons learned from individual cases, with the aim of preventing the recurrence of similar issues.
- **Dialogue-Based:** The Company shall ensure meaningful involvement of stakeholders and rights holders in the design and implementation of the grievance mechanism. Dialogue shall serve as

the primary method for resolving grievances and disputes in a constructive and mutually respectful manner.

Responsibilities and Assignments: The clear definition of roles and accountabilities for the grievance mechanism across all levels of the Company. This includes supervisory and decision-making responsibilities for senior management, coordination and execution responsibilities for functional departments, and acceptance, processing, and follow-up responsibilities for on-site personnel. It also encompasses rules for cross-departmental collaboration and escalation procedures to ensure effective implementation and oversight.

Anonymity: The ability of a complainant to submit a grievance without revealing their identity, or the complete removal of personally identifiable information during processing to prevent exposure. Anonymity helps protect complainants from the risk of retaliation and reduces actual or perceived barriers for vulnerable and marginalized groups when reporting concerns.

Remedial Mechanisms: A formal and accessible process that enables affected individuals or groups to seek and obtain effective remedies for human rights violations. Remedies may include restitution, compensation, apology, rehabilitation, or guarantees of non-recurrence, aimed at repairing harm and addressing the consequences of the impact.

References

National Development and Reform Commission of the People's Republic of China: *Measures for the Administration of Outbound Investment by Enterprises*

National Development and Reform Commission of the People's Republic of China, Ministry of Commerce, People's Bank of China, Ministry of Foreign Affairs, State Administration for Industry and Commerce: *Code of Conduct for Overseas Investment Operations of Private Enterprises*

Ministry of Natural Resources of the People's Republic of China and other departments: *Notice on Further Strengthening the Construction of Green Mines*

OHCHR: *UN Guiding Principles on Business and Human Rights*

World Bank: *Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure (ESS10)*

7 Employment Practices and Labour Rights

Purpose

The Company shall establish an inclusive, fair, safe, and career-oriented work environment through comprehensive lifecycle labour rights management and effective two-way communication with workers. This section aims to safeguard workers' rights to decent employment, freedom of association, and collective bargaining, while preventing and eliminating all forms of workplace discrimination, harassment, and abuse. By implementing an independent, transparent, and accessible grievance mechanism, the Company shall ensure that labour rights are continuously respected, protected, and promoted throughout the entire mining lifecycle.

Employment practices and labour rights is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 3: Compliance and business integrity

Topic 4: Stakeholder engagement

Topic 6: Grievance management

Topic 9: Diversity, equity and inclusion

Topic 11: Human rights and security

Topic 13: Occupational health and safety

Scope of Application

This issue applies to all mining areas.

Requirements

7.1 Workers' Rights

7.1.1 Policy commitment and system design

- a. **Public Commitment to Labour Rights:** The Company shall establish and publicly communicate formal policies that respect workers' rights, explicitly prohibit discrimination, harassment, and unfair disciplinary practices, and commit to responsible recruitment practices.
- b. **Inclusivity and Gender Equity Goals:** The Company shall establish strategic objectives to eliminate barriers to employment and advancement for women and disadvantaged groups, ensuring equal protection of rights for workers of all backgrounds.
- c. **Compliant Recruitment and Employment Structure:** Recruitment procedures shall comply with applicable labour laws and regulations. The Company shall ensure the use of formal and transparent employment contracts and prohibit fraudulent apprenticeship arrangements, illegal subcontracting, or other deceptive employment practices.
- d. **Transparent Compensation Policies:** The Company shall establish and communicate clear compensation policies to all employees.

Wage calculations, including overtime pay, shall comply with applicable laws and collective agreements. Illegal wage deductions are strictly prohibited.

- e. **Responsible Recruitment Management System:** The Company shall establish a recruitment management system that incorporates controls prohibiting advance recruitment fees, debt bondage, and restrictions on workers' freedom of movement.
- f. **Career Development Planning:** The Company shall establish talent development mechanisms and fair promotion pathways to support continuous professional development, particularly for local employees.

7.2 Implementation and Daily Operations

- a. **Employment Information Disclosure:** The Company shall provide workers with clear information regarding their employment conditions in a language they understand upon hiring and whenever changes occur. This information shall include wages, benefits, working hours, and other key employment terms.
- b. **Workplace and Living Conditions:** The Company shall ensure safe and hygienic working and living conditions, including access to sanitation facilities, drinking water, canteen services, and accommodation where provided. Facilities shall consider gender-

specific needs, and accommodation costs shall not exceed market rates.

- c. **Working Hours Management:** Regular working hours shall not exceed 48 hours per week. Overtime shall not exceed 12 hours per week. Where national laws or agreements stipulate that total weekly working hours are less than 60 hours, those limits shall apply. For shift or continuous operations, compliance may be assessed based on the average working week.
- d. **Rest Periods and Shift Arrangements:** The Company shall ensure that workers receive at least one rest day within every seven-day period and adequate breaks during working hours. Rest arrangements for shift work or continuous operations may be managed on an average work-week basis.
- e. **Overtime and Workload Management:** Overtime working shall be voluntary and managed to prevent adverse health impacts. The Company shall implement measures to mitigate excessive workloads.
- f. **Maternity Protection and Benefits:** The Company shall provide maternity protection measures consistent with International Labour Organization (ILO) standards, including maternal health support and return-to-work arrangements.

- g. Freedom of Association and Collective Dialogue: The Company shall inform workers of their rights to form and join trade unions and to engage in collective bargaining. Where unions exist, the Company shall provide appropriate access and facilities for union representatives to perform their duties.
- h. Performance and Disciplinary Procedures: The Company shall ensure that employees clearly understand performance evaluation criteria and disciplinary procedures. Appropriate training shall be provided where necessary.

7.2.1 Monitoring and evaluation

- a. Internal Wage Review: The Company shall periodically review wage levels to ensure compliance with legal minimum wage requirements and promote equal pay for work of equal value, while maintaining market competitiveness.
- b. Employment Practice Review: Recruitment, termination, and other employment practices shall be periodically evaluated to ensure legal compliance and identify areas requiring improvement.
- c. Labour Rights Risk Identification: The Company shall collaborate with worker representatives to systematically identify and assess risks of labour rights violations within its operations.
- d. Labour Intermediary Risks Monitoring: The Company shall conduct due diligence on labour agencies and other intermediaries to

mitigate labour rights and compliance risks associated with third-party employment.

- e. Living Wage Ratio Disclosure: The Company shall periodically assess and disclose the ratio of entry-level wages to the local living wage or applicable minimum wage.

7.2.2 Corrective actions and continuous improvement

- a. Actions to Address Inequality: The Company shall implement corrective actions to address identified gaps in wages, benefits, and worker welfare.
- b. Wage Progression: Where feasible, the Company shall progressively align wage levels with living wage benchmarks.
- c. Enhanced Social Benefits: The Company should provide benefits exceeding statutory requirements, such as enhanced annual leave, parental leave, sick leave, or pension arrangements.
- d. In-depth Worker-Management Collaboration: The Company shall establish regular dialogue mechanisms with workers and/or their representatives to jointly review the effectiveness and compliance of employment policies and use the outcomes of these reviews to drive continuous improvement.
- e. Shared Responsibility with Labour Intermediaries: The Company shall establish agreements with labour intermediaries that define shared responsibilities for protecting workers' rights.

f. **Protection of Diverse Rights:** The Company shall respect workers' cultural and religious practices and support their ability to exercise civic rights, including voting, through reasonable scheduling or leave arrangements.

7.3 Worker Grievance Mechanism

7.3.1 Commitment and system design

- a. **Public Commitment and Policy Formulation:** The Company shall publicly commit to establishing and maintaining an effective grievance mechanism that ensures access to remedy and prohibits retaliation against individuals raising complaints.
- b. **Consultation and Inclusive Design:** The grievance mechanism shall be designed in consultation with workers and their representatives, taking into account the needs and cultural contexts of vulnerable groups.
- c. **Responsibility and Capacity Building:** The Company shall designate responsible personnel and provide appropriate training to ensure effective management of the grievance mechanism.
- d. **Collaboration and Joint Implementation:** The Company shall involve both unionized and non-unionized workers in the design and improvement of grievance procedures.

7.3.2 Implementation and Operation

- a. **Multiple Accessible Channels:** The Company shall establish multiple accessible channels for workers to raise grievances and communicate their availability in languages and formats understood by employees.
- b. **Confidentiality and Safety:** The grievance mechanism shall ensure confidentiality and protect complainants from discrimination, retaliation, or intimidation, and safeguard their anonymity.
- c. **Standardized Procedures:** The Company shall establish and implement clear procedures for grievance submission, investigation, and resolution, strictly adhering to processing timelines.
- d. **Participatory Process:** Workers raising grievances, and their representatives where applicable, shall have opportunities to participate in the grievance process and receive updates on progress.
- e. **Remedial Actions:** Confirmed negative human rights impacts shall be addressed through timely and appropriate remedial measures.

Where necessary, the Company shall cooperate with external legal or judicial remedies.

7.3.3 Performance monitoring and evaluation

- a. **Internal Reporting:** matters such as number of grievance received, types of grievance, and corrective actions shall be reported to senior management to ensure and compliance and transparency.

- b. Transparency of Internal Process: Without compromising confidentiality, the Company shall communicate aggregated information regarding grievance handling and outcomes.
- c. Independent External Audit: The Company shall periodically invite independent third parties and worker representatives to evaluate the effectiveness of the grievance mechanism and identify systemic issues.

7.3.4 Continuous improvement and remedial optimization

- a. Continuous Improvement of the Mechanism: The Company shall conduct internal review and collect feedbacks, to improve grievance procedures on a regular basis, and take measures to prevent root causes.
- b. Referral to External Remedies: Where grievances cannot be resolved internally, the Company shall inform workers of and guide them toward appropriate external remedy mechanisms.
- c. Public Disclosure of Grievance Performance: Subject to confidentiality requirements, the Company should disclose grievance performance data to enhance transparency and public trust.

Glossary

Collective Bargaining:

A voluntary process through which employers and workers, discuss and

negotiate matters, such as terms and conditions of employment and regulate relationships between employers, workers, and their organizations. Participants in collective bargaining may include the employer or employer organizations, trade unions, or, where unions are not present, worker representatives freely chosen by the workers.

Discrimination: Discrimination occurs when a person is treated less favourably than others because of characteristics unrelated to their abilities or the inherent requirements of the job. All workers and job applicants have the right to equal treatment and opportunity based solely on their qualifications and job performance. Prohibited grounds of discrimination may include age, caste, disability, ethnicity or nationality, gender, membership in workers' organizations (including independent trade unions), political affiliation, race, religion, sexual orientation, gender identity, marital status, family responsibilities, social origin, or other personal characteristics.

Compensation: Compensation includes wages or salaries—whether ordinary, basic, or minimum—and any additional remuneration paid directly or indirectly by the employer to the worker in cash or in kind as a result of the worker's employment.

Living Wage: A living wage is the remuneration received by a worker for a standard workweek in a particular place that is sufficient to afford a decent standard of living for the worker and their family. Elements of a

decent standard of living include food, water, housing, education, healthcare, transportation, clothing, and other essential needs, as well as provision for unexpected events.

Remedial Measures: Remedial measures refer to actions or processes that provide remedies for negative human rights impacts and achieve outcomes sufficient to mitigate or offset such impacts. Remedies may take various forms, including apologies, restoration of the status quo, rehabilitation assistance, financial or non-financial compensation, and guarantees of non-repetition. Public authorities may also play a role in providing remedies, including through judicial or administrative sanctions and preventative measures.

Worker Grievance Mechanism: A worker grievance mechanism is a formal and transparent process that enables workers to raise concerns or complaints related to recruitment and workplace practices.

Workers: Workers include individuals directly employed by the Company (full-time or part-time) under employment contracts, as well as indirectly employed individuals who regularly perform work within the mining operation but are employed by third parties, such as labour agencies, labour providers, contractors, or subcontractors.

References

International Finance Corporation (IFC): *Performance Standard 2: Labour and Working Conditions*

International Labour Organization (ILO): *Abolition of Forced Labour Convention (No. 105)*

International Labour Organization (ILO): *Equal Remuneration Convention (No. 100)*

International Labour Organization (ILO): *Forced Labour Convention (No. 29)*

International Labour Organization (ILO): *Convention concerning Freedom of Association and Protection of the Right to Organise (No. 87)*

International Labour Organization (ILO): *Fundamental Principles and Rights at Work*

International Labour Organization (ILO): *Holidays with Pay Convention (No. 132)*

International Labour Organization (ILO): *Hours of Work (Industry) Convention (No. 1)*

International Labour Organization (ILO): *Maternity Protection Convention (No. 183)*

International Labour Organization (ILO): *Maternity Protection Recommendation (No. 191)*

International Labour Organization (ILO): *Minimum Age Convention (No. 138)*

International Labour Organization (ILO): *Minimum Wage Fixing Convention (No. 131)*

International Labour Organization (ILO): *Protection of Wages
Convention (No. 95)*

International Labour Organization (ILO): *Right to Organise and
Collective Bargaining Convention (No. 98)*

International Labour Organization (ILO): *Safe and Healthy Working
Environment (Consequential Amendments) Convention (No. 191)*

International Labour Organization (ILO): *Violence and Harassment
Convention (No. 190)*

International Labour Organization (ILO): *Weekly Rest (Industry)
Convention (No. 14)*

International Labour Organization (ILO): *Worst Forms of Child Labour
Convention (No. 182)*

8 Child and Forced Labour

Purpose

This section aims to eliminate child labour and forced labour within the Company's operations, in alignment with the *Guiding Principles on Business and Human Rights* and relevant conventions of the International Labour Organization (ILO), including Conventions No. 138, No. 182, No. 29, and No. 105. The core objectives of this section are to: strictly prohibit the employment of children under the age of 15; prohibit all forms of forced or compulsory labour; establish protective measures to ensure that workers under the age of 18 are not engaged in the worst forms of child labour, including hazardous work; and implement effective systems to identify, prevent, mitigate, respond to, and remediate risks related to child labour and forced labour throughout operations and labour supply arrangements.

Child labour and forced labour risks may intersect with other topics addressed in this Code. Accordingly, this section should be implemented in coordination with other relevant provisions. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 5: Responsible supply chain

Topic 7: Employment practices and labour rights

Topic 10: Artisanal and small-scale mining

Topic 11: Human rights and security

Scope of Application

This topic applies to all mining operations across the full lifecycle and value chain of mineral resource development. It covers all stages from initial exploration, mine construction and operation, to mine closure and rehabilitation. The scope also extends to downstream activities such as mineral processing, logistics, and trade, as well as all business relationships connected to mining operations, including subcontractors and suppliers.

Requirements

8.1 Child Labour and Forced Labour Management System

8.1.1 Commitment to the protection of children and young workers

In accordance with Conventions No. 138 and No. 182 of the International Labour Organization (ILO), the Company shall publicly commit to prohibiting child labour. The Company shall strictly prohibit the employment of children below the minimum legal working age and ensure that workers under the age of 18 are not engaged in hazardous work or the worst forms of child labour.

8.1.2 Commitment to the prohibition of forced labour

In alignment with the UN *Guiding Principles on Business and*

Human Rights and Conventions No. 29 and No. 105 of the International Labour Organization (ILO), the Company shall publicly commit to prohibiting all forms of forced or compulsory labour. The Company shall respect workers' right to freedom from slavery, and take measures to eliminate risks of forced labour in all operation activities.

8. 1. 3 Management system and protection of worker rights

- a. The Company shall establish and maintain a management system to prevent child labour and prohibit forced labour. The system shall define prohibited practices and fundamental worker rights and include regular monitoring and inspection.
- b. The Company shall prohibit forcing employees to continue working through the withholding of wages, benefits, personal property, or other forms of coercion.
- c. The Company shall ensure workers' freedom to leave the workplace after working hours and their right to terminate employment contracts with reasonable notice without fear of retaliation.

8. 1. 4 Handling and remediation of violations

If cases of child labour or forced labour are identified in its operation, the Company shall take immediate corrective action in accordance with the UN *Guiding Principles on Business and Human Rights*. Effective remedial mechanisms shall be established to address relevant issues.

8.2 Risk Assessment and Prevention of Child Labour and Forced Labour

8.2.1 Risk Assessment and Employment Standards

- a. The Company shall conduct risk assessments considering geographic location, industry and product characteristics, to identify the forced labour risks. Particular attention shall be given to risks affecting women, girls and other vulnerable groups.
- b. Employment age requirements shall comply with the higher standard between applicable national legislation and Convention No. 138 of the International Labour Organization (ILO). The use of child labour in any form shall be strictly prohibited.

8.2.2 Prevention of Child Labour

The Company shall establish strict age verification procedures during recruitment to prevent child labour at the source. If child labour is identified, particularly in the worst forms defined by Convention No. 182 of the International Labour Organization (ILO), immediate actions shall be taken to eliminate it.

8.2.3 Control of Forced Labour Indicators

Based on the results of risk assessments, the Company shall implement preventive and mitigation measures addressing recognized forced labour indicators to ensure that no form of forced labour occurs in mining operations.

8. 2. 4 Protection of Young Workers

The Company shall implement specific protective measures for young workers who have reached the legal minimum working age but are under 18 years old. These measures shall include monitoring their physical and mental health and development, conducting periodic health checks, and they should be protected from moral or safety harm due to work risks.

8. 2. 5 Responsible Recruitment and Employer-Pays Principle

Recruitment, whether conducted directly or through intermediaries, shall follow the employer-pays principle. Recruitment processes shall be compliant with applicable laws, and workers shall not be required to pay recruitment fees, deposits, or similar charges.

8. 2. 6 Personal Documents and Items Management

The Company shall not confiscate or retain workers' identification documents, wages, benefits, or personal property, nor use such practices to restrict workers' freedom of movement or employment.

8. 2. 7 Freedom of Movement and Right to Leave

Where operational safety permits, workers shall be free to leave the workplace after completing their standard working hours. Workers shall also have the right to terminate their employment contracts with reasonable notice.

8. 2. 8 Joint Supply Chain Risk Management

The Company shall incorporate child labour and forced labour prevention requirements into contracts with business partners, requiring them to take actions to prevent child labour and mitigate forced labour risks within their operations and related facilities.

8. 2. 9 Response to Violations by Business Partners

If violations involving child labour or forced labour are identified in the operations of business partners, the Company shall take immediate steps to eliminate real-time risks or threats of violence to affected individuals, and report relevant cases to competent authorities while ensuring the safety of affected parties.

8. 2. 10 Remedial Measures and Collaboration

Where incidents of child labour or forced labour are directly linked to the Company's operations or business relationships, the Company shall implement mitigation and remediation measures. If it is related to business partners, the Company shall collaborate with them to ensure effective resolution.

8. 2. 11 Information Disclosure and Protection of Privacy

In alignment with disclosure frameworks such as those developed by the Global Reporting Initiative (including GRI 408 and GRI 409), the Company shall publicly disclose summaries of relevant incidents and remedial actions, while strictly protecting the safety, privacy, and

personal information of affected individuals and their families.

8.3 Training and Capacity Building

8.3.1 Internal Capacity Building

The Company shall establish regular training programs for personnel responsible for labour management and supply chain oversight. Training shall cover identification, prevention, and management of child labour and forced labour risks, consistent with relevant conventions of the International Labour Organization (ILO) and the UN *Guiding Principles on Business and Human Rights*.

8.3.2 Joint management of supply chain risks

For business partners identified as having elevated labour compliance risks, the Company should implement targeted support programs, to help partners develop effective systems for risk identification, prevention, mitigation, investigation, and remediation, thereby enhancing the overall compliance resilience of the supply chain.

8.4 Monitoring, Reporting, and Continuous Improvement

8.4.1 Internal performance evaluation

The Company shall conduct periodic internal evaluations to assess the effectiveness of systems for preventing, identifying, mitigating, and remediating child labour and forced labour risks.

8.4.2 Stakeholder collaboration mechanism

The Company shall collaborate with relevant stakeholders, to

implement and monitor remedial measures related to child labour and forced labour, ensuring the effective implementation of the remediation framework.

8. 4. 3 Independent review

Where remedial actions are undertaken, the Company should involve independent third parties and affected stakeholders to monitor implementation, identify root causes, and evaluate the effectiveness of corrective actions, and improve the system accordingly to prevent recurrence.

8. 4. 4 Supply chain review

The Company shall extend monitoring and evaluation activities to business partners to assess the effectiveness of their control measures for preventing child labour and forced labour.

8. 4. 5 Cross-sector collaboration

Where systemic risks are identified, the Company should support or participate in cross-industry at the national/regional level aimed at addressing the root causes of child labour and modern slavery in its operations and within supply chains.

Glossary

Forced Labor: Any work or service exacted from any person under the menace of any penalty and for which the person has not offered himself or herself voluntarily.

Child Labor: The employment of children below the minimum age as defined by national law and international standards for economic activities. Under ILO Convention No. 138 (Minimum Age Convention), the minimum age is generally 15 years (or 14 years in certain developing countries). In China, the minimum legal employment age is 16 years of age.

Underage Workers: Workers who have reached the minimum legal employment age but are under 18 years of age.

Worst Forms of Child Labor: Forms of child labor that must be prohibited and eliminated as a matter of urgency. As defined by ILO Convention No. 182 (*Worst Forms of Child Labour Convention*), these include: All forms of slavery or practices similar to slavery (such as the sale and trafficking of children, debt bondage and serfdom, and forced or compulsory labour, including forced or compulsory recruitment of children for use in armed conflict); the use, procuring or offering of a child for prostitution, for the production of pornography, or for pornographic performances; the use, producing or offering of a child for illicit activities, in particular for the production and trafficking of drugs as defined in the relevant international treaties; and work which, by its nature or the circumstances in which it is carried out, is likely to harm the health, safety, or morals of children.

Indicators of forced labour: A set of operational tools developed by the International Labour Organization (ILO) to help identify, monitor, and report cases of forced labor. These 11 indicators translate abstract legal concepts into observable signs and are grouped into three main categories.

Employer-Pay Principle: The principle that all direct and indirect costs associated with the recruitment of workers (including recruitment fees, agency fees, visa fees and transportation costs) shall be borne solely by the employer. Charging workers, particularly migrant workers, any recruitment-related fees is strictly prohibited.

Business Partners: Entities with which the Company has business relationships, including but not limited to suppliers, contractors, subcontractors, service providers, agents, and other intermediaries.

References

International Labour Organization (ILO): *Forced Labour Convention (No. 29)*

International Labour Organization (ILO): *Abolition of Forced Labour Convention (No. 105)*

International Labour Organization (ILO): *Minimum Age Convention (No. 138)*

International Labour Organization (ILO): *Worst Forms of Child Labour Convention (No. 182)*

OHCHR: *UN Guiding Principles on Business and Human Rights*

9 Diversity, Equity and Inclusion

Purpose

The session aims to help the Company to establish and implement principles of Diversity, Equity, and Inclusion that apply to all employees (including contractors) in its operations. Through targeted strategies, initiatives, and processes, the Company shall proactively eliminate biases, barriers, and discriminatory practices, ensuring equal opportunities, fair treatment, and respect for all individuals, to foster a diverse, equitable, and inclusive work environment.

Diversity, Equity, and Inclusion (DEI) is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 16: Indigenous rights

Topic 21: Climate action

Scope of Application

The requirements of this section apply differently depending on the implementing entity and are divided into two levels: corporate and mine site. Section 9.1 is primarily the responsibility of the corporate headquarters for implementation and verification. Where a mine site possesses substantial management authority and capacity, the requirements of Section 9.1 may also be implemented and verified at the mine site level. Section 9.2 is the responsibility of each mine site for implementation and verification. In implementing this section, the Company shall ensure that all actions and commitments fully comply with the legal and regulatory requirements of the host jurisdiction, particularly those governing the collection, processing, and protection of employee personal data and privacy, ensuring that related practices are conducted within a legal and compliant framework.

Requirements

9.1 Diversity, Equity, and Inclusion Governance (Corporate Level)

9.1.1 Public commitment and strategic framework

- a. The Company shall establish and publicly disclose a formal commitment to eliminating workplace discrimination and promoting equal opportunity. This commitment shall clearly articulate the Company's core values and responsibilities in fostering a diverse, equitable, and inclusive workplace. It shall be approved by top management and communicated to all employees as part of the Company's core values.
- b. The Company shall develop a DEI strategy applicable to its overall operations, with clearly defined goals and measurable indicators for improving diversity, equity, and inclusion.
- c. When developing or revising the DEI strategy, the Company shall actively solicit input from employees across different positions, levels, and backgrounds through appropriate channels (such as employee representative assemblies, forums, and anonymous surveys), with particular attention to the voices of women, employees with disabilities, and frontline workers. Any DEI policies or systems that significantly affect employee interests shall be submitted to the employee representative assembly for review. The

final strategy shall be approved by top management and serve as the guiding document for all subsequent DEI work.

9. 1. 2 Resource allocation and responsibility assignment

The Company shall designate a responsible department for DEI governance, clearly define its management responsibilities, and incorporate DEI performance into the evaluation of relevant department heads and senior leaders to ensure accountability.

9. 1. 3 Identification of DEI issues through inclusive participation

The Company shall consult with employees, including underrepresented groups, to identify and assess substantive concerns related to diversity, equity, and inclusion.

9. 1. 4 Development of DEI performance objectives and review processes

- a. The Company shall set specific objectives or indicators for diversity representation at the highest decision-making levels, including the board of directors and executive leadership team.
- b. The Company shall establish a formal process for senior management to review, update, and track the implementation of the DEI strategy, including clear responsibilities, review methods, and timelines.

9.1.5 Implementation of DEI systems and processes

- a. The Company shall translate the DEI strategy into actionable policies and processes covering key areas such as talent recruitment, retention, and accessibility.
- b. The Company shall integrate DEI principles into existing corporate governance and business processes, to ensure the strategy serves as a consistent requirement and actionable standard for corporate governance and operations, continuously implemented in operational activities. When developing human resources policies, supplier access standards, and corporate cultural activity plans, the Company may incorporate the d DEI principles to ensure consistent implementation across all operations.

9.1.6 Capacity building and awareness enhancement

The Company shall provide regular training to all employees on core DEI topics, including anti-discrimination, equal opportunity, prevention of workplace harassment, workers' rights and grievance filing, unconscious bias, and inclusive culture. Training records shall be maintained.

9.1.7 Inclusive participation and communication

The Company shall regularly communicate the content and implementation progress of the DEI strategy to the highest governance body (such as the board of directors or administrative body at the similar

level), all employees, and relevant stakeholders, while actively soliciting feedbacks/comments and maintaining records of such communication.

9. 1. 8 Industry cooperation and collaborative development

- a. The Company shall support industry-wide efforts to identify and address systemic barriers to diversity, equity, and inclusion by collaborating with industry peers, associations, and multi-stakeholder initiatives.

9. 1. 9 Monitoring, Evaluation, and Disclosure

- a. The Company shall regularly inform employees of the progress of DEI strategy implementation through internal channels to maintain transparency and engagement.
- b. Based on priorities agreed with workers, the Company shall commission independent third-party reviews of DEI strategy implementation and performance at appropriate intervals. Key findings and corrective actions shall be disclosed to stakeholders as appropriate.
- c. The Company shall regularly disclose progress toward achieving diversity representation goals at the leadership level, using anonymized and aggregated data.

9.2 Diversity, Equity, and Inclusion Governance (Mine Site Level)

9.2.1 DEI governance structure and responsibility assignment

Each mine site shall establish an appropriate governance structure for DEI, clearly define management responsibilities and accountability mechanisms at all levels, and ensure that corporate DEI commitments are effectively implemented in on-site operations.

9.2.2 Scope definition and baseline survey

- a. The mine site shall define the scope of DEI management and establish methods for data collection, analysis, and reporting, ensuring compliance with data anonymization and privacy protection requirements.
- b. The mine site shall conduct a baseline diversity survey of its workforce to establish key diversity indicators, providing a reference for performance evaluation. This may be integrated with existing processes such as employee onboarding or annual health checks, without introducing additional sensitive data collection.

9.2.3 Setting DEI goals

The mine site shall collaborate with cross-departmental personnel, including representatives from labor groups and underrepresented groups, to develop and implement specific goals and action plans related to recruitment, retention, promotion, and DEI issues.

9. 2. 4 Internal review and Assessment

- a. The mine site shall conduct regular internal reviews of existing management processes (recruitment, performance evaluation, skills development, retention, and promotion) to identify and eliminate biases and barriers that hinder diversity, equity, and accessibility. Appropriate improvement measures shall be developed and implemented.
- b. The mine site shall regularly review the design of workplace, both digital and physical infrastructure, to identify and address biases and barriers, and implement targeted measures to enhance inclusivity and accessibility.

9. 2. 5 Inclusive engagement and communication

- a. The mine site shall implement inclusive internal communication, and ensure internal communication is conducted in an easily understandable and culturally appropriate manner, providing equitable access to information through existing channels such as employee representative assemblies and labor unions.
- b. In line with the principle of inclusive stakeholder engagement, the mine site shall collaborate with cross-departmental personnel representing diverse perspectives and experiences — including relevant labor groups and underrepresented groups — to regularly

assess the scope, methods, and existing processes for DEI-related data collection and reporting.

- c. The mine site shall collaborate with local stakeholders and rights holders to provide targeted support, including financial assistance, job opportunities, and skills training, to foster an inclusive, equitable and diverse work environment.

9.2.6 Optimization of human resources processes and fair promotion mechanisms

- a. The mine site shall introduce initiatives or processes in its management practice to foster a diverse, equitable, and inclusive workplace culture.
- b. The mine site shall implement management processes aimed at:
 - Reducing or eliminating potential biases in recruitment, performance evaluation, skills development, retention, and promotion.
 - Enhancing workplace inclusion and promote workplace diversity by providing economic support, employment opportunities, and skills training.
 - Achieving balanced and representative diversity across all levels, positions, and operational areas.
- c. The mine site shall strive to ensure that the local workforce composition reflects the demographic characteristics of the

surrounding communities, and provide corresponding support measures to guarantee equitable access to employment and promotion opportunities. Where recruitment extends beyond the local area, efforts shall be made to align workforce diversity with the broader regional or national demographic profile.

9. 2. 7 Capacity building and awareness enhancement

The mine site shall develop and implement regular training and awareness enhancing programs on DEI for all workers, and maintain training records.

9. 2. 8 Promoting collaborative supply chain development

- a. The mine site shall clearly communicate its DEI requirements to suppliers and contractors and encourage them to adopt similar practices within its own operations and within its supply chain.
- b. The mine site shall integrate DEI principles into supplier selection, contract terms, and supplier management, to identify and eliminate institutional barriers to fair participation and competition.

9. 2. 9 Monitoring and evaluation

- a. The mine site shall continuously monitor and analyze workforce diversity indicators.
- b. The mine site shall conduct regular internal reviews to evaluate the effectiveness of DEI policies and practices. These reviews shall include meaningful participation from diverse employees, especially

underrepresented groups. Results and key findings shall be communicated to management and all employees in a timely manner.

9.2.10 Information disclosure and publicity

- a. The mine site shall clearly inform employees about the data anonymization processes used in data collection, analysis, and reporting. Anonymization shall ensure that data cannot be traced back to individuals, thereby protecting privacy while enabling effective and safe feedback.
- b. The mine site shall regularly disclose diversity performance indicators to promote transparency in personnel composition and related statistical information, while enabling appropriate public oversight.
- c. The mine site shall regularly communicate the progress and effectiveness of its DEI action plans through both internal and external channels.

Glossary

(Workplace) Accessibility: Accessibility in the workplace mentioned in this session refers to the practice of designing work environments and systems to be usable by everyone, to ensure equal access and full participation for all individuals, regardless of physical, sensory, or cognitive abilities. It involves the systematic identification and removal of physical barriers (e.g., building structures, facilities, and equipment)

and digital barriers (e.g., software compatibility, website accessibility, and intranet systems). In the Chinese context, this includes ensuring compatibility with screen readers, providing subtitles for training videos, and adopting age-friendly design for mobile applications.

Baseline Data: A systematic description of the existing conditions at a specific point in time, serving as a reference point for measuring change.

It establishes the initial state (e.g., pre-project or pre-intervention conditions) against which subsequent conditions can be compared, enabling quantitative assessment of the degree and nature of change resulting from the Company's activities or programs.

Fairness: The principle of addressing individual differences in needs to eliminate barriers and ensure equitable opportunities for participation, performance, and contribution⁶. In the Chinese legal context, fairness aligns with the principles of “equal employment opportunity” and “non-discrimination” as stipulated in the *Labor Law of the People's Republic of China* and the *Employment Promotion Law of the People's Republic of China*.

Inclusion: The experience people have in the workplace and the extent to which they feel valued for who they are, the skills and experience they bring and the extent to which they have a strong sense of belonging with

⁶ Refer to Canadian Centre for Diversity and Inclusion.

others at work. A person's feeling of inclusion at work is related to their identity, their own behaviour and that of others and the environment they are in⁷. Inclusion should also include considerations related to accessibility in the workplace, to enable meaningful participation by all employees.

DEI Objectives for Corporate Leadership: There are a range of ways in which a company can set evidence-based objectives for corporate leadership recruitment, retention, and engagement. These might include quantitative objectives (e.g., diverse representation, compensation equity, retention rates for individuals from underrepresented groups, budget allocation to relevant initiatives) or qualitative objectives (e.g., reported feelings of belonging, inclusion, or engagement assessed via regular surveys or interviews). A company may also set process-related objectives (e.g., implementation of a policy that all candidate pools meet certain diverse representation requirements, requirements for training related to equity, diversity, and inclusion, establishment of a senior-level committee).

Independent review: Independent assessments conducted by an external third-party that are intended to ensure continual improvement by evaluating the status of actions from the previous review and the

⁷ Refer to Transforming Enterprises through Diversity and Inclusion.

effectiveness of concerned actions. The independent review process should identify opportunities for improvement and describe associated action plans. The independent review should also provide a summary of significant issues related to the overall performance of the Company and its management system, including compliance with legal requirements, conformance with standards, policies and commitments and the status of corrective actions. An independent review of DEI should involve an expert who is tasked with identifying ongoing strengths, opportunities, and challenges to equitable, diverse, and inclusive workplaces.

Underrepresented groups: In different national and local contexts, certain groups may be underrepresented and experience different degrees of vulnerability and marginalisation in the mining sector. In order to identify underrepresented groups in their respective local and national contexts, companies are encouraged to review relevant local legislation and available workforce and demographic data and to collaborate with workers and relevant communities of interest, to ensure that the identification results are relevant to local conditions and reflect inclusive participation. In the Chinese mining context, such groups typically include women, persons with disabilities, ethnic minorities, employees with lower levels of formal education, frontline workers, and contractor personnel.

Workplace Design: The intentional planning and organization of physical and digital work environments to enhance productivity, collaboration, well-being, and inclusivity. It requires consideration of diverse user needs related to race, gender, disability, age, religion, culture, and sexual orientation, influencing not only physical layout and facilities but also management policies, workplace practices, and interaction patterns.

Physical Infrastructure: All physical environments, structures, facilities, and equipment provided, managed, or controlled by the Company to support operations and employee needs. In the context of DEI, this includes mining work areas, offices, control rooms, laboratories, employee dormitories, and ancillary facilities. Particular emphasis is placed on gender-inclusive restrooms, changing rooms, mother-and-baby rooms, prayer rooms, accessible ramps and elevators, ergonomic personal protective equipment (PPE), and appropriate safety lighting to eliminate physical barriers and promote inclusion.

Systemic Barriers: Long-standing, often unintentional institutional policies, practices, or structural features within an organization or industry that disproportionately disadvantage certain groups. Although they may appear neutral on the surface, these barriers result in unequal access to opportunities, resources, and advancement. Examples include biased recruitment criteria, performance evaluation systems, informal

networks, and decision-making processes. Systemic barriers stem from organizational inertia rather than isolated individual actions and lead to persistent inequalities in outcomes.

References

Global Reporting Initiative (GRI) : *GRI 405: Diversity and Equal Opportunities*

ICMM: *Social and Economic Reporting: Framework and Guidance*

International Labour Organization (ILO): *Discrimination (Employment and Occupation) Convention (No. 111)*

International Labour Organization (ILO): *Violence and Harassment Convention (No. 190)*

International Labour Organization (ILO): *Convention concerning Vocational Rehabilitation and Employment (Disabled Persons) (No. 159)*

International Finance Corporation (IFC): *Toolkit: Unlocking Opportunities for Women and Businesses*

International Organization for Standardization (ISO): *Human Resources Management – Diversity and Inclusion*

10 Artisanal and Small-scale Mining

Purpose

This section aims to establish clear management responsibilities and guidance for the Company's engagement with artisanal and small-scale mining (ASM). The Company shall effectively identify and manage the environmental, social and compliance risks and impacts associated with artisanal and small-scale mining operations. At the same time, the Company shall actively support the legalization, formalization and professionalization ASM communities by creating economic opportunities. By supporting the sustainable and responsible development of artisanal and small-scale mining (ASM) within the applicable legal and policy framework, the Company can foster more inclusive and resilient community relations, enhance supply chain transparency and traceability, and contribute to long-term goals of environmental protection, social stability, and shared economic prosperity.

Artisanal and small-scale mining is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 6: Grievance management

Topic 7: Employment practices and labour rights

Topic 8: Child and forced labour

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Topic 14: Emergency preparedness and response

Topic 15: Land acquisition and resettlement

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 21: Climate action

Topic 22: Biodiversity

Scope of Application

This section applies to artisanal and small-scale mining (ASM) activities within the mining site's area of influence.

This session primarily addresses the identification, mitigation, and monitoring of risks and impacts associated with affected stakeholders and rights holders (including ASM communities). For new development

projects and significant changes (such as expansion), the Company shall refer to Topic 2: Risk Assessment and Impact Management and Topic 15: Land Acquisition and Resettlement. For existing operations, the Company shall refer to Topic 12: Community Impact and Development. This chapter incorporates content related to risk and impact assessment and mitigation measures to highlight their critical significance for artisanal and small-scale mining communities. Its applicability is consistent with, and shall be implemented in alignment with, the requirements of Topic 2: Risk Assessment and Impact Management, Topic 15: Land Acquisition and Resettlement, and Topic 12: Community Impact and Development.

Important Note: The ASM risk mitigation and relationship management plan described in Section 10.2.2 applies only to risks arising from, or directly linked to, the Company's own mining operations. It does not cover inherent risks associated with the independent operating conditions of ASM activities that fall outside the mining site's area of influence.

Requirements

10.1 Scope Definition and Compliance Risk Assessment

10.1.1 Scope definition and compliance status identification

Based on the OECD definition of "legitimate artisanal and small-scale mining" (see Glossary), the Company shall identify and assess the extent to which ASM operators within the mining site's area of influence

can be considered “legitimate”. The assessment shall determine whether their operations are conducted within the existing legal and regulatory framework, or whether — while not fully compliant — they are making demonstrable good-faith efforts toward compliance. Good-faith efforts may be evidenced through dialogue, willingness to accept assistance, and cessation of worst practices.

10. 1. 2 Socioeconomic Baseline Surveys

The Company shall conduct necessary socioeconomic baseline surveys to understand the demographics, business motivations, operating models, and interactions of ASM communities with other stakeholders, government agencies, supply chains, and financing channels. These surveys shall provide a foundation for developing appropriate and sustainable support measures. A rapid assessment may be used initially, with more in-depth studies conducted as conditions allow.

10. 1. 3 Two-Way Risk Identification and Assessment⁸

The Company shall conduct a systematic, two-way assessment of

⁸ The initial assessment should be conducted during the merger and acquisition due diligence phase or within six months prior to the commencement of production. It is recommended that a third-party organization with relevant local experience be engaged to carry out the assessment. The assessment should cover, at a minimum: the scale and composition of artisanal and small-scale mining (ASM) practitioners; their organizational structures; the presence and status of armaments; chemicals used in mining activities; their relationships with local communities; and their livelihood dependence on ASM activities.

risks and impacts between its operations and ASM activities, and shall update this assessment at regular basis. The assessment shall cover ASM communities within the mining site's area of influence, with particular attention to the specific or disproportionate risks faced by women, children, and other vulnerable groups.

10.2 Policy Commitment and Risk Management Plan

10.2.1 Public Commitment to Support ASM Formalization

Within the mining area's area of influence, the Company shall make a public commitment to support the formalization and professionalization of legitimate ASM operators and to promote continuous improvement in their operational management, safety, environmental performance, and social responsibility practices.

10.2.2 Development and Implementation of a Risk Mitigation and Management Plan

Based on the identified risks and impacts, the Company shall develop and implement a mitigation and management plan for ASM risks. The plan shall include procedures for managing relationships with legitimate operators, covering decisions on engagement or disengagement, ongoing communication and interaction, access to grievance mechanisms, mitigation of security and human rights risks (see Topic 11: Human Rights and Security), and coordination of ASM-related risks in emergency response (see Topic 14: Emergency Preparedness and

Response). The content and intensity of the plan shall be proportionate to the level of risk identified in 10.1.3. Differentiated measures shall be applied to high-risk scenarios (e.g., involvement of armed groups) and lower-risk scenarios (e.g., livelihood-based community mining).

10.3 Day-to-Day Risk Management

10.3.1 Technical assistance to improve social and environmental performance

- a. The Company shall establish and maintain cooperation with legitimate ASM operators and their stakeholders to promote formalization and professionalization through technical assistance and ongoing support. Priority shall be given to the adoption of cleaner technologies (such as mercury-free processing), with the primary objective of reducing negative impacts rather than simply increasing production. Organizational and management capacity shall also be strengthened to improve performance in safety, human rights, social, and environmental areas.
- b. Technical assistance shall be tailored to the actual needs of ASM stakeholders. Targeted capacity building activities shall be conducted, which may cover organizational management, basic financial and business skills, market access, responsible mining practices, and occupational health and safety. Training shall be localized, practical, and easy to understand.

10.3.2 Ensuring access to grievance mechanisms

The Company shall clearly communicate⁹ the availability, accessibility, and procedures of its grievance mechanism (see Topic 6: Grievance Management) to relevant ASM operators and communities within the mining site's area of influence.

10.3.3 Responsible supply chain due diligence

Where the Company purchases minerals or metals directly or indirectly from legitimate ASM operators, it shall conduct risk-based due diligence in accordance with Issue 5: Responsible Supply Chain.

10.4 Support Initiatives

10.4.1 Supporting market connectivity

The Company shall actively identify opportunities to improve market access for legitimate ASM operators. Combining due diligence findings with constructive engagement, the Company shall support legitimate ASM operators accessing to legitimate market to sell their products within a compliant framework.

10.4.2 Supporting livelihood diversification

The Company shall collaborate with ASM representatives, local

⁹ Informing method should be adapted to local cultural characteristics and may employ one or more of the following methods: communication through community leaders, use of visual tools (such as pictures and illustrations), recording audio in the local dialect, and setting up mobile complaint points at artisanal and small-scale mining sites (such as wells and mills). Simply posting written notices is insufficient to meet the requirement.

government authorities, and other stakeholders to promote and support alternative or supplementary livelihood initiatives¹⁰, economic development programs, and social welfare activities for ASM communities. In cases of significant impact, priority shall be given to indigenous peoples, women, children, and other vulnerable or disadvantaged groups.

10. 4. 3 Exploring space sharing

- a. Where permitted by policy and practical conditions, the Company shall work with relevant government authorities to explore feasible options for designating appropriate areas within existing mining concessions for legal use by ASM communities.
- b. In areas involving indigenous land rights or disputes, the Company shall not proactively propose land transfers unless a Free, Prior and Informed Consent (FPIC) process has been completed.
- c. Any land allocation or transfer scheme must be formally approved by the competent government authorities and shall respect and protect the rights of indigenous communities.

¹⁰ Alternative livelihood projects should adhere to the following principles: 1) Non-crowding-out principle – not disrupting the existing legitimate livelihoods of ASM miners (such as agriculture); 2) Non-substitution principle – not substituting for the government's public service responsibilities; 3) Non-dependency principle – project design should focus on capacity building and avoid creating welfare dependency. The effectiveness of projects should be measured by sustainable income growth rather than short-term satisfaction.

10.4.4 Participation in multi-stakeholder collaborative governance

The Company shall actively support and participate in multi-stakeholder initiatives led by governments, industry associations, communities, or international organizations, to promote the formalization and professionalization of artisanal and small-scale mining.

10.5 Monitoring, Evaluation, and Continuous Improvement

10.5.1 Risk management plan and implementation monitoring and evaluation

- a. The Company shall regularly review¹¹ and update its ASM risk mitigation and management plans to ensure they remain relevant, adequate, and effective.
- b. The Company shall track and record the implementation of engagement, training, and support activities related to relevant industry entities and communities in accordance with established management and mitigation plans, analyze relevant data as needed, and take timely corrective actions to continuously improve performance.

¹¹ The frequency of reviews should be linked to the risk level of ASM activities—high-risk ASM areas should be reviewed at least quarterly, while semi-annually review for medium-risk areas, and annually review for low-risk areas. Review results should be documented in writing.

10. 5. 2 Review of grievance handling effectiveness

In accordance with Topic 6: Grievance Management, the Company shall regularly review grievances related to ASM, including their content, handling process, and resolution effectiveness, to identify systemic issues and improvement opportunities in a timely manner.

Glossary

Area of Influence: The geographical and functional boundaries within which the project's activities may cause direct, indirect, or cumulative impacts. It extends beyond legally owned land and includes all areas that may be affected by the project's operations. Depending on the impacts, the Area of Influence may include, as appropriate, the following areas:

- **Dynamic Operations and Ecosystem Livelihood Linkage Zone:**
The geographical area encompassing the mining area's current direct operations, including contractor activities and facilities, as well as foreseeable future development impacts. Its boundaries extend to areas where the project's activities may indirectly cause impacts on biodiversity or ecosystem services upon which affected communities' livelihoods are dependent.
- **Associated Facilities and Functional Symbiotic Zone:** Facilities that are not directly owned or controlled by the Company but have a unique symbiotic relationship with the mining project. These are facilities that would not have been constructed or expanded without

the project and without which the mining operations could not function effectively.

Artisanal and Small-Scale Mining (ASM): Mineral extraction and primary processing activities carried out by individuals, families, groups, or cooperatives using low levels of mechanization and labor-intensive methods, often with simple tools. ASM operations are frequently informal and vary widely in scale, ranging from a few people to thousands of workers. ASM is widespread globally, particularly in developing countries, where it serves as a vital source of livelihood and non-agricultural rural income for many communities. Due to limited regulatory capacity and resources, many ASM activities operate informally, and some occur in protected areas or involve illegal practices. When ASM coexists or interacts with large-scale mining operations — through business relationships, shared sites, or parallel activities — it can give rise to significant environmental, social, and human rights impacts. In the context of climate change and declining traditional agricultural livelihoods, ASM has become an increasingly important economic alternative for many rural populations.¹²

Formalization: refers to the process of moving artisanal and small-scale mining from an informal or unregulated state into a legal, regulated,

¹² Refer to World Bank's report: *Achieving Sustainable and Inclusive Artisanal and Small-Scale Mining (ASM): A Renewed Framework for World Bank Engagement*.

traceable, and supported institutional framework, enabling it to operate in a responsible, compliant, safe, and sustainable manner.

Legitimate ASM: The determination of the legitimacy of artisanal and small-scale mining is dynamic and complex. Its assessment depends not only on the completeness and enforcement of the local legal framework, but also on a comprehensive consideration of specific operating conditions and the substantive efforts of practitioners in promoting formalization. For the purposes of this Code, "legitimate ASM" refers, among others, to artisanal and small-scale mining that is consistent with applicable laws. When the applicable legal framework is not enforced, or in the absence of such a framework, the assessment of the legitimacy of artisanal and small-scale mining will take into account the good faith efforts of artisanal and small-scale miners to operate within the applicable legal framework, and actively participating when formalization opportunities arise. In either case, Artisanal and small-scale mining, as with all mining, cannot be considered legitimate when it contributes to conflict and serious abuses associated with the extraction, transport or trade of minerals.

Legalization: The process by which artisanal and small-scale mining practitioners or organizations obtain formal legal recognition, including the necessary permits, licenses, or mining rights, allowing them to operate lawfully within the applicable regulatory framework. Legalization

requires that operations do not involve conflict financing or serious human rights abuses as defined in relevant international standards (e.g., OECD Due Diligence Guidance).

Professionalization: The process by which artisanal and small-scale mining entities improve their operational practices to meet legal requirements and fulfill sustainability obligations.

Stakeholders: Individuals, groups, or organizations¹³ that are or may be affected by the Company's operations and related activities, or who have legitimate interests in the project's performance. This includes:

- **Affected parties:** Community residents, employees, and their representatives (including labor unions) who are directly, indirectly, or cumulatively affected by the project.
- **Other stakeholders:** Government agencies, businesses, media, academic institutions, religious groups, civil society organizations (CSOs), and other entities with relevant expertise in business and human rights who represent or advocate for affected parties.

References

OECD Due Diligence Guidance for Responsible Supply Chain of Minerals from Conflict-Affected and High-Risk Areas

Reporting Initiative (GRI): *GRI 14: Sector Standard for Mining*

¹³ Refer to relevant definitions in World Bank's report: *Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure (ESS10)*

World Bank: *Achieving Sustainable and Inclusive Artisanal and Small-Scale Mining (ASM): A Renewed Framework for World Bank Engagement.*

World Bank: *Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure (ESS10)*

AWEIK *SGBV Prevention and Response Guidelines for Women in Mining*

IMPACT *Toolkit: Gender Impact Assessments for Projects and Policies Related to Artisanal and Small-Scale Mining*

11 Human Rights and Security

Purpose

This session aims to provide guidance for companies to establish and implement a robust human rights due diligence system and security management framework in alignment with the *United Nations Guiding Principles on Business and Human Rights (UNGPs)* and the *Voluntary Principles on Security and Human Rights (VPSHR)*. This framework aims to systematically identify, prevent, mitigate, and remedy actual and potential adverse human rights impacts and security-related risks arising from the Company's business operations and mine area security arrangements.

Human rights and security issues are cross-cutting in nature and shall be managed in close coordination with other relevant sections of this Code.

Related issues include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 6: Grievance management

Topic 8: Child and forced labour

Topic 9: Diversity, equity and inclusion

Topic 10: Artisanal and small-scale mining

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Scope of Application

This issue applies to all mining areas and enterprises, regardless of their size, industry, ownership structure, or business background. Enterprises should conduct due diligence in a manner appropriate to the complexity of their operations and the severity of potential human rights impacts. Security-related provisions are only mandatory if the mining area assessment determines that security activities pose a human rights risk. If the assessment confirms that security measures do not pose a potential human rights risk, then specific security requirements may not apply.

Requirements

11.1 Protection of Human Rights

11.1.1 Management system and policy commitment

- a. Top management commitment to respect international standards:

The Company shall issue a public policy commitment to respect human rights, ensuring that its Code of Conduct is fully aligned with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

- b. Strengthen human rights constraints in the business chain: Embed human rights compliance into business cooperation processes through contract management, procurement guidelines and partner codes of conduct, require related parties to fulfill their due diligence obligations and prevent joint liability caused by third-party infringements.
- c. Set forward-looking performance indicators and publish special reports: The Company shall establish clear, measurable human rights performance indicators covering its operations and value chain. Progress against these indicators shall be regularly monitored, and the Company shall transparently report results through dedicated public disclosures

11. 1. 2 Risk identification and assessment

- a. Implement inclusive human rights risk screening: The Company shall conduct ongoing, lifecycle-wide human rights risk assessments. Particular attention shall be given to potential adverse impacts on human rights defenders (HRDs), vulnerable groups, and marginalized populations.
- b. Enhanced management over conflict-sensitive areas: In conflict-affected or high-risk areas, the Company shall apply enhanced due diligence, including close monitoring of resource transactions and

security arrangements to avoid contributing to or exacerbating conflicts.

- c. Establish a cooperative human rights monitoring and early warning mechanism: The Company shall establish collaborative mechanisms with rights holders, human rights organizations, and other stakeholders to incorporate external perspectives into risk identification and early warning systems, thereby improving the timeliness and accuracy of assessments

11. 1. 3 Capacity building and training

- a. Expertise empowerment for key functional departments: The Company shall provide regular specialized training to personnel in key functions, including security, procurement, community relations, and environmental management, to ensure they can perform their duties (especially public and private securities) without causing or contributing to human rights violations.
- b. Risk-based training for all employees and partners: Using a risk-based approach, the Company shall deliver appropriate human rights training to all employees and key business partners at regular intervals to strengthen awareness and prevention capabilities.
- c. Assist value chain partners in improving their management capabilities: The Company shall proactively support its business partners in strengthening their human rights management capacity

by sharing policies, best practices, and tools for identifying, preventing, and addressing adverse impacts.

11.1.4 Actions, grievance mechanisms, and continuous improvement

- a. Establish a platform for handling stakeholder complaints: The Company shall operate an effective, accessible, and rights-compatible grievance mechanism that allows stakeholders to raise concerns safely and receive timely, fair responses.
- b. Provide substantial compensation and correction for the damage: Where the Company has caused or contributed to human rights abuses, it shall provide or cooperate in the provision of effective remedy, including appropriate remediation or compensation, through transparent and efficient processes.
- c. Disclose the effectiveness and transparency of the response plan: The Company shall publicly communicate its human rights mitigation measures and outcomes in a clear and accessible manner, while protecting sensitive information.
- d. Internal review of the effectiveness of human rights management: The Company shall conduct a comprehensive internal review of the effectiveness of its human rights management system at least every three years, and update measures in response to changes in the operating environment.

- e. **Introduce external independent supervision and social auditing:**
The Company shall engage qualified independent third parties to conduct regular external audits of its human rights performance across operations and the supply chain, and shall disclose key audit findings as appropriate to enhance transparency and accountability.

11.2 Security Management

11.2.1 Management System and Policy Commitment

- a. **Security compliance commitment:** The Company shall publicly commit to implementing the Voluntary Principles on Security and Human Rights (VPSHR) and explicitly state that it will not provide direct or indirect support to any non-state armed groups or illegal security forces operating in or around the mining area.
- b. **Compliance of security practices:** The Company shall integrate the VPSHR into all aspects of mine security operations and ensure consistent application of its principles in daily security practices.
- c. **Strengthen the code of conduct for private security providers:** The Company shall require private security providers to align with the International Code of Conduct for Private Security Service Providers (ICoC) and shall support their capacity to meet these standards.

d. Enforce international private security codes of conduct: All contracts with private security service providers shall include explicit, binding obligations to comply with the VPSHR and the ICoC.

11. 2. 2 Risk identification and assessment

- a. Integrated risk assessment: The Company shall conduct regular, comprehensive security risk assessments. In conflict-affected and high-risk areas (CAHRAs), assessments shall include detailed analysis of geopolitical and conflict dynamics.
- b. Qualification verification of third-party security service providers: The Company shall assess the suitability and human rights record of all public and private security providers before engagement and on an ongoing basis.
- c. Impact analysis of special security measures targeting vulnerable groups: The Company shall periodically evaluate potential adverse human rights impacts of security arrangements on women, marginalized groups, and human rights defenders, and shall develop targeted mitigation measures.
- d. Community-based collaborative security assessment: The Company shall involve neighboring communities and relevant civil society organizations in joint security risk assessments to ensure local security concerns are properly identified and addressed.

11. 2. 3 Stakeholder engagement, communication, and training

- a. Enhance the transparency of security deployment: Explain the mine's security arrangements to all employees, the surrounding community, and rights holders in an easy-to-understand manner to improve awareness of security measures.
- b. Interactive dissemination of security standards and codes of conduct: Proactively engage in formal communication with the community and business partners regarding the behavioral boundaries and ethical standards that security personnel must follow, thereby clarifying the rights and responsibilities of all parties.
- c. Customized human rights and security professional education: Regularly provide human rights and security training to security personnel and related staff, tailored to practical on-the-job scenarios, with a strong focus on strengthening the protection of the rights of vulnerable groups.

11. 2. 4 Security Practices and Compliance Management

- a. Policy outreach and influence on public security forces: Actively communicate the Company's ethical and human rights policies to national and local public security forces, and exert positive influence to ensure their operations comply with international standards.
- b. Contractual obligations and background checks for private security providers: Clearly incorporate the Voluntary Principles on Security

and Human Rights (VPSHR) into service contracts with private security companies, and conduct rigorous background checks and pre-employment human rights assessments on security personnel.

- c. Formal agreement management for public security cooperation:
Strive to conclude and sign Memoranda of Understanding (MOUs) or other specific binding agreements that include human rights protection clauses with public security service providers

11. 2. 5 Monitoring, auditing, and remediation

- a. Notification and Legal Assistance for Sensitive Security Incidents:
Establish a rapid response process to promptly notify judicial authorities of credible allegations of security-related human rights infringements, and monitor and cooperate with relevant investigations within the legal scope.
- b. Closed-Loop Remediation for Security-Related Human Rights Violations: When it is confirmed that security actions in the mining area have negatively impacted human rights, the Company shall initiate remedial procedures or assist victims in pursuing legal avenues to obtain effective remedy and compensation.
- c. Routine Internal Audits of the Effectiveness of the Voluntary Principles on Security and Human Rights: Conduct internal audits at established frequencies to assess the effectiveness of the implementation of the Voluntary Principles on Security and Human

Rights (VPSHR) in the mining area, ensuring the management system remains active and effective.

- d. Independent Audits of the Implementation of International Security Standards: Engage qualified third-party professional organizations to regularly conduct external verification and independent assessments of the adequacy and compliance of VPSHR implementation in the mining area.

Glossary

Adverse human rights impacts: In the context of business and human rights, an adverse human rights impact occurs when an action or omission by a business enterprise removes or reduces the ability of an individual to enjoy their human rights. This includes impacts caused directly by the business, those it contributes to, and those directly linked to its operations, products, or services through business relationships.

Business partners: An entity with whom the mining site has a contractual relationship. Business partners include contractors, agents, suppliers, local and international intermediaries or traders, and joint venture partners. They also include entities that provide services, such as security providers and recruitment agencies, or any other third parties subject to due diligence within the scope of the Consolidated Standard. Business partners do not include customers and end consumers.

Conflict-affected and high-risk areas (CAHRA): Areas identified by the presence of armed conflict, widespread violence, including violence generated by criminal networks, or other risks of serious and widespread harm to people. Armed conflict takes a variety of forms, such as a conflict of international or non-international character, which involves two or more states, or could consist of wars of liberation, insurgencies, or civil wars. High-risk areas are those where there is a high risk of conflict or of widespread or serious abuses as defined in paragraph 1 of Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Such areas are often characterised by political instability or repression, institutional weakness, insecurity, the collapse of civil infrastructure, widespread violence and violations of national or international law.

Human rights: The internationally recognised rights and freedoms that all people have, regardless of their status or identity. These rights are inherent to all humans from birth and apply everywhere. Internationally recognised human rights include, at a minimum, those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Human rights defenders (HRDs): HRDs are defined by the UN Office of the High Commissioner for Human Rights, as "any person, acting

alone or in groups, (who acts peacefully) working to promote and protect human rights.” In the Consolidated Standard, the term, HRDs, includes environmental human rights defenders, which the UN defines as “individuals and groups who, in their personal or professional capacity and in a peaceful manner, strive to protect and promote human rights relating to the environment, including water, air, land, flora and fauna.” HRD’s actions to promote or protect human rights can vary, including public protest, commentary and campaigning. A Company may disagree with the objective of defenders, who could be individuals or groups not directly linked to their operations, and it is not up to the Facility to determine whether they are wrong or right. However, HRDs should use peaceful means to advance their cause, whilst accepting the universality of human rights as defined in the Universal Declaration of Human Rights. HRDs should not use measures that employ violence, including coercion, exploitation, or non-violent abuse.

Human rights due diligence (HRDD): An ongoing risk management process that a Company needs to follow to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. HRDD includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed. Companies should identify general areas where the risk of adverse human rights impacts is

most significant, whether due to certain suppliers' or clients' operating context, the particular operations, products or services involved, or other relevant considerations, and prioritise these for human rights due diligence.

Rights holders: Rights holders are individuals or social groups that have particular entitlements in relation to specific duty bearers (e.g., state or non-state actors that may have a particular obligation or responsibility to respect, protect and fulfil human rights and abstain from human rights violations). In certain contexts, there are often specific social groups whose human rights are not fully realised, respected or protected, such as Indigenous Peoples.

Stakeholders: Any individual, group of individuals or organisation, or their legitimate representatives, such as interest groups, government agencies or corporate entities who have rights or interests related to the Performance Areas covered by the Consolidated Standard that are or could be affected by adverse impacts associated with the Facility's operations. They could include local communities, politicians, commercial and industrial enterprises, labour unions, academics, religious groups, national social and environmental groups, public sector agencies and the media. Legitimate representatives include trade unions, as well as civil society organisations and others with experience and expertise related to business impacts on human rights.

Supply chain: The entities from which all materials, goods and services are procured by the mining site.

Conflict Analysis: A systematic process of identifying and understanding the political, social, economic, and security dynamics in the area where the Company operates, in order to assess conflict-related risks, potential drivers of instability, and their possible impacts on operations and stakeholders.

Private Security Providers: Externally contracted or outsourced entities engaged to provide security services. These typically refer to private security companies (PSCs) or private security personnel operating as commercial enterprises.

References

Geneva Centre for Security Sector Governance (DCAF): *Addressing Security and Human Rights Challenges in Complex Environments: A Practical Toolkit*

International Committee of the Red Cross (ICRC): *Private Business and Armed Conflict: An Introduction to Relevant Rules of International Humanitarian Law*

ICMM: *Human Rights Due Diligence Guidance*

OECD: *Guidelines for Multinational Enterprises on Responsible Business Conduct*

OHCHR: *UN Guiding Principles on Business and Human Rights*

United Nations General Assembly (UNGA): *International Covenant on Civil and Political Rights*

United Nations General Assembly (UNGA): *International Covenant on Economic, Social and Cultural Rights*

United Nations General Assembly (UNGA): *Universal Declaration of Human Rights*

United Nations Development Programme (UNDP): *UNDP Guidelines on Heightened Human Rights Due Diligence for Business in Conflict-Affected Contexts*

12 Community Impact and Development

Purpose

This chapter aims to guide the Company to establish a community engagement and collaboration mechanism centered on partnership with local communities, to jointly identify the impacts of operational activities and to develop targeted management measures with the objective of avoiding or minimizing adverse impacts on surrounding communities, populations, and the natural environment to the greatest extent possible. Building on effective risk management, the Company shall promote a partnership-based approach to resource allocation, supporting affected communities in sustaining economic benefits and progressively improving social well-being through livelihood enhancement and development support initiatives.

Community impact and development issues are cross-cutting and shall be managed in close coordination with other relevant sections of this Code. Related issues include, but are not limited to:

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 6: Grievance management

Topic 10: Artisanal and small-scale mining

Topic 11: Human rights and security

Topic 14: Emergency preparedness and response

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 17: Cultural heritage

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 21: Climate action

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This issue applies to all activities in the mining area.

12.1 Community Impact Management: This section focuses on the identification and assessment of the potential environmental and social impacts of operational activities on communities, with an emphasis on implementing measures to avoid and minimize adverse impacts. It applies to projects that have entered the operational phase. For requirements related to the identification and management of community impacts and opportunities associated with new development projects or significant change (e.g., expansion) to existing operations, refer to *Topic 2: Risk Assessment and Impact Management* and *Topic 15: Land Acquisition and*

Resettlement.

12.2 Community Development: Based on the identification of community impacts, this section addresses community development and benefit sharing, focusing on the positive contributions of operational activities to communities. It applies to existing operations, new development projects, and significant change (e.g., expansion). For new development projects and significant change, the requirements of this section shall be implemented in conjunction with *Topic 2: Risk Assessment and Impact Management* and *Topic 15: Land Acquisition and Resettlement*, ensuring that community development is integrated into early project planning as part of community risk management and rights protection throughout the project lifecycle.

Independence Principle: The implementation of community development activities under Section 12.2 shall not replace, offset, or exempt the Company from its obligations as required under Section 12.1.

In certain operational contexts or project phases, the following requirements shall also be applied in conjunction with this chapter:

- Indigenous areas: Implement the relevant provisions of *Topic 16: Indigenous Rights*, including the establishment of culturally appropriate engagement and participation mechanisms, due diligence processes, and specific requirements for reaching

agreements on impact mitigation, development opportunities, and benefit sharing in accordance with the principle of Free, Prior, and Informed Consent (FPIC).

- Artisanal and Small-Scale Mining (ASM): Implement *Topic 10: Artisanal and Small-Scale Mining*, including the establishment of communication mechanisms with nearby ASM operators, support for formalization processes, and coordination of surrounding ASM activities.
- Mine Closure Phase: The identification, assessment, and management of environmental and social impacts and risks associated with mine closure shall comply with *Topic 23: Mine Closure*.

Requirements

12. 1 Compliance Management

12. 1. 1 Principled commitment

- a. Throughout the entire lifecycle of the mining project, community impact management shall be fully integrated into the Company's environmental and social management system. The Company is committed to identifying, avoiding, and mitigating actual or potential adverse impacts of its activities on local communities and rights holders, and to providing remedies when appropriate.

- b. All community impact management activities shall be guided by the principles of respecting human rights, protecting community safety and well-being, and promoting inclusive and meaningful participation.

12. 1. 2 Division of responsibilities and staffing

The Company shall assign dedicated personnel with relevant experience in social management, cross-cultural communication, and appropriate professional qualifications to oversee the implementation of community impact mitigation measures. These personnel shall be granted sufficient authority and resources to effectively fulfill their responsibilities.

12. 1. 3 Scope definition and risk identification

- a. The Company shall scientifically define the “affected area” and “local area” based on the specific characteristics of the mining project, including its physical footprint and impact pathways. This definition shall serve as the basis for identifying affected stakeholders, conducting baseline surveys, and implementing community impact management throughout the project lifecycle.
- b. The Company shall ensure the meaningful participation of affected communities and rights holders. Through effective consultations, the Company shall work collaboratively with them to identify, assess, and prioritize direct, indirect, and cumulative adverse impacts and

risks on the community. Identification shall cover, at a minimum, dimensions related to community health and safety, social and environmental context, culture, and human rights; and the identification results should be prioritized.

12. 1. 4 Inclusive participation and differentiated analysis

When conducting community impact assessments, the Company shall ensure that women, vulnerable groups, and other marginalized or underrepresented populations are provided with effective opportunities to participate. Their specific needs and concerns shall be actively collected and considered to assess differentiated impacts on these groups.

12. 1. 5 Development and implementation of mitigation action plans

- a. Based on meaningful consultation with affected parties and relevant government authorities, the Company shall develop and implement targeted mitigation and management plans for identified social and environmental impacts. Mitigation shall follow the hierarchy of avoidance first, then minimization, and finally remediation or compensation for any residual impacts.
- b. The Company shall strengthen multi-stakeholder collaboration to support effective decision-making and implementation of mitigation measures throughout the operation and closure phases.

12. 1. 6 Monitoring, evaluation, and continuous improvement

a. The Company shall establish a robust monitoring mechanism to continuously track adverse impacts and the effectiveness of corresponding mitigation measures. Monitoring shall incorporate gender and inclusion considerations to verify whether women, vulnerable groups, and underrepresented stakeholders/right holders are disproportionately affected and whether impacts have been meaningfully reduced.

b. The Company shall collaborate with stakeholders and rights holders to jointly supervise the implementation of mitigation plans through regular communication and on-site verification, and to continuously track the effectiveness of mitigation measures and compliance status.

c. The Company shall conduct periodic effectiveness evaluations of mitigation measures in collaboration with affected stakeholders and rights holders, systematically assessing progress toward intended outcomes.

12. 1. 7 Information disclosure and transparency

The Company shall publicly disclose key findings and conclusions from monitoring and effectiveness evaluations of community impact management plans. Disclosures shall be made in accessible and understandable formats, covering main results, improvement

commitments, and follow-up actions. The Company shall also provide timely and substantive responses to stakeholder feedback to ensure transparency.

12. 1. 8 Capacity building and compliance training

The Company shall support capacity building of affected stakeholders and rights holders by identifying opportunities to provide training, resources, or external expertise. This shall enable them to participate effectively in impact assessment, mitigation planning, and monitoring as well as evaluation processes.

12. 2 Community Development

12. 2. 1 Principled commitments

The Company shall publicly disclose its strategic commitments to support local communities and promote sustainable socio-economic development in the region.

12. 2. 2 Division of responsibilities and staffing

The Company shall clearly define responsibilities for community development activities and allocate adequate human, financial, and managerial resources commensurate with the scope, scale, and complexity of its community development objectives.

12. 2. 3 Scope definition and baseline survey

Where not already established or where updates are required, the Company shall clearly define the “affected area” and “local area” based

on actual project conditions. On this basis, the Company shall conduct a comprehensive socio-economic baseline survey to understand community characteristics, livelihood patterns, and development needs. This baseline shall inform the setting of priorities and enable regular monitoring.

12. 2. 4 Identification of community development opportunities

The Company shall identify and assess opportunities to enhance local economic and social development, thereby strengthening community resilience throughout the project lifecycle and during the mine closure transition.

12. 2. 5 Inclusive participation and prioritization

The Company shall engage affected stakeholders and rights holders—including women, vulnerable groups, underrepresented populations, local governments, and community representatives—through meaningful participation to jointly identify and prioritize community development opportunities, thereby promote the implementation of prioritized activities.

12. 2. 6 Development and implementation of community development Plans

- a. Based on community priorities, the Company shall establish clear goals and indicators for community development, local employment, and procurement. These goals/indicators shall, where relevant, address the differentiated needs of women, vulnerable groups, and

underrepresented populations. The Company shall also ensure that the goals/indicators reflect the interests and participation opportunities of different affected groups.

- b. Through substantive stakeholder participation, the Company shall develop and implement community development plans that are aligned with the local socio-economic context. Plans shall include specific objectives, resource allocations, timelines, and mechanisms to ensure they respond to core community interests.
- c. The Company shall fully integrate local procurement and employment targets into community development plans to increase the proportion of local content in its operations.
- d. The Company shall actively involve community representatives in decision-making processes related to community development, local procurement, and employment programs.
- e. The Company shall encourage the establishment of formal Community Development Agreements (CDAs) through collaborative negotiation with affected communities. Such agreements shall include systematic monitoring, evaluation, and quality control mechanisms to ensure tangible improvements in local livelihoods. The Company shall also implement a proactive exit strategy to minimize structural dependence on the mine following project closure.

12. 2. 7 Multi-stakeholder collaboration and planning synergy

a. The Company shall build partnerships with local and regional governments, civil society organizations, indigenous groups, research institutions, universities, and international development agencies to enhance its contribution to local socio-economic development. Initiatives shall be aligned with relevant government development plans (if any) and priorities.

b. The Company shall explore opportunities to establish technology R&D platforms or innovation cooperation mechanisms with host-country institutions to promote knowledge sharing and technology transfer.

c. Through multi-stakeholder collaboration, the Company shall integrate community development opportunities into long-term investment decisions and mine closure planning (see Topic 23: Mine Closure) to strengthen community economic resilience and minimize negative impacts after closure.

12. 2. 8 Support for local employment and localized procurement

a. The Company shall promote fair, inclusive, and sustainable local employment opportunities for residents in the project area and surrounding communities.

- b. The Company shall implement localized procurement practices that provide transparent and equitable business opportunities to local suppliers and enterprises.
- c. The Company shall collaborate with local educational institutions to support skills development and create career pathways for local residents, aiming to promote local employment jointly.
- d. The Company shall identify and develop high-potential local employees through career guidance, leadership training, and opportunities to advance into management positions. By leveraging their managerial roles in actual positions, local talent can further enhance their workplace competitiveness.

12. 2. 9 Skills transfer and talent development

- a. The Company shall implement targeted skills training programs and apprenticeship schemes. Through knowledge transfer and practical training, it aims to enhance the professional capabilities and long-term employability of local residents.
- b. The Company shall provide digital skills training to help communities participate in the digital economy and reduce the digital divide.
- c. The Company shall deliver capacity-building support to local community organizations and indigenous enterprises to strengthen their ability to engage in long-term economic opportunities.

d. The Company shall explore mechanisms for appropriate technology transfer to support local enterprises, cooperatives, and community organizations in obtaining production skills and management knowledge, thus improving their competitiveness.

12. 2. 10 Contractor and supplier's community contribution performance management

The Company shall incorporate requirements for local employment and procurement into the selection, onboarding, and performance evaluation criteria for contractors and suppliers, and apply appropriate incentive measures to encourage their active contribution to community development goals.

12. 2. 11 Monitoring and evaluation

a. The Company shall conduct regular monitoring and evaluation of the implementation of community development plan against established goals and indicators. Results shall be used to optimize plans and improve overall effectiveness. The monitoring and evaluation process aims to continuously improve implementation effectiveness and optimize the company's contribution to community development.

b. The Company shall engage local governments, communities, and other stakeholders in the evaluation process for community development plan and other activities. By regularly reviewing the

actual effectiveness of community development plans, support initiatives, and partnerships, the Company can ensure that these initiatives genuinely translate into tangible benefits for the community, thereby strengthening mutual trust between business and local community.

- c. Any proposed adjustments to community development plans shall be subject to meaningful consultation with affected communities. Records of consultations and feedback shall be properly maintained.

12. 2. 12 Information disclosure and public reporting

- a. The Company shall regularly disclose progress and performance data related to community development, local procurement, and local employment at the mining area level in formats accessible to stakeholders.
- b. Socio-economic reporting shall follow internationally recognized frameworks such as the Global Reporting Initiative (GRI), the Local Procurement Reporting Mechanism (LPRM), or the ICMM Social and Economic Reporting Framework to ensure credibility and transparency.

Glossary

Physical Footprint: Refers to the land, water, and space physically occupied by project-related facilities, infrastructure, and activities. This includes both permanent structures (e.g., plant facilities) and temporary

uses (e.g., construction access roads, laydown areas, and stockpiles). In the context of community development, the physical footprint is often the direct source of physical displacement (e.g., loss of housing) and economic displacement (e.g., loss of farmland, grazing areas, or other livelihood resources).

Impact Path: Refers to the causal chain linking mining activities (cause) to changes in environmental and social conditions (outcome). It is used to identify, track, and analyze how operational risks translate into actual impacts on individuals, communities, and ecosystems.

Baseline Survey: Refers to the assessment of the pre-project conditions of affected communities and environments, conducted prior to project implementation. It provides an objective reference point for evaluating and measuring potential positive and negative project impacts over time.

Meaningful Consultation: A process of mutual dialogue based on good faith, whereby the Company has an obligation to consult and listen to stakeholder perspectives and integrate consideration of those perspectives into their business decisions. It emphasizes the proactive identification and removal of structural and practical barriers to participation—particularly for Indigenous peoples, women, and vulnerable groups—by ensuring equitable engagement through appropriate support and culturally responsive approaches. Key elements include advance disclosure of relevant and understandable information, establishment of transparent and

responsive communication mechanisms, and implementation of accountability measures for both the consultation process and its outcomes.

Stakeholders: Individuals, groups, or organizations that may be affected by, or have the ability to influence, the Company's decisions, operations, products, or services. This includes, but is not limited to, employees, contractors, local communities, suppliers, customers, investors, government authorities, and civil society organizations.

Rights holders: Rights holders are individuals or social groups that have particular entitlements in relation to specific duty bearers (e.g., state or non-state actors that may have a particular obligation or responsibility to respect, protect and fulfil human rights and abstain from human rights violations). In general terms, all human beings are rights-holders under the Universal Declaration of Human Rights. In particular contexts, there are often specific social groups whose human rights are not fully realised, respected or protected, such as Indigenous Peoples. It may also include individuals or groups who have a traditional or historical connection, attachment, and/or relationship to an area of land, sites and values.

Mitigation Hierarchy: A structured approach to managing adverse impacts, applied in order of priority to minimize harm:

- **Avoid:** Prevent impacts by modifying project design or location.
- **Minimize:** Reduce the magnitude or extent of impacts.

- **Restore:** Rehabilitate affected environments or conditions.
- **Offset:** Provide compensation for residual impacts as a last resort.

Area of Influence: Refers to the full geographic and functional extent of a project's direct, indirect, and cumulative impacts. This scope is not limited to legally owned or leased land but is defined based on the actual reach of project-related impacts. It may include:

Operational and Ecosystem-Livelihood Linkage Areas: a Company's current activities and operations and predictable developments that could occur later, and/or indirect project impacts on biodiversity or ecosystem services upon which affected communities' livelihoods are dependent;

Associated Facilities and Functional Linkages: associated facilities, not controlled by the mining operations but that would not have otherwise been constructed or expanded and without which the mining activities would not be viable; and the project depends on them. The Company shares responsibility for managing associated environmental and social impacts (e.g., land acquisition, traffic impacts).

Local: Refers to areas and populations closely connected to the mining operation through geographic proximity, administrative boundaries, or socio-economic relationships. In practice, this often includes neighboring communities and affected social groups. Each project should define

“local” early in its lifecycle, taking into account context-specific social, cultural, administrative, and resource-use characteristics.

Community development: The process of increasing the strength and effectiveness of leadership, governance in communities, improving the quality of life, enhancing the participation in and control over decision making, creating more opportunities for economic diversification and advancing and achieving communities and individual’s long-term control over their own lives. Companies can support community development by providing education, training, employment and procurement opportunities related to the operation, but importantly, also by supporting other programmes aimed at building community resilience and ability of a community to thrive independently beyond the life of the mine.

Economic Resilience: The capacity of a local economy—or specific groups such as households or businesses—to withstand, adapt to, and recover from external shocks, including market volatility, operational disruptions, resource depletion, or mine closure.

Community Development Agreement (CDA): A legally binding or formally recognized agreement developed through meaningful consultation between the Company and affected communities, local authorities, and/or other stakeholders. It defines the roles, responsibilities, and benefit-sharing arrangements of all parties, with the objective of

ensuring that resource development delivers measurable and sustained socio-economic benefits to local communities.

Exit Strategy: A forward-looking plan developed by the Company for the closure of operations or withdrawal from a project area. It aims to ensure the sustainability of development outcomes and reduce community dependence on mining activities by supporting capacity building, resource transition, and continued local development beyond the Company's direct involvement.

Contractor: A third-party entity engaged by the Company through contracts or subcontracts to carry out specific project activities (e.g., construction, installation, or services). The Company retains responsibility for overseeing the contractor's environmental and social performance within the project scope.

Supplier: An external individual or organization that provides goods or services—such as raw materials, equipment, or operational support—used in mining activities within the project's impact area.

References

ICMM: *Community Development Toolkit*

ICMM: *Social and Economic Reporting: Framework and Guidance*

International Finance Corporation (IFC): *Strategic Community*

Investment: A Good Practice for Companies Doing Business in Emerging Markets

International Finance Corporation (IFC)'s *Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts*

Mining Shared Value: *Mining Local Procurement Reporting Mechanism (LPRM)*

Ministry of Ecology and Environment of the People's Republic of China: *Guidelines for Ecological and Environmental Protection in Foreign Investment and Cooperation Projects*

13 Occupational Health and Safety

Purpose

The mining and mineral processing industry involves a wide range of occupational health and safety risks. A systematic approach is therefore required to identify, assess, and control these risks throughout all stages of operations, in order to provide a safe, healthy, and respectful working environment for employees, contractors, and other stakeholders.

Occupational health and safety management may be linked to other issues addressed in this Code and should be implemented in a coordinated manner. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 7: Employment practices and labour rights

Topic 12: Community impact and development

Topic 14: Emergency preparedness and response

Scope of Application

This issue applies to all mining areas.

Requirements

13. 1 Occupational Health and Safety Management System

13. 1. 1 Occupational Health and Safety Commitment

- a. The Company shall publicly commit to providing a safe and healthy workplace.
- b. The Company shall establish documented occupational health and safety objectives.

13. 1. 2 Organizational structure

- a. The Company shall establish an occupational health and safety management structure commensurate with the scale and risks of the project (e.g., a Health and Safety Management Committee).
- b. The Company shall appoint senior management personnel with responsibility for occupational health and safety and include employee representatives in the management structure.
- c. Adequate resources shall be allocated to ensure the effective operation of the management structure.

13. 1. 3 Management system

- a. The Company shall establish an occupational health and safety management system and corresponding procedures in compliance with applicable legal requirements.

- b. The Company shall integrate principles of mental health and mutual respect into its management system and develop relevant management plans.
- c. The Company shall provide access to professional mental health services and ensure the confidentiality of personal information.
- d. The Company shall establish performance objectives and/or indicators related to mental health and mutual respect.
- e. The Company shall integrate psychological safety and mutual respect considerations into procurement and contractor management processes
- f. The Company shall communicate these principles to affected stakeholders, including local communities, in a practical and accessible manner to support their implementation

13.2 Occupational Health and Safety Risk Assessment and Control

13.2.1 Risk identification and assessment

- a. The Company shall identify and assess all relevant occupational hazards, including physical, chemical, biological, ergonomic, structural, and psychosocial risks (e.g., harassment and bullying).
- b. Risk identification and assessment shall be conducted by qualified professionals.

13. 2. 2 Control measures

- a. When developing control measures, hierarchy of controls shall be applied, prioritizing: hazard elimination; substitution with lower-risk alternatives; isolation; engineering controls; administrative controls; and use of personal protective equipment (PPE).
- b. The Company shall ensure that control measures are developed by qualified professionals.

13. 2. 3 Safe Operating Procedures

- a. A safe operating procedure shall be formulated based on risk assessments and control measures, covering all relevant roles and activities (e.g., operation of facilities, equipment, vehicles, and tools).
- b. The Company shall ensure that such procedures are developed by qualified professionals.

13. 2. 4 Safety management procedure for high-risk operations

- a. The Company shall establish and implement specific safety management procedures for all high-risk activities, including but not limited to: fire-involved work, temporary power supply, work at height, lifting operations, handling and storage of hazardous chemicals, blasting, methane drainage, tunnel breakthrough, and operations involving crossing geological structures.

- b. These procedures shall be developed, reviewed, and approved by personnel with demonstrated competence and relevant expertise in the respective high-risk activities.

13. 2. 5 Emergency response

- a. Based on the results of risk assessments, the Company shall develop comprehensive emergency response plans. The Company shall ensure the availability of necessary emergency supplies, rescue equipment, and an adequately trained emergency response team.
- b. The Company shall conduct regular emergency drills and update emergency plans based on drill outcomes.
- c. Emergency response plans shall be developed and updated by personnel with appropriate competence and expertise in emergency management.

13. 2. 6 Incident reporting and investigation procedure

- a. The Company shall establish procedures for recording, reporting, and investigating occupational health and safety incidents and accidents.
- b. All incidents and accidents related to occupational health and safety shall be recorded and investigated.

13.2.7 Broad representativeness and expert oversight and review

- a. The Company shall ensure meaningful participation of employee representatives in key occupational health and safety processes, including risk identification and assessment, development of control measures, safe work procedures, emergency planning, incident investigations and formulation of corresponding correction actions, and setting of performance objectives/indicators.
- b. The Company shall actively seek and consider input from personnel with diverse technical backgrounds as well as from underrepresented or vulnerable groups (e.g., women, persons with disabilities) in all relevant health and safety processes, such as risk identification and assessment, development of control measures, safe work procedures, emergency planning, incident investigations and formulation of corresponding correction actions, and setting of performance objectives/indicators.
- c. Key occupational health and safety processes and decisions shall be subject to oversight and independent review by qualified experts, including risk identification and assessment, development of control measures, safe work procedures, emergency planning, incident investigations and formulation of corresponding correction actions, and setting of performance objectives/indicators.

13. 2. 8 Protective equipment and facilities

- a. The Company shall provide employees, at no cost, with appropriate personal protective equipment (PPE), first aid and medical facilities, safe drinking water, and hygienic welfare facilities (including sanitation, changing rooms, and dining areas).
- b. The Company shall require subcontractors to provide equivalent standards of PPE, facilities, and protections to their workers at no cost to the workers.
- c. The Company shall ensure the effectiveness of all health, safety, and emergency facilities and equipment.

13. 3 Health and Safety Training and Corporate Culture Construction

13. 3. 1 Training plans

The Company shall develop and implement a comprehensive occupational health and safety training plan that includes mental health awareness and principles of mutual respect. The plan shall incorporate training needs analysis, assessment of trainer competence, post-training evaluation, recordkeeping, and periodic review of training effectiveness.

13. 3. 2 Health and Safety Culture Construction

The Company shall establish effective communication mechanisms or channels to disseminate occupational health and safety information (including organizational structure, performance objectives/indicators,

and risk control measures) to employees, contractors, and other relevant stakeholders, and to receive their concerns, inquiries, and incident reports in a timely manner.

13. 4 Monitoring, Reporting, and Continuous Improvement

13. 4. 1 Regular inspection, monitoring, and evaluation

- a. The Company shall conduct regular inspections, monitoring, and evaluations to verify that risk assessments remain valid, control measures are effectively implemented and maintained, risks are controlled to acceptable levels, and training programs are delivered as planned.
- b. The Company shall ensure that occupational health and safety commitments, objectives, policies, and procedures are effectively communicated to all relevant stakeholders.

13. 4. 2 Health and safety performance indicators

- a. The Company shall monitor and analyze occupational health and safety performance using both leading and lagging indicators, including relevant mental health indicators, while strictly protecting personal data and privacy.
- b. Performance indicators (including mental health and mutual respect indicators) shall be used to identify trends, measure progress, and support informed decision-making.

- c. The Company shall transparently disclose inspection results, monitoring outcomes, and corrective actions within the project area, with the ultimate objective of achieving and maintaining zero fatalities.
- d. The Company shall drive continuous improvement across all health and safety performance indicators and shall maintain a firm zero-fatality target.
- e. The Company shall regularly evaluate, monitor, and publicly disclose performance related to mental health and mutual respect in the workplace.

13. 4. 3 Continuous improvement

- a. The Company shall conduct regular internal audits of the occupational health and safety management system and implement necessary updates based on audit findings.
- b. Internal audits and subsequent system updates shall actively involve employee representatives and representatives of specific groups (e.g., women, persons with disabilities).
- c. The Company shall arrange periodic independent (third-party) audits of the occupational health and safety management system, including aspects related to mental health and mutual respect, to verify effectiveness and support continuous improvement.

- d. The Company shall demonstrate alignment with internationally recognized standards such as ISO 45001 through certification or equivalent documented evidence.
- e. The Company shall regularly assess the competence and performance of management (including leadership, worker engagement, and commitment/practice to health and safety) and adjust roles, responsibilities, and resource allocation as necessary.

Glossary

Senior Management: refers to individuals within the Project Owner's organization who possess the authority to allocate resources, and bear ultimate accountability for the management system of occupational health and safety.

Employees: all personnel who perform work or activities related to the project and who are under the control of the Project Owner,

Contractors: external organizations or entities that have a contractual relationship with the Project Owner, along with their personnel, who perform project-related work or activities under the control or direction of the Project Owner

Mental Health: refers to a state in which individuals feel psychologically safe to take interpersonal risks, speak openly, express differing opinions, raise concerns, and report problems without fear of negative consequences, retaliation, or pressure to conceal bad news.

Mutual Respect: means that individuals are free from mental harm caused by bullying, harassment, discrimination, or any form of violence, including gender-based violence.

Qualified Professionals: individuals who possess the necessary knowledge, training, and experience in occupational health and safety, and who hold relevant professional certifications issued by accredited certification bodies. Examples include, but are not limited to: Chinese Registered Safety Engineer, Certified Industrial Hygienist (CIH) – USA, Certified Safety Professional (CSP) – USA, Certifications issued by the UK National Examination Board in Occupational Safety and Health (NEBOSH) at Diploma or higher level.

References

International Organization for Standardization (ISO): *Occupational Health and Safety Management Systems -- Requirements with guidance for use*

International Labour Organization (ILO): *The Occupational Safety and Health Convention*

ICMM: *Good Practice Guide: Health and Safety Critical Control Management*

ICMM: *Good Practice Guidance on Occupational Health Risk Assessment*

China Mining Association: *Standard for ESG Governance Capability*

Rating of Mining Enterprises

International Finance Corporation (IFC): *Environment, Health and Safety*

Guidelines for Mining

14 Emergency Preparedness and Response

Purpose

The mining and mineral processing industry may face various types of emergencies (e.g., fires, structural damage, hazardous material leaks) arising from its operations, external influences, and natural disasters. A systematic emergency preparedness and response system is therefore required to protect the health and safety of employees, contractors, and other stakeholders in the event of an emergency.

Emergency preparedness and response may be linked to other issues covered in this Code and should be implemented in a coordinated manner.

Related issues may include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 12: Community impact and development

Topic 13: Occupational health and safety

Topic 18: Pollution prevention and waste management

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This chapter applies to all mining areas.

Requirements

14. 1 Emergency Preparedness

14. 1. 1 Emergency Identification

- a. The Company shall identify hazards and events associated with operations that may lead to emergencies and adverse impacts. These may include, but are not limited to: operational hazards (e.g., fires, structural damage, hazardous material leaks), natural disasters, political instability and armed conflict, and public health emergencies.
- b. The Company shall identify stakeholders who may be adversely affected by emergencies or involved in emergency response, including employees, visitors, contractors, affected communities, and relevant government departments.

14. 1. 2 Emergency Response Capabilities and Resources

- a. The Company shall assess the availability and adequacy of internal and external emergency response capabilities and resources for the identified emergency scenarios.
- b. Based on the assessment, the Company shall take measures to address identified gaps in capabilities and resources, and verify their effectiveness. Establish a closed-loop management process of

identifying gaps, implementing corrective measures, and conducting verification and validation.

- c. The Company shall maintain regular communication and collaboration with local government departments and, where applicable, external emergency response agencies, to effectively utilize available local resources.

14. 1. 3 Emergency response plan

- a. Based on the results of emergency identification and capability/resource assessments, the Company shall develop an emergency response plan that clearly defines procedures for early warning and notification, evacuation and rescue, hazard control and isolation, as well as recovery and compensation.
- b. The emergency response plan shall include mechanisms for information disclosure and media communication, specifying: designated spokesperson(s), communication procedures, channels and methods for different stakeholders (e.g., employees, communities, media, and government), timing and key messages to ensure accuracy, timeliness, and consistency, and processes for monitoring and addressing rumors and misinformation.
- c. The emergency response plan shall comply with applicable regulations in the project location and is aligned, where relevant, with local government or community emergency plans.

- d. In developing the emergency response plan, the Company shall consider the needs of stakeholders, including potentially affected communities, vulnerable groups, and underrepresented groups.
- e. The emergency response plan shall be reviewed and updated regularly, and promptly revised in response to changes in identified risks, key personnel, actual emergency events, or deficiencies identified through drills.
- f. The Company shall maintain regular communication with stakeholders and inform them of relevant updates to the emergency plan in an accessible and appropriate manner.
- g. The emergency response plan shall be reviewed and updated at least annually.

14. 1. 4 Emergency response and management team

- a. The Company shall establish an emergency response and management team, with a clearly defined structure and assigned roles and responsibilities.
- b. The Company shall ensure that all team members understand their responsibilities and are capable of performing them effectively.

14. 1. 5 Emergency response facilities and equipment

- a. The Company shall provide the necessary facilities and equipment to support emergency response in accordance with the emergency plan. This may include early warning and alarm systems,

communication and command equipment, backup power supply, evacuation infrastructure, first aid facilities, and temporary shelters.

- b. Critical emergency facilities and equipment shall be regularly inspected, maintained, and tested to ensure they remain functional and ready for use.

14. 2 Emergency Response and Recovery

14. 2. 1 Emergency response

- a. In the event of an emergency, response actions shall be implemented in accordance with the emergency plan, including early warning, evacuation, rescue, hazard control, and isolation, and promptly notify relevant government authorities as required by local regulations.
- b. The Company shall provide timely and accessible information to surrounding communities, the media, and other potentially affected stakeholders, taking into account the needs of vulnerable and underrepresented groups. It shall also clarify rumors and misinformation promptly where necessary.

14. 2. 2 Investigation and recovery

- a. After any emergency, the Company shall carry out a timely investigation to assess response effectiveness, and update the emergency plan accordingly.

- b. The Company shall implement recovery and corrective actions in compliance with applicable local laws and regulations.
- c. The Company shall maintain transparent communication with affected communities and stakeholders by sharing investigation outcomes and planned corrective measures, and where necessary and appropriate, rebuild trust through engagement activities (e.g., community meetings or open days).
- d. Affected stakeholders shall be engaged in the development of remedial measures. If agreement cannot be reached, the Company provide access to appropriate grievance or appeal mechanisms in line with local regulations.

14. 3 Training and Drills

14. 3. 1 Training and capacity building

- a. The Company shall develop and implement training programs to ensure that members of the emergency response and management team are capable of fulfilling their roles. Training shall be promptly provided for new team members.
- b. The Company shall provide appropriate training and information to stakeholders who may be affected by emergencies, to ensure they understand emergency procedures and available support (e.g., evacuation routes, first aid, shelters).

- c. The training programs shall be reviewed and adjusted in a regular basis, particularly when the emergency response plan is revised, to ensure training reflects the latest procedures.

14. 3. 2 Emergency response drills

- a. The Company shall conduct regular tabletop simulation to test preparedness and update the emergency plan based on the results.
- b. The Company shall organize regular emergency response drills, involving relevant stakeholders where feasible, and use the outcomes to improve the emergency plan and response capacity.
- c. Emergency response drill shall be conducted at least once a year.

Glossary

Emergency: A sudden event or hazard that may adversely affect human health and safety, property, the environment, or organizational reputation.

Emergency response plan: A comprehensive plan developed to address potential emergency situations, aimed at preventing or minimizing adverse impacts and guiding response actions.

Tabletop simulation: A discussion-based exercise using hypothetical scenarios to test the preparedness and decision-making capacity of the emergency response and management team in a controlled setting.

Emergency response drill: A practical simulation of emergency scenarios, including activities such as warning, reporting, coordination,

and on-site response, conducted to test and improve the effectiveness of the emergency plan.

References

International Labour Organization (ILO): *The Occupational Safety and Health Convention*

ICMM: *Good Practices for Emergency Preparedness and Response*

China Mining Association (CMA): *Rating Specifications for ESG Governance Capabilities of Mining Enterprises*

International Finance Corporation (IFC): *Environmental, Health, and Safety Guidelines for Mining*

15 Land Acquisition and Resettlement

Purpose

The Company shall establish a land acquisition and resettlement management system to ensure that it strictly complies with applicable laws and international standards while conducting operations in a manner that respects human rights and protects community rights. Through systematic policies and management measures, the Company shall minimize involuntary physical or economic displacement and prevent or reduce adverse impacts on people and the environment. Where displacement is unavoidable, the Company shall ensure that the livelihoods and living standards of affected stakeholders and rights holders are restored or substantially improved. This shall be achieved through rigorous mitigation measures, transparent and informed consultation processes, and continuous monitoring and review. These efforts contribute to strengthening the Company's overall social responsibility governance and community relations.

Land acquisition and resettlement issues are often interlinked with other topics in this Code. Coordinated and integrated implementation is therefore required. Potential related issues include, but are not limited to:

Topic 1: Management system

Topic 6: Grievance management

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 16: Indigenous rights

Scope of Application

This issue applies to all mining operations, with particular emphasis on new projects or significant change to existing operations that may result in involuntary displacement. Land acquisition and resettlement requirements shall apply across all levels of management and bind employees, contractors, suppliers, and third-party agents acting on behalf of the company.

Requirements

15.1 Policy Commitment

15.1.1 Policy statement and red lines

- a. The Company shall publicly issue a policy statement on land acquisition and involuntary displacement, explicitly committing to a strict prohibition against any form of forced eviction.
- b. Affected stakeholders and rights holders shall never be relocated from their homes or land against their will in the absence of legally compliant procedures and adequate safeguards.

- c. Any involuntary displacement that is legally permissible must be carried out through open, fair, and transparent consultation processes.

15.2 Risk Identification and Baseline Survey

15.2.1 Impact avoidance and assessment of specific groups

- a. In the early stages of the Environmental and Social Impact Assessment (ESIA) and project planning, the Company shall explore all feasible alternative designs and options to avoid involuntary physical or economic displacement. Involuntary displacement shall only be considered after all reasonable alternatives have been exhausted. The alternatives analysis shall balance environmental, social, and economic factors, and the decision-making process, including specific measures taken to reduce the scale of land acquisition and displacement, shall be fully documented.
- b. When evaluating alternatives and potential adverse impacts, particular attention shall be given to vulnerable and underrepresented groups, including women. The Company shall prevent project activities from exacerbating their vulnerability and shall conduct differentiated assessments to identify specific risks and barriers to fair compensation. Targeted measures shall be developed and integrated into resettlement and livelihood restoration plans.

- c. Where relocation would affect land traditionally owned or customarily used by Indigenous peoples, the Company shall follow the procedures set out in Issue 16: Indigenous Rights. Free, Prior, and Informed Consent (FPIC) shall be obtained through a culturally appropriate process. Projects involving the relocation of Indigenous peoples shall not proceed without their consent.

15. 2. 2 Baseline Survey and Asset/Ownership Identification

- a. A comprehensive population census and socio-economic baseline survey shall be conducted in potentially affected areas to establish accurate data and clearly identify all affected stakeholders and rights holders. The cut-off date for eligibility for compensation shall be clearly defined and communicated to the community in writing to prevent speculative settlement and misuse of compensation resources
- b. In accordance with local laws and customs, the company shall conduct a full review of ownership and usage rights for land, buildings, structures, crops, and livelihood assets. This review shall address existing claims and ownership disputes. Ownership determination shall include not only formally registered legal rights but also customary, traditional, or collective rights based on long-standing practices, whether or not they are formally registered.

15.3 Planning, Consultation, and Information Disclosure

15.3.1 Action plan development and rights safeguards

- a. Where resettlement is unavoidable, the Company shall develop and implement a Resettlement Action Plan (RAP) and/or a Livelihood Restoration Plan (LRP). These plans shall aim to mitigate adverse impacts, identify development opportunities, establish budgets and timelines, and address the specific needs of different affected parties, with particular attention to vulnerable and underrepresented groups.
- b. In government-led land acquisition and resettlement processes, the company shall conduct simultaneous due diligence to identify any compliance gaps. To the extent permitted by law, the company shall support measures that ensure resettled persons receive secure legal tenure over replacement land and housing in accordance with national requirements.

15.3.2 Consultation and Disclosure During Planning

- a. Throughout the planning phase of new projects or significant operational changes, the Company shall conduct ongoing, meaningful consultations with potentially affected stakeholders and rights holders. Consultations shall be accessible, understandable, and culturally appropriate, with targeted efforts to include vulnerable and underrepresented groups. Affected parties shall have

the opportunity to participate in discussions on project impacts, compensation standards, and resettlement options.

- b. The Company shall periodically disclose information on the consultation process, impact assessments, plans, and implementation progress related to involuntary resettlement. Disclosures shall respect confidentiality requirements and protect the privacy of affected stakeholders and rights holders.

15. 3. 3 Grievance Mechanism

- a. In line with Topic 6: Grievance Management, the Company shall establish a accessible, transparent, and traceable grievance mechanism to provide affected stakeholders and rights holders with channels to raise concerns.
- b. The mechanism shall cover issues related to compensation, eligibility, resettlement site conditions, service quality, and livelihood restoration, and shall include clear escalation and review procedures.

15. 4 Implementation, Compensation, and Relocation

15. 4. 1 Asset Compensation and Transition Support

- a. The Company shall strictly observe the principle of “compensation before relocation.” Compensation for lost land, housing, and other assets shall be provided at full replacement cost.

- b. For persons whose livelihoods depend on land, priority shall be given to providing replacement land of equivalent productive potential.
- c. For physical replacement, the Company shall provide adequate housing with secure tenure, along with relocation assistance and transitional support. All support shall be delivered in a transparent, consistent, and equitable manner to help affected stakeholders and rights holders restore or improve their livelihoods and living standards.

15. 4. 2 Livelihood development and improvement

- a. Livelihood restoration programs shall be designed and implemented jointly with affected parties. These programs shall go beyond merely restoring pre-project conditions and shall aim to substantially improve the livelihoods and overall standards of living of displaced persons.

15. 4. 3 Internal training

- a. The Company shall establish a capacity-building program on resettlement management for project teams, contractors, and representatives of rights holders.
- b. Training shall cover rights identification, compensation calculation, negotiation and communication skills, livelihood restoration, and

grievance handling to ensure all relevant personnel are equipped to implement the requirements compliantly.

15.5 Monitoring, Auditing, and Project Completion Disclosure

15.5.1 Internal process monitoring

- a. The Company shall continuously monitor the socio-economic conditions of physically and economically displaced persons and track the effectiveness of livelihood and living standard restoration measures.
- b. Regular internal reviews of the implementation of the Resettlement Action Plan and Livelihood Restoration Plan shall be conducted. Identified gaps shall be promptly addressed through corrective action plans, ensuring a closed-loop management system.

15.5.2 External auditing and findings disclosure

- a. Qualified independent professionals shall be engaged to review the implementation of the Resettlement Action Plan and/or Livelihood Restoration Plan in consultation with affected stakeholders and rights holders, and to recommend actions to address any identified gaps.
- b. A summary of the independent review findings shall be disclosed publicly. Strict confidentiality and privacy protections for affected stakeholders and rights holders shall be maintained during disclosure.

Glossary

Involuntary resettlement: This refers both to physical displacement (relocation or loss of shelter) and to economic displacement (loss of assets or access to assets that leads to loss of income sources or other means of livelihood because of project-related land acquisition and/or restrictions on land use. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in physical or economic displacement. This occurs in cases of (i) lawful expropriation or temporary or permanent restrictions on land use and (ii) negotiated settlements in which the buyer can resort to expropriation or impose legal restrictions on land use if negotiations with the seller fail

Physical displacement: See Involuntary resettlement.

Economic displacement: See Involuntary resettlement.

Full Replacement Cost: The total cost required to compensate for lost or damaged assets, calculated to ensure that affected persons can restore their pre-impact standard of living without incurring out-of-pocket expenses. This includes:

- **Land:** Market value of comparable land with equivalent location, size, and productive use.

- **Buildings and Structures:** Current costs of materials and labor to construct replacement structures of similar size and quality, without deductions for depreciation.
- **Crops and Trees:** Compensation based on either the expected future income or the cost of replacement, whichever is higher.
- **Relocation cost and transitional living allowance**

Affected Stakeholders: Any individual, group, organization, or their legal representative affected by the mining area's operations, actions, and decisions.

Rights holders: Rights holders are individuals or social groups that have particular entitlements in relation to specific duty bearers (e.g., state or non-state actors that may have a particular obligation or responsibility to respect, protect and fulfil human rights and abstain from human rights violations). In particular contexts, there are often specific social groups whose human rights are not fully realised, respected or protected, such as Indigenous Peoples.

Adverse impacts: Negative effects, including those related to social, environmental or human rights, that the mining operations could cause, contribute to, or to which it is directly linked. Actual adverse impacts indicate adverse effects that have already occurred or are occurring; potential adverse impacts indicate an adverse effect that could occur

Resettlement action plan (RAP): A plan that covers, at minimum, the applicable requirements of international standards, regardless of the number of people affected, and includes compensation at full replacement cost for land and other assets lost. The plan should be designed to mitigate the adverse impacts of displacement; identify development opportunities; develop a resettlement budget and schedule; and establish the entitlements of all categories of affected persons. Particular attention should be paid to the needs of the poor and vulnerable or at-risk populations.

Livelihood restoration plan: A plan to compensate and offer other assistance to economically displaced persons and/or communities to reestablish their livelihoods.

Vulnerable and Underrepresented Groups: groups that face higher risk and limited ability to anticipate, cope with, resist, or recover from adverse conditions. This vulnerability often arises from structural inequalities and social, economic, or political marginalization related to factors such as sex, age, disability, race, Indigenous identity, religion, or histories of exclusion. These factors can constrain equitable access to resources, services, rights, and opportunities for development and well-being.

Environmental and social impact assessment (ESIA): A process for predicting and assessing the potential environmental and social impacts of a proposed project, evaluating alternatives and designing appropriate

preventative, mitigation, management and monitoring measures and plans.

Free, Prior, and Informed Consent (FPIC): When addressing Indigenous lands and rights, FPIC ensures that Indigenous peoples are provided with full, transparent, and understandable information, and are able to make their own decisions about consent before any project decisions are finalized. This process must be non-coercive and conducted through culturally appropriate consultation. (Note: This definition is based on international best practices.)

Baseline data: A description of existing conditions (or those that existed at a defined point in time) to provide a starting point (e.g. pre-project condition) against which comparisons can be made (e.g. post- impact condition), allowing the change to be quantified.

References

Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development (IGF): *Global Review: Incorporating Gender into Mining Impact Assessments*

International Finance Corporation (IFC)'s *Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts*

International Finance Corporation (IFC): *Performance Standard 5: Land Acquisition and Involuntary Resettlement*

International Finance Corporation (IFC): *Performance Standard 7:*
Indigenous Peoples

16 Indigenous Rights

Purpose

This issue aims to respect the individual and collective rights of indigenous peoples as recognized in the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)*. It establishes inclusive, culturally appropriate, and sustainable engagement processes, and requires rigorous human rights due diligence in line with the *United Nations Guiding Principles on Business and Human Rights (UNGPs)*. Agreements with affected indigenous peoples regarding potential impacts on their lands, territories, resources, or other rights shall be pursued through processes that uphold the principle of Free, Prior, and Informed Consent (FPIC).

Indigenous rights issues are often interlinked with other topics in this Code. Coordinated and integrated implementation is therefore required. Potential related issues include, but are not limited to:

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 6: Grievance management

Topic 11: Human rights and security

Topic 12: Community impact and development

Topic 15: Land acquisition and resettlement

Topic 17: Cultural heritage

Topic 22: Biodiversity

Topic 23: Mine closure

Scope of Application

This issue sets out specific requirements for respecting the rights of indigenous peoples and applies to all situations where the Company's business activities may affect indigenous rights.

Achieving the objectives of this issue requires meaningful involvement and collaboration among indigenous peoples, States, business, and other relevant parties.

- State obligations: Under the *United Nations Guiding Principles on Business and Human Rights (UNGPs)*, States have the primary duty to respect, protect, and fulfill the rights of indigenous peoples, including administrative approvals during the project initiation phase. This includes the obligation to conduct good faith consultation and cooperation with indigenous peoples prior to approving projects that may affect them or their territories, as provided in Articles 19 and 32 of the *United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP)*. In particular, States must ensure that free, prior, and informed consent (FPIC) is obtained where required.

- **Company's responsibilities:** Under the UNGPs, companies have an independent responsibility to respect human rights, including the rights of Indigenous peoples. This responsibility forms the foundation for building mutually beneficial and sustainable relationships. Companies shall conduct human rights due diligence (HRDD) through meaningful engagement and consultation with Indigenous peoples to avoid infringing on their rights and to confirm that their consent has been obtained regarding potential impacts.
- **Relationship between agreements and FPIC:** Within the company's due diligence process, Indigenous peoples' consent to impacts on their rights shall be clearly documented in the agreements concluded between the parties. Such agreements must specify the scope and content of the consent as well as measures for impact management. Agreements shall be reached through processes that embody the principles of Free, Prior, and Informed Consent (FPIC), reflecting community self-determination, meaningful participation, and good-faith negotiation.

The company's responsibility to respect Indigenous rights and conduct due diligence is independent of the State's actions. Regardless of whether the State fulfills its obligations or the manner in which it does so, the company shall always uphold its responsibility to respect Indigenous rights.

Requirements

16.1 Policy Commitment and Communication

16.1.1 Policy statement and dissemination

- a. **Public Commitment:** The Company shall publicly issue a policy commitment to respect indigenous rights, consistent with the UNGPs and UNDRIP. The commitment shall affirm indigenous peoples' rights to freedom of expression and meaningful participation, establish zero tolerance for retaliation, intimidation, or violence against indigenous peoples, and clearly describe the circumstances and processes for implementing Free, Prior, and Informed Consent (FPIC).
- b. **Communication and dissemination:** The policy commitment and relevant information shall be communicated to affected indigenous communities and other stakeholders in a culturally appropriate, linguistically accessible, and understandable manner. Trusted and accessible communication channels shall be used, with translation, interpretation, and adapted materials provided as needed to enable meaningful discussion and feedback.

16.2 Risk Identification and Assessment

16.2.1 Identification of Affected Groups

- a. **Indigenous Community Identification:** Prior to commencing any new activities that may affect indigenous rights, the Company shall

identify potentially affected indigenous communities and define the boundaries of potential impacts. This includes communities that may not be officially recognized by the State. The identification process shall be conducted in coordination with relevant State authorities. Where information is insufficient or significant disputes exist, independent external experts shall be engaged for verification, and a formal identification list with supporting documentation shall be maintained.

b. Inclusion of Vulnerable Groups: The Company shall identify differentiated risks faced by vulnerable indigenous individuals and groups, including indigenous women and girls, elders, youth, persons with disabilities, and peoples in voluntary isolation or initial contact. Appropriate measures shall be taken during human rights due diligence and engagement processes to remove barriers to participation and avoid exacerbating vulnerability.

c. Protection of Peoples in Voluntary Isolation or Initial Contact: Where activities may affect indigenous peoples in voluntary isolation or initial contact, the overriding principle shall be to avoid all contact. No physical contact or interference shall occur. Preventive measures, including site selection, access routes, and operational planning, shall be implemented to prevent entry into or disturbance of their territories and resources, while respecting their

decision to remain isolated. Procedures for managing any accidental contact shall also be developed.

16. 2. 2 Due diligence and knowledge management

- a. Human Rights Due Diligence (HRDD): The company shall conduct human rights due diligence in accordance with the UNGPs (see Topic 11: Human Rights and Security). Indigenous participation shall be integrated throughout the process of risk identification, impact assessment, measure design, prioritization, and reporting. This includes identifying, preventing, mitigating, and accounting for actual and potential adverse impacts on Indigenous rights. When multiple Indigenous groups may be affected, the primary affected groups shall be identified based on the nature and scale of impacts, and the scope of due diligence and agreements adjusted accordingly. Indigenous Action Plans shall be developed, implemented, and regularly updated based on HRDD outcomes and FPIC processes. These plans shall systematically address mitigation, compensation, monitoring, remediation, and the protection of traditional land, territory, and resource use rights.
- b. Permission for Traditional Knowledge: The Company shall obtain permission prior to collecting, recording, storing, accessing, using, or reusing indigenous traditional knowledge or cultural information. Such permission shall clearly define the purpose, confidentiality and

sharing boundaries, storage and access conditions, duration, and revocation terms. Indigenous peoples' rights to control sensitive information shall be respected, and any acquired knowledge shall be used to support impact assessments, project optimization, and the design of management measures.

16.3 Consultation, Participation, and Agreement Signing

16.3.1 Participation framework and procedures

- a. Early Participation: From the early planning stage, a participation process shall be established that respects the procedures, agreements, and governance structures of the affected indigenous peoples. Information on risks, potential impacts, and benefits shall be provided in a culturally appropriate manner, with sufficient advance notice of key decision-making points and adequate time for internal community consultation so that indigenous views can meaningfully influence decisions.
- b. Participation and Decision-Making Procedures: The Company shall collaborate with affected indigenous communities and relevant government authorities to design participation and decision-making procedures consistent with FPIC. These procedures shall address representativeness, full information disclosure, good-faith consultation, key decision milestones, handling of process breakdowns or non-consent, and requirements for procedural

legitimacy. Where government involvement is required, responsibilities between the State and the Company shall be clearly delineated while respecting national administrative procedures and make every effort to bridge the gaps in response to opposing opinions.

- c. **Negotiation Support:** The Company shall provide financial, technical, and capacity-building support during participation and negotiation processes to enable indigenous communities to obtain independent legal and technical advice, organize meetings/internal discussion, and reach decisions. The scope and form of such support shall be determined through consultation with the communities and shall not be conditional on the outcome of participation and negotiations.

16. 3. 2 Alternative solutions and rights protection

- a. **Alternative Solutions:** Through site selection and alternatives analysis, priority shall be given to options that avoid adverse impacts on indigenous peoples' key cultural heritage, and minimize the need for relocation from traditional lands or territories. Where significant adverse impacts are unavoidable, project activities shall only proceed following an agreement reached with the affected Indigenous communities through a process that embodies FPIC.

- b. Protection of Cultural and Resource Rights: Where safe and feasible, the Company shall collaborate with indigenous communities to define access arrangements to key cultural heritage sites and spiritually significant areas, as well as the use of traditional lands, territories, and resources (see Topic 17: Cultural Heritage). Access conditions, joint management mechanisms, protection requirements, and dispute resolution procedures shall be incorporated into agreements and reviewed periodically.

16. 3. 3 Agreement reaching and special circumstances

- a. Agreement Reaching and Implementation: Where activities may cause significant adverse impacts on indigenous lands, territories, resources, key cultural heritage, or other rights, the Company shall conduct meaningful consultations through a process embodying FPIC and conclude a formal agreement (which may take the form of a binding agreement, memorandum of understanding, or written statement of no objection). The agreement shall be documented in a mutually understandable written form, reflect genuine self-determination and meaningful participation, and clearly define rights and obligations regarding risk management, compensation, benefit sharing, monitoring, and remediation. An Indigenous Action Plan shall be annexed to the agreement to manage social impacts across the full project lifecycle, including closure.

- b. Handling of Dissent: If an agreement is reached with the primary affected indigenous groups but other affected groups express opposition, the Company shall document and explain the legitimacy and good faith of the consultation process. The existence of objections shall not automatically invalidate collective decision-making. Continued consultation and information sharing shall be maintained with dissenting groups, and plans shall be adjusted as appropriate.
- c. Deadlock and Government Intervention: In cases where agreement cannot be reached with the primary affected indigenous peoples, an escalation mechanism shall be activated, including senior management review and consideration of responsible exit options. In exceptional circumstances where the State restricts rights through legal procedures for public interest purposes, the Company shall transparently explain the legal basis and, within the limits permitted by law, disclose planned consultation steps and implement highly transparent mitigation measures.

16. 4 Long-Term Operation and Relationship Maintenance

16. 4. 1 Regular interaction and dispute resolution

- a. Participation through the Lifecycle: Regular engagement shall be maintained throughout the project lifecycle. Key issues and priorities identified by indigenous peoples shall be regularly

updated, and any changes in plans or emerging risks shall be communicated promptly. Operational methods shall be jointly adjusted where necessary to reduce interference and conflict. Participation processes, outcomes, and follow-up actions shall be documented and implementation progress tracked.

- b. **Grievance and Remedial Measures:** A culturally appropriate and accessible grievance mechanism shall be established. The mechanism must be legal, fair, predictable, transparent, and rights-compatible. Where appropriate, it shall support independent dispute resolution and the effective delivery of remedies, including restoration and compensation. ((see Topic 6: Grievance Management).)

16. 4. 2 Joint Development and Reconciliation

- a. **Benefit Sharing:** The Company shall collaborate with directly affected indigenous communities to establish mutually agreed benefit-sharing arrangements for identified development opportunities, including support for education, healthcare, and local employment. Implementation plans shall be formulated, and jointly reviewed at agreed intervals and updated as needed.
- b. **Reconciliation Initiatives:** Where local, regional, or national indigenous reconciliation processes exist, the Company shall

participate in or support such initiatives and work with indigenous communities to promote relationship repair and mutual trust.

16.5 Capacity Building

16.5.1 Training

- a. Targeted Training: Training and awareness programs shall be designed and delivered in collaboration with indigenous communities. These shall cover indigenous history, traditions, rights, and cross-cultural engagement methods. Mandatory cross-cultural training shall be provided to personnel who interact with indigenous communities or make decisions that may affect their rights, with emphasis on respectful communication and participation practices.
- b. Company-wide Training: All staff shall receive training on indigenous history, traditions, rights, and cross-cultural understanding. Training shall be developed and delivered in collaboration with, or led by, indigenous communities and approved by them. Training shall be conducted at regular agreed intervals, to enhance cross-cultural understanding and work practices.

16.5.2 Effectiveness Verification

Evaluation of training effectiveness: A joint review mechanism with Indigenous communities shall be established to evaluate the effectiveness of cross-cultural training. Coverage, employers' behavior, and improvements in community relations shall be assessed at agreed

intervals, and training content, methods, and target groups shall be adjusted accordingly.

16.6 Monitoring, Evaluation, and Disclosure

16.6.1 Process monitoring

a. Agreement Fulfillment Monitoring: Information and data shall be shared in a manner agreed with indigenous communities to track implementation of agreement terms and commitments. Deviations shall be identified and Indigenous Action Plans updated as needed. Joint reviews of compliance, plan implementation, and monitoring results shall be conducted to determine updates and timelines.

b. Collaborative Monitoring: Environmental and social monitoring programs shall be jointly designed and implemented with indigenous communities based on impact assessments and mitigation measures. Monitoring content, methods, frequency, responsibilities, and information-sharing arrangements shall be clearly defined. Results shall be shared with indigenous communities and used to update management measures and action plans.

16.6.2 Performance review and disclosure

a. Mechanism Effectiveness Assessment: A joint assessment mechanism with indigenous communities shall be established. Using compliance monitoring data and external expert input where

appropriate, the company shall systematically review the effectiveness of participation procedures, control measures, and Indigenous Action Plan implementation. Management systems shall be continuously improved based on assessment findings.

- b. **Transparent Disclosure:** Subject to the consent of indigenous peoples and in compliance with legal requirements and local regulations, the content of agreements or progress on commitments shall be publicly disclosed at intervals agreed by both parties. Disclosures shall respect indigenous intellectual property rights and privacy, excluding confidential information as required by law.

Glossary

Indigenous Peoples: Indigenous communities, peoples and nations are those which, having a historical continuity with pre-invasion and pre-colonial societies that developed on their territories, consider themselves distinct from other sectors of the societies now prevailing on those territories, or parts of them. They form at present nondominant sectors of society and are determined to preserve, develop and transmit to future generations their ancestral territories, and their ethnic identity, as the basis of their continued existence as peoples, in accordance with their own cultural patterns, social institutions and legal system.

In some countries, the term ‘Indigenous’ may be controversial and local terms may be used that are broadly equivalent (i.e., Tribal Peoples,

First Peoples, Native Peoples, Aboriginal, First Nations, Traditional Owners, Customary Landowners, etc.). In other situations, there may be no, or ambiguous, recognition of Indigenous Peoples by States, or the term may have negative associations that discourage people from acknowledging Indigenous identity.

In accordance with ILO Convention No. 169, an inclusive identification approach is adopted. Indigenous peoples typically possess some or all of the following characteristics:

- Self-identification: self-identification as indigenous, and accepted by indigenous community.
- Historical continuity: maintain historical continuity with pre-colonial or pre-settler societies.
- Land dependency: Occupying a specific piece of land/territory, or maintaining a close cultural and survival connection with a specific piece of land/territory.
- Common experience: A common experience of occupation, colonialism and oppression.
- Distinct system: distinct social, economic and political systems that differ from the dominant society.
- Cultural difference: Distinct language, culture and beliefs that vary from dominant sectors of society.

- Determination to preserve their identity: Determine to maintain and reproduce their ancestral environments and distinctive identities.

These general criteria of ‘Indigenous Peoples’ are purposely inclusive and are thus meant to encompass the diversity of worldwide Indigenous Peoples’ experiences, while still separating ‘Indigenous Peoples’ as unique and distinct groups and providing a basis for the kinds of rights that they claim (such as FPIC, territorial rights).

Primary Affected Indigenous Communities: Proposed mining activities typically impact multiple indigenous communities. During due diligence, the mining area should assess the nature, severity, and variability of the anticipated impacts on the rights of different communities. Primary affected indigenous communities refer to the core communities most significantly impacted by the project in terms of the potential scale of the impact on land or other rights. The Company shall apply the principle of proportionality to ensure that the extent of participation, mitigation measures, or benefit sharing is proportionate to the nature and scale of the actual or anticipated impact on the rights of each indigenous community.

Indigenous Peoples in vulnerable situations: While Indigenous Peoples as a whole face heightened vulnerability, certain subsets of Indigenous Peoples with specific characteristics may be at even greater risk from health, safety and economic challenges. This may include Indigenous

women, girls, and gender-diverse people, children and young people, elders, people with disabilities, human rights defenders, etc.

Indigenous Peoples living in voluntary isolation or initial contact:

refer to two special groups:

- Indigenous Peoples living in voluntary isolation: people who do not maintain regular contact with the majority population and tend to shun any type of contact with outsiders.
- Indigenous Peoples living in initial contact: people who were previously isolated and have recently initiated contact with outsiders, either by choice or coercion.

Free, prior and informed consent (FPIC): FPIC comprises a process, and an outcome (for a point in time). its four core elements are defined as follows:

- Free: Indigenous people shall be able to freely make decisions without coercion, intimidation, or manipulation.
- Prior: Indigenous people shall have sufficient time to be involved in decision-making before key decisions are made and impacts occur
- Informed: Indigenous people shall be fully informed about proposed activities and their potential impacts (positive and negative) and benefits.

- Consent: As a result of the decision-making process, indigenous people can collectively grant or withhold their consent to specific impacts.

These decision-making processes should be based on good faith negotiation, while being consistent with Indigenous Peoples' own governance institutions and decision-making protocols and respecting internationally recognised human rights.

The process of seeking and validating Free, Prior, and Informed Consent (FPIC) is context-specific and may vary between Indigenous communities. Each indigenous community has its own unique governance systems, cultural protocols, and decision-making traditions. Therefore, the procedures for reaching and expressing consent can differ significantly. At the outset of the project, the Company shall engage meaningfully with affected Indigenous communities, respecting their governance structures and decision-making processes, to understand how they define, reach, and express consent. The Company shall also determine, in collaboration with the communities, the steps required to validate the process as legitimate and conducted in good faith, as well as the appropriate responses in the event that consent is not granted.

Indigenous communities have the right to define "consent" according to their own cultural, legal, and social frameworks. Some communities may express consent through conditional agreements, while others may use

alternative expressions such as granting permission, entering into contractual arrangements (e.g., partnership agreements, impact and benefit agreements, or cooperation agreements), issuing statements of support or “no objection,” or approving projects through Indigenous-led impact assessments. Recognizing the uniqueness of each Indigenous community and each agreement reflects respect for their autonomous decision-making processes. In some cases, Indigenous communities may choose to negotiate agreements with project proponents without granting formal consent to the project itself.

FPIC is a collective process determined by the community’s governance structures and internal agreements. It does not require unanimous agreement among all community members, nor does it grant veto power to any individual or subgroup. Rather, FPIC enables the affected indigenous community to reach a collective position on the proposed project through its own governance and decision-making processes, while acknowledging that differing views may exist within or between communities.

Agreement(s): An agreement is the outcome of good-faith negotiation between the parties and serves as a key means of embodying FPIC. They can take many forms, such as relationship agreements, impact benefit agreements, collaboration agreements. Agreements can reflect consent and/or be a means to demonstrate consent.

Indigenous Peoples can withdraw their agreement if there is non-compliance with the established terms or a change in the extent of the impacts on their rights.

Benefit Sharing: Benefit sharing refers to the equitable distribution of the economic and social value generated by a project, aimed at delivering positive, long-term outcomes beyond the operational lifecycle of the project.

- **Forms:** Benefits may include economic benefits (such as profit sharing, equity participation, employment opportunities, and local procurement) and non-economic benefits (such as skills training, cultural preservation initiatives, and health programs).
- **Distinction from Compensation:** Benefit-sharing arrangements must align with Indigenous communities' own development priorities and be clearly distinguished from compensation, which addresses residual adverse impacts. Benefit sharing creates additional value, whereas compensation seeks to offset harm.

Good Faith: refers to a negotiation approach focused on identifying differences, building consensus, and fostering relationships based on mutual respect. It primarily focuses on establishing a relationship of mutual respect between negotiation parties and mitigating any negotiating power imbalances.

Human rights due diligence (HRDD): An ongoing risk management process that a mining site needs to follow to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts.

HRDD includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed. Companies should identify general areas where the risk of adverse human rights impacts is most significant.

Capacity support: refers to the resources and assistance provided by the company to enable effective participation by Indigenous communities in decision-making and agreement-making processes. Specific measures may include: providing access to independent expert advice, capacity building, facilitation and mediation, involving external observers, or facilitating access to government-led or other funding mechanisms, where appropriate.

Equitable: Signifies parity in process which includes resource equity (i.e., allowing parties to have access to sources of information, advice and expertise necessary to engage, participate and negotiate in a process). It also means allowing for balanced participation between companies and Indigenous Peoples during agreement-making processes, rather than simply equating it to "equality".

Reconciliation: A process of acknowledging histories and actions of the past inflicted on Indigenous Peoples and committing to actions that restore trust and repair relationships. This may include company-led community restoration initiatives or active participation in broader state-led or jurisdictional reconciliation processes where they exist.

Opposition: Despite efforts to obtain agreement over anticipated impacts, there may still be opposition that remains from some affected communities of Indigenous Peoples.

The presence of opposition does not necessarily invalidate the process of obtaining agreement or imply that FPIC has not been met. However, it signifies that some level of dissent remains across affected Indigenous communities, and facilities must consider this opposition carefully when determining how to proceed with activities. In scenarios where opposition remains across some affected Indigenous communities, companies are expected to engage further, develop additional steps to address concerns, and take all appropriate and legal actions in alignment with international human rights standards (such as the UNGPs) to manage these concerns.

Where proposed activities may affect the rights of more than one Indigenous community, the Company should address anticipated adverse impacts on the rights of Indigenous Peoples and define the scope of

engagement and agreement-making in their due diligence approach, in a manner commensurate with the nature and scale of the impacts.

In exceptional circumstances where agreement with affected Indigenous Peoples is not obtained, and where the State has lawfully limited Indigenous Peoples' rights through a process that is necessary, proportionate, and directed toward a legitimate public interest objective, the Company must carefully consider how to proceed. In such cases, companies are expected to

- assess the procedure: assess whether the State has followed appropriate consultation procedures and made a genuine attempt to obtain FPIC;
- independent verification: conduct their own due diligence to verify that these conditions have been met;
- continuous fulfillment: continue to meet their responsibility to respect Indigenous Peoples' rights by engaging with affected Indigenous communities, mitigating harm, and seeking agreement wherever possible;
- disclosure and remediation: disclose the justification for proceeding while establishing oversight and grievance mechanisms to ensure accountability and remedy.

Meaningful engagement: Meaningful engagement refers to a process of mutual dialogue and decision-making. The mining site has an obligation

to consult and listen to affected stakeholders' perspectives and integrate those perspectives into their business decisions and due diligence processes. Meaningful engagement involves measures to overcome structural and practical barriers to the participation of diverse and vulnerable groups of people, such as Indigenous Peoples. Preconditions to meaningful engagement include access to material information that can be reasonably understood, the absence of coercion or undue influence, and a structure that enables transparent communication and accountability for engagement processes and outcomes.

References

ICMM: *Position Statement: Indigenous Peoples and Mining*

International Finance Corporation (IFC): *Performance Standard 7: Indigenous Peoples*

International Finance Corporation (IFC): *Performance Standard 8: Cultural Heritage*

International Labour Organization (ILO): *Indigenous and Tribal Peoples Convention (No. 169)*

United Nations General Assembly (UNGA): *Declaration on the Rights of Indigenous Peoples*

OHCHR: *UN Guiding Principles on Business and Human Rights*

17 Cultural Heritage

Purpose

This session aims to establish a comprehensive framework for identifying, assessing, and managing risks to cultural heritage. Through meaningful consultation and collaboration with stakeholders and rights holders, procedures will be developed and implemented to respect, preserve, and protect cultural heritage, thereby safeguarding its inherent value and functions for present and future generations.

Cultural heritage issue may be related to other topics addressed in this Code. Coordinated and integrated implementation is therefore essential.

Potential related issues include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 3: Compliance and business integrity

Topic 4: Stakeholder engagement

Topic 12: Community impact and development

Topic 16: Indigenous rights

Topic 22: Biodiversity

Topic 24: Tailings

Scope of Application

This issue applies to all company operating locations and covers the entire project lifecycle. Where indigenous communities are present or potentially affected, this issue shall be implemented in conjunction with Topic 16: Indigenous Rights.

Note: Topic 16: Indigenous Rights takes precedence and imposes stricter requirements regarding participation, due diligence, and the development of protection agreements with affected indigenous communities. Projects must fully respect and protect the specific rights of indigenous peoples, including the right to preserve and revitalize their cultural traditions and customs, and the right to control, protect, and develop their cultural heritage and traditional knowledge.

Requirements

17.1 Policy Commitment and Governance Responsibility

17.1.1 Policy commitment

The Company shall publicly issue a policy commitment to respecting cultural heritage, clearly stating its intention to identify, respect, preserve, and protect both tangible and intangible cultural heritage within its areas of operation.

17.1.2 Management responsibility

The Company shall establish a dedicated cultural heritage

management framework, appoint senior management personnel with overall accountability, clearly define the roles and responsibilities of relevant departments and positions, and allocate sufficient professional personnel and financial resources to ensure effective implementation.

17.2 Identification and Assessment

17.2.1 Baseline survey and identification

The Company shall consult with stakeholders, cultural heritage rights holders, and relevant civil society organizations to identify and assess potential cultural heritage risks and impacts associated with its activities.¹⁴

17.2.2 Red line control

- a. A compliance management list shall be established for World Heritage Sites and nationally designated statutory cultural heritage protection zones. Exploration and mining activities are strictly prohibited within the core zones of these sites.
- b. For buffer zones or surrounding areas that may affect the Outstanding Universal Value (OUV) or integrity of protected sites, strict boundary controls and additional protection measures shall be

¹⁴ Baseline survey may refer to: government-designated/legally protected lists (including World Heritage sites), information on relevant organizations (international organizations/cultural institutions/universities/civil society groups/religious groups, etc.), credible and publicly available data, traditional land use or community studies, and indigenous knowledge.

developed and implemented, drawing on principles applied in biodiversity protection (see Topic 22: Biodiversity). These measures must ensure that operational activities do not compromise the designated values or integrity of the protected areas.

- c. Community concerns regarding cultural heritage protection shall be addressed promptly through established communication and grievance mechanisms.

17. 2. 3 Risk and impact assessment

- a. Cultural heritage shall be integrated into the overall risk assessment and impact management processes to identify potential threats and significant adverse impacts.
- b. Independent Cultural Heritage Impact Assessments (CIAs) shall be conducted in cases involving critical cultural heritage or highly sensitive contexts.

17. 2. 4 Alternative scenario analysis

When potential adverse impacts on cultural heritage are identified during project design or expansion, an alternatives analysis shall be undertaken. Feasible options shall be evaluated collaboratively with stakeholders and rights holders, guided by the principle of “avoidance first.” If complete avoidance is not feasible, the Company must demonstrate that avoidance is not possible.

17.3 Control and Implementation

17.3.1 Mitigation measures

For unavoidable impacts, the Company shall develop and implement a mitigation plan in collaboration with affected stakeholders and rights holders. The plan shall aim to maximize the protection and maintenance of the cultural heritage's value and functions.

17.3.2 Removal control

If the project impacts critical cultural heritage and remains unavoidable after exhausting alternatives, removal shall be considered as a last resort, strictly adhering to the following conditions: the best available conservation techniques shall be applied for relocation and protection; formal approval from the competent authority shall be obtained through a legal and transparent process, after full consultation with stakeholders and with the explicit consent of the rights holders.

17.3.3 Remedial measures

If the Company's activities cause or contribute to adverse impacts on cultural heritage, appropriate remedial measures shall be developed and implemented in collaboration with affected stakeholders and rights holders. These measures shall seek to restore damaged heritage or provide fair and effective compensation for lost value.

17.3.4 Chance finds procedure

The Company shall establish and implement clear chance finds

procedures for previously unknown cultural heritage during construction or operations. These procedures shall include immediate work stoppage, site protection and control, reporting, and documentation of the entire handling process.

17.3.5 Indigenous rights

Where critical indigenous cultural heritage is involved, agreements shall be reached with the affected indigenous communities through a process consistent with the principles of Free, Prior, and Informed Consent (FPIC) (see Topic 16: Indigenous Rights).

17.3.6 Training and capacity building

- a. Role-specific training on cultural heritage awareness and behavioral standards shall be provided to personnel whose work may directly interact with cultural heritage (e.g., civil engineering, exploration, and security teams). Where relevant, training shall include local indigenous cultural customs and history.
- b. Cultural heritage protection shall be integrated into the general training program for all staff and contractors, with clearly defined content and frequency.
- c. Where relevant and appropriate, community representatives, rights holders, or external experts shall be invited to contribute to training content to enhance cultural awareness and on-site identification capabilities

17.4 Monitoring and Continuous Improvement

17.4.1 Internal review and improvement

The Company shall conduct regular internal reviews of the effectiveness of cultural heritage protection measures and engage with stakeholders and rights holders to verify key issues and identify improvement actions.

17.4.2 Continuous monitoring

In collaboration with stakeholders and rights holders, the Company shall establish appropriate monitoring indicators and conduct ongoing monitoring focused on the integrity and safety of cultural heritage. Monitoring results shall be regularly reported.

17.4.3 External partnerships

- a. Beyond operational activities, the Company shall establish cooperation mechanisms to support the research, repatriation, protection, and transmission of local tangible and intangible cultural heritage.
- b. Where commercial use of cultural heritage is involved, a fair community revenue-sharing mechanism shall be established.

17.4.4 Community empowerment

- a. The Company shall establish regular interaction platforms and provide ongoing resource support to affected communities.

b. Dedicated funding or capacity-building support shall be provided, based on priorities defined by the communities themselves, to strengthen their ability to independently protect, monitor, promote, and revitalize their cultural heritage.

Glossary

Cultural Heritage: Customs, practices, places, objects, traditional knowledge, artistic expressions and values. Cultural heritage is often expressed as either intangible (artifacts, buildings, etc.) or tangible cultural heritage (oral traditions, rituals, etc.).

Critical Cultural Heritage: This includes cultural heritage that is essential to the identity and/or cultural, ceremonial, or spiritual impacts of affected Indigenous Peoples' lives, as determined by them. It includes natural areas with significant cultural and/or spiritual value such as sacred groves, sacred bodies of water and waterways, sacred trees and sacred rocks. It includes the internationally recognised heritage of communities that use or have used within living memory the cultural heritage for long-standing cultural purposes; and legally protected cultural heritage areas, including those proposed by host governments for such designation.

Indigenous Peoples' critical cultural heritage may also include sites that have not been internationally recognised or legally protected, hence it is important for companies to co-identify these areas of critical cultural heritage on a project-by-project basis and in consultation with affected

Indigenous Peoples. This is an indispensable step in understanding the existence of places that constitute critical cultural heritage and their spiritual, cultural or historical significance and value to Indigenous Peoples.

World Heritage Sites: Sites established under the World Heritage Convention of 1972. The prohibitions in “red line control” apply to all Cultural World Heritage Sites

Outstanding Universal Value (OUV): Outstanding Universal Value refers to cultural and/or natural significance that is so exceptional that it transcends national boundaries and is of importance to all humanity, both present and future generations. The permanent protection of heritage with OUV is therefore of the highest importance to the international community.

Adverse impacts: Negative effects, including those related to social, environmental or human rights, that the mining operations could cause, contribute to, or to which it is directly linked. Actual adverse impacts indicate adverse effects that have already occurred or are occurring; potential adverse impacts indicate an adverse effect that could occur.

Significant adverse impacts: The significance of an adverse impact is understood as a function of its likelihood and severity. Severity of impacts will be judged by their scale (gravity of adverse impacts), scope

(number of affected individuals and the extent of damage) and irremediable character (limits on the ability to restore).

Unavoidable impacts: Significant impacts that will arise from the action and where avoidance or mitigation is impractical.

Chance finds procedure: A chance find procedure is a project-specific procedure that outlines the actions to be taken if previously unknown cultural heritage is encountered. The procedure should halt operations immediately upon discovery of cultural heritage and notify relevant rights-holders and stakeholders. Mining sites should develop protocols designed in collaboration with rights-holders and stakeholders, to manage chance finds and ensure culturally appropriate handling of sensitive knowledge. For chance finds of Indigenous Peoples cultural heritage, procedures should consider culturally sensitive documentation practices that respect Indigenous Peoples' values and restrictions on knowledge sharing.

Cultural Heritage Impact Assessment (CIA): A specialized assessment conducted when cultural heritage is a significant issue, even if a full environmental and social impact assessment is not otherwise required.

Free, Prior, and Informed Consent (FPIC): See the detailed definition and application in Topic 16: Indigenous Rights.

Remedial measures: Refers to the process of providing remedy for an adverse human rights impact and the substantive outcomes that can

counteract or make good the adverse impact. These outcomes may take a range of forms such as apologies, restitution, rehabilitation, financial or nonfinancial compensation, and punitive sanctions (whether criminal or administrative), as well as prevention of the harm through, for example, injunctions or guarantees of non-repetition.

Rights holders: Rights holders are individuals or social groups that have particular entitlements in relation to specific duty bearers (e.g., state or non-state actors that may have a particular obligation or responsibility to respect, protect and fulfil human rights and abstain from human rights violations). In general terms, all human beings are rights-holders under the Universal Declaration of Human Rights. In particular contexts, there are often specific social groups whose human rights are not fully realised, respected or protected, such as Indigenous Peoples. It may also include individuals or groups who have a traditional or historical connection, attachment, and/or relationship to an area of land, sites and values.

Civil Society Organizations: Civil society organizations encompass a broad range of non-governmental, non-profit entities and groups that engage in public affairs through advocacy, consultation, knowledge sharing, policy dialogue, and project implementation. This includes non-governmental organizations (NGOs), community-based organizations (CBOs), advocacy groups, professional associations, faith-based organizations, and foundations.

References

ICMM: *Position Statement: Indigenous Peoples and Mining*

International Finance Corporation (IFC): *Performance Standard 8:
Cultural Heritage*

International Finance Corporation (IFC): *Performance Standard 7:
Indigenous Peoples*

United Nations Educational, Scientific and Cultural Organization
(UNESCO): *Operational Guidelines for the Implementation of the World
Heritage Convention*

18 Pollution Prevention and Waste Management

Purpose

This section establishes requirements for preventing, mitigating, and controlling pollution impacts and risks to human health and the environment throughout the entire mining lifecycle — from exploration and construction through operation, closure, and post-closure phases.

Pollution prevention and waste management is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 10: Artisanal and small-scale mining

Topic 13: Occupational health and safety

Topic 14: Emergency preparedness and response

Topic 19: Water stewardship

Topic 20: Circular economy

Topic 22: Biodiversity

Topic 24: Tailings

Scope of Application

The requirements related to mercury management and cyanide management apply only to certain mining sites where mercury is naturally occurring or used as a byproduct, or where cyanide is used in processing. All other requirements in this section apply to all mining areas.

Requirements

18.1 Management of Non-Mineral Waste and Hazardous Materials

18.1.1 Public commitment to responsible waste management

The mining site shall make a public commitment to responsible waste management and minimization, guided by the waste mitigation hierarchy: prevention → reuse/minimization → recycling → energy recovery → disposal. This commitment shall include: compliance with national laws and regulations; compliance with applicable international conventions (Basel Convention, International Convention for the Prevention of Pollution from Ships, Rotterdam Convention, Stockholm Convention); and adoption of the waste mitigation hierarchy as a guiding principle for operational decision-making.

18.1.2 Waste and hazardous material identification and assessment

- a. The mining site shall identify all waste streams (hazardous and non-hazardous) generated at the mining area, including their sources

(mining, processing, ancillary activities), transportation, storage, and disposal pathways (whether it is recovered from disposal through reuse/recycling, or disposed of through incineration/landfill, etc.).

The assessment shall evaluate opportunities for avoid and reduce waste generation; and identifying opportunities for reuse and recycling of remaining waste.

- b. The mining site shall assess the hazards and potential adverse effects of all hazardous materials used or generated on site, including their hazard characteristics (toxicity, flammability, corrosivity, reactivity), adverse impacts on human health (workers, communities, and downstream stakeholders), and negative impacts on the environment (air, soil, water, flora, and fauna).

18. 1. 3 Waste and hazardous material reduction

- a. The mining area shall develop and implement a waste reduction plan, covering: identifying opportunities to avoid and reduce waste generation; assessing opportunities to replace hazardous materials with less hazardous alternatives; developing a responsible management plan for remaining waste (including safe disposal); setting measurable and credible targets for waste reduction, reuse, recycling, and recovery; and establishing monitoring procedures to track targets and demonstrate progress in achieving them.

- b. Building upon the waste reduction plan, the mining site shall identify and implement actions to recycle or reuse waste to achieve the established reduction targets.

18.2 Mineral Waste Management (Excluding Tailings)

18.2.1 Public commitment to responsible mineral waste management

The mining area shall publicly commit to managing mineral waste in accordance with the waste mitigation hierarchy (prevention → reuse/minimization → recycling → energy recovery → disposal) and to minimizing the volume of mineral waste generated per tonne of ore processed.

18.2.2 Mineral waste identification and risk assessment

- a. The mining site shall identify all major mineral wastes (excluding tailings), and assess their geochemical and physical characteristics to determine potential pollution risks.
- b. The identification and assessment shall include: types of mineral waste (waste rock, waste ore, slag, etc.), sources of mineral waste (mining, beneficiation, processing, etc.), quantities of mineral waste generated (annual statistics), geochemical characteristics (e.g., sulfide content, acid-generating potential, metal leaching potential), physical characteristics (e.g., particle size, permeability, stability),

and potential pollution risks (acidic rock drainage (ARD), metal leaching (ML)).

18. 2. 3 Mineral waste facility design and storage

The mining area shall select and design sites for mineral waste facilities (e.g., waste rock heaps, heap leaching fields). The design and storage methods should aim to achieve physical stability (considering topography, foundation, and slope stability), geochemical stability (considering the possibility of ARD and ML), minimize environmental and human health impacts, and prevent acidic rock drainage and metal leaching.

18. 2. 4 Mineral waste remediation and geomorphological restoration

The construction, maintenance, and remediation of mineral waste in the mining area shall aim to establish a safe, stable, and pollution-free geomorphology. Remediation shall include: ensuring physical stability (slope stability, drainage systems, vegetation restoration); ensuring geochemical stability (ARD prevention, ML control, water quality compliance); restoring the geomorphology to a safe, stable, and pollution-free state; and regular monitoring and maintenance to ensure long-term stability.

18.2.5 Prohibition of direct discharge into aquatic environments

The mining site shall prohibit the direct discharge or storage of mining or processing waste into rivers, lakes, or oceans and other water bodies. Waste shall not be stored in areas surrounding water bodies unless a risk assessment demonstrates no potential for pollution. Waste treatment facilities shall not be located in flood-prone areas that could affect aquatic environments.

18.2.6 Stakeholder cooperation

The mining site shall collaborate with affected stakeholders to develop appropriate risk-based actions to address adverse impacts from mineral waste on human health and the environment.

18.3 Non-Greenhouse Gas Emission Management

18.3.1 Identification and monitoring of air pollutant sources

- a. The mining site shall identify all potential sources of air emissions (e.g., crushers, conveyors, stockpiles, haul roads, and processing equipment) and implement measures to avoid, mitigate, or reduce emissions, including dust suppression and emission control technologies.
- b. A risk-based air emission monitoring plan shall be implemented in accordance with regulatory and permit requirements.

18. 3. 2 Establishment of air emission baselines

The mining site shall establish baseline data on different types of air emissions in the mining area from a defined reference date that, subject to an assessment of significance. The baseline data may include but not be limited to: particulate matter (PM10, PM2.5), sulfur oxides (SO_x), nitrogen oxides (NO_x), and volatile organic compounds (VOCs), or, other types of air emissions.

18. 3. 3 Air pollutant emission risk management and target setting

- a. The mining site shall systematically identify and manage the air emission risks generated by mining operations and related infrastructure to prevent or reduce their adverse impacts on human health and the environment (including soil, flora, fauna and water bodies).
- b. An air quality monitoring plan shall be developed and implemented, taking into account the presence, distribution, and relative location of sensitive receptors, and identified risks of adverse impact shall be assessed and verified.
- c. Based on established environmental baseline, the mining site shall develop risk-based air emission control targets and/or indicators for the mining area, which must comply with requirements of the mitigation hierarchy.

- d. To achieve above targets and/or indicators, the mining site shall develop and implement corresponding management and technical measures, including but not limited to emission control, operational management, and continuous monitoring.

18.3.4 Management of ozone-depleting substances

- a. Effective measures shall be implemented to prevent the release or leakage of ozone-depleting substances (ODS) into the atmosphere.
- b. ODS shall be recovered and collected during maintenance, repair, or decommissioning of equipment.
- c. ODS that cannot be reused shall be transferred to qualified facilities for safe storage or disposal in accordance with the Montreal Protocol and applicable regulations.

18.3.5 Disclosure of air pollutant emissions

- a. The Company shall publicly disclose its air emission performance, including any significant violations of regulatory limits, in accordance with internationally recognized standards (e.g., GRI 305).
- b. Disclosures shall include emission data for particulate matter (PM10, PM2.5), sulfur oxides (SOx), nitrogen oxides (NOx), and other gaseous pollutants, as well as the status of mitigation measures.

18.3.6 Stakeholder engagement

- a. The mining area shall monitor the implementation of mitigation grading system to avoid and minimize air emissions and related adverse impacts, and engage with affected stakeholders where appropriate.
- b. The mining site shall regularly assess the effectiveness of mitigation measures (such as dust control systems and emission control technologies), track progress toward achieving air emission targets, monitor related adverse impacts (such as impacts on sensitive receptors), and communicate with affected stakeholders.
- c. The mining site shall provide opportunities for stakeholders and rights holders, particularly affected parties, to participate in monitoring and oversight of air quality management.

18.4 Mercury Management

18.4.1 Prohibition and commitment regarding mercury use

- a. In accordance with the *Minamata Convention*, the use of mercury to extract gold in the mining area shall be prohibited, as is the procurement of gold produced by third parties using mercury.
- b. Meanwhile, the mining site must publicly commit to responsible mercury management, covering: mercury naturally present in the ore body, mercury as a byproduct of processing, and mercury in other waste streams.

18. 4. 2 Mercury emission control

- a. The mining site shall identify and determine significant point source mercury emissions to the atmosphere and significant point source mercury releases to the land or water arising from mining activities, and implement control measures and/or technologies to minimize mercury emissions.
- b. Control measures shall include: installing mercury emission control equipment for significant point source mercury emissions into the atmosphere; implementing leak-proof and collection measures for significant point source mercury release to the land or water; and regularly monitoring mercury emission concentrations and total amounts.

18. 4. 3 Disclosure of mercury emission information

The mining area shall quantify and publicly disclose, in accordance with internationally recognized reporting standards, significant point source mercury emissions to the atmosphere or significant point source mercury releases to the land and water arising from mining operations. Disclosure shall include: quantitative data on significant point source mercury emissions or releases into the air, quantitative data on mercury emissions or releases into land and water, disclosure frequency (annual or more frequent), and disclosure standards (such as GRI).

18. 4. 4 Management and disposal of wastes containing mercury

- a. The mining site shall manage and dispose of wastes containing mercury in accordance with the guidelines established under the Minamata Convention. These guidelines also apply to the temporary storage of mercury and mercury-containing compounds.
- b. Management and disposal shall include: identifying all types and sources of mercury-containing waste; determining disposal methods in accordance with the Minamata Convention guidelines; ensuring the safety and leak prevention measures of temporary storage; and recording information on the storage and disposal of mercury-containing waste.
- c. For on-site temporary storage/disposal of mercury, a risk assessment shall be conducted to demonstrate a low long-term pollution risk. The assessment may include: a safety assessment of the on-site temporary storage facilities (physical stability, leak-proof measures, fire and explosion prevention measures); a risk assessment during the temporary storage period (leakage risk, volatilization risk, safety risk); an assessment of the reasonableness of the temporary storage period (whether it exceeds the reasonable period for temporary storage); and an emergency response plan (for emergencies such as leaks and accidents).

- d. The mining site shall establish an annual mercury ledger to track mercury inputs and outputs and conduct responsible mercury management.

18. 4. 5 Initiatives to support the elimination of mercury from ASM

- a. The Company shall confirm whether there is legitimate ASM activities at the company's operating sites. If so, the Company shall participate in initiatives supporting the elimination of mercury from ASM.
- b. Support may include technical support, capacity building, compliance training, etc.

18. 4. 6 Mercury sales and Minamata Convention compliance

- a. The mining site shall responsibly handle any mercury generated as a byproduct, preventing it from entering the global market.
- b. Relevant requirements include: sales are limited to end-use permitted by the Minamata Convention; the sale or donation of mercury to ASM entities or individuals is prohibited; sales records must be complete and traceable; and mercury sales and usage must be reported regularly.

18. 4. 7 Monitoring risks of mercury releases to water bodies

The mining site shall include mercury in its water quality monitoring program. Monitoring shall include: regularly monitoring mercury

concentrations in water at discharge points that may be linked with mercury release; regularly monitoring mercury concentrations in water at downstream sensitive receiving points; establishing a baseline for mercury in water bodies; monitoring potential sources of mercury-related pollution (such as storage areas and disposal areas); and regularly assessing the impact of mercury on aquatic ecosystems.

18. 4. 8 Mercury pollution prevention initiatives

The mining site shall actively advocate for and participate in regional, national, or international multi-stakeholder initiatives aimed at preventing mercury pollution. Such engagement may include: participating in the development of mercury pollution prevention policies and the revision of standards; sharing best practices and lessons learned in mercury management; supporting technological innovation and capacity building in mercury pollution prevention; and promoting the implementation of the Minamata Convention.

18. 5 Cyanide Management

18. 5. 1 Commitment to cyanide use

- a. If cyanide is used in the mining area, the mining site shall publicly commit to managing the transport, storage, use, and disposal of cyanide in accordance with the International Cyanide Management Institute's (ICMI) International Cyanide Management Code.

- b. The commitment shall cover: a commitment to manage the transport, storage, use, and disposal of cyanide in accordance with ICMI standards; a commitment to conduct self-assessment of compliance with ICMI standards; a commitment to obtain and maintain ICMI certification and to indicate the certification status on the ICMI Association website; and a commitment to periodically audit and demonstrate compliance in accordance with ICMI standards if ICMI certification requirements are not met.

18. 5. 2 Use of ICMI-certified cyanide suppliers

- a. In cases where cyanide is used in the mining site's facilities, the mining site shall use manufacturers and transporters certified by ICMI to supply, store, and transport cyanide.
- b. Supplier management requirements include: confirming that cyanide producers and cyanide transporters hold ICMI certificate; regularly reviewing the validity of suppliers' ICMI certificate; and incorporating ICMI into the supplier evaluation and screening mechanism.

18. 5. 3 Self-assessment of cyanide use

- a. The mining site shall conduct a self-assessment of its compliance with ICMI requirements, at least once every three years. The assessment shall include: whether the transportation, storage, use, and disposal of cyanide comply with ICMI standards; whether on-

site facilities and equipment comply with ICMI requirements; and whether employee training and emergency response comply with ICMI requirements.

- b. Non-compliance identified during the assessment and corrective actions, as well as the recording and reporting of assessment results.

18. 5. 4 Obtaining ICMI certification

- a. In cases where cyanide is used in the mining site, it shall obtain and maintain ICMI certification.
- b. Certification management requirements include: obtaining ICMI certification and indicating the certification status on the ICMI website; maintaining the validity of ICMI certification and conducting periodic recertification; disclosing audit summary report to stakeholders; and conducting periodic audits in accordance with ICMI standards and demonstrating compliance.

18. 5. 5 ICMI initiative

The mining site shall cooperate with stakeholders to encourage and promote the adoption of the ICMI within the industry. Collaboration may include: sharing best practices and lessons learned from ICMI certification with stakeholders; supporting industry partners in establishing ICMI certification systems; participating in the revision and promotion of ICMI standards; and advocating for an overall improvement in cyanide management within the industry.

18.6 Accidental Polluting Releases Management

18.6.1 Accidental polluting release risk assessment

- a. Risk assessments shall be conducted for potential accidental releases of materials from the mining area, as well as materials that may cause pollution during transportation, handling, storage, and disposal, into the air, soil, surface water, and groundwater.
- b. The assessment shall cover: identifying all materials and activities that could potentially lead to accidental pollution discharges; assessing the risk of accidental discharges into air, soil, surface water, and groundwater; and assessing the pollution risks during transportation, treatment, storage, and disposal.
- c. The mining site shall identify sensitive receptors and potential impact ranges, and assess risk levels and pollution event priorities.

18.6.2 Prevention of accidental polluting releases

- a. The mining site shall take measures to prevent accidental polluting releases, including: establishing a regular inspection and monitoring mechanism, ensuring the integrity of pollution control equipment and facilities, and maintaining inspection, monitoring, and maintenance records.
- b. The mining site shall take corrective actions for identified issues and tracking their implementation; training employees to identify and report potential risks.

18.6.3 Risk management and emergency response plan for accidental polluting releases

- a. The Company shall assess the risk of adverse human and environmental impacts from any significant accidental polluting releases to air, soil, surface and groundwater resulting from its operational activities and related infrastructure (including import of processed materials or export of products or waste, inadequate engineering measures, or unforeseen accidents).
- b. The Company shall establish an emergency response mechanism and regularly update the emergency preparedness and response plan (see Topic 14: Emergency Preparedness and Response).
- c. The Company shall address significant accidental polluting releases in the emergency preparedness and response plan.

18.6.4 Handling and remediation of significant accidental polluting releases

- a. In the event of a significant accidental polluting releases, the mining site shall immediately take action to prevent further spread of the pollution.
- b. Once the situation is under control, consult with affected stakeholders to remedy the adverse impacts.
- c. Remediation may include: implementing remedial measures to restore the affected environment and community; monitoring the

effectiveness of remediation to ensure that the expected goals are achieved; and documenting the remediation process and results.

18. 6. 5 Post-incident internal review

If a significant accidental polluting release occurs, the mining site shall conduct a post-incident internal review to investigate the cause of the incident, identify and implement corrective actions and preventive measures, and report to senior management.

18. 6. 6 Disclosure of accidental polluting releases

- a. In the event of a significant accidental polluting releases, the mining site shall, in accordance with internationally recognized reporting standards (such as GRI 306), promptly and truthfully disclose the incident that has a significant adverse impact on human health or the environment.
- b. The mining site shall disclose any legal actions or administrative penalties related to the incident.
- c. The incident disclosure should include: a description of the incident and its impact assessment, remedial measures taken and corresponding effects, the cause of the incident, and corrective and preventive measures.

18. 6. 7 Stakeholder communication

For significant accidental polluting releases, the mining site shall provide the results of its internal post-incident review to local affected

stakeholders and rights holders. Stakeholder consultations shall be conducted to collect their opinions and expectations. Consultations shall include: the results of the internal review of the incident, detailed information on the direct and root causes of the incident, and details of corrective and preventive measures.

18.7 Noise, Vibration, and Light Pollution/Nuisance Management

18.7.1 Identification of the sources of noise, vibration, or light pollution/nuisance

1. The mining site shall identify potential sources of noise, vibration, or light pollution/nuisance, and identify the presence and location of sensitive receptors (including people, flora and fauna).

18.7.2 Baseline of noise, vibration, or light pollution/nuisance

The mining site shall establish baseline data on different types of noise, vibration, or light from a defined reference date, to assess potential impacts and support subsequent management and control measures.

18.7.3 Assessment and mitigation of noise, vibration, and light pollution/ nuisance risks

- a. The mining site shall assess the risk of adverse effects from noise, vibration, and light pollution/nuisance on sensitive receptors (including people, flora and fauna) in the mining area.

- b. Based on the presence and location of sensitive receptors, corresponding monitoring plans shall be developed and implemented in accordance with relevant laws and regulations to verify and assess the identified adverse impacts.
- c. The mining site shall, in accordance with the requirements of the mitigation hierarchy, take measures to avoid, prevent, minimize, or otherwise mitigate the adverse effects of noise, vibration, and light pollution/nuisance on sensitive receptors.

18.7.4 Monitoring noise, vibration, and light pollution/nuisance risks

- a. The mining site shall implement a noise, vibration, and light pollution/nuisance monitoring plan based on the presence and location of sensitive receptors.
- b. The monitoring plan shall include: determining monitoring locations and frequencies; ensuring that noise, vibration, and light levels comply with applicable standards and regulations; periodically evaluating monitoring data and taking corrective actions.
- c. The mining site shall provide opportunities for stakeholders and rights holders, particularly affected stakeholders, to participate in monitoring. This includes providing stakeholders with monitoring data and reports, inviting stakeholders to participate in on-site monitoring activities, establishing stakeholder feedback and

communication mechanisms, considering stakeholder monitoring recommendations, and periodically reporting monitoring results to stakeholders.

18.7.5 Noise, vibration, and light pollution/nuisance related complaint handling

The mining site shall record and handle noise, vibration, and light pollution/nuisance related complaints and take corrective actions. The complaint handling process includes: establishing a complaint receiving and recording mechanism; responding to complaints promptly and conducting investigation; assessing the reasonableness and impact of complaints; taking corrective measures to mitigate or eliminate the impact; providing feedback on the handling results to the complainant; and regularly analyzing complaint trends and taking preventive measures.

Glossary

Minamata Convention: The Minamata Convention is a global multilateral environmental convention aimed at protecting human health and the environment from the anthropogenic emissions and releases of mercury and its compounds.

Non-mineral waste: refers to solid or liquid materials generated during mining activities that are discarded or no longer serve any useful purpose. In the context of mining operations, this includes wastes generated during extraction, beneficiation, and processing of ore.

Waste Mitigation Hierarchy: A framework for grading different management measures according to environmental priorities in waste management. This system typically includes, in order, source prevention → reuse/minimization → recycling → energy recovery → disposal, emphasizing prioritizing measures that reduce waste generation at the source and minimize environmental impacts, and treating final disposal as a last resort to minimize adverse impacts on human health and the environment.

The Basel Convention, the International Convention for the Prevention of Pollution from Ships (ICP-5), the Rotterdam Convention, and the Stockholm Convention: these conventions are multilateral environmental agreements concerning the environmental management of chemicals and wastes. These conventions establish international rules and controls on the transboundary movement, trade, transport, discharge, and disposal of hazardous chemicals and wastes, with the objective of preventing and minimizing their adverse impacts on human health and the environment.

Hazardous materials: Hazardous materials are substances or materials that, due to their physical, chemical, or biological properties, exhibit characteristics such as toxicity, corrosivity, flammability, explosiveness, reactivity, radioactivity, or infectiousness. Their production, storage,

transport, use, or disposal may pose risks to human health, property safety, or the environment.

Mineral waste: Mineral waste refers to solid mineral residues generated during mineral resource exploration, mining, beneficiation, leaching, and smelting processes. This includes, but is not limited to, waste rock (overburden or country rock), spent ore from leaching operations, slag, and other mineral waste streams produced during smelting. Waste rock typically consists of crushed or stripped rock material, with particle sizes ranging from fine sand to large boulders, depending on geological conditions and mining methods. Spent ore (leach residue) generally consists of residual material after heap leaching or other processing, with particle sizes typically ranging from sand to pebbles.

Acidic rock drainage (ARD) and metal leaching (ML): refer to the oxidation reaction that occurs in tailings, waste rock, and heap leach materials containing sulfide minerals (such as pyrite) when exposed to air and water. This oxidation generates acidic substances and lowers the pH of the water, thereby promoting the dissolution and migration of metal elements in the ore or waste rock. The resulting acidic, metal-laden wastewater is called acidic rock drainage (ARD) (also known as acidic mine drainage); while wastewater with a significant increase in metal concentration without necessarily increasing acidity is called metal leaching (ML). ARD and/or ML can enter groundwater and surface water

bodies through infiltration or runoff, adversely affecting biodiversity, ecosystem function, and drinking water safety. Without effective prevention and control measures, these impacts can persist for decades or even centuries after mining operations cease.

Non-greenhouse gases: Non-greenhouse gases are atmospheric gases that are not classified as greenhouse gases under the international climate regime and do not exert a direct radiative forcing effect contributing to global warming.

Baseline: A baseline is a systematic record and description of the pre-existing environmental, social, or other relevant conditions at a specific point in time. It serves as a reference point for comparison and assessment (e.g., conditions prior to project implementation) to identify, analyze, and quantify subsequent changes or impacts.

Sensitive receptors: Sensitive receptors are populations, ecosystem components, or specific environmental functional areas that are particularly vulnerable to environmental changes, pollutant emissions, or other external disturbances and may therefore experience significant adverse effects. Examples include residential areas, schools, hospitals, drinking water sources, nature reserves, wetlands, habitats of rare or endangered species, and other areas of ecological, social, or public health importance.

References

United Nations Environment Programme (UNEP): *Minamata Convention on Mercury*

UNEP: *Guidance in relation to Mercury Emissions*

International Finance Corporation (IFC): *Environmental, Health, and Safety Guidelines for Mining*

IFC: *Performance Standard 3: Resource Efficiency and Pollution Prevention*

International Network for Acid Prevention (INAP): *Definition of Acid Mine Drainage*

19 Water Stewardship

Purpose

This section aims to ensure responsible water stewardship by the Company through a systematic, closed-loop approach: identifying water use activities and watershed boundaries, establishing baselines and water balance, identifying risks and implementing mitigation measures according to risk level, monitoring/disclosure, and continuous corrective improvement. By adopting this approach, the Company shall protect the quality and accessibility of water resources within the watershed, safeguard the needs of other water users (including rights holders), maintain healthy ecosystems, and continuously improve water use efficiency.

Water stewardship is a cross-cutting issue that intersects with multiple other sections of this Code and shall be implemented in a coordinated and integrated manner. Related issues include, but are not limited to:

Topic 1: Management system

Topic 2: Compliance and business integrity

Topic 4: Stakeholder engagement

Topic 6: Grievance management

Topic 11: Human rights and security

Topic 14: Emergency preparedness and response

Topic 16: Indigenous rights

Topic 18: Pollution prevention and waste management

Topic 22: Biodiversity

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This section applies to all mining areas.

Requirements

19.1 Water Resource Management

19.1.1 Public commitment to responsible water management

- a. The mining site shall make a public commitment to responsible water management, applying a risk-based mitigation hierarchy that prioritizes avoidance of adverse impacts.
- b. The commitment shall clearly define the scope of assessment, extending beyond internal operations to include impacts on the broader catchment area and, where applicable, the marine environment. Particular attention shall be given to water as a shared public resource and to local water scarcity risks. The commitment shall specify the scope of application (water withdrawal, discharge, reuse, and contact water management), key risks, and division of responsibilities.

19. 1. 2 Assignment of responsibilities and providing targeted training

- a. The Company shall designate a responsible person for water resource management, clearly define roles and accountabilities in terms of fulfilling the commitment and implementing the action plan, establish mechanisms for oversight, and allocate sufficient resources. The designated person shall receive appropriate training to fulfill their responsibilities.
- b. Water resource management training shall be integrated into onboarding and ongoing training programs for relevant workers to enable them to identify and report water-related issues.

19. 1. 3 Water quality and quantity requirements across the project lifecycle

- a. The mining site shall define water quality and quantity requirements for the entire project lifecycle, including mine closure.
- b. The mining site shall identify all water sources used in operations, distinguishing between surface water and groundwater (blue water), rainwater (green water), and water used for dilution of contaminants (grey water).

19. 1. 4 Prepare and maintain a water balance table

The mining site shall compile and maintain a comprehensive water balance for the mining area based on monitoring data and identified risks.

A predictive water balance, incorporating historical data and climate models, shall also be developed and updated at the frequency required by applicable regulations.

19. 1. 5 Identification and assessment of water risks and impacts

- a. The mining site shall identify and assess the potential risks and impacts of its water use on the quality and quantity of surface water and groundwater. The assessment shall analyze short-, medium-, and long-term risks and thoroughly characterize the hydrological and hydrogeological context.
- b. Identified risks shall be managed according to the mitigation hierarchy, with priority given to avoidance over mitigation.

19. 1. 6 Establishment of water quality baselines

- a. The mining site shall establish robust water quality baselines/background values which should be collected by qualified professionals before any project-related impacts occur.
- b. The mining site shall identify all potential sources of water pollution associated with the site and its associated facilities, as well as water quality changes resulting from the site and its associated facilities.
- c. Baselines shall include but not limited to: water quality parameters, seasonal and temporal variations in water quantity, and the physical, chemical, and biological conditions of surface water, natural springs, and groundwater.

19. 1. 7 Development of a water risk mitigation plan

- a. The mining site shall develop, implement, and regularly update a water risk mitigation plan at the frequency required by relevant regulations. The plan shall ensure that water quality and quantity within the watershed meet environmental requirements and respect the needs of local users and affected stakeholders.
- b. The mitigation plan shall follow the mitigation hierarchy.

19. 1. 8 Assessment of cumulative impacts within the watershed

The mining site shall assess the cumulative environmental, economic, and social impacts of its water management measures on surface water and groundwater within the watershed and update this assessment at the prescribed frequency.

19. 1. 9 Optimization of process water use and source control of contact water

- a. The mining site shall identify and document opportunities to optimize process water use and reduce freshwater consumption.
- b. The mining site shall continuously improve water use efficiency by installing water-saving equipment, avoiding, reducing and minimizing consumption, exploring alternative sources (e.g., seawater), and promoting reuse and recycling.
- c. Where feasible, the mining site shall implement source control measures, including diversion, to prevent or minimize the generation

of contact water and avoid mixing contact water with non-contact water.

19. 1. 10 Implementation of surface water and groundwater quality monitoring plan

- a. The mining site shall implement a surface water and groundwater quality monitoring plan at the frequency required by regulations or *the IFC Environmental, Health and Safety Guidelines for Mining* (Table 1). Monitoring shall cover parameters relevant to regulatory requirements and identified risks, as well as water quality and quantity indicators.
- b. Sampling and analysis plans shall be developed by qualified professionals and shall include protocols for sample collection, handling, transportation, retention periods, analytical methods, quality assurance/quality control (QA/QC), and reporting requirements.
- c. Sufficient monitoring locations shall be established at baseline and compliance points, with sampling frequency adequate to capture seasonal variations, storm, extreme events, and operational anomalies that may lead to changes in water quality or quantity.

19. 1. 11 Assessment of climate change risks to water management

- a. The mining site shall systematically identify and assess climate change-related risks at the required frequency and evaluate their potential effects on water balance, water quality, and water-related infrastructure (including process water systems, contact water management facilities, erosion and sediment controls, and response systems for draught, storm and other extreme weather).
- b. The assessment shall address adverse impacts on flows /ecological flows, water balance and scarcity, sensitive water sources, and future water availability and demand. The impacts on future water volume, water source access, water flow, and related adaptation strategies should be included in the assessment, where relevant.

19. 1. 12 Water-related objectives and indicators

- a. The mining site shall establish specific objectives and/or indicators for water resource management to protect the rights of other water users, and reduce adverse risks to watershed ecological health and other water users (including rights holders).
- b. Progress toward these objectives/specific indicators (such as mitigation plan and monitoring plan) shall be monitored at the required frequency and reported regularly to senior management to support decision-making and continuous improvement.

- c. When reporting annual performance of achieving objectives or indicator, if certain objective/indicator has not achieved, the mining site shall analyze the reasons and apply lessons learned.

19. 1. 13 Reducing long-term active water management needs

- a. Throughout the project lifecycle, the mining site shall systematically plan, design, and implement source control measures to minimize reliance on long-term active water treatment. Meanwhile, it shall also strive to create a safe and stable topography to reduce long-term environmental risks during and after mine closure, thereby reducing the need for continuous active water treatment.
- b. Water-related mitigation measures shall be integrated into mine closure and reclamation plans, to ensure long-term management of water-related environmental and social issues.
- c. Where long-term water treatment is anticipated, the mining site shall develop action plans by professionals to minimize treatment volumes, and shall include adequate human resources, budget estimates, and financing plans to ensure funding is available and included in closure/reclamation costs.

19. 1. 14 Reporting and independent review

- a. The mining site shall promptly report any major water-related violations and corrective actions to senior management.

b. The mining site shall conduct independent reviews of the effectiveness of its water management plan at prescribed intervals, and monitor the implementation of water management plan. External experts may be engaged to evaluate whether the system is achieving its intended outcomes

19.2 Watershed-Based Collaborative Management

19.2.1 Defining watershed boundaries

The mining site shall clearly define the watershed boundaries relevant to its operating sites, identifying all water sources used in operations and the surface water and groundwater areas potentially affected by its activities.

19.2.2 Assignment of responsibilities for engagement with other water users

The mining site shall assign clear internal responsibilities and allocate sufficient resources for communication and engagement with other water users within the watershed.

19.2.3 Identification of water users and rights holders

The mining site shall identify all water users, rights holders, and other relevant stakeholders within the watershed who may be affected by or may influence its operations. This includes downstream communities and those potentially impacted by groundwater extraction or pollution.

The mining site shall also identify any existing Integrated Water

Resources Management (IWRM) processes.

19. 2. 4 External engagement and participation in IWRM mechanisms

- a. The mining site shall engage with potentially affected rights holders and other water users in the watershed to understand their water use patterns, values, key concerns, and risks related to water quality and quantity.
- b. The mining site shall actively participate in existing, well-established Integrated Water Resources Management (IWRM) platforms or mechanisms to achieve these objectives.

19. 2. 5 Understanding shared water resource challenges

- a. Where established IWRM mechanisms do not exist or are not yet mature, the mining site shall make reasonable efforts to collaborate with affected rights holders and other water users to jointly identify and understand the key water resource challenges facing the watershed.
- b. Where well-functioning IWRM mechanisms already exist, the mining site shall utilize these platforms to obtain relevant information and support informed decision-making.

19. 2. 6 Participation in collective action for watershed management

- a. Where external IWRM mechanisms are absent or immature, the mining site shall collaborate with affected rights holders and other water users to systematically identify, assess, and prioritize short-, medium-, and long-term social and environmental risks related to water quality, quantity, environmental flows, and key water concerns, and shall actively participate in collective actions to address them.
- b. Where well-established IWRM mechanisms exist, the mining site shall contribute to their continuous optimization and improvement of relevant tools and mechanisms, based on specific circumstances.

19. 2. 7 Providing Information to Other Water Users and Reporting Collaboration Progress to Management

- a. The mining area should provide relevant data and information to other water users, based on the specific context, clarifying the relationship between the mining area's water resources management measures and identified watershed water risks, to support other water users' understanding and collaborative decision-making.
- b. The mining area communicates the impact and information to affected stakeholders in a practical and easily understandable manner, continuously involving affected stakeholders from the

initial stages of the operating site's lifecycle, providing them with information, allowing them to participate in decision-making where appropriate, and maintaining continuous communication during the monitoring of water-related matters.

- c. Regularly report the implementation progress of IWRM to the mining area management to strengthen internal oversight and continuous improvement.

19. 2. 8 Prioritizing identification of water use opportunities through integrated water resources management (IWRM)

Where Integrated Water Resources Management (IWRM) is already established and operating effectively, the mining area participates in IWRM development to identify and prioritize water use-related opportunities, rather than mitigation measures.

19. 2. 9 Sharing progress to support watershed-level activities

- a. Where relevant and feasible, the mining site shall share relevant data and information to other water users, illustrating the connection between the mining site's operating practices and IWRM progress, promoting collaborative collective action at the watershed level.
- b. With the agreement of rights holders and other water users, the mining site shall, through IWRM mechanism and with their participation or support, contribute to at least one of the following

watershed-level activities: a) setting watershed-level objectives, including integration into land-use planning where applicable; b) developing or supporting the development of watershed management plans; c) tracking progress toward achieving watershed-level objectives and communicating relevant progress with water resource stakeholders and rights holders; d) conducting collaborative (e.g., participatory) monitoring activities within the watershed.

19.3 Water Resources Disclosure and Reporting

19.3.1 Public disclosure of water resource information related to the mining site

The mining site shall publicly disclose a description of key water resources-related information, including: a) major water-related activities; b) primary sources of water withdrawal; c) major categories of water consumption; d) significant water-related discharges.

19.3.2 Disclosure of water withdrawal, discharge, and consumption Data

The mining area shall publicly disclose, on a yearly basis, information on water withdrawal (including water source, quantity, and quality), discharge (including discharge destination, quantity, and quality), and total water consumption at the mining area level for process water and other water uses. It shall also disclose the water use and

discharge information relative to established water targets or indicators.

19.3.3 Disclosure of significant water-related fines

The mining site shall publicly disclose any significant water-related fines or government regulatory actions, and the measures taken by management in response (see Topic 3: Compliance and Business Integrity).

19.3.4 Disclosure of water-related risks and management approaches

The mining site shall publicly disclose water-related risks, the methods used to manage them, and associated action plans, progress, and outcomes.

19.3.5 Use of international frameworks for water data disclosure and independent assurance

The mining site shall publicly disclose water data at the mining site level in accordance with one of the following frameworks or equivalent frameworks (including government regulatory requirements): a) ICMM Water Reporting: Best Practice Guide; b) Mining Council of Australia (MCA): Water Accounting Framework; c) Global Reporting Initiative (GRI) 303: Water and Effluent (2018). External independent assurance regarding water resource disclosure is also recommended.

19.3.6 Disclosure of significant violations and lessons learned

Where appropriate, the mining site shall publicly disclose significant

violations and share responses and lessons learned internally with other departments and other relevant water users so that external stakeholders (such as industry peers) can benefit from the case.

Glossary

Watershed / Catchment Area: The hydrological boundary of the area that the mining operations may affect (or are reasonably expected to affect). It includes relevant groundwater zones and downstream areas potentially impacted by water discharges or withdrawals.

Contact Water: Water that has come into contact with any disturbed area of the mining operation, including waste rock piles, tailings storage facilities, ore stockpiles, processing plants, and haul roads. Contact water typically requires monitoring and/or treatment prior to discharge or reuse.

Non-Contact Water: Water that has not come into contact with the mining footprint. This water is usually diverted around the operational area to prevent it from becoming contact water. Water that contacts restored landforms but remains suitable for discharge without treatment may be classified as non-contact water.

Mitigation Hierarchy: The hierarchy prioritises actions to address adverse impacts beginning with avoiding them followed by minimizing, restoring and offsetting, in that order. With a strong emphasis on reduction of water consumption before considering treated discharge.

Discharge is regarded as a last resort to minimize adverse impacts on human health and the environment

Frequency of Relevant Regulations: The frequency specified in applicable procedures or documents, usually related to the risk level.

Where no specific frequency is defined, it shall be determined based on risk level, likelihood of events, or other justified technical grounds.

Water Quality Baseline / Background Value: The pre-project condition of water quality in the absence of mining impacts. For new projects, baselines shall be established using pre-mining data collected by qualified professionals. For existing operations where pre-mining data is unavailable, the best available reference shall be used, such as water quality of upstream or nearby unaffected sites or data obtained through other reliable methods. Baselines include physical, chemical, and biological parameters, as well as seasonal and temporal variations in water quantity.

New water: Water withdrawn from the environment (e.g. surface or groundwater) or from third parties (e.g. municipal) that has not been previously used for Company's operational processes.

Freshwater: High quality water requiring minimal treatment to meet drinking standards, i.e. naturally occurring water with a concentration of total dissolved solids equal to or below 1,000 mg/L.

Extreme Events: Extreme weather events and extreme climate events are collectively referred to as extreme events, referring to rare weather phenomena with a probability below the 10th or above the 90th percentile of historical data for a given location and time period.

Major Violations: Include, but are not limited to, exceedances of regulatory or permit limits, failure to report required events, or significant malfunctions in management systems or process controls that could result in unplanned or unpermitted water discharges.

Water balance: Refers to an approach used to identify and map the flow of water in and out of a facility as well as the flows within the mining site. A water balance is used to understand how water supply and storage requirements change over time. A mining site's water balance comprises three main components: water intake into the mining site (often referred to as water withdrawals as water is withdrawn from the receiving environment), water discharge back into the receiving environment and water consumption. A practical formula for calculating a mining site's water balance is $\text{intake volume} = \text{discharge volume} + \text{consumption volume} + \text{any change in the volume of water storage inside the boundaries of the mining site}$. Additional guidance on what should be included in a water balance can be found in 19.3.5. An operational water balance uses real-time monitoring, management and control of water resources to assess and respond to immediate water needs. A predictive

water balance uses historical data, climate models and other relevant information to anticipate potential water needs and inform long-term water management strategies.

Other water users: Organizations or individuals upstream or downstream of the catchment area where the mining area is located that may be affected by changes in the water quality or quantity of the catchment area.

Integrated Water Resource Management (IWRM): The UN Environment Programme defines IWRM as promoting the coordinated development and management of water, land and related resources to maximise economic and social welfare in an equitable manner, without compromising the sustainability of vital ecosystems.

IWRM is a cross-sectoral approach that is increasingly recognised as the solution to traditional, fragmented sectoral approaches to water resources management that have led to unsustainable use and poor services. IWRM is based on the understanding that water resources are an integral component of the ecosystem, a natural resource, and a social and economic good.

The basis of IWRM is that the many different uses of finite water resources are interdependent. High irrigation demands and pollution from agriculture, for example, mean less freshwater for drinking or industrial use; contaminated municipal and industrial wastewater pollutes rivers and

threatens ecosystems; if water must be left in a river to protect fisheries and ecosystems (environmental flows), less can be diverted to grow crops.

Implementing IWRM thereby helps to protect the world's environment, fosters economic growth and sustainable agricultural development, promotes democratic participation in governance, and improves human health. UN Water monitors the maturity of IWRM processes.

Process water: Water that has been used in the operational processes which excludes domestic water and contact water.

Independent Assurance: An objective assessment conducted by a qualified external third party to determine whether the Company's water management system has achieved its intended objectives and outcomes.

References

International Finance Corporation (IFC): *Environmental, Health, and Safety Guidelines for Mining*

International Finance Corporation (IFC): *Performance Standard 3: Resource Efficiency and Pollution Prevention*

Global Reporting Initiative (GRI) 303: *Water and Effluents 2018*

ICMM: *Water Reporting: Good Practices Guide*

Mining Council of Australia (MCA): *Water Accounting Framework for the Minerals Industry*

United Nations Global Compact: *Join the CEO Water Mandate*

United Nations Environment Programme (UNEP): *Integrated Water
Resources Management (IWRM)*

20 Circular Economy

Purpose

This chapter requires the Company to systematically apply circular economy principles across the full lifecycle of mining operations. Guided by the core principles of eliminating waste and pollution, promoting the reuse and recycling of materials, and supporting natural regeneration, the Company shall continuously improve resource efficiency and reduce environmental impacts. The Company shall establish a comprehensive circular economy management system covering all stages from mine design to closure planning. This system should address key aspects such as waste flow identification, reduction of waste at source, tailings reprocessing and utilization, by-product recovery, and end-of-life material recycling. Appropriate management tools—such as lifecycle (e.g., cradle-to-gate) analysis, waste management strategies, and supply chain due diligence—should be applied to ensure a systematic, traceable, and verifiable approach to circular economy practices.

For smelting operations, the Company shall further establish systems for post-consumption material recycling, mechanisms for measuring and verifying recycled content, and risk management processes for waste supply chains. These measures aim to ensure the compliance and traceability of secondary material sources and to promote the transition from site-level recycling to value chain-wide circularity.

Circular economy management may be linked to other issues addressed in this Code and should be implemented in a coordinated manner.

Related issues may include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 5: Responsible supply chain

Topic 14: Emergency preparedness and response

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 21: Climate action

Topic 22: Biodiversity

Topic 24: Tailings

Scope of Application

This chapter applies at both the mining area and enterprise levels, with additional specific requirements for smelting operations within the mining area.

Requirements

20.1 Policy Commitment and Governance Responsibility

20.1.1 Public commitment to circular economy practice

The Company shall publicly commit to applying circular economy

principles in its mining operations, including improving resource efficiency and promoting reprocessing, reuse, and recycling. These principles are guided by three core design-based approaches: eliminating waste and pollution, keeping products and materials in use at their highest value, and supporting natural regeneration.

20. 1. 2 Establishment of a circular economy and waste management strategy

- a. The Company shall establish and continuously improve a circular economy management system to promote resource conservation and efficient utilization, and to minimize the generation of usable waste and solid waste (including tailings) throughout operations. The system shall include a comprehensive review and documentation of existing and planned activities, with a focus on identifying improvement opportunities in the following areas:
 - Reducing the generation of pre-consumption and solid waste through source reduction and process optimization, and identifying opportunities to convert by-products and waste materials into valuable outputs;
 - Enhancing material recovery, reuse, remanufacturing, and recycling within existing processes and material flows;

- Improving resource and energy efficiency, and promoting the regeneration and substitution of natural resources through technological and management measures.
- b. The Company shall regularly evaluate the effectiveness of the management system, continuously optimize processes, strengthen process controls, and enhance resource utilization practices in alignment with relevant standards and policies, with the aim of establishing a closed-loop circular economy system across all stages of operations.

20. 2 Waste Recording and Reduction

20. 2. 1 Identification and recording of waste streams

- a. The Company shall identify and record all mineral and non-mineral waste streams generated within the mining area, including opportunities for segregation and recovery of reusable, recyclable, or reprocessable materials.
- b. Waste identification shall cover pre-consumption waste, internally recycled waste, and non-tailings waste, and shall include identification of opportunities to convert industrial by-products into valuable products.

20. 2. 2 Minimization of pre-consumption waste and non-tailings waste generation

- a. The Company shall seek to minimize and, where feasible, eliminate pre-consumption waste, internal recycling waste, and non-tailings waste through improved resource efficiency, reuse, recycling, and reprocessing.
- b. The Company shall identify opportunities to reduce waste generation (including tailings), recover new products from existing material flows, and improve overall resource efficiency.

20. 2. 3 Reduction of tailings

The Company shall identify opportunities to minimize tailings generation and enhance the recovery of valuable materials from tailings, with the objective of maximizing resource utilization and reducing waste.

20. 2. 4 Recovery of commercially viable products

- a. The Company shall identify opportunities to produce or recover commercially viable products from industrial processes and waste streams.
- b. The Company should promote the transformation of by-products into value-added products and support the recovery of additional materials from existing process flows.

20. 2. 5 Application of circular principles through the whole lifecycle

- a. The Company shall, where feasible, apply circular economy principles across the full lifecycle of operations, from project planning and design through to closure and reclamation. This includes consideration of future land use and opportunities for reuse, recycling, or repurposing of residual materials.
- b. The Company shall identify opportunities to regenerate natural resources and recover additional value from material flows, ensuring that circular principles are integrated throughout the mining lifecycle.

20. 2. 6 Technology development and innovation

The Company should identify and implement opportunities to reduce or eliminate waste (including tailings) through the application of new technologies and innovation initiatives. This includes promoting remanufacturing and repair to extend product life, documenting progress, and evaluating performance against internal circular economy objectives.

20. 3 Monitoring, Disclosure, and Continuous Improvement

20. 3. 1 Setting and monitoring circular economy

- a. The Company shall establish measurable and credible circular economy objectives and/or targets, monitor progress, and publicly disclose performance at defined intervals.

- b. The Company shall publicly disclose, at least annually, its circular economy objectives, actions, progress, and outcomes, including methodologies and system boundaries used to determine recycling content at the product, site, or company level, where applicable.

20. 3. 2 Stakeholder collaboration

The Company should identify and document collaboration with key stakeholders—including suppliers, customers, and adjacent industries—to enhance material circularity. This includes promoting the collection, reuse, and recycling of end-of-life products, increasing material recovery rates, and integrating post-consumer recycling where feasible.

20. 4 Additional Requirements for Smelters

(Smelting operations shall comply with the above requirements and the following additional provisions.)

20. 4. 1 Post-consumer product collection and reuse

Smelters shall identify opportunities and establish systems to support the collection, reuse, and recycling of end-of-life products, ensuring that environmental, economic, safety, technical, and legal considerations are addressed.

20. 4. 2 Post-consumer waste recycling

Smelters shall promote the integration of post-consumer waste into operations and increase the recovery, reuse, and recycling of materials,

subject to feasibility and compliance considerations.

20. 4. 3 Identification of Recycled Content

- a. Smelters shall use internationally recognized methods or industry guidelines (if any) to identify and document recycled content at the product, site, or enterprise level, and provide such information to customers upon request.

Smelters shall conduct due diligence on incoming materials to verify recycled content claims, classify waste types (e.g., recycled content, pre- and post-consumer scrap), maintain traceable records of waste sources (Such as shipping records), and compile relevant statistics of scrap materials.

- b. The Company should provide recycled content information to business partners upon request, including methodologies and system boundaries used for determination. Information disclosure should cover data on recycled products at the product, operating site, or enterprise level, and should be identified and recorded using internationally recognized methods or industry guidelines (if any).

20. 4. 4 Due diligence on scrap material

- a. Smelters shall conduct risk-based due diligence on scrap materials, considering their type and country of origin, and verify if the material is sourced from high-risk areas. The Company shall extend its due diligence system to include scrap material, and assess if its

production, import/export and transportation processes are in line with applicable laws and international conventions (e.g., the Basel Convention), applying the stricter standard where relevant.

- b. The Company shall identify and assess human rights, labor, and environmental risks within the waste supply chain, prioritize risks based on severity and likelihood. Risk assessment shall consider the type and origin of the scrap material. Scrap materials shall be integrated into existing responsible supply chain due diligence systems, to verify if it is sourced from high-risk areas.

20. 4. 5 Development and implementation of risk mitigation action plan

Businesses should collaborate with stakeholders to develop and implement action plans to prevent and mitigate the impact risks identified in scrap material supply chain risk assessments. These action plans should address identified human rights, workers' rights, and environmental risks, clearly defining mitigation measures, responsible parties, timelines, and monitoring indicators, and should be regularly tracked for progress.

20. 4. 6 Increasing material circularity

The Company should, where feasible, increase the proportion of materials that are reused, recycled, or recovered. This includes identifying opportunities to enhance end-of-life product collection, integrate post-

consumer recycling, and promote remanufacturing or repair to extend product lifecycles, while ensuring environmental, economic, safety, technical, and legal feasibility.

Glossary

Circular economy: Within a circular economy, material producers and product manufacturers work with end users, communities, retailers, service providers and waste management facilities to “close loops” by reusing, performing maintenance on, repairing, refurbishing and recycling products and materials. In the mining sector, circular economy encompasses ‘process circularity’, which refers to the application of circular principles to the mining process, and ‘product circularity’, which focuses on ensuring that metals and minerals are kept in circulation through recovery, reprocessing and reuse.¹⁵

Recycled Content: Recycled material refers to minerals or metals that have been previously processed, such as end-user, post-consumer, scrap and waste minerals or metals arising during minerals or metals processing and product manufacturing, which is returned to a minerals or metals processor or other downstream intermediate processor to begin a new life cycle.¹⁶

¹⁵ Adapted from Copper Mark Criteria Guide (2023) and ICMM Circular Economy

¹⁶ Adapted from OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High- Risk Areas, Gold Supplement (2016)

Recycling: Any recovery operation by which waste materials are reprocessed into products, materials or substances whether for the original or other purposes

Scrap

Pre-consumer scrap: Material that is diverted from the waste stream from a manufacturing process or similar, in which the material has not been intentionally produced, is unfit for end use and not capable of being reclaimed within the same process that generated it. **Post-consumer scrap:** Material that is reclaimed from a consumer or commercial product that has been used for its intended purpose by individuals, households or commercial, industrial and institutional facilities as end-users of the product which can no longer be used for its intended purpose. **Run-around scrap:** sometimes referred to as home scrap or in-house scrap, is material generated and reclaimed at the same Facility.¹⁷

Smelter: Facility where smelting takes place. Smelting involves separating metal, as an element or compound, from processed ore by heating it to a high temperature in a suitable furnace, typically in the presence of a reducing agent, such as carbon, and a fluxing agent, to promote fluidity and remove impurities. For the purposes of the Standard,

¹⁷ Adapted from Copper Mark Criteria Guide

this excludes the smelting of gold to remove impurities as an integral part of a gold mining operation.

References

International Council on Mining and Metals (ICMM): *Tools for Circularity*

21 Climate Action

Purpose

This chapter aims to support the Company in establishing a systematic approach to climate change mitigation and adaptation. By proactively identifying, managing, and reducing greenhouse gas (GHG) emissions and climate-related risks associated with its operations, the Company can address climate-related challenges while capturing opportunities arising from the low-carbon transition. Through effective climate management, the Company shall seek to minimize adverse environmental and social impacts, enhance resilience and competitiveness, and ensure that assets, workers, and affected stakeholders are protected from the impacts of climate change. This chapter is informed by widely recognized international frameworks and practices, including global climate governance frameworks (e.g., the *United Nations Framework Convention on Climate Change* and the *Paris Agreement*), climate-related disclosure standards, product carbon footprint methodologies, and climate services.

Climate action may be linked to other issues addressed in this Code and should be implemented in a coordinated manner. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 12: Community impact and development

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 22: Biodiversity

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This issue applies to both mining site and corporate.

Requirements

21. 1 Climate Action Governance

21. 1. 1 Public commitment to climate action

- a. The Company shall publicly commit, at the corporate level, to reducing greenhouse gas (GHG) emissions and advancing climate action. This includes avoiding and reducing emissions associated with operations at a pace and scale consistent with the goals of the *Paris Agreement*, and strengthening protection and adaptive capacity to minimize the impacts of climate change on facilities, employees, and stakeholders.
- b. The Company shall commit to achieving net-zero emissions no later than 2050, and shall disclose short-, medium-, and long-term

science-based targets, as well as the measures taken to achieve them. This commitment shall be integrated into the Company's overall climate strategy.

21. 1. 2 Development of climate management systems and procedures

The Company shall establish governance structures, accountability mechanisms, and reporting procedures at the board and executive levels for managing climate-related risks, opportunities, and GHG emissions. This includes clearly defining roles and responsibilities, assigning senior management accountability for implementation, allocating adequate resources, developing procedures and processes, providing relevant training, and communicating climate commitments and plans to employees, suppliers, customers, business partners, and other key stakeholders.

21. 1. 3 Stakeholder communication and cooperation

- a. The Company shall establish and implement regular communication mechanisms with affected stakeholders and rights holders, and disclose information on climate-related actions of concern to them. Such communication shall include progress on mitigation and adaptation measures, interim results, and progress toward overall targets and indicators.

- b. The Company shall, through these communication mechanisms, disclose updates on climate strategies, plans, and measures, and actively seek stakeholder input. Feedback shall be incorporated into continuous improvement processes, and records shall be maintained to ensure traceability.
- c. The Company shall collaborate with stakeholders and rights holders to identify and promote climate mitigation and adaptation priorities. It shall allocate appropriate resources to support initiatives that enhance community resilience, reduce climate-related impacts, and contribute to long-term sustainable development, ensuring alignment with corporate climate objectives and the creation of shared value.

21.2 Climate Action Strategy

21.2.1 Principles for climate risk response strategy

- a. The Company shall develop and publicly disclose a climate change strategy at the corporate level, aligned with recognized climate disclosure frameworks. The strategy shall be integrated into business planning and decision-making for both existing operations and new projects.
- b. The Company shall identify and assess material climate-related risks and opportunities, develop corresponding management measures, and integrate them into the overall risk management system to

address impacts on business operations, strategy, financial planning, and risk exposure.

- c. The climate strategy shall include planned or actual investments to achieve measurable mitigation and adaptation outcomes, incorporate stakeholder engagement processes, and, where carbon offsets are used, clearly define their contribution to social or environmental benefits and ensure that offset sources are credible and verifiable.
- d. The Company shall publicly disclose key actions and progress related to its climate strategy in accordance with IFRS S2 or other internationally recognized disclosure frameworks.

21.3 Climate Risk Management

21.3.1 Identification and assessment of climate risks and opportunities

- a. The Company shall regularly identify, assess, and update climate-related physical and transition risks, including their potential impacts on mining operations, infrastructure, and supporting off-site facilities, while considering the perspectives of stakeholders and rights holders.
- b. The Company shall systematically document all identified climate risks, maintain updated assessments, and ensure early and ongoing stakeholder participation in the development of impact assessments and response measures.

21. 3. 2 Greenhouse gas assessment

The Company shall identify and quantify significant Scope 1, Scope 2, and Scope 3 GHG emission sources, in accordance with recognized standards such as the World Resources Institute's Greenhouse Gas Protocol or applicable regulatory requirements, ensuring that all material emission sources are included.

21. 3. 3 Internal carbon pricing

- a. The Company shall disclose its carbon pricing practices, including the use of any internal carbon pricing mechanisms.
- b. The Company should incorporate internal or regulated carbon pricing into major investment decisions (e.g., new projects, expansions, acquisitions) to assess potential carbon-related costs and risks and to better reflect climate-related financial impacts. If a company or project is already subject to a government-mandated carbon pricing mechanism, it can directly adopt these "regulated carbon prices" without having to set its own internal carbon prices.

21. 3. 4 Establishment of energy and GHG monitoring system

The Company shall establish systems to monitor and manage energy use and GHG emissions, including mechanisms aligned with recognized standards to identify, quantify, and track Scope 1 and Scope 2 emissions, as well as significant non-energy emission sources.

21.3.5 Development and implementation of mitigation and adaptation measures

- a. Based on identified potential significant actual climate impacts and GHG emission reduction targets, a systematic approach should be taken to determine, prioritize, and implement corresponding mitigation and adaptation measures. These measures should be ensured to be implemented with clear plans and resource allocation to effectively support the achievement of established performance targets.
- b. The Company shall regularly identify opportunities to improve energy efficiency or optimize energy use structure. Measures should include implementing energy-saving technologies, optimizing processes, improving equipment performance, and gradually increasing the proportion of low-carbon or renewable energy to reduce overall energy consumption and GHG emissions.
- c. When planning and implementing climate adaptation or mitigation measures, the Company shall design programs that bring shared benefits to biodiversity and local communities, and take account cultural and social contents in the process of conducting climate impact assessments and developing adaptation measures.

21.4 Indicators and Targets

21.4.1 GHG emission reduction targets

- a. The Company shall establish corporate greenhouse gas (GHG) emission reduction targets for Scope 1 and Scope 2 emissions, aligned with its climate strategy, covering all significant emission sources, and define the contribution of mining operations to achieving these targets.
- b. The Company shall set short-, medium-, and long-term science-based GHG reduction targets, supported by clear implementation plans, and regularly assess progress. Where deviations occur, the Company shall implement corrective actions to ensure alignment with the defined target trajectory.
- c. Without undermining existing local procurement policies, the Company shall define and quantify the contribution of mining operations to achieving Scope 3 targets, based on identified material emission sources, and incorporate significant Scope 3 emissions into corporate-level targets or performance requirements.
- d. The Company shall establish ongoing collaboration mechanisms with suppliers and customers contributing to Scope 3 emissions, including joint assessment of value chain emission sources, identification of reduction opportunities, development of implementation pathways, and promotion of mitigation and

adaptation measures, to ensure alignment with corporate targets and enhance overall effectiveness.

21. 4. 2 GHG monitoring and disclosure

- a. The Company shall calculate and publicly disclose Scope 1 and Scope 2 greenhouse gas (GHG) emissions for both the corporate and mining area levels at defined intervals, using internationally recognized methodologies or regulatory-approved standards. Disclosures shall include renewable and non-renewable energy consumption. All emissions data, including process-related emissions, shall be presented in consistent, comparable, and auditable units across reporting periods.
- b. The Company shall obtain independent third-party verification of its GHG disclosures to ensure accuracy, reliability, and comparability. Verification statements shall be published alongside GHG or sustainability reports, clearly indicating the scope, methodology, conclusions, and details of the verification body.
- c. Using internationally recognized methodologies or regulatory-approved accounting and estimation standards, the Company shall calculate and publicly disclose material Scope 3 GHG emissions at defined intervals, including methodologies, inventory boundaries, and key emission categories, in alignment with IFRS S2, applicable

regulatory requirements, or other internationally recognized frameworks.

- d. Applying internationally recognized methodologies or regulatory requirements, the Company shall calculate and disclose progress toward achieving key GHG emission reduction targets at defined intervals, to ensure transparency and traceability in value chain emissions management.
- e. The Company shall calculate and provide carbon content or carbon intensity information for mining products, where required by customers.

21. 4. 3 Disclosure of climate risk response

The Company shall disclose, at defined intervals, the results of facility-level physical climate risk assessments, as well as the plans and actions developed or implemented to manage associated risks, to affected stakeholders and rights holders. Such disclosures shall align with the requirements and practices of IFRS S2 and cover both climate mitigation and adaptation measures, ensuring that external stakeholders are informed in a timely manner of the Company's progress and approach to climate risk management.

21. 4. 4 Progress review and continuous improvement

The Company shall conduct internal reviews in accordance with established timelines and regularly assess progress against performance

targets and objectives to ensure they are achieved or remain on track.

Where deviations are identified, the Company shall systematically evaluate the underlying causes, including factors related to management, resources, technology, and external conditions. Lessons learned shall be incorporated into subsequent planning, corrective actions, and improvement measures to enhance the likelihood of achieving future objectives and to strengthen overall performance management effectiveness.

Glossary

Mitigation: refers to projects which prevent or reduce the emission of greenhouse gases into the atmosphere.

Adaptation: refers to actions taken to adjust to the impacts of climate change which are already occurring or are anticipated to occur.

Affected stakeholders: Any individual, group of individuals or organisation, or their legitimate representatives, who are affected by a Facility's operations, actions and decisions. (See also 'Stakeholders'.)

Aligned to the goals of the Paris Agreement: Actions should align to the aims of limiting global warming to well below 2°C (3.6°F) above pre-industrial levels, while pursuing efforts to limit it to 1.5°C (2.7°F), and involve reducing greenhouse gas (GHG) emissions, adapting to climate change impacts, and mobilizing finance.

Affected stakeholders: Any individual, group of individuals or organisation, or their legitimate representatives, who are affected by a Facility's operations, actions and decisions.

Net zero emissions: refers to the total amount of greenhouse gases emitted into the atmosphere are balanced by an equivalent reduction through natural or technological means, resulting in a net emission of zero greenhouse gases.

Short-term, medium-term, and long-term commitments, goals, or objectives: The timeframe should be determined by the company (e.g., in the SBTi framework, short-term refers to within 5 years, medium-term to 5-10 years, and long-term to 10 years or more).

Climate-related risks: There are two categories of climate-related risks, physical risks and transitional risks.

Physical risks are related to the physical impacts of climate change. Some physical risks are acute, driven by specific extreme weather events, such as hurricanes, flooding, wildfire or drought. Others are chronic, associated with long-term shifts in climate patterns such as continually rising temperatures, rising sea levels, changes in precipitation and longer and more frequent heat waves. Physical risks can have sudden and significant financial impacts if they affect operations, transportation, supply chains or employee or customer safety.

Transitional risks are risks inherent in the transition to a low-carbon

economy. These include risks associated with evolving climate-related policies, regulations and disclosure requirements around issues such as GHG emissions, net-zero carbon emission initiatives, carbon tax policies, energy and fuel costs and national or global energy policies. Transitional risks can have an ongoing direct financial impact and can also impact an organisation's reputation.

Climate-related opportunities: refer to the strategic and commercial benefits that companies can gain in addressing climate change and promoting a low-carbon transition. These opportunities typically arise from technological innovation, changes in market demand, policy incentives, and improvements in risk management, including but not limited to resource efficiency, new products and services, access to new markets, and building resilience.

Greenhouse gas (GHG): refer to carbon dioxide (CO₂); methane (CH₄); nitrous oxide (N₂O); hydrofluorocarbons (HFCs); perfluorocarbons (PFCs); sulphur hexafluoride (SF₆); and trifluoride (NF₃).

Major Climate Disclosure Frameworks: Globally recognized climate disclosure frameworks include ISSB S2, TCFD, CDP, the EU ESRS/CSRD, China's climate disclosure guidelines, and the Basel Committee's climate risk disclosure framework for financial institutions. These frameworks are generally structured around four core pillars: governance, strategy, risk management, and metrics and targets. They

require companies to disclose how climate-related issues are governed, how climate change affects their business and strategy, how climate risks are identified and managed, and key quantitative information such as greenhouse gas emissions and climate-related targets.

Off-site Infrastructure: Refers to external infrastructure that supports the operation of the mining area and enables its connection to external systems. This may include transportation networks, power supply, water supply, communication systems, external residential and service facilities, as well as environmental and safety-related infrastructure.

Significant Non-energy GHG Emission Sources: Refers to major sources of greenhouse gas emissions that created without the combustion of fossil fuels.

Scope 1, 2, 3 GHG emissions: refer to direct emissions, energy-related indirect emissions, and other indirect emissions, respectively. Scope 1 GHG emissions: The total global direct emissions from sources owned or controlled by the reporting facility, including stationary combustion, mobile combustion, process emissions and fugitive emissions. Scope 2 GHG emissions: Indirect GHG emissions that result from the facility's purchase of energy in the form of electricity, heat, cooling or steam.

Scope 2 emissions are generated at the Facility from which the energy is purchased or acquired. Scope 3 GHG emissions: Indirect emissions (other

than Scope 2 emissions) that arise as a consequence of a facility's activities from sources that are owned or controlled by others.

WRI Greenhouse Gas Protocol: jointly developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD), is the most widely used global standard for greenhouse gas accounting and reporting. It serves as the fundamental framework for businesses, organizations, and governments to set carbon accounting and reduction targets and disclose carbon emission data.

Science-informed targets or objectives: these objectives should be aligned with the latest climate science and goals of the Paris Agreement to limit global temperature risk to well below 2 degrees Celsius above pre-industrial levels, with a pursuit to limit it to 1.5 degrees. Establishing a science-informed target does not need to be done under the Science Based Target Initiative, other temperature-aligned target-setting methods may be used, such as ISO 14068.

Carbon offsets: Discrete GHG reductions used to compensate for (i.e., offset) GHG emissions elsewhere, for example to meet a voluntary or mandatory GHG target or cap. Carbon offsets are calculated relative to a baseline that represents a hypothetical scenario for what emissions would have been in the absence of the mitigation project that generates the offsets.

Non-energy GHG emissions: Non-energy GHG emissions are those emissions created without the combustion of fossil fuels. Some examples of non-energy GHG emissions include fugitive methane, the acidification of carbonate ore, or emissions arising from changes in land use.

Internationally recognised frameworks: Commonly used frameworks for measuring and disclosing greenhouse gas emissions include the GHG Protocol, ISO 14064, IFRS ISSB (IFRS S2), and the EU CSRD/ESRS, which together constitute a globally unified carbon emissions accounting and disclosure system. This system is crucial for managing and monitoring greenhouse gas emissions.

Social co-benefit: additional positive social, environmental, and economic outcomes that arise from a project or initiative, beyond its primary goal, often related to climate mitigation or sustainability, and can include improvements in public health, job creation, and poverty alleviation.

Traditional Knowledge: In the context of climate impact assessment, traditional knowledge refers to the long-standing empirical and ecological knowledge developed by Indigenous peoples and local communities through their interactions with natural and climate systems. It can complement scientific data by supporting the identification of climate risks and informing the development of context-specific and locally appropriate adaptation measures.

Internal Carbon Price: An internal pricing tool used by the Company to assess the financial impact of greenhouse gas emissions. It refers to a notional economic cost assigned to emissions, determined by factors such as future emission reduction costs, external regulatory carbon pricing mechanisms (e.g., carbon taxes or emissions trading systems), and other relevant considerations. When setting an internal carbon price, the Company may consider external benchmarks (e.g., carbon market prices, carbon tax levels, and international carbon price trends), alignment with its emission reduction targets and net-zero pathway (e.g., marginal abatement costs and investment needs for low-carbon technologies), and potential policy and operational risks (e.g., future carbon pricing, asset transition risks, energy price volatility, and supply chain carbon cost transmission).

Important Scope 3 Greenhouse Gas Emission Sources: Refers to significant Scope 3 greenhouse gas emission sources associated with the Company's value chain.

Social Value: this may consist of financial benefits or various other types of benefits such as social and economic development outcomes, significant cultural or spiritual value, or other aspects which lead to improved outcomes for stakeholders and rights-holders see Benefit Sharing (see Topic 16: Indigenous Rights).

Internal review: internal reviews are intended to ensure continual improvement by evaluating the status of actions from the previous internal review and the effectiveness of actions related to climate. The internal review process should identify opportunities for improvement and describe associated action plans. It should identify and evaluate the potential significance of changes since the previous internal review that are relevant to climate change, including: Changes to legal requirements, standards and guidance, industry best practice, and commitments to stakeholders; Changes in mine operating conditions (e.g., production rate) or Facility environmental conditions; Changes outside the mine property that could influence the nature and significance of risks resulting from the Facility on the external environment or vice versa. The internal review should also provide a summary of significant issues related to the overall performance of the Facility and its energy and GHG emissions management system, including compliance with legal requirements, conformance with standards, policies and commitments and the status of corrective actions.

Assurance: In the context of climate information disclosure, assurance is the process of verifying the accuracy and completeness of climate information, at a minimum limited level of assurance. It involves the assessment of climate-related information by independent third parties, involving an objective and systematic review and verification of

greenhouse gas emission data, methodologies, and processes disclosed by companies or organizations, in order to evaluate their accuracy, completeness, consistency, and reliability, and to issue formal assurance or verification statements.

References

International Organization for Standardization (ISO) 14064-1:2018

Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals

International Organization for Standardization (ISO) 14067:2018

Greenhouse gases — Carbon footprint of products — Requirements and guidelines for quantification.

International Organization for Standardization (ISO) 50001:2018 *Energy management systems – Requirements and guidance for use*

Scientific Based Targets Initiative (SBTi)

Working Group on Climate-Related Financial Disclosures (TCFD)

World Resources Institute (WRI) Greenhouse Gas Protocol

22 Biodiversity

Purpose

This chapter aims to establish management requirements for biodiversity conservation at operational sites, ensuring that significant risks and impacts of mining activities on biodiversity and ecosystem services are identified, avoided, minimized, and mitigated. It aims to achieve no net loss of biodiversity and contribute to the conservation of biodiversity and ecosystem functions, in alignment with the Global Biodiversity Framework.

Biodiversity issue may be linked to other issues addressed in this Code and should be implemented in a coordinated manner. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 2: Risk assessment and impact management

Topic 4: Stakeholder engagement

Topic 6: Grievance management

Topic 11: Human rights and security

Topic 16: Indigenous rights

Topic 17: Cultural heritage

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 21: Climate action

Topic 23: Mine closure

Topic 24: Tailings

Scope of Application

This section applies to all operating sites that may have impacts on biodiversity in surrounding natural habitats, modified habitats, and critical habitats.

Requirements

22. 1 Compliance with Entry Restrictions

22. 1. 1 Compliance with prohibitions around World Heritage Sites

The Company shall not conduct exploration, extraction, or other business activities within World Heritage Sites and shall take all reasonable measures to ensure that its activities do not adversely affect the outstanding universal value or integrity of such sites.

22. 1. 2 Complying with restrictions

- a. The Company/operating site shall comply with all applicable prohibitions or restrictions relating to legally designated protected areas (including six types of natural reserves: strictly protected areas, national parks, natural monuments, habitat/species management

areas, protected landscapes/seascapes, and sustainable use areas), their buffer zones, and areas protected under relevant international agreements (e.g., Ramsar wetlands).

- b. Where local regulations permit activities such as mining or infrastructure development within such areas, the Company shall conduct biodiversity baseline surveys and impact assessments to ensure that any new or modified activities are consistent with the conservation objectives, functional zoning, and protection requirements of those areas.

22. 2 Management Responsibility

22. 2. 1 Allocation of responsibilities and obligations

The Company shall assign senior management responsibility for biodiversity management, with clearly defined roles, responsibilities, and accountability, and allocate adequate resources to achieve established biodiversity objectives.

22. 2. 2 Training and Communication

- a. The Company shall provide training to employees and contractors on applicable prohibitions and restrictions related to protected areas and buffer zones, including relevant legal and regulatory requirements and measures to prevent illegal activities such as wildlife poaching.

- b. The Company shall communicate measures taken to comply with such restrictions to relevant stakeholders and rights holders, including Indigenous peoples, local communities, environmental authorities, and civil society organizations, taking into account species and areas of ecological, cultural, livelihood, or spiritual importance.

22. 2. 3 Integration biodiversity considerations into decision-making

By establishing biodiversity monitoring procedures and protocols to measure progress toward objectives, regularly reporting the implementation of biodiversity conservation plans and progress to senior management at the operational site level, and integrating biodiversity considerations into business decision-making processes, including governance, strategy, risk, and impact management.

22. 3 Baseline Establishment and Risk Assessment

22. 3. 1 Baseline establishment

- a. The Company shall establish biodiversity baselines within the impact area through the following steps: identifying the extent of natural habitats, modified habitats, and critical habitats through survey preparation (including collection of existing data and development of survey plans), field surveys (including selection of appropriate routes, timing, and methods, as well as data and

specimen collection), and reporting (including data analysis and the preparation of species lists and habitat maps). In this way, the extent of natural habitats, modified habitats, or critical habitats will be identified.

- b. The Company shall identify the presence or proximity of legally designated protected areas (including internationally important wetlands), critical habitats, and other important areas (such as biodiversity conservation areas and Indigenous and community conserved areas listed on the IUCN Green List). Significant biodiversity values shall be determined as early as possible—particularly endemic, endangered, and rare species—to support decision-making in the initial stage of the mitigation hierarchy (especially the “avoid” stage), where applicable, local and Indigenous ecological knowledge (LEK) shall be incorporated.
- c. When conducting baseline assessments for existing operations, align biodiversity and ecosystem service baseline data with 2020 or earlier, where feasible, to meet the reference requirements of the Kunming-Montreal Global Biodiversity Framework. Where this is not possible, the Company shall use the earliest available scientifically comparable data as an alternative baseline

22. 3. 2 Impact assessment

- a. The Company shall identify and assess the risks and impacts of project activities on ecosystem structure, species composition, and ecological processes, with particular attention to potential disturbances to critical habitats, breeding sites, migration corridors, and key ecosystem services supporting threatened species.
- b. The Company shall incorporate input from local communities and stakeholders to identify priority biodiversity values for protection and to assess the likelihood and severity of impacts. The Company shall promote the participation of communities within the impact area that rely on ecosystem services (including provisioning, regulating, cultural, and supporting services) to better understand their use and to evaluate potential risks and impacts.
- c. The Company shall engage stakeholders whose use of ecosystem services may be adversely affected in identifying priority ecosystem services and developing mitigation measures to maintain or enhance their provision. Where this is not feasible, the Company shall provide alternative measures in accordance with the mitigation hierarchy to ensure that affected populations can at least maintain their previous standard of living.

22. 4 Management Plan

22. 4. 1 Establishment of the management plan

- a. The Company shall develop and implement a biodiversity management plan that clearly defines baseline surveys, target setting, monitoring, protective measures, allocation of responsibilities, and budgeting, forming a formal and auditable management system document.
- b. The Company shall prioritize actions to address impacts on important biodiversity values by establishing construction management systems, implementing biodiversity monitoring and assessment, applying pollution prevention and control measures, and adopting environmentally responsible practices. The Company shall conduct site-level monitoring within affected areas (using indicators such as those in the Stress-Status-Response Framework) and apply adaptive management based on monitoring results.

22. 4. 2 Application of the mitigation hierarchy

- a. The Company shall address significant risks and impacts on biodiversity within the impact area by applying the mitigation hierarchy, including establishing no-entry or no-construction zones (avoidance), utilizing existing access routes and non-invasive techniques (minimization), conducting cleanup and restoration with

topsoil replacement (restoration), and implementing offsets in other areas where necessary.

- b. The Company shall prioritize avoidance throughout the project lifecycle, beginning at the earliest feasible stage of exploration, particularly for natural habitats, critical habitats, natural forests, and other high-carbon-storage ecosystems.
- c. The Company shall implement progressive restoration and/or remediation measures where feasible.
- d. The Company shall initiate biodiversity offset measures as early as possible to address significant residual adverse impacts on natural habitats, with the objective of achieving no net loss of biodiversity prior to mine closure, where feasible.
- e. The Company shall initiate biodiversity offset measures as early as possible to address residual adverse impacts on critical habitats, with the objective of achieving no net loss or a net gain in biodiversity value for designated critical habitats prior to mine closure.

22. 4. 3 Action and monitoring

- a. The Company shall incorporate actions to avoid and mitigate risks and impacts on biodiversity and ecosystem services into the biodiversity management plan, including specific measures for issues such as invasive alien species.

b. The Company shall monitor the implementation of management actions and progress toward achieving no net loss or net gain objectives at defined intervals. This shall include identifying monitoring locations and indicators, tracking environmental conditions and species, compiling distribution data, establishing indicator systems, and preparing assessment reports. The Company shall integrate assessment results into periodic performance evaluations and apply adaptive management where monitoring indicates that expected outcomes have not been achieved.

22. 4. 4 Stakeholder engagement

The Company shall engage with stakeholders, including local environmental authorities, Indigenous peoples and local communities, non-governmental organizations, and research institutions, to understand their concerns and interests, solicit input on the biodiversity management plan, and regularly communicate on implementation progress. The Company shall ensure effective consultation and participation, support the development and implementation of the biodiversity management plan, and update its progress based on stakeholder engagement.

22. 4. 5 Containing and reversing natural loss

The Company shall support and actively participate in efforts to contain and reverse natural loss at the landscape level, going beyond impact mitigation through capacity building and partnerships, where

appropriate. The Company shall prioritize actions that contribute to the protection and enhancement of biodiversity and the reversal of ecosystem degradation and loss, with the aim of achieving one or more of the following objectives: addressing cumulative impacts; strengthening nature's capacity for conservation, restoration, and climate adaptation; repurposing abandoned or legacy mining sites and mining waste streams to generate value while reducing environmental harm; and contributing to the goals of the Global Biodiversity Framework, including restoring 30% of land or degraded areas globally through funding, capacity building, or the implementation of conservation or restoration initiatives.

22. 4. 6 Natural resource management

- a. The Company shall ensure that where operational activities, mine closure and reclamation programs, or biodiversity offset measures involve the use of natural resources and primary production, technical and management approaches consistent with Good International Industry Practice (GIIP) are applied to avoid the conversion or degradation of natural habitats and to ensure the sustainable use of natural resources.
- b. Where internationally or nationally recognized natural resource management standards (e.g., FSC/PEFC) exist, the Company shall align its management practices with such standards to the greatest extent possible and seek independent verification or certification.

Where such standards are not available, the Company shall commit to applying good international industry practices.

22. 4. 7 Stakeholder collaboration plan

The Company shall communicate with key stakeholders on the progress of action plan implementation and performance measurement, and shall obtain Free, Prior, and Informed Consent (FPIC) from Indigenous peoples and rights holders, where applicable. The Company shall collaborate with stakeholders and rights holders to develop and implement actions identified in the Biodiversity Management Plan to achieve no net loss or net gain, ensure effective monitoring capacity, and support the long-term protection of important areas.

22. 5 Information Disclosure

22. 5. 1 Disclosure of calculation methods

- a. The Company shall publicly disclose the methodologies used to calculate biodiversity losses and gains and to achieve no net loss or net gain, as well as related impacts, action plans, implementation progress, and outcomes. Where biodiversity offsets are applied, the Company shall disclose the source and nature of the offset mechanism or certification.
- b. b. Where no net loss cannot be achieved for a specific operating site, the Company shall publicly disclose the reasons, along with the application of the mitigation hierarchy and any additional

conservation measures to address biodiversity impacts, including relevant timelines.

22. 5. 2 Disclosure of significant nature-related impacts

The Company shall, in accordance with globally accepted reporting practices, assess and publicly disclose significant nature-related impacts, dependencies, risks, and opportunities associated with its operational activities in key areas, as well as biodiversity-related action plans, their implementation progress, and outcomes.

22. 5. 3 Professional independent review

The Company shall, at defined intervals, conduct independent reviews using qualified biodiversity expertise and, where applicable, indigenous ecological knowledge, to assess the effectiveness of measures addressing impacts on biodiversity and ecosystem services, and shall update the biodiversity management plan as necessary.

Glossary

Biodiversity: The variability among living organisms from all sources, forming the foundation of life on Earth. It includes terrestrial, marine, and other aquatic ecosystems and the ecological complexes of which they are part; this includes diversity within species, between species and of ecosystems.

Biodiversity baseline: Information that is collected and interpreted on the biodiversity values occurring within the area of influence of a facility,

their current condition, and trends before a project commences.

Biodiversity baselines help assess the impact and risks of projects, apply biodiversity mitigation grading systems, and design monitoring programs.

Biodiversity management plan: An operational tool through which impacts on biodiversity or ecosystem services can be managed and the objectives for biodiversity conservation, rehabilitation, compensation, or enhancement can be achieved. Biodiversity management plans specify the actions, associated responsibilities, timeframes, and monitoring requirements where applicable.

Habitat: Terrestrial, freshwater, or marine geographical unit or airway that supports assemblages of living organisms and their interactions with the non-living environment. Consistent with IFC Performance Standard 6, habitats are categorised as modified, natural, and critical.

Natural habitat: Areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition.

Critical habitats: A sub-set of natural or modified habitats that includes areas with high biodiversity value, including: habitat of significant importance to Critically Endangered and/or Endangered species; habitat of significant importance to endemic and/or restricted-range species;

habitat supporting globally significant concentrations of migratory species; highly threatened and/or unique ecosystems.

Modified habitat: Areas that may contain a large proportion of plant and/or animal species of non-native origin, and/or where human activity has substantially modified an area's primary ecological functions and species composition.

Ecosystem services: refer to the various benefits that humans obtain from ecosystems. The main categories of ecosystem services include provisioning services (such as food, water, and medicine), regulating services (such as flood control and climate regulation), cultural services (such as religion and entertainment), and support services (such as nutrient cycling).

Mitigation Hierarchy:Refers to a framework widely applied in project development and environmental impact assessment (EIA/ESIA) to manage and reduce adverse impacts on biodiversity. It follows a sequential approach of avoidance, minimization, restoration, and offsetting, with the objective of achieving no net loss or a net gain of biodiversity.

Avoidance: Refers to measures taken at the earliest stages of project planning and site selection to prevent negative impacts on biodiversity by modifying project design, location, or timing.

Mitigation: Refers to measures applied when impacts cannot be fully avoided, aimed at reducing the intensity, extent, duration, or likelihood of impacts through engineering solutions, construction methods, or operational management.

Restoration: Refers to measures undertaken where impacts are unavoidable, to restore affected or degraded ecosystems as close as possible to their original structure and function.

Offset: Refers to measures that compensate for residual biodiversity or ecosystem service losses by achieving equivalent conservation gains elsewhere, with the objective of balancing impacts.

No Net Loss: Refers to an outcome where development activities avoid and minimize impacts, restore affected areas, and offset any remaining impacts so that there is no overall loss of biodiversity.

Net Gain: Refers to an outcome where development activities not only achieve no net loss but result in an overall improvement in biodiversity compared to baseline conditions.

Protected Nature Reserves: Refers to clearly defined geographical areas that are recognized, designated, and managed through legal or other effective means to achieve the long-term conservation of nature, associated ecosystem services, and cultural values. Based on management objectives, they are commonly classified into six categories: Strict Nature Reserves and Wilderness Areas (Ia and Ib), National Parks (II), Natural

Monuments or Features (III), Habitat or Species Management Areas (IV), Protected Landscapes or Seascapes (V), and Protected Areas with Sustainable Use of Natural Resources (VI).

Protected Species: Refers to wildlife species protected under international, regional, or national laws and regulations; species classified as Critically Endangered, Endangered, or Vulnerable on the IUCN Red List; endemic species protected under applicable laws; or species of recognized religious, cultural, or scientific significance.

Endemic Species: Refers to species whose natural distribution is restricted to a specific geographic area (such as a continent, island, mountain range, or administrative region) due to historical, biological, or physical factors, and which do not naturally occur elsewhere. These species are often highly localized and represent unique biological resources, and may face a high risk of extinction if their native habitats are lost.

World Heritage Site: Refers to sites designated under the 1972 World Heritage Convention. The prohibitions set out in this chapter apply to all World Natural Heritage Sites and Mixed Heritage Sites (i.e., sites recognized for both natural and cultural values).

Wetlands of International Importance: Refers to wetlands designated under the Convention on Wetlands of International Importance (Ramsar Convention), due to their ecological significance at the global level.

Local Ecological Knowledge (LEK): Also referred to as Traditional Ecological Knowledge (TEK), this encompasses the knowledge, practices, and beliefs developed by Indigenous peoples and local communities through long-term interaction with their environment, passed down across generations. It represents a cumulative body of understanding about the relationships among living organisms and their ecosystems, and supports sustainable livelihoods and resource management.

Invasive Alien Species: Refers to non-native plant and animal species introduced outside their natural distribution range. Such species, when introduced into new environments without the natural controls present in their original ecosystems, may become invasive, spreading rapidly and potentially outcompeting native species and disrupting local biodiversity.

Stress-Status-Response Framework: Refers to an analytical framework used to understand the relationship between human activities (stress), the condition of biodiversity (status), and management interventions (response). It is used to support the selection of indicators for measuring changes in biodiversity and evaluating the effectiveness of mitigation measures over time.

Adaptive Management: Refers to a systematic, iterative management approach that improves decision-making by learning from the outcomes

of biodiversity monitoring. It emphasizes regular evaluation of progress, assessment of effectiveness, and adjustment of measures as necessary.

Gradual Restoration and/or Recovery: Refers to a phased approach to ecological restoration in which restoration measures are implemented progressively over time or space during project development, land reclamation, or rehabilitation activities. In the context of mining and infrastructure projects, it involves undertaking partial restoration as areas become available, rather than waiting for full project completion before initiating restoration activities.

Key Biodiversity Areas (KBAs): Refers to sites in terrestrial, freshwater, and marine ecosystems that contribute significantly to the global persistence of biodiversity. The identification of KBAs is based on globally agreed scientific criteria under recognized international standards.

Indigenous and Community Conserved Areas (ICCAs): Refers to natural and/or modified ecosystems that are voluntarily conserved and managed by Indigenous peoples and local communities, including areas of significant biodiversity value, ecosystem services, and cultural importance.

Natural Forests: Refers to forest areas that retain characteristics of native forest ecosystems in a given location, including species composition, structure, and ecological function. This includes primary

forests that have not been significantly disturbed by human activity in recent history, as well as secondary forests that have regenerated following past disturbances where primary pressures have ceased or significantly declined.

Landscape Scope: Refers to the spatial scale of conservation and management actions that extends beyond individual operating site boundaries, encompassing broader geographic areas such as watersheds, ecological corridors, or biodiversity hotspots.

Cumulative Impacts: Refers to the combined environmental impacts resulting from multiple projects or activities within a shared geographic area, including the aggregated effects of multiple operating sites.

Forest Certification System: Refers to certification and assessment mechanisms established to verify whether timber and forest products originate from legally and sustainably managed forests. Relevant systems may include internationally recognized standards such as the Canadian Standards Association (CSA), the Forest Stewardship Council (FSC), and the Programme for the Endorsement of Forest Certification (PEFC), as assessed and accredited under applicable review frameworks.

Global Biodiversity Framework: Refers to the Kunming-Montreal Global Biodiversity Framework adopted in December 2022 at the 15th Conference of the Parties to the Convention on Biological Diversity,

which sets global targets for the conservation and sustainable use of biodiversity to be achieved by 2030 and beyond.

Natural Factors: Refers to physical, chemical, and biological conditions in the natural environment shaped by natural processes, including abiotic factors such as climate, hydrology, soil, topography, and light, as well as biotic factors such as plants, animals, and microorganisms. These factors determine ecosystem conditions, influence ecological processes, and affect species distribution and ecosystem function.

Free, Prior, and Informed Consent (FPIC): Refers to a process for engaging Indigenous peoples and obtaining their free, prior, and informed consent in relation to activities affecting their lands, territories, or rights.

Taskforce on Nature-related Financial Disclosures (TNFD): Refers to a globally recognized framework that supports organizations in identifying, assessing, managing, and disclosing dependencies, impacts, risks, and opportunities related to nature.

Global Reporting Initiative (GRI): Refers to an independent international organization founded in 1997 and headquartered in Amsterdam that develops widely used global sustainability reporting standards.

Corporate Sustainability Reporting Directive (CSRD): Refers to the European Union's mandatory sustainability reporting framework adopted

in 2022, requiring companies to disclose standardized sustainability-related information.

International Sustainability Standards Board (ISSB): Refers to an independent standard-setting body established in 2021 under the IFRS Foundation, responsible for developing global sustainability disclosure standards.

Offset Certification: Refers to the scientific, independent, and transparent verification and validation process for biodiversity offsets, where applicable, including the certification of credit units used to compensate for residual biodiversity losses in accordance with approved methodologies.

International Union for Conservation of Nature (IUCN): Refers to a global environmental organization founded in 1948, composed of government and civil society members, dedicated to nature conservation and sustainable development.

References

China Chamber of Commerce of Metals, Minerals and Chemical (CCCMC): *Guidelines for Biodiversity Conservation in Mining Industry*

International Council on Mining and Metals (ICMM) Mining Principles

International Finance Corporation (IFC): *Performance Standard 6: Biodiversity Conservation and Sustainable Management of Living*

Natural Resources

United Nations Environment Programme (UNEP): *Kunming-Montreal
Global Biodiversity Framework*

International Union for Conservation of Nature (IUCN): *IUCN Red List
of Threatened Species*

United Nations Educational, Scientific and Cultural Organization
(UNESCO): *Convention Concerning the Protection of the World Cultural
and Natural Heritage*

Business and Biodiversity Offsets Programme (BBOP): *Biodiversity
Offset Design Handbook*

Cross Sector Biodiversity Initiative (CSBI)

Taskforce on Nature-related Financial Disclosures (TNFD)

Convention on Wetlands of International Importance, Especially as
Waterfowl Habitat

23 Mine Closure

Purpose

This chapter aims to help companies establish a systematic mine closure and rehabilitation management system, ensuring a closed-loop approach from project design through to post-closure management. This system encompasses policy commitment, planning, risk identification, phased closure, financial assurance, monitoring and evaluation, and continuous improvement. The Company shall proactively identify and manage the environmental, social, and economic risks associated with mine closure through consultation with relevant authorities, stakeholders, and rights holders, while also identifying opportunities for community transition to support long-term environmental, economic, and social stability in mining areas. The Company shall ensure that the costs of mine closure and rehabilitation are not transferred to affected communities or the public.

Mine closure issues may be related to other sections of this Code of Conduct and shall be implemented in a coordinated manner. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 12: Community impact and development

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 22: Biodiversity

Topic 24: Tailings

Scope of Application

This issue applies to operations at both the mining area and enterprise levels.

Requirements

23.1 Policy Commitment and Governance Responsibility

23.1.1 Public commitment to responsible mine closure management

The Company shall make a public commitment to responsible mine closure and rehabilitation management, establishing a closure vision focused on long-term physical and chemical stability, ecosystem function restoration, and beneficial post-mining land use. The Company shall ensure that no sustained significant risks to people or the environment arise throughout the whole mine lifecycle.

23. 2 Risk Identification and Control

23. 2. 1 Identification of risks and impacts associated with mine closure

The Company shall, in consultation with affected stakeholders and rights holders, regularly identify and assess risks and impacts associated with mine closure and rehabilitation. These shall include, at a minimum, land, biodiversity, air, water, climate, workers, communities, infrastructure, and post-closure responsibility allocation and transfer.

23. 2. 2 Cost estimation

- a. The Company shall systematically estimate mine closure and rehabilitation costs from the design phase and update such estimates throughout operations in line with the mine closure plan. The Company shall ensure adequate financial provision for closure costs and publicly disclose relevant estimates and funding arrangements.
- b. The Company shall develop a temporary or contingency closure plan as part of the overall closure strategy, including cost estimates for related activities. This plan shall cover maintenance, monitoring, and emergency preparedness measures to protect health, safety, and the environment.
- c. In addition to disclosing estimated closure costs, the Company shall disclose the methodology and key assumptions used in cost calculations, in line with applicable international standards and

disclosure frameworks, to enhance transparency, credibility, and accountability.

23.3 Resource Safeguards

23.3.1 Establishment of financial assurance mechanisms

Where required by regulators, the Company shall establish financial assurance mechanisms for mine closure and rehabilitation, including guarantees, bonds, or other financial instruments. Where permitted by law, self-financing mechanisms may be used; however, where self-guarantees or corporate guarantees are applied, the Company shall publicly disclose information demonstrating the adequacy and liquidity of such funds.

23.3.2 Development of mitigation measures

The Company shall develop and implement mitigation measures for mine closure and rehabilitation risks and impacts, applying the mitigation hierarchy of avoidance, minimization, restoration, and compensation. The Company shall respect and remedy impacts on affected populations' rights and define measurable performance indicators for closure success.

23.3.3 Development of a Mine Closure Plan

- a. The Company shall develop a mine closure plan from the design phase that complies with regulatory requirements and incorporates the perspectives of affected stakeholders and rights holders. The plan shall address environmental, social, and cultural risks and

impacts, define mitigation measures, and document closure activities, processes, and measurable success criteria.

- b. The Company shall develop a contingency closure plan for unexpected or premature closure events. This plan shall include maintenance, monitoring, and emergency preparedness measures to protect health, safety, and the environment.
- c. The Company shall periodically review and update the mine closure plan during operations in accordance with prescribed intervals.

23.3.4 Phased closure opportunities

The Company shall incorporate phased closure opportunities into the mine closure plan wherever feasible.

23.3.5 Community transition support

- a. As mine closure approaches, the Company shall collaborate with affected stakeholders and rights holders to identify opportunities and jointly develop measures to support community transition, including workers and local suppliers, toward post-mining livelihoods.
- b. Throughout the mine lifecycle, the Company shall collaborate with stakeholders to identify and implement opportunities that support long-term community transition, including skills development, retraining, and local procurement initiatives to promote sustainable local development.

23. 4 Monitoring and Continuous Improvement

23. 4. 1 Monitoring, maintenance, and management

The Company shall monitor, maintain, and manage closure and rehabilitation activities at defined intervals during and after closure, based on risk and impact assessments. The Company shall continuously track and record implementation progress and performance against measurable closure success indicators.

23. 4. 2 Review and updates of mine closure plan

The mining site shall periodically review and update the mine closure plan to reflect significant changes in conditions, knowledge, technology, and best practices.

23. 4. 3 Strengthening understanding on local situation

The Company shall continuously improve its understanding of local environmental, social, cultural, and economic conditions to inform closure planning and progressively increase confidence in achieving intended closure outcomes.

Glossary

Mine Closure: A process of planning and managing the decommissioning of a Facility, smelter and associated infrastructure and facilities, mitigating impacts, and undertaking rehabilitation to achieve post-closure environmental and social objectives.

Long-Term Physical and Chemical Stability: Refers to the condition of

a site in which physical stability (e.g., landform integrity, slope stability, and structural safety of facilities) and chemical stability (e.g., prevention of contaminant release and geochemical stability) are maintained to ensure a safe, stable, and non-polluting post-closure environment.

Ecosystem Function Restoration: Refers to the restoration of the structure, composition, and ecological processes of degraded ecosystems, including the recovery of biodiversity, ecological functions, and ecosystem services.

Beneficial Land Reuse: Refers to the post-closure use of rehabilitated land for productive, ecological, or community-beneficial purposes, such as agriculture, forestry, tourism, or conservation.

Closure Vision: Refers to a clearly defined statement of post-closure outcomes, objectives, and legacy considerations agreed between the operating site and relevant stakeholders, with appropriate support and validation from affected stakeholders.

Life cycle: Refers to the full mine planning and management framework across all phases of development, operation, closure, and post-closure, ensuring that closure planning evolves in line with project progression.

Progressive Closure: Refers to the ongoing implementation of closure and rehabilitation activities throughout the construction and operational phases of a mine, including measures such as soil management, placement of

waste materials, water diversions, vegetation restoration, site stabilization, cover placement, and demolition of unneeded infrastructure.

Mitigation Hierarchy (Mitigation Tiers): Refers to a structured approach to managing environmental and social impacts through the sequential steps of avoidance, minimization, restoration, and offsetting, with priority given to avoidance.

Annual Review: Refers to the periodic assessment and updating of the mine closure plan to reflect significant changes in site conditions, knowledge, technologies, and best practices.

Self-Guarantee: Refers to a financial assurance mechanism in which the company uses its own financial resources to guarantee mine closure obligations, rather than relying on an external financial institution, typically subject to regulatory financial strength requirements.

Corporate Guarantee: Refers to a financial assurance arrangement in which a third-party financial institution provides a guarantee for the company's mine closure obligations.

Funding Availability Information: Refers to financial evidence demonstrating the adequacy and liquidity of funds used under a self-guarantee mechanism, such as bank credit facilities or dedicated account balances.

Contingency Closure Plan: Refers to a predefined plan developed to

manage unexpected or premature mine closure resulting from unforeseen events such as financial distress, major accidents, or social instability.

Retraining: Refers to skills development or retraining programs provided to workers affected by mine closure to support their transition into post-mining employment opportunities.

Procurement Opportunities: Refers to continued commercial or service opportunities provided to local suppliers after mine closure, such as monitoring, maintenance, or rehabilitation-related services, to support their economic transition.

References

Intergovernmental Forum on Mining (IGF): *Global Review: Financial Assurance Governance for the Post-Mining Transition*

International Council on Mining and Metals (ICMM): *Closure Maturity Framework*

International Council on Mining and Metals (ICMM): *Financial Concepts for Mine Closure*

International Council on Mining and Metals (ICMM): *Integrated Mine Closure: Good Practice Guide*

24 Tailings

Purpose

This chapter helps companies to establish and implement a systematic tailings management system in accordance with the Global Industry Standard on Tailings Management (GISTM) or the Mining Association of Canada (MAC) Tailings Management Protocol. The system shall adopt a comprehensive, risk-based governance approach to ensure the safe and responsible management of tailings throughout the full lifecycle of tailings facilities, and to minimize harm to people and the environment.

Tailings management may be linked to other provisions of this Code and shall be implemented in a coordinated manner. Related issues may include, but are not limited to:

Topic 1: Management system

Topic 4: Stakeholder engagement

Topic 12: Community impact and development

Topic 15: Land acquisition and resettlement

Topic 16: Indigenous rights

Topic 18: Pollution prevention and waste management

Topic 19: Water stewardship

Topic 22: Biodiversity

Scope of Application

This topic applies at both the mine site and corporate levels.

Requirements

24. 1 Policy Commitment and Governance Responsibility

24. 1. 1 Public commitment to safe and responsible tailings management

The Company shall publicly commit to establishing and operating a Tailings Management System (TMS) in accordance with the Global Industry Standard on Tailings Management (GISTM) or the Mining Association of Canada (MAC) Tailings Management Protocol. The system shall ensure the safe and responsible management of tailings throughout the full lifecycle of tailings facilities.

24. 2 Planning and Practice

24. 2. 1 Gap analysis and action plan for gap closure

The Company shall conduct a gap analysis against the selected standard (GISTM or MAC), systematically comparing existing tailings management systems, governance structures, operational processes, and technical controls with the requirements of the chosen standard on an item-by-item basis. The analysis shall identify full compliance, partial compliance, and non-compliance areas, and shall be used to develop a gap closure action plan. The action plan shall include defined tasks, responsible persons, timelines, required resources, risk levels, and

implementation priorities to ensure progressive alignment with the selected standard.

24. 2. 2 Gap-closure objectives for conventional tailings facilities

For conventional tailings facilities (including slurry-based storage systems such as tailings dams and tailings ponds), the Company shall ensure that management practices fully comply with the selected GISTM or MAC requirements. All applicable governance processes, operational controls, and technical measures shall be implemented effectively and consistently, in accordance with applicable legal requirements.

24. 2. 3 Non-conventional tailings management

For non-conventional tailings management methods, the Company shall develop and implement management requirements based on internationally recognized best practices. These methods shall be documented, publicly disclosed, and implemented in accordance with the disclosed approach to ensure safety, responsibility, and transparency objectives are achieved.

24. 3 Monitoring, Disclosure, and Improvement

24. 3. 1 Review and disclosure

The Company shall conduct periodic internal reviews and independent third-party audits of tailings facilities at frequencies specified by GISTM or MAC standards to assess compliance and performance. For non-conventional tailings management systems,

equivalent internal and independent reviews shall be conducted, with review cycles clearly defined and publicly disclosed.

24. 3. 2 Disclosure of compliance status

The Company shall regularly disclose the compliance status of tailings facilities in accordance with GISTM or MAC requirements. Such disclosure shall clearly identify any gaps and include a time-bound remediation action plan. For non-conventional tailings management systems, the Company shall apply an equivalent level of transparency using publicly disclosed, company-defined reporting methodologies.

24. 3. 3 Application of innovative approaches and disclosure

The Company shall implement and publicly disclose progress on innovative tailings management approaches. Such innovations shall achieve at least one of the following objectives:

- Reduce the volume of tailings requiring disposal;
- Reduce tailings disposal requirements through value recovery from tailings;
- Remove, reprocess, or reuse historical tailings and manage residual materials in a manner that significantly reduces environmental and safety risks.

Glossary

Tailings: Tailings are fine-grained solid waste generated from mining activities after the extraction of valuable minerals. Tailings require long-

term, safe, and responsible management in engineered facilities such as tailings storage facilities (TSFs) or tailings ponds to protect people and the environment. Due to their large volume, potential content of hazardous substances (such as heavy metals and sulfides), long-term stability requirements, and the severe consequences of potential instability (including tailings dam failure), tailings management is governed by strict international standards, primarily including the Global Industry Standard on Tailings Management (GISTM) and the Mining Association of Canada (MAC) Tailings Management Protocol.¹⁸

Global Industry Standard on Tailings Management (GISTM):

Introduced in 2020, the GISTM applies to existing and to-be-constructed tailings facilities. It strives to achieve the ultimate goal of zero harm to people and the environment with zero tolerance for human fatality. The GISTM describes 77 requirements in six topic areas: Affected communities; Integrated knowledge base; Design, construction, operation, and monitoring; Management and governance; Emergency response and long-term recovery; Public disclosure and access to information.

¹⁸ Adapted from Global Tailings Review Global Industry Standard on Tailings Management (2020)

NOTE: residual material from dredging operations for the recovery of minerals sands or diamonds are not considered tailings and are not subject to this Performance Area.

Mining Association of Canada (MAC) Tailings Management

Protocol: established in 2004 under the Towards Sustainable Mining (TSM) initiative, applies to MAC member operations in Canada and serves as a performance-based assessment framework for tailings management. It includes five performance indicators covering policy and commitment, responsibility allocation, tailings management systems, operation, maintenance and surveillance (OMS) manuals, and annual review processes, forming a core component of the TSM framework.

Tailings management system (TMS): Comprises the key components for management and design of the tailings Facility and is often referred to as the ‘framework’ that manages these components. The TMS sits at the core of the standard and is focussed on the safe operation and management of the tailings Facility throughout its lifecycle (see above). The TMS follows the well-established plan-do- check-act cycle. Each operator develops a TMS that best suits their organisation and tailings facilities. A TMS includes elements such as: establishing policies, planning, designing and establishing performance objectives, managing change, identifying and securing adequate resources (experienced and/or qualified personnel, equipment, scheduling, data, documentation and financial resources), conducting performance evaluations and risk assessments, establishing and implementing controls for risk management, auditing and reviewing for continual improvement,

implementing a management system with clear accountabilities and responsibilities, preparing and implementing the OMS and EPRP. The TMS, and its various elements, must interact with other systems, such as the environmental and social management system (ESMS), the operation-wide management system, and the regulatory system.¹⁹

Life cycle: The series of activities or phases in the life of a tailings Facility, consisting of: project conception, design, construction, operation, closure and post-closure. At some sites, the life cycle may also include temporary suspension of operations. Some phases, such as operations, closure and post- closure, typically only occur once in the life cycle of a tailings Facility, while others, such as design and construction, may recur at different periods through the life of a tailings Facility.²⁰

Tailings Facility: A Facility that is designed and managed to contain the tailings produced by a mine, which could include in-pit storage or engineered structures on land. A tailings Facility includes the collective engineered structures, components and equipment involved in the management of tailings solids, other mine waste managed with tailings (e.g. waste rock, water treatment residues), and any water managed in

¹⁹ Drawn from the Global industry Standard on Tailings Management (2020)

²⁰ From ICMM Tailings Management Good Practice Guide (2025)

tailings facilities, including pore fluid, any pond(s), and surface water and run-off.²¹

Non-conventional tailings management: refers to approaches that do not rely on traditional tailings storage facilities (TSFs) with conventional dam structures. These include alternative engineering and disposal methods such as in-pit storage, riverine discharge, deep-sea tailings placement, or other technologies that result in fundamentally different physical, chemical, and management characteristics compared to conventional tailings storage systems.

In applying the intent of tailings management requirements, tailings facilities shall demonstrate that they identify actual and potential risks and impacts; respect the rights of affected stakeholders and ensure meaningful participation throughout the entire lifecycle, including closure; implement a comprehensive tailings management system; conduct ongoing monitoring and review; and ensure transparent public disclosure of relevant information.²²

Innovative approaches: refer to the use of new technologies, processes, operational practices, business models, or remediation methods to significantly reduce environmental and social impacts and decrease the volume of tailings requiring disposal. Examples include dry stacking and

²¹ From ICMM Tailings Management Good Practice Guide (2025)

²² Adapted from Copper Mark Guidance on Tailings Management Core Requirements (2023)

filtration technologies that reduce water content in tailings, process optimization to reduce waste generation, improvements in mineral recovery rates, extraction of metals and construction materials from tailings, and reprocessing of legacy tailings to reduce risks to people and the environment.

References

GTR: *Global Industry Standard on Tailings Management*

ICMM: *Good Practice Guide: Tailings Management*

Mining Association of Canada (MAC): *Tailings Management Protocol*

The Cooper Mark: *Guidance on Tailing Management Core Requirements*
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