

A “wake-up call” by the Ministry of Environment and Ecology for China Minmetals Group

July 31th, 2020

María Emilia Hermosa
Latinoamérica Sustentable

The Ministry of Ecology and Environment of People’s Republic of China (MEE) published in their site a severe call of attention directed to China Minmetals Corp. (CMC), the main diversified metals mining company in China, who also, operates in Latin America, Africa and Oceania. The report by the MEE reveals various problems occurred China. Among the most concerning are the absence of adequate supervision and control of CMC’s subcontracting companies; which are accused of non-compliance with quality standards, environmental crimes, manipulating information, concealing evidence regarding environmental violations, conveying false information to regulatory entities, non-compliance with observations and failure to correct pending environmental faults.



Mining corridor, used among others, by the MMG Las Bambas.

Image taken from www.business-humanrights.org



Diego de Robles y Pampite Esquina,
Edificio Impacto. Quito-Ecuador

- Teléfono: (+593) 2 602 2078
- Email: info@latsustentable.org
- Web: <http://latsustentable.org>

Releasing a detailed report with full disclosure to the public, which announces malpractices by a Chinese state-owned enterprise, is not common. In our opinion, this is a sign that the MEE is looking for substantial change by CMC. A central issue that stands out in the report, is that it is not enough for CMC to have environmental plans and policies, but that these are correctly implemented and that the company is accountable for them. The MEE sanctions and qualifies as “inadmissible” the lack of priority that CMC gives to environmental performance in their evaluation assessments, and grants the company a month to take corrective actions.

The “wake up call” by the MEE to CMC concerning its operations within China leads us to reflect upon: could the MEE improve its supervision over companies operating overseas?; could we expect MEE evaluation and due diligence visits to projects such as Las Bambas, in Peru?; could the Ministries of Environment, both in China and the host countries in Latin America, collaborate more closely to ensure a suitable performance by Chinese companies?

As IISCAL we encourage the collaboration between Chinese and Latin-American regulators. And, the Las Bambas Project could be suit for a pilot experience, as the company operating the Project is Minerals and Metals Group (MMG), a CMC subsidiary. CMC has been questioned in Peru due to similar situations occurred in China, and some different ones, because of the different regulatory and institutional frameworks used in each country. What is clear is that nor in China or Peru, CMC has achieved to act with environmental and social responsibility on its own, but that it requires of an exhaustive supervision by environmental regulator entities in order to perform deep changes in its culture and corporate management.



Diego de Robles y Pampite Esquina,
Edificio Impaqto. Quito-Ecuador

- Teléfono: (+593) 2 602 2078
- Email: info@latsustentable.org
- Web: <http://latsustentable.org>