

APPENDIX

SUSTAINABILITY REPORT 2015

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MMG STAKEHOLDERS AND ENGAGEMENT AVENUES

STAKEHOLDER	STAKEHOLDER GROUPS	AREAS OF INTEREST	ENGAGEMENT AVENUES
Employees	<p>MMG employees and contractors at:</p> <ul style="list-style-type: none"> > Mine sites > Development projects > Exploration projects > All offices including Group head office in Melbourne 	<ul style="list-style-type: none"> > Staff safety and wellbeing – safety management and performance > Our economic performance – business strategy > Talent attraction and retention – values and behaviours, working conditions, work plans, remuneration and benefits, career opportunities > Diversity – equal opportunity 	<ul style="list-style-type: none"> > Safety meetings > Shift change meetings > Management and CEO presentations > Emailed and hardcopy updates > Corporate and individual site intranets > Quarterly employee magazine > Cultural and people development programs and training > Annual People and Culture Survey > Social media channels
Communities	<ul style="list-style-type: none"> > Host and regional communities > Local villages and towns near our operations 	<ul style="list-style-type: none"> > Post-closure community expectations and community and regional development – impacts on local communities, community investment and development, local amenity and housing > Stakeholder relationships – local business support > Environmental management and compliance – environmental impacts and management > Public interaction with operations – health and safety impacts > Economic sustainability – future financial viability > Community and regional development – sustainable employment post mine life 	<ul style="list-style-type: none"> > Community investment projects > Quarterly and monthly newsletters > Meetings > Written communications > Local media > Community Perception Surveys > Social Impact Assessment > Sponsorships
Suppliers	<ul style="list-style-type: none"> > Businesses from which to purchase products and services 	<ul style="list-style-type: none"> > Our economic performance – economic security of the business, supply opportunities, payment processes > Contractor selection – health and safety, contractor management procedures, supplier contractual conditions 	<ul style="list-style-type: none"> > Tender and contract documents > Direct communications > Induction and training
Government	<ul style="list-style-type: none"> > Regulators and government authorities with responsibilities for the areas where we operate > Local, state and federal government in countries including Australia, Laos, Peru, DRC and Canada 	<ul style="list-style-type: none"> > Government relations – compliance with permits and licences, social policy and fiscal regimes applicable to the resources sector > Community and regional development – engagement with host and local communities, community investment and development, market access > Environmental management and compliance – environmental impact management, product stewardship 	<ul style="list-style-type: none"> > Statutory and licence reporting, regular meetings > Written communication > Foreign Investment and Review Board reporting

MMG STAKEHOLDERS AND ENGAGEMENT

AVENUES CONTINUED

STAKEHOLDER	STAKEHOLDER GROUPS	AREAS OF INTEREST	ENGAGEMENT AVENUES
Investors	<ul style="list-style-type: none"> > Retail investors in Hong Kong and Australia > Global institutional investors > Analysts and brokers > Stock commentators > China Minmetals Corporation (majority Shareholder) > Debt providers 	<ul style="list-style-type: none"> > Company performance > MMG share price – earnings and production results, share price performance against industry peers > Growth strategy including acquisitions, projects and exploration > Commodity and market outlook > Board and governance > Corporate responsibility and sustainable development 	<ul style="list-style-type: none"> > Announcements to the Stock Exchange of Hong Kong and Australia in accordance with their Listing Rules > Quarterly production reports, interim and annual reports > Investor roadshows, meetings, teleconferences and site visits > Attendance at major global mining conferences > Shareholder communications > Monthly and quarterly Shareholder reports to the Board
Non-government organisations	<ul style="list-style-type: none"> > Non-government organisations > Special interest groups 	<ul style="list-style-type: none"> > Community and regional development – impacts on local communities, community investment and development, community health, local infrastructure development and investment > Public interaction with operations – interactions with local communities > Human rights > Bribery and facilitation payments > Workforce localisation > Environmental management and compliance – environmental impacts and management > Post-closure community expectations > Management decision making – governance, risk management, Board composition and operation 	<ul style="list-style-type: none"> > Sustainability report > Meetings > Media releases > Website content > Site visits
Media	<ul style="list-style-type: none"> > Local and regional media in the areas of our operations > Finance and resources media internationally 	<ul style="list-style-type: none"> > Potential for interest in all material issues, particularly those of current interest to other stakeholders 	<ul style="list-style-type: none"> > Media releases > Website content > Media tours interviews
Industry	<ul style="list-style-type: none"> > Other mining businesses > Industry associations > University and technical training providers > Unions 	<ul style="list-style-type: none"> > MMG share price – earnings and production results, share price performance against industry peers > Acquisition investment – project announcements, merger and acquisition programs > Management decision making – governance, risk management, Board composition and operation > Stakeholder relationships and government relations – support for industry initiatives, involvement in industry fora, support for industry-specific training and development 	<ul style="list-style-type: none"> > Membership of international, national and regional industry groups > Representation on executive and working group committees > Sustainability reporting against GRI and ICMM benchmarks > Sponsorship and support of technical training institutions and industry associations

ICMM CONTENT INDEX

This table identifies the ICMM's 10 sustainable development principles and position statements, and where to find related content in MMG's 2015 Sustainability Report.

ICMM principles

	ICMM PRINCIPLE	REPORT SECTION	PAGE
1	Implement and maintain ethical business practices and sound systems of corporate governance.	> The way we work – business ethics	10
		> The way we work – corporate governance	10
2	Integrate sustainable development considerations within the corporate decision-making process.	> Chief Executive Officer's message	3
		> Who we are – growth strategy	7
		> The way we work – our commitment to sustainable development	8
		> 2015–18 objectives and targets	31
		> 2015 and 2016 milestones	32
3	Uphold fundamental human rights and respect customs and values in dealings with employees and others who are affected by our activities.	> Who we are – our people	5
		> The way we work – business ethics	10
		> The way we work – stakeholder engagement	10
		> The way we work – human rights	14
		> We mine for progress – land access	20
4	Implement risk management strategies based on valid data and sound science.	> Who we are – sovereign risk and government relationships	7
		> The way we work – our standards	8
5	Seek continual improvement of our health and safety performance.	> The way we work – safety	11
		> The way we work – health	12
6	Seek continual improvement of our environmental performance.	> We minimise our impact – water access and use	23
		> We minimise our impact – tailings and waste rock management	25
		> We minimise our impact – land management and rehabilitation	26
7	Contribute to conservation and biodiversity and integrated approaches to land use planning.	> We minimise our impact – land management and rehabilitation	26
8	Facilitate and encourage responsible product design, use, re-use, recycling and disposal of products.	> Who we are – product stewardship	7
9	Contribute to the social, economic and institutional development of the communities in which we operate.	> We mine for progress – social development and investment	16
		> We mine for progress – commitment to local employment	19
		> We mine for progress – local supply	20
		> We minimise our impact – managing the social and economic impacts of mine closure	30
		> About this report – materiality assessment process	1
10	Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.	> The way we work – stakeholder engagement	10
		> Assurance terms and statement	34
		> MMG stakeholder and engagement avenues table available within this Appendix	

ICMM position statements

	ICMM POSITION STATEMENT	MMG ALIGNMENT	REPORT SECTION	PAGE
1	ICMM Principles for climate change policy design	●	> www.mmg.com (Environment page)	
2	Mining: Partnerships for Development	●	> Who we are – sovereign risk and government relationships > The way we work – stakeholder engagement > We mine for progress – social development and investment > We mine for progress – commitment to local employment > We mine for progress – local supply	7 10 16 19 20
3	Transparency of Mineral Revenues	●	> The way we work – our commitment to sustainable development > www.eiti.org	8
4	Mercury Risk Management	●	> Who we are – growth strategy > Who we are – product stewardship > The way we work – our standards > http://www.npi.gov.au/npi-data/latest-data (emission estimates for Australian facilities) > <i>We have no known artisanal and small-scale gold mining activity in close proximity to our operations that involves gold mining using elemental mercury.</i>	7 7 8
5	Indigenous Peoples and Mining	●	> The way we work – stakeholder engagement > We mine for progress – land access	10 20
6	Mining and Protected Areas	●	> The way we work – our standards > <i>Our minimum requirements for land and biodiversity management, outlined in our Environment Standard, are aligned to the individual member commitments in the position statement.</i>	8

● Partial alignment

Note: MMG is currently reviewing its Sustainability Policy and its alignment with the ICMM Position Statements. This work is expected to be completed in the second half of 2016.

GRI CONTENT INDEX

MMG's 2015 Sustainability Report is prepared in accordance with the Global Reporting Initiatives' (GRI) 2013 'Core' Sustainability Reporting Guidelines (G4) and with the GRI's Mining and Metals Sector Disclosure Guidelines. This table references:

- > disclosures on management approach (DMA) for each of the material Aspects covered by the report;
- > G4 and sector-specific indicators selected for each material Aspect; and
- > indicators that have been independently assured (✓).

Where an indicator is addressed directly in the table, relevant text appears in italics.

General standard disclosures

G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	> Chief Executive Officer's message	3
ORGANISATIONAL PROFILE			
G4-2	Provide a description of key impacts, risks and opportunities.	<ul style="list-style-type: none"> > About this report – materiality assessment process > Chief Executive Officer's message > Year in review > 2015–18 objectives and targets > 2015 and 2016 milestones 	2-4 and 31-33
G4-3	Report the name of the organisation.	> About this report	1
G4-4	Report the primary brands, products and services.	> Who we are	6
G4-5	Report the location of the organisation's headquarters.	> Who we are	5
G4-6	Report the number of countries where the organisation operates.	> Who we are	6
G4-7	Report the nature of ownership and legal form.	> MMG website	www.mmg.com/ about us
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	> Who we are – our customers	6
G4-9	Report the scale of the organisation, including: total number of employees, total number of operations, net revenues, quantity of products or services provided.	<ul style="list-style-type: none"> > Who we are – our people (for employees) > Who we are – MMG worldwide (for number of operations) > 2015 Annual Report (for production and capitalisation) 	5 – 6; AR pages 23 and 104 (www.mmg.com)

G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
G4-10	Report the total number of employees by: employment contract and gender; permanent employees by employment type and gender; total workforce by employees and supervised workers and by gender; total workforce by region and gender; self-employed, any significant variations in employment numbers due to season etc.	<ul style="list-style-type: none"> > Who we are – our people <p><i>Note: Workers are defined by full-time, part-time or casual employment, rather than whether they are permanent or temporary. This is consistent with the requirement of the labour laws in the jurisdictions in which we operate.</i></p>	5–6
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	<ul style="list-style-type: none"> > The way we work – human rights 	14
G4-12	Describe the organisation's supply chain.	<ul style="list-style-type: none"> > Who we are – supply chain 	7
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	<ul style="list-style-type: none"> > Chief Executive Officer's message > Who we are – growth strategy > Who we are – supply chain; > The way we work – human rights (supply chain management) 	3, 7 and 15
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	<ul style="list-style-type: none"> > Who we are – sovereign risk and government relationships > The way we work – our standards > The way we work – corporate governance <p><i>The precautionary principle is implemented by MMG through a risk-based management approach.</i></p>	7–8 and 10
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	<ul style="list-style-type: none"> > The way we work – our commitment to sustainable development > The way we work – stakeholder engagement 	8 and 10
G4-16	List memberships of associations.	<ul style="list-style-type: none"> > The way we work – our commitment to sustainable development 	8
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organisation's consolidated financial statements.	<ul style="list-style-type: none"> > 2015 Annual Report 	AR page 67 (www.mmg.com)
G4-18	<p>Explain the process for defining the report content and the Aspect Boundaries.</p> <p>Explain how the organisation has implemented the Reporting Principles for Defining Report Content.</p>	<ul style="list-style-type: none"> > About this report – materiality assessment process 	1
G4-19	List all the material Aspects identified in the process for defining report content.	<ul style="list-style-type: none"> > About this report – materiality assessment process 	2
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	<ul style="list-style-type: none"> > About this report – materiality assessment process 	2
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	<ul style="list-style-type: none"> > About this report – materiality assessment process 	2

GRI CONTENT

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G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatement.	<ul style="list-style-type: none"> > About this report – report boundary and scope > We minimise our impact – tailings and waste rock management 	1 and 26 (Figure 6b note)
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	<ul style="list-style-type: none"> > About this report – report boundary and scope 	1
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organisation.	<ul style="list-style-type: none"> > MMG stakeholder and engagement avenues table (Appendix) 	Appendix
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	<ul style="list-style-type: none"> > The way we work – stakeholder engagement 	10
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<ul style="list-style-type: none"> > MMG stakeholder and engagement avenues table (Appendix) 	Appendix
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.	<ul style="list-style-type: none"> > The way we work – stakeholder engagement > MMG stakeholder and engagement avenues table (Appendix) 	10 Appendix
REPORT PROFILE			
G4-28	Reporting period for information provided.	<ul style="list-style-type: none"> > About this report – report boundary and scope 	1
G4-29	Date of most recent previous report.	<ul style="list-style-type: none"> > 2014 MMG Sustainability Report 	www.mmg.com
G4-30	Reporting cycle.	<ul style="list-style-type: none"> > About this report – report boundary and scope 	1
G4-31	Provide the contact point for questions regarding the report or its contents.	<ul style="list-style-type: none"> > Key contacts 	Inside back cover
G4-32	Report the 'in accordance' option the organisation has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report.	<ul style="list-style-type: none"> > About this report – reporting approach > Assurance terms and statement > GRI Content Index (Appendix) 	1 and 34 Appendix
G4-33	Report the organisation's policy and current practice with regard to seeking external assurance for the report.	<ul style="list-style-type: none"> > About this report – external assurance > Assurance terms and statement 	1 and 34
GOVERNANCE			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	<ul style="list-style-type: none"> > The way we work – corporate governance 	10
ETHICS AND INTEGRITY			
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	<ul style="list-style-type: none"> > The way we work – business ethics 	10

Aspect specific disclosures

G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
ENVIRONMENT			
Aspect: Water (DMA: pages 2, 8 and 23)			
G4-EN8	Total water withdrawal by source.	<ul style="list-style-type: none"> > About this report – reporting approach > We minimise our impact – water access and use 	1 and 23
Aspect: Effluent and waste (DMA: pages 2, 8 and 23–25)			
MM3*	Total amounts of overburden, rock, tailings and sludges, and their associated risks.	<ul style="list-style-type: none"> > We minimise our impact – tailings and waste rock management <p><i>Note: We do not report data on sludges as we focus on the most material mineral waste streams for our business</i></p>	25
 G4-EN22	Total water discharge by quality and destination.	<ul style="list-style-type: none"> > About this report – reporting approach > We minimise our impact – water access and use 	1 and 23–24
Aspect: Compliance (DMA: pages 2 and 8)			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	<i>MMG operations did not receive any fines or non-monetary sanctions for their environmental performance in 2015. We disclose fines in excess of US\$500.</i>	Not applicable
SOCIAL – LABOUR PRACTICES AND DECENT WORK			
Aspect: Occupational health and safety (DMA: pages 2, 8 and 11–14)			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and total number of work-related fatalities by region (and gender).	<ul style="list-style-type: none"> > The way we work – safety > The way we work – health <p><i>We do not report our injuries by gender and do not currently use data on absenteeism to interpret safety performance. We report our lost time injury frequency rate but do not report the number of lost days.</i></p>	11, 14
Aspect: Resettlement (DMA: pages 2, 8, 20 and 22)			
MM9	Sites where resettlements took place, the number of households resettled in each and how their livelihoods were affected in the process.	<ul style="list-style-type: none"> > We mine for progress – land access 	22
Aspect: Closure planning (DMA: pages 2, 8, 26 and 30)			
MM10	Number and percentage of operations with closure plans.	<ul style="list-style-type: none"> > We minimise our impact – land management and rehabilitation > We minimise our impact – managing the social and economic impacts of mine closure > 2015 Annual Report (financial provisions for mine closure) 	26–30 AR page 108 (www.mmg.com)
SOCIAL – HUMAN RIGHTS			
Aspect: Security practices (DMA: pages 2, 8, 14 and 15)			
 HR7:	Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations.	<ul style="list-style-type: none"> > The way we work – human rights 	15

G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
Aspect: Assessment (DMA: pages 2, 8 and 14)			
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	<i>Human rights risk assessments have been completed for Sepon and Kinsevere (including near-mine exploration tenements) but not yet for Las Bambas.</i>	Not applicable
Aspect: Supplier human rights assessments (DMA: pages 2, 8, 14 and 15)			
✓ HR10	Percentage of new suppliers that were screened using human rights criteria.	> The way we work – human rights <i>Completed data not available for 2015 due to a change in systems during the year.</i>	15
Aspect: Human rights grievance mechanisms (DMA: pages 2, 8, 11 and 14)			
✓ HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	> The way we work – stakeholder engagement <i>The United Nations Universal Declaration of Human Rights is used as the basis for categorising complaints as being related to human rights. There were no such complaints received in 2015.</i>	11
Aspect: Indigenous rights (DMA: pages 2, 8 and 20)			
G4-HR8	Total number of incidents of violations involving rights of Indigenous peoples and actions taken.	<i>There were no recorded incidents of violation of rights of Indigenous peoples in 2015.</i>	Not applicable
✓ MM5	Total number of operations taking place in, or adjacent to, Indigenous people's territories, and number and percentage of operations or sites where there are formal agreements with Indigenous people's communities	> We mine for progress – land access	20
SOCIAL – SOCIETY			
Aspect: Local communities (DMA: pages 2, 8, 10, 11, 16 and 20)			
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	> The way we work – stakeholder engagement <i>We make impact assessments publicly available when required for a public approvals process. However, we do not make all social or environmental impact assessments publicly available in their entirety or for perpetuity. We share relevant summary content where appropriate to maintain transparency and clarity in our engagement processes.</i>	10

G4 INDICATOR	DISCLOSURE TITLE	REPORT SECTION	PAGE REFERENCE (AR = 2015 ANNUAL REPORT)
MM6/7	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples and the extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples and the outcomes.	<ul style="list-style-type: none"> > Case study: Social protest and our commitment to dialogue at Las Bambas <p><i>Sepon continues to secure access to land for mine development via a formal, collaborative, engagement process with local landowners. Sixteen grievances were filed at Sepon in 2015 related to land access and use (none of which were classified as significant). One grievance has not yet been resolved as additional requests were submitted by the complainant and are undergoing due process. MMG defines significant grievances as those which generate prolonged national or international media interest, involve community outrage and/or where involvement of MMG's Exco or Board is required in the response.</i></p>	15
ECONOMIC			
Aspect: Economic performance (DMA: pages 2, 8 and 16)			
G4-EC1	Direct economic value generated and distributed.	<ul style="list-style-type: none"> > The way we work – our commitment to sustainable development (for EITI) > www.eiti.org and 2015 Annual Report – financial statements, note 19 (for payments to government) > We mine for progress – social development and investment > We mine for progress – our commitment to local employment > We mine for progress – local supply > 2015 Annual Report – management discussion and analysis (for operating costs) > 2015 Annual Report – financial statements, note 11 (for employee wages and benefits) > 2015 Annual Report – profit and loss statement (for revenues) > 2015 Annual Report – Directors Report (for payments to providers of capital) 	8, 16, 19 and 20; AR pages 21, 68, 93, 102 and 106. (www.mmg.com)
Aspect: Procurement practices (DMA: pages 2, 8 and 20)			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	<ul style="list-style-type: none"> > We mine for progress – local supply 	20