APPENDIX SUSTAINABILITY REPORT 2016

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MMG STAKEHOLDERS AND ENGAGEMENT AVENUES

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Employees	 MMG employees and contractors at: mine sites development projects exploration projects all offices including Group head office in Melbourne 	 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 	 > 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
Communities	 Host and regional communities Local villages and towns near our operations 	 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 	 Social media channels Community investment projects Quarterly and monthly newsletters Meetings Written communications Local media Social Impact Assessment Sponsorships
Suppliers	> Businesses from which we purchase products and services	 Our economic performance – economic security of the business, supply opportunities, payment processes Contractor selection – health and safety, contractor management procedures, supplier contractual conditions 	 Tender and contract documents Direct communications Induction and training

MMG STAKEHOLDERS AND ENGAGEMENT AVENUES CONTINUED

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Government	 Regulators and government authorities with responsibilities for the areas where we operate Local, state and federal government in countries including Australia, 	 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 	 Statutory and licence reporting, regular meetings Written communication Foreign Investment and Review Board reporting
	Laos, Peru, DRC and Canada	> Environmental management and compliance – environmental impact management, product stewardship	
Investors	 Retail investors in Hong Kong and Australia Global institutional investors 	 Company performance MMG share price – earnings and production results, share price performance against industry peers 	 Announcements to the Hong Kong Stock Exchange and Australian Securities Exchange in accordance with their Listing Rules
	Analysts and brokers	 Growth strategy including acquisitions, projects and exploration 	 Quarterly production reports, interim and annual reports Investor roadshows, meetings,
	Stock commentators	> Commodity and market outlook	teleconferences and site visits
	Corporation	> Board and governance> Corporate responsibility and	 Attendance and presentations at major global mining conferences
		sustainable development	Shareholder communicationsMonthly and quarterly
	> Debt providers		Shareholder reports to the Board

4 MMG STAKEHOLDERS AND ENGAGEMENT AVENUES CONTINUED

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Non-government organisations	 Non-government organisations Special interest groups 	 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 	 > Sustainability report > Meetings > Media releases > Website content > Site visits > Social media channels
Media	 Local and regional media in the areas of our operations Finance and resources media internationally 	 Potential for interest in all material issues, particularly those of current interest to other stakeholders 	> Media releases> Website content> Media tours, interviews
Industry	 Other mining businesses Industry associations University and technical training providers Unions 	 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 	 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 2016 Sustainability Report.

Further information regarding our alignment with the ICMM's sustainable development principles and position statements is progressively updated on www.mmg.com.

ICMM PRINCIPLES

	ICMM Principle	Report section	Page
1	Implement and maintain	> The way we work – business ethics	15
	ethical business practices and sound systems of corporate governance.	> The way we work – corporate governance	16
2	Integrate sustainable	> Chief Executive Officer's message	4
	development considerations within the corporate	> Who we are – growth strategy	8
	decision-making process.	> The way we work – our commitment to sustainable development	12
		> 2015–18 objectives and targets	45
		> 2016 and 2017 milestones	46–47
3	Uphold fundamental human	> Who we are – our people	8
	rights and respect customs and values in dealings with	> The way we work – business ethics	15
	employees and others who	> The way we work – stakeholder engagement	17
	are affected by our activities.	> The way we work – human rights	24
4	Implement risk management	> Who we are – sovereign risk and government relationships	10
	strategies based on valid data and sound science.	> The way we work – our standards	13
5	Seek continual improvement	> The way we work – safety	21
	of our health and safety performance.	> The way we work – health	24
	performance.	> www.mmg.com (Safety and health page)	
6	Seek continual improvement	> We minimise our impact – water access and use	36
	of our environmental performance.	> We minimise our impact – tailings and waste rock management	39
	репоппансе.	> We minimise our impact – land management and rehabilitation	41
		> www.mmg.com (Environmental management page)	
7	Contribute to conservation	> We minimise our impact – land management and rehabilitation	41
and biodiversity and integrated approaches to land use planning.		> www.mmg.com (Environmental management page)	
8	Facilitate and encourage responsible product design, use, re-use, recycling and disposal of products.	> Who we are – product stewardship	11

	ICMM Principle	Report section	Page
9	Contribute to the social,	> We mine for progress – social development and investment	28
	economic and institutional development of the	> We mine for progress – commitment to local employment	32
	communities in which	> We mine for progress – local supply	34
we operate.	 We minimise our impact – managing the social and economic impacts of mine closure 	42	
10	Implement effective and	> About this report – materiality assessment process	2
	transparent engagement, communication and	> The way we work – stakeholder engagement	17
	independently verified	> Assurance terms and statement	48
	reporting arrangements with our stakeholders.	 MMG Stakeholders and Engagement Avenues table. (Appendix) 	Appendix pages 2–4

7 ICMM CONTENT INDEX CONTINUED

ICMM POSITION STATEMENTS

	ICMM position statement	MMG alignment	Report section	Page
1	ICMM Principles for climate change policy design	•	> www.mmg.com (Environmental management page)	
2	Mining: Partnerships for Development	•	 Who we are – sovereign risk and government relationships 	10
			> The way we work – stakeholder engagement	17
			 We mine for progress – social development and investment 	28
			 We mine for progress – commitment to local employment 	32
			> We mine for progress – local supply	34
3	Transparency of Mineral Revenues	•	 The way we work – our commitment to sustainable development 	12
			> www.eiti.org	
4	Mercury Risk Management		> Who we are – growth strategy	8
			> Who we are – product stewardship	11
			> The way we work – our standards	13
			 http://www.npi.gov.au/npi-data/latest-data (emission estimates for Australian facilities) 	
			We have no known artisanal and small-scale gold mining activity in close proximity to our operations that involves gold mining using elemental mercury.	
5	Indigenous Peoples and Mining	•	> The way we work – stakeholder engagement	17
6	Mining and Protected Areas	•	> The way we work – our standards	13
			> www.mmg.com (Environmental management page)	
			Our minimum requirements for land and biodiversity management are outlined in our Environment Standard and are aligned to the individual member commitments in the position statement.	
7	Tailings governance	•	 We minimise our impact – tailings and waste rock management 	39
			> www.mmg.com (Environmental management page)	
8	Water stewardship	•	> We minimise our impact – water access and use	36
			> www.mmg.com (Environmental management page)	

Partial alignment

GRI CONTENT INDEX

MMG's 2016 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 = 2016 Annual Report)
Strategy and a	nalysis		
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	4
Organisational	profile		
G4-2	Provide a description of key impacts, risks and opportunities.	 About this report – materiality assessment process Chief Executive Officer's message 	2–5 and 45–47
		> Year in review	
		> 2015–18 objectives and targets	
		> 2016 and 2017 milestones	
G4-3	Report the name of the organisation.	> About this report	2
G4-4	Report the primary brands, products and services.	> Who we are	6–7
G4-5	Report the location of the organisation's headquarters.	> Who we are	6
G4-6	Report the number of countries where the organisation operates.	> Who we are	6–7
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	8
G4-9	Report the scale of the organisation, including: total	 Who we are – our people (for employees) 	6–8
	number of employees, total number of operations, net revenues, quantity of products	> Who we are – MMG worldwide (for number of operations)	AR pages 22–23 and 116
	or services provided.	 2016 Annual Report (for revenue, production and capitalisation) 	(www.mmg.com)

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)
G4-10	Report the total number of	> Who we are – our people	8
	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.	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.	
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	> The way we work – human rights	24
G4-12	Describe the organisation's supply chain.	> Who we are – supply chain	10
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	> Chief Executive Officer's message	4,8 and 10
		> Who we are – growth strategy	
		> Who we are – supply chain	
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	> Who we are – sovereign risk and government relationships	10,13 and 16
		> The way we work – our standards	
		The way we work – corporate governance	
		The precautionary principle is implemented by MMG through a risk-based management approach.	
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to	> The way we work – our commitment to sustainable development	12 and 17
	which the organisation subscribes or which it endorses.	> The way we work – stakeholder engagement	
G4-16	List memberships of associations.	 The way we work – our commitment to sustainable development 	12
Identified mater	rial aspects and boundaries		
G4-17	List all entities included in the organisation's consolidated financial statements.	> 2016 Annual Report	AR page 77 (www.mmg.com)

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)
Stakeholder en	gagement		
G4-24	Provide a list of stakeholder groups engaged by the organisation.	 MMG Stakeholders and Engagement Avenues table (Appendix) 	Appendix pages 2–4
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	> The way we work – stakeholder engagement	17
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	 MMG Stakeholders and Engagement Avenues table (Appendix) 	Appendix pages 2–4
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the	 The way we work – stakeholder engagement MMG Stakeholders and 	17 Appendix
	organisation has responded to those key topics and concerns.	Engagement Avenues table (Appendix)	pages 2–4
Report profile			
G4-28	Reporting period for information provided.	 About this report – report boundary and scope 	2
G4-29	Date of most recent previous report.	> 2015 MMG Sustainability Report	www.mmg.com
G4-30	Reporting cycle.	 About this report – report boundary and scope 	2
G4-31	Provide the contact point for questions regarding the report or its contents.	> Key contacts	52
G4-32	Report the 'in accordance' option the organisation has chosen.	> About this report – reporting approach	2 and 48
	Report the GRI Content Index for the	> Assurance terms and statement	Appendix pages
	chosen option. Report the reference to the External Assurance Report.	> GRI content index (Appendix)	8–14
G4-33	Report the organisation's policy and current practice with regard	 About this report – external assurance 	2 and 48
	to seeking external assurance for the report.	> Assurance terms and statement	
Governance			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	> The way we work – corporate governance	16
Ethics and integ	grity		
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	> The way we work – business ethics	15

ASPECT SPECIFIC DISCLOSURES

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)
Environment			
Aspect: Water (DMA: 3, 12–13 and 36–37)		
G4-EN8	Total water withdrawal by source.	 About this report – reporting approach 	2 and 36–37
		 We minimise our impact – water access and use 	
Aspect: Effluen	t and waste (DMA: 3, 12-13, 39-41)		
MM3	Total amounts of overburden, rock, tailings and sludges, and their associated risks.	 We minimise our impact – tailings and waste rock management 	39
		Note: We do not report data on sludges as we focus on the most material mineral waste streams for our business.	

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)
• G4-EN22	Total water discharge by quality and destination.	 About this report – reporting approach 	2 and 36–37
		 We minimise our impact – water access and use 	
		Combined water outputs for MMG sites in 2016 included:	
		 7,112ML category 1 water (93% of this is evaporative loss from water and tailings storage facilities and it also includes 197ML freshwater supplied to third parties); 	
		 5,610ML category 2 water (87% of this was discharged to surface water under licence at Rosebery and Sepon); and 	
		 18,074ML category 3 water (98% of this was water entrained in tailings stored in our engineered tailings storage facilities). 	
		Category 2 water, as defined by the MCA Water Accounting Framework guidelines, is "suitable for some purposes. Treatment will be required to remove total dissolved solids and/or to adjust other parameters to be safe for human consumption and more sensitive agricultural and recreational purposes."	
		Category 3 water is defined by MCA as "water unsuitable for most purposes due to the high salinity (>5000mg/L total dissolved solids) or highly unsuitable pH (<4 and >10)."	
Aspect: Complia	ance (DMA: 3 and 12–13)		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	> The way we work – compliance and conformance	16

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)
Aspect: Occupa	tional health and safety (DMA: 3, 12-	-13 and 21–24)	
G4-LA6	Type of injury and rates of injury,	> The way we work – safety	21-24
	occupational diseases, lost days and total number of work-related fatalities by region (and gender).	> The way we work – health	
		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.	
Social – Society	1		
Aspect: Closure	planning (DMA: 3, 12–13 and 41–42)		
MM10	Number and percentage of operations with closure plans.	 We minimise our impact – land management and rehabilitation 	41
		 2016 Annual Report note 25 and note 28 (financial provisions for mine closure) 	AR pages 120 and 122 (www.mmg.com)
Social – Human	rights		
Aspect: Assessi	ment (DMA: 3, 12-13, 19, 24 and 26)		
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	Two of our three (67%) sites with material human rights risks have undertaken human rights risk assessment. Assessments have been completed at Sepon and Kinsevere (including near-mine exploration tenements), but not yet for Las Bambas.	Not applicable
Aspect: Human	rights grievance mechanisms (DMA:	3, 12–13, 19, 24 and 26)	
HR12	Number of grievances about human rights impacts filed, addressed and	The way we work – stakeholder engagement	19
	resolved through formal grievance mechanisms.	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 2016.	
Social – Society			

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)					
Aspect: Local communities (DMA: 3, 12–13, 17, 19 and 28–29)								
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	 The way we work – stakeholder engagement 	17					
		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.						
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.	At Sepon and Kinsevere we continue to secure access to land for mine development via a formal, collaborative, engagement process with local landowners. Five grievances were filed at Kinsevere and two grievances were filed at Sepon in 2016 related to land access and use (none of which were classified as significant). Two grievances remain unresolved at Kinsevere.						
		Century received two grievances related to the Gulf Communities Agreement (GCA) compensation payments (none of which were classified as significant). One remains unresolved.						
		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.						

G4 indicator	Disclosure title	Report section	Page reference (AR = 2016 Annual Report)		
Economic					
Aspect: Econon	nic performance (DMA: 3, 12–13, and	d 28–30)			
• G4-EC1	Direct economic value generated and distributed.	 We mine for progress – social development and investment 	12, 28–30, 32, 34		
		 We mine for progress – our commitment to local employment 	AR pages 19, 78, 83, 93–94, 107,		
		We mine for progress – local supply	114–115 and 118. (www.mmg.com)		
		 The way we work – our commitment to sustainable development (for EITI) 			
		 www.eiti.org and 2016 Annual Report – financial statements, consolidated statement of cash flows 			
		 2016 Annual Report – management discussion and analysis (for operating costs) 			
		 2016 Annual Report – financial statements, note 11 (for employee wages and benefits) 			
		 2016 Annual Report – profit and loss statement (for revenues) 			
		 2016 Annual Report – Directors Report (for payments to providers of capital) 			
Aspect: Procure	ement practices (DMA: 2, 10-13 and	34)			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	We mine for progress – local supply	34		

17 OUR PEOPLE DATA SUMMARY

Site	Full-time	Part-time	Casual	Contractors	Total
Century	24	0	0	29	53
Golden Grove	219	0	1	45	264
Rosebery	224	1	0	186	411
Sepon	1,449	0	23	1,241	2,713
Kinsevere	660	0	0	1,771	2,431
Exploration	135	1.7	1	1	139
Corporate	603	26.6	4	26	660
Dugald River	42	0	2	255	299
Las Bambas Operations	1,841	0	0	7,293	9,134
MMG	5,197	29.3	32	10,846	16,105

Note: Data reported as full-time equivalents.