



SUSTAINABILITY REPORT

WE MINE FOR PROGRESS



At MMG, our vision is to be the world's most respected company. To achieve this, we are committed to effectively managing the risks to people and the environment across the communities, geographies and environments in which we work.

We recognise that the sustainable development of our host countries and communities is the result of many shared steps. Over time these steps lead to real and lasting improvements in the quality of the lives of those touched by our operations. Transforming natural resources into sustainable development is how we mine for progress.





WHO WE ARE



THE WAY WE WORK



WE CONTRIBUTE TO DEVELOPMENT



WE MINIMISE OUR IMPACT

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QUICK LINKS

MMG ANNUAL
REPORT 2020

VPI ANNUAL
REPORT 2020

ABOUT OUR REPORT

REPORT BOUNDARY AND SCOPE

In this report, 'MMG' refers to MMG Limited and its subsidiaries, unless explicitly stated otherwise. MMG Limited is individually referred to as the 'Company'.

The report covers the activities of MMG's Head Offices in Melbourne, Australia and Beijing, People's Republic of China, and all MMG's mining, exploration and associated activities. Our Hong Kong and Vientiane (Lao People's Democratic Republic) offices are not included in this report due to the immaterial nature of their sustainability impacts.

All data listed in this report refers to the period from 1 January 2020 to 31 December 2020. Data relating to the previous reporting period has been included where it is comparable and adds useful context. All people numbers are accurate as at 31 December 2020.

All data is reported on a 100% equity basis.

REPORTING APPROACH

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) 2016 Sustainability Reporting Guidelines (GRI Standards): Core option, GRI 303 (2018) and GRI 403 (2018), as well as specific GRI indicators as they relate to each of our material issues. The GRI Content Index can be found in the Appendix to the Sustainability Report at

Our water reporting is aligned with the International Council on Mining and Metals' (ICMM) A Practical Guide to Consistent Water Reporting and we report in line with the Minerals Council of Australia (MCA) Water Accounting Framework.

For more case studies about our sustainability initiatives throughout 2020, visit our website

Currency is reported in US dollars, unless stated otherwise.

This report has been reviewed and approved by our Disclosure Committee.

MATERIALITY ASSESSMENT PROCESS

We periodically conduct a materiality assessment to ensure we are reporting on the issues that matter most to our stakeholders. We review feedback from stakeholders through interviews, Executive Committee and Board papers, investor feedback and media reports.

To build on this insight, in 2020, MMG conducted a materiality assessment and stakeholder engagement process.

This process confirmed that the 12 material issues identified in 2019 continue to represent the material risks and opportunities facing the Company. For more information about MMG's approach to stakeholder engagement and materiality assessment, and to see the full list of its material issues for this year, refer to pages 6-7.

Information and data about emissions to air, water usage and waste produced can be found in the 2020 Annual Report at www.mmg.com.

EXTERNAL ASSURANCE

CECEP (HK) Advisory Company Limited carried out an independent limited assurance procedure over elements of this report, guided by the ICMM Assurance Procedure (refer to Assurance terms and statement on pages 68-71). This included assurance of our alignment with the requirements of GRI Standards: Core option.

The limited assurance focused on three of the 12 material sustainability issues identified through our materiality assessment process. The three issues selected through a process conducted independently of MMG were:

1. Compliance and Conformance;
2. Community Engagement; and
3. Social Development and Investment.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear MMG Stakeholders,

I am pleased to present our 2020 Sustainability Report.

2020 was a year like no other, where managing the risks presented by the COVID-19 pandemic dominated our focus while we continued to deliver production, drive development and provide employment and support to the communities in which we live and work.

HEALTH AND SAFETY

The health and safety of MMG people remains our first value. We work hard to embed a company-wide safety mindset.

In 2020, our total recordable injury frequency (TRIF) was 1.38 per million hours worked. This represented an improvement of 13% from the 2019 result of 1.58. In line with MMG's 'Safety First' culture, we are committed to improving our safety performance and ensuring our people can return home safely to their families as we strive to eliminate workplace injuries.

COVID-19 PANDEMIC

The COVID-19 virus has directly impacted our people and communities. We have all adjusted to the increased protections, the impact the virus has imposed on our daily lives and we collectively mourn the many lives lost during this global pandemic.

I am proud of our people's efforts to keep those around them safe by following strict health and hygiene protocols. Our vigorous testing regime facilitated continued production in regions, including Peru where the impact of COVID-19 has been particularly significant.

As mining is an essential operation, working from home is not an option for most of our people. MMG safeguarded our site-based operations wherever possible, also giving MMG people and

their families access to mental health and support services tailored to their respective regions and local languages.

Throughout the pandemic we worked closely with regional communities, governments and all stakeholders; reflecting their insights and concerns in our site operations' continuity plans as outlined on pages 12 to 15.

OUR CONTRIBUTION TO DEVELOPMENT

At MMG, we mine for progress, ensuring wherever possible local communities, economies and supply chains benefit from our operations.

In 2020, we invested over US\$23.6 million in social development programs, up from US\$18.5 million in 2019. In addition, we contributed US\$308 million to global taxes and royalties. We support local communities where our sites are located through the provision of employment, business development, healthcare, education and food security programs.

Notably, much of our 2020 social investment spend helped fight unforeseen COVID-19 impacts. This included training and support for local businesses and donating critical personal protective equipment (PPE), food and medical supplies to local and regional governments. Read more about this on pages 12 to 15 of this report.

Wherever we work, we continue to cultivate sustainable and long-term solutions when community issues emerge. We are committed to upholding human rights wherever MMG operates, consistent with being an Engaged Member of the Voluntary Principles Initiative.

MINIMISING MMG'S IMPACT

MMG monitors its environmental footprint by managing its natural resources, minimising waste and pursuing effective life-cycle management.

In 2020, our site teams worked hard to embed ongoing improvements in water management processes. This included implementing a major water infrastructure program at Las Bambas focused

on the diversion of clean catchment runoff around operational areas, together with a focus on maximising water recovery from the tailings storage facility (TSF). Water system upgrades at Dugald River, the completion of upgrades to surface water management at Kinsevere and upgrades to water management processes across the Rosebery operation all minimise our environmental footprint.

At MMG we treat the management of tailings storage as a significant material issue that requires ongoing, rigorous risk management. Our tailings governance includes independent Dam Review Committees at each of our operations and each TSF is designed, operated and maintained in accordance with leading engineering practices and principles. MMG meets or exceeds the regulatory requirements in each of its operating jurisdictions.

In August 2020, the new Global Industry Standard on Tailings Management (GISTM) was released, in cooperation with International Council on Mining & Metals (ICMM), the United Nations Environment Program (UNEP) and the Principles for Responsible Investment (PRI). The standard calls for the avoidance of extreme consequences to people and the environment from catastrophic tailings facility failures. MMG has already commenced work to ensure compliance with the standard and will work with involved stakeholders throughout the process.

CLIMATE CHANGE

MMG recognises the impacts of human-induced climate change, and that addressing the impacts of climate change poses significant short- and long-term challenges for society. We are committed to being part of the global solution by taking appropriate actions to reduce our emissions intensity, and sourcing the key mineral and metals required to help the global transition to a low-carbon future. In 2021, we will be reviewing our current environmental footprint and greenhouse gas reduction strategy with the intent of setting company-level reduction targets.

Finally, MMG is proud that its products – particularly copper and zinc – are a major input into global efforts to decarbonise and electrify our energy and



transport needs. If we wish to drive genuine reductions in carbon and arrest the impacts of global climate change, we will as a community rely more heavily on the critical role of metals in society.

I extend my thanks to employees, shareholders and host communities for your continued support. I want to particularly recognise our people for their dedication and contributions to our sustainability performance in such a difficult year. I look forward to the coming year as we continue to mine for progress.

Geoffrey (Xiaoyu) GAO
CHIEF EXECUTIVE OFFICER

OUR MATERIAL ISSUES

MMG recognises our stakeholders hold differing views on issues that have the potential to impact our business, or the communities and environments in which we work.

Our material issues include social, economic, and environmental risks and opportunities that have the potential to affect our performance or reputation, as well as our ability to create value and deliver progress over the short, medium and longer term.

In assessing our material issues, we undertake stakeholder interviews, take into consideration employee surveys and the considerations of our senior leadership, investor and community

perceptions, industry benchmarking and global media reviews. We review this data against our values and business priorities to decide our material issues for the year.

For more information about our stakeholders and engagement avenues, review the Sustainability Report's Appendix at



MATERIAL ISSUE	DESCRIPTION	STAKEHOLDERS AFFECTED	MORE
Strategy and growth	The role of brownfield development and near-site exploration in driving our growth objectives, and the role of asset divestment and acquisition as a platform to underpin future growth.	Employees, communities, suppliers, government, investors, media and industry	p. 17
Corporate governance and business ethics	Maintaining strong corporate governance and business ethics in the context of operations in complex jurisdictions.	Employees, suppliers, government, investors, non-government organisations, media and industry	pp. 25-26
Compliance and conformance	Regulatory compliance and acting responsibly across our operations, in line with our values and external commitments.	Suppliers, government, investors, non-government organisations, media and industry	p. 26
Safety and health	Maintaining workforce safety and health.	Employees, suppliers, non-government organisations and industry	pp. 26-33
Sovereign risk and government relationships	Managing sovereign risk that impacts our business, and maintaining positive government relationships in the context of significant change in the political and fiscal environments for our operations.	Government, investors, non-government organisations, media and industry	p. 33
Community engagement	Community engagement and participation in planning and decision-making across the life of an asset.	Communities, government, non-government organisations, media and industry	pp. 33-35
Human rights	Managing the impacts of our operations on human rights. This includes labour, Indigenous rights and the rights of women and children.	Communities, government, non-government organisations, media and industry	pp. 38-41
Social development and investment	Working with communities, governments and other partners to measurably support development and economic livelihoods.	Communities, government, non-government organisations, media and industry	pp. 45-49
Water access and use	Recognising that water is an asset with social, economic and environmental value. Managing water access, freshwater withdrawal, water inventory and discharge quality.	Communities, government, non-government organisations and industry	pp. 53-56
Tailings and waste rock management	Managing acid mine drainage and tailings infrastructure.	Communities, government, non-government organisations, media and industry	pp. 56-61
Social and economic impacts of mine closure	Managing the impacts of mine closure on community employment and economic development. Exploring opportunities for economic transition and the ongoing use of mining-related infrastructure.	Communities, government, non-government organisations and industry	pp. 64-65
Land management and rehabilitation	Managing land holdings effectively over the life of the operation, including their progressive rehabilitation and relinquishment, and provisioning for closure.	Communities, government, non-government organisations and industry	pp. 64-66

OUR OPERATIONS

MMG has four operating sites across the world and employs over 10,000 employees and contractors.



KINSEVERE



DUGALD RIVER ROSEBERY



LAS BAMBAS

AUSTRALIA

PRODUCTION

245,097 TONNES OF ZINC IN ZINC CONCENTRATE | 47,119 TONNES OF LEAD IN LEAD CONCENTRATE | 1,537 TONNES OF COPPER IN COPPER CONCENTRATE

ECONOMIC CONTRIBUTION (US\$ '000)

\$65,539 TOTAL TAX INCL. ROYALTIES | \$72,800 TOTAL WAGES AND BENEFITS** | \$58,963 TOTAL CAPITAL INVESTMENT

\$483 SOCIAL DEVELOPMENT SPEND | \$311,290 TOTAL LOCAL SUPPLY PROCUREMENT

2020 WORKFORCE

1,090 TOTAL WORKFORCE
11.8 % FEMALE | 94.2 % NATIONAL

DEMOCRATIC REPUBLIC OF THE CONGO (DRC)

PRODUCTION

72,007 TONNES OF COPPER CATHODE

ECONOMIC CONTRIBUTION (US\$ '000)

\$49,515 TOTAL TAX INCL. ROYALTIES | \$56,935 TOTAL WAGES AND BENEFITS | \$19,569 TOTAL CAPITAL INVESTMENT

\$2,935 SOCIAL DEVELOPMENT SPEND | \$155,260 TOTAL LOCAL SUPPLY PROCUREMENT

2020 WORKFORCE

2,415 TOTAL WORKFORCE
10.4 % FEMALE | 97 % NATIONAL



PERU

PRODUCTION

311,020 TONNES OF COPPER IN COPPER CONCENTRATE

3,167 TONNES OF MOLYBDENUM IN CONCENTRATE

ECONOMIC CONTRIBUTION (US\$ '000)

\$193,334
TOTAL TAX INCL. ROYALTIES

\$78,030
TOTAL WAGES AND BENEFITS

\$436,865
TOTAL CAPITAL INVESTMENT

2020 WORKFORCE

6,369
TOTAL WORKFORCE

\$20,138
SOCIAL DEVELOPMENT SPEND

\$1,185,030
TOTAL LOCAL SUPPLY PROCUREMENT

8.9 % FEMALE | 99 % NATIONAL

CORPORATE OFFICE*

2020 WORKFORCE

160 TOTAL WORKFORCE

50.6 % FEMALE

ECONOMIC CONTRIBUTION (US\$ '000)

\$58 SOCIAL DEVELOPMENT SPEND

Note: For information on royalties and income tax, procurement and employment taxes and benefits, refer to the Tax and Community Contribution section (pages 50-51) of this report.

% female = the percentage of women in the MMG workforce. This does not include contractor numbers.

% national = the percentage of the workforce with the same nationality of the country where the operations are located.

* MMG Corporate includes Melbourne and Beijing Head offices, Hong Kong office and Vientiane.

** Total wages and benefits for Australia include expenses where the role may report into but take place outside of the country.

OUR OBJECTIVES AND TARGETS

OBJECTIVES	TARGETS	COMMENTS/PROGRESS TO DATE
<p>Safety and health</p> <p>We are committed to ensuring our employees go home from work in the same physical and mental health every day.</p>	<ul style="list-style-type: none"> › 100% implementation of fatal risk controls at all sites. › Full implementation of our Safe Task Management approach. 	<ul style="list-style-type: none"> › Critical controls from the Fatal Risk Standard in place and their verification activities to ensure that controls are working. › Safe Task Management approach now embedded in the updated Safety, Security, Health and Environment (SSHE) Performance Standard.
<p>Sovereign risk and government relationships</p> <p>Constructive relationships with our partners in national, regional and local governments enable us to proactively manage sovereign risk and change.</p>	<ul style="list-style-type: none"> › Develop or maintain relationships with key government and department stakeholders in the regions in which we operate. › Actively engage in the political process to inform government decision-making on material issues to MMG. › Contribute to the relevant public policy debates to develop and enhance human capability in the regions in which we operate. 	<ul style="list-style-type: none"> › Las Bambas continues to work closely with the Government of Peru to manage community concerns regarding land acquisition and social compensation for the public road used for transporting Las Bambas concentrates. › Kinsevere continues to work with the Democratic Republic of Congo (DRC) authorities regarding the implementation of aspects of the 2018 Revised Mining Code.
<p>Strategy and growth</p> <p>Consistent performance enables us to grow a pipeline of development projects by acquisition.</p>	<ul style="list-style-type: none"> › Deliver our growth strategy through doubling the size and value of MMG, and to double it again by 2030. 	<ul style="list-style-type: none"> › Advanced projects and feasibility studies for Kinsevere Development and Las Bambas 3rd Ball Mill and Chalcobamba expansion.
<p>Land management and rehabilitation</p> <p>We effectively manage our land holdings over the life of the operation and seek to protect future land use options.</p>	<ul style="list-style-type: none"> › Mitigation Management Plans and Biodiversity Offset Management Plans are developed, implemented and verification processes are in place to track control effectiveness – where these plans are required across the Group. › Mitigation hierarchy embedded within the site land clearance and disturbance processes across MMG. 	<ul style="list-style-type: none"> › Our SSHE Performance Standard requires the development of Biodiversity offset and management plans and we are continuing to work on their full implementation and verification. › The site land clearance and disturbance mitigation hierarchy continues to be embedded and verification is ongoing at all operations.
<p>Social and economic impacts of mine closure</p> <p>We seek to help diversify the local economic base of our communities to manage the impacts of mine closure on community employment and economic development.</p>	<ul style="list-style-type: none"> › End-of-life land use planning and diversification opportunity identification commenced for all sites within five years of closure. › Social impacts of closure integrated into life-of-asset planning and social investment strategies. 	<ul style="list-style-type: none"> › A Closure Prefeasibility Study was initiated for the Rosebery mine in 2019. The scope of the study includes assessing various land use options and their associated socio-economic impacts on local communities. Engagement with external stakeholders is a key part of this scope. › Closure risks, opportunities and predicted social impacts have been integrated with life-of-mine expansion studies at both Las Bambas and Kinsevere. This includes costs associated with social transitioning.
<p>Tailings and waste rock management</p> <p>We effectively manage the safety and environmental risks of tailings infrastructure and acid and metalliferous mine drainage.</p>	<ul style="list-style-type: none"> › Non-acid forming (NAF) and potentially acid forming (PAF) criteria are agreed for all sites and a process established to validate criteria. › Implementation of independent Dam Review committees, engineers of record, and independent third-party reviews at all sites. › Review all site dams by year end. 	<ul style="list-style-type: none"> › Each site has criteria derived from scientific analysis for definitions of NAF and PAF, based on the particular mineralogy of the location. › Independent Dam Review committees, engineers of record, and independent third-party reviews have been implemented at all sites, including reviews for major revisions to tailings infrastructure. › All dams were reviewed by year end.

The 12 objectives on these pages are aspirational goals with specific, measurable targets. The targets will be monitored and progress tracked in this report on a yearly basis. This will ensure our work is constantly aligned with the issues that matter most to our business, our stakeholders and the regions in which we work.

OBJECTIVES	TARGETS	COMMENTS/PROGRESS TO DATE
<p>Water access and use</p> <p>We effectively manage our water intake, inventory and discharge to minimise our impacts on other users within the catchment, including upstream and downstream communities and the environment.</p>	<ul style="list-style-type: none"> › Trigger Action Response Plans (TARPs) developed and implemented across all sites. › Updated and calibrated site-wide water balance model and water management plan to optimise water management/ consumption for each site. 	<ul style="list-style-type: none"> › All sites have developed TARPs for water management, tailored to site-specific risks and management concerns. › All sites have a water balance model and all models have been updated within the last 12 months.
<p>Social development and investment</p> <p>Our activities and investments measurably support development and economic livelihoods in the communities and regions in which we work.</p>	<ul style="list-style-type: none"> › Investment strategies at sites aligned to regional and national social objectives. › Investments deliver measurable positive impact against United Nations (UN) Sustainable Development Goals (SDGs) 1–6 indicators. 	<ul style="list-style-type: none"> › All social spend in 2020 is being reported under the relevant SDGs 1 – 6. › Sites working collaboratively with local stakeholders, including regional and national governments and non-government organisations (NGOs), to identify shared social investment opportunities.
<p>Community engagement</p> <p>We effectively engage communities and local leadership, and encourage participatory planning and decision-making for our life of asset.</p>	<ul style="list-style-type: none"> › Affected communities effectively engaged in material project modifications, extensions and expansions. › Application of free, prior and informed consent (FPIC) in line with the requirements of the ICMM Position Statement on Indigenous Peoples. 	<ul style="list-style-type: none"> › Ongoing engagement with community stakeholders, including Kinsevere’s participatory planning sessions, Las Bambas’ land access and community dialogues. › FPIC built into MMG’s site-specific engagement strategies.
<p>Compliance and conformance</p> <p>We are committed to environmental regulatory compliance and to operating in alignment with our organisational values.</p>	<ul style="list-style-type: none"> › No environmental non-compliances identified by third party. › No repeat significant environmental events (as per MMG definition of significant). › Establish a mandatory annual environmental audit that fulfils environmental regulatory requirements and provides annual assurance on status of compliance. 	<ul style="list-style-type: none"> › All environmental non-compliances were reported to regulators. › No repeat significant events were reported. › Site-level audits carried out annually, with Second Line of Defence reviews conducted regularly. › A compliance register tool is being used to track information across the Company.
<p>Corporate governance and business ethics</p> <p>Our business ethics underpin the way we work as we grow and develop our operations in complex jurisdictions.</p>	<ul style="list-style-type: none"> › Full compliance with all applicable obligations under Hong Kong Exchange (HKEx) listing requirements. › 100% of relevant MMG employees trained in anti-bribery and corruption policies and obligations. 	<ul style="list-style-type: none"> › Full compliance with all applicable ‘comply or explain’ obligations under HKEx listing requirements for 2020. › Bespoke on-line training provided and available to all employees of the Company with computer access.
<p>Human rights</p> <p>We recognise, respect and will remedy the impacts of our operations on the human rights of our employees and the communities in which we work.</p>	<ul style="list-style-type: none"> › Accepted as an active participant in the Voluntary Principles Initiative (VPI). › Grievance management processes at all sites compliant with UN Guiding Principles on Business and Human Rights. › Ensure all complaints relating to the International Labour Organization’s (ILO) four fundamental principles and rights at work. 	<ul style="list-style-type: none"> › MMG was accepted as an engaged member of the VPI, and published our first Annual Report in April 2021 (available here). › Grievance mechanisms at all sites are compliant with core remedy requirements of the UN Guiding Principles on Business and Human Rights and grievances reviewed by site and corporate teams regularly.

OUR RESPONSE TO COVID-19

As a business with global operations, we have been affected by the spread of COVID-19. Safety is our first value and in line with this, the health and safety of our employees, contractors and the local communities is always our first priority.

Across all global locations we have dedicated teams responsible for monitoring local impacts and advice from local authorities as well as our response. We have worked hard to implement additional safety, health, hygiene and physical distancing controls to reduce the risk of transmission and to develop business continuity plans for all our operations. Our teams have also worked collaboratively with local communities to ensure they have sufficient resources available.

OUR EMPLOYEES AND CONTRACTORS

In late January, following the COVID-19 outbreak in China, MMG began actively monitoring the situation and implementing a range of safety controls. In March 2020, the MMG Crisis Management Team was established to oversee the Corporate and site-based responses to COVID-19. Each of our operations established an emergency management team to develop site-level plans, in close coordination with MMG's Head Office, and proactive decisions were made based on expert medical advice.

By April, our people based in our Melbourne, Lima, Hong Kong, Vientiane and Johannesburg offices were all largely working from home. This arrangement ensured they were safe and able to continue their tasks as much as possible with



additional support provided. All employees were also provided with mental health and support lines in their countries and local languages for themselves and their families.

Given the nature of mining, working from home is not an option for the majority of our people. Those who are based at our operations are critical to the success of our business, and we worked hard to support them and to ensure their workplaces are as safe as possible.

In addition to establishing protocols for self-isolation and reporting for any employee who has been tested for the virus, we also implemented a range of safety measures to limit the risk of transmission within all our sites. These measures included:

- › Pre-site arrival health checks and health and safety awareness conversations
- › In Peru and the DRC, regular COVID-19 testing before, during and after departure from the operation
- › Temperature and health screening
- › Maintaining physical distancing of at least 1.5 meters while working, eating in the dining halls and travelling to site
- › Closure of places on site where people congregate and socialise, including site restaurants, cafes and entertainment spaces. Those that remain open have strict physical distancing requirements in place
- › More hygiene stations with handwash and hand sanitiser available
- › Clear communication on how to keep our people safe
- › Frequent cleaning and disinfecting of work areas and buses

All sites developed plans in the event of a positive case being identified, the protocols for which were established and regularly updated in close coordination with the site and MMG medical experts and in line with national requirements.

CASE STUDY LAS BAMBAS AND COVID-19

Peru has been heavily impacted by COVID-19. In response, Las Bambas established multidisciplinary teams to review and ensure compliance to all COVID-19 controls. All employees able to work from home were encouraged and supported to do so. Employees returning to site are screened twice before travelling, including COVID-19 testing and assessment for symptoms, as well as tested during their time on site and when they leave. Strict controls are in place at the operation, including thermal cameras, physical distancing and changes to room arrangements. The Employee Attention Centre (CAE) offers 24-hour support to all Las Bambas people for whatever impacts they may face during this challenging time (see page 23 for more information).

The site has also contributed significantly to the local, regional and national response to COVID-19. This included donating over 10,000 COVID-19 rapid tests, PPE and isolation tents to the Apurímac region, as well as support for regional and local health campaigns. We also donated key medical equipment to local health centres, including an oxygen plant, ventilators and oxygen tanks.

More than 10,000 basic necessity kits were delivered to families in 78 local communities in Apurímac and Cusco regions, we funded humanitarian flights to get community members back from Lima, and rolled out local business support initiatives to reactivate the local economy. We also used Radio Surphuy to share important COVID-19 health updates in both Spanish and Quechua, and the station was chosen by the Ministry of Education and the UGEL Cotabambas to broadcast "I learn at home" ("Aprendo en Casa").

OUR RESPONSE TO COVID-19 CONTINUED

IMAGE: Community COVID-19 support, Kinsevere, DRC.



CASE STUDY KINSEVERE AND COVID-19

Kinsevere has implemented multiple health and safety measures on site, including vigorous screening of all MMG people, rapid testing when employees return to work and those who present with symptoms, as well as the installation of a COVID-19 screening building at the main gate for automated disinfection and screening. In addition, the medical team continuously shares safety messages with the workforce using messaging services and site-wide notifications.

Along with preventive controls on site, we worked closely to support our local communities. Kinsevere contributed US\$100,000 towards the local Haut-Katanga Province for their COVID-19 pandemic prevention response plan. We also funded workshops on infection prevention with technical support from the World Health Organisation, awareness sessions in local schools, the installation of over 200 hand washing stations in public places and schools, and the donation of essential PPE and megaphones to broadcast messages to community members.

IMAGE: Employee at Dugald River, Australia.



CASE STUDY DUGALD RIVER AND COVID-19

From early 2020, Dugald River worked closely with the Queensland Resources Council (QRC) to ensure full compliance with the Queensland government's COVID-19 response. This included quarantining and testing people from designated hot spots and preventing their travel to site.

The COVID-19 management plan involved isolating anyone with cold or flu symptoms for testing, regular temperature and health screening, reduced capacity in communal settings, increased hand washing facilities and the installation of no touch door openers. A SMS service was implemented to directly communicate with employees, and they also increased mental health surveillance for those working both on site and remotely.

The site was in regular contact with the Cloncurry Council about COVID-19, ensuring they were aligned with local requirements and fly-in, fly-out workers didn't interact with the local community where practicable.

For information on how we worked to protect and support our employees, local stakeholders and communities, visit

OUR COMMUNITIES

Communities are an integral part of our business and their health and safety is critical, especially during these uncertain times.

We worked with our local communities and stakeholders at all operations to identify opportunities to support them through the pandemic, and implemented initiatives to support local and national government efforts. We worked to manage risks arising from workforce transportation (fly-in, fly-out and bus-in, bus-out) and continue to work with regional governments, communities and other stakeholders to ensure their concerns are included in our operations' continuity plans.

In addition to ongoing dialogue with all communities, local and regional stakeholders, we have implemented a series of initiatives to support the rapid response and education of communities. This includes:

- › Additional funding and support for local and regional health directorates, including sourcing critical PPE, donation of oxygen plants and additional medical equipment, training and coordinating with the national government on their behalf (as required)
- › The communication of national public health advice as well as public awareness campaigns in both official and indigenous languages through community radio stations, flyers and posters
- › The donation of thousands of food and basic necessity packages in Peru

We acknowledge COVID-19 continues to impact the regions where we operate, and we will support our people, our communities and stakeholders throughout the pandemic. We will also continue to monitor advice from governments across our operating jurisdictions and will assess and communicate any changes to the current arrangements as required.

IMAGE: Physical distancing controls and health checks, Rosebery, Australia.

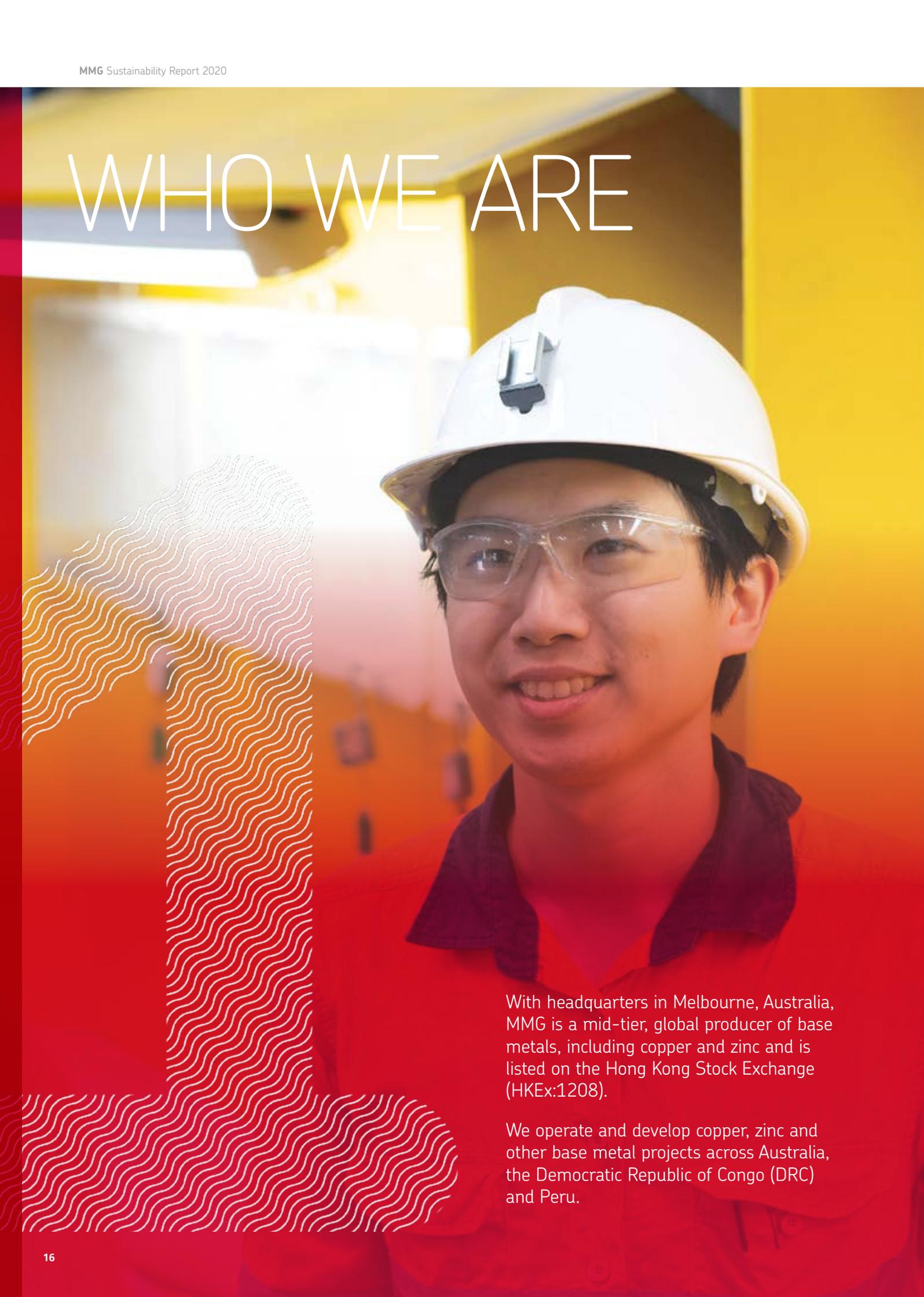


CASE STUDY ROSEBERY AND COVID-19

Our Rosebery operation took quick action in March 2020 to develop COVID-19 controls. The site's COVID-19 management plan was developed, updated regularly in line with Tasmanian and Australian government requirements and reviewed monthly by the Tasmanian Mines Inspector. Controls within the management plan included daily temperature checks, health declarations, staggered start

times and reduced room capacity to ensure physical distancing was possible. Increased stocks of PPE were sourced and held on site, a quarantine room was established in the event of a suspected or confirmed case and cleaning was increased across the operation. Rosebery was required to close its community shopfront in Rosebery, instead directing community members to make contact through dedicated phone lines. We also supported education efforts through regular advertising on local radio.

WHO WE ARE



With headquarters in Melbourne, Australia, MMG is a mid-tier, global producer of base metals, including copper and zinc and is listed on the Hong Kong Stock Exchange (HKEx:1208).

We operate and develop copper, zinc and other base metal projects across Australia, the Democratic Republic of Congo (DRC) and Peru.

VALUE CHAIN

Our value chain extends from the initial work to identify prospective deposits through to managing the responsible closure of operations.

- › **Geoscience and discovery:** project generation, near-mine exploration and extending mine life.
- › **Project development:** evaluating geoscience and discovery results, mine design, planning and development, environmental and social impact assessments to determine the feasibility of developing a mineral deposit into an operating mine.
- › **Operations:**
 - › Extraction of mineral deposits utilising different metallurgy techniques suitable for our mineral deposits.
 - › Processing of extracted mineral deposits separating commercially valuable minerals from their ores to produce a saleable product.
- › **Road transport:** delivering raw materials from our mines in-country to export ports.
- › **Sea transport:** dispatching raw materials via charter vessels in order to deliver our product to overseas customers.
- › **Marketing:** working closely with our customers to deliver value.
- › **Economic transition and closure:** We prepare for closure throughout the life cycle of a project. Closure involves maximising the potential value of infrastructure and land-based assets by considering alternative economic uses, coupled with the monitoring of environmental and social impacts and land restoration for future use.

GROWTH STRATEGY

At MMG our ambition is to double the size and value of MMG, and to double it again by 2030.

Our strategy is enabled by:

- › building on the strength of China, the world's largest customer and producer, and amongst the largest economies

- › providing a safe, healthy and secure workplace, and a culture of collaboration, accountability and respect
- › operating and developing our assets to their full potential with a business owner mindset
- › being valued for our commitment to progress, long-term partnerships and experienced management
- › embracing the advantages of a distributed operating structure, supported by a core group of disciplines and common values.

We have built a strong foundation in attractive commodities in some of the most prospective regions. Our business is based on a commitment to international standards, coupled with an operating philosophy of simplicity and efficiency.

The support of our major shareholder, China Minmetals Corporation (CMC), is fundamental to our success. Together, we are building capability and a reputation as China's premier international mining growth platform.

Fundamental to our success is maintaining strong relationships with our people, local communities, regulators and host nations, as well as sharing the benefits that flow from our investments and operations.



IMAGE: Concentrate containers at Pillones train station, Peru.



WHO WE ARE CONTINUED

MMG AND CHINA MINMETALS

Our commitment to sustainable development is supported by our major shareholder CMC.

CMC is China's largest metals and mining corporation with strong international relationships and construction projects in more than 60 countries. In 2020, it ranked 92nd in the Fortune Global 500 list of companies – the 14th consecutive year of being listed.

CMC operates across the whole industry value chain, from resource acquisition and exploration to project design, construction, operation, marketing, distribution and further processing in the global metals and minerals sector.

With a commitment to using natural resources sparingly, CMC has achieved a series of technological innovations related to resource efficiency.

The corporation's sustainability philosophy is based on a firm commitment to create the greatest possible integrated value for the economy, society and the environment. This is achieved by operating with integrity, and aligning competencies to the goals of stakeholders and local economic and social needs.

CMC employees uphold the philosophy of sustainable development through the careful use of limited resources. CMC is striving to play the role of a leading state-owned capital investment company in the metals and minerals industry. The Company's goal is to build a world-class metals and minerals business.

SUPPLY CHAIN

MMG sources goods through a global supply chain to satisfy the requirements of our operating sites. Our suppliers are essential to our business and we value our relationships. In 2020, we engaged

approximately 4,300 suppliers, of which over 90% were in Peru, Australia, the DRC, South Africa and China. Our total spend in 2020 was over US\$1,846 million.

We purchase goods and services related predominantly to site and mining services, energy, logistics and activities associated with fixed plant and mobile assets. We assess suppliers throughout the contract award process to ensure they are aligned with our Code of Conduct and other relevant policies and procedures.

SUPPLY CHAIN MANAGEMENT

As part of our supplier engagement and contract award process, we undertake a comprehensive assessment, including a risk-based due diligence assessment across a range of criteria including commercial, quality and technical capabilities. When selecting suppliers, we also assess a range of non-financial criteria including health and safety management and performance, environmental management, local capability training, social contribution and commitment to local employment.

As part of our supplier engagement process, we seek formal agreement from suppliers to comply with our Code of Conduct and Anti-Corruption policies as well as other relevant Company standards, policies and procedures, including those related to human rights, health and safety and the environment. From 2021, this will include compliance with our Supplier Code of Conduct.

Approximately 635 supply contracts were entered into or renegotiated in 2020, with a total value of US\$1.35 billion.

In 2020, we regularly reviewed and reported on agreed contract performance measures, as well as identifying and actioning improvement opportunities. We also worked to expand our due diligence questionnaire to include a particular emphasis on risks of human rights abuses and modern slavery practices, policies and compliance. The implementation of this due diligence process is continuing into 2021.

IMAGE: Concentrate containers at Dugald River, Australia.



To read more about MMG's supply chain management and the controls put into place during 2020, visit mmg.com to view our 2020 Modern Slavery Statement, which will be released in June 2021.

OUR CUSTOMERS

We sell our products to a global customer base, and we work closely with our customers to deliver value. The copper concentrate produced at Las Bambas is predominantly sold to customers in Asia, with China being the largest market. Las Bambas molybdenum concentrate is sold to customers in Chile and Asia. Copper cathode produced at Kinsevere is delivered to copper consumers in Europe, the Middle East and Asia. Zinc and lead concentrates produced at our Australian mines (Rosebery and Dugald River) are delivered to smelters in Australia and Asia.

PRODUCT STEWARDSHIP AND RESPONSIBILITY

The commodities we mine at MMG are critical to realising the global Sustainable Development Goals (SDGs) set out by the United Nations (UN). Many of the minerals and metals we produce are essential building blocks for the technologies, infrastructure and agriculture required to ensure the world can

continue to meet the needs of a growing population, and to deliver these in a way that minimises our impact on future generations.

MMG supplies products that consistently meet our customers' quality expectations, and are safe for people and the environment. We operate in accordance with processes and procedures that guide us in identifying and managing significant risks to human health, and the environment during the transportation, storage, handling and processing of our products.

We are a member of the International Zinc Association (IZA) and a regional member of the International Copper Association (ICA), through which we contribute to the development of new applications for our products that are safe, efficient and beneficial to the world at large.

As of 1 January 2020, the International Maritime Organisation (IMO) mandated that all ocean-going vessels were to burn fuel with a maximum of 0.5% sulphur, rather than 3.5% sulphur fuel, which was the industry standard before this date. With nearly all MMG's sales requiring ocean-going transport to reach customers, this was a significant change. Through early planning, we were able to work with compliant shipowners in order to make this transition seamless, and not cause disruption to our supply chains, as well as ensuring we meet all the required standards.



WHO WE ARE CONTINUED

OUR COMMITMENT TO SUSTAINABLE DEVELOPMENT

We seek to minimise the negative impacts of our operations and maximise the benefits we can provide to our host communities, regions and, through the products we produce, consumers and the general public. This approach has been endorsed by our Board of Directors and senior management team, and is executed across our Company through our organisational policies and standards.

MMG's commitment to operating in line with the ICMM's 10 Sustainable Development Principles is set out in our Safety, Security, Health, Environment and Community Policy (refer to our Appendix for the ICMM Sustainable Development Principles on www.mmg.com). Our approach to sustainable development is also guided by our:

- > Corporate Governance Policy;
- > People Policy;
- > Quality and Materials Stewardship Policy; and
- > Shareholder Communication Policy.



IMAGE: MMG employees at Dugald River, Australia.

We are active members of leading industry organisations, including:

- > ICMM;
- > IZA;
- > ICA;
- > Sociedad Nacional de Minería, Petróleo y Energía, Peru (National Society of Mining Petroleum and Energy);
- > Chamber of Mines of the DRC/Mining Progress Initiative of the DRC;
- > Queensland Resources Council; and
- > Tasmanian Resources Council.

We support the Extractive Industries Transparency Initiative (EITI) across all participating jurisdictions.

OUR OPERATING MODEL

MMG's vision is to build the world's most respected mining company. We mine to create wealth for our people, host communities and shareholders with an ambition to double the size and value of MMG, and then double again by 2030.

We have established strong foundations that support future growth and development. MMG has four strategic drivers that are embedded into our corporate planning and decision-making processes:

- 1. China Champion:** Building on the strength of the world's largest consumer of metals and mineral resources to create a sustainable competitive advantage.
- 2. Business Miner:** Adopting a mindset that leverages excellence in owning and operating mines to generate superior returns on investment, enhancing our ability to fund and deliver future growth.
- 3. Federation of MMG:** Embracing the advantages of an empowered and diverse operating structure with core group disciplines and guiding values that drive a unique way of working across our international footprint.

4. Delivering Progress: Taking pride in mining's role in driving social progress through local, regional and national contributions and delivering materials for a changing world.

Aligned with achievement of its ambitions, MMG is structured along the following lines:

- › **Operations:** largely self-sufficient sites, with regional offices driving local efficiencies.
- › **Group operations support:** a limited number of experts in areas critical to the operation of the global asset base.
- › **Global services:** lowest cost delivery of truly global and shared activities.
- › **Corporate:** lean corporate offices, based in Melbourne and Beijing, focused on only what is needed to operate and govern a listed business and deliver inorganic growth.

A key requirement of our operating model is the implementation of common procedures and standardised processes across operations to manage common material risks, support compliance with our external commitments, and deliver and maintain competitive advantage. In this way our operating model enables our sites to focus on continuously improving operational performance, and our service and support hubs to focus on the ongoing improvement of the services and support provided to sites.

OUR STANDARDS, RISK MANAGEMENT AND ASSURANCE

Our business-wide standards outline MMG's requirements in managing material risks, meeting legal and external obligations, and creating and preserving competitive advantage and organisational effectiveness. These standards provide the basis for sustainable operations and are aligned to the ICMM's Mining Principles and the eight ICMM Position Statements. MMG's Risk Management Procedure is based on ISO 31000:2018, which is the international risk management standard.

MMG's Risk Management Procedure outlines the process to identify, analyse, control and evaluate risks within the Company. Risks are assessed against consequence criteria to determine the maximum foreseeable losses that would arise in the absence of existing controls. This process helps determine the material risks for the organisation. Material risk information is presented to the Audit and Risk Management Committee and the MMG Board to ensure active oversight and involvement in risk management is maintained at a high level within the Company.

MMG's assurance program focuses on verifying that the critical controls required to manage material risk events are implemented and effective. We apply a 'Three Lines of Defence' assurance approach to our standards.

The First Line of Defence involves standard implementation by the business, and routine testing and reporting of the effectiveness of critical controls for material risks.

The Second Line of Defence is undertaken by Group Functions. It involves periodic review of the design of the control framework described by the standards, and validation of business conformance with the standards.

The Third Line of Defence is MMG's internal audit program, which tests the design and effectiveness of our standards, critical controls regarding material risks, and the effectiveness of the first and second lines of defence. Internal audit also reviews key process areas highlighting good practices and areas that management may consider for further improvement. The internal audit program is managed by MMG's Audit, Risk and Assurance team in accordance with the Internal Audit Procedure.

In 2020, the annual internal audit plan was approved by the Audit and Risk Management Committee. The focus of the internal audit program is on material risks to the business, encompassing both financial and non-financial risks.



WHO WE ARE CONTINUED

OUR PEOPLE

We are committed to building lasting partnerships with our people and ensuring they have the right capabilities and development opportunities to deliver on our strategy.

MMG has one standard governing people and employee benefits globally – the People Standard. This standard is supported by Work Quality Requirements, systems and processes to ensure global standards and local requirements are met, including those related to remuneration, working hours, recruitment, promotion and termination of employment.

We are also aligned with all national and provincial statutory requirements in the countries where our operations are located. MMG, through selection processes, selects the best people for each position and rewards them competitively with salary and benefits that are in line with market conditions and their contribution to our overall business success. We are committed to sharing our successes with our communities through local employment opportunities, and by investing in training and education that helps local residents to transition to careers in our business operations.

MMG provides its people with opportunities to develop their skills, expertise and experience. We provide vocational training and competency verification to drive safety, efficiencies and to assist with the management of material business risks.

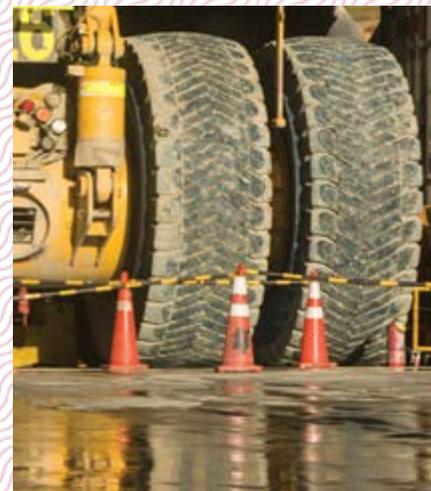
In addition, we enable employees’ professional development to enhance leadership capabilities and support career pathways. MMG undertakes workforce and community engagement with, and offers support to, individuals affected by any changes to business decisions.

We also work to bring people into the industry through a number of programs, trainee roles (including traineeships and apprenticeships) and support for tertiary graduates in mining-related disciplines. These programs include our work with the Kalkadoon people, including the apprenticeship program at our Dugald River operation, graduate programs, traineeships and apprenticeships provided for community members near our Rosebery operation, graduate programs for young professionals and training programs for local community members with the Peruvian national training provider SENATI, and support for mining engineering studies at Monash University, Melbourne, Australia.

MMG seeks to recruit talented people from diverse backgrounds, particularly from the

MMG PEOPLE IN 2020

SITE	PERMANENT	TEMPORARY	TOTAL
Dugald River	221	347	568
Kinsevere	1,019	1,396	2,415
Las Bambas	2,205	4,164	6,369
Rosebery	327	157	484
Corporate	153	7	160
Australian Operations	34	4	38
MMG	3,959	6,075	10,034



**WHO
WE ARE**

communities and regions in which we work. We are committed to supporting and encouraging our employees to develop both professionally and personally.

In 2020, MMG employed 10,034 employees and contractors, which was largely consistent with 2019 numbers. During 2020, impacts include decreased employee movement due to COVID-19 restrictions, the implementation of the new Beijing Head Office and the redistribution of roles from within our corporate offices to best suit business requirements. Our overall contractor rate has reduced by 12.5% since 2019; however, contractors remain an important part of our business model for the execution of short- and medium-term projects and to ensure flexibility in ever-changing economic environments.

Our 2020 annual turnover (voluntary and involuntary) decreased in comparison to 2019, which was primarily related to higher turnover rates in 2019.

We acknowledge the impact organisational changes and restructures can have on mental health and wellbeing, and we work to support our people through a range of programs including out-placement support for those made redundant as well as counselling and wellbeing support services.



IMAGE: Employee at Las Bambas, Peru.



**CASE STUDY LAS BAMBAS
EMPLOYEE ATTENTION CENTRE**

At MMG we work hard to support all our employees both during their working hours and while on their days off.

In 2020, Las Bambas employed more than 2,200 direct employees, and the Human Resources team on site identified an opportunity to update their employee support system. The Employee Attention Centre (CAE) combines wellbeing, healthcare and human resources support, both for the employees and their immediate families, as well as personnel logistics, to ensure all aspects are being considered. Between September and December 2020, more than 1,200 employees received support from the CAE, with more than 2,600 calls for information received. The CAE has enabled Las Bambas to identify potential gaps and improvements in employee support, offer constant attention to employees, create links between departments where certain initiatives are interconnected, and develop a stronger relationship with employees' families.

For more information visit

THE WAY WE WORK



The way we work at MMG is central to enabling us to contribute positively to the shared global goals of sustainable development.

MMG's Board of Directors (Board) is accountable for the Company's sustainability performance. This includes health and safety, security, environment, social performance, governance, human rights and other sustainability-related issues, as well as the MMG Sustainable Development Framework.

The MMG Board regularly reviews and discusses sustainability-related issues at its meetings, and decisions are delegated to the Executive for management of these issues. The Board also reviews the quarterly Executive Safety, Health, Environment and Community (SHEC) report.

The following principles underpin the way we work at MMG:

- › We value the role of our major shareholder in supporting us with access to international capital, helping us develop relationships to work in challenging jurisdictions, and the commitment we share to the development of people and communities.
- › We operate in complex social and political environments; however, despite the differences in legislative and social contexts, we maintain the same company aspiration to mine for progress while operating in alignment with our corporate values.
- › Legal compliance forms the basis of the way we work. Beyond this, our continuous improvement effort is aligned to key business risks and opportunities, and we adopt international frameworks to ensure consistency in our approach.
- › We always operate ethically and transparently and encourage others to follow our lead.
- › We take a life-of-asset approach, planning with the end in mind to maximise the value of the development of our natural resources and to secure enduring community benefits.
- › We recognise the value of using existing business decisions to leverage broader development

outcomes, as this will enable us to ensure communities and governments see value in our presence in their communities, regions and nations.

- › We are supported by a 'Federated' organisational structure – providing accountability for whole-of-business performance as close as possible to the operations, while maintaining a core of shared values, standards and governance.
- › We seek to partner with organisations that share our values and commitment to human progress and development. We recognise that involving knowledge, delivery and funding partners enables us to leverage greater outcomes from our investment.

CORPORATE GOVERNANCE

We are committed to upholding a high standard of corporate governance practices through a quality Board, sound internal controls, and transparency and accountability to all shareholders. We understand that good governance is not just a matter for the Board and it is equally the responsibility of Executive Management to embed governance practices throughout the organisation. MMG applies the principles of good corporate governance as set out in the Corporate Governance Code of the Hong Kong Listing Rules, and those of the ICMM.

Our Audit and Risk Management Committee and the Governance, Remuneration and Nomination Committee operate under clear terms of reference. We also have a number of Executive management committees, including the Executive Committee, the Disclosure Committee, Investment Review, Mineral Resources and Ore Reserves Committee and Code of Conduct and People Committee. A function of the Executive Committee is to review safety, health and environmental and social performance in order to improve efficiency and effectiveness. Specific SHEC matters to be discussed by the Board include identification, review and governance of SHEC related material issues, significant incidents, remediation/mitigation strategies and any specific areas of focus as identified by the Board.



THE WAY WE WORK CONTINUED

In accordance with the Company's Sustainable Development Framework, owned and endorsed by the Board and implemented across the Company, the Board carries out identification, review and governance of SHEC-related material issues consistent with this framework. The framework aligns with the ICMM's Mining Principles. The Company's approach is informed by our Corporate Governance Policy, People Policy, Shareholder Communication Policy, SHEC Policy, and Quality and Materials Stewardship Policy.

MMG endeavours to ensure that all transactions are in compliance with the Hong Kong Listing Rules.

More information on our committees and our Corporate Governance Statement is available in our 2020 Annual Report, available on our website

BUSINESS ETHICS

Our values and our Code of Conduct underpin our commitment to establishing and maintaining long-term meaningful relationships with our stakeholders, including governments and employees. We aim to act with integrity in all situations and to provide formal structures to review and respond to any potential behavioural, ethical or cultural issues as they may arise.

The MMG Code of Conduct sets out the standards of behaviour expected from all MMG employees, contractors and suppliers. We expect MMG people to integrate these standards of behaviour into their work practices.

The Code of Conduct covers areas such as conflict of interest, fraud, anti-corruption and legal compliance. Matters relating to the Code of Conduct are overseen by our Code of Conduct and People Committee, chaired by the Executive General Manager, Corporate Relations. MMG engages an independent confidential whistleblower service. The Whistleblower Framework is an integral part of MMG's of the Corporate Legal Compliance Standard. MMG also has an Anti-Corruption Standard.

We recognise that some of the jurisdictions in which we work present unique challenges with respect to transparency and individual freedoms. Because of this, we seek to match good governance with a commitment to transparency initiatives, such as the EITI.

COMPLIANCE AND CONFORMANCE

The Governance, Remuneration and Nomination Committee is responsible for developing and reviewing the Company's policies and practices on corporate governance, the Code of Conduct, and monitoring MMG's compliance with the Listing Rules and other applicable laws.

Our Executive Committee monitors our performance in line with the Group's policies, standards and regulatory requirements relating to safety, health, environment and community.

In 2020, MMG had no significant events that took place relating to environment, health and safety or legal matters.

In 2020, MMG received one safety-related and three environment-related fines at its Las Bambas operation, relating to certain events that occurred in 2017 and 2019. All four administrative proceedings are currently on appeal and resolutions are pending.

MMG also received one environment-related non-monetary administrative measure at Las Bambas, relating to the modification of the environmental impact study. Las Bambas is complying with the administrative measure and will present all required reports to the relevant authorities.

SAFETY AND HEALTH

At MMG, we think about safety first. We are working hard to embed a company-wide safety mindset with supporting leadership, behaviours, cultures and processes in every area of our business. We believe it is possible to have an injury-free workplace.

We have identified four key elements in developing an organisational culture with a strong and effective focus on safety. The four key elements include:

1. Leadership and culture, with sites aligned to common MMG leadership attributes.
2. Elimination of fatalities (low probability, high consequence events) – consistent with the requirements of our Fatal Risk Standard.
3. Prevention of injuries (high-probability events) – consistent with the requirements of our Safety, Security, Health and Environment (SSHE) Performance Standard.
4. Application of learnings from incidents in line with the requirements of our internal safety and health standards.

SAFETY LEADERSHIP AT MMG

Safety is our first value at MMG and our approach is based on avoiding any harm to our people.

We are committed to continuous improvement in our approach to managing safety. Through our Safety Leadership Program, we strive to develop a culture where safety leadership is supported through:

- › a commitment to caring for each other and living our values;
- › building safety capability and commitment in MMG people;
- › training our people to be competent in all their tasks;
- › enabling our frontline leaders to effectively implement MMG standards and processes; and
- › continually supporting and enabling safe behaviour.

The intent of our Safety Leadership Program is to improve safety leadership behaviours in the field. Through clearly defined leadership attributes, leading to improved behaviours by all our people at our operations, we aim for all our employees to return home safely at the end of every shift.

SAFETY PERFORMANCE

At the end of 2020, our total recordable injury frequency rate (TRIF) was 1.38 per million hours worked. This represented a reduction from 2019, and highlights a low frequency of injuries. We are

IMAGE: Employee at Las Bambas, Peru.



committed to doing more as we work towards a target of zero injuries.

Thirty people across MMG's operations in 2020 experienced injuries that required medical treatment, time away from work or resulted in them being unable to perform their normal duties for a period of time.

Driving ongoing improvement in our safety performance remains a key management priority, and we continue to invest time and resources in prevention, empowering leadership and, importantly, learning from safety events.

Our lost time injury frequency rate (LTIF) was 0.18 for 2020.

We believe a key part of safety performance is the result of reporting hazards, near misses and incidents. In 2020, we continued to implement and embed our safety standards across the business, including the revised SSHE Performance Standard and Fatal Risk Standard.

Much of our year was spent focusing on our people's safety during the COVID-19 pandemic. For more information about MMG's health and safety response, and initiatives across the business, please see pages 12-15.



THE WAY WE WORK CONTINUED

SAFETY STATISTICS BY SITE IN 2020 AND TREND FROM 2019

	TRIF		LTIF	
	2020	TREND	2020	TREND
Dugald River	6.44	✓	0	–
Kinsevere	0.44	✓	0.15	⬆
Las Bambas	0.51	✓	0.08	✓
Rosebery	12.26	✓	1.89	⬆
MMG	1.38	✓	0.18	✓

TRIF

total recordable injury frequency per million hours worked (fatalities, lost-time injuries, restricted work injuries and medical treatment injuries)

LTIF

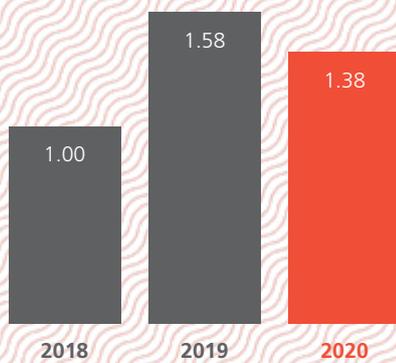
lost time injury frequency per million hours worked

⬆ depicts an increase relative to 2019

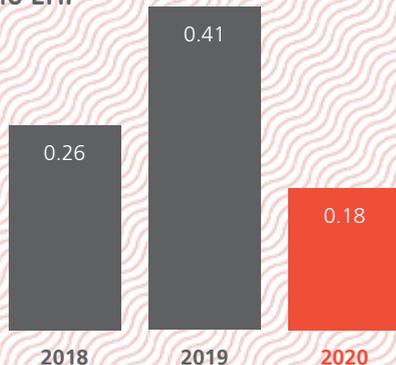
✓ represents a decrease – indicates no change relative to 2019

Note: more information about our 2020 safety data, by site and by employment type, can be found in our 2020 Sustainability Report Appendix.

MMG TRIF



MMG LTIF



SAFE TASK MANAGEMENT

Our SSHE Performance Standard defines the requirements for conducting work safely, with a particular focus on ensuring our people are trained and competent in identifying and managing hazards and completing tasks safely.

In 2020, we updated and rolled out our SSHE Performance Standard across the business, which incorporates the former Safe Task Management Standard. We worked to ensure all work was planned appropriately, with consideration to environmental conditions, people and resource availability, the authorisation of all permits, and assignment of tasks to those with skills and the capability to complete the work safely. We also focused on holding people accountable to work to a plan, applying the required controls and their being fit for work.

All workplace hazards are identified and managed, and tasks are reviewed to identify hazards and verify the effectiveness of task allocation through Field Task Observations (FTO).

Our people are empowered to stop a task and advise a supervisor if the task cannot be carried out safely, or intervene to protect their or others' health or wellbeing or the environment.

FATAL RISK MANAGEMENT

MMG's Fatal Risk Standard describes the minimum requirements for the identification, assessment and mitigation of specific fatal risks. These risks have been identified as common across all our operations, and we work continuously to ensure all MMG people are aware of the risks – and the controls that should be in place. We manage all our material risks using our Risk Management System.

The 12 fatal risks identified across MMG are:

- › Aviation
- › Carcinogens
- › Clearance to work, isolations and permits
- › Explosives and blasting
- › Ground control
- › Guarding
- › Hazardous materials
- › Land transport of people
- › Lifting operations
- › Lightning
- › Vehicles and mobile equipment
- › Work at height

Site-specific fatal risks not covered by the Fatal Risk Standard are identified and managed using MMG's Risk Management System.

SAFETY AND HEALTH REPORTING AND INVESTIGATIONS

Effective reporting creates opportunities to make informed decisions, undertake timely intervention or corrective action and prevent fatalities, significant events and repeat incidents. Accordingly, the SSHE Performance Standard outlines the minimum requirements for managing safety and health events, and achieving accurate and consistent recording and reporting of authorised and meaningful safety and health data.

MMG uses a centralised electronic Incident and Event Management system (IEM) to manage events and corrective actions. These include incidents, near misses, high-risk hazards, legal non-compliances, inspections and audits.

IMAGE: 3Qs and ACC safety campaign banners at Las Bambas, Peru.



CASE STUDY LAS BAMBAS SAFETY BEHAVIOUR AND CULTURE

Las Bambas constantly reviews its safety management culture to ensure its people feel safe and empowered in their jobs. In 2020, The 3Qs and ACC safety campaign was launched with the aim of changing risk-taking behaviour in our people and to promote the analysis of potential risks through training, visual and audio-visual dissemination and social networks. Employees and supervisors were trained in the tools and given support to speak up whenever they felt they could be at risk when conducting work.

For more information about the campaign visit

THE 3QS OF LAS BAMBAS

1 WHAT AM I GOING TO DO AND WHY?

2 WHAT COULD GO WRONG?

3 WHAT SHOULD I DO TO ADDRESS THIS POTENTIAL RISK?

THE ACC OF SAFETY

A BACKGROUND INFORMATION (ANTECEDENTE)

C BEHAVIOUR (COMPORTAMIENTO)

C CONSEQUENCE (CONSECUENCIA)



THE WAY WE WORK CONTINUED

We use the Incident Cause Analysis Method (ICAM) as our common approach to incident investigation. ICAM enables us to assess the underlying causes of incidents and to look at the latent organisational factors such as communication, training, incompatible objectives and change management processes. As part of the ICAM process, MMG uses a 'Work as Intended versus Work as Normal versus Work as Done' investigation methodology to better understand the causes of significant incidents.

We require the sharing of learnings from incident investigations across all MMG sites to prevent repeat incidents within our business. It also ensures we continuously challenge the effectiveness of control design and control execution for our fatal risk critical controls.

EMERGENCY MANAGEMENT AND PEOPLE AND ASSET PROTECTION

We work across our operations to ensure the required controls are in place to protect MMG people, our assets and our communities. All operations are required to develop and maintain site-specific Emergency Management Plans to mitigate the risk of all material risk events and potential infrastructure failings, with the required protocols, resourcing and regular testing drills for continuous improvement. Sites are also required to develop a Security Management Plan based on site-specific security risks, and require all private security companies to be signatories to the International Code of Conduct for Private Security Providers and the Voluntary Principles on Security and Human Rights (VPSHR).

While the COVID-19 pandemic altered the plans of many sites to conduct regular drills due to social distancing requirements, Rosebery undertook mock emergency exercises and supported a nearby mining operation during an emergency incident (see case study).

OCCUPATIONAL HEALTH AND HYGIENE

In the SSHE Performance Standard, MMG defines the requirements for the management of exposure to harmful agents, exposure to endemic disease,

fatigue management and employee health and wellbeing. Health and hygiene management includes health surveillance and hygiene monitoring.

The key processes for the planning and management of Health Exposure Risk is the annual review and update of each operation's Exposure Assessment (Health Risk Assessment).

Following the annual Exposure Assessment, Similar Exposure Groups (SEGs) are reviewed and the annual Occupational Hygiene Monitoring Plan is developed and executed. In addition, health surveillance requirements are reviewed and updated.

Our operations are also required to develop and maintain site-specific Endemic Disease and

CASE STUDY ROSEBERY EMERGENCY RESPONSE TEAM SUPPORTS NEARBY MINING OPERATION

The Rosebery Emergency Response Team is recognised for its leadership in emergency response throughout the West Coast of Tasmania. While our teams regularly practise for emergencies, we always hope that we never have to use these skills in real-life situations. In January 2020, at the request of a nearby mining operation, the team responded to a request for urgent support after a significant incident took place and a worker was reported missing. Rosebery was able to supply highly skilled and specialist team members, along with equipment for use in recovery efforts. Unfortunately, due to unsafe conditions, the rescue was not possible and over the coming weeks the team provided emotional support to their colleagues at surrounding mines throughout the days of the tragedy.

For more information visit



Pandemic management plans, as well ensure ongoing induction, training and education for employees and contractors regarding health and hygiene factors on site.

We concentrate on higher-level controls with the view to eliminating, controlling or mitigating, as close as possible to the hazard source, our people's potential exposure to carcinogens.

Some examples include:

- › Sulphuric acid mist: polypropylene balls added to chemical tanks to breakdown bubbles, reducing likelihood of releases into air
- › Diesel particulate matter: low sulphur fuels, engine selection and ongoing preventative maintenance, exhaust filtration systems

- › Respirable crystalline silica: ongoing site dust suppression via watering or sprayings, enclosed cabin plant and equipment, exhaust ventilation systems, vacuum usage instead of blowing compressed air
- › Welding fumes: mandatory respiratory protection including training

We operate in countries where the prevalence of HIV/AIDS, tuberculosis, malaria, typhoid, dengue fever and other tropical diseases is high. All of our workplaces are required to maintain and implement risk-based Exposure Management Plans.

Our Kinsevere operation continues to manage our employees' occupational health exposures, key among them is exposure to radiation and malaria. All projects have dedicated medics on site to help the workforce manage health-related issues. Radiation exposure surveillance is undertaken regularly according to strict government guidelines and monitored results are submitted to relevant DRC regulatory bodies.



IMAGE: Members of Rosebery's Emergency Response Team.

BLOOD LEAD EXCEEDANCES

At both our Rosebery and Dugald River operations in Australia we produce lead as a by-product. We take the monitoring of blood levels very seriously and enforce strict protocols to reduce the risk of exposure to lead in the workplace. We have strict hygiene protocols, as outlined in our blood lead management procedures, and conduct ongoing monitoring – making adjustments to work practices and work environments as required.

We follow the National Standard for the Control of Inorganic Lead at Work (NOHSC:1012) and the National Code of Practice for the Control and Safe Use of Inorganic Lead at Work (NOHSC:2015) as a guide for the control of blood lead levels in our people.

FIT FOR WORK

Our commitment is to provide a safe work environment where all individuals are fit for work. Paramount to achieving this commitment is to ensure that all employees, contractors and visitors



THE WAY WE WORK CONTINUED

are in a condition that enables them to perform their work competently, and in a manner that does not threaten the safety or health of themselves or others.

This includes not being fatigued or adversely affected by substances, drugs or alcohol.

Our operations are required to develop, implement and maintain site-specific Fatigue and Drug and Management plans based on site-specific fatigue risk assessments and MMG’s commitment to zero tolerance relating to alcohol and drug use in the workplace.

We provide fatigue monitoring technology to our high-risk fatigue roles and engage in random drug and alcohol testing. Our employees are also encouraged to notify us if any changes in their personal circumstances, including their mental health, could affect their fitness for work.

MENTAL HEALTH

Mental health and wellbeing are a priority for MMG. A mentally healthy workforce has clear business benefits, and we recognise that we are in control of certain things that can positively or negatively impact on the mental health and wellbeing of our people.

Our Mental Health Framework describes the broad actions that we take to promote good mental health practices in the workplace, and to support employees experiencing mental illness, such as depression and anxiety.

Our approach focuses on three key areas: awareness and prevention, capacity building, and support and recovery.

A number of initiatives were held in 2020, to support awareness for mental health. These



CASE STUDY HEALTH SURVEILLANCE AND MONITORING AT DUGALD RIVER

Dugald River takes an active approach to managing the health and wellbeing of its employees, through the Dugald River Health Surveillance and Monitoring Program. In 2020, the program included targeted health and hygiene testing by specialist consultants, investigation of monitoring results that were deemed too high, blood lead testing for any employees working in at-risk Similar Exposure Groups (SEGS) and establishing a process to comply with Queensland Government regulatory changes to silica exposure and its ongoing health impacts. The program also included health awareness campaigns and support for employees working away from home for extended periods due to COVID-19 impacts. At the end of each year, Dugald River reviews the results of the program to support planning of the following year’s initiatives.



IMAGE: Health checks at Dugald River, Australia.

included R U OK Day workshops, the launch of R U OK Day in Kinsevere, mental health awareness sessions and training for mental health first aiders, competitions for International Mental Health Day at Las Bambas, and ongoing work with Mates in Mining at our Dugald River operation. Las Bambas also held virtual seminars on mental health, which included tips for dealing with stress and anxiety, the role of mental health in the workplace and support for dealing with working from home arrangements.

Our operations also spent considerable time working with employees and contractors on the mental health impacts related to the COVID-19 pandemic. This included tips to support those working from home, how to deal with health and safety controls put in place on site and additional support for those isolated for significant periods of time during nationwide lockdowns. For more information about our response to COVID-19, see pages 12-15.

INJURY MANAGEMENT AND REHABILITATION

MMG recognises that helping people to stay at work, or make an early and safe return after an injury, minimises the impact of injury on them and their families. MMG supports injured employees by having a system of workplace rehabilitation and by providing suitable duties for them while they are recovering. MMG expects that all injured people will return to work on suitable duties as soon as it is medically safe for them to do so.

SOVEREIGN RISK AND GOVERNMENT RELATIONSHIPS

At MMG we strive to deliver sustainable benefits for our stakeholders and prioritise actions and behaviours that are valued by the communities, regions and nations in which we operate.

We take both a relationship and a country-level planning approach to the management of these exposures. This includes dedicated roles and structures led in-country, supported by assessment of country-specific issues and relationships from the Group's functional experts. This approach increases our awareness and understanding of social,

IMAGE: Employee healthcare facilities at Las Bambas, Peru.



economic, governance and non-technical risks and provides the relationships, analysis and policy advocacy to shape and manage responses.

Material risks include security; political stability, fiscal and regulatory change; and amendments to concessions, licences, permits and contracts.

Pressures on government revenues may lead to increases to corporate tax, value added tax and royalty rates – often coupled with increased audit and compliance activity. This is also accompanied by governments' fiscal inability to pay tax and duty refunds owed to operating companies.

Changes in mining or investment policies, shifts in political leadership or attitudes, or deterioration in business conditions may adversely affect the Group's operations, reputation and profitability.

Maintaining constructive relationships with host governments and effectively managing sovereign risks are important to our success. Failure to identify and manage relationships, risks and opportunities can negatively impact our reputation; social, operational and financial performance and limit future growth.

STAKEHOLDER AND COMMUNITY ENGAGEMENT

At MMG we recognise that strong stakeholder and community engagement from exploration through to closure is critical to making business decisions that are responsive to the needs and expectations of our host communities and their governments.



THE WAY WE WORK CONTINUED

MMG aspires to be a trusted member of each of the communities that host our operations. Our ambition is to develop relationships based on regular and open dialogue, transparency and mutual respect.

We recognise that ongoing intergenerational engagement is critical to managing the impacts and opportunities for both current and future generations. We also recognise the need to take account of gender-based differences in our engagement and community decision-making processes.

We work in complex jurisdictions and across numerous cultures and geographies, often in communities that have limited or negative previous experience with mining development. Our approach to stakeholder engagement is guided by our commitment to the ICMM Mining Principles, including the commitment to community dialogue and free, prior and informed consent (FPIC) regarding Indigenous peoples. Our dialogue with communities varies depending on the nature of the community and the issues being discussed, but the objective remains constant – to ensure these conversations are conducted in a way that respects the cultures, languages, values and customs of the communities.

COVID-19 and associated country-specific restrictions impacted each of our operations differently, with face-to-face engagement and meetings challenged across the entire business. Our teams worked extensively with local communities and stakeholders to identify the best channels to continue regular engagement, and these included increased use of instant messaging services, phone calls, social media channels and videoconferencing.

At Las Bambas, our community relations and social development teams maintain strong relationships with over 80 communities to ensure our ongoing dialogue opportunities continue to meet the needs and expectations of local stakeholders. In 2020, the teams engaged on topics that included COVID-19 impacts and support, land access, commitment and project execution, sponsoring and participating in local cultural events, grievance management options and participatory environmental monitoring.

Las Bambas also communicates regularly through Radio Surphuy, its community radio station, and established the [Willana Wasi webpage](#), which was designed to support the community liaison centres and provide information to communities in both Spanish and Quechua about upcoming events and Las Bambas.

Dugald River works with its local stakeholders to ensure their expectations regarding employment and local supply opportunities are being met, as well as to support various community programs and initiatives. During 2020, we engaged with our stakeholders about COVID-19 related impacts, employment and local business opportunities and events within the community.

Rosebery maintains regular dialogue with local communities on issues including mine operations, tailings facilities, water use and employment opportunities. Despite the community liaison centre being closed to physical visits during most of 2020, due to COVID-19 restrictions in Tasmania, community members were still able to reach employees through a dedicated telephone line or by visiting the main entrance of the operation. Targeted engagement sessions were also held with local stakeholders about the ongoing tailings storage facility (TSF) projects.

In 2020, Kinsevere's community development team worked with its nearby communities and local government representatives on a range of issues. These included developing sustainable investment programs and initiatives, and issues around immigration. The site has implemented many engagement and development projects in the local communities, including the local watchman initiative. This initiative, which began in the Nambulwa community, has been a success story, providing much needed local employment, and skill development in the local community. It has now been replicated in many other areas with similar success. We also worked extensively with local community members and government representatives during the year to support the relocation process undertaken near our Kinsevere site (see case study on page 42).

IMAGE: Poster used in EIA community engagement process, Las Bambas, Peru.



CASE STUDY EIA COMMUNITY ENGAGEMENT AT LAS BAMBAS

As part of the ongoing development of our mining operations, our sites conduct regular participatory and community information sessions to explain the changes and what impact these could have on them. In October of 2020, as part of the fourth modification to the Las Bambas Environmental Impact Assessment (MEIA), Las Bambas submitted its proposal for the community engagement process to the Agency of Environment Certification for Sustainable Investment (SENACE – “Servicio Nacional de Certificación Ambiental para las Inversiones Sostenibles”). In the proposal, Las Bambas proposed four mechanisms in order to inform stakeholders about the fourth MEIA and to record comments, suggestions and contributions. These mechanisms included:

1. promotion of stakeholder participation sessions in local and regional radio;
2. distribution of digital information material through social media, instant messaging services, websites and other channels;
3. virtual guided visits to the mine site; and
4. the establishment of permanent virtual information offices.

The implementation of these mechanisms was carried out during November and December 2020, complying with all social distancing measures and healthcare protocols. This was in addition to the regular engagement channels that exist, including community offices and stakeholder meetings.

For more information visit



THE WAY WE WORK CONTINUED

GRIEVANCE MANAGEMENT

MMG is committed to dialogue as the primary tool for avoiding the high human and economic costs of conflict. We engage with communities early and through all phases of our operations. We empower communities to actively participate in the consultative process, to ensure their views are reflected in decision-making regarding our operations and in the design and distribution of benefits.

We recognise that, as a company, there is always more we can do to listen to the needs, aspirations and opinions of communities, and to guarantee their timely engagement on issues that are important to them. We aim to ensure that, at all times, they have access to information and open dialogue through direct engagement with our community relations teams, many who come from the communities in which they work.

We also recognise that our business has an impact, and that disagreements on the nature and extent of this impact, as well as our approach to managing it, can occur between ourselves and community members.



IMAGE: Relocation engagement and mapping, Kinsevere, DRC.



Open and transparent dialogue is the best way to manage these disagreements and, if necessary, we involve independent third parties to obtain lasting solutions that are beneficial to all.

To facilitate the timely, culturally appropriate investigation and resolution of these matters, all MMG sites have a site-specific grievance procedure that aligns with the remedy provisions of the United Nations Guiding Principles on Business and Human Rights. This process is non-judicial, complements existing legislative remedies and provides redress for grievances that are related to:

- › MMG’s impact on stakeholders;
- › the conduct of MMG personnel and contractors in local communities; and
- › allegations of human rights abuses.

At MMG we consider that stakeholder complaints and grievances provide valuable indicators to help our operations anticipate deeper community concerns and proactively manage social risks. This is just one of the ways that we live our value ‘We want to be better’ by always looking for opportunities to improve.

In 2020, we received 394 grievances across our operations. Most of our grievances continue to be



GRIEVANCES RECEIVED IN 2020

GRIEVANCE CASE TYPE	KINSEVERE	LAS BAMBAS	ROSEBERY	TOTAL
Community health and safety	2	–	1	3
Compensation and financial benefits	215	–	–	215
Damage to private property	1	46	–	47
Economic – local employment	–	8	–	8
Economic – local supply	2	111	–	113
Environment	1	4	–	5
Operational impact	–	–	1	1
Social investments and commitments	–	1	1	2
Total	221	170	3	394

related to issues of local procurement (111 cases, down from 167 in 2019) at our Las Bambas operation, with an increased number of grievances (46) being raised about damage to private property and livestock by local stakeholders along the Southern Road Corridor, where we transport our concentrate and supply logistics.

We have applied significant effort to address these concerns at a site and regional level through teams dedicated to local business development, local employment and increased training and upskilling opportunities for community members. We have dedicated teams working along the road and ensure regular environmental and road monitoring to mitigate any potential impacts of our logistics transport. We have also increased attention at our three Las Bambas community offices, which has included additional training for our employees who work there.

At Kinsevere, a large number of grievances were raised during 2020 that directly related to the relocation process undertaken (215 grievances). The operation established a grievance review committee consisting of representatives from the Social Development team, our Legal department, local community leaders, local and regional government members and NGOs. This group reviewed each case raised about the process, spoke to those with

grievances throughout the process and all grievances were closed to the satisfaction of stakeholders.

We remain committed to working with local communities to support their opportunities, both with the operation and in the broader market, and to engage with all communities on issues that are important to them.

In 2020, we undertook a review of our corporate Stakeholder Grievance Management Work Quality Requirement to ensure its alignment with the ICMM's updated guidance document [Handling and Resolving Local-level Concerns and Grievances: Human rights in the mining and metals sector \(2019\)](#), as well as the ILO Declaration of Fundamental Principles and Rights at Work, the EITI and the UN Global Compact. This gave us the opportunity to work closely with sites to ensure their own site-specific grievance mechanisms were updated and emphasised the importance of community and stakeholder feedback in their processes. It also made certain all mechanisms included adjustments for stakeholders who may face barriers in accessing a grievance mechanism such as culturally and linguistically diverse (CALD) groups, vulnerable groups, Indigenous people, women, children and people with disabilities.



THE WAY WE WORK CONTINUED

IMAGE: Participant at T'ikapallana festival, Peru.



CASE STUDY CELEBRATING CULTURE AND TRADITIONS AT T'IKAPALLANA

Las Bambas supports the local traditions and cultural practices of its local and regional communities. On 24 February 2020, the T'ikapallana festival (flower collection in Quechua) was held, a celebration that attracted the participation of families from the province of Cotabambas, as well as visitors from other towns. Districts and communities come together to share their qhaswas (traditional carnival songs) after months of rehearsals as a tribute to Pachamama (Mother Earth), and use the event as a chance to catch up with family members and friends from other parts of the province.

T'ikapallana is the most important traditional festival in the province of Cotabambas and was declared Cultural Heritage of the Nation in 2014. The event also involves collecting typical flowers to decorate the hats of single women and men who participate in the qhaswas and dances.

HUMAN RIGHTS

MMG is committed to respecting the human rights of all our stakeholders and the communities in which we live and operate, and to providing access to effective remedies where we make an impact. We are also committed to the continuous improvement of the wellbeing of communities surrounding our operations through our commitment to the protection of human rights, the ongoing monitoring and improvement of our grievance management processes and our alignment to the UN SDGs.

We recognise that human rights cover a broad range of interrelated issues, requiring an integrated approach across numerous business functions. At MMG, our Human Resources, Legal, Supply Chain, Social Performance, Stakeholders Relations, Security, Exploration and Project Development functions have specific responsibilities for upholding our commitment to human rights.

Our commitment is outlined in our Human Rights Policy and our approach to managing human rights risk is embedded into our broader risk management framework. We integrate human rights considerations into our Code of Conduct, our Supplier Code of Conduct, employment and procurement processes, risk-analysis activities, engagement, social investment and formal grievance mechanisms. Human rights is considered a material issue for our business and, as such, is represented at a corporate level on the Code of Conduct and People Committee, which is charged with confirming compliance with our Voluntary Principles Initiative (VPI) action plan, compliance with Australia's Modern Slavery legislation across our entire business, and reviewing any human rights grievances received through the site-specific grievance mechanisms. We also seek to make sure our stakeholders, including employees, are confident to report instances of unacceptable conduct without fear of intimidation or reprisal.

We further commit to respecting human rights as outlined by the ICMM Mining Principles.

This commitment has been strengthened through the development of joint industry and civil society

guidance on key issues such as FPIC and the rights of Indigenous peoples, and with the recent release of a set of performance expectations. We also participate in ICMM convened member discussions and peer learning on a wide range of business and human rights issues, including the role of business with regard to civic freedoms and human rights' defenders.

We operate in accordance with the United Nations Guiding Principles on Business and Human Rights and the United Nations Global Compact principles. We are also signatories to the United Nations Global Compact process under the auspices of our major shareholder CMC.

In 2018, the Australian Government introduced the *Modern Slavery Act 2018* (Cth), which requires businesses to report annually, from 2020, on the risks of modern slavery in their operations and supply chains. They must also report the action they have taken to assess and address those risks – as well as the effectiveness of their response. MMG's 2020 Modern Slavery Statement will be made available at www.mmg.com in the first half of 2021.

SECURITY AND HUMAN RIGHTS

We operate in accordance with the Voluntary Principles on Security and Human Rights (VPSHR), as well as the rules of engagement, and the United Nations Basic Principles on the use of Force and Firearms by Law Enforcement Officials.

Since 2016, we have standardised our security management plans, and these plans reference the VPSHR in relation to the deployment and conduct of public and private security. We also ensure public security forces that support our sites are adequately trained in the use and application of the VPSHR. In 2020, we were accepted as an Engaged Member of the VPI.

We are aware that many issues that can become security incidents have roots in community concerns built up over time. Often these issues are well-understood by our social performance teams, who are working on strategies to resolve these issues before they become security incidents. In line with this, we take the opportunity, wherever possible,

to bring our security and social performance teams together to develop strategies around proactive risk identification and mitigation, grievance management and incident identification processes. We also work collaboratively with other stakeholders to review our human rights exposures and potential risks.

Any community-related fatalities and injuries close to our operations are of concern to us, even if they occur outside our controlled activities. We investigate these incidents so that we can learn from them, and they are recorded and treated as significant 'uncontrolled incidents'.

In January, the body of an illegal miner was found drowned in a sump inside Kinsevere's mine site. The Kipushi prosecutor undertook an investigation of the incident and removed the body. In late March, an on-duty police officer was killed by the Bakata Katanga separatist group on the power line road while based at the site. And in September, a pedestrian was hit by a bus and passed away while walking along the power line road. In each of these incidents, Kinsevere worked closely with local communities, leaders and police to undertake any necessary investigations and provide support where possible.

IMAGE: Celebrating T'ikapallana festival, Peru.





THE WAY WE WORK CONTINUED

LABOUR RIGHTS

MMG recognises the important work of the International Labour Organization (ILO) in defining the basic principles and rights at work. MMG operates in each of its host jurisdictions in line with local labour laws, as a minimum, and with consideration of the eight core conventions of the ILO focusing on human rights that are directly applicable to business.

MMG's People Policy provides an overview of the core MMG principles in relation to the management of company employees. Several of the principles directly support the upholding of basic human rights, specifically:

- > People are employed under terms and conditions that are fair and, at a minimum, meet all legal requirements.
- > People are provided with safe and healthy conditions of work and, where feasible, assisted to return to work following illness or injury.
- > People are treated equitably in the workplace – which values diversity and inclusion in terms of gender, age, cultural and ethnic background, religion, sexual orientation and disability.
- > People are provided with a workplace that is free from harassment.
- > People are confident to raise concerns that will be addressed in a timely and fair manner.

We support the right to freedom of association across our business and ensure all our employees feel empowered to exercise this right. A significant number of our workforce agreements are collective, covering 52.9% of employees across the Company, an increase from 47.1% in 2019.

In 2020, Rosebery successfully negotiated the MMG Rosebery Underground Mine Agreement 2020 through employee representatives and union representatives. This was approved by the Tasmanian Fair Work Commission in January 2021, and will operate for three years. Dugald River commenced negotiations for their Enterprise Agreement in late 2020, which is expected to be completed by mid-2021.

PERCENTAGE COLLECTIVE BARGAINING AGREEMENTS IN 2020

SITE	2020	2019
Dugald River	44.0	40.8
Kinsevere	95.0	95.0
Las Bambas	37.8	37.4
Rosebery	46.0	49.6
MMG	52.95	47.12



MODERN SLAVERY

Modern slavery is a form of human rights abuse involving the exploitation of people for monetary or personal gain. The term is used to describe a range of abuses including human trafficking, forced labour, debt bondage and other slave-like exploitation. Modern slavery is a human rights risk throughout the world, with the ILO estimating there are over 40 million people enslaved globally.

In response to this issue, the Australian Government passed the Modern Slavery Act 2018 (Cth) (the Act), which entered into force on 1 January 2019. The Act requires businesses to provide a statement of modern slavery risks in their operations and supply chains and take steps to address these risks.

Our global supply chain and operations are located in complex jurisdictions and we recognise the potential that modern slavery exists in our operations and supply chains. Consistent with the ICMM Mining Principles and guided by our commitment to human rights, MMG has a zero-tolerance approach to all forms of modern slavery.

In 2020, MMG undertook a number of actions to address the risk of modern slavery in our operations, including a comprehensive internal risk assessment, the development and publishing of our [Supplier Code of Conduct](#), updating supplier documentation, as well as creating training modules for our global supply teams. For more information about actions being taken by MMG to address modern slavery, our 2020 Modern Slavery Statement will be available in June 2021 at

CHILD RIGHTS

MMG is committed to the protection of the rights of children and adolescents and we do not employ any person under the age of 18 years at our operations. We recognise and support ILO Convention C182, concerning the 'Prohibition and immediate action for the elimination of the worst forms of child labour'. We have worked with organisations including UNICEF and government agencies to ensure children's safe access to health, education and other essential services to support them in achieving their full potential in childhood and adolescence, and in their transition to adulthood.

We support young people to fully understand their legal rights and have worked with communities to address areas that restrict the freedoms of children and adolescents. This includes by undertaking child rights' assessments and supporting community education programs on issues such as the impacts of child marriage.

ARTISANAL MINING

Artisanal and small-scale mining (ASM) is widespread in the DRC and Peru, and occurs on

tenements where MMG holds exploration and mining rights.

In many countries, ASM is pursued as a route out of poverty or an activity to complement insufficient income, particularly in communities where alternative employment is difficult to secure. However, it is also well-recognised that the environmental and safety practices of artisanal miners tend to be poor. Other negative implications include child and forced labour, inequitable distribution of community benefits, illegal trade and heightened security risks.

The challenge of balancing the human right to safe work, the rights of children and environmental responsibility is complex. A key component of the UN SDGs is the provision of job opportunities, decent working conditions and economic growth while not harming the environment.

Our operations in the DRC and Peru are impacted by the existence of ASM activities on, or near, our tenements and we adopt appropriate strategies to mitigate risks associated with each ASM activity we encounter.

Communication and collaboration with all stakeholders including miners, security personnel, government, local authorities, community organisations and governing authorities is the first step towards developing mutually acceptable outcomes.

MMG is committed to managing security in a manner that respects human dignity. MMG's principles for security management ensure that our site-specific Security Management Plans are aligned with the VPSHR and include critical security controls and rules of engagement for MMG-controlled security personnel.

In recent years, there have been efforts by Peruvian authorities to formalise some aspects of ASM. At our Las Bambas operation, we have begun formal engagement with local small-scale miners through participation in community assembly meetings and informal meetings with key stakeholders. The team will continue to look for opportunities to create meaningful engagement and identify opportunities



THE WAY WE WORK CONTINUED

to find a solution, minimise environmental damage and avoid negative impacts to any party.

In the DRC, we are mindful that ASM is a growing sector and there is an increasing demand for minerals such as cobalt, which is present on our tenements. The demand for these minerals has the potential to increase significantly with the expansion of the market for electric cars. It is expected that well-considered formalisation initiatives could contribute to better and more equitable socio-economic development; however, it is a difficult and complex issue to manage and we are assessing ways that we could contribute to the solution.

LAND ACCESS, RELOCATION AND RESETTLEMENT

MMG recognises that project-related land acquisition, resettlement and relocation of families and communities, as well as restrictions on land use, can have adverse social and economic impacts on communities and families. Unless properly managed, relocation and resettlement activities, and particularly involuntary resettlement, may result in long-term impoverishment, as well as environmental damage and social stress in the communities of which they have been displaced.

In our land acquisition processes, we anticipate and minimise social and economic impacts resulting from land acquisition and relocation or resettlement. We do this through a land acquisition process that:

- > achieves free, prior and informed consent from Indigenous populations, prior to the development of a major project;
- > provides enough time for relocation or resettlement planning and engagement;
- > involves experienced relocation or resettlement practitioners as early as possible in the process;
- > supports open and transparent engagement of communities throughout the relocation or resettlement process, and enables their effective decision-making on relevant issues;
- > provides a culturally appropriate and easily accessible dispute resolution process;
- > engages relevant stakeholders in the process, including local government and other government agencies that have a critical role in supporting community infrastructure and service delivery; and
- > properly resources the relocation or resettlement process, including supporting livelihood restoration, enhancement activities and

CASE STUDY CREATING IMPROVEMENTS IN KINSEVERE'S COMMUNITY RELOCATION APPROACH

During previous compensation processes at MMG's Kinsevere operation between 2016 and 2018, some farmers expressed their disappointment and the team faced logistical complications. In 2020, using the lessons from the past, the Kinsevere team implemented a number of improvements designed to increase transparency in the farmer compensation and relocation process. Communication with farmers was frequent and transparent, and the schedule of work was shared publicly with all stakeholders, together with the Administrator

of Territory of Kipushi (ATK). The field team was reduced in size for simplification and was made up of representatives from the operation, local communities, government and local leaders, local NGOs and police officers. When grievances were raised they were all reviewed by a commission established especially for the process. The final report regarding the grievances was prepared and submitted to MMG by the ATK, and was also shared with the farmers and displayed on the communication board at Kifita village school.

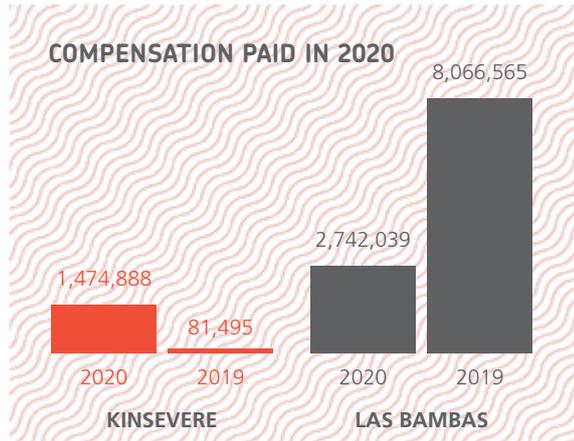
For more information about the relocation and compensation project, visit



appropriate monitoring to make sure displaced communities normalise appropriately over time.

We respect human rights, land tenure rights and the rights of local communities and we operate in accordance with national regulations. We recognise the need to protect the specific rights and interests of Indigenous peoples, ensure the effective engagement of vulnerable and marginalised groups and account for the gender-specific impacts in any acquisition process.

Our operations avoid and, when not possible, seek to minimise the social, physical or economic displacement of communities by exploring alternative project designs. In instances when involuntary displacement cannot be avoided, our operations provide displaced communities and families with full and fair compensation, along with social and economic assistance packages and programs to restore livelihoods. We make certain resettlement activities are implemented thoughtfully, through a consultative process and with the informed participation of all those affected. We also ensure they operate in line with the ICMM process of FPIC, as outlined in the [Indigenous Peoples and Mining Position Statement](#).



In 2020, our land access activities were focused on exploration tenements close to our Las Bambas and Kinsevere mine sites in Peru and the DRC, respectively.

Our Las Bambas operation has been involved in various activities with nearby communities, giving the team a chance to develop ongoing relationships, learn more about local cultural practices and traditions, and understand the expectations of these communities. We have also reached agreements with some communities to commence environmental monitoring and surface geological exploration activities. This is in addition to our existing agreements with the community of Huancuire, relating to the Chalcobamba site, which included a number of compensation payments and commitments for activities carried out in the community.

In 2020, Las Bambas developed formal dialogue spaces and shared regular updates about the status of exploration work and monitoring initiatives. The team also executed social commitments, virtual education programs and created casual employment opportunities during exploration works.

In 2020, Kinsevere worked closely with community members impacted by drilling and exploration works being done in the area. This also included the compensation and relocation of a number of community members, the second step in a process that began in 2018.



IMAGE: Kinsevere employees engaging with community members, DRC.

WE CONTRIBUTE TO DEVELOPMENT

A photograph of two young women smiling at the camera. They are wearing safety gear: the woman on the left is in an orange high-visibility vest, and the woman on the right is wearing a white hard hat and a patterned orange safety vest over a black long-sleeved shirt. They are standing in front of a building under construction. In the background, another person in a white hard hat and orange vest is visible. The sky is blue with some clouds. A decorative graphic of white wavy lines is overlaid on the left side of the image.

At MMG we mine for progress. For us, that means delivering progress for our people, host communities and countries; progress for economic wellbeing via the products and technologies we support and, most importantly for MMG, progress for broader human development.

The social and economic benefits we provide through our operations and their supply chains support our employees, shareholders, communities, regions and host countries to develop and prosper.

This contribution comes through our payment of taxes, royalties, wages and employee entitlements; our purchase of goods and services; and through community compensation, benefit sharing and our direct investment in addressing the UN SDGs 1–6, as listed below:



In addition to improving access and achievement across health, education and livelihood indicators, human development recognises the importance of managing vulnerability and building community resilience.

Communities and countries must be able to withstand ongoing pressures around social and economic security, as well as the impacts of development and political instability. For example, in reducing and eradicating poverty structural factors, such as the lack of housing and health care, and persistent vulnerabilities, such as food and economic insecurity, communities are able to prevent impacts that have the potential to hinder development progress. For this reason, MMG is also committed to supporting initiatives such as the EITI, which aligns with UN SDG 16: Peace, Justice and Strong Institutions.

In 2020, we invested over US\$23.6 million in social investment programs across the business, up from US\$18.5 million in 2019.

Our Las Bambas operation saw an increase in spend to over US\$20 million in 2020. A significant percentage of this was related to SDG1: No Poverty, and included programs such as infrastructure projects and road maintenance, using local labour, and local business development. We continued to support numerous agricultural programs, including guinea pig raising, livestock vaccination, our Andean Crops program and greenhouse installation and production. Much of the effort regarding education in 2020, was focused around ensuring all children had access to the virtual classroom support from the government through improving access to internet, technology, school book and supply distribution and additional training for teachers (see case study page 47). Investment in health care almost doubled when compared to 2019, as the operation supported local communities through the COVID-19 pandemic as well as ongoing commitments to support community health drives and local health clinics.



WE CONTRIBUTE TO DEVELOPMENT CONTINUED

At Kinsevere, our social investment spend was impacted by COVID-19, limiting our access to communities due to physical distancing requirements. The operation invested a total of US\$2.93 million during the year. Kinsevere continued to focus on projects designed to support livelihood generation and food security, including the sewing workshop, the Ubuntu farm and the Farmer's Assistance Program (see case study page 47). Educational support is an ongoing focus for the operation, as well as the ongoing success of the scholarship program for students to continue their secondary school education in Lubumbashi. There was also considerable focus on health care, with support for the Kilongo health centre and numerous COVID-19 related healthcare initiatives (see case study page 14).

members, support for the local hospital and a number of local sporting initiatives.

Dugald River continues to be an active participant in the life of its local communities. Despite significant impacts from COVID-19, we continued to provide support for the Kalkadoon Development Fund, which includes educational and training initiatives, as well as support for community events and programs in Cloncurry. The operation continues to support initiatives to increase local supply opportunities for businesses in Cloncurry and Mount Isa, resulting in near-mine spend totalling US\$20.49 million for the year.

Our Rosebery operation is an active member of community life in North West Tasmania and the site continues to invest in the region, with US\$420,223 spent on community initiatives during 2020. The decrease in spend is directly related to the COVID-19 restrictions implemented across the state of Tasmania throughout most of 2020. The initiatives during the year included traineeship and apprenticeship programs for local community

SOCIAL INVESTMENT IN 2020					
INVESTMENT BY SDG	DUGALD RIVER	KINSEVERE	LAS BAMBAS	ROSEBERY	TOTAL
No poverty	-	6,400	7,178,743	-	7,185,143
Zero hunger	-	2,747,508	2,722,216	-	5,469,724
Good health and wellbeing	17,195	29,009	2,793,808	252,235	3,092,247
Quality education	45,311	150,385	3,396,770	168,188	3,760,654
Gender equality	-	-	820,687	-	820,687
Clean water and sanitation	-	1,540	3,226,215	-	3,227,755
Consolidated Corporate spend	-	-	-	-	57,775
Total	62,506	2,934,842	20,138,439	420,423	23,613,985

CASE STUDY TOWARDS SUSTAINABILITY FOR THE FARMER'S ASSISTANCE PROGRAM

The farmers assistance program (FAP), established in 2007, involves all 26 villages within Kinsevere's area of influence, with more than 400 participating farmers. Each farming season, participants are assisted with inputs to grow their crops, technical support and in-field training. At harvest, farmers pay in grain the agreed quantity to sustain the program. However, for the program to become sustainable in the long term, the farmers had to learn how to grow maize seed for the FAP themselves. Over a number of years, Kinsevere employed an agricultural consultant to prepare the FAP maize seeds, and at the end of 2019, five local farmers were coached to grow eight hectares of maize seed. This was harvested in June 2020, and was accredited and labelled by the SENASEM, the government body in charge of controlling the seed quality under the DRC Ministry of Agriculture.

For more information visit



IMAGE: Participants in FAP seed program, DRC.

IMAGE: Student participating in digital education campaign, Peru.



CASE STUDY ACHIEVING OUTCOMES THROUGH DIGITAL EDUCATION AT LAS BAMBAS

Due to the COVID-19 pandemic and related social distancing restrictions in Peru, children were unable to physically attend school in 2020. To ensure educational stability and prevent children from falling behind in their development, the Peruvian government implemented a series of initiatives to keep students engaged, using mediums including television, radio and the internet. Not all Peruvian families have access to these means of communication, and in response Las Bambas developed the Digital Education campaign to support five elements key to the success of the initiative: teachers, school leadership, students, digital education instruments and connectivity, following the MINEDU regulations and the Learning at Home (Aprendo en Casa) campaign.

The emphasis was on strengthening digital skills developed by a team of specialists through a digital platform with permanent support, which allowed educational interaction and institutional management and learning of Primary and Secondary students.

For more information on this campaign visit



WE CONTRIBUTE TO DEVELOPMENT CONTINUED

COMMITMENT TO LOCAL EMPLOYMENT

We are committed to the regions where we operate. We aim to share our success with our communities by providing local employment opportunities and investing in training and education to help local residents gain valuable and transferrable skills. In 2020, over 93% of our workforce at all of our operations were nationals.

We recognise that local employee development programs are a life-of-asset commitment, particularly in host communities where education and training opportunities are limited.

Local employment is a major contributor to socio-economic improvements and is the foundation of positive engagement with local communities. Over time, these programs will establish and develop capability within the local workforce, reduce dependency on non-local employees and build broader community socio-economic resilience.

We are committed to working with Indigenous groups in all regions and our agreement with the Kalkadoon people near our Dugald River operation is focused on increasing participation.

At Kinsevere, all casual workers were recruited from the local communities in consultation with the chiefs of the individual villages. This is an important component of the operation’s community initiative, providing an uplift to the economy of the host communities as well as imparting essential skills to the local villagers.

In 2020, Rosebery focused its recruitment strategy on engaging candidates from the local and regional Tasmanian communities, and converted 20 employees on fixed-term contracts to permanent roles in line with site requirements and site planning forecasting.

PERCENTAGE NATIONAL EMPLOYMENT IN 2019 AND 2020

SITE	2020	2019
Dugald River	93.0%	88.0%
Kinsevere	97.0%	96.5%
Las Bambas	99.0%	98.8%
Rosebery	95.0%	93.9%

LOCAL SUPPLY

At MMG we are committed to supporting local suppliers in developing sustainable businesses that supply our operations, as well as other customers locally and globally.

Where possible, we aim to source products and services from local suppliers who are able to meet our key selection criteria in safety, environment, quality, technical, social responsibility and commercial viability. Where gaps are identified, we assist local suppliers to meet our standards and support them in building their capability. This process enables them to take up future opportunities to grow their businesses and expand their offering to customers beyond MMG.

In 2020, we spent US\$1.85 billion on goods and services excluding taxes and royalties. Our sites spent US\$1.70 billion with suppliers in-country. Of this, US\$352 million was spent with suppliers in the same province or state of our operations and US\$247 million with suppliers in the immediate near-mine area.

IMAGE: Participants in Las Bambas local business development program, Peru.



CASE STUDY LAS BAMBAS LOCAL BUSINESS DEVELOPMENT PROGRAM

Las Bambas invests in the development of local businesses and seeks opportunities for them to join its supply chain or enter other markets both regionally and nationally.

In 2020, the team worked hard to further embed a competitiveness model for local businesses to ensure compliance with safety and quality standards, which became especially important with the emergence of COVID-19 and the additional health and hygiene requirements of the Peruvian

Government and contractors.

This included:

- > Training in biosafety protocols
- > Technical assistance and support in human resources cost management in order to face potential financial impacts
- > Shifting business, where possible, to use online and remote technologies.

More information about the local business development program can be found at

PROCUREMENT SPEND IN 2020

SITE	NEAR-MINE / DISTRICT LEVEL		PROVINCIAL / STATE LEVEL		NATIONAL		TOTAL
	(ZONE 1)		(ZONE 2)		(ZONE 3)		
Dugald River	20.49	10%	79.72	39%	203.89	98%	207.05
Kinsevere	145.59	68%	147.49	69%	155.26	73%	213.86
Las Bambas	36.05	3%	64.12	5%	1185.03	94%	1262.85
Rosebery	32.94	31%	43.29	40%	107.40	100%	107.89
Corporate	12.27	22%	17.41	32%	45.92	84%	54.62
MMG	247.33	13%	352.04	19%	1697.50	92%	1846.26

Note: Local procurement spend is based on the location of the vendor we purchased product from. This does not indicate origin of manufacturer or supplier.

OUR TAX AND COMMUNITY CONTRIBUTION

As a major investor, taxpayer, employer and purchaser of local goods and services, MMG makes significant contributions to the economies of countries within which we operate. For the financial year ended 31 December 2020, MMG's revenue was US\$3,033.7 million.

Corporate income tax is one of many types of taxation revenue collected by governments and it is a direct tax levied on company profits. Other forms of indirect taxes such as value added tax, royalties paid on the extraction of minerals, and taxes paid in relation to employee remuneration and benefits form part of MMG's overall fiscal contribution.

Governments use other mechanisms to derive income from a company's activities as well. These include a wide range of mineral royalties, taxes on employee remuneration and benefits provided, and withholding taxes on the payment of interest and dividends. These additional sources of government revenue are often substantial and represent an important contribution to public finances. Therefore, it is essential to take these government revenue-raising mechanisms into account when assessing the extent to which a company is contributing to public revenue.

Corporate income taxes are paid on profits, not on revenues. Where a company makes little or no profit, it will generally pay less corporate income tax. Without such an approach, companies experiencing periods of low profitability would be faced with disproportionate tax demands and significant disincentives for investment. The payment of other taxes that are levied on revenue, such as mineral royalties, can decrease the amount of profit a company makes and will, in turn, reduce its corporate income tax liability.

The resources sector is capital intensive and, as a result, has high operating costs. Governments seeking to encourage job creation and attract capital investment, such as the development and construction of mining operations, allow companies to claim tax allowances for capital expenditure and on the interest on debt raised to fund investment. The claims for capital allowances and other operating costs will initially be higher than the revenues generated by these operations as they

ramp up to full production, resulting in low profits in the early years of operation and lower corporate income taxes paid.

OUR APPROACH TO REVENUE TRANSPARENCY

As a multinational company, with operations in Peru, DRC and Australia, MMG adheres to the highest standards of corporate governance in all matters related to tax. This includes operating under a policy of full transparency and cooperation with all tax authorities and the payment of all taxes properly due under the law wherever we operate.

Transparency on mineral revenues paid to governments is important to regulatory stability and stakeholder understanding of the responsible use of taxes, and the role they play in supporting the provision of citizenship entitlements.

MMG's approach to transparency includes the disclosure of tax and royalty payments, as well as broader social contribution detailed in annual and sustainability reports.

The following initiatives further support MMG's commitment to transparency:

- › A zero tolerance anti-bribery and corruption policy through the Company's Code of Conduct
- › Public disclosures in line with the Australian Foreign Investment Review Board, Australian Taxation Office and Hong Kong Stock Exchange disclosure requirements, complemented by voluntary disclosure of key payments in annual sustainable development reports for MMG and Las Bambas
- › Engagement with the EITI requirements as a reporting entity in Peru and DRC, and a participant in the Australian EITI pilot project
- › Membership of Transparency International Australia
- › Disclosure of key licences and contracts where not restricted by confidentiality or commercial in confidence agreements between parties

MMG pays taxes, royalties and other payments in accordance with the tax regulations and laws applying in the jurisdictions in which we operate.

TAX AND COMMUNITY CONTRIBUTION

IN USD'000	2020	2019
Total taxes paid	308,388	418,305
Total royalties paid	120,539	100,154
National supply procurement	1,697,500	1,745,600
Goods and services (excluding taxes and royalties)	1,846,260	1,915,300
New property, plant and equipment	575,500	563,000
Employee benefits	247,353	302,901
Social development programs	23,614	18,547



PERU USD'000			DRC USD'000			AUSTRALIA USD'000		
	2020	2019		2020	2019		2020	2019
Total tax contribution	193,334	282,733	Total tax contribution	49,515	65,577	Total tax contribution	65,539	69,995
Royalties	72,281	53,973	Royalties	24,892	22,512	Royalties	23,366	23,669
Income tax	63,015	50,122	Income tax	6,046	21,327	Income tax	–	–
Employment related taxes*	37,980	48,108	Employment related taxes*	14,785	16,619	Employment related taxes*	39,950	45,339
Withholding tax	20,058	130,530	Withholding tax	3,792	5,119	Withholding tax	2,223	987

Note: Royalties, income tax, withholding tax and employment-related taxes are all assured on an aggregate level during the 2020 Annual Reporting audit (assured by Deloitte Touche Tohmatsu).

WE MINIMISE OUR IMPACT



At MMG we are committed to minimising our environmental footprint through the efficient use of natural resources, management of waste produced and effective life-cycle management. We are focused on managing our impacts and align our environmental and biodiversity activities with our life-of-asset plans.

WATER ACCESS AND USE

OUR WATER MANAGEMENT APPROACH

We use water in both our mining and extraction processes, as well as for use by our people at our operations. Therefore, we need to secure water for the efficient and consistent performance of our operations. We regularly monitor and actively manage the quantity and quality of the water we use and discharge. We are particularly mindful about using water resources that are required for maintenance of environmental ecosystems and that are shared by surrounding communities.

In supporting the [ICMM Position Statement on Water Stewardship](#), we commit to support water stewardship initiatives that promote better water use, effective catchment management and contribute to improved water security and sanitation for surrounding communities. We have a company-wide objective to effectively manage our water intake, inventory and discharge to minimise our impacts on other users within the catchment, including upstream and downstream communities and the environment. Targets tailored to site-specific requirements and risks are set against these objectives.

We uphold commitments to apply strong transparent water governance, manage water at our operations effectively and efficiently, and collaborate with our communities to achieve responsible and sustainable water use.

We have different strategies for managing water, depending on our site requirements. Some of our operations are located in areas with high seasonal rainfall and abundant water resources, and others are located in areas where securing water can be more challenging.

Each of our site-specific water balance models predicts water inputs, use and outputs to inform our management of water-related risks. We are increasingly integrating our water balance models and our life-of-asset plans to make structured investment decisions regarding infrastructure, and to align water supply with processing demands and community requirements.

We have established clear accountabilities for regularly reviewing our water balance models and measuring the effectiveness of our critical water management controls.

We report our water inputs, outputs and diversions in line with the Minerals Council of Australia (MCA) Water Accounting Framework.

IMAGE: Las Bambas TSF, Peru.



WE MINIMISE OUR IMPACT CONTINUED

WATER BALANCE AND MANAGEMENT OF WATER RISKS

We proactively manage water quantity and quality to reduce potential socio-environmental impacts and realise opportunities.

There are several factors that have led to changes in our water balance over the past year, mainly related to operational improvements as well as extreme weather events.

Our Las Bambas mine is our largest asset and it continued to improve its water management approach during 2020. Our staff have worked diligently to improve the operational efficiency of the process water system and increase the volume of water drawn from the tailings storage facility (TSF) for operations. As a result of this, the volume of raw water drawn from the Challhuahuacho River to top up operations has also reduced substantially with only 1% of our license volume utilised.

The amount of water reported entering the site increased in 2020, compared to 2019, through the increased use of vertical wells, increased precipitation and runoff. We did record a reduction in water inputs from mining due to an overall reduction in material mined. Reported outputs and diversions from the site have also increased due to higher water use in our improved Dust Management Program, and better measurement of seepage and entrained water. Notwithstanding these factors, the site has been able to reduce the amount of excess water stored in the TSF.

We have also implemented a major water infrastructure program focused on the diversion of clean catchment runoff around the operational mining areas. This program has greatly reduced the generation of suspended sediment loadings ('dirty water'), providing both improved water quality and a more natural flow regime to the downstream ecosystem. We have ongoing programs to find opportunities for improvements in catchment management at all our operations.

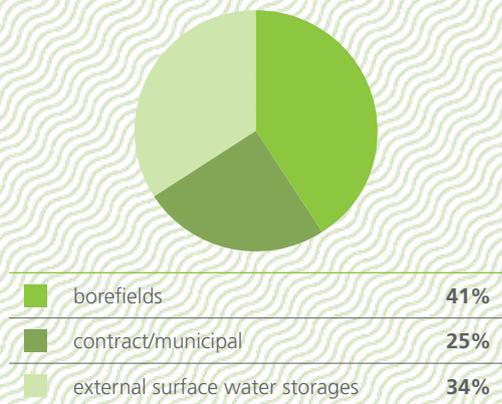
WATER BALANCE – 2020

	ML	(%)
DIVERTED WATER	18,978	–
WATER INPUTS	27,016	–
Borefields	3,252	12
Precipitation and runoff	12,356	46
Rivers and creeks	3,842	14
Aquifer interception	1,535	6
External surface water storages	2,417	9
Entrained in ore that is processed	1,868	7
Contract/municipal	1,746	6
Third party wastewater	–	–
WATER CONSUMPTION	21,049	–

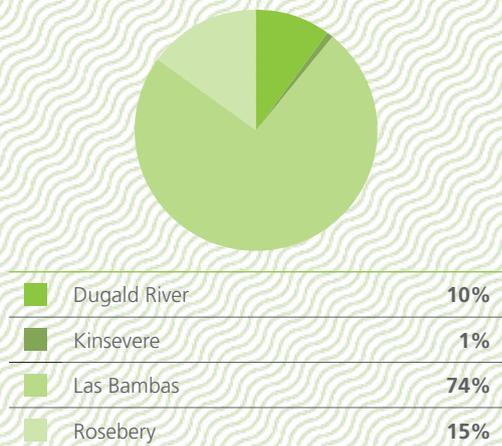
	ML	(%)
DIVERTED WATER	30,322	–
WATER OUTPUTS	33,599	–
Evaporation	6,257	19
Entrainment	14,643	44
Discharge to surface water	8,572	26
Seepage	3,224	10
Supply to third party	78	0
Other	824	2

Our Dugald River site is located in an area of Australia that is prone to water stress, particularly in the dry season. In the wet season, the site can receive very large volumes of rain over a very short period of time. In 2020, water management primarily focused on maximising water recovery from the TSF with externally supplied raw water making up the balance. Significant operational and maintenance issues were encountered with the TSF return water system,

FRESHWATER (CAT 1) INPUTS BY SOURCE 2020



FRESHWATER (CAT 1) INPUTS BY SITE 2020



which triggered a capital upgrade project, with an expected completion date in 2021.

Our Kinsevere operation in the DRC is located in an area with a high-water table and, as mining progresses and the pit floor lowers, we are managing increasing volumes of water from our dewatering program. This water is either used onsite or released into the river system after appropriate quality testing.

The surface water management system initiated at Kinsevere in 2018, was completed during 2020. This has been delivering improvements in water quality, reduction in nuisance flooding, diverting water away from entering the pits or recharging local ground water, as well as operational benefits such as reduced risk of geotechnical failure. As part of this project we have upgraded pit sumps, installed rock tuff pumps and drilled new dewatering boreholes to support pit dewatering. We also drilled new production boreholes to reinforce system capacity and provide additional clean water on site.

In line with our ICMM commitments regarding water, we ensure all employees have access to clean drinking water, gender-appropriate sanitation facilities and hygiene across all operations. At Kinsevere we have worked with our local communities to ensure everyone have to suitable ablution blocks through supporting the construction of new latrines and wastewater systems.

We have continued to work with local communities to ensure the supply of clean drinking water and to minimise the risks from waterborne diseases. We now work with 25 different village water management committees, training people to manage and monitor key water projects in their local communities.

Our Rosebery mine in Tasmania has been operating since 1936, and as a result the site is affected by a number of legacy issues. One of these is the collection and treatment of seepage from historic tailings facilities. As part of the comprehensive closure studies being undertaken on site, new groundwater wells were constructed at the Bobadil TSF which, together with a new seismic study to be completed in early 2021, will improve the understanding of the geotechnical stability of the Bobadil landform at closure.

During 2020, upgrades to the water management system on site began, which included upgrading the Pieman pump pipeline and other projects to reduce the likelihood of overtopping events and the site running out of process water.



WE MINIMISE OUR IMPACT CONTINUED

IMAGE: Geo-tube trial at Rosebery, Australia.



CASE STUDY ROSEBERY GEO-TUBE TRIAL AT TAILINGS FACILITY

At our Rosebery operation, we actively manage historical tailings storage issues to prevent potential environmental issues. In 2020, due to an increased amount of sludge accumulating within the Bobadil TSF and Polishing Pond system, the site undertook a Geo-tube trial in close consultation with leading experts. An in-depth management of change risk assessment was undertaken prior to commissioning the trial, and there are currently 16 geo-tubes in place. This enabled the site to maintain water quality within discharge limits until the next stage of Bobadil is completed, and longer term the site will investigate water treatment options post the closure of the TSF.

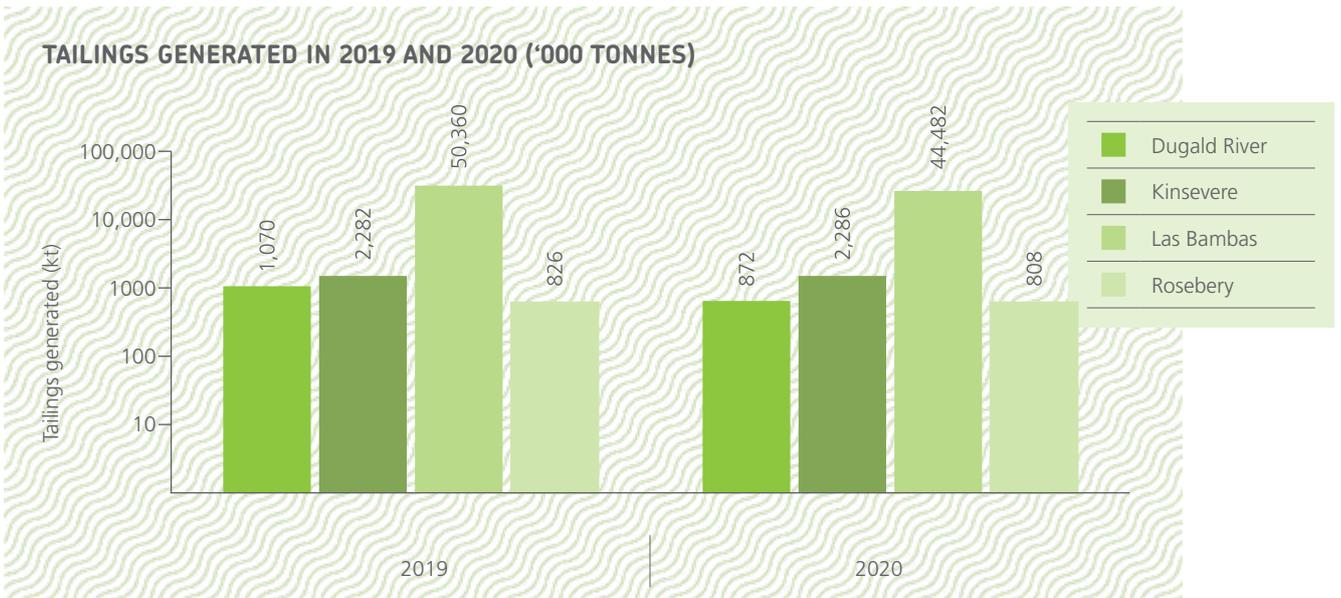
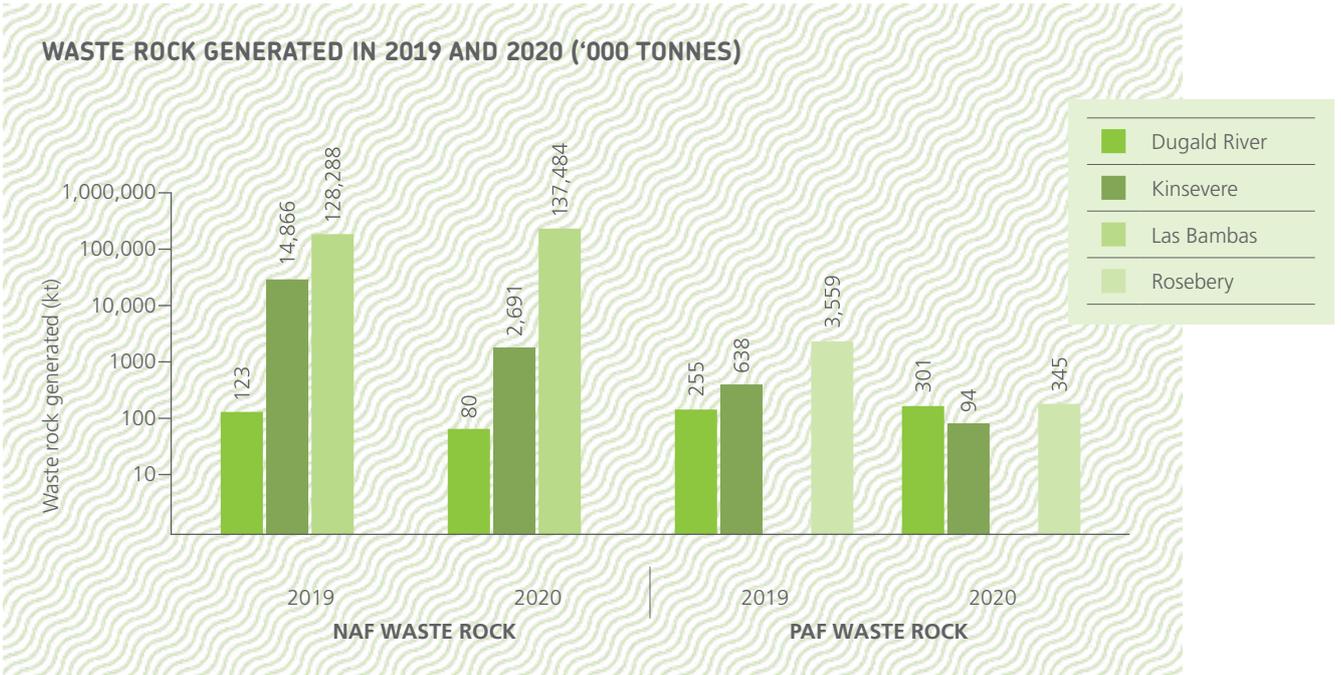
WASTE ROCK MANAGEMENT

Our mining and processing activities generate significant quantities of mineral waste. Our aim is to minimise our impacts by managing our waste safely and appropriately, reducing our overall footprint of disturbed land and supporting long-term closure planning.

We utilise appropriate waste rock in the construction of surface containment facilities; for example, at our Las Bambas mine and, where possible, we place waste into mined-out areas or pits such as at our operation in Rosebery. This ensures that for the remainder of Rosebery's current life, all waste rock will remain underground as part of the mining process. At Las Bambas we construct landforms in accordance with engineering designs based on MMG standards, guidelines and work quality requirements (WQR). The waste rock containment facilities are designed for appropriate engineering performance of the slopes and geochemical performance of the materials.

In implementing our mineral waste controls, we focus on characterising mineral waste and managing storage to limit environmental impact and minimise operating and closure costs. For example, at Dugald River we use tailings materials to create paste backfill that is re-injected into underground voids.

Some of this mineral waste is chemically reactive, with the potential to form acid and metalliferous drainage (AMD). Geochemical characterisation studies inform site-specific definitions for potentially acid forming (PAF) waste rock and non-acid forming (NAF) waste rock. These classifications enable us to identify, schedule and appropriately encapsulate PAF waste rock to mitigate the generation of AMD and reduce environmental and closure liabilities.





WE MINIMISE OUR IMPACT CONTINUED

TAILINGS STORAGE

At MMG we treat the management of our TSFs as a key material issue and a material risk that requires ongoing, rigorous risk management. Our approach includes mandating the minimum requirements for all sites to employ which cover the life cycle of tailings facilities and dams from strategic planning, design, operations, maintenance, inspections, emergency response and closure. The protection of life and the environment is mandated in our Tailings Storage Facilities and Water Storage Dam Standard.

Our approach to these minimum requirements has been developed using internal and external subject matter experts and aligning it to the requirements of the Australian National Committee on Large Dams (ANCOLD), Canadian Dam Association (CDA), the Mining Association of Canada (MAC) and the recently released Global International Standard on Tailings Management (GISTM). Our approach meets or exceeds the regulatory requirements in each of the jurisdictions in which we operate.

MMG applies critical design and execution requirements that are based on a risk assessment process, which is reviewed annually. These aspects focus on operating and non-operating TSFs and seek to minimise environmental and community impacts with a secondary objective to maximise operational efficiency. The risk management and control execution measures are subject to internal, external and independent audit.

There has been increased scrutiny of TSF integrity from both within the industry and from external stakeholders. Recent failures of large upstream constructed dams have been the primary driver for this concern. The majority of MMG's TSFs, including Las Bambas, are engineered rock and earth fill structures constructed using downstream construction methods. We have smaller facilities at our Rosebery operation in Australia that incorporates upstream construction methods in a portion of the containment dam.

In 2016, the ICMM issued a position statement on preventing catastrophic failure of TSFs. MMG's approach to the governance of TSFs fully aligns to this framework, including the use of an

Independent Dam Review Committee and Engineer of Record at each of our TSFs.

MMG has a strong commitment from our Board and Executive Management Team to provide the necessary governance and resources to protect safety and the environment. We work towards continuous improvement to further refine and strengthen our TSF controls, benchmarking them with the input from the dam safety committee reviews and annual performance audits as defined by ANCOLD.

In August 2020, the ICMM, in conjunction with the United Nations Environment Program (UNEP) and the Principles for Responsible Investment (PRI), released the new Global Industry Standard on Tailings Management (GISTM), of which MMG contributed to the design through our membership of the ICMM. The standard applies to both existing and new facilities, and focused on ensuring extreme consequences to people and the environment from catastrophic tailings facility failures are avoided. The GISTM is structured into six topic areas:

- › **Topic Area I:** Affected Communities
- › **Topic Area II:** Integrated Knowledge Base
- › **Topic Area III:** Design, Construction, Operation and Monitoring of the Tailings Facility
- › **Topic Area IV:** Management and Governance
- › **Topic Area V:** Emergency Response and Long-Term Recovery
- › **Topic Area VI:** Public Disclosure and Access to Information

The GISTM will come into effect from August 2023. MMG has already commenced work to ensure compliance against the standard and will work with involved stakeholders throughout the process. We support the ICMM's compliance timeline, with all MMG facilities with 'Extreme' or 'Very high' potential consequences of failure, as defined by the GISTM, to be in conformance with the Standard within three years as of 5 August 2020, and all other facilities within five years.

In 2020, at our Las Bambas operation, the annual Dam Committee, including the External Advisor

Panel, was convened remotely due to COVID-19 restrictions. The committee reviewed the results of the 2019 third-party TSF design review, ongoing operations and studies as well as planned development for ongoing storage of tailings. The committee confirmed the TSF is designed and operated appropriately for the geological setting and for the projected tailings production. We also continued with studies for the optimisation of our strategic tailings storage requirements and recognised the potential for storage of all tailings within a single facility. This will minimise the environmental and social impacts of the Las Bambas tailings storage requirements, as well as ensure the minimal area of disturbance for closure.

During 2020, our Rosebery site initiated studies to develop additional tailings capacity using our existing facilities, as well as instigating a new facility,

designed in accordance with the requirements of ANCOLD and the expectations of the GISTM. We had planned to undertake an Emergency Dam Break drill with involvement from MMG, relevant authorities, Tasmanian Emergency Services and the community, however COVID-19 restrictions prevented this from occurring. We now are planning to undertake this in 2021, should COVID-19 restrictions ease.

Initial stakeholder engagement with the local village chiefs and emergency services was undertaken at Kinsevere with respect to the development of an emergency response plan for a dam failure scenario. In 2021, the intent is to further develop the plan taking into account COVID-19 restrictions.

2020 MMG TAILINGS FACILITY SUMMARY									
TSF	TYPE (GROUND, VALLEY, MOUNTAIN OR OTHER)	DAM RAISING TYPE	ANCOLD DAM FAILURE CONSEQUENCE RATING	TOTAL DESIGNED HEIGHT	TOTAL DESIGNED CAPACITY	TSF SERVICE LIFE		MOST RECENT EXPERT REVIEW DATE	
						INTO SERVICE	END OF SERVICE		
Las Bambas TSF1	Valley	Downstream	Extreme	280m	477Mm ³	2015	2029	Jan-21	
Dugald River TSF1	Valley	Downstream	High C	37m	8.7Mm ³	2018	2039	Dec-20	
Kinsevere TSF1	Side valley	Upstream	High C	~10	1.1Mm ³	2006	2010	Mar-20	
Kinsevere TSF2	Paddock	Downstream	High	38m	23Mt	2011	2023	Mar-20	
Rosebery 2/5 Dam	Side valley	Upstream/ downstream	Significant	26m	5Mt (plus unknown existing)	2018	2028	Jan-21	
Rosebery Bobadil	Side valley	Upstream/ downstream	High C	37m	37.8Mt	1974	2023	Jan-21	

Mm³ = Millions of cubic metres
Mt = Million metric tonnes
Note: the ANCOLD dam failure consequence rating is based on the potential impacts of a failure in a TSF. Refer to definition on page 72 for the consequence table.
For more information about management of consequence ratings for tailings dams, visit www.ancold.org.au/.
For more information about our TSFs, visit www.mm.com.

Note 1: With a PAR in excess of 100, it is unlikely that the severity of damage and loss will be "Minor". Similarly with a PAR in excess of 1,000 it is unlikely Damages will be classified as "Medium".
Note 2: Change to "High C" where there is the potential of one or more lives being lost.
The area of TSF management requires significant technical expertise and interpretation. For more information regarding consequence tables visit www.ancold.org.au.



WE MINIMISE OUR IMPACT CONTINUED

GLOBAL INDUSTRY STANDARD ON TAILINGS MANAGEMENT

Strengthening current practices in the mining industry by integrating social, environmental and technical considerations, the Standard covers the entire tailings facility lifecycle from site selection, design and construction, through management and monitoring, to closure and post-closure.

With an ultimate goal of zero harm to people and the environment, the Standard sets a global benchmark for achieving strong social, environmental and technical outcomes. It elevates accountability to the highest organisational levels and adds new requirements for independent oversight.

The Standard also establishes clear expectations around transparency and public disclosure, helping to improve understanding by interested stakeholders.

Comprising six Topic areas, 15 Principles and 77 auditable Requirements, the Standard provides a framework for safe tailings facility management while affording Operators flexibility as to how best to achieve this goal.

01. AFFECTED COMMUNITIES

Respect human rights, by conducting human rights due diligence to identify and address those at risk. Provide opportunities for engagement of project-affected people in decisions that may have a bearing on public safety and the integrity of the tailings facility.

02. INTEGRATED KNOWLEDGE BASE

Develop and document knowledge about the social, environmental and local economic context of a proposed or existing tailings facility. This multi-disciplinary knowledge base will support informed decision-making by operators and key stakeholders throughout the tailings facility lifecycle. e.g. in alternatives analyses, impact assessments, choice of technologies, consequence classification, Emergency response plans, and closure planning.

03. DESIGN, CONSTRUCTION, OPERATION & MONITORING

Establish robust requirements for the design, construction, operation and monitoring of tailings facilities to minimise the risk of failure by maintaining an informed knowledge base. As tailings facilities are dynamic engineered structures, demonstrate the ability to upgrade a facility to a higher consequence classification or, where this is not feasible, reduce the consequences of a potential failure.

04. MANAGEMENT & GOVERNANCE

Assign responsibility and accountability for key roles in the management of a tailings facility. Establish standards for critical systems and processes essential to upholding the integrity of a facility throughout its lifecycle. Support cross-functional collaboration and promote an organisational culture that welcomes the identification of problems and protects whistle-blowers.

05. EMERGENCY RESPONSE & LONG-TERM RECOVERY

Establish a community-focused emergency preparedness and response plan. Consider the adequacy of capacity both internally and externally to respond, and engage with communities and public sector and other agencies to prepare for the event of a failure. Support the long-term recovery of communities and the environment affected by catastrophic tailings facility failure.

06. PUBLIC DISCLOSURE & ACCESS TO INFORMATION

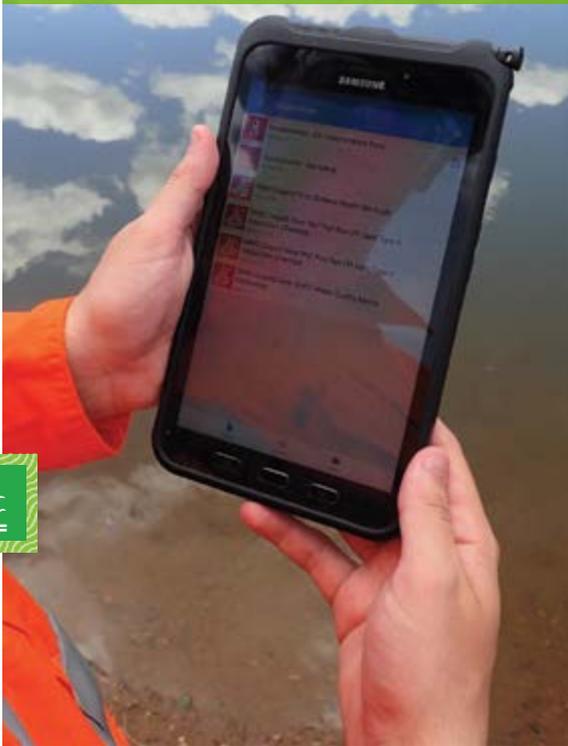
Disclose relevant information about the tailings facility to support public accountability. Commit to participate in global initiatives for the creation of standardised, independent, industry-wide and publicly accessible information about the safety and integrity of tailings facilities.





WE MINIMISE OUR IMPACT CONTINUED

IMAGE: Field data collection using app, Dugald River, Australia.



CASE STUDY TECHNOLOGICAL IMPROVEMENTS IN FIELD DATA COLLECTION AT DUGALD RIVER

Our operations are always looking for ways to integrate new technologies into existing work practices. Dugald River has recently moved to using tablet apps for field data collection to replace the use of paper reporting. This has helped cut down field time and create a more consistent approach to data entry. The apps have also improved time management by reducing the need to upload information a second time, with the apps automatically syncing information to the database and compiling reports for future audits. In 2021, Dugald River will further explore the capabilities of the apps and continue improving their data collection and verification processes.

AIR QUALITY MANAGEMENT

At MMG we strive to be as efficient as possible in our combustion of fuel to manage costs and preserve a healthy working environment for our people (particularly those working underground). We consider environmental and health implications in our supply contracts for equipment, electricity and fuel via our procurement processes.

The bulk of our emissions to air are generated by heavy mobile equipment used for mining, product transport, primary crushing and onsite power generation.

We continually improve our management of the nuisance impacts from dust generated by our activities. This includes watering heavy haul and logistics to keep dust to a minimum for surrounding communities and, in Peru, supporting the government in the progressive sealing of roads.

Dugald River monitors ambient air quality around the mine daily and monitors for PM10 size particulates and arsenic, cadmium, copper and lead surrounding the residence of our nearest sensitive receptor. All monitoring in 2020 was compliant with the site's environmental licence, and no complaints were received. In 2021, Dugald River plans to install a revised misting system on the primary crusher, conveyor and crushed ore stockpile to further reduce the release of dust at the source.

Las Bambas continues to regularly monitor air emissions, and in 2020 set up new monitoring stations in order to continue the work undertaken in 2019. This has helped ensure real-time monitoring of conditions along the Southern Road Corridor and improve reporting frequency. More information about the air monitoring at Las Bambas is available at

We report our emissions in accordance with the Australian Government's National Pollutant Inventory emission estimation techniques and our materiality-based sustainability reporting processes.

CLIMATE CHANGE

MMG recognises the impacts of human-induced climate change on the environment, economy and communities, and that addressing the impacts of climate change poses significant short- and long-term challenges for society.

We welcome efforts made by governments to cooperatively reach the global climate agreement and support long-term climate goals that balance greenhouse gas reductions with economic development. Together with other members of the ICMM our principles for climate change policy design are as follows:

- › Provide clear policies for a predictable, measured transition to a long-term price on greenhouse gas emissions.
- › Apply climate change-related revenues to manage a transition to a low carbon future.
- › Facilitate trade competitiveness across sectors.
- › Seek broad-based application.
- › Be predictable and gradual.
- › Be simple and effective.
- › Support low-emission base-load generation technology development.

We are committed to being part of the global solution by taking appropriate actions to reduce our emissions intensity, and sourcing the key mineral and metals required to help the global transition to a low-carbon future.

MMG's focus on energy efficiency will reduce our existing power requirements and minimise our greenhouse gas emissions footprint. Our global operations are also working to support extensive reforestation of our neighbouring lands, which will deliver more carbon abatement outcomes now and into the future.

In 2020, our major shareholder CMC released its Green and Low Carbon Emissions Initiative, and we are working with our employees and sites to embed a culture change around environmentally friendly practices.

In 2021, we will be reviewing our current environmental footprint and greenhouse gas reduction strategy across the business with the intent of setting company-level reduction targets and supporting initiatives and actions.

IMAGE: TSF access road, Dugald River, Australia.



CASE STUDY CONSTRUCTION OF DUGALD RIVER WET WEATHER TSF ACCESS ROAD

Our Dugald River operation is located in North West Queensland, which is prone to significant rainfall in the wet season. The original TSF access road sustained damage following successive one in 100-year rain events in the 2018 and 2019 wet seasons. Following these events, the construction of a safe all-weather access road was required to conduct operations and routine monitoring of the TSF and other key infrastructure. So 157 2 tonne pre-cast concrete panels were installed at the steepest section of the road to manage water runoff and provide a safe surface to operate on. The design took the principles of marine boat ramp and tailored it to suit the site's landscape. This project has provided year-round access to the TSF for management of a material risk and increased safety standards for our employees.

Data relating to energy consumption (direct, indirect and total), greenhouse gas emissions, air emissions, hazardous and non-hazardous waste and total water consumption for the 2019 and 2020 reporting periods can be found in the 2020 MMG Annual Report at



WE MINIMISE OUR IMPACT CONTINUED

MINE CLOSURE AND REHABILITATION

Effective closure planning and site rehabilitation are important priorities for MMG. We have an integrated approach to planning the closure and relinquishment of our assets, commencing from the development stage and continuing throughout the asset life cycle. We have a Progressive Rehabilitation and Closure Standard with supporting Work Quality Requirements that provide a consistent approach to closure and progressive rehabilitation across all of our global operations.

Minor amounts of progressive rehabilitation are currently undertaken by our operations as disturbed

areas are largely limited to operational areas that continue to be in use, or will be used in the future. This is driven largely by the ore body and mining method, with underground metalliferous mines, in particular, having limited opportunities for rehabilitation prior to the end of mine life. To this end we have not set annual rehabilitation targets, but instead build allowances into our closure plans and operational budgets where there are opportunities to rehabilitate areas that are no longer required for operational purposes. These are reviewed annually.

Where progressive rehabilitation or rehabilitation trials have been implemented, monitoring of the rehabilitation performance is in place. Monitoring results can then be used to revise the rehabilitation plans as necessary, ensuring the rehabilitated land can achieve an appropriate postmining land use.

MMG actively contributes to the ICMM Mine Closure Working Group and leverages the participation of peer companies to continually benchmark our own internal processes and improve performance on mine closure. In 2020, MMG became a major industry sponsor of the Cooperative Research Centre for Transitions in Mining Economies (CRC TiME), and we are represented on the CRC's Industry Research Advisory Team. CRC TiME is a ten year, \$130M research initiative between the Australian federal Government, industry and academia, focused on delivering resilient post mining futures.

At Dugald River, technical studies on groundwater, geotechnical stability and landform evolution/erosion potential were completed in order to inform the development of the first Progressive Rehabilitation and Closure Plan for the Regulator.

At Kinsevere during 2020, all drill site and access tracks were rehabilitated following the cessation of drilling programs. An integrated team comprising Exploration, the drilling contractor and a local community member inspected all sites to make sure the land was returned as close as possible to its original state.

Prefeasibility studies continued in 2020 for the Hercules legacy and Rosebery operational mine

IMAGE: Employee at Rosebery, Australia.



sites. Study areas included hydrology, hydrogeology, geochemistry, geotechnical stability, heritage and land use capability. Multiple additional technical investigations are currently underway or planned which, when complete, will allow an evaluation of all closure scenarios to select the best option(s), in consultation with external stakeholders, in preparation for further regulatory approvals. Additionally, the Rosebery closure cost uncertainty material risk was reviewed in line with the MMG Material Risk Management Standard. Additional critical controls were put in place, notably enhanced Study Implementation Plans for the Rosebery and Hercules mine closure pre-feasibility studies, appointment of a multidisciplinary team of experts to form a closure planning technical peer review panel, and an ongoing consultation process with government agencies to clarify the mine closure regulatory pathway.

These studies will provide more definitive information to support MMG closure planning and closure cost estimation, but also inform stakeholder discussions with community and government. The current financial provision for closure of all MMG operations is reported in our Annual Report and has been externally audited.

BIODIVERSITY AND LAND MANAGEMENT

MMG recognises that compared with many other land uses, the direct impacts of mining on biodiversity and ecosystem services are often small, due to the relatively small area of land disturbance. At the same time, we recognise that this disturbance is often very significant on a local scale and may be globally significant where limited populations of threatened or vulnerable endemic species may be exposed to risk of disturbance.

Our operations are managed to identify potential impacts to biodiversity and to implement mitigation strategies to avoid or offset these impacts. This management includes:

- › using environmental assessments and strategic regional assessments prior to the commencement of mining, or disturbance activities, to identify potential biodiversity impacts;

- › ensuring the effective application of the mitigation hierarchy in relation to any proposed land clearance activities onsite, with avoidance being the preferred option where practicable; and
- › planning for closure in a way that focuses, not only on the reestablishment of vegetation cover but, more broadly, on opportunities to develop self-sustaining ecosystems that support the social, cultural, environmental and economic objectives of our host communities and the surrounding landscape.

We actively manage our land holdings over the life of the operation and seek to protect biodiversity and future land use options. Some of the management actions actively used at our operations focus on:

- › implementing low or no disturbance areas that may form future conservation reserves;
- › controlling invasive species;
- › restoring degraded ecosystems; and
- › translocating endangered plants and supporting the breeding requirements of vulnerable animals.

MMG recognises that by consistently evaluating our approach to land use planning at our operations, we can account for the environmental value of ecosystem services and deliver continual improvements in our management of land and biodiversity. As a member of the ICMM, we act in accordance with the ICMM's Mining and Protected Areas Position Statement.

The lease of our Dugald River operation is home to two protected species, *Pseudantechinus mimulus* (Carpentarian pseudantechinus) and the *Petrogale purpureicollis* (Purple-necked rock-wallaby). MMG undertakes bi-annual monitoring of both species to collect data on the species, understand its use of habitat. This provides an understanding of rehabilitation success and measure changes to the populations over time, including from the impacts of feral cats and dingos. Monitoring to date has not shown any change in population numbers and ongoing monitoring results will help develop future biodiversity and rehabilitation activities.

IMAGE: Monitoring of transplanted flora at Las Bambas, Peru.



CASE STUDY LAS BAMBAS BIODIVERSITY

Las Bambas is dedicated to the conservation of biodiversity, with this commitment embedded into its environmental management plans.

2020 presented many challenges to undertaking scheduled monitoring programs, including the impacts of COVID-19 physical distancing requirements and a lengthened storm season preventing field visits. Despite this, the environment team carried out a number of initiatives, which included:

1. ongoing monitoring of the relocated lizard “*Liolaemus qalaywa*”;
2. regular monitoring of transplanted flora, including the “*Notrotriche armeriifolia*” and “*Lupinus cuzcensis*”;
3. regular hydrobiology, ornithology, herpetology and botany biodiversity monitoring, both on the tenement and in nearby areas; and
4. compilation of information on the state of the wetlands in Pumamarca community using drones and field visits.

In 2021, the site will develop conservation plans for other identified species as it continues to ramp up its biodiversity program.

For more information visit

ASSURANCE STATEMENT

To the Board of Directors of MMG Limited:

CECEP (HK) Advisory Company Limited (“**CECEPAC (HK)**” or “**We**”) has been engaged by MMG Limited (“**MMG**”) to conduct an independent limited assurance engagement on the information and data in the 2020 Sustainability Report (“**Sustainability Report**”) of MMG, which covers the period 1 January to 31 December 2020.

I. ASSURANCE SCOPE

CECEPAC (HK) conducted a Moderate (Limited) Type 2 assurance for the Report in accordance with the *AA1000 AccountAbility Assurance Standard (V3)* (“**AA1000AS V3**”), and the assurance criteria were the following:

- › International Council on Mining and Metals (“**ICMM**”) Subject Matters 1-5 (“**Subject Matter**”) and the corresponding criteria (“**Criteria**”) prescribed in the *Sustainable Development Framework: Assurance Procedure* (“**ICMM Framework**”), as set out in the below table:

AREA	ICMM SUBJECT MATTER	CRITERIA
ICMM Subject Matter 1	The alignment of MMG’s sustainability policies to ICMM’s 10 Sustainable Development (“ SD ”) Principles and mandatory requirements set out in ICMM Position Statements.	MMG’s reported alignment of its sustainability policies to ICMM’s 10 SD Principles and mandatory requirements set out in the ICMM Position Statements.
ICMM Subject Matter 2	MMG’s material sustainability risks and opportunities based on its own review of the business and the views and expectations of stakeholders. Assessed with regard to the AA1000AS V3 and the <i>AA1000 AccountAbility Principles (2018)</i> .	MMG’s description of the process for identifying material issues, and the Global Reporting Initiative (“ GRI ”) definition of completeness per the GRI 2016 <i>Sustainability Reporting Guidelines</i> (“ GRI Standards ”) issued by the Global Sustainability Standards Board (“ GSSB ”).
ICMM Subject Matter 3	The existence and status of implementation of systems and approaches used by MMG to manage a selection of material sustainability risks and opportunities (“ Selected Indicators ”) and corresponding relevant metrics (“ Performance Information ”) (selected through a random double-blind process), including: Procurement Practices GRI 204-1: Proportion of spending on local suppliers at significant locations of operation Environmental Compliance GRI 307-1: Non-compliance with environmental laws and regulations Local Communities GRI 413-1: Percentage of operations with implemented local community engagement, impact assessments, and development programs	MMG’s description of the systems and approaches to manage the Selected Indicators as outlined in the 2020 Sustainability Report and MMG’s internal policies and procedures.
ICMM Subject Matter 4	MMG’s reported performance during the 1 January 2020 to 31 December 2020 reporting period for the Selected Indicators.	Criteria of Selected Indicators disclosed by MMG in accordance with internal policies and procedures, and reference to GRI Standards and other relevant guidelines. Limited assurance on the reliability and accuracy of Performance Information.
ICMM Subject Matter 5	MMG’s self-declared application level of the GRI Standards.	GRI Standards “in accordance” Core criteria.

The following has been excluded from the assurance scope, and hence we do not express any conclusions on this information:

- › Any information outside the 1 January 2020 to 31 December 2020 reporting period or any other data disclosed in the Sustainability Report not included within the assurance scope;
- › Financial data or other information already supported by existing verified documents; and
- › Data and information in the Sustainability Report unrelated to MMG and its subsidiaries, which include MMG's suppliers, contractors, and data or information provided by other third parties.

The scope of the assurance engagement was confined to the information provided by MMG only. Any queries regarding the contents or related matters within this assurance statement should be addressed to MMG only.

II. LEVEL OF ASSURANCE AND LIMITATIONS

A moderate level of assurance under AA1000AS V3 has been provided for this engagement. A moderate assurance is limited to evidence gathering at corporate/management levels in the organisation and a limited depth of evidence gathering at lower levels in the organisation as necessary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measures and measurement techniques and can affect comparability between entities.

III. MMG'S RESPONSIBILITIES

MMG has been responsible for the preparation and presentation of the Sustainability Report in accordance with the GRI Standards: Core option, and other reporting requirements prescribed in the ICMM Framework. MMG has also been responsible for implementing internal control procedures to ensure that the contents of the Sustainability Report are free from material misstatement, whether due to fraud or error.

IV. CECEPAC (HK)'S RESPONSIBILITIES

CECEPAC (HK) has been responsible for issuing an independent assurance statement to the Board of Directors of MMG. This independent assurance statement applies solely to express a conclusion on the assurance work in the specified scope of MMG's Sustainability Report and does not serve any other intents or purposes.

CECEPAC (HK) has ensured that all personnel involved in the assurance work meet professional qualification, training and experience requirements,

and are demonstrably competent. All results of assurance and certification audits are internally reviewed by senior staff to ensure that methodologies used in the process are sufficiently stringent and transparent.

V. INDEPENDENCE

CECEPAC (HK) was not involved in collecting and calculating data, nor in the preparation of this Sustainability Report. CECEPAC (HK)'s activities are independent of MMG. There is no relationship between MMG and CECEPAC (HK) beyond the contractual agreement for providing this assurance engagement.

VI. METHODOLOGY

CECEPAC (HK)'s assurance engagement procedures were conducted with MMG personnel based at MMG's Melbourne headquarters and Las Bambas mining site, and the assurance work included:

- › Conducting interviews¹ with management and documentation reviews to understand MMG's approach to assessing and managing SD risks and opportunities, and ensuring the alignment between MMG's internal policies and the ICMM SD Principles (and other requirements set out in the ICMM Position Statements);
- › Understanding and testing MMG's approach to stakeholder identification, engagement, feedback collection, analysis and reporting, and MMG's materiality assessment process for the purposes of reporting and assurance;
- › Assessing whether the reporting and management approach for the Sustainability Report have been conducted in line with the AccountAbility Principles of Inclusivity, Materiality, Responsiveness and Impact;
- › Understanding and testing on a sample basis with Selected Indicators, MMG's management system (and underlying objectives, architecture and expectations), and MMG's adherence to management system requirements at corporate and site levels;
- › Understanding and testing on a sample basis with Performance Information, the data measurement, collection, aggregation and reporting processes and management controls for ensuring the quality of data;
- › Reviewing and sampling evidence used to report on Performance Information, recalculating quantitative metrics against stated methodologies and assumptions;
- › Assessing the content in the Sustainability Report and supporting GRI Content Index against the claim that it has been prepared "in accordance" with the GRI Standards: Core option;

¹ Being limited by the spread of coronavirus disease (COVID-19), the Assurance Engagement was conducted through online means and interviews were conducted in forms of video conference.

ASSURANCE STATEMENT CONTINUED

- › Checking representations in the Sustainability Report were consistent with conclusions reached; and
- › Performing other procedures we deemed necessary.

Assurance work was performed and the conclusions formed were based upon information and data provided by MMG to CECEPAC (HK), and on assumptions that the information provided was complete and accurate.

VII. CONCLUSIONS

Based on the assurance procedures undertaken and the evidence obtained, nothing has come to our attention that causes us to believe that the:

- a. Subject Matter has not been prepared, in all material respects, in accordance with the Criteria for the Sustainability Report;
- b. The Sustainability Report has not been prepared, in all material respects, in accordance with the principles of Inclusivity, Materiality, Responsiveness and Impact in the AA1000AS v3; and
- c. Disclosures of the Performance Information in the Sustainability Report are unreliable, inaccurate, or have not been prepared, in all material respects, in accordance with the reporting approach outlined in the Sustainability Report.

VIII. KEY OBSERVATIONS

The following key observations, which do not affect our conclusions expressed above, were identified during the course of the assurance engagement:

A. ICMM SUBJECT MATTER

Subject Matter 1

MMG adopted its Sustainable Development Framework to manage its SD risks and align with the ICMM Position Statements, as well as the ICMM's 10 SD Principles. Furthermore, MMG has updated its internal ICMM Alignment Framework, mapping the alignment between relevant sections of MMG Policies, MMG Standards, MMG Code of Conduct, and MMG's Sustainable Development

Framework, and the ICMM 10 SD Principles and Position Statements. MMG has also included tables in the Sustainability Report Appendix which identify sections of the Sustainability Report that relate to the 10 SD Principles and ICMM Position Statements, and has indicated the extent of MMG's alignment with mandatory requirements set out in the ICMM Position Statements.

Subject Matter 2

MMG has outlined its materiality assessment approach and process in its Sustainable Development Framework. MMG's material issues include social, economic, and environmental risks and opportunities that have the potential to affect MMG's performance or reputation, as well as its ability to create value and deliver progress over the short, medium, and longer term. In 2020, MMG conducted stakeholder interviews, took into consideration employee surveys and the consideration of the senior leadership, investor and community perceptions, industry benchmarking, and global media reviews to confirm the 12 material issues of MMG for the year.

Subject Matter 3

MMG has a Risk Management Standard, which defines the approach to identify and manage risks that can impact the achievement of MMG's Strategy and business plans, as well as the requirement of reporting and investigation of significant events. Site-specific risk register is developed in accordance with requirements set out in the Risk Management Standard to manage the risks. MMG has established the three lines of defence to provide three levels of assurance to ensure the implementation of management systems regarding the material sustainability risks and opportunities. The implementation of Safety, Security, Health and Environment ("SSHE") policies and measures are guided by the SSHE Performance Standard, while the social and procurement management are guided by the Social Performance Standard and the Supply and Insurance Standard. Reporting of SSHE events is guided by the SSHE Performance Standard. Site-level social events are reported in the forms of weekly minutes, monthly reports, and meetings with group-level management of MMG. The implementation of these Standards and Procedures was observed during the assurance process.

Subject Matter 4

MMG has established and executed the reporting instructions in the Work Quality Requirements and Performance Standards accordingly, as well as the internal control measures to ensure the reliability of reported data. Sites are to report on SD key performance data through specific software. MMG reports against topic-specific disclosures with detailed figures and metrics, case studies, and progresses against targets in the Sustainability Report.

Subject Matter 5

The assurance findings provide confidence that the Sustainability Report has been prepared in accordance with the GRI Standards: Core option. Topic-specific disclosures and their corresponding page numbers are referenced in the GRI Content Index, which is shown in the Appendix of the Sustainability Report, available at www.mmg.com.

B. ACCOUNTABILITY PRINCIPLES

Inclusivity

MMG has identified key stakeholders and engaged them via various avenues to identify their areas of interest. MMG attaches importance to its stakeholders, and has developed a set of standard working framework related to stakeholder engagement. MMG's Social Performance Standard has defined the minimum requirements and accountabilities relating to interactions with the communities to reduce impacts, maximise benefit, and deliver on commitments based on MMG values and to respect to the local culture and traditions. At the site-level, in accordance with requirements set out in MMG's Social Performance Standard, a site-specific Social Baseline Study and a Social Impact and Opportunities Assessment have been conducted to identify key demographic aspects, issues, and perceptions of stakeholders and interested parties of the regions and communities, while a site-specific Social Development and Community Plan have been developed to guide the implementation of socio-economic development projects and investments. Regular updates of these matters are reported to the Executive Committee and the Corporate Affairs Function. In our professional opinion, MMG adheres to the principle of Inclusivity.

Materiality

MMG has accounted for key stakeholders' areas of interest and, through the materiality process conducted for the Sustainability Report (described in Subject Matter 2 above), has identified, categorised, and prioritised its material SD risks and opportunities, and disclosed corresponding qualitative and quantitative key performance

indicators in the Sustainability Report. These material SD risks and opportunities are grouped under the four reporting themes ("Who We Are", "The Way We Work", "We Contribute to Development", and "We Minimise Our Impact") which form the framework of the Sustainability Report. In our professional opinion, MMG adheres to the principle of Materiality.

Responsiveness

MMG has developed multi-faceted means of communication with internal and external stakeholders, such as meetings, interviews, written communication and media, which provide opportunities for stakeholders to voice their concerns, needs, and expectations. At the corporate level, the material issues were reviewed and updated for disclosure to ensure that relevant information is communicated to stakeholders in a comprehensive, accurate, timely, accessible, and balanced way. At the site level, in accordance with MMG's developed Stakeholder Grievance Management Work Quality Requirements, site-specific Grievance Procedures have been developed to acknowledge, record, and investigate complaints raised from a community member or stakeholder. The storage, tracking, and management of stakeholder grievances are performed via a cloud-based tool, and site monthly reports are issued to site General Managers and the Head Office. In our professional opinion, MMG adheres to the principle of Responsiveness.

Impact

MMG's Risk Management Standard has set out the requirements for the identification, reporting, analysis, and control of risks and significant events, where the material risks are identified based on their consequence and likelihood. At the corporate level, MMG understands, measures, evaluates, and manages its impacts through the risk identification and management process (described in Subject Matter 3 above) and the support of the Work Quality Requirement and Performance Standards. At the site-level, risk and impact assessments are conducted in accordance with requirements of the SSHE Performance Standard and the Social Performance Standard. In our professional opinion, MMG adheres to the principle of Impact.



7 May 2021
Hong Kong

GLOSSARY

AMD	acid and metalliferous drainage
ANCOLD	Australian National Committee on Large Dams
ASM	artisanal and small-scale mining
CAE	Employee Attention Centre
CMC	China Minmetals Corporation
DRC	Democratic Republic of the Congo
EITI	Extractive Industries Transparency Initiative
FAP	Farmer's assistance program
FPIC	Free, Prior and Informed Consent
GL	gigalitres
GRI	Global Reporting Initiative
GRI Standards	Global Reporting Initiative's 2016 Core Sustainability Reporting Guidelines
HKEx	Hong Kong Stock Exchange
ICA	International Copper Association
ICAM	Incident Cause Analysis Method
ICMM	International Council on Mining and Metals
ILO	International Labour Organisation

IZA	International Zinc Association
LTIF	lost time frequency rate
MCA	Minerals Council of Australia
MMG	MMG Limited
NAF	non-acid forming waste rock
NOHSC:1012	National Standard for the Control of Inorganic Lead at Work
NOHSC:2015	Safe Use of Inorganic Lead at Work
PAF	potentially acid forming waste rock
SDG	Sustainable Development Goal
SHEC	Safety, Health, Environment and Community
SSHE	Safety, Security, Health and Environment
TARP	Trigger Action Response Plans
TRIF	total recordable injury frequency
TSF	tailings storage facility
UNICEF	United Nations International Children's Emergency Fund
VPSHR	Voluntary Principles on Security and Human Rights

DEFINITIONS

acid and metalliferous drainage / acid mine drainage (AMD): AMD is created when rocks that contain naturally occurring sulphide minerals are disturbed and exposed to air and water. This accelerates the natural weathering process and may lead to the release of low pH (acidic) or neutral drainage water with elevated salinity and metals concentrations. If not responsibly managed, AMD can impact the revegetation of mining wastes, and degrade surface and groundwater quality. Waste rock with the potential to form AMD is termed 'potentially acid forming' or PAF waste rock.

CONSEQUENCE CATEGORIES BASED ON POPULATION AT RISK

POPULATION AT RISK	SEVERITY OF DAMAGE AND LOSS			
	MINOR	MEDIUM	MAJOR	CATASTROPHIC
<1	Very low	Low	Significant	High C
≥1 to <10	Significant (note 2)	Significant (note 2)	High C	High B
≥10 to <100	High C	High C	High B	High A
≥100 to <1,000	(Note 1)	High B	High A	Extreme
≥1,000	(Note 1)	(Note 1)	Extreme	Extreme

Note 1: With a PAR in excess of 100, it is unlikely that the severity of damage and loss will be "Minor". Similarly with a PAR in excess of 1,000 it is unlikely Damages will be classified as "Medium".

Note 2: Change to "High C" where there is the potential of one or more lives being lost.

The area of TSF management requires significant technical expertise and interpretation. For more information regarding consequence tables visit www.ancold.org.au

OUR CONTACTS

We welcome your comments on this report. Please contact us with your feedback or suggestions.

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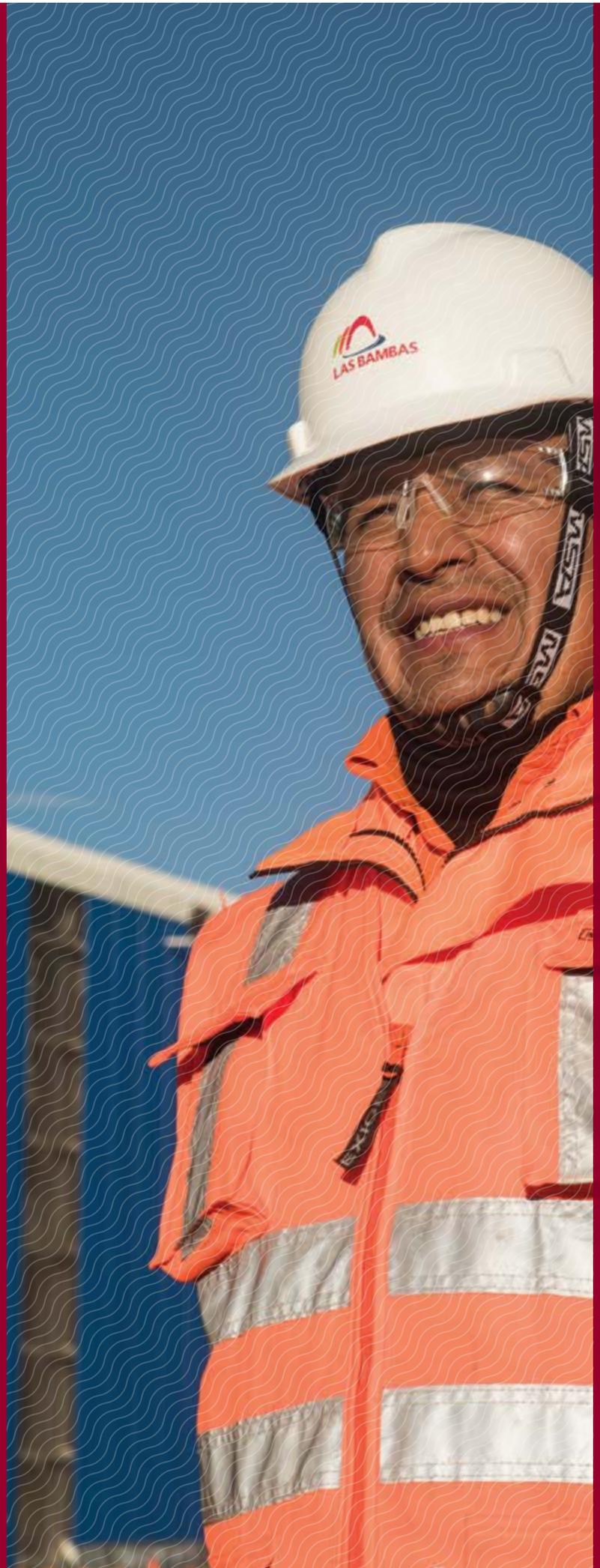
GENERAL ENQUIRIES

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WEBSITES





WE MINE FOR
PROGRESS