



SUSTAINABILITY REPORT



WE MINE FOR
PROGRESS

A member of:

ICMM
International Council
on Mining & Metals

MINING WITH
PRINCIPLES

HKEX:1208

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.

A handwritten signature in black ink, which appears to read 'Geoffrey'.

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