







3 WE CONTRIBUTE TO DEVELOPMENT

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.

WE CONTRIBUTE TO 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:

	No Poverty		Quality Education
	Zero Hunger		Gender Equality
	Good Health and Wellbeing		Clean Water and Sanitation

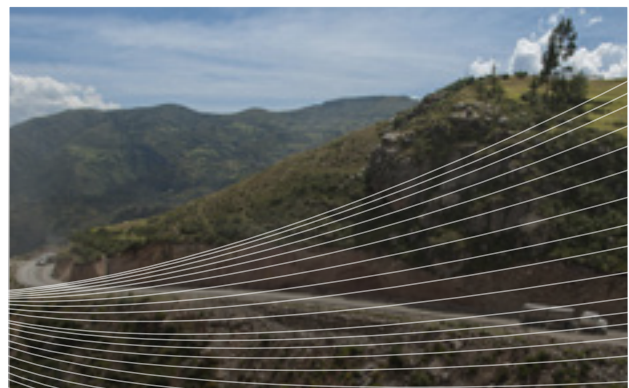
In addition to improving access and achievement across health, education and livelihood indicators, human development recognises the importance of managing vulnerability and building community resilience.

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 structural factors that lead to poverty, such as the lack of housing and health care, and persistent vulnerabilities, such as food and economic insecurity, communities can 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 2021, we invested just under \$33 million in social investment programs across the business, up from \$23.6 million in 2020.

Our Las Bambas operation saw a significant increase in spend to over \$31 million in 2021. A large percentage of this was related to SDG1: No Poverty, and included infrastructure projects, road and housing maintenance, reforestation and agriculture initiatives using local labour, as well as local business development. Communities were also supported in their own long term (2030) development planning.

Investment in health care increased again in 2021, as the operation supported local communities through the COVID-19 pandemic as well as ongoing commitments to support community health drives, local health clinics and access to medical training.



CASE STUDY SOCIOECONOMIC DEVELOPMENT FOR COMMUNITIES LOCATED ALONG THE SOUTHERN ROAD CORRIDOR

In 2021 the Las Bambas social development team commenced a study of the economic and growth opportunities of the local communities located along the Southern Road Corridor of the mine. The study was designed to measure, understand and assess the opportunity for economic development in the communities located along the Southern Road Corridor, the route travelled by the trucks loaded with the copper concentrate produced at Las Bambas.

Las Bambas will continue its work with the community to progress the study and deliver on its outcomes in 2022, whilst identifying opportunities to support and help the local community to grow and develop.

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Education efforts continued to focus on 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. Nineteen Las Bambas scholarship students completed their studies in 2021 with a further 119 participating in the program.



CASE STUDY LAS BAMBAS SUPPORTS AGRICULTURAL PRODUCTION

In Peru, tractors are essential for agriculture production and food supply. With the support of a Las Bambas community initiative, about 4,500 people spanning 27 communities across the Coporaque district, in the province of Espinar, Cusco region, have a fleet of tractors, harrows and ploughs to till and plant their land. Throughout 2021, nine tractors have been delivered to the local region. This support represents Las Bambas' ongoing commitment to ongoing dialogue and working together to support the needs of our local community. It also forms part of Las Bambas' broader agricultural program, which includes training, technical support, crop and livestock improvement and access to markets.

To learn more about Las Bambas' agricultural programs, visit: wemineforprogress.com

Although funds were redirected due to the pandemic, Las Bambas continued to support numerous important initiatives such as:

- **The Family Agricultural Project** providing 1,630 families potatoes, quinoa, barley, Andean lupin and garlic crops, greenhouses and guinea pig farms.
- **Strengthening the production chain of cattle and sheep** delivering sheep breeders and technical assistance for the reproduction, installation of pastures and preparation of forages.
- **Support in managing the Yavi Yavi Farm** - 3,610 ha of livestock, farming and planting activities including 504 head of cattle and 4,918 head of sheep, and producing cheese to sell.
- **The Livestock Capital Project** of high Andean people coordinating inter-institutional cooperation agreements signed by various municipalities to purchase veterinarian products to dose and protect the livestock capital, increasing yields in milk, wool and meat.
- **Farmers Market Support** providing goods to strengthen the operation, such as tents, hand wash stations, thermometers, wastebaskets and disinfectants ensuring the markets continued during the pandemic.
- **Bicentennial Tambos**, working with the government to implement initiatives in Cotabambas province including early childhood development modules, agricultural and livestock farming modules and computer equipment.
- **The Regional Youth Employment Plan** financing a specialised consultant to help the Regional Labour Bureau assist young people in Apurímac enter the workforce.
- **Strengthening Local Governments for Development** working with 11 municipalities providing technical assistance to local governments to improve the management of development investments. The municipal administration received training focused on managing prioritised projects that boost investment performance and improves local government access to public funds, sector programs, and grant funds.
- **Inter-institutional Agreement with NGO VIDA Perú** who import medical goods and supplies to be donated by Las Bambas to various hospitals and health centres.
- **The Generation of Knowledge Project at UNAMBA** financing a group of Universidad Nacional Micaela Bastidas de Abancay (UNAMBA) students to complete a thesis.

At Kinsevere, our social investment continued to be impacted by COVID-19, limiting our access to communities and schools due to physical distancing restrictions. The operation invested a total of \$1.09 million during the year, a reduction from 2020 in order to reassess the most effective agricultural investment for the next planting seasons.



CASE STUDY

CELEBRATING OUR TEACHERS IN THE DRC

Supporting education is one of the best ways to reduce long term regional poverty. Since 2006, Kinsevere has invested over \$4.8 million improving access to education for the operation's surrounding communities.

Teachers play an important role in the 26 villages within our area of influence and at MMG we are committed to doing our best to provide them with a suitable working environment. The operation supports ongoing monthly bonus payments to 65 teachers to ensure they are best equipped to support their students and the local communities.

In collaboration with local communities, Kinsevere has also funded the construction of six primary schools, supports regular school infrastructure maintenance work as well as annually funding scholarships for 75 students to complete their secondary education.

MMG Kinsevere remains committed to supporting host communities and is exploring new partnerships to improve access to education for more than 3,000 students together with promoting measures that curb the spread of COVID-19 in schools.

Visit wemineforprogress.com to find out more.

Kinsevere continued to focus on projects designed to support livelihood generation and food security such as:

- **Vegetable growing and supply:** supporting a local farming group to produce and sell 21.3 tonnes of fresh produce to the mine kitchen.
- **Kinsevere sewing workshop** initiated in 2016 as a small business, now supplies the site its MMG uniforms.
- **Farmers assistance program:** involving over 465 farmers, assisted with inputs to grow their crops technical support and infield training. At harvest farmers pay in grain the agreed quantity to sustain the program. In 2021 the harvest produced 2200 tons of grain with 318 tons collected and sent to a storage facility. Kinsevere has invested \$1.05 million to boost crop production for host communities and farmers over the next five years.

Educational support is an ongoing focus for Kinsevere, with the scholarship program for 75 students to continue their secondary school education in Lubumbashi an ongoing success. Healthcare continues to be a priority, supporting the construction of the Kifita health centre and numerous COVID-19 related healthcare initiatives, as per the COVID-19 prevention strategy case study, on page 15. Additional projects in 2021 included power line restorations, Kilongo village bridge construction and reforestation initiatives.


Our Rosebery operation is an active member of community life in North West Tasmania and the site continues to invest in the region, with over \$184,000 spent on community initiatives during 2021. The decrease in spend is related to the COVID-19 restrictions as well as amendments being made to the hospital grant by Tasmania Health. The initiatives during the year included support for a number of local sporting, arts and tourism initiatives as well as traineeship and apprenticeship programs for local community members.







Dugald River's social investment initiatives were also significantly impacted by COVID-19, however the site continues to be an active participant in the life of its local communities. The Kalkadoon Development fund remains a priority, providing educational and training initiatives for the indigenous community. Local Cloncurry events and programs such as the Battle of the Mines, horsemanship clinics, the stockman's challenge, the Quamby Rodeo, Merry Muster, Beat the Heat event, International Women's Day events, Men's Mental Health Summit and school fundraisers are important contributions to the community. The operation continues to support initiatives to increase local supply opportunities for businesses in Cloncurry and Mount Isa, resulting in near-mine spend totalling \$30.8 million for the year.

To learn more about these initiatives visit
www.wemineforprogress.com

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SOCIAL INVESTMENT IN 2021



INVESTMENT BY SDG	DUGALD RIVER	KINSEVERE	LAS BAMBAS	ROSEBERY	TOTAL
 No Poverty	\$9,006		\$19,366,522		19,375,528
 Zero Hunger	\$3,753	\$921,880	\$2,903,724		\$3,829,357
 Good Health and Wellbeing	\$63,417		\$4,640,652	\$66,028	\$4,770,097
 Quality Education	\$4,503	\$167,160	\$4,019,121	\$118,520	\$4,309,304
 Gender Equality	\$10,507		\$83,105		\$93,612
 Clean Water and Sanitation			\$533,710		\$533,710
Total	\$91,186	\$1,089,040	\$31,546,834	\$184,548	\$32,911,608

COMMITMENT TO LOCAL EMPLOYMENT

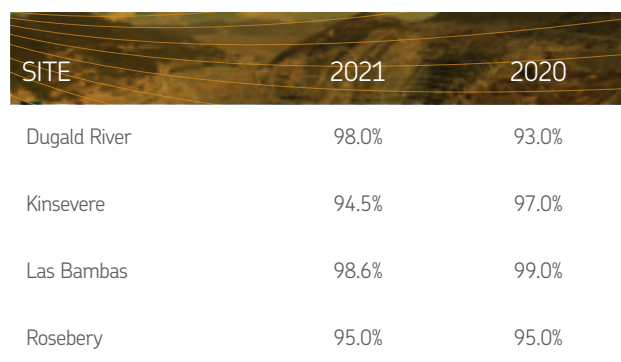
We are committed to the regions where we operate. We aim to share our success with our communities by providing local employment opportunities and investing in training and education to help local residents gain valuable and transferrable skills. In 2021, over 94% of our workforce at all our operations 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.

Dugald River worked closely with, and encouraged, major suppliers to focus on and report local employment as well as local spend. Following on from the Labour Hire panel established in 2020 ongoing meetings were held in 2021 with local labour hire, shutdown labour and service providers to ensure the locally based workforce is fully utilised before engaging FIFO employees.

PERCENTAGE OF NATIONAL EMPLOYEES BY SITE



SITE	2021	2020
Dugald River	98.0%	93.0%
Kinsevere	94.5%	97.0%
Las Bambas	98.6%	99.0%
Rosebery	95.0%	95.0%

Note: Data represents MMG permanent employees, not including contractors.

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.

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.

Throughout 2021, 81 offers of employment were made and accepted at Rosebery. The local employment strategy was 100% successful for operator level employees, and for professional roles there was a mixture of both local and interstate candidates.



CASE STUDY

SUPPORTING LOCAL INDIGENOUS SUPPLIERS

In 2021, Dugald River partnered with local indigenous firm Western Labour Hire to help source local indigenous suppliers to provide essential services and suppliers to the site.

Western Labour Hire are 100% indigenous owned and operate with branches across Queensland and in Cloncurry. They focus on supporting Indigenous led and designed employment services to mining, construction and civil companies since their inception in 2009. Given their strong focus on supporting and developing a local indigenous workforce, Western Labour Hire made a fitting partner for Dugald River.

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 2021 Las Bambas supported local supplier resilience, providing training and technical assistance activities on topics related to health protocols, business management, safety, human resources, environment and marketing; achieving the following outcomes:
 - 540 businesses trained in 2021 health protocols;
 - 100 local businesses received business management training;
 - \$63 million in purchases from local businesses as at 31 December 2021;
 - 100 local businesses provide direct services to Las Bambas (maintenance, construction, road watering, services and civil works); and
 - 507 local businesses providing indirect services to Las Bambas (hospitality, restaurants, laundry and personnel transport).

In 2021, MMG spent \$2.19 billion on goods and services excluding taxes and royalties. Our sites spent \$1.85 billion with suppliers in-country. Of this, \$361.5 million was spent with suppliers in the same province or state of our operations and \$223.9 million with suppliers in the immediate near-mine area.



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PROCUREMENT SPEND IN HOST COMMUNITIES IN 2021 (USD'000)

SITE	NEAR-MINE / DISTRICT LEVEL (ZONE 1)		PROVINCIAL / STATE LEVEL (ZONE 2)		NATIONAL (ZONE 3)		TOTAL
	Value	%	Value	%	Value	%	
Dugald River	30.81	12%	97.57	37%	260.65	98%	265.09
Kinsevere	88.29	66%	95.59	72%	101.91	77%	133.21
Las Bambas	62.98	5%	83.74	7%	1174.25	94%	1254.34
Rosebery	26.44	19%	69.44	50%	136.88	99%	138.11
Corporate	15.36	26%	18.33	31%	45.17	77%	58.55
MMG	223.88	12%	364.67	20%	1718.86	93%	1849.31

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.
- See Sustainability Report Appendix at www.mmg.com for Local Supply Identification
- Excludes tax and royalty payments. See page 60 for information about additional spend and expenses in regions.



CASE STUDY SECURITY GUARD RECRUITMENT

Our Kinsevere operation is working closely with representatives from our local communities to ensure they play an active role in the security of the local region and mine operation. In 2021, Kinsevere engaged private local security provider WS Insight to help recruit 120 guards from the villages surrounding the operation. To support the development of the local candidates, the site organised workshops and training to ensure applicants understood the security and social development needs onsite as well as MMG's policies and standards. The recruitment process allowed Kinsevere to engage with local communities regarding security and management needs and build a shared understanding and ownership of security issues onsite moving forward.

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 2021, MMG's revenue was \$4,255 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 include value added tax, royalties paid on the extraction of minerals, withholding taxes on the payment of interest and dividends, and taxes paid in relation to employee remuneration and benefits. 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

Corporate revenues and associated tax contributions have had increasing focus from governments and the international public in recent years. In particular, the recent agreement of the international community on a global minimum corporate tax rate of 15 per cent as part of the work by the OECD on Pillar Two is expected to dominate discussion in the public arena as the global economy seeks to recover from the economic impact of the COVID-19 pandemic.

Various frameworks for tax transparency – both legislative and voluntary, are in existence and continue to evolve. Despite varying disclosure requirements across the different frameworks, MMG remains committed to providing the right information in support of the call for global tax 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. There are broadly two approaches to tax disclosures. The first discloses taxes effectively paid, that is a company's economic contributions to governments for public expenditure. The second discloses a company's assistance in collecting taxes from third parties in addition to its own contributions. MMG's current approach reflects the former. The following initiatives further support MMG's commitment to transparency:

- Disclosures in line with OECD's BEPS (Base Erosion and Profit Shifting) Action Plan regarding Country-by-Country reporting and transfer pricing documentation
- An anti-bribery and anti-corruption policy through the Company's Code of Conduct
- Public disclosures in line with the 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
- Membership of ICMM and participation in the annual Tax Contribution survey, providing information on MMG's corporate income tax and royalty payments (aggregated in the ICMM members' tax contribution publication)
- Annual voluntary disclosure of tax information under the Australian Tax Transparency Code.

In accordance with the 2015 OECD Report on Transfer Pricing Documentation and Country-by-Country Reporting, China Minmetals Corporation meets the requirements for filing the Country-by-Country Report to the tax authority in Beijing, China by May each year. This report contains information regarding Multinational Enterprises (MNE) on a tax jurisdiction-by-tax jurisdiction basis, which includes - tax jurisdiction per entity, revenues from related and unrelated parties, number of employees and main business activities, amongst others.

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

MMG (USD'000)	2021	2020
Total taxes paid (excluding royalties)	259,703	187,849
Total royalties paid	167,829	120,539
National supply procurement	1,718,861	1,697,500
Goods and services (excluding taxes and royalties)	2,190,309	1,846,260
New property, plant and equipment	553,000	575,500
Employee benefits	306,333	247,353
Social development programs	32,911,608	23,614

DEMOCRATIC REPUBLIC OF THE CONGO USD'000	2021	2020
Royalties	26,367	24,892
Income tax	32,626	6,046
Employment related taxes*	16,446	14,785
Withholding tax	3,740	3,792
Other Taxes (Disputes, VAT)	10,231	
Total	89,409	49,515

PERU USD'000	2021	2020
Royalties	105,394	72,281
Income tax	50,510	63,015
Employment related taxes*	42,918	37,980
Withholding tax	13,916	20,058
Other Taxes (Disputes, VAT)	35,017	
Total	247,755	193,334

AUSTRALIA USD'000	2021	2020
Royalties	36,068	23,366
Income tax	-	-
Employment related taxes*	42,328	39,950
Withholding tax	820	2,223
Other Taxes (Disputes, VAT)	11,150	-
Total	90,367	65,539

Notes:

1. Paid/accrued in respect of FY2021
2. Disclosure has been made on a cash paid basis.
3. This category includes amounts such as taxes paid in dispute, unrecovered VAT and net GST paid.
4. Components of total tax contribution are all assured on an aggregate level during the 2021 Annual Reporting audit (assured by Deloitte Touche Tohmatsu).