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With headquarters in Melbourne, Australia and Beijing, China, 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 DRC and Peru.

WHO WE ARE

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 the second largest economy.
- 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 world's most prospective mining 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.

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.

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 as follows:

- **Operations:** largely self-sufficient sites, with regional offices driving local efficiencies.
- **Operations and technical 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 support growth.

A key requirement of our operating model is the implementation of common standards across operations to manage 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.

MMG AND CHINA MINMETALS

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

CMC is China's largest metals and minerals conglomerate, and has a strong relationship with overseas institutions, and resource and construction projects in more than 60 countries. In 2021, it ranked 65th in the Fortune Global 500 list of companies – the 15th consecutive year of being listed.

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CMC operates across the 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 based on 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. Their goal is to build a world-class metals and minerals business.

VALUE CHAIN

Our value chain extends from the initial work to identify prospective deposits through to managing the responsible closure of operations, this includes:

- 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 and rail 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



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.

by considering alternative economic uses, coupled with the monitoring of environmental and social impacts and land restoration for future use.

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 2021, we engaged approximately 3,000 suppliers, of which over 90% were in Peru, Australia, the DRC, South Africa and China. Our total spend in 2021 was over \$2,190 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 Supplier 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:

- compliance with laws; protection of human rights and avoidance of forced labour and inhumane treatment of workers, child labour;
- provision of fair wages, benefits and working hours;
- freedom of association; avoidance of discrimination and harassment; promotion of diversity and inclusion, status protected by applicable laws;
- protection of health and safety, environmental compliance and ethical business practices; and
- employee development and training and social contribution and commitment to local employment.

MMG's supply chain, legal and risk functions are in the process of engaging a third party for supplier credit and compliance assessments.

As part of our supplier engagement process, we seek formal agreement from suppliers to be aware of and comply with our Supplier 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.

Approximately 685 supply contracts were entered into or renegotiated in 2021, with a total value of \$1.3 billion.

In 2021, 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 processes emphasising the risks of human rights abuses and modern slavery practices, policies and compliance.

MMG has developed a Modern Slavery Escalation Protocol, and Remediation Guidelines, to provide guidance to MMG people on actions to take should MMG become aware of any suspected or actual issuance of modern slavery connected to MMG's operations or supply chains. In preparing these documents MMG has referred to and drawn on the Guidance for Reporting Entities published by the Australian Department of Home Affairs.

In 2022, we will continue to strengthen our processes to ensure responsible sourcing by introducing additional external resources for the gathering of third-party data, to help us identify the potential risks of engaging, renewing or extending a relationship with a supplier.

To read more about MMG's supply chain management and the controls put into place during 2021, visit [mmg.com](https://www.mmg.com) to view our 2021 Modern Slavery Statement, which will be released in the second quarter of 2022.

[mmg.com](https://www.mmg.com) 

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 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 the transition to a green economy while also delivering products 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.

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

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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 Mining Principles is set out in our Safety, Security, Health and Environment Policy (refer to our Appendix for the ICMM Mining Principles on www.mmg.com). Our approach to sustainable development is also guided by our:

- Sustainable Development Framework;
- Corporate Governance Policy;
- People Policy;
- Quality and Materials Stewardship Policy; and
- Shareholder Communication Policy.

We are active members of leading industry organisations, including:

- Chamber of Mines of the DRC/Mining Progress Initiative of the DRC;
- International Council on Mining and Metals;
- International Zinc Association;
- International Copper Association;
- Queensland Resources Council;
- Peru Sociedad Nacional de Minería, Petróleo y Energía (Peru National Society of Mining Petroleum and Energy);
- Tasmanian Minerals, Manufacturing and Energy Council; and
- Voluntary Principles Initiative (Engaged Member).

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



CASE STUDY

MMG KINSEVERE PRAISED FOR ITS COMMITMENT TO SUSTAINABLE DEVELOPMENT

MMG Kinsevere is committed to sustainable development and understands the potential for the operation's positive impact on the local community, our people, their families and future generations. In November 2021, the site hosted delegates from the Belgian Development Agency (ENABEL), the Federation of Businesses of Congo (FEC), the Ministry of Education and non-government organisations overseeing children's rights and education.

The aim of the visit was to learn more about youth employment and training, education, agriculture, health and gender-based matters. The 25-strong member delegation saw how Kinsevere is working to fulfil its corporate social responsibilities including:

- Financial support for teachers and the impact of free education in rural schools
- The operation of the health centre after the project was handed over from the mine
- The support farmers receive from Kinsevere and the public service
- Sewing workshop development assistance and financial benefits to local tailors

To learn more visit: wemineforprogress.com



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.

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 2021, 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.

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, which was reviewed and updated in 2021. This standard is supported by Work Quality Requirements, systems and processes to ensure global standards and local requirements are met, including those related to people availability and onboarding, remuneration and benefits, performance and development management, equitable treatment and inclusion and travel approvals.

We are also aligned with all national and provincial statutory requirements in the countries where our operations are located. MMG, through rigorous selection processes, selects the best people for each position and rewards them competitively with remuneration 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

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CASE STUDY

PROMOTING WOMEN IN THE DRC

In 2021 Kinsevere promoted Ursule Ntumba to the role of Senior Mine Engineer, the first Congolese woman to hold this senior position on site. Ursule commenced her career at Kinsevere as a Graduate Engineer in 2014 and has since held various engineering roles within the company. This promotion was recognition of Ursule's talents and capabilities, as well as site-specific training initiatives that acknowledge the role diversity and inclusion plays on site.

"I would ask the new generation to exceed what my generation has achieved. Set yourself a plan and aim high by graduating from university – and not just for a first level mine position. But for those who don't have access to higher education and who have struggled to get ahead in life, on-the-job training can be a pathway. The important thing for any woman working in mining to say is 'I have the skill and I can do this,' and then to go and demonstrate this in the field!"

Visit wemineforprogress.com to read her views on how we can advance more diverse talent within the mining industry.

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. Our 'My Progress' process aligns our people with the business plan and identifies areas for development. This process ensures our people know what is expected and are supported to fulfil the requirements of the role, contribute to the business plan and further develop skills to close capability gaps that may exist within MMG. 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. Capability planning sessions with the executive committee are conducted as a commitment to MMG's approach to develop from within, and ensure we have behaviours and skills to deliver on our strategy.

We also work to bring people into the industry through a number of programs, including 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 for young professionals and traineeships and apprenticeships provided for local community members near our Rosebery and Kinsevere operations, graduate and training programs for local community members with the Peruvian national training provider SENATI, as well as support for Monash University's Mining Engineering course.



In addition, the following training, development and engagement initiatives were implemented in 2021:

- Presentation Skills training delivered for all Melbourne office employees.
- Leadership Development program in partnership with the Sustainable Minerals Institute, University of Queensland. The residential component of the course will be run in early 2022 as it was postponed due to COVID-19 restrictions.
- Leadership program for Chinese leaders delivered by AsiaLink.
- Annual 'My Performance' process was maintained, comprising of objective-setting, monthly discussions, annual performance discussions and development planning.
- Employee keynote and paper presentations at technical conferences.
- Introduction of a quarterly recognition program, with annual CEO awards.
- Four Capability Planning sessions held with the executive committee to review succession plans and development actions.

- The list of critical roles and core competencies were updated throughout MMG to ensure business continuity across its most specialised areas.
- The Biannual People and Culture survey was distributed to gather employee feedback and develop action plans with an improvement in the engagement index result of 4.7% in 2021.

MMG seeks to recruit talented people from diverse backgrounds, particularly from the communities and regions in which we work. We are committed to supporting and encouraging our employees to develop both professionally and personally.

In 2021, the following group-wide diversity and inclusion initiatives were developed:

- Updated MMG Diversity and Inclusion Strategy to include greater focus on:
 - » increasing female representation rates across all areas.
 - » flexible working arrangements.
- Sexual harassment and appropriate workplace behaviour training delivered across all sites.

MMG PEOPLE AS AT 31 DECEMBER 2021

SITE	PERMANENT	TEMPORARY	TOTAL
Dugald River	271	378	649
Kinsevere	788	1,079	1,867
Las Bambas	2,672	2,995	5,667
Rosebery	342	153	495
Corporate	158	7	165
Australian Operations	25	-	25
MMG	4,256	4,612	8,868

Note: Data represents MMG permanent and temporary employees, including contractors.



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- Fiona Vines, BHP's Head of Inclusion and Diversity and Workforce Transition presentation to MMG's Executive Committee on BHP's diversity journey
- Regional Diversity and Inclusion Committees were set up at all operating sites to drive local diversity and inclusion initiatives
- Flexible working arrangements implemented in Melbourne head office as a transitional arrangement following the hybrid working model arising from COVID-19 measures
- Female representation targets were developed for implementation in 2022
- A plan to review, update and deliver all relevant training in 2022 such as Code of Conduct, equitable treatment and sexual harassment awareness.

In 2021, MMG employed 4,256 employees, which was largely consistent with 2020 numbers. Contractors remain an important part of our business model for the execution of short and medium-term projects and to ensure flexibility in a changing economic environment.

Our 2021 annual turnover (voluntary and involuntary) increased slightly from 5% to 6%.

MMG undertakes workforce and community engagement with, and offers support to, individuals affected by any changes to business decisions. 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.

MMG recognises the role that unions play in ensuring a constructive workforce and we are committed to engaging in the negotiation of collective agreements in line with local laws, processes and legislative bodies. In January 2021, the Rosebery collective agreement was approved and the Dugald River and Kinsevere collective agreement negotiations progressed.



CASE STUDY

DUGALD RIVER WOMEN'S INSPIRING CAREER ADVICE

MMG Dugald River is committed to inspiring younger generations to undertake STEM studies and pursue a career in mining. This is particularly true in supporting female miners to grow and thrive in our industry.

Molly Stanistreet, a Mine Geologist, said from the moment she stepped foot underground she knew it was exactly where she wanted to be.

"Whether it's mineralogy, exploration geology or any number of other exciting career paths, geology is so much more than just the study of earth science," she said.

"There really is no limit to what can be achieved when diversity is introduced into the fields of science and engineering, and luckily, the mining industry strongly advocates for female equality and equal opportunity employment. It's such an exciting time to be a woman in science and to be able to guide girls into a career that inspires them and allows them to make a difference."

To learn more visit [wemineforprogress.com](https://www.wemineforprogress.com)

In 2021, we continued the establishment of the Beijing office and put in place initiatives to ensure close communication between the Beijing and Melbourne offices, including monthly information sharing sessions and regular functional team meetings.

MMG PEOPLE BY EMPLOYMENT TYPE AND GENDER

SITE	FULL TIME		PART TIME		LIMITED TENURE		CASUAL		TOTAL
	Female	Male	Female	Male	Female	Male	Female	Male	
Corporate	58	50	3		17	30			158
Kinsevere	112	637			10	29			788
Las Bambas	257	2074			62	279	5	11	2672
Australian Operations	57	520	3	1	8	33			638
TOTAL	484	3281	6	1	97	371	5	11	4256

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

