

Chief Executive Officer's message

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Dear MMG Shareholders,

I am pleased to present our 2022 Sustainability Report.

Safety

At MMG, our first value is safety.

While we have strived to improve our safety-focused culture, I am saddened to report that two people, employed through our mining contractor Barmingo at Dugald River mine, tragically lost their lives after a light vehicle they were travelling in fell into a stope on 15 February 2023.

The entire MMG team is greatly saddened by the recent incident at Dugald River, and we extend our sincere and heartfelt condolences to the families and friends of Mr Trevor Davis and Mr Dylan Langridge.

The Company has commenced an investigation into how this event has occurred and we will take every measure necessary to ensure our workplaces are safe.

This incident is a reminder to do everything we can to improve and apply our safety controls and to look after each other so that our people return home safely to their families.

In the 2022 year, MMG's Total Recordable Injury Frequency (TRIF) rate was 1.25, higher than the full year 2021 result of 1.09, however, it represents a 16% improvement on the first half of 2022. Our strategies are trained on eliminating fatalities and high risk injuries.

Ongoing COVID-19 pandemic response

In 2022, managing COVID-19 pandemic impacts continued to be a workplace priority as we mitigated health, safety and employee availability risks. Promoting vaccinations and following regional government strategies helped protect our people and the communities in which we live and work.

I am proud of our teams' resilience in working together to implement the necessary protocols.

Zero emissions target

The need to take meaningful action on climate change is a pressing priority for governments, individuals and organisations.

We face challenges and greater demands from host communities to reduce our carbon footprint and deliver growth in a carbon-constrained world. Stakeholder expectations are also informing performance across the non-financial metrics of environment, climate, social performance and governance, among others. To respond to these increasing expectations, in 2022 we launched our Sustainability Framework.

In pursuit of a low-carbon future, we have set a 2050 net zero goal, and an interim target of a 40% reduction in Scope 1 and 2 emissions by 2030, from a 2020 baseline. This is a science-based target, aligned with restricting global warming to 1.5°C above pre-industrial levels. For Scope 3 emissions, we are driving reductions in our value chain and plan to release a target in 2023.



The Las Bambas team has also released its roadmap outlining decarbonisation opportunities, which will be implemented onsite from 2023.

Our Dugald River mine entered into a commercial agreement to supply solar power with the APA Group in 2021, the first across our business. In April 2023 the Dugald River Solar Farm achieved a commercial operation milestone, two months after construction was completed. The partnership will reduce the mine's carbon footprint, supply renewable energy and deliver immediate energy cost savings.

Working with our communities

Our Las Bambas operation continued to face social conflict and rising community expectations, impacting our people, production and logistics.

During the first half of 2022, Las Bambas was forced to temporarily suspend operations due to safety concerns from 21 April until 10 June after community members entered the site. Since June 2022, we continued a respectful ongoing dialogue to transparently review existing commitments.

In 2023, our long-term strategy emphasises sharing our operational success with host communities. Development projects are continuing at Kinsevere and Las Bambas. At our Rosebery mine, we are evaluating options to extend an 85-year operation that supports 530 local jobs while assessing the best location for a future tailings solution in a biodiverse region.

We are excited to realise our strategic growth opportunities in Peru via the Chalcobamba development and the Kinsevere Expansion Project, which will add 13 years of life to the Kinsevere operation, furthering our commitment to these critical regions.

Future focus

In December 2022, the MMG Board approved an updated MMG Strategy with a revised vision and ambition. Our new vision positions us as a leading international mining company transitioning to a low-carbon future. Our revised ambition adds to growth plans, diversifying our assets, commodities and jurisdictions, and bringing together the best of MMG with our Chinese and international expertise.

We remain very confident in the medium to long-term outlook for copper, zinc and cobalt and the role we play in the global shift towards renewable energy sources.

I extend my thanks to our employees, shareholders and host communities for their continued support, and, in particular, to our people for their contribution to our sustainability performance in such a challenging year. I look forward to the coming year as we continue to mine for progress.

LI Liangang
CHIEF EXECUTIVE OFFICER (INTERIM)