







03: We contribute to development



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

The social and economic benefits delivered 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 United Nations' SDGs 1–6, as listed below:

	SDG1: No Poverty
	SDG2: Zero Hunger
	SDG3: Good Health and Wellbeing
	SDG4: Quality Education
	SDG5: Gender Equality
	SDG6: Clean Water and Sanitation







In addition to improving access to health, education and other 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. We seek to support our communities as they go through this journey and plan for a resilient, sustainable future.

At Las Bambas, social investment was over US\$28 million in 2022. A large percentage 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.

The Las Bambas education investment increased in 2022 with the return of face-to-face school learning. Education efforts during the pandemic focused on government support to improve internet access for virtual classroom technology, school book and supply distribution and additional training for teachers, with 19 Las Bambas scholarship students completing their studies in 2021 and a further 119 participating in the program.

Table 7: Social investment in 2022 (US\$)

Investment by SDG	Dugald River	Kinsevere	Las Bambas	Rosebery	Total
 SDG1: No Poverty	\$7,627	\$479,784	\$15,389,357	\$1,387	\$15,878,155
 SDG2: Zero Hunger	\$3,467	\$893,743	\$4,731,430	\$8,238	\$5,636,878
 SDG3: Good Health and Wellbeing	\$77,297	\$336,189	\$3,036,215	\$307,729	\$3,757,430
 SDG4: Quality Education	\$26,349	\$523,397	\$4,593,127	\$42,060	\$5,184,933
 SDG5: Gender Equality	\$11,753	\$0	\$158,235	\$1,734	\$171,722
 SDG6: Clean Water and Sanitation	\$0	\$200,090	\$414,519	\$0	\$614,609
Total	\$126,493	\$2,433,203	\$28,322,883	\$361,148	\$31,243,727

We contribute to development

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CASE STUDY

Kinsevere local literacy program

Education opportunities are vital for the DRC national workforce, as well as providing skills for future MMG Kinsevere employees. To achieve this longer-term goal, MMG Kinsevere funds local adult literacy programs to lift education levels and increase site employment opportunities. A recent graduation ceremony in the Kifita village saw 90 program participants acknowledged for completing a reading, writing, numeracy and public health course. MMG Kinsevere celebrated 74 women and 16 men who finished this course and, in doing so, take tangible learnings back to benefit their communities. MMG Kinsevere continues its work with community leaders and representatives to promote small and medium enterprises, as well as extending learning and scholarship programs.



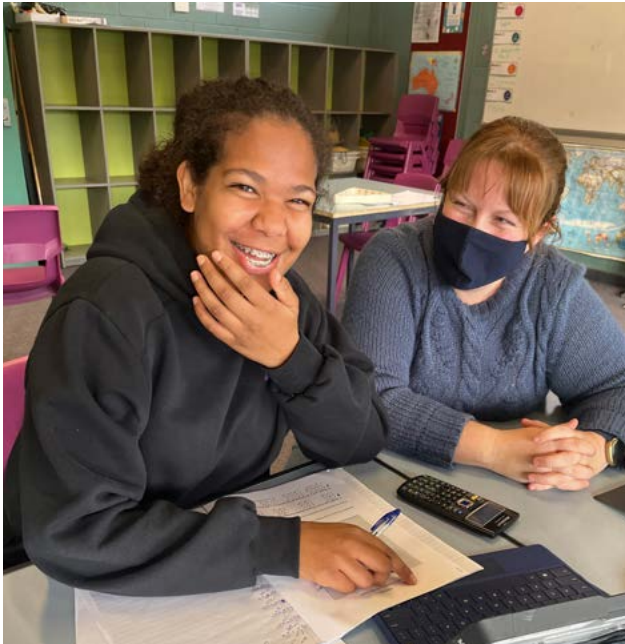
A reduction in healthcare investment in 2022 is attributed to a decreasing number of COVID-19 cases and the severity of the virus, resulting in a reduction of equipment, supplies and personnel resources to the state health sector.

The Kinsevere operation invested US\$2.43 million during 2022, recognising nearby main villages' growing populations and social welfare needs. A key infrastructure rollout in Kilongo, Kifita and Sela villages is improving access to roads, power, health and education, which includes the construction of new school buildings, a bridge in Kilongo village, and a powerline and transformer to support over 350 households.

Education expenditure increased in 2022 on the prior reporting year, which includes ongoing support for Kinsevere's successful scholarship program.

A healthcare investment totalling more than US\$400,000 is extending urgently needed essential medical treatment for local communities in Kifita and Sela. The Kifita health centre is benefiting pregnant women and children. The Sela facility has a multi-healthcare focus, bringing in-community care rather than long-distance access to medical support.

Dugald River continues to support initiatives to increase local supply opportunities for businesses in Cloncurry and Mount Isa, resulting in near-mine spend totalling US\$28.4 million for the year.



CASE STUDY

Supporting local students



MMG values education and with a large part of learning now online, we are making laptop devices free of charge to high school students at the Rosebery District School. MMG's device sponsorship brings local students equal access to classroom resources, which is helpful for parents who can't afford to purchase computers. At the completion of year 10, students can keep the device to further ongoing education, training studies and other workplace pursuits. Students and parents have provided feedback on the benefits of being able to retain the laptops to use for research and job applications.

Table 8: 2022 procurement spend in host communities (US\$'000)

Site name	Near-mine/district level		Provincial/state level		National level		Total spend US\$
	(Zone 1)		(Zone 2)		(Zone 3)		
Corporate	\$16.0	27.4%	\$18.7	32.0%	\$49.2	84.2%	\$58.4
Dugald River	\$28.4	9.9%	\$114.6	39.9%	\$278.0	96.9%	\$286.8
Kinsevere	\$190.2	62.2%	\$199.6	65.3%	\$216.3	70.8%	\$305.7
Las Bambas	\$64.6	3.9%	\$95.4	5.7%	\$1,468.0	88.3%	\$1,663.4
Rosebery	\$19.7	14.2%	\$64.1	46.3%	\$136.8	98.9%	\$138.3
Total	\$318.9	13.0%	\$492.3	20.1%	\$2,148.2	87.6%	\$2,452.7

Note:

- Local procurement spend is based on the location of the vendor we purchased products from. This does not indicate origin of manufacturer or supplier.
- Total spend includes international spend during the year.
- See Sustainability Report Appendix at www.mmg.com for local supply identification.

We contribute to development

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Socioeconomic development plan 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. 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 continued its work with the community to progress the study and deliver on its outcomes in 2022, while identifying opportunities to support and help the local community to grow and develop.

The site is 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, Mount Isa and surrounding community events and programs, such as the NAIDOC Week Celebrations, 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, support the community with a number of social benefits.

Our Rosebery operation is an active member of community life in north-west Tasmania. In 2022, the site increased regional funding with a US\$261,428 Tasmania Health hospital grant coupled with ongoing support for sporting, arts, tourism initiatives, traineeship and apprenticeship programs to boost employment.



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CASE STUDY

Neighbourhood house partnership 'learner driver' vehicle donation

MMG's Rosebery mine has forged close local community ties through its 'working together' value. In a region with limited public transport within a remote location, driving a car is necessary for finding employment and travelling to work. That's why MMG donated a vehicle to Rosebery Neighbourhood House, a social enterprise that offers a learner driver mentor program run by staff, volunteers and community members who help future drivers prepare for their tests. The program demonstrates how MMG mines for progress, creating direct and indirect jobs and investing in community infrastructure, bringing long-term economic growth and prosperity to Tasmania's west coast.






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 2022, over 96% of our workforce across our operations were nationals.

Local employment is a major contributor to socioeconomic improvements and is the foundation of positive engagement with local communities. Over time, we are developing local workforce capability, reducing dependency on non-local employees and building broader community socioeconomic resilience.

Our Las Bambas operation continued to work on increasing local employment initiatives. Out of a total workforce of 7,421 (100%), 2,831 were local (38%).

At Kinsevere, discussions held in 2022 with village chiefs and officials from areas around the mine have resulted in recruitment opportunities for young people. A total of 875 people, including 124 on permanent contracts and 104 on fixed-term contracts, have benefited from direct local Kinsevere mine employment, with the following breakdown:

 110	permanent security guards for Warrior Insight Security
 14	permanent contracts for the mine contractor, Mexco
 86	fixed-term contracts for LOMI, a local supplier constructing the health centre, secondary school and administrative office in Kifita village, as outlined on page 46
 18	fixed-term contracts for Mining, Construction and Equipment Services (MCS), the company responsible for the electrification of Kilongo and Kalilanda villages
 647	day labourers hired from the villages surrounding the Kinsevere mine

We contribute to development

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In 2022, **over 96% of our workforce** across our operations were nationals

Throughout 2022, a total of 114 employment offers were made including for operator-level employees. Professional roles were filled by local, interstate and international candidates.

Dugald River worked closely with major suppliers, encouraging them to focus on and report local employment and spending. In 2022, regular meetings were held with local labour hire, shutdown labour and service providers to ensure the locally based workforce is fully utilised before engaging fly-in fly-out employees.

Table 9: Percentage of national employees by site

	2021	2022
Dugald River	98.00%	91.98%
Kinsevere	94.50%	94.15%
Las Bambas	98.63%	98.55%
Rosebery	95.00%	93.37%

This data represents MMG permanent and temporary employees, not including contractors.

Local supply

The provision of goods and services across our operations is helping local suppliers to develop sustainable businesses. Where possible, we source from providers who meet our key selection criteria in safety, environment, quality, technical, social responsibility and commercial viability. Where gaps are identified, we aid our suppliers to take up future opportunities to grow their businesses and expand their offering to customers beyond MMG.

In 2022, MMG spent US\$2.45 billion on goods and services excluding taxes and royalties. Our sites spent over \$2.1 billion with suppliers in-country. Of this, \$492.3 million was spent with suppliers in the same province or state of our operations and \$318.9 million with suppliers in the immediate near-mine area.

Our Las Bambas operation engages with hundreds of small and medium-sized businesses and works to integrate them into its value chain. In 2022, Las Bambas supported local supplier resilience, delivering training and technical assistance for health, business management, safety, human resources, environment and marketing achieving the following outcomes:

 468	companies have been trained in health protocols
 42	local companies received business management training
 \$95 million	was dedicated to regional company purchasing as of 31 December 2022
 262	local companies provided direct services to Las Bambas (maintenance (29), construction and civil works (16), service (201) and transportation (16))
 590	local companies delivered indirect services to Las Bambas; lodging (268), restaurants (33), laundry (29) and transportation (260)



CASE STUDY

Local business comes out on top

Supporting local business is a key priority for MMG's Dugald River mine, with the team participating in key events to boost spending while delivering community economic benefits.

Engaging in events brings local suppliers and buyers together, facilitating greater supply chain opportunities. MMG's attendance at the annual North West MPX event, hosted in Queensland's Mount Isa mining town, connected MMG with over 100 exhibitors offering goods and services for mining operations. The three-day event promoted networking, matching supplier solutions to MMG's needs and enhancing the industry-leading standard of MMG's business.

The Dugald River team used the event as a forum to deliver a local supplier roadshow, visiting host and regional communities and meeting relevant businesses. As a result of the team's engagement and local participation, Dugald River increased its local business spend in Cloncurry and Mt Isa by 58.8% in 2022.

Our tax and community contribution

MMG makes significant contributions to the economies of countries within which we operate as a major investor, taxpayer, employer and purchaser of local goods and services. For the financial year ended 31 December 2022, total taxes paid was US\$447.2 million, and total royalties paid was US\$120.1 million. Taxes paid in relation to previous years are available on the MMG website for tax and community contribution together with a broad overview of corporate income taxes specific to the mining sector.

MMG's 2022 Sustainability Report is prepared with reference to the Global Reporting Initiatives' (GRI) Sustainability Reporting Standards. The disclosures in this report are guided by the GRI 207 Tax Standard, and include corporate income taxes, value-added taxes, royalties on mineral extraction, withholding taxes and taxes paid on significant uncertain tax positions.

Our approach to tax governance, control and risk management

As a multinational company with mining operations in Peru, the DRC and Australia, as well as companies present in Hong Kong, China, Canada, Singapore, Brazil, Zambia and South Africa, MMG is committed to maintaining a high standard of corporate governance practices. This is demonstrated through an experienced Board and sound risk management and internal controls, with transparency and accountability to all shareholders.

Tax risk management is embedded within this mandate of corporate governance. Internal tax standards and tax exposure management procedures are in place and regular reviews of MMG's tax function are conducted to ensure compliance with these standards. External assurance is further provided as part of the audit process for the purpose of publishing MMG's Annual Report on the Hong Kong Stock Exchange.

Our approach to stakeholder engagement and management of concerns related to tax

MMG operates 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.

MMG is a member of numerous industry associations such as the DRC Chamber of Mines, International Council on Mining and Metals, International Zinc Association, the Extractive Industries Transparency Initiative, Transparency International (Australia), Queensland Resources Council and Tasmanian Minerals Council. As a result, MMG is often party to regular dialogues involving matters of tax transparency and reporting. MMG also often conducts robust and active discussions with local tax authorities in matters of tax policy implementation and interpretation.

Our approach to tax transparency and reporting

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

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 show 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 Extractive Industries Transparency Initiative (EITI) requirements as a reporting entity in Peru and the DRC, and a participant in the Australian EITI pilot project;
- participation in the ICMM annual tax contribution survey, providing information on MMG's corporate income tax and royalty payments (aggregated in the ICMM members' tax contribution publication); and
- annual disclosure of tax information in the Australian Corporate Tax Transparency Report.

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.

MMG



US\$'000	2022	2021
Total taxes paid (excluding royalties)	447,160	248,552
Total royalties paid	120,109	167,829
National supply procurement	2,148,211	1,770,365
Goods and services (excluding taxes and royalties)	2,452,661	1,909,094
New property, plant and equipment	519,915	553,000
Employee benefits	321,892	306,333
Social development programs	31,244	32,912

Peru



US\$'000	2022	2021
Royalties ¹	64,179	105,394
Income Tax ²	165,526	50,510
Withholding tax ²	13,988	13,916
Other Taxes ³	30,030	35,017
Employment related taxes	50,663	42,918
Total tax contribution⁴	324,386	247,755

DRC



US\$'000	2022	2021
Royalties ¹	22,438	26,367
Income Tax ²	53,364	32,626
Withholding tax ²	3,893	3,740
Other Taxes ³	19,966	10,231
Employment related taxes	17,270	16,446
Total tax contribution⁴	116,931	89,410

Australia



US\$'000	2022	2021
Royalties ¹	33,492	36,068
Income Tax ²	46,131	0
Withholding tax ²	1,155	820
Other Taxes ³	0	0
Employment related taxes	45,174	42,328
Total tax contribution⁴	125,952	79,216

Notes:

1. Paid/accrued in respect of FY2022.
2. Income tax liability does not always align with tax payments. This disclosure has been made on a cash tax paid basis. Relevant to Peru, the FY22 disclosure relates to the Annual FY21 corporate income tax liability of \$165m.
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 2022 annual reporting audit (assured by Deloitte Touche Tohmatsu).