

# 01: Who we are



## The metals we mine

**We operate and develop base metal projects across Australia, the DRC and Peru with a balanced approach and regard for the environment when mining for zinc, copper, molybdenum and, from later this year, cobalt.**

The metals we mine are in the infrastructure and items we use every day. They are critical to the global energy transition, which requires the production of solar panels, wind turbines, electric vehicles and large-scale batteries and other innovations that will form part of the shift to a lower-carbon economy. We recognise that while our products are critical to a low-carbon future, how we operate also has impact. To that end, MMG has pledged to support measures that will limit global warming and decarbonise our emissions by mid-century.



Read more in our climate change overview on page 62

## Our operating model

MMG's vision is to become a 'leading international mining company for a low-carbon future'. We mine to create wealth for our people, host communities and shareholders.

With strong foundations supporting future growth and development, MMG has embedded four strategic drivers into our corporate planning and decision-making processes:



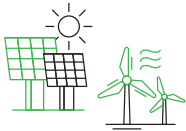






- 1. China Champion:** Building on the strength of the world's largest consumer of metals and mineral resources to create a sustainable competitive advantage.
- 2. Business Miner:** Adopting a mindset that leverages excellence in owning and operating mines to generate superior returns on investment, 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.

MMG is structured with largely self-sufficient sites and regional offices. A lowest-cost delivery approach is achieved through our lean corporate presence in Melbourne and Beijing. Common standards applied across our operations manage material risks, support compliance with external commitments, and deliver and maintain competitive advantage.

## Portfolio of critical minerals

We are uniquely positioned with a portfolio of base metals assets that are critical to a low carbon future.

**Table 1: 2050 Estimated increase from 2020 (annual demand)**

									
MMG portfolio		New electric vehicles	Solar/wind power		Power devices and energy storage		Grid enhancement		AET* 1.5°C scenario growth
 Copper		6.4Mt >300%	0.8Mt	~80%	-	-	6.9Mt	85%	>2x
 Zinc		-	0.9Mt	~180%	0.1Mt	>1000%	-	-	~2x
 Cobalt		49kt >80%	-	-	72kt	~120%	-	-	~1.5x

\* Accelerated Energy Transition.

# Who we are

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## Our strategic approach

<b>Purpose</b>	<b>We mine for progress</b>				
<b>Vision</b>	<b>To create a leading international mining company for a low carbon future</b>				
<b>Mission</b>	<b>We mine to create wealth for our people, host communities and shareholders</b>				
<b>Ambition</b>	<b>Grow and diversify our resource, production and value, by leveraging Chinese and international expertise</b>				
<b>Strategic drivers</b>	China Champion	Business miner	Delivering progress	'Federation of MMG'	
<b>Our values</b>	 We think safety first	 We respect each other	 We work together	 We do what we say	 We want to be better
	Producer of copper and zinc: products essential to a low carbon economy.				
	Our commitment to international standards and maintaining strong relationships with stakeholders are critical to enabling our growth ambitions.				
	Support from major shareholder China Minmetals Corporation (CMC) is critical to our success and positioning as China's premier international growth platform.				

## Growth strategy

Our growth 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 some of the world's most prospective mining regions containing essential minerals. Our business applies 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.

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, is key to our success.

## China Minmetals Corporation (CMC)

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

As China's largest metals and minerals corporation, CMC has strong relationships with overseas institutions and operates resource and construction projects in more than 60 countries. In 2022, it was ranked 58th in the Fortune Global 500 list of companies – the 16th consecutive year of being listed.

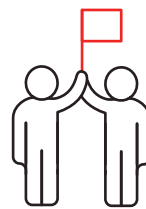
CMC operates across the industry value chain, from resource acquisition and exploration to project design, construction, operation, marketing, distribution and further processing in the global metals and minerals sector.

Committed to the efficient use of natural resources, CMC has achieved a series of technological innovations. Its sustainability philosophy seeks to create the greatest possible integrated value for the economy, society and the environment, achieved by operating with integrity and aligning competencies to stakeholders' goals, based on local economic and social needs.

Employees uphold a sustainable development philosophy through the careful use of limited resources. With the goal of building a world-class metals and minerals business, CMC strives to be a leading state-owned capital investment company in the metals and minerals industry.

## Value chain

Our value chain extends from initial exploratory work to identifying and extracting prospective mineral deposits from ore through to responsibly closing sites by monitoring environmental and social impacts and land restoration for future use. Raw materials are despatched by road, rail and sea from our mines in-country to export ports and are marketed to customers as saleable products.



**We have built a strong foundation in some of the world's most prospective mining regions containing essential minerals. Our business applies international standards, coupled with an operating philosophy of simplicity and efficiency**



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## Supply chain

To satisfy our operating sites' energy, logistics, fixed plant and mobile asset activity needs we source goods and services that align with our Supplier Code of Conduct. About 906 supply contracts were entered into or renegotiated in 2022, with a total value of US\$1.7 billion. MMG also established business relationships with 560 new suppliers. In total we maintained 4,871 active suppliers.

In 2022, we reported on agreed supplier contract performance measures. Our Modern Slavery Escalation Protocol and Remediation Guidelines advise MMG people on actions to take if they become aware of any suspected or actual modern slavery risks and exposures connected to our operations or supply chains. In preparing these documents, MMG referenced the *Guidance for Reporting Entities* published by the Australian Department of Home Affairs.

A range of non-financial criteria requires our suppliers to comply with laws including the avoidance of inhumane treatment of workers while provisioning fair wages and safe working conditions, and a preference for local employment and employee development, among other actions.


Looking ahead, our supply chain, legal and risk functions are engaging a third party to assess supplier credit and compliance that will extend into 2023.

### Our customers

We sell our products to a global customer base and work closely with them 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

MMG strives to meet our customers' quality expectations by mining commodities that are safe for people and the environment during their transportation, storage, handling and processing.

## Modern Slavery Risk – Supplier Questionnaire

In 2022, we continued screening new suppliers for modern slavery risks through a questionnaire. Introduced in 2021, this survey process is helping MMG to make detailed assessments of each of our supplier's commitments to the prevention of unethical human rights practices within their own operations and supply chains by assessing potential risks. In 2023, MMG will review the effectiveness of the supplier questionnaire and consider how we can align its use with the findings of our modern slavery risk considerations. MMG's 2022 Modern Slavery Statement will be released in the second quarter of 2023.

As a member of the International Zinc Association (IZA) and a regional member of the International Copper Association (ICA), we contribute to the development of new and safe applications with global benefits.

### Our commitment to sustainability

We seek to minimise any negative operational impacts and to maximise the benefits we bring to our host communities, regions and, through the products we produce, consumers and the general public. This approach has been endorsed by our Board of Directors and senior management team and is executed Company-wide 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](http://www.mmg.com)). Our approach to sustainability is also guided by our:

- Sustainability Framework
- Corporate Governance Policy
- People Policy
- Quality and Materials Stewardship Policy
- Shareholder Communication Policy

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### We are active members of leading industry organisations, including:

	Chamber of Mines of the DRC
	International Council on Mining and Metals
	International Zinc Association
	International Copper Association (Australia)
	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
	Voluntary Principles Initiative (Full Member)

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



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## Our standards, risk management and assurance

We manage material risks, meet legal and external obligations and strengthen our competitive advantage and organisational effectiveness through our business-wide standards that align with the ICMM's Mining Principles and the eight ICMM Position Statements. MMG's Risk Management Standard is based on ISO 31000:2018, the international risk management standard.

This Standard outlines how we 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 to determine material risk information, which is presented to the Audit and Risk Management Committee and the MMG Board for active oversight.

MMG's assurance program verifies that the critical controls required to manage material risk events are implemented and effective, applying 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, with 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 and 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 2022, 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.

### CASE STUDY

## Las Bambas first climate change and decarbonisation forum

Marking Peru's annual Environmental Education Week, last October Las Bambas convened its first climate change and decarbonisation forum attended by several hundred participants from the mining industry and government, including the Climate Change and Desertification Adaptation Director of the Ministry of the Environment and key ministry heads. Edgardo Orderique, Las Bambas Operations General Manager, noted the significance of copper as a critical metal used for sustainable technologies. Future forums will report on the environmental stewardship required to meet demand while slowing climate change.



## Our people

We are equipping our people with the right capabilities and development opportunities to deliver on our strategy.

MMG's global 'People Standard', governing employee benefits, is supported by Work Quality Requirements, systems and processes covering people availability and onboarding, remuneration, performance and development management, equitable treatment and inclusion, and travel approvals.

We select the best people, rewarding them with competitive remuneration that matches market conditions, aligning with relevant statutory requirements in the countries where we are based. Wherever possible, MMG cultivates local employment opportunities, investing in training and education. We recruit talented people from diverse backgrounds, particularly from the communities and regions where we work.

Through MMG's 'My Progress' process, we align our people's skills and experience with the Company business plan to fulfil their role requirements, closing any capability gaps with vocational training and competency verification to drive safety and efficiencies and to manage any material business risks.



### CASE STUDY

## MMG Las Bambas Women in Copper Program

A number of international studies are proving that gender diversity can directly contribute to companies' profitability. A more inclusive workforce that draws on the capabilities that both men and women offer might also be a way to meet some of the mining industry's expectations and needs. MMG Las Bambas is working to close gender gaps through its Women in Copper Program. The intent is to equip a female talent pool with the necessary tools and skills to be suitable for a variety of roles, with scope for promotion and leadership opportunities. Learnings and insights are further extended through training, seminars, advice from professional consultants and mining industry networking. In 2023, Las Bambas will monitor the program's progress.



## MMG people as at 31 December 2022

Table 2: 2022 Total workforce by employment type and site

Site	Permanent	Temporary	Permanent %	Temporary %	Total Workforce
Dugald River	334	433	44%	56%	767
Kinsevere	902	1,578	36%	64%	2,480
Las Bambas	2,623	4,798	35%	65%	7,421
Rosebery	337	193	64%	36%	530
Corporate	172	6	96%	4%	178
Australian Operations	31	0	100%	0%	31
<b>MMG</b>	<b>4,399</b>	<b>7,008</b>	<b>39%</b>	<b>61%</b>	<b>11,407</b>

Permanent employees are those directly employed by MMG. Temporary employees include contractors, consultants and other short-term engagements. Headcount for MMG permanent employees is at 31 December 2022. For temporary, this is an average of the total workforce throughout the course of the year.



# Who we are

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Our traineeship, apprenticeship and graduate programs are building global mining expertise. Through our Dugald River operation we are skilling the Indigenous Kalkadoon People of the Mt Isa region. Ongoing professional training is bolstering employment paths for our Rosebery and Kinsevere mines. Our Las Bambas and Australian operations are benefiting from peak body learning opportunities through their respective associations with the Peruvian national training provider SENATI, and Monash University's Mining Engineering course. Key 2022 initiatives included:

- Continuing our Senior Leadership Development program in partnership with the Sustainable Minerals Institute, University of Queensland.
- Maintaining our annual 'My Performance' process comprising objective setting, performance discussions and development planning.
- Holding regular capability planning sessions with the Executive Committee to review succession plans and development actions.
- Re-launching 'Learning Bite' sessions to showcase internal strategic work and to support professional development.

MMG Group-wide 2022 diversity and inclusion initiatives comprised:

- A commitment to increase female participation in MMG's 2023 business plan with targets and programs to increase their representation
- Flexible working arrangements for Melbourne's head office as an ongoing arrangement

In 2022, MMG employed 4,399 employees, an increase on 2021 numbers (4,256). 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.

MMG undertakes workforce and community engagement and offers support to individuals affected by changes due to business decisions. Acknowledging that organisational changes and restructures can affect mental health and wellbeing, out-placement programs help to support those made redundant together with counselling services.



## Senior Leadership Program (SLP)

MMG is building its future team capability. In partnership with the University of Queensland Business School and the Sustainable Minerals Institute, global senior employees are stepping up thanks to a SLP themed the 'Next Generation Business Miner'. MMG leaders are enhancing their strategic thinking, decision making and leadership capabilities together with a better understanding of organisational effectiveness, sustainable global practices, innovation and the business of mining and risk controls. Personal and professional learning benefits include grasping how to proactively respond to situations, collaborating to manage critical issues and having a shared understanding of key challenges facing MMG and the wider industry. More than 40 participants completed the May and November program which will continue in 2023. Regional leadership programs brought opportunities for groups including:

- Las Bambas' training targeted at the superintendent and above levels.
- Rosebery supervisors attended a leadership and management course (Certificate 4).
- Dugald River supervisors and coordinators completed a 'Challenge of Leadership' course.



## CASE STUDY

### A voice for future generations

Molly Stanistreet, Senior Mine Geologist at the Dugald River mine, is an active member of the 'Women of Dugald River', a collective that's creating a safe, supportive and encouraging group environment for all female site employees. Molly also mentors high school students by sharing her perspectives on some of the career opportunities that come from working in the resource industry.

**"Every day, women are breaking through barriers that generations before us were bound by. It's our responsibility to support, encourage and empower women to pursue a career in anything they choose. By being a voice for future generations, we are not only advocating for the equality of women, but for all personnel, female, male, gender diverse, all cultures, all ages and all backgrounds. Diversity is what makes us human, it's our story, it's our identity and it's our responsibility to continue the pursuit of inclusion and equality that generations before us began."**

In 2022, Molly was nominated as a Young Woman in Queensland Resources finalist in the Queensland Resources Council/WIMARQ Resources Awards for Women.



MMG cultivates local employment opportunities, investing in training and education. **We recruit talented people from diverse backgrounds, particularly from the communities and regions where we work.**



# Who we are

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**Table 3: 2022 MMG permanent workforce by employment type and gender**

	Full time		Part time		Casual		Limited tenure F/T	
	Female	Male	Female	Male	Female	Male	Female	Male
Dugald River	31	264			3	7	7	22
Kinsevere	109	629			0	97	14	53
Las Bambas	274	2,196			0	0	38	115
Rosebery	33	292	2		1	3	1	5
Corporate	61	48	2		2		18	41
Australian operations	9	17	3		0	0	1	1
<b>MMG total</b>	<b>517</b>	<b>3,446</b>	<b>7</b>	<b>0</b>	<b>6</b>	<b>107</b>	<b>79</b>	<b>237</b>

This table refers to MMG permanent employees directly employed by MMG. This does not include temporary employees, including contractors or consultants.



**Table 4: Percentage of MMG employees on collective agreements**

	2021	2022
Dugald River	43.3%	45.1%
Kinsevere	93.0%	92.7%
Las Bambas	42.1%	45.6%
Rosebery	50.8%	46.7%
<b>MMG</b>	<b>50.49%</b>	<b>54.82%</b>

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



## CASE STUDY



## Supporting female education in the DRC

The United Nations Sustainable Development Goals (SDGs) highlight the importance of education by bringing people the knowledge and skills necessary to prosper as well as fostering a greater level of understanding and tolerance within communities. MMG Kinsevere endorses the SDGs by supporting local education initiatives, particularly those benefiting young girls.

In 2022, the Kifita village school celebrated the first recipients and graduates of the MMG Kinsevere scholarship program including Irma Mbuyu (pictured) who commenced her first year of university in Lubumbashi after receiving an MMG scholarship to complete her secondary studies.

In the first scholarship program year, 10 girls completed the national state exams with a 99% pass rate, followed by another 41 students, including 17 girls. To date, based on performance monitoring overseen by a non-profit organisation specialising in education, a total of 102 scholarship recipients, including 39 girls, have benefited from Kinsevere's support since primary school. The construction of a secondary school in the Kifita village (see page 46) will progress students' educational opportunities, a basic right that is often denied to girls who face cultural expectations of early marriage.

