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APPENDIX SUSTAINABILITY REPORT 2017

MMG STAKEHOLDERS AND ENGAGEMENT AVENUES

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Employees	<p>MMG employees and contractors at:</p> <ul style="list-style-type: none"> > mine sites > development projects > exploration projects > all offices including Group head office in Melbourne 	<ul style="list-style-type: none"> > Staff safety and wellbeing – safety management and performance > Our economic performance – business strategy > Talent attraction and retention – values and behaviours, working conditions, work plans, remuneration and benefits, career opportunities > Diversity – equal opportunity 	<ul style="list-style-type: none"> > Safety meetings > Shift change meetings > Management and CEO presentations > Emailed and hard copy updates > Corporate and individual site intranets > Quarterly employee magazine > Cultural and people development programs and training > Annual People and Culture Survey > Social media channels
Communities	<ul style="list-style-type: none"> > Host and regional communities > Local villages and towns near our operations 	<ul style="list-style-type: none"> > Post-closure community expectations and community and regional development – impacts on local communities, community investment and development, local amenities and housing > Stakeholder relationships – local business support > Environmental management and compliance – environmental impacts and management > Public interaction with operations – health and safety impacts > Economic sustainability – future financial viability > Community and regional development – sustainable employment post mine life 	<ul style="list-style-type: none"> > Community investment projects > Quarterly and monthly newsletters > Meetings > Written communications > Local media > Social Impact Assessment > Sponsorships
Suppliers	<p>Businesses from which we purchase products and services</p>	<ul style="list-style-type: none"> > Our economic performance – economic security of the business, supply opportunities, payment processes > Contractor selection – health and safety, contractor management procedures, supplier contractual conditions 	<ul style="list-style-type: none"> > Tender and contract documents > Direct communications > Induction and training

MMG STAKEHOLDERS AND ENGAGEMENT AVENUES

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Government	<ul style="list-style-type: none"> > Regulators and government authorities with responsibilities for the areas where we operate > Local, state and federal government in countries including Australia, Laos, Peru, DRC and Canada 	<ul style="list-style-type: none"> > Government relations – compliance with permits and licences, social policy and fiscal regimes applicable to the resources sector > Community and regional development – engagement with host and local communities, community investment and development, market access > Environmental management and compliance – environmental impact management, product stewardship 	<ul style="list-style-type: none"> > Statutory and licence reporting, regular meetings > Written communication > Foreign Investment and Review Board reporting
Investors	<ul style="list-style-type: none"> > Retail investors in Hong Kong and Australia > Global institutional investors > Analysts and brokers > Stock commentators > China Minmetals Corporation (majority Shareholder) > Debt providers 	<ul style="list-style-type: none"> > Company performance > MMG share price – earnings and production results, share price performance against industry peers > Growth strategy including acquisitions, projects and exploration > Commodity and market outlook > Board and governance > Corporate responsibility and sustainable development 	<ul style="list-style-type: none"> > Announcements to the Hong Kong and Australian Stock Exchanges in accordance with their Listing Rules > Quarterly production reports, interim and annual reports > Investor roadshows, meetings, teleconferences and site visits > Attendance and presentations at major global mining conferences > Shareholder communications > Monthly and quarterly Shareholder reports to the Board
Non-government organisations	<ul style="list-style-type: none"> > Non-government organisations > Special interest groups 	<ul style="list-style-type: none"> > Community and regional development – impacts on local communities, community investment and development, community health, local infrastructure development and investment > Public interaction with operations – interactions with local communities > Human rights > Bribery and facilitation payments > Workforce localisation > Environmental management and compliance – environmental impacts and management > Post-closure community expectations > Management decision making – governance, risk management, Board composition and operation 	<ul style="list-style-type: none"> > Sustainability Report > Meetings > Media releases > Website content > Site visits > Social media channels

MMG STAKEHOLDERS AND ENGAGEMENT AVENUES

Stakeholder	Stakeholder groups	Areas of interest	Engagement avenues
Media	<ul style="list-style-type: none"> > Local and regional media in the areas of our operations > Finance and resources media internationally 	<ul style="list-style-type: none"> > Potential for interest in all material issues, particularly those of current interest to other stakeholders 	<ul style="list-style-type: none"> > Media releases > Website content > Media tours, interviews
Industry	<ul style="list-style-type: none"> > Other mining businesses > Industry associations > University and technical training providers > Unions 	<ul style="list-style-type: none"> > MMG share price – earnings and production results, share price performance against industry peers > Acquisition investment – project announcements, merger and acquisition programs > Management decision making – governance, risk management, Board composition and operation > Stakeholder relationships and government relations – support for industry initiatives, involvement in industry fora, support for industry specific training and development 	<ul style="list-style-type: none"> > Membership of international, national and regional industry groups > Representation on executive and working group committees > Sustainability reporting against GRI and ICMM benchmarks > Sponsorship and support of technical training institutions and industry associations

ICMM CONTENT INDEX

This table identifies the ICMM's 10 Sustainable Development Principles and position statements, and where to find related content in MMG's 2017 Sustainability Report.

Further information regarding our alignment with the ICMM's principles and position statements is progressively updated on www.mmg.com.

ICMM PRINCIPLES

ICMM PRINCIPLE	REPORT SECTION	PAGE	
1	Implement and maintain ethical business practices and sound systems of corporate governance.	<ul style="list-style-type: none"> > The way we work – our operating model > The way we work – business ethics > The way we work – corporate governance > The way we work – compliance and conformance 	21-24
2	Integrate sustainable development considerations within the corporate decision-making process.	<ul style="list-style-type: none"> > Chief Executive Officer's message > Who we are – growth strategy > The way we work – our commitment to sustainable development > Our performance – 2015–2018 objectives and targets > 2018–20 objectives and targets > Who we are – supply chain 	4, 14-16, 21, 58-61
3	Uphold fundamental human rights and respect customs and values in dealings with employees and others who are affected by our activities.	<ul style="list-style-type: none"> > Who we are – our people > The way we work – business ethics > The way we work – stakeholder engagement > The way we work – human rights > Who we are – grievance management 	17-19, 22, 24, 26-27, 34-35
4	Implement risk management strategies based on valid data and sound science.	<ul style="list-style-type: none"> > Who we are – sovereign risk and government relationships > The way we work – our standards 	16-17, 21
5	Seek continual improvement of our health and safety performance.	<ul style="list-style-type: none"> > The way we work – safety > The way we work – health > www.mmg.com (Safety page) 	28-33
6	Seek continual improvement of our environmental performance.	<ul style="list-style-type: none"> > We minimise our impact – water access and use > We minimise our impact – tailings and waste rock management > We minimise our impact – land management and rehabilitation > www.mmg.com (Environment page) > 2017 Annual Report – environmental, social and governance approach and performance 	48-57; 2017 Annual Report pages 70-75 (www.mmg.com)

ICMM CONTENT INDEX

ICMM PRINCIPLE	REPORT SECTION	PAGE	
7	Contribute to conservation and biodiversity and integrated approaches to land use planning.	<ul style="list-style-type: none"> > We minimise our impact – land management and rehabilitation > www.mmg.com (Environment page) 	55-57
8	Facilitate and encourage responsible product design, use, re-use, recycling and disposal of products.	<ul style="list-style-type: none"> > Who we are – supply chain 	16
9	Contribute to the social, economic and institutional development of the communities in which we operate.	<ul style="list-style-type: none"> > We mine for progress – our commitment > We contribute to development – social development and investment > We contribute to development – commitment to local employment > We contribute to development – local supply > we contribute to development – our community tax contribution > We minimise our impact – managing the social and economic impacts of mine closure 	8-9, 36-47, 56
10	Implement effective and transparent engagement, communication and independently verified reporting arrangements with our stakeholders.	<ul style="list-style-type: none"> > About this report – materiality assessment process > The way we work – stakeholder engagement > Assurance terms and statement > MMG Stakeholders and Engagement Avenues table. Appendix available at www.mmg.com 	2-3, 24, 62-65

ICMM CONTENT INDEX

ICMM POSITION STATEMENTS

ICMM POSITION STATEMENT	MMG ALIGNMENT	REPORT SECTION	PAGE
1 ICMM Principles for Climate Change Policy Design	Partial alignment	<ul style="list-style-type: none"> > About this Report > www.mmg.com (Environment page) 	2-3
2 Mining: Partnerships for Development	Partial alignment	<ul style="list-style-type: none"> > We mine for progress – our commitment > Who we are – sovereign risk and government relationships > The way we work – stakeholder engagement > We contribute to development – social development and investment > We mine for progress – commitment to local employment > We mine for progress – local supply 	8-9, 16-17, 24-25, 36-45
3 Transparency of Mineral Revenues	Partial alignment	<ul style="list-style-type: none"> > The way we work – our commitment to sustainable development > we contribute to development – our community tax contribution > www.eiti.org 	21, 46-47
4 Mercury Risk Management	Partial alignment	<ul style="list-style-type: none"> > Who we are – supply chain > The way we work – our standards > The way we work – managing artisanal and small-scale mining risks > http://www.npi.gov.au/npi-data/latest-data (emission estimates for Australian facilities) <p><i>While we have some instances of small-scale mining on our tenements, we have no known artisanal and small-scale gold mining activity in close proximity to our operations that involves gold mining using elemental mercury.</i></p>	16, 21, 35
5 Indigenous Peoples and Mining	Partial alignment	<ul style="list-style-type: none"> > The way we work – stakeholder engagement > The way we work – grievance management 	24, 26-27
6 Mining and Protected Areas	Partial alignment	<ul style="list-style-type: none"> > The way we work – our standards > www.mmg.com (Environment page) <p><i>Our minimum requirements for land, biodiversity and cultural heritage management are outlined in our Environment Standard and are aligned to the individual member commitments in the position statement.</i></p>	21
7 Tailings Governance	Partial alignment	<ul style="list-style-type: none"> > We minimise our impact – tailings and waste rock management > www.mmg.com (Environment page) 	53-54
8 Water Stewardship	Partial alignment	<ul style="list-style-type: none"> > We minimise our impact – water access and use > www.mmg.com (Environment page) 	49-52

GRI CONTENT INDEX

MMG's 2017 Sustainability Report is prepared in accordance with the Global Reporting Initiatives' (GRI) 2013 'Core' Sustainability Reporting Guidelines (G4) and with the GRI's Mining and Metals Sector Disclosure Guidelines. This table references:

- > disclosures on management approach (DMA) for each of the material Aspects covered by the report;
- > G4 and sector-specific indicators selected for each material Aspect; and
- > indicators that have been independently assured (■).

Where an indicator is addressed directly in the table, relevant text appears in italics.

AR = 2017 Annual Report

GENERAL STANDARD DISCLOSURES

G4 indicator	Disclosure title	Report section	Page reference
STRATEGY AND ANALYSIS			
G4-1	Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability.	> Chief Executive Officer's message	4
ORGANISATIONAL PROFILE			
G4-2	Provide a description of key impacts, risks and opportunities.	<ul style="list-style-type: none"> > About this report – materiality assessment process > Chief Executive Officer's message > Year in review > Who we are – our growth strategy > Our performance – 2015–2018 objectives and targets > 2018 – 2020 objectives and targets 	2-3, 4-5, 14-15, 58-61
G4-3	Report the name of the organisation.	> About this report	2
G4-4	Report the primary brands, products and services.	> Who we are	6-7, 14
G4-5	Report the location of the organisation's headquarters.	> Who we are	6-7, 14
G4-6	Report the number of countries where the organisation operates.	> Who we are	6-7, 14
G4-7	Report the nature of ownership and legal form.	<ul style="list-style-type: none"> > MMG website > Who we are 	14 www.mmg.com
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	> Who we are – supply chain	16

GRI CONTENT INDEX

G4 indicator	Disclosure title	Report section	Page reference
ORGANISATIONAL PROFILE (continued)			
G4-9	Report the scale of the organisation, including: total number of employees, total number of operations, net revenues, quantity of products or services provided.	<ul style="list-style-type: none"> > Our Operations (for employees, number of operations, quantity of products or services provided) > Who we are – our people (for employees) > 2017 Annual Report (for production and capitalisation) 	6-7, 17-19; AR pages 23-27, 123-124 (www.mmg.com)
G4-10	Report the total number of employees by: employment contract and gender; permanent employees by employment type and gender; total workforce by employees and supervised workers and by gender; total workforce by region and gender; self-employed, any significant variations in employment numbers due to season etc.	<ul style="list-style-type: none"> > Our Operations > Who we are – our people <p><i>Note: Workers are defined by full-time, part-time or casual employment, rather than whether they are permanent or temporary. This is consistent with the requirement of the labour laws in the jurisdictions in which we operate.</i></p>	6-7, 17-18
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	<ul style="list-style-type: none"> > The way we work – human rights 	34-35
G4-12	Describe the organisation's supply chain.	<ul style="list-style-type: none"> > Who we are – supply chain 	16
G4-13	Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain.	<ul style="list-style-type: none"> > About this report > Chief Executive Officer's message > Who we are – growth strategy > Who we are – supply chain 	2, 4, 14-17
G4-14	Report whether and how the precautionary approach or principle is addressed by the organisation.	<ul style="list-style-type: none"> > Who we are – sovereign risk and government relationships > The way we work – our standards > The way we work – corporate governance <p><i>The precautionary principle is implemented by MMG through a risk-based management approach.</i></p>	16-17, 21-22
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	<ul style="list-style-type: none"> > The United Nations Sustainable Development Goals and MMG > The way we work – our commitment to sustainable development > The way we work – stakeholder engagement > We contribute to development – our community tax contribution 	12-13, 21, 24, 46-47
G4-16	List memberships of associations.	<ul style="list-style-type: none"> > The way we work – our commitment to sustainable development 	21

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G4 indicator	Disclosure title	Report section	Page reference
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES			
G4-17	List all entities included in the organisation's consolidated financial statements.	> 2017 Annual Report	AR page 117 (www.mmg.com)
G4-18	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organisation has implemented the Reporting Principles for Defining Report Content.	<p>> About this report – materiality assessment process</p> <p><i>Minor changes were made to the scope and boundary of material issues to focus our report on those aspects that were most relevant during the 2017 reporting period. These changes included:</i></p> <ul style="list-style-type: none"> – <i>Strategy and Growth: Focus on the roles of greenfields and brownfields development, as well as asset divestment to underpin future growth; and</i> – <i>Human Rights: Renewed focus on all aspects of human rights, including labour, Indigenous rights and the rights of women and children. We continue to acknowledge the importance of artisanal mining and security and will continue to report on these, and other material human rights issues, in our reports.</i> 	2-3
G4-19	List all the material Aspects identified in the process for defining report content.	> About this report – materiality assessment process	2-3
G4-20	For each material Aspect, report the Aspect Boundary within the organisation.	<p>> About this report – materiality assessment process</p> <p>> Our material issues grouped under our four reporting themes</p>	2-3
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation.	> About this report – materiality assessment process	2-3
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatement.	> About this report – report boundary and scope	2
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	<p>> About this report – report boundary and scope</p> <p>> About this report – materiality assessment process</p>	2-3

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G4 indicator	Disclosure title	Report section	Page reference
STAKEHOLDER ENGAGEMENT			
G4-24	Provide a list of stakeholder groups engaged by the organisation.	> MMG Stakeholders and Engagement Avenues table (Appendix)	Appendix available at www.mmg.com
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	> The way we work – stakeholder engagement	24
G4-26	Report the organisation’s approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	> MMG Stakeholders and Engagement Avenues table (Appendix)	Appendix available at www.mmg.com
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns.	> The way we work – stakeholder engagement > MMG Stakeholders and Engagement Avenues table (Appendix)	24, Appendix available at www.mmg.com
REPORT PROFILE			
G4-28	Reporting period for information provided.	> About this report – report boundary and scope	2
G4-29	Date of most recent previous report.	> 2016 MMG Sustainability Report	www.mmg.com
G4-30	Reporting cycle.	> About this report – report boundary and scope	2
G4-31	Provide the contact point for questions regarding the report or its contents.	> Key contacts	Inside back cover
G4-32	Report the ‘in accordance’ option the organisation has chosen. Report the GRI Content Index for the chosen option. Report the reference to the External Assurance Report.	> About this report – reporting approach > Assurance terms and statement > GRI content index (Appendix)	Appendix available at www.mmg.com
G4-33	Report the organisation’s policy and current practice with regard to seeking external assurance for the report.	> About this report – external assurance > Assurance terms and statement	2, 62-65
GOVERNANCE			
G4-34	Report the governance structure of the organisation, including committees of the highest governance body.	> The way we work – corporate governance	22
ETHICS AND INTEGRITY			
G4-56	Describe the organisation’s values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	> The way we work – business ethics	22

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ASPECT SPECIFIC DISCLOSURES

G4 indicator	Disclosure title	Report section	Page reference
ENVIRONMENT			
Aspect: Water (DMA: 3, 21 and 49-52)			
G4-EN8	Total water withdrawal by source.	<ul style="list-style-type: none"> > About this report – reporting approach > We minimise our impact – water access and use 	2, 49-51
Aspect: Effluent and waste (DMA: 3, 21, 49-52, 53-54 and 59)			
MM3	Total amounts of overburden, rock, tailings and sludges, and their associated risks.	<ul style="list-style-type: none"> > We minimise our impact – tailings and waste rock management <p><i>Note: We do not report data on sludges as we focus on the most material mineral waste streams for our business</i></p>	53-54
G4-EN22	Total water discharge by quality and destination.	<ul style="list-style-type: none"> > About this report – reporting approach > We minimise our impact – water access and use <p><i>Combined water outputs for MMG sites in 2017 included:</i></p> <ul style="list-style-type: none"> – 7,255ML category 1 water (90% of this water consists of evaporative losses from water storages, with additional use for dust suppression and construction at Dugald River, and supply to a local farm at Kinsevere); – 8,176ML category 2 water (97% of this water was discharged to surface water at Rosebery and Sepon under licence conditions); and – 19,653ML category 3 water (90% of this water was entrained in concentrate or tailings, with the remainder lost to seepage or evaporation from our tailings storage facilities). 	2, 49-51

GRI CONTENT INDEX

G4 indicator	Disclosure title	Report section	Page reference
ENVIRONMENT (continued)			
Aspect: Effluent and waste (DMA: 3, 21, 49-52 and 53-54) (continued)			
		<p>Category 1 water is defined by the MCA Water Accounting Framework guidelines as 'Close to the drinking water standards, as it only requires minimum treatment (disinfection) to be safe for human consumption. It can be used for all purposes'.</p> <p>Category 2 water, as defined by the MCA guidelines, is 'suitable for some purposes. Treatment will be required to remove total dissolved solids and/ or adjust other parameters to be safe for human consumption and more sensitive agricultural and recreational purposes.'</p> <p>Category 3 water is defined by the MCA as 'water unsuitable for most purposes due to the high salinity (>5000mg/L total dissolved solids) or highly unsuitable pH (<4 and >10).'</p>	
Aspect: Compliance (DMA: 3, 21 and 24)			
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	<ul style="list-style-type: none"> > The way we work – compliance and conformance 	24
SOCIAL – LABOUR PRACTICES AND DECENT WORK			
Aspect: Occupational health and safety (DMA: 3, 21, 28-33 and 58)			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days and total number of work-related fatalities by region (and gender).	<ul style="list-style-type: none"> > The way we work – safety > The way we work – health <p><i>We do not report our injuries by gender and do not currently use data on absenteeism to interpret safety performance. We report our lost time injury frequency rate but do not report the number of lost days.</i></p>	28-33
SOCIAL – SOCIETY			
Aspect: Closure planning (DMA: 3, 21, 55-56 and 59)			
MM10	Number and percentage of operations with closure plans.	<ul style="list-style-type: none"> > We minimise our impact – land management and rehabilitation > 2017 Annual Report (financial provisions for mine closure) 	55, AR page 127 (www.mmg.com)

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G4 indicator	Disclosure title	Report section	Page reference
SOCIAL – HUMAN RIGHTS			
Aspect: Assessment (DMA: 3, 21, 26-27, 34-35 and 59)			
HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments.	<i>Two of our three (67%) sites with material human rights risks, Kinsevere and Sepon as well as their near-mine exploration tenements, have undertaken human rights risk assessment. Human rights in a social context were included as part of the 2017 Las Bambas social risk assessment. In 2018 the business will be undertaking a business-wide risk assessment, including Human Rights, at all sites and across all functions.</i>	Not applicable
Aspect: Human rights grievance mechanisms (DMA: 3, 21, 24, 26-27, 34-35 and 59)			
HR12	Number of grievances about human rights impacts filed, addressed and resolved through formal grievance mechanisms.	<ul style="list-style-type: none"> › The way we work – stakeholder engagement › The way we work – grievance management <p><i>The United Nations Universal Declaration of Human Rights is used as the basis for categorising grievances as being related to human rights. There were no such grievances received in 2017.</i></p>	24, 26
SOCIAL – SOCIETY			
Aspect: Local communities (DMA: 3, 6-7, 21, 24-27, 34-45 and 59)			
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs.	<ul style="list-style-type: none"> › The way we work – stakeholder engagement <p><i>We make impact assessments publicly available when required for a public approvals process. However, we do not make all social or environmental impact assessments publicly available in their entirety or for perpetuity. We share relevant summary content where appropriate to maintain transparency and clarity in our engagement processes.</i></p>	24

GRI CONTENT INDEX

G4 indicator	Disclosure title	Report section	Page reference
SOCIAL – SOCIETY (continued)			
Aspect: Local communities (DMA: 3, 6-7, 21, 24-27, 34-45 and 59) (continued)			
■ MM6/7	Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous peoples and the extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous peoples and the outcomes.	<ul style="list-style-type: none"> › The way we work – grievance management <p><i>In the 2016 Sustainability Report Appendix we noted two unresolved grievances related to land access and use at Kinsevere. Neither of the grievances were classified as significant, and both were closed during the 2017 period.</i></p>	26-27
ECONOMIC			
Aspect: Economic performance (DMA: 3, 5, 12-13, 21 and 36-47)			
G4-EC1	Direct economic value generated and distributed.	<ul style="list-style-type: none"> › The way we work – our commitment to sustainable development › We contribute to development – social development and investment › We contribute to development – our commitment to local employment › We contribute to development – local supply › We contribute to development – our community tax contribution › 2017 Annual Report – management discussion and analysis › 2017 Annual Report – financial statements, notes 8 and 12 › 2017 Annual Report – profit and loss statement 	21, 36-47; AR pages 19, 83, 109, 111 (www.mmg.com)
Aspect: Procurement practices (DMA: 3, 12-13, 16, 21 and 44-47)			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation.	<ul style="list-style-type: none"> › We contribute to development – local supply 	44-45