



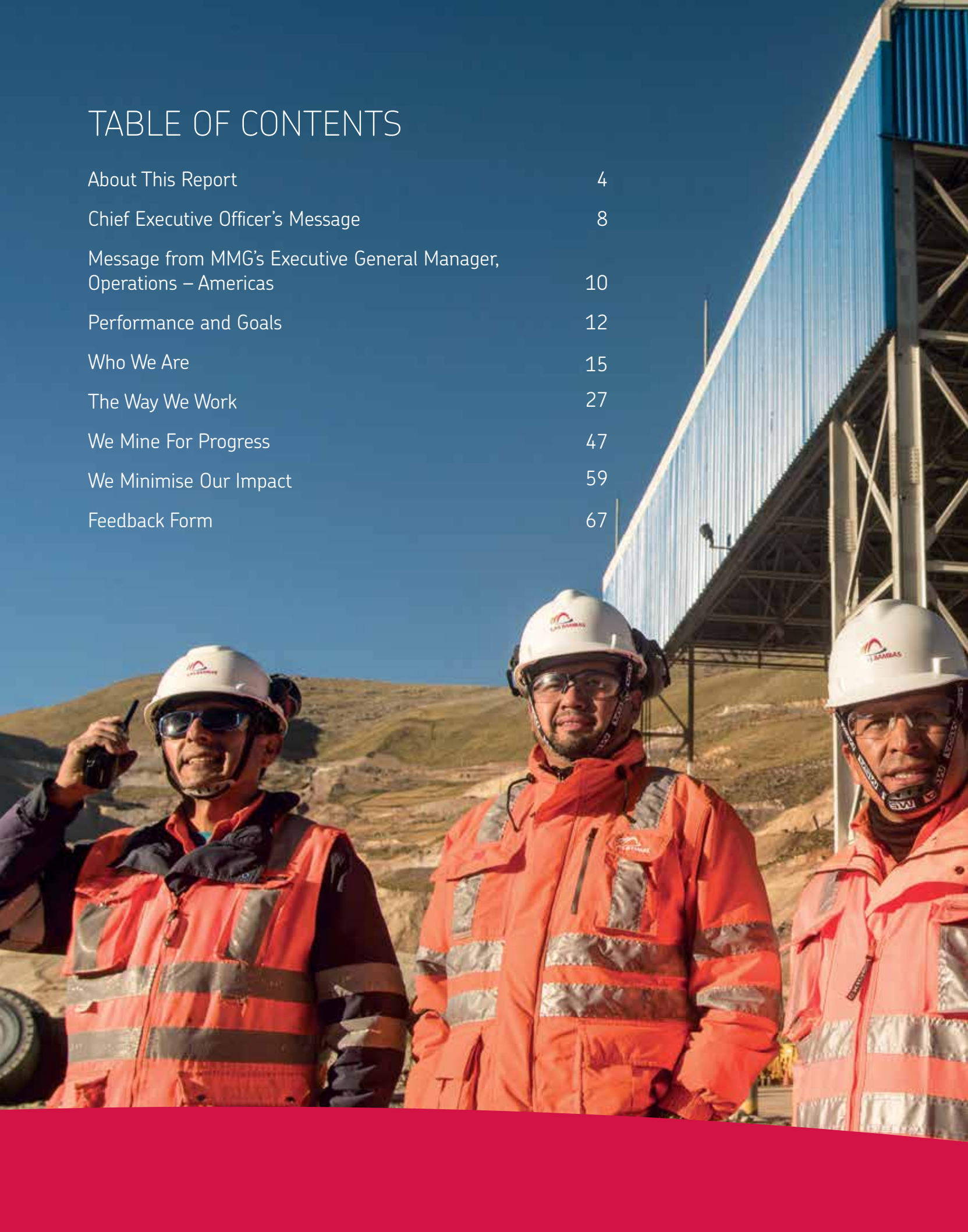
LAS BAMBAS

SUSTAINABILITY REPORT 2018



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WE MINE FOR PROGRESS

At MMG, we mine to create value for all our stakeholders: shareholders, employees, communities and society as a whole.

We have seen our relationship with each of these stakeholders grow and mature, always on the basis of dialogue and mutual respect. Our human rights approach has guided our decision-making and behaviour.

We invite you to visit wemineforprogress.com to read the stories that reflect our values, the social contribution of each of our operations and MMG's commitment to responsible mining.

At MMG we build the future by mining for progress.



ABOUT THIS REPORT

Report Boundary and Scope

This sustainability report describes and explains the comprehensive performance of Las Bambas Mining Unit (Las Bambas) for the period 1 January to 31 December 2018. We have included figures from 2017 for comparison purposes and have occasionally referred to events that have taken place after 31 December 2018.

The content of this report is the result of ongoing communication with our stakeholders through dialogue panels and information obtained from Las Bambas' management.

In developing this report, we have taken into account the standards of the Global Reporting Initiative (GRI). The GRI is an organisation that promotes the preparation of sustainability reports in all types of organisations. Its standards are principles that address the economic, environmental and social impacts of an organisation, in addition to offering a complete and balanced image of the material topics and their implications. Although this is not a GRI report, many of the sections are based on those standards.

The reported figures are expressed in US dollars, unless stated otherwise. Occasionally within this report there is an acronym noted after an industry term or organization that does not

match the English words. In these cases, we have identified that the acronym is based on the Spanish words.

Materiality Assessment

Material issues are the economic, social and environmental matters that have the highest priority for our operation and our stakeholders. Material issues take into account the main sustainability indicators of our joint venture leader and operator, MMG, adapted to our context.


This report contains nine material issues that summarise the priority sustainability aspects from our standpoint and from the perspective of our stakeholders.

Our operation introduced dialogue panels as a standard practice in 2010, due to our interest in listening to the social agents in our environment. The purpose of these panels is to validate crucial topics affecting our relationships with the stakeholders in our area of influence.

In 2018 we held three dialogue panels: one in Lima, one in Abancay province and another one in Challhuahuacho district, our area of operations, located in Cotabambas province, Apurímac region, which involved the participation of community leaders and local representatives.

The feedback collected during the panels focused on the following items:

- › Government's management capacity-building to capitalise on the economic contribution of mining in terms of infrastructure and services which, in general, has a positive impact on the quality of life in Challhuahuacho, Cotabambas and Grau provinces, and the Apurímac region.
 - › The fundamental role of dialogue to strengthen the connection with the community. This is how appropriate information channels are generated and information directly and transparently reaches the largest number of Apurímac residents.
 - › The need to promote and communicate the advantages of the mining industry and its contribution to the sustainable development agenda in Apurímac region. We are facing new challenges to socially and institutionally legitimise our operation in a context of ever-increasing social and economic expectations.
 - › Expectations about new and greater training and employment opportunities for the young people of Apurímac.
- 

An aerial photograph of a large industrial facility, likely a mining or processing plant. The image shows several large, circular tanks or basins, some of which are filled with a dark, granular material. A complex network of blue and yellow pipes and walkways crisscrosses the site. In the upper left, a large cylindrical structure is emitting a plume of white steam or smoke. The overall scene is one of a busy, large-scale industrial operation.

This report contains nine material issues that summarise the priority sustainability aspects from our standpoint.

Material Issues

MATERIAL ISSUES

SCOPE

WHO WE ARE



Operational Excellence and Continuous Improvement

Describes the characteristics and implications of reaching full production. This includes the use of advanced technology and logistics to operate and transport ore to the Port of Matarani, located in the Arequipa region.

THE WAY WE WORK



Positive Government Relations

Includes the country's main challenges and risks that have an impact on the business, and the strategies to strengthen relationships of trust at various government levels and with the mining industry, within the framework of significant political changes. This also refers to complying with various commitments undertaken with the Peruvian government.



Community Engagement

Represents the strategies and actions aimed at managing a long-term relationship with the communities (includes the method for receiving and managing grievances). It also emphasises the method to protect and transport the concentrate.



Corporate Governance and Business Ethics

Addresses compliance with standards for responsible behaviour; namely, the regulatory framework to which our operation adheres, in line with our corporate values. It also focuses on corporate compliance and good corporate government policies.



Respect for Human Rights

Corresponds to the management of impacts in terms of human and labour rights within the framework of the U.N. Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights.



Safety and Health

Includes management of fatal risks and prevention of workforce safety and health incidents.

WE MINE FOR PROGRESS



Social Development and Investment

Covers the actions implemented to strengthen joint work and engagement with communities, (local, regional and national) governments and other partners that favour the development and improvement of the quality of life in the communities. Includes creation of local employment, management of local suppliers, development of regional infrastructure, and investment in the development of the social environment.

WE MINIMISE OUR IMPACT



Water Access and Sustainable Use of that Resource

Describes the sustainable water management approach, recognising water as a resource with social, economic and environmental value. Includes water withdrawal and management.



Care of Biodiversity and Management of Environmental Impacts

Determines the effective management of concessions over the life of the operation, including the initiatives implemented in preparation for closure, which includes biodiversity management and land rehabilitation. It also explains the management approach to the mine's main environmental impacts and the management of effluents, waste, tailings, energy, greenhouse gas (GHG) emissions and transport.

STAKEHOLDERS **PAGE REFERENCE**

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CHIEF EXECUTIVE OFFICER'S MESSAGE



Dear Readers:

I am pleased to present the 2018 Las Bambas Sustainability Report.

In my first year as the CEO of MMG, I am proud of our contributions to the development of the regions in which we operate.

During 2018 we made changes to our operating model to support our current business, and this has placed us in an even stronger position to continue delivering on our sustainability objectives. These changes serve to strengthen accountability and facilitate sharing of best practices across the group.

Safety

The safety of our people is my most important personal value and one shared by all MMG leaders.

Our overall safety performance in 2018 continued to improve with a total recordable injury frequency (TRIF) rate of 1.00 per million hours worked, which represents a continuing improvement in TRIF since 2015.

We want to ensure that all our people return home safely – without injury – to their families every day. We must learn from incidents across our industry, both actual and potential, to keep our people safe.

Contributing to Development

In 2018 MMG invested approximately US \$17.8 million in social development programs and contributed over US \$338 million to taxes and royalties around the world. We have aligned our support to the U.N. Sustainable Development Goals (SDGs) with a focus on Goals 1–6. Many of the programs we support target improvements in basic resources and services; however, as communities strengthen, we focus on more sustainable economic development projects.

Our largest social investment projects are in Peru, and from 2014 to date we have invested approximately US \$108 million assisting communities close to the Las Bambas mine. Current initiatives, including the Andean Crops Project and our local business development program, aim to facilitate long-term sustainable development that is not dependent on mining.

At Las Bambas we continued to engage with the communities located along the mineral transport corridor. While over US \$250 million has been invested in upgrading and improving this road, it remains challenging to reach agreements that meet the expectations of all parties. We are working closely with government, communities and other stakeholders to better understand the grounds for the claims and to build sustainable long-term solutions.

Minimising Our Impact

We acknowledge that our activities can impact others and that we share resources with communities close to our operations. In 2018 we achieved improvements in the management of water at our Las Bambas operation, with a 71% reduction in water withdrawn from rivers and creeks.

We are currently implementing a significant water management program at Kinsevere. Safe management of tailings storage facilities (TSFs) is critical to our operations, and we have studied closely the learnings from the recent failure of TSFs in Canada and Brazil.

Most of MMG's TSFs, including that of Las Bambas, are made from engineered rock constructed using downstream construction methods. Our tailings governance includes independent dam review committees at each of our operations, and each TSF is designed, operated and maintained in accordance with leading engineering practices and principles.

Support from China Minmetals

China Minmetals Corporation (CMC) is the major shareholder of the company, and its sustainability philosophy is based around a firm commitment to creating the greatest possible integrated value for the economy, society and the environment.

As the flagship overseas mining company of CMC, MMG plays a vital role in contributing to CMC's strategy, and we are grateful for their strong support of our sustainability practices

and initiatives. Both companies aim to make a lasting and positive contribution to the communities in which we operate.

Finally, I thank our shareholders and communities for their ongoing support. I would also like to thank our people for their dedication and contributions to our sustainability performance. I look forward to reporting on another successful year in 2019.

Geoffrey Gao

Chief Executive Officer

MESSAGE FROM MMG'S EXECUTIVE GENERAL MANAGER, OPERATIONS – AMERICAS



Dear Readers:

The 2018 Sustainability Report is our third report as a mining operation and the 11th we have published since the beginning of our mining project, based on the main international reporting standards in sustainability management.

In 2018 our production reached 385,299 tonnes of copper in concentrate, managed using world-class standards and operational efficiency. This has helped Peru become the second-largest copper producer globally since the commencement of our operations.

Our report addresses relevant topics of our operation in terms of social, environmental and production

performance as well as our economic contribution to the government.

These topics were presented at three dialogue panels that we held with our institutional and local stakeholders, including community representatives of our area of influence, in Lima, Abancay, the capital of Apurímac, and Challhuahuacho district, Cotabambas province, our area of operation.

Our contribution to the development of Apurímac during the reporting year stands out. In fact, Apurímac leads regional growth in the country at an average rate of more than 30% over the past five years. Las Bambas paid accumulated royalties of US \$234 million at the close of 2018, and we have created 8,706 direct and indirect jobs to date, 18% of which are held by Apurímac residents. We also helped boost the economy in our area of influence with our local purchases of US \$36.4 million.

According to the records of the Peruvian Institute of Economics, between 2012 and 2017, regional poverty dropped 17 percentage points and malnutrition dropped 11 percentage points. In 2018 our social investment in education and culture, health, well-being and agricultural and livestock activities reached US \$15.3 million. Our operation has become the driving

force in one of the regions that has traditionally recorded the highest poverty indices.

The social investment we have made contributes to achieving the following U.N. Sustainable Development Goals:

- > **SDG 1**, No Poverty, through various projects, including maintenance and management of tree nurseries through community employment
- > **SDG 2**, Zero Hunger, through several projects, including the Andean Crops project in seven communities
- > **SDG 3**, Good Health and Well-being, through infrastructure investment
- > **SDG 4**, Quality Education, by improving school and recreational infrastructure
- > **SDG 5**, Gender Equality, through projects and campaigns focused on women empowerment, particularly mothers; and, finally,
- > **SDG 6**, Clean Water and Sanitation, by maintaining irrigation systems

We are pleased to have an active Diversity and Inclusion Committee, which is valuable in an industry such as mining, where we must promote a workplace of equality for women. We also continue to be very strict about complying with our safety

standards, with no fatalities or disabling accidents recorded in 2018. Our Las Bambas operation received worldwide recognition from MMG for the initiative *Pensamos en la seguridad ante todo* (We Think Safety First), which includes campaigns and innovative technologies to mitigate operational risks. We also advance the *Nos Cuidamos* (We Take Care of One Another) program, which promotes a safety culture; however, we need to maintain focus on achieving our zero injuries goal.

The transport of concentrate has been one of the main challenges for our operation. The use of the public road has been the subject of some complaints from certain communities, which escalated to the road blockade in August 2018. In many cases, these complaints arose from expectations of additional benefits from the population, such as payment for using the road, more expeditious compliance with social development commitments, and compensation for the noise, dust and vibration caused by the transport.

These conflicts emerged in late 2018 and early 2019, despite our willingness to have discussions. We have made our best effort at resolution and have engaged the government to meet some of the demands that go

beyond the scope of our operation. We maintain our commitment to continue working together with the communities, the national, regional and local governments, and all the parties interested in the development of the Apurímac region.

Suresh Vadnagra

Executive General Manager – Operations Americas, MMG

PERFORMANCE AND GOALS

Every year we set goals to drive our performance. As part of our continuous improvement approach, we assess whether we have met these goals and, based on the performance achieved, propose new objectives for the next period.

OUR PERFORMANCE AGAINST 2018 GOALS

SAFETY, HEALTH AND ENVIRONMENT (SHE)

Achieve a healthy, safe and secure workplace embedding safety as a value. ●

SAFETY AND HEALTH

Achieve a Total Recordable Injury Frequency (TRIF) rate lower than 0.5 at the end of 2018. ●

Implement Fatal Risk Standard. ●

Reduce by 15% the number of significant events with energy exchanged compared to 2017. ●

ENVIRONMENT

Comply with environmental licences and regulatory requirements, with zero fines. ●

Achieve zero significant events with actual level 4 consequence. ●

COMMUNITY RELATIONS

Continue to execute social investment projects aligned with local and regional development plans and with the U.N. Sustainability Development Goals, helping to bridge the socioeconomic and environmental gaps in the area of social intervention. ●

Strengthen our engagement respecting the culture and rights of the communities and practicing MMG's values, using dialogue as the main method to resolve disputes and reach mutually beneficial agreements. ●

Create strategic partnerships with the government and private institutions to contribute to the development of the communities within the scope of our intervention. ●

Implement a new system to monitor and assess the impacts of our investment in communities adjacent to the operation. ●

Strengthen Las Bambas' environmental management with the active participation of the communities and contribute to their socio-environmental development. ●

HUMAN RESOURCES

Increase the number of people hired locally and strengthen the ongoing capacity-building for local talent. ●

Implement personnel development plans. ●

Align the organisational culture with MMG's vision and mission, and strengthen it based on our organisational values. ●

Develop the capability and competency of our people. ●

Legend: ● Goal met or substantially met ● Made progress ● Goal not met





Moving Forward

Based on the assessment of our 2018 performance, we determined our goals for 2019.

2019 GOALS

SAFETY AND HEALTH

1. Maintain the TRIF rate at ≤ 0.40 .
2. Reduce the number of significant events with exchanged energy by at least 20% compared to 2018.
3. Ensure that at least 98% of Las Bambas employees who respond to the perception survey identify safety as a company value.
4. Achieve at least 90% implementation of the "Visible Leadership" Program.

ENVIRONMENT

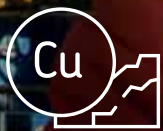
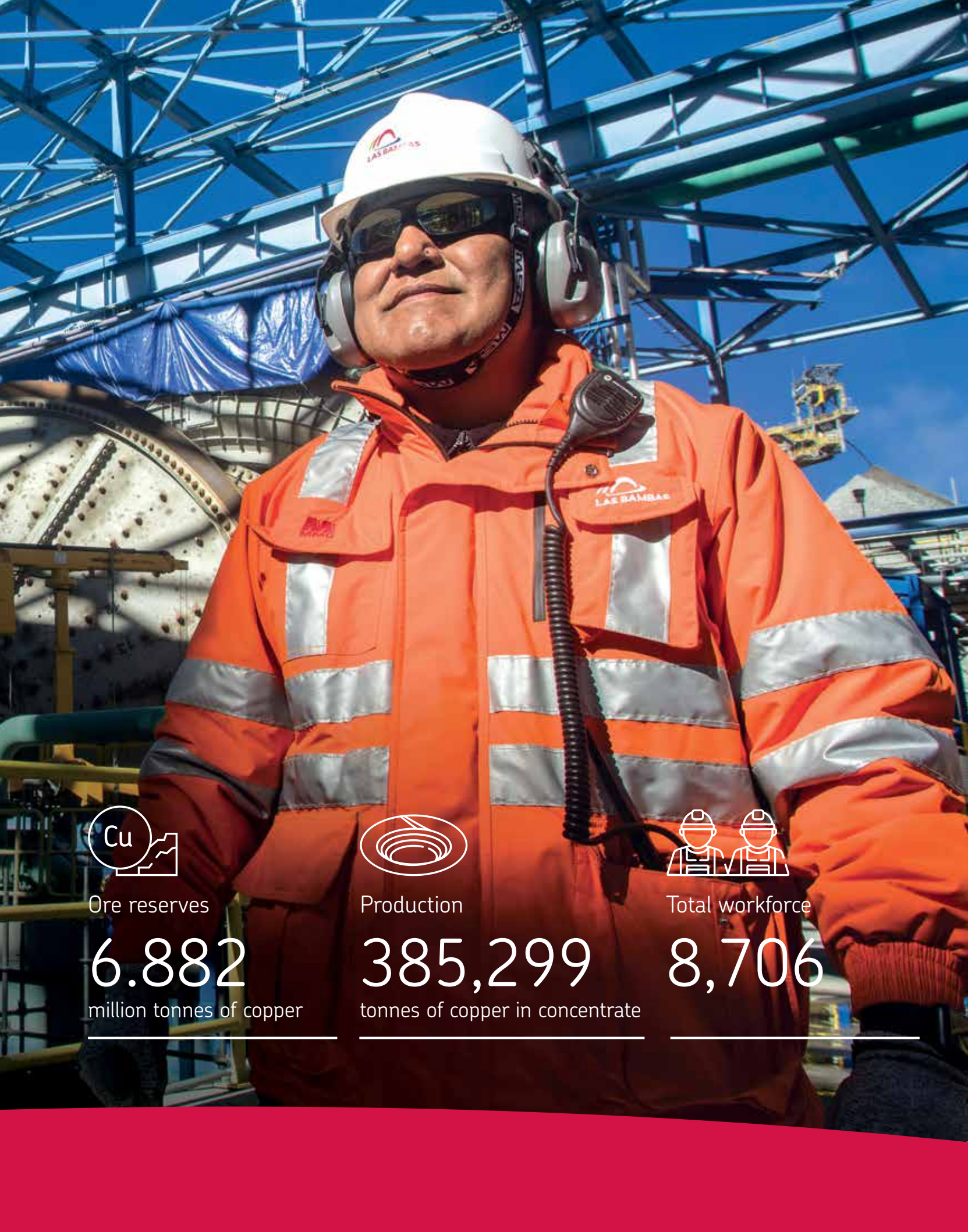
1. Achieve zero significant events with an actual level 3 consequence.
2. Comply with environmental licences and regulatory requirements with zero fines.

COMMUNITY RELATIONS

1. Strengthen our national, regional and local engagement to achieve the continuity of our operations and the viability of our new projects in favourable social conditions.
2. Minimise the impact of social conflicts on business targets.
3. Earn the recognition of our contribution to the sustainable development of our environment.
4. Implement 100% of scheduled commitments.

HUMAN RESOURCES

1. Increase the number of hired local employees and strengthen the ongoing capacity-building of local talent.
2. Build employees' capabilities and competencies through the implementation of development plans.
3. Align the organisation's culture with MMG's vision and mission, and strengthen it based on our organisational values, to create a sense of belonging.
4. Implement a progressive competency development model for employees working in operational areas.



Ore reserves

6.882

million tonnes of copper



Production

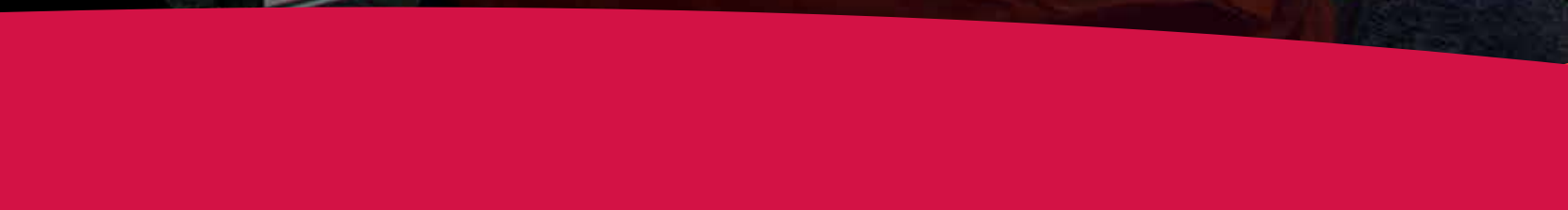
385,299

tonnes of copper in concentrate



Total workforce

8,706



WHO WE ARE

We are one of Peru's most important copper mines. We commenced operations in mid-2016, and our production results have made Las Bambas the most significant mine in MMG's portfolio.

1.1. PROFILE

The Las Bambas Mining Unit is located at an altitude between 3,800 and 4,600 metres above sea level, between Challhuahuacho, Tambobamba and Coyllurqui districts in Cotabambas and Grau provinces, Apurímac region, at approximately 75 km southwest of the city of Cusco, one of the departments crossed by the road used to transport our ores to the Port of Matarani.

From the beginning of our exploration stage in 2005, when our operation was part of Xstrata, until today, as part of MMG, our relationship with the Peruvian government has been characterised by a model of sustainable development and trust that governs our company.

Key Operational Data

- > We are an open pit mine with three deposits: Ferrobamba (where mining is currently underway), Chalcobamba and Sulfobamba (where we will extract ore in the future).
- > We produce copper (Cu) and molybdenum (Mo) concentrate. In 2018 our production reached 385,299 tonnes of copper in concentrate, at a 37.95% grade.
- > The concentrator plant has an installed throughput capacity of 145,000 tonnes per day (tpd).
- > We have ore reserves of 6.882 million tonnes of copper and mineral resources of 10.649 million tonnes. We expect to produce more than 2 million tonnes of copper in concentrate in our first five years of operation.
- > The expected life of mine is 18 years.
- > During 2018 we created 1,900 direct jobs and more than 6,800 indirect jobs (contractor workforce). Eighteen percent of the total was covered by local employees.

LAS BAMBAS TIMELINE

2004

- > Xstrata Copper acquired the right to explore Las Bambas through an international public tender.

2008

- > Completed exploration of 306,908 accumulated drilled metres.

2009

- > Completed Feasibility Study.

2010

- > Held public hearing for the Environmental Impact Study (EIS) in Challhuahuacho, Cotabambas province, Apurímac region.
- > Signed contract with the government to transfer the Las Bambas mining concessions titles, with an investment of more than US \$4.2 billion.

2011

- > The government approved the EIS after an extensive citizen participation process.
- > Communicated a 10% increase in the Las Bambas mineral resource, equivalent to 1.71 billion tonnes at a grade of 0.6% copper.

2012

- > Engineered roads and main components for the start-up of the operation.
- > Began improvement of Las Bambas – Espinar road under agreements with local authorities.
- > Allocated more than 60% of the investment for construction.

2013

- > Glencore became owner of Las Bambas as part of its acquisition of Xstrata.
- > Made 65% progress on pioneering roads, 40% on concentrator plant, and 95% on improvement of Las Bambas – Espinar road.

2014

- > Second EIS amendment (EISA 2) submitted and approved to allow ground transport of copper concentrate.
- > The joint venture of MMG Limited, Guoxin International Investment Co. Ltd. and CITIC Metal Co. Ltd. purchased Las Bambas.
- > Started physical resettlement of Fuerabamba community.



Located at 4,000 metres above sea level, the Anta Wasi Camp houses our employees.

2015

- > First production of copper concentrate as part of commissioning activities.
- > Commissioning and commenced ramp-up to full production.

2016

- > First shipment of copper concentrate.
- > Commenced commercial production.

2017

- > First complete year of commercial production.
- > Production exceeded 450kt of copper in concentrate.
- > Submitted EISA 3.

2018

- > EISA 3 approved.
- > Commenced exploration studies in the west area of the concession.

MMG OPERATIONS AND PROJECTS ACROSS THE WORLD

1.2. OUR OPERATOR

Headquartered in Melbourne, Australia, MMG is a mid-tier, global producer of base metals including copper and zinc. MMG is listed on the Hong Kong Stock Exchange (HKEx: 1208), with a secondary listing on the Australian Securities Exchange (ASX: MMG).

We operate and develop copper, zinc and other base metals projects across Australia, the Democratic Republic of the Congo (DRC) and Peru.

MMG has four operating sites across the globe and employs over 13,000 employees and contractors.

MMG ASSET BASE

Legend

- Operations
- ▲ Development Projects
- Offices

Source: MMG, 2018.



	AUSTRALIA (Includes Dugald River and Rosebery)			AFRICA (Kinsevere)		
PRODUCTION	223,041	1,465	79,711			
	tonnes of zinc in zinc concentrate	tonnes of copper in copper concentrate	tonnes of copper cathode			
	45,437					
	tonnes of lead in lead concentrate					
WORKFORCE	Total	% female	% national	Total	% female	% national
	941	9	95.18	3,125	11	99.2
ECONOMIC CONTRIBUTION (US \$ '000)	Total tax including royalties	Total wages and benefits	Total tax including royalties	Total wages and benefits		
	US \$75,382	US \$51,100	US \$56,202	US \$47,800		
		Total domestic supply procurement		Total domestic supply procurement		
		US \$362,400		US \$184,400		
SOCIAL DEVELOPMENT SPEND		US \$642,107		US \$931,163		



AMERICAS
(Includes Las Bambas and Lima)

CORPORATE OFFICE (Melbourne, Hong Kong,
Vientiane and Geoscience and Discovery)

385,299
tonnes of copper in copper concentrate

Total	% female	% national	Total	% female	% national
8,706	8	99.2	458	42	88
Total tax including royalties US \$207,302	Total wages and benefits US \$127,900				
	Total domestic supply procurement US \$1,008,800				
	US \$15,342,430		US \$901,347		

1.3. OUR STRATEGY

Our Standards

Our business-wide standards outline MMG's requirements in managing material risks, meeting legal requirements and external obligations, and creating and preserving competitive advantage and organisational effectiveness. Our standards are aligned with the 10 Principles of Sustainable Development of the International Council on Mining and Metals (ICMM) and provide the basis for achieving and maintaining sustainable operations.

Our integrated internal audit program includes focus on conformance with our Safety, Health, Environment and Community (SHEC) standards.

Our risk management process consists of steps that effectively identify and manage material risks and enable continuous improvement in both decision-making and performance. We continue to progressively implement critical controls and verification actions for material risks across our business.

Our risk management process is based on ISO 31000:2009, the international standard of risk management.

Compliance and Conformance

The Governance and Nomination Committee is responsible for developing and reviewing the company's policies and practices on corporate governance, the Code of Conduct and monitoring the company's compliance with the Listing Rules and other applicable laws.

In 2018 Las Bambas received four minor safety-related fines, all of which relate to safety incidents that occurred in 2013, 2016 and 2017.

Growth Strategy

At MMG our objective is to be valued as one of the world's top mid-tier miners by 2020 and, in the longer term, as one of the world's top miners.

Our strategy is enabled by:

- > providing a safe, healthy and secure workplace and a culture of collaboration, accountability and respect;
- > operating and developing our assets to their full potential;
- > being valued for our commitment to progress, long-term partnerships and experienced management; and
- > acquiring operating and development stage assets that transform our business.

Through project acquisition and development, we have built a strong foundation in attractive commodities and regions. Our business is based on a simple operating model, commitment to international standards, and a philosophy of simplicity and efficiency.

The support of our major shareholder, CMC, is fundamental to our success. Together, we are building capability and a reputation as China's premier international mining growth platform.

In 2018 we completed and commissioned our Dugald River zinc operation. This is the world's second top 10 mine completed and commissioned by MMG in the past three years.

In November 2018 we also announced the sale of our 90% interest in the Sepon mine. This follows the successful divestments of Century, Golden Grove and Avebury, and our creation of a portfolio of long life and quality base metal mining assets.

MMG'S STRATEGY

Mission

We mine to create wealth for our people, host communities and shareholders.

Vision

To build the world's most respected mining company.

Objective

To be valued as one of the world's top mid-tier miners by 2020 and, in the longer term, as one of the world's top miners.

STRATEGIC ENABLERS

Growth

We acquire, discover and develop mining assets that transform our business.

Transform Operations

We develop effective plans to deliver innovative growth opportunities and improve productivity.

People and Organisation

We provide a safe, healthy and secure workplace and a culture that values collaboration, accountability and respect.

Reputation

We are valued for our commitment to progress, long-term partnerships and international management.

OUR VALUES



We think safety first



We do what we say



We respect each other



We want to be better



We work together



Concentrator plant employees ready to start working.

MMG's Sustainability Commitments

Our Commitment to Sustainable Development

We are committed to sustainable development. To us, this means mining in a way that, where possible, we avoid the negative impacts of our operations or otherwise we minimise them; trying to maximise the benefits we can provide to our host communities and regions. 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 Sustainable Development Principles is articulated in our Safety, Security, Health, Environment and Community Policy. (Refer to our Appendix for the ICMM's Sustainable Development Principles on www.mmg.com.)

Our approach to sustainable development is also guided by the following policies:

- > Corporate Governance Policy
- > People Policy
- > Quality and Materials Stewardship Policy
- > Shareholder Communication Policy

We support the Extractive Industries Transparency Initiative (EITI) across all jurisdictions where this is in place.



The Andean Crops Project benefits communities in our area of direct influence.

In 2018 we introduced 12 new Sustainability Objectives for 2018 - 2020 that align with our material issues. These objectives are designed to be aspirational goals with specific, measurable targets. These targets will be monitored, and progress reviewed as part of the annual sustainability reporting process.

In 2004 the company that was awarded the bidding process of the Las Bambas Project took direct responsibility for seven of the 12 social conditions established in Annex K to the terms and conditions of the public bidding contest for the development of the mining project, as a result of public hearings, coordination and sustained dialogue held by the Private Investment Promotion Agency of Peru, ProInversión, with the regional, local and community authorities of the department of Apurímac. These seven conditions, which were taken on by the company, are being honoured to date.

MEMBERSHIPS

International

- > International Zinc Association (IZA)
- > Minerals Council of Australia (MCA)
- > Mining Progress Initiative of the DRC
- > Extractive Industries Transparency Initiative (EITI)

National

- > National Society of Mining, Petroleum and Energy (SNMPE, in Spanish)
- > Procobre
- > Peruvian-Australian Chamber of Commerce
- > Peruvian-Chinese Chamber of Commerce

VISION 2020

“To be the best copper miner in Peru and the industry reference point worldwide”

To materialise this vision, we have to base our activity on the following pillars:

	<p>ZERO INJURIES</p>	<ul style="list-style-type: none"> > By believing that zero is possible. > By caring for our safety and that of our fellow employees. 	<ul style="list-style-type: none"> > By having employees committed to safety (attitude, willingness and skills). > By carefully analysing the consequences of our actions or omissions, and by always making safe decisions.
	<p>DISCIPLINE AND EXCELLENCE</p>	<ul style="list-style-type: none"> > By operating with exceptional discipline. > By continuously driving operational improvements and striving to be the best. 	<ul style="list-style-type: none"> > By achieving industry operational efficiency and cost benchmarks. > By efficiently managing our material risks.
	<p>TO BECOME THE BEST MINING EMPLOYER</p>	<ul style="list-style-type: none"> > By investing in our people, their capabilities, motivation and development. > By communicating effectively with our people. > By building a culture based on inclusive leadership that empowers, inspires and encourages teamwork and innovation. 	<ul style="list-style-type: none"> > By making our people proud of belonging to Las Bambas and giving each employee the knowledge to be our ambassador. > By building a brand that communicates trust, our values and our commitment to our people, communities and Peru. > By promoting local talent.
	<p>LOCAL DEVELOPMENT</p>	<ul style="list-style-type: none"> > By listening and incorporating the viewpoints of our stakeholders. > By creating progress and implementing development initiatives together with communities and in partnership with the government. 	<ul style="list-style-type: none"> > By helping to improve the quality of life and economic growth of the Apurímac region and Peru.
	<p>GOOD CORPORATE GOVERNANCE</p>	<ul style="list-style-type: none"> > By operating to international standards. > By being recognised for harmonising operational excellence and environmental management. > By finding strength in our cultural diversity. 	<ul style="list-style-type: none"> > By respecting and promoting fundamental human rights among our employees and stakeholders. > By acting with integrity, in line with our values and Code of Conduct.

1.4. OPERATIONAL EXCELLENCE

Since the commencement of our operations in mid-2016, Las Bambas has been characterised by using state-of-the-art technology, and for our efficiency and alignment with international standards.

Our 2018 production results have been highly positive, having mined 385,299 tonnes of ore. This encourages us to continue to work toward the achievement of our goals and those of the industry.

Operationally speaking, we highlight the following information:

2018 PRODUCTION

CATEGORY	
Cu concentrate grade	37.95%
Recovery	86.22%
Cu produced	385,299 t

OUR PRODUCTION PROCESS



INNOVATION AND TECHNOLOGY AT OUR OPERATIONS

We implemented improvements in the production process that resulted in greater operational efficiency during the year. A clear example of that is the incorporation of the first Komatsu 980E-4 electric truck assembled at our mine.

Overall, we added five upmarket pieces of equipment with a load capacity of 400 t. They have an ergonomic operator cab that meets high quality and safety standards.

It is also worth highlighting that the purchase of these trucks will result in better performance in terms of environmental impact.

HIGH PERFORMANCE BLASTING AND SLOPE CONTROL ACTIVITIES

We always use state-of-the-art technology. For example, we have implemented high performance controlled blasting activities to mitigate the potential damage to the pit walls.

We have also performed:

- > elemental wave studies to predict dominant frequencies;
- > increases in delay times to reduce vibration;
- > increases in frequencies;
- > changes in the output sequence to minimise slope damage;
- > simulation of vibration and energy halos

Implementation of these studies has resulted in a better distribution of energy, an appropriate output sequence and efficient drilling.



We use state-of-the-art technology for our communications.

IMPROVED TELECOMMUNICATIONS

We have taken on the technological challenge of improving our communications platform, which is the basis of automation, control, field data acquisition, supervision, real-time operation and decision-making processes.

Traditional wireless networks are unable to handle the bandwidth, latency, security, coverage and reliability requirements of Las Bambas.

For this reason, we plan to use a Long Term Evolution (LTE) network, as this type of network provides better coverage, greater capacity, high availability, security and integration, among other benefits. Implementation of a private LTE network will enable us, in the initial stage, to combine the dispatch, mine, dewatering system, slope control, storm detection, access control and fatigue management systems.



Total number of hours worked

+16
million



Year-to-date
Total Recordable Injury
Frequency

0.47



Training on security
management and human
rights

100%

Employees and contractors

THE WAY WE WORK

Our goal is to create value for our stakeholders. This involves strengthening the relationships of trust through the transparency of our actions, which are embedded in our policies and procedures.

2.1. GOVERNMENT RELATIONSHIPS

Corporate Governance Approach

Consistent with our core belief that we mine for progress, we strive to deliver sustainable benefits and prioritise actions and behaviours that are valued by the communities, regions and nations in which we operate.

At MMG we take both a relationship and a country-level planning approach to the management of these aspects. This includes dedicated roles and structures led in country, supported by assessment of country-specific issues and relationships from Group functional experts. This approach increases

our awareness and understanding of social, economic, governance and non-technical risks and provides the relationships, analysis and policy advocacy to shape and manage responses.

Material risks include security; political stability, fiscal and regulatory change, and amendments to concessions, licences, permits and contracts.

Pressures on government revenues may lead to increases in corporate tax, value-added tax and royalty rates, often coupled with increased audit and compliance activity. This is also accompanied by the need to streamline the government's fiscal ability to pay tax and duty refunds owed to operating companies.

Changes in mining or investment policies, shifts in political leadership or attitudes or deterioration in business-government relationships may adversely affect the Group's operations, reputation and profitability.

Maintaining constructive relationships with host governments and effectively managing sovereign risks are important to our success. Failure to identify and manage relationships, risks and opportunities can negatively impact reputation, social, operational and financial performance and limit future growth.

Stakeholder Engagement

MMG aspires to be valued as a trusted partner with our people, our host governments and communities. Our ambition is to develop partnerships based on regular and open dialogue, transparency and mutual respect.

We recognise that intergenerational engagement is critical to manage the impacts and opportunities for current and future generations. We also recognise the need to take into account gender-based differences in our engagement and community decision-making processes.

We work in complex jurisdictions and across numerous cultures and geographies, often in communities that have previously experienced limited development opportunities.

We recognise that strong stakeholder engagement is required throughout the project life cycle from exploration to closure; this is critical to ensuring we make business decisions responsive to the needs and expectations of our host communities and their governments.

Our approach to stakeholder engagement is guided by our commitment to the ICMM's 10 Principles, including the commitment to community dialogue and free, prior and informed consent (FPIC) regarding indigenous peoples.

A matrix of our broad stakeholder groups, their areas of interest and our engagement process is available online in the Sustainability Report Appendix at www.mmg.com.

Sovereign risk and those risks related to the governance of our host countries are fundamental in extractive industries. Being aware of and anticipating these risks minimises the effect on the operational, social and environmental performance of the operation.

For this reason, from our operation we try to understand the comprehensive characteristics of each area where we are located, implementing planning

processes and inserting structures to manage and assess those risks, in addition to building and maintaining ethical and law-abiding government relations.

A regional commission was created for the implementation of the EITI by the Ministry of Energy and Mines (MINEM, in Spanish), which has conducted five studies in the country, one on the Apurímac region. The EITI involved the private sector through the transparency of contributions and royalties in the extractive sector. Results of the 1st Regional Transparency Study – Apurímac were presented in 2018.



Our cattle breeding project benefits 674 families from communities adjacent to Las Bambas.

ETHICS

Our values and our Code of Conduct underpin our commitment to establishing and maintaining long-term, meaningful relationships with our stakeholders, including governments and employees. We aim to act with integrity in all situations and to provide formal structures to review and respond to any potential behavioural, ethical or cultural issues as they may arise.

The MMG Code of Conduct sets out the standards of behaviour expected from all MMG employees, contractors and suppliers and to integrate these standards of behaviour into their working practices.

The Code of Conduct covers areas such as conflict of interest, fraud, anti-corruption and legal compliance. Matters relating to the Code are overseen by the Code of Conduct Committee. We also engage an independent confidential whistle-blower service provider, which is available to all employees globally in their local language.

We recognise that some of the jurisdictions in which we work present unique challenges with respect to transparency and individual freedoms. Because of this we seek to match good governance with a commitment to transparency initiatives such as the Extractive Industries Transparency Initiative and Voluntary Principles on Security and Human Rights.



We hire and train local employees.

INDEPENDENT ADVISORY GROUP

At Las Bambas we value expert advice that enables us to make better strategic decisions. We have had an Independent Advisory Group (IAG) since the exploration stage of our unit and throughout its life cycle. It is composed of knowledgeable specialists who have no association with Las Bambas' management. They provide ongoing advice and consultation to our leaders on institutional, economic, environmental and social matters.

The IAG met six times in 2018 to address issues related to political, economic and social events. This group focuses primarily on strategic issues and offers recommendations based on the experience of each of its members, who participate on an individual basis and not on behalf of the entities to which they belong.

We are committed to respecting human rights as outlined in the ICMM's Sustainable Development Framework.





2.2. HUMAN RIGHTS

We recognise that the concept of human rights covers a broad range of interrelated issues, requiring an integrated approach across numerous business functions. At MMG our Human Resources, Supply, Community Relations, Stakeholder Relations, Security, Exploration and Project Development functions have specific responsibilities for upholding our commitment to human rights.

Our approach to managing human rights risk is embedded in our broader risk management framework. We integrate human rights considerations into our Code of Conduct, employment processes, risk-analysis activities and formal grievance processes. We ensure our stakeholders are confident to report instances of unacceptable conduct without fear of intimidation or reprisal.

MMG is committed to respecting human rights in the communities in which we live and operate, and to providing access to an effective remedy where we make an impact.

We operate in accordance with the U.N. Guiding Principles on Business and Human Rights and the U.N. Global Compact principles. We are also signatories to the U.N. Global Compact process under the auspices of our major shareholder, China Minmetals Corporation.

In 2018 Australia introduced a Modern Slavery Act, which requires businesses to report annually, starting in 2020, on the risks of modern slavery in their operations and supply chains, the action they have taken to assess and address those risks, and the effectiveness of their response.

We commit to respecting human rights as outlined in the ICMM's Sustainable Development Framework. This commitment has been strengthened through the development of joint

industry and civil society guidance on key issues such as Free Prior and Informed Consent and the Rights of Indigenous Peoples, and with the recent release of a set of performance expectations. We also participate in ICMM-convened member discussions and peer learning on a wide range of business and human rights issues, including the role of business with regard to civic freedoms and human rights defenders.

At Las Bambas, human rights are expressed in a tangible manner and applied to the local reality by respecting the customs and culture of our area of operations; searching for opportunities for development together with the neighbouring communities; putting our information practices into action with stakeholders: resolving disputes based on dialogue; and providing access to equal opportunities for our employees, contractors and suppliers.

Thanks to the visit we received from the U.N. Working Group on the Issue of Human Rights and Transnational Corporations and other Business Enterprises in 2017, we received a report that enabled us to gain a deeper understanding of the human rights approach in our relationship with the communities adjacent to our operation.

As is the case with various areas of the country that are distant from urban centres, Cotabambas province does not have adequate infrastructure or resources to maintain public order. It is for this reason that the Peruvian National Police (PNP) executes agreements with companies from various industries that have suitable infrastructure to provide the logistics support required to maintain public order.

When these agreements are implemented, the PNP acts in compliance with legal authorities and its own internal regulations.

Initiatives Related to Human Rights Issues

LAS BAMBAS' DIVERSITY AND INCLUSION COMMITTEE

Values such as respect for diversity, equal treatment, and fight against harassment and discrimination are essential to us to build relationships of trust and develop a sustainable operation. In 2018 we launched women's forums to create an open space where female employees of Las Bambas can share their experiences as part of our workforce. To date we have held five forums on different topics, including how to build a more inclusive environment for women, how to develop soft skills

and techniques, and how to learn from our fellow workers. We have also listened to stories from women who have achieved professional growth and shared the lessons they learned during this time.

Beyond the implementation of this forum, there are still other opportunities for improvement, such as expanding the invitation to include our contractors, as this will enable us to expand the conversation about diversity and inclusion.

VOLUNTARY PRINCIPLES ON SECURITY AND HUMAN RIGHTS

Our internal security and protection management plans related to public and private security actions are based on the Voluntary Principles on Security and Human Rights.

Our People and Asset Protection Standard requires private security companies that work for our operation to be a signatory to the

International Code of Conduct for Private Security Providers.

In 2018 we trained all of our employees and contracted security personnel on our security management and human rights approach.





FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We respect the right to freedom of association of all our employees. Thirty-seven percent of our direct workers have joined the Las Bambas Workers' Union.

We maintain a joint dialogue and work practice with this union by holding monthly meetings, and we keep it informed of progress in terms of labour rights.

TRAINING ACTIVITIES FOCUSED ON HUMAN RIGHTS

To strengthen our relationships with key parties in terms of safety, and to train them, we gave talks on our Code of Conduct and policies on human rights. We identified private companies Prosegur and Liderman and the PNP as key parties.

2.3. OUR COMMITMENTS TO SUSTAINABLE DEVELOPMENT

Following are the results of the work performed in 2018 to comply with the seven commitments of Annex K to the terms and conditions of the public bidding contest for Las Bambas we made to the communities and the Peruvian government.

COMMITMENT COMPLIANCE

1. PREPARE AN EIS TO PRESERVE THE ENVIRONMENT, FLORA, FAUNA AND WATER RESOURCES

- › We carried out eight participatory monitoring activities on water and air quality and noise.
- › We developed five workshops on the delivery of results from the EISA.
- › We strengthened our connections with schools and university students through four guided visits and two talks given at universities, where the EISA was communicated in greater detail.

2. MAKE JOB OPPORTUNITIES FOR PROFESSIONALS, TECHNICIANS AND LABOURERS FROM APURÍMAC REGION AND PROVINCES A PRIORITY

- › We provided direct and indirect employment opportunities, for skilled and unskilled labour, to benefit the residents of the Apurímac region.
- › Currently we have more than 1,500 employees from Apurímac region. This figure accounts for 18% of the total workforce.
- › Seventy percent of the more than 1,500 employees from Apurímac region come from Cotabambas province.

3. ASSIST RESETTLEMENT OF FUERABAMBA COMMUNITY AND PAY COMPENSATION

- › A new Community Board presided by a new social leader was elected in 2018. Despite the differences with the community, we continue to promote dialogue and honour our commitments in the following areas: 1) education: payment of bonuses to teachers and payment of staff salaries, school meals and scholarships, 2) health: medical care at the Health Centre, 3) basic sanitation: access to potable water, solid waste collection, 4) care of vulnerable groups: continuity of the work with Cáritas del Perú, payment of incentives to senior citizens, and 5) employment.

4. ENSURE LAND REPLACEMENT FOR AGRICULTURE, LIVESTOCK FARMING AND HOUSING

- › We delivered almost all the land for housing, livestock and agricultural purposes in various communities. Delivery of 180 ha is still pending.

5. RESPECT LOCAL CULTURE AND CUSTOMS, ESPECIALLY HUMAN RIGHTS

- › We promoted festivals and traditional expressions of the communities in our área of influence: *Llaqtanchispa Takiynin* (The Singing of our Peoples) 2018 music contest, sixth edition, and *T'ikapallana* (Flower Gathering) 2018, which included the participation of six districts from Cotabambas.

6. TAKE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY AND CREATE POSITIVE RELATIONSHIPS WITH COMMUNITIES

- › We implemented the Tree Nurseries production project, which currently benefits 494 families per month and generates 5,928 wages per year.
- › We developed campaigns against cold weather (US \$86,888) and to promote skin care (US \$22,808).
- › We implemented a school reinforcement program aimed at school children from our ADI. Currently the Las Bambas Educational Resources Program (PREB, in Spanish) has 16 locations and benefits more than 500 students. From 2016 to date, the investment exceeds US \$766,871.
- › We granted scholarships to 69 young people from Fuerabamba, Huancuire, Carmen Alto and Manuel Seoane Corrales communities. The scholarships cover food, housing, tuition and office supplies until the completion of their higher studies.
- › We launched seven medical campaigns as part of the Early Childhood Development Project, to improve the health and nutrition of the child population.

7. INTEGRATE MINING DEVELOPMENT WITH AGRICULTURAL AND LIVESTOCK FARMING ACTIVITIES

- › We carried out a guinea pig breeding project that benefitted 169 families from communities in the ADI (64% of participants are female heads of household).
- › We carried out a livestock project focused on joint work with the communities that benefits 568 families from 11 communities each year. We highlight the following activities: genetic improvement of cattle and sheep, and technical assistance on forage installation and conservation.
- › We carried out the Andean Crops Project that benefits 851 families per year.
- › Finally, the Afforestation Project we carried out in various communities benefitted almost 493 unskilled workers.



Las Bambas hosts a dialogue panel in Abancay, Apurímac.

2.4. ENGAGEMENT

We intend to build long-term relationships with our stakeholders that benefit everyone. Our engagement approach is aligned with the ICMM's Sustainable Development Principles.

The two criteria we consider to define our stakeholders include:

- > the impact of their activities on Las Bambas and vice versa, and
- > a shared vision regarding the development of Apurímac region and the areas of influence.

It is necessary to have effective communication with each of the social agents, as this enables us to build trust and strengthen an honest dialogue. We try to use direct and friendly methods for each type of stakeholder, including face-to-face meetings, dialogue tables and workshops; print, digital and audio-visual media; online platforms; technical reports; general informational material; and open events. Along those lines, in August 2018 we hosted the ICMM's local business session.

LOCAL COMMUNITIES

- > Development work meetings
- > Regular workshops and meetings with residents
- > Participation in community meetings
- > Guided visits
- > Media such as magazines, bulletins and radio stations
- > Dialogue processes

MEDIA AND OPINION LEADERS

- > Ongoing communication
- > Press releases
- > Website and social networks
- > Guided visits
- > Bulletins
- > Sustainability reports
- > Dialogue processes

CIVIL SOCIETY

- > Community information centres
- > Development work meetings
- > Forums, anniversaries, fairs, public presentations
- > Website and social networks
- > Guided visits
- > Talks and workshops in universities
- > Panels
- > Direct engagement

Our stakeholder engagement takes place through the following methods:

SHAREHOLDERS

- > Managers' Committee
- > Sustainability Reports
- > Stock exchange announcements
- > Quarterly reports

PUBLIC OPINION

- > Website and social networks
- > Mass media: TV, radio, etc

EMPLOYEES

- > Internal communications campaigns
- > Internal communication media: bulletins, intranet, closed-circuit TV, bulletin boards and radio station
- > Leadership Development Program
- > Program to develop managerial skills
- > Monthly forums with leaders of the operation
- > Annual labour climate surveys
- > Safety conversations/toolbox talks/prestart meetings

GOVERNMENT (CENTRAL, REGIONAL AND LOCAL)

- > Development work meetings
- > Reports to industry regulators
- > Reports and studies
- > Ongoing information
- > Dialogue processes

CONTRACTORS

- > Communications campaigns
- > Regular and alignment meetings
- > Safety conversations/toolbox talks/prestart meetings

MINING SECTOR

- > Dialogue processes
- > Forums, fairs and public presentations
- > Panels



ECONOMIC, SOCIAL AND ENVIRONMENTAL DEVELOPMENT PLAN OF OUR AREA OF INFLUENCE

In November 2018 we presented a progress report on our social work, using the methodological guidelines proposed by the National Strategic Planning Centre (CEPLAN, in Spanish). The identified stages include:

1. Preparation and implementation of a roadmap for territorial land use planning (immediate execution)
2. Preparation of the plan using the CEPLAN methodology (short-term execution)
3. Implementation and follow-up

2.4.1. Grievance and Complaint Management

Residents of the communities in our area of influence submit complaints or schedule consultations through our Permanent Information Offices (PIOs). We have offices of this type in Abancay, Challhuahuacho, Tambobamba and Mara (Apurímac), and in Espinar, Ccapacmarca and Velille (Cusco).

2018 COMPLAINTS

423



Submitted

260



Resolved

163



In process of resolution

Fifty-six percent of complaints were related to contractors not paying local suppliers, who submitted their grievances to Las Bambas. We followed up on these grievances through the Contracts department, to ensure the contractors honoured their payment commitments. In the reporting period we did not receive any complaints related to discrimination or violation of human rights of indigenous peoples.



We conduct participatory environmental monitoring activities.

2.4.2. Dialogue

The capacity to build and maintain a dialogue with each of our stakeholders is essential, as we aspire to become a reliable partner for development. We participate in various dialogue forums to which we are invited, to learn stakeholders' perspectives and strengthen the ties we have already established with our community.

Our Local Traditions

Our respect for local traditions is expressed through the support we provide to various activities that help strengthen the ancestral legacy inherited by our neighbours.

As in previous years, in 2018 we participated in various local traditions by providing support and enjoying them together with community members:

- › Participation in the *T'ikapallana* 5th Regional Competition and 9th Provincial Carnival Competition 2018 in Tambobamba. Men and women gather flowers from the Porotopampa Mountain one week before the carnival to pay tribute to the *Pachamama* (Mother Earth). This ancestral traditional was recognised as Peru's National Cultural Heritage five years ago.
- › Participation in the horse races organised by the communities.
- › *Yunza* (Cutting of a tree laden with gifts) in Tambobamba.
- › Performance of typical dances in Tambobamba and Challhuahuacho.
- › Participation in the activities on Mother's Day, Father's Day, National Holiday parades, Christmas and Spring Day, among other celebrations.
- › Participation in the celebrations of the anniversaries of the communities in our area of influence.



Dancer performing at Cotabambas province carnival.

We continue
to carry out road
maintenance
activities along
the transport
route.





CONCENTRATE TRANSPORT IN LAS BAMBAS

In 2016 we started our commercial production with the transport of copper by trucks on public roads that connected the mine to the Pillones railway transfer station in Arequipa. This corridor, comprising the Cotabambas (Apuímac), Chumbivilcas (Cusco), Espinar (Cusco), and Caylloma (Arequipa) provinces, is part of the ore concentrate transport route to the Port of Matarani.

Since then, the transport of ore concentrate has been a great challenge to our company, as the use of the public road gave rise to some complaints due to expectations of additional benefits from certain communities, such as payment of economic compensation, expeditious compliance with social development commitments, and compensation for the noise, dust and vibration caused by the transport on a public road that is not exclusively used by Las Bambas.

In 2018 the Fuerabamba community expected payment from Las Bambas for using a section of the public road that crosses the Yavi Yavi property, located approximately 130 kilometres from

our mining operation. In August the complaints of this community escalated, and a group of community residents prevented transit of any vehicles from our company and our contractors starting 4 February 2019. On 22 March 2019, they blocked the access to the mine, with the support of other communities from Challhuahuacho district, and proposed a new platform of district and provincial requirements.

On 6 April 2019, representatives from the government, our company and the Fuerabamba community held a meeting with the participation of the Peruvian Episcopal Conference and the Ombudsman's Office. We reached an agreement to lift the road blockade and to establish a dialogue forum with that community to review their approaches and concerns related to the resettlement process.

In that same meeting, the government, communities and community-based organisations of Cotabambas province agreed to create another dialogue forum to talk about another platform of grievances, which led to the implementation of nine technical tables where these problems are being discussed to reach solutions by mutual consent.

We confirm our commitment to work with the Peruvian government and the communities located along this transport corridor to find a long-lasting

solution to the problems related to the use of and impacts on the road. The technical tables will continue to meet in 2019 within the framework of these agreements.

We continue to carry out road conservation and maintenance activities along the transport route, including the micro-paving of certain sections, and ongoing watering prior to the passage of trucks, to mitigate the dust on the route. In cooperation with the Ministry of Transport and Communications (MTC), we conducted technical studies for final paving.

Finally, we have started ongoing and progressive work with the farming communities located along the road, focused on advancing joint work lines that propitiate development and production activity. For the medium-term, we are also designing a capacity-building plan for district and provincial authorities, to help them better manage their resources and capitalise on the investment program options provided by the government through the Investment Tracking System (SSI, In Spanish).



Safety is our first value.

2.5. OCCUPATIONAL SAFETY AND HEALTH

Our occupational safety and health performance is governed by our guidelines, including the five cardinal rules, the Fatal Risk Standard, the Safe Task Management Standard, and the ICMM's 10 Sustainable Development Principles.

2.5.1. External Factors that Affect Employee Performance

Upon identifying and analysing external factors that affect employee performance, we decided to work on employee empowerment, so that they develop behaviours that prevent risky situations, such as *raising a hand* during adverse working conditions.

From January to November 2018, there were 1,161 reports with regard to circumstances that affect employee performance:

437

reported they felt unsafe due to their poor health condition.

367

reported they felt unsafe due to fatigue and drowsiness.

310

reported they felt unsafe due to resting less than six and a half hours.

24

reported they felt unsafe due to family issues.

23

reported they felt unsafe due to other reasons.

This is a most telling study considering the identified circumstances. As a company, we understand that situations unrelated to work also influence labour productivity.

2.5.2. Initiatives

- › We strengthened and restructured the Occupational Safety and Health Management System.
- › We completed and launched the Fatal Risk Standard, which includes aspects such as vehicles and mobile equipment, explosives and blasting, and lifting operations.
- › We strengthened the Safe Task Management Standard (a mandatory course to enter the mine) and Field Task Observations (through a training program provided to supervisors and superintendents), and we updated the Electrical Storm Standard.
- › We carried out the Risk Control Fair 2018, with the participation of 15 contractors.
- › We implemented the SmartCap system, known locally as *Guardián de Vida*, to manage truck driver fatigue, and we installed cameras in the mining trucks.
- › We strengthened safety leadership through the initiative called management “walkdowns,” which are carried out each week to identify risks and unsafe conditions.

During 2018 we proposed joint initiatives with the Safety and Transport Committee to maintain the safety standards at optimal levels. For this purpose, we focused on:

- › Strengthening the reporting of any events (accidents or near misses), including those caused by third parties.
- › Continuing to analyse the transport truck videos. We identified 2,953 situations, of which 281 corresponded to good practices.

- › Reinforcing the presence of supervisors to identify opportunities for improvement in compliance with the Safety and Operations Protocol.

Our safety indicators reflect the work we have performed during 2018.

SAFETY INDICATORS

INDICATOR	2018
Year-to-date Total Recordable Injury Frequency	0.47
Total number of injuries	8
Fatalities	0
Lost time injuries	3
Restricted work injuries	0
Medical treatment injuries	5
Total number of hours worked	16,988,791



Active breaks prevent fatigue and drowsiness.

MMG'S RECOGNITION OF SAFETY INITIATIVES

The MMG Progress Awards highlight and recognise the outstanding achievements of all its operations. Our Concentrate and Port Logistics team participated in the awards competition with their involvement in the *We Think Safety First* initiative, which included the Raise your Hand campaign, the adoption of the innovative SmartCap technology and the recognition of positive safety performance.

These initiatives, based on our safety culture and digital transformation, are important because they represent industrial safety improvement at the site and across supply chain logistics.

SmartCap is an automated anti-fatigue system, consisting of a device (headband) worn by the truck drivers to monitor their levels of fatigue. This system triggers an alarm if the individual is required to take any preventative action. We also have installed video cameras to monitor the inside of each truck cab and the external part of the road.

Drivers' behaviour is monitored 24 hours a day by personnel who specialise in remote control of fatigue and can help drivers mitigate the risks.

Our team received the 2018 Progress Award presented by MMG, thanks to these initiatives and our commitment to a safety culture.



We implement safety initiatives and earned the MMG Progress Award in 2018.



NOS CUIDAMOS PROGRAM

The *Nos Cuidamos* (We Take Care of One Another) program was launched in 2018, with the following objectives:

- › To build a culture of caring and promote a change in employees' attitudes with regard to safety.
- › To promote safety as an essential value at Las Bambas.

We all have a motivator in life, a force that drives us to be better. For example, many of our employees are motivated to work to help make a better life for themselves and their family members.

The *Nos Cuidamos* program promotes that each employee has a motivator to take care of himself/herself and care for his/her colleagues: "because I am a father," "because I am a mother," "because I am a son," "because I am a grandfather," "because I am a brother," etc. This helps to establish control measures based on each reason to perform safely in the workplace.

Las Bambas used the Quarterly Meeting with General Management in April, to launch the program. We showed a video that highlighted the experience of three of our employees and their reasons to care for themselves at work and return home safely. The participants were touched and identified with each story. This program was launched in the presence of the senior leaders of Las Bambas, who talked about their roles as parents, grandparents, children and spouses, and highlighted the importance of safe conduct at work to return home with zero injuries.



Nos Cuidamos safety program communication campaign.

Other aspects of the program include:

- › Time to reflect on the safety talks at the prestart meetings
- › Jingle in Quechua and Spanish, broadcast on Radio Máxima
- › Promotional video *Nos Cuidamos porque somos peruanos* (We Take Care of One Another Because We are Peruvian) within the framework of the World Cup
- › Testimonial video of Jorge Apaza (an employee who suffered a domestic accident)
- › Banners and signage
- › Stickers on hard hats (BECAUSE I AM...)
- › Merchandise (magnets, photograph frames, ecological bags)
- › Contest on safety messages to families
- › Video of the second phase of the campaign (launched in the Quarterly Meeting with General Management in October 2018)



Local, national
and international
purchases

US \$1,077

million



Our social
investment

+ US \$15

million



WE MINE FOR PROGRESS

Our Direct and Indirect Contributions

For us, “We mine for progress” means contributing to local socioeconomic development through the impact of our operations. Local capacity-building and creating multiple direct and indirect economic opportunities help to strengthen relationships of trust with the communities where we operate.

3.1. DIRECT ECONOMIC IMPACT

Las Bambas’ economic impact focuses on five categories related to the U.N. Sustainable Development Goals and our stakeholders: investments in construction and development, salaries, purchases from suppliers, taxes and other payments to the government, and social investment.

DIRECT ECONOMIC IMPACT (IN US \$ MILLIONS)

CATEGORIES	2017	2018
Investments in construction and development	211	212.3
Total salaries paid	115	119.5
Local, national and international purchases from suppliers	1,169	1,077
Taxes and other payments to the government	259.9	234.0
Social investment*	14.4	15.3







*Does not include compensation.

3.2. SOCIAL INVESTMENT

Our social investment has enabled us to implement works and projects that have contributed to the development of the communities in our area of influence. That investment revolves around the needs established by the central, regional and local governments, and by our neighbouring communities.

Our social development approach helps us reach the Sustainable Development Goals (SDGs) of the U.N. 2030 Agenda. We have identified six goals related to our social investment.

SOCIAL INVESTMENT (IN US \$)

SDG	ACTIVITIES	TOTAL SOCIAL INVESTMENT
No Poverty 	<ul style="list-style-type: none"> > Maintenance of rural roads through community employment > Training and standardisation of local entrepreneurs > Construction of Coporaque Market and Collana Mini Community Centre > Maintenance and management of greenhouses through community employment > Handling of indemnifications, grievances and complaints 	6,710,861
Zero Hunger 	<ul style="list-style-type: none"> > Andean Crops Project in seven communities > Internships on afforestation > Delivery of agricultural machinery (tractors and harrows) 	3,090,187
Good Health and Well-being 	<ul style="list-style-type: none"> > Investment in health infrastructure > Cáritas program to provide care to vulnerable groups > Construction of sports field > Campaigns against cold snaps and solar radiation > Road safety campaigns 	1,888,506
Quality Education 	<ul style="list-style-type: none"> > Contribution to cultural activities > Financing of scholarships for young people > School reinforcement programs, school transport, summer school > PREB and improvement of school and recreational infrastructure > Music band contests 	2,282,985
Gender Equality 	Projects and campaigns focused on female empowerment, particularly mothers: <ul style="list-style-type: none"> > Health campaigns coordinated with regional authorities > Hen breeding project > Guinea pig breeding and trading project 	743,189
Clean Water and Sanitation 	<ul style="list-style-type: none"> > Damming specifications > Maintenance of Antuyo irrigation system 	626,702
Total		15,342,430

3.3. FOSBAM

The Las Bambas Social Fund (FOSBAM, in Spanish) non-profit association developed and carried out various projects to benefit residents of Cotabambas and Grau provinces. The priorities – basic sanitation, education, electrification, and agricultural and livestock development – were agreed on with the communities based on their needs and expectations.

However, January 2018 marked a very important milestone for Las Bambas: the liquidation of FOSBAM. This important stage ended with the publication of the official balance sheet (February 2018) of the operations. At the time of liquidation, due to the total spending of available funds, FOSBAM had assets of more than one million soles, which were distributed among the associated municipalities.



Regional Health Campaign Support

In April we signed an inter-institutional cooperation agreement with the Apurímac Health Bureau (DIRESA, in Spanish), to design and finance the *Todos por Apurímac, Todos por la Salud* (All for Apurímac, All for Health) communication campaign. It was developed to raise awareness, inform and educate the population about best practices to prevent and fight anaemia, foster good general hygiene and promote mother and infant health.

The campaign was launched in August in Challhuahuacho, Tambobamba and Abancay, and then extended across Apurímac region, in coordination with the Cotabambas Health Network, the Regional Government's Social Development Department and the Ministry of Development and Social Inclusion (MIDIS, in Spanish).

Three characters were created to help promote the campaign: Lita, a sheep; Anita, a girl; and her grandmother. This included print and digital graphic pieces and radio and television spots in Quechua and Spanish, to convey the message to the entire region. Puppet shows and food tasting events were also carried out.



We work together for health through the *Todos por Apurímac, Todos por la Salud* campaign.



Cattle breeding project in Carmen Alto community.

3.4. SOCIAL DEVELOPMENT AND LOCAL EMPLOYMENT

We are striving to be a strategic partner for the Apurímac region. We believe that the creation of direct and indirect employment helps to promote the economic development of the region through employment and training opportunities.

During 2018 we created direct and indirect employment at our operation. Eighteen percent of the total workforce comes from Apurímac, and more than 1,500 employees come from Cotabambas.

TRAINING OF COMMUNITY RESIDENTS AS OPERATORS OF ULTRA CLASS 320/400 TRUCKS

Helping residents of our ADI develop long-lasting labour competencies is very important. This is why we started this program.

During 2018 we trained 20 community residents to become highly qualified operators of Ultra Class 320/400 trucks. We have an innovative program for the selection and training of operators

who have no prior experience driving this type of truck.

This training program was provided in partnership with local educational institutions of Apurimac region, such as the National Service for Industrial Labour Training (SENATI, in Spanish) – Abancay, in partnership with Komatsu.

In addition, we implemented sustainable projects focused on four main development strategies.

SOCIAL DEVELOPMENT AREAS

AREA	DESCRIPTION
Project Execution	<ul style="list-style-type: none"> > We carried out social development projects under two approaches: 1) commitments that contribute to sustainable development; 2) implementation of social projects within the framework of the company's business objectives. > Intervention lines: agricultural and livestock development, education, health, local management, development of local entrepreneurs and infrastructure. > In 2018 we carried out public interventions to close the gaps in the access to basic services, education and health.
Commitment Compliance	<ul style="list-style-type: none"> > We reviewed the management protocols of social commitments and projects and shortened the length of the stages prior to implementation. > We analysed our commitments by reviewing scope, defining objectives and implementing framework strategies for compliance. > We established priorities based on previously defined criteria. This enabled us to prepare a schedule of commitments and meet them ahead of time. > We oversaw the execution of our commitments.
Community Engagement	<ul style="list-style-type: none"> > The Community Relations Department implemented the operational management bodies referred to as Social Management Units (SMUs). > The Social Department provided support for the strategies and plans to implement proposals made by the SMUs. > The purpose of the SMUs is to administer the risks, initiatives or projects, and engagement activities with the relevant stakeholders.
Stakeholder Engagement	<ul style="list-style-type: none"> > The community relations team kept in constant communication with community boards, local authorities and community leaders, families, local entrepreneurs, vulnerable groups and other community-based organisations. > The corporate affairs team worked with national government institutions (Spanish acronyms follow in parentheses): <ul style="list-style-type: none"> - Ministry of Energy and Mines (MINEM) - Ministry of the Environment (MINAM) - Prime Minister's Office (PCM) - Ministry of Transport and Communications <p>This team was also in contact with:</p> <ul style="list-style-type: none"> - Apurímac Regional Government (GORE) - Cusco GORE - Local Education Management Unit (UGEL) - Regional Health Bureau - Regional Bureau of Energy and Mines (DREM) - National Service of Agricultural Health (SENASA) - Agricultural Infrastructure and Irrigation Bureau (DIAR) - Local institutions, e.g., provincial and district municipalities

3.5. WORKS IN EXCHANGE FOR TAXES

Law No. 29230 allows for private companies to contribute to the development of the local economy and the quality of life in the communities, through investment in the execution of priority infrastructure works across the country. Las Bambas has participated in the projects related to the Cotabambas Development Plan (CDP) to create a positive impact on the communities in our area of influence through this method.

During 2018 we focused on achieving the following milestones:

- > Approval of the Ministry of Education for the private initiative to reconstruct the CEMA Mara High School, which educates one of the largest populations of students in the province.
- > Revision of eight project profiles for 25 basic education schools to benefit 1,434 children.
- > Inclusion of the Kutuqtay Bridge construction project in the MTC's Works in Exchange for Taxes (WxT) portfolio. This addresses a need that the community has identified for approximately 50 years.

As previously mentioned, we have prioritised our support in the education and transport sectors with an investment exceeding US \$67 million over the next three years. This has a direct impact on bridging the infrastructure gap and the quality of life of the people in Cotabambas.

3.6. SUPPLIER MANAGEMENT

As a company that cares about local development, we offer opportunities to local businesses so that they join an economic circuit that provides benefits for everyone.

During the year we promoted the management of local suppliers through activities that created the opportunity for communication and promotion and helped develop specialised services such as metalworking, road maintenance and earthworks, and supplementary services such as hospitality, food and laundry.

Also of note, we earned ISO 9001:2015 certification by the Superintendency for Local Entrepreneur Development in 2018. Upon the approval of the audit by the certifying body, SGS del Perú, this area became the first of our operations to obtain international certification. The certified audit processes included identification of business opportunities, business strengthening and connection.

Between June and August 2018, we prepared a directory of local entrepreneurs, which includes local contractors and suppliers, based on their quality, safety, service standards and participation in the local entrepreneur development program. This directory was delivered to our internal areas and strategic partners.

We also organised the 2nd Quality Week in Challhuahuacho district. Our company hosted the 2nd Quality Contest to present awards to local recipients in the hospitality, restaurant, laundry and specialised services sectors.





We offer opportunities to local businesses so they can join an economic circuit that provides benefits for everyone.

3.7. LAS BAMBAS LOCAL ENTREPRENEUR DEVELOPMENT PROGRAM

Four years ago, we prioritised our work with local businesses based on a management model focused on business competitiveness. In 2018 we continued to implement strategies in favour of this priority through the Local Entrepreneur Development Program (LEDP), which helps suppliers grow.

Our LEDP provides supervision to suppliers in safety, health and conduct. We conduct periodic inspections to verify the quality of the provided services.

Innovation is considered an essential aspect for the contribution of businesses to local development. During the second half of 2018 we started a process to organise and standardise quality management processes as prerequisite to obtaining quality certification through ISO 9001:2015. Following are some examples:

San Diego Operator

We trained 150 owners and administrators (1,320 hours of training and technical advice). This resulted in improvement in the quality and safety management of restaurants in Challhuahuacho.

Safe Perú Operator

We trained 50 entrepreneurs and administrators on business, safety and database management for local purchasing requirements. Ninety-nine training activities and workshops were carried out, which resulted in 90 improvement plans that will be subject to follow-up in the future. Water and food were also tested for quality in 50 restaurants.

Global Inversiones Mercon/Union Plan Operator

We trained 155 local entrepreneurs (140 hours of training and technical assistance). As a result, nine companies met MMG's Occupational Safety and Health Standard. Six monthly reports were also prepared on social contribution, and technical mentoring was provided to local entrepreneurs to obtain ISO 9001:2015 certification.

E-quelle Operator

We trained our suppliers on quality, environmental management, occupational safety and health and social responsibility. Six companies, including one led by a woman, obtained SGS 2018 standardisation.

Cáritas Operator

We trained 45 female entrepreneurs using the Start Your Business (SYB) – Improve Your Business (IYB) methodology. This method, prepared by the International Labour Organisation (ILO), helps potential entrepreneurs find, propose, review and select business ideas, and the manner in which to develop them, based on their personal capabilities. Fifty percent of those trained already have a business plan to be implemented. The training activities were carried out over 41 sessions, with 216 hours of training and technical assistance.

Investment in the development of official local suppliers increased more than 50% compared to 2017. This figure closely corresponds with the increase in the number of communities served, which grew from three in 2017 – Fuerabamba, Carmen Alto and Challhuahuacho – to 10 in 2018 – Huancuire, Manuel Seoane Corrales, Fuerabamba, Carmen Alto, Challhuahuacho, Chicñahui, Cconccacca, Quehuira, Ccapacmarca and Urinsaya.





LEDP INDICATORS (IN US \$)

INDICATOR	2017	2018
Investment in suppliers	216,000	727,964
Number of beneficiaries	230	650
Number of communities served	3	10
Number of companies served	100	360
Number of commitments honoured	8	15
Months of program execution	4	10

3.8. POST-RESETTLEMENT PERIOD

The completion of the physical resettlement stage and the post-resettlement period were fundamental milestones for our operations. During 2018 we focused on compliance with the agreements undertaken with regard to the 13 development areas:

- > Health
- > Education
- > Land
- > Cattle breeding
- > Agriculture
- > Employment
- > Economic development
- > Vulnerable group support
- > Natural resources
- > Organisation strengthening
- > Capacity-building
- > Educational infrastructure
- > Sanitation

We continued to work with qualified residents in the following areas:

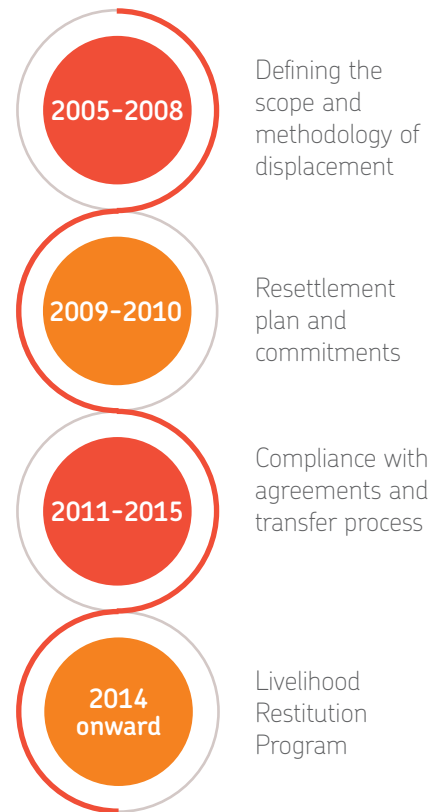
- > Healthcare
- > Maintenance and operation of the Wastewater Treatment Plant (WWTP) and the Potable Water Treatment Plant (PWTP)
- > Support in the collection and disposal of solid waste (DISAL)
- > Implementation of the scholarship program addressed to community residents and children of qualified and returning community residents

- > Care through the Vulnerable Groups program (handled by Cáritas). Approximately 80 registered senior citizens from Fuerabamba community, as well as single mothers, widows and orphaned children, receive care. The program helps improve the living conditions of this population through a recreation house, occupational workshops, home visits and counselling.
- > Implementation of the employability or payroll inclusion program
- > Home visits to community residents
- > Business and service provision opportunities (transport, accommodations and restaurant)
- > Care of Yavi Yavi Property and Carhuacpampa
- > Maintenance of houses in Nueva Fuerabamba until June 2018

Finally, we developed the Vulnerable Group Care Program, which included the following actions:

- > Delivery of a monthly incentive of S/ 1,050 to each senior citizen throughout the year. The company has honoured this commitment continuously for many years and has progressively increased the amount.
- > Sponsorship and participation in various activities and traditional festivals
- > Home visits to senior citizens
- > Occasional visits to single mothers and widows
- > Workshops on psychomotricity for senior citizens, and workshops on self-esteem and entrepreneurship for single mothers
- > Implementation of household organic gardens
- > Psychological support for vulnerable groups: senior citizens, single mothers and orphans.

THE RESETTLEMENT PROCESS





Nueva Fuerabamba was developed at the request of the community and in close coordination with Las Bambas.

During 2018 we optimised and strengthened the Livelihood Restitution Program, resulting in the following:

CATEGORY	MAIN RESULTS
People and Community	Conducted 8,395 health visits, including 24 child births.
Livelihoods and Land	Provided direct employment for 17 people.
Housing and Infrastructure	Made maintenance repairs to 100 houses per week.
Environment	Provided access to safe (potable) water and a drainage network for the communities.
Local Entrepreneurs	Assisted 120 entrepreneurs and suppliers.



Water withdrawal
from rivers and creeks

71%

less than in 2017



Non-hazardous
waste

8,312 t

recycled/reused/treated



Land
rehabilitated

100 ha



WE MINIMISE OUR IMPACT

At Las Bambas, we meet our commitments as an ICMM member company. We make every effort to minimise our environmental footprint by creating efficiencies in our production processes, in addition to applying the highest standards and complying with applicable laws.

4.1. ACCESS TO WATER AND USE OF THE RESOURCE

We are aware that local water sources are intended for various types of uses – environmental, economic and social. For this reason, we obtained the appropriate permits with full respect for the right of the communities to benefit from those uses, and we try to minimise all impacts.

We are aligned with our parent company's water-related practices and standards, and the environmental

guidelines established by the ICMM, to efficiently use water resources.

The reuse of contact water, the minimisation of freshwater use and the control of sediments have become strategic and responsible practices

for the management of our impacts on water. As noted in the table below, there was a 71% reduction in water withdrawn from rivers and creeks and a 50% reduction with respect to the total ingress of water to the operation.

TOTAL WATER WITHDRAWAL BY SOURCE (IN ML)

TYPE	2017	2018
Borefields	0	662
Entrained in processed ore	1,545	1,287
Precipitation and runoff	8,739	6,672
Rivers and creeks	16,809	4,950
TOTAL	27,093	13,571

4.2. WASTE, TAILINGS MANAGEMENT AND EFFLUENTS

During 2018 we developed initiatives that enabled us to properly handle the effluents, waste and tailings. We have renewed our commitment of complying with the regulations regarding the licences, quality and responsible use of water, as required by MMG.

Mining Waste:

Our ore mining production process involves activities that generate two types of mining waste:

- a. waste rock from the Ferrobamba Pit
- b. tailings from the Concentrator Plant

The generated waste rock is disposed of at a rock dump that involves the necessary engineering work to ensure its physical and chemical stability. Tailings are disposed of at a tailings dump built to the current highest standards of the mining industry, such as the construction of a dyke with borrowed material waterproofed with concrete walls and geosynthetic materials.

The following chart details the volumes of the waste generated in 2018:

MINING WASTE (IN T)

TYPE	2017	2018
Mineralised – Non-Acid Forming (NAF) Waste Rock Mined	110,839,000	115,709,829
Mineralised – Tailings Generated	50,013,806	48,292,584
Total	160,852,806	164,001,693

With respect to tailings management during 2018, we highlight the following initiatives:

- > Increased reclamation of water from the tailings dam
- > Increased reclamation of process water coming from the tailings thickeners

Non-Mining Waste:

The handling of “non-mining” waste includes handling of common or domestic, industrial and hazardous waste. This can be recyclable, non-recyclable or reusable waste. Domestic waste is disposed of in a landfill within the mining facilities, while recyclable industrial waste is sent to certified recycling plants. When industrial waste is neither recyclable nor reusable, or it is hazardous, it is sent to a certified landfill.

In 2018 we increased the percentage of recycled and reused waste compared to the prior year.





The table below shows some of the waste handling results:

NON-HAZARDOUS WASTE (IN T)

TYPE	2017	2018
Disposed of in an on-site landfill (general waste)	3,584	2,439
Recycled/reused/treated on-site	2,726	8,312
Total	6,310	10,751

With respect to the facilities for the handling of domestic waste, we improved the landfill, and we specifically increased the volume of the leachate collection pond and ensured its waterproofing, to prevent impacts on groundwater.

With regard to industrial waste, the chart below shows the amounts of hazardous waste sent to an off-site landfill for final disposal and/or recycled outside the mining unit at certified industrial plants.

HAZARDOUS WASTE (IN T)

TYPE	2017	2018
Recycled/reused/treated/combusted oil	708	1,665
Other hazardous waste disposed of in an off-site landfill	662	1,228
Total	1,370	2,893

Effluents:

Due to its skarn-type deposit, Las Bambas has designed a water management system that allows controlling the quality of the discharge downstream from the operations and ensure compliance with the Maximum Allowable Limits (MALs) in relation to the Environmental Quality Standards (EQS) as per the laws in force. This system consists of a water collection mechanism that first diverts it in an intermediate sedimentation dam equipped with a flocculation system. The water free from sediments is then conveyed to a final clarification dam that only discharges it if it complies with the MAL set by the authority.

We have also implemented internal audits to verify the physical stability of these two sedimentation and clarification ponds or dams.

In 2018 we carried out additional important improvements:

- › We implemented additional and smaller sedimentation ponds in the Ferrobamba Pit.
- › We completed the crest ditch of the Ferrobamba Pit through to downstream from the final clarification dam, to separate contact water from non-contact water.
- › We minimised the use of freshwater from the Challhuahuacho River by reusing the treated water of the final clarification dam in the mining process.



CHANGES IN THE 3RD ENVIRONMENTAL IMPACT STUDY AMENDMENT (EISA 3)

Amendments to the EIS are made to implement changes to the mine components. In 2017 we submitted the EISA 3 to the National Service for the Environmental Certification for Sustainable Investments (SENACE, in Spanish), to conduct studies and build new mine components within the initially approved ADI. As part of this process, we submitted documents that identified, assessed and described the environmental impacts that would take place in the environment, and the mitigation methods that would be applied.

During 2018 the EISA 3 was assessed and approved on 5 October under Directorial Resolution No. 00016-2018-SENACE-PE-DEAR.

Within the framework of the 2018 Citizen Participation Plan, we developed a number of methods before and during the EISA assessment process. The implemented methods include:

- › Installation of Permanent Information Offices (PIOs) in Challhuahuacho, Abancay and Tambobamba, where we provide informational material. We also distributed 42 posters and 450 bi-fold brochures in the communities and to the authorities of the ADI.
- › Guided visits for 88 visitors (65% men and 35% women). The target audience for those visits included people between the ages of 19 and 77.
- › Informational meetings with Huanacopampa, Sacsahuilca and Manuel Seoane Corrales farming



Las Bambas hosts an informational meeting with community members in our area of influence.

communities, where we explained in detail the characteristics of the EISA 3.

- › Placement of maps of proposed components and the area of influence in each PIO. This allowed us to easily explain the details and location of the activities proposed in the new EISA. We also invited the visitors to those offices to present their suggestions and consultations verbally (addressed to the responsible people) or in writing (through the suggestion box).
- › Dynamic communication of information in Quechua or Spanish.
- › Use of information booths to communicate where to obtain the EISA 3 executive summary.
- › Implementation of travel information centres in Carmen Alto, Ccarhuapirhua, Ccasa, Cconccacca, Choquecca, Chuicuni, Chumille, Huanacopampa, Sacsahuilca, Nueva Fuerabamba and Huanquire.
- › Organisation of focus groups, with a total of 88 participants, in farming communities and associations.
- › Radio programs about the EISA 3 in Quechua on local radio stations. We also used broadcast announcements to promote citizen participation. Thanks to these actions, more than 1,000 people participated at the information booths located in Challhuahuacho town between 14 April and 1 May 2018.

These citizen participation methods were vital to achieve the approval of the EISA 3.



Our Tree Nurseries Project creates more than 500 rotating jobs.

4.3. LAND MANAGEMENT AND REHABILITATION

In 2018 we proposed valuable initiatives to manage and rehabilitate the land in our areas of operations. One of them consists of a pilot test of pasture hydroseeding on 2 ha on the slopes of the concentrator plant. We also performed the broadcast sowing of diverse seeds in two sectors of the area of operations: 1) on the exposed slopes

around the Chuspipi Dam and 2) on the slopes of the organic material deposit (OMD) called Chuspipi OMD. In total, we have re-vegetated four ha within the area of operations.

We plan to collect native seeds during the 2019 dry season, to sow the slopes of the area of operations in order to conduct pilot tests. The purpose of all of these actions is to rehabilitate the soils before the mine closure activities.

DISTURBED AND REHABILITATED AREAS (IN HA)

AREA TYPE	2017	2018
Total mine land lease area	7,783	7,773
Total land disturbed	2,098	2,310
Total land rehabilitated	100	100
Total land disturbed and not yet rehabilitated	1,998	2,210
Total land newly disturbed within reporting period	51	212
Total land newly rehabilitated within reporting period	0	0

4.4. ENERGY CONSUMPTION AND CALCULATION OF GREENHOUSE GASES

Our comprehensive approach to environmental management leads us to work on plans to manage other types of environmental impacts. This is why we have been calculating our ecological footprint regarding energy consumption and greenhouse gases, to create plans that help offset or counteract those impacts. Those plans mainly include afforesting the land in our neighbouring communities.

ENERGY CONSUMPTION (IN GJ)

INDICATOR	2017	2018
Total energy consumption	9,345,014	9,081,012

GREENHOUSE GAS EMISSIONS (CO₂ EQUIVALENT)

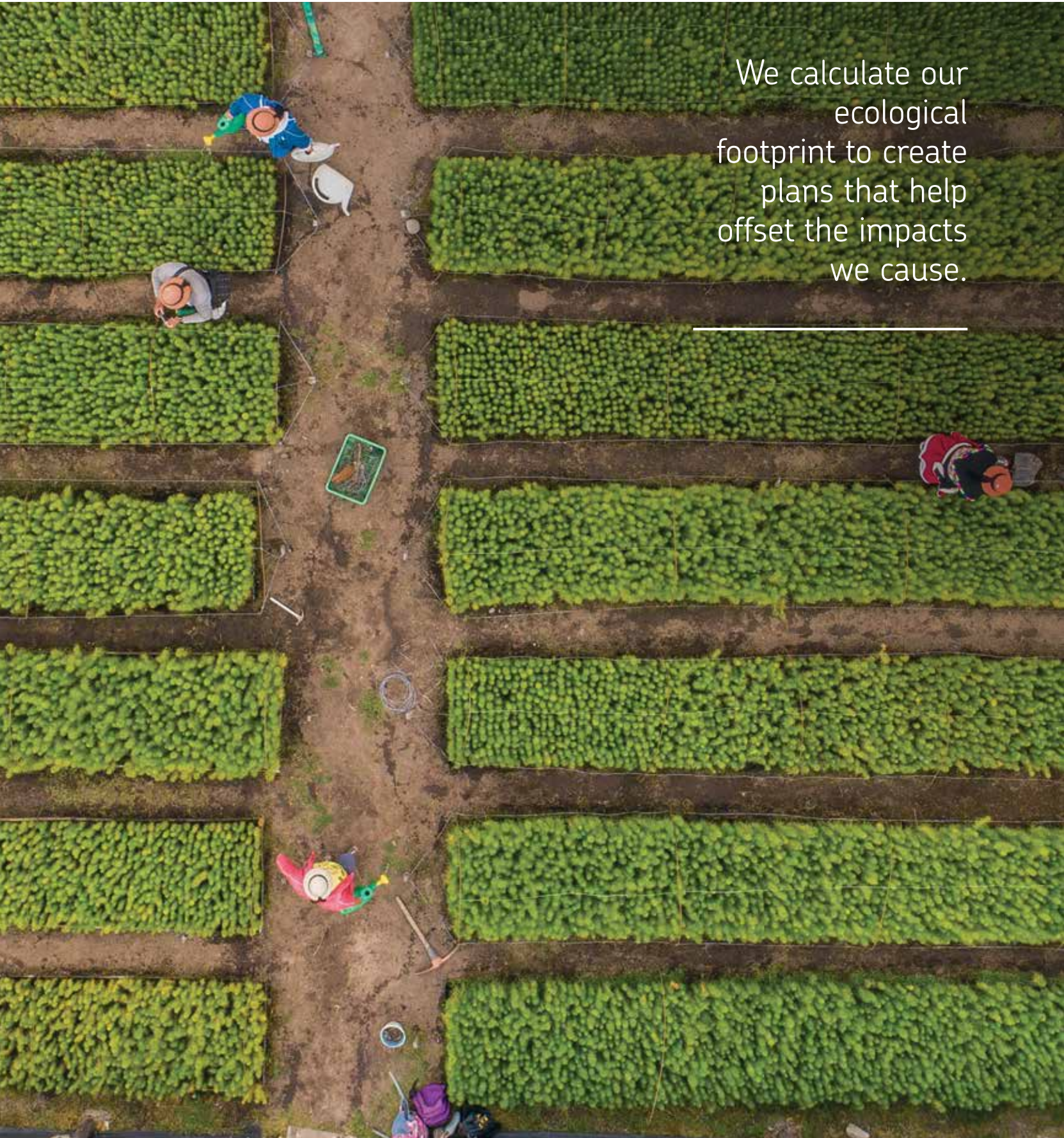
TYPE	2017	2018
GHG – CH ₄ Methane Scope 1 as CO ₂ -e	488	508
GHG – N ₂ O Nitrous Oxide Scope 1 as CO ₂ -e	1,003	1,040
GHG – CO ₂ Carbon Dioxide Scope 1 as CO ₂ -e	344,978	358,562
GHG – CO ₂ Carbon Dioxide Scope 2 as CO ₂ -e	304,710	271,656
Total	651,179	631,756

OTHER EMISSIONS

TYPE	2017	2018
Other Emission – Oxides of Nitrogen (NOx)	15,483	18,232
Other Emission – Oxides of Sulphur (SOx)	5	7
Other Emission – Particulate Matter (PM10)	3,450	4,372
Other Emission – Volatile Organic Compounds (VOCs)	490	603
Total	19,428	23,214



We calculate our ecological footprint to create plans that help offset the impacts we cause.





FEEDBACK FORM

Using this form, please share your feedback about this report. We will take your opinion into account for future reports.

Please complete the feedback form and send to:

E-mail: Comunicaciones.LasBambas@mmg.com

Mail: Lima Office: Av. El Derby 055, oficina 902, Torre 3, Santiago de Surco.

Thank you in advance for your comments.

1. Overall impression of the report:

- Very interesting
- Interesting
- Somewhat interesting
- Not interesting

2. The report made me aware of the sustainability actions being taken by Las Bambas:

- To a large extent
- To some extent
- A little
- Very little

3. Please tell us what you think of the following sections of this report:

- About This Report

.....
.....

- Chief Executive Officer's Message

.....
.....

- Message from MMG's Executive General Manager, Operations – Americas

.....
.....



The Andean Crops Project advances the local agriculture.



Performance and Goals

.....
.....

Who We Are

.....
.....

The Way We Work

.....
.....

Mine For Progress

.....
.....

We Minimise Our Impact

.....
.....

4. Other comments or suggestions:

.....
.....

Full name:

Address:

Province:

Country:

E-mail address:

5. Relationship with Las Bambas:

Local community

Employee

Contractor

Mining sector

Opinion leader

General public

Shareholder

Media

Civil society (NGOs, churches and universities)

Government (central, regional or local)

Other (Specify)



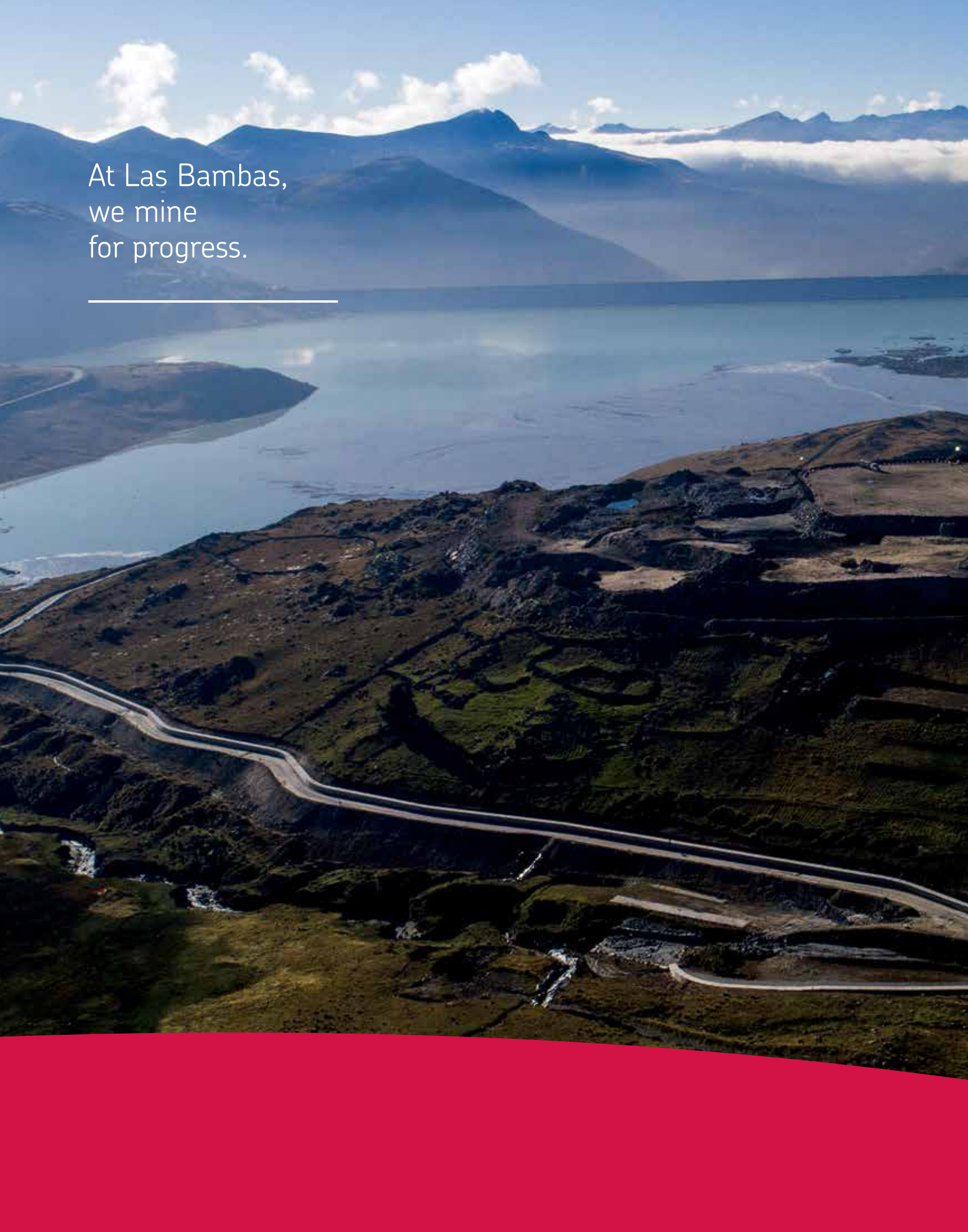
This publication has been printed on Respecta, a paper with a distinctive seal for the protection of forest resources, which has obtained FSC® 60% Recycled certification.

The Forest Stewardship Council (FSC) is a non-profit organization with an accreditation and certification system for appropriate forest handling. This means economically viable, socially beneficial and environmentally responsible forest management.

This helps protect and maintain biodiversity, productivity and ecological forest resources in addition to respecting indigenous communities.



At Las Bambas,
we mine
for progress.





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