

SUSTAINABILITY REPORT

2014



LAS BAMBAS





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01

A GLIMPSE OF 2014

THE FOLLOWING ARE SOME HIGHLIGHTS OF OUR ACTIVITIES IN 2014:



OWNERSHIP OF LAS BAMBAS

Since 31 July 2014 Las Bambas has been part of a joint venture, and it is operated and administered by MMG Limited (MMG).



CONSTRUCTION PROGRESS

At the end of 2014, the construction of Las Bambas was 80% complete. We expect to begin production in the first quarter of 2016.



WATER

We have minimised fresh water consumption by reusing treated water from domestic effluents to control dust and to prepare concrete used in construction.



EMPLOYMENT GENERATION

In 2014 we created more than 17,000 jobs (employees and contractors) for construction. All of our unskilled labour was sourced locally (Apurímac region).



SAFETY AND OCCUPATIONAL HEALTH

We invested 109,203 man-hours in safety training.



LOCAL PURCHASING TO BOOST LOCAL ECONOMY

Twenty percent of our suppliers are local. In 2014 they supplied us with products and services worth more than US \$68 million (including our purchases and those of our contractors).



STANDARDS FOR SUPPLIERS

All of our contractors and suppliers participate in a two-day induction program where we address safety, occupational health, social responsibility and environmental topics.



COMMUNITY PROJECTS

In 2014 we invested approximately US \$3 million in community development projects.



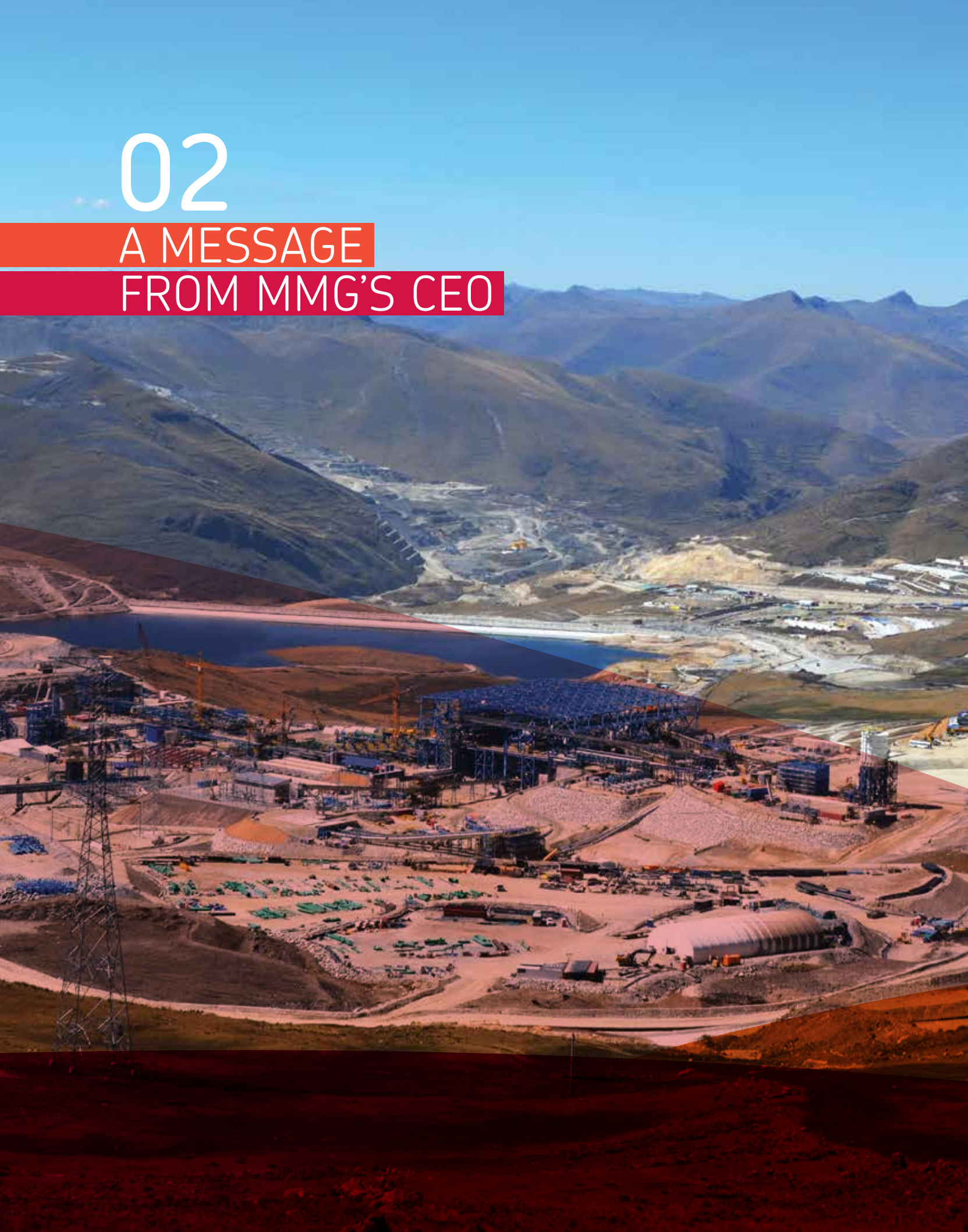
RESETTLEMENT OF NUEVA FUERABAMBA/DELIVERING ON OUR COMMITMENTS

In 2014 we carried out the physical resettlement of families to Nueva Fuerabamba. As of March 2015, this process was 95% complete.

In some chapters of this report, such as Employment and Safe Workplace, we refer to indicators from the Las Bambas operations team separately from the Las Bambas construction team.

02

A MESSAGE
FROM MMG'S CEO





It is with great pride that I present this annual review of Las Bambas' economic, social and environmental performance.

Since the project was acquired in July 2014 by a joint venture of MMG Limited (MMG), GUOXIN International Investment Co. Ltd. and CITIC Metal Co. Ltd., the joint venture, led by MMG, has focussed on meeting all previous commitments to employees, local communities and the people of Peru.

We have prioritised our first value as a company – the safety and health of our people. Through this, and all the MMG values, we have brought an operating approach that emphasises the important role that mining can play in social development.

This emphasis is behind our fundamental belief – we mine for progress. Las Bambas has the promise of improving lives and delivering development to a precious and unique region of Peru.

On behalf of the Board and Management of MMG as operator of Las Bambas, I commend this report to you and thank each and every one of our people, our communities, our joint venture partners and external stakeholders who are part of creating this outstanding project.

Andrew Michelmore

Chief Executive Officer (CEO)
MMG Limited



A MESSAGE FROM THE LAS BAMBAS PRESIDENT

Dear Readers,

We are pleased to share our 2014 Sustainability Report with our stakeholders. This report summarises our performance results for the year.

Las Bambas has published annual sustainability reports since 2005, and from 2008 we have done so under the Global Reporting Initiative (GRI) guidelines - the international benchmark for sustainability reporting. The 2014 Sustainability Report has been prepared in accordance with G4 GRI guidelines. Material aspects presented in this report have been validated by a diverse panel of our stakeholders in Lima and Abancay, capital of the region in which we operate.

Ten years ago, the government of Peru awarded the Las Bambas project to a private company, Xstrata, now Glencore Plc. This required the partnership and agreement of the communities of Apurímac region and all other local stakeholders. As one of the most significant mining investments in Peru's history and expected to become a major copper global producer, Las Bambas continues to command attention. We plan to begin operations in the first quarter of 2016. As of the end of 2014 construction was 80% complete.

2014 marked the entrance of a new strategic operator for Las Bambas. Our current owner is a joint venture formed by MMG Limited (MMG), GUOXIN International Investment Co. Ltd. and CITIC Metal Co. Ltd. MMG majority owns this joint venture and operates Las Bambas.

Headquartered in Australia, MMG is a global group of companies that explores, develops and mines copper, zinc and other base metal projects in four continents, including in Australia, the Democratic Republic of the Congo (DRC) and Laos. MMG also has exploration projects and partnerships in Australia, Africa and the Americas.

At Las Bambas, we apply MMG's belief '*we mine for progress.*' This approach is built on understanding the expectations of communities and other stakeholders and reflecting their priorities in our engagement and actions. To further achieve this, we strengthened our organisational structure by creating vice president positions for Corporate Affairs, Human Resource Management, and Safety, Security, Health, Environment and Community (SHEC). We also established the Social Viability Department.

The objective we share with governments and other stakeholders is to sustainably improve living conditions in Apurímac. However, we recognise to improve public expenditure in priorities works and services, it is essential to support capacity-building. At the end of 2014, MMG, in partnership with other stakeholders, created forums to share best-practice in public administration. The majority of new regional authorities participated, under the guidance of experts in the field.



Creating employment and using local goods and services, where possible, helps foster economic growth. We have applied this approach since the inception of Las Bambas. In 2014 alone MMG and its contractors generated 17,356 local jobs.

Additionally, Las Bambas made direct purchases from local suppliers totalling almost US \$7 million, exceeding the amount spent in 2013. Including indirect local purchases, the amount totals US \$68 million. Strengthening business capacities and creating connections between supply and demand are essential to support local growth. To that end, we continued expanding our Local Entrepreneur Development Program.

With respect to community relations, our most significant milestone was commencing the physical resettlement of the Fuerabamba farming community. This process has become a significant part of Peru's mining history, resulting from a dialogue process that began in 2007. At the same time, we continued delivering social development programs that benefitted 47 communities.

Regarding the environment, our priorities were focused on strengthening our environmental management across our entire organisation. The Second Amendment to the Environmental Impact Study (EIS) was also approved, and will allow us to improve water management by reducing fresh water consumption in critical periods and ensure availability of water for our operation. We will be able to use this resource more effectively.

Finally, we obtained the ISO 9001:2008 certification for our 13 human resources processes, confirming their international standard. This is significant because this certification validates the quality of our processes. This commitment to the standard is demonstrated by the 109,203 man-hours of safety training Las Bambas provided in 2014.

Our 2014 Sustainability Report reflects how we are working toward the sustainable development (SD) of Apurímac and meeting the commitments and the conditions established by the Peruvian government when it granted the concession for the Las Bambas project. We will continue applying best-practice international standards in preparation for the commencement of operations in 2016.

We remain at your disposal for any comments or recommendations you may have, which will help us continue improving every day for the benefit of our company but, above all, for Apurímac residents and Peru.

Yours sincerely,

Gustavo Gomes
Las Bambas President

03

PERFORMANCE AND GOALS

3.1. 2014 SCORECARD

COMMUNITY RELATIONS	
Complete physical resettlement of families from the Fuerabamba community to Nueva Fuerabamba, guiding them in the process, according to international guidelines.	●
Achieve and maintain social viability along the project access and exit routes.	●
Achieve social viability in our direct area of influence and organise development programs for the future intervention of the government.	●
Conclude negotiations of land necessary for the project.	●
Define alternative routes to transport concentrate (Las Bambas-Matarani).	●
Implement internal and external communications plans to strengthen SD Policy and the commitment of all our stakeholders.	●
Stop the progression of illegal mining in our concession.	●
ENVIRONMENT	
Fully comply with the criteria of the environmental certifications.	●
Carry out the environmental offset plan.	●
Prepare and submit the third amendment to the EIS and conduct citizen participation workshops.	●
Achieve a rate of zero Category 3 or higher incidents.	●
Obtain Certificate of Non-existence of Archaeological Remains for 86 additional areas.	●
Produce and afforest 100,000 seedlings per year (2014-2015).	●
Prepare and conduct the participatory monitoring process.	●
Avoid loss of species on the International Union for Conservation of Nature (IUCN) red list.	●
Implement the Water Management Committee's action plans.	●
Follow up on the rescue of flora and fauna species.	●

Legend

- Objective met
- In process
- Does not apply



“MMG, OUR OPERATOR, IS A **GLOBAL GROUP OF COMPANIES** THAT EXPLORES, DEVELOPS AND MINES BASE METAL DEPOSITS AROUND THE WORLD.”

HUMAN RESOURCES

Communicate the characteristics of the Las Bambas culture to all employees.	●
Carry out the Annual Training Program (ATP) in line with business needs.	●
Develop and carry out, together with the operational areas, programs to train people from our direct area of influence for future hiring.	●
Communicate and internalise the use of the performance self-management system.	●
Maintain competitive benefits and social welfare actions for employees.	●
Develop professional, team and people management competencies and skills.	●

SAFETY AND HEALTH

Maintain an operation without lost time injuries: <ul style="list-style-type: none"> > Lost Time Injury Frequency (LTIF) = 0.00 > Total Recordable Injury Frequency (TRIF) = 0.31 > Disabling Injury Severity Rate (DISR) = 0 	●
Strengthen managers' visible leadership by positively interacting with employees to coach and encourage them to show good safety behaviour.	●
Ensure the company's functional line managers participate in Las Bambas' safety and health management as passionate leaders who create and promote a safe work environment.	●
Implement the <i>Yo Aseguro</i> program. Reduce incidents by transforming risky behaviour into safe habits.	●
Implement the Safework ¹ program to eliminate fatal and serious injuries.	●
Ensure all new employees and contractors adhere to a safety culture in line with Las Bambas' standards.	●
Foster healthy lifestyles to reduce high cardiovascular risk among employees.	●

¹ This program was discontinued because it was sponsored by GlencoreXstrata.



3.2. LOOKING FORWARD

OVERALL SAFETY, SECURITY, HEALTH, ENVIRONMENT AND COMMUNITY

Develop and implement critical control plans for material safety, health, environment and community relations risks.

COMMUNITY RELATIONS

Complete resettlement of Fuerabamba families and continue implementation of the Livelihood Restoration and Community Development program.

Develop a shared vision and plan with stakeholders for the socio-economic development of areas of influence and the Apurimac region.

Achieve community acceptance of the trucking of concentrate.

ENVIRONMENT

Update the EIS and the Closure Plan, which will be submitted in 2016 to the Ministry of Energy and Mines (MINEM).

Prepare and implement action plans to meet MMG's Environmental Standard and comply with local regulations.



HUMAN RESOURCES

Have the necessary people and skills to operate.

Create a high-performance culture.

Encourage our leaders to promote our culture.

Retain our talent through a competitive remuneration and benefit structure.

Comply with our local employment commitments.

SAFETY AND HEALTH

Align our management team, employees and contractors with MMG's safety Value and train them in our safety processes, in preparation for operation.

Use baseline monitoring to establish the basis for minimising exposure to workplace agents once the site is operational.



“LAS BAMBAS IS EXPECTED TO BEGIN **PRODUCTION** IN THE FIRST QUARTER OF 2016.”

04

WE ARE
LAS BAMBAS

In 2013 GlencoreXstrata called for an international public tender, in which a joint venture formed by MMG Limited, Guoxin International Investment Co. Ltd. and CITIC Metal Co. Ltd. became the new owner of Las Bambas. The acquisition process began in April 2014 and was successfully completed on 31 July 2014.

4.1. MMG, A GROWING OPERATOR

MMG, our operator, is a mid-tier global resources company that explores, develops and mines base metal deposits around the world. MMG operates and develops copper, zinc and other base metals projects in Australia, the DRC, Laos and, since 31 July 2014, in Peru. MMG also has significant exploration projects and partnerships in Australia, Africa and the Americas (Refer to *MMG across the world*).

Headquartered in Melbourne, Australia, MMG is listed on the Stock Exchange of Hong Kong Limited (HKEx 1208). MMG's major shareholder is China Minmetals Corporation Limited (approximately 74% of total shares)². MMG's vision is to become the world's most respected diversified base metals company.

MMG³ is also one of the 21 companies that are members of the International Council on Mining and Metals (ICMM) as of December 2014, and it aligns its business practices to the 10 principles of the ICMM's Sustainable Development Framework. These principles relate to corporate governance, human rights, risk management, safety and health, environmental performance, biodiversity, product design, social and environmental development, and stakeholder engagement.

MMG's objective is to be valued as one of the world's top mid-tier miners by 2020.



Employees at the concentrator plant.

² China Minmetals Corporation is part of Fortune's Global Top 500 List.

³ Our operator is a member of the Minerals Council of Australia, the Mining Association of Canada, the Chamber of Mines of the DRC and other regional industry organisations. Las Bambas belongs to Peru's National Society of Mining, Petroleum and Energy.

▲ High Lake

▲ Izok Lake

NORTH
AMERICA

■ Vancouver

MMG ACROSS THE WORLD

- Operations
- ▲ Development projects
- Corporate offices
- Joint venture

EUROPE

AFRICA

SOUTH
AMERICA

Las Bambas

● Kinservere

■ Johannesburg

HISTORY OF LAS BAMBAS

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 EIS in Challhuahuacho, Cotabambas province, Apurimac region.
- › Signed contract with the government to transfer the Las Bambas mining concessions titles, with an expected investment of more than US \$5 billion.

ASIA

Hong Kong

Vientiane
Sepon

Century
Dugald River

Golden Grove

AUSTRALIA

Melbourne

Rosebery

4.2. LAS BAMBAS AS OF YEAR-END 2014

The Las Bambas project began construction in 2010. It is located in Cotabambas province, Apurímac, in southern Peru. It is one of the most significant mining projects undertaken in the country. Las Bambas is expected to become one of the largest copper assets in terms of production globally.

As of year-end 2014 the construction of Las Bambas was 80% complete, and it is expected to begin production in the first quarter of 2016.

We will mine ore from an open pit. We will then transport crushed ore by means of a 5.5-kilometre overland conveyor to a conventional flotation plant for copper and molybdenum processing to obtain concentrates as final products. We will mostly use recycled and reclaimed water from a tailings dam. The fresh water to be used will be sourced from the Challhuahuacho River (800 l/s), and we will also use a freshwater reservoir (Chuspiri – 4.2 million m³) as backup during the dry season.

KEY DATA ON LAS BAMBAS

Location

Cotabambas, Apurímac, Peru

Ore

Copper with Au, Ag and Mo by-products

Type of mine

Open pit
(Three pits: Ferrobamba, Chalcobamba and Sulfobamba)

LOM

Over 20 years

2011

- > The government approved the EIS after dialogue with surrounding communities.
- > 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 future operation.
- > Began construction of concentrator plant.
- > Began construction of heavy haul roads.
- > Allocated more than 60% of the investment for construction.

2013

- > Glencore bought Las Bambas as part of its acquisition of Xstrata.
- > Made 65% progress on pioneering roads, 40% on concentrator plant, and 95% on heavy haul road.
- > Approved the first amendment to the EIS.

2014

- > The joint venture consisting of MMG Limited, GUOXIN International Investment Corp. Ltd. and CITIC Metal Co. Ltd., purchased Las Bambas.
- > Started physical resettlement of Fuerabamba community.

4.3. WE MEET OUR COMMITMENTS

When the Peruvian government granted Xstrata, now Glencore, the concession for Las Bambas, 17 social conditions were stipulated to ensure the sustainable development of the Las Bambas' area of influence.

The Peruvian government assumed responsibility for 10 of these conditions as commitments, while Las Bambas took on seven, which cover economic, social, cultural and environmental aspects. Las Bambas has worked to meet these commitments since 2004 and has been successful, thanks to the joint effort made by our company, the community and the central government.

The seven commitments made by Las Bambas

1

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

We prepared the EIS, which the Peruvian government approved in 2011. The EIS sets forth measures to preserve and take care of flora, fauna, air and water resources on which our activity may have an impact.

We engaged surrounding communities and local authorities by conducting participatory environmental monitoring activities for water quality (18) and for biodiversity (13).

2

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

We created skilled and unskilled labour positions for Challhuahuacho residents. All of our unskilled labour comes from Apurímac region.

We have also created and launched job training programs for local young people.

4

ENSURE LAND REPLACEMENT FOR AGRICULTURE, LIVESTOCK FARMING AND HOUSING.

We provided land for agriculture, livestock farming and housing, in compliance with the resettlement agreement made with the Fuerabamba community.

5

RESPECT LOCAL CULTURE AND CUSTOMS, ESPECIALLY HUMAN RIGHTS.

We work to:

- > Give renewed value to local culture and traditions.
- > Foster festivals and customs of local communities.
- > Participate in activities related to local customs.
- > Respect human rights of local communities.

6

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

We act in line with our community engagement and environmental monitoring plans, which include:

- > Programs to improve road infrastructure and communications.
- > Projects to improve quality of education.
- > Programs to develop local suppliers.
- > Programs to improve public health services.
- > Projects to improve sanitation infrastructure.
- > Projects to strengthen production capacities.

3

RESETTLE AFFECTED COMMUNITIES UNDER APPROPRIATE CONDITIONS, AFTER PAYING “FAIR COMPENSATION” PURSUANT TO THE LAW.

In a general meeting held on 22 and 23 January 2010, the Fuerabamba community freely and voluntarily approved the final resettlement agreement.

We agreed to deliver projects in the following areas: education, capacity building, health, basic sanitation, land replacement, agriculture, livestock farming, production infrastructure, vulnerable families, local economic development, natural resources and community organisational strengthening.



7

INTEGRATE MINING DEVELOPMENT WITH AGRICULTURAL AND FARMING ACTIVITIES.

We have demonstrated that agriculture, livestock and mining activities can coexist and bring development to families in the project's area of influence. Some of the actions taken include:

- > Construction of trout fry farming centres in Challhuahuacho.
- > Construction of fish farms and placing of trout fry.
- > Construction of greenhouses and planting of vegetables.
- > Implementation of sprinkler irrigation systems and pasture.
- > Implementation of improvement projects.
- > Implementation of animal health sanitation programs.
- > Fitting up of Yavi Yavi property.
- > Construction of tree nurseries.

LAS BAMBAS' INDEPENDENT ADVISORY GROUP

MMG is committed to ensuring the successful development and operation of Las Bambas. To advise Las Bambas' managers on how to achieve this vision, MMG has reactivated the Independent Advisory Group (IAG), composed of experts in community, social, environmental, institutional and economic issues.

The IAG is independent of Las Bambas and MMG and meets at minimum on a quarterly basis.



Las Bambas President Gustavo Gomes in a meeting with vice presidents.

4.4. WE MINE FOR PROGRESS

We mine to create wealth and development for our people, host communities and shareholders. For MMG and Las Bambas, that is what it means to *mine for progress*.

Our approach is built on active engagement as well as open and trusting relationships with our stakeholders. We strive to understand community and other stakeholder expectations and reflect their priorities in our programs.

MMG's strategic drivers are Growth, Operations Transformation, People and Organisation, and Reputation. We recognise that our success depends on:

- › A healthy, secure and safe workplace;
- › Unlocking potential value;
- › Developing and delivering effective plans for growth and productivity;
- › Optimising our impact on our stakeholders and the environment and managing our social licence to operate;
- › A culture that values coordination, accountability and respect; and
- › A commitment to progress, long-term partnerships and international management.

MMG's Executive Management team applies our strategic drivers to develop three-year and one-year business plans. These plans, in turn, inform our sustainability goals and targets.

MMG Policies

MMG policies clearly articulate what the company is trying to achieve, and they include principles on how we should act in each area of our operation. These policies apply across Las Bambas and are defined by the Executive Committee (ExCo). Some of them are approved by MMG's CEO and others by MMG's board.

MMG Sustainability policy principles

- › Implementing and maintaining ethical and transparent business practices and sound systems of corporate governance;
- › Integrating our sustainability objectives with all life-of-asset business planning and decision-making processes;
- › Developing and implementing sound enterprise-wide risk management processes;

- › Seeking continuous improvement in safety, health and environmental performance by using robust management systems and effective assurance processes;
- › Understanding, respecting and promoting fundamental human rights within our sphere of influence, respecting traditional rights and cultural heritage;
- › Contributing to the long-term economic, social and institutional development of our communities, including Indigenous Peoples;
- › Building trusting relationships by engaging clearly, openly and honestly with our host communities and other key stakeholders;
- › Contributing to the conservation of biodiversity and integrated approaches to land use planning in areas where we operate;
- › Ensuring the responsible handling and transport of our materials and products from mine site to customer; and
- › Integrating early closure planning into life-of-asset planning and ensuring that adequate financial provisions have been made.

4.5. CORPORATE GOVERNANCE

Las Bambas is owned by a joint venture formed by MMG as the administrator and operator (62.5%); a wholly owned subsidiary of Guoxin International Investment Co. Ltd. (22.5%); and CITIC Metal Co. Ltd. (15%). MMG is committed to maintaining a high standard of corporate governance practices. It has consistent internal controls, transparency and accountability guidelines for all shareholders.

The MMG board establishes and maintains the company's internal control systems and reviews their effectiveness to safeguard the company's assets and to protect shareholders' interests.

The committees that support the MMG board include the Audit Committee, responsible for reviewing and supervising the financial reporting process; the Safety, Health, Environment and Community Committee; an executive-level Mineral Resources and Ore Reserves Committee; and the Disclosure Committee, among others. These committees provide forums for a more detailed analysis of key issues related to MMG's sustainability and management.

Our operator also adheres to the listing rules of the Stock Exchange of Hong Kong Limited (HKEx: 1208), which provide clear corporate governance processes and protect the rights of minority and independent shareholders. Listing requirements include ensuring an appropriate balance between the number of representatives of majority shareholders appointed to board positions and independent non-executive directors; complying with the rules related to connected-party transactions and the requirements for continuous disclosure of material information.

Finally, MMG maintains a Shareholder Communication Policy and shareholder procedures, including procedures for convening meetings and nominating directors⁴.



Geologists analyse rock samples in the logging room.



EITI PERU

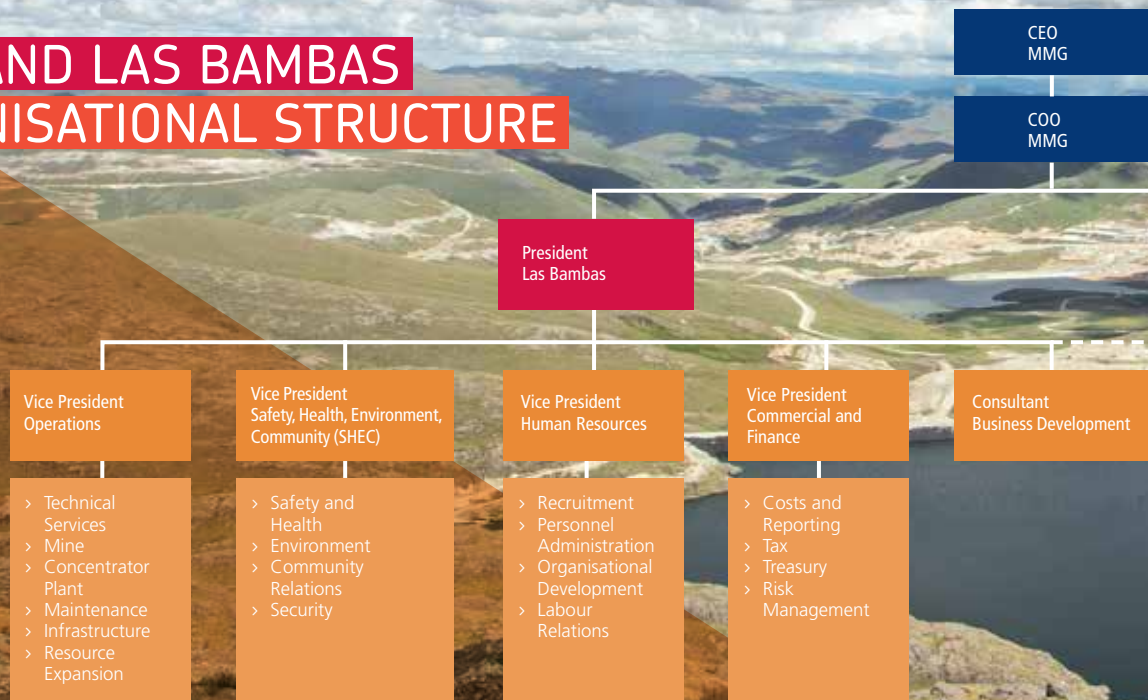
The objective of the Extractive Industries Transparency Initiative (EITI) is to increase transparency regarding contributions made by companies from the extractive sector in the countries in which they operate. Peru became part of the EITI in 2005 and has been considered EITI compliant since 2012.

In 2014 EITI Peru was represented by a committee led by the Ministry of Energy and Mines that conducted a number of studies to prepare its Fourth National Reconciliation Report. Sixty-one mining and oil and gas companies with operations in the country participate in this initiative. The objective is to verify, through an independent expert, contributions from extractive companies to the Peruvian government, at central, regional and local levels.

Similarly, EITI Peru has created multi-sector commissions to implement this initiative in the Piura and Moquegua regions.

⁴ For more information, please visit www.mmg.com

MMG AND LAS BAMBAS ORGANISATIONAL STRUCTURE



4.6. ETHICS AND CODE OF CONDUCT

The MMG Code of Conduct sets standards of behaviour expected from our people. It covers topics such as conflicts of interest, anti-corruption, transparency and compliance with laws. The Code of Conduct Committee, chaired by MMG's Chief Operating Officer, oversees matters related to the Code of Conduct.

Our Code of Conduct is underpinned by our MMG's Values.

All five Values influence our approach to sustainability. They express our commitment to positively manage any impact our operations have on our people, communities and the environment. They define our respect for the views of our stakeholders and establish the way we interact with our workforce, communities, shareholders, authorities and other stakeholders. They articulate our expectation of high integrity in our behaviour and describe our drive for continuous improvement.

We ask our employees to measure their decisions and actions against our Code of Conduct and our Values. We hold all employees, especially our leaders, accountable for living the Values. Our employees' adherence to these Values is reviewed during their annual performance assessments.

We mine for progress

Vision

To build the world's most respected diversified base metals company.

Mission

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

Objective

To be valued as one of the world's top mid-tier miners by 2020.

Strategy

We deliver value through four strategic drivers:

1. Growth

We will acquire and discover base metals assets that transform our business. We will unlock the potential value of our project pipeline.

2. Operations transformation

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

3. People and organisation

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

4. Reputation

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



Values



WE THINK SAFETY FIRST

We stop and think then act to prevent injury.



WE RESPECT EACH OTHER

We are honest considerate and act with integrity.



WE WORK TOGETHER

We engage diverse viewers to achieve better outcomes.



WE DO WHAT WE SAY

We take responsibility and follow through on our commitments.



WE WANT TO BE BETTER

We always look for opportunities to improve.

4.7. SECTOR CHALLENGES

The extractive industry in Peru faces great challenges and creates high expectations. Mining activity represents one of the most important sectors due to its economic and social impact. In 2014 the mining industry generated US \$20 billion in exports, equivalent to 52% of the country's total exports or 10% of Gross Domestic Product (GDP).

Mining in our country is a demanding activity that covers several subindustries and generates significant employment, especially contractor jobs.

In considering the expectations of the communities and stakeholders regarding extractive projects, it is important to understand that many mining activities occur in areas where infrastructure is poor and limited government services are available.

We take into account the following factors to define material topics or significant issues for our sustainability strategy:

The Mining Sector and the Local Context

SECTOR OPPORTUNITIES

- > National economic impact.
- > Local economic boost.
- > Influence on employability.
- > Creation of added value in processes, technologies and mitigation of impacts.

SECTOR CHALLENGES

- > Fluctuation in the price of metals.
- > High costs of mining production
- > Community engagement in rural areas.
- > Water management.
- > Mitigation of environmental impacts.
- > High quality standards and efficiency of suppliers.

LOCAL CONTEXT

- > Social expectations and ongoing conflicts around extractive investments.
- > Illegal and informal mining activity.
- > Fluctuation of regulations.
- > Expectations around the mining canon (regional taxes allocation).
- > Expectations of Las Bambas start-up operations.

4.8. STAKEHOLDER ENGAGEMENT

At Las Bambas we have identified and mapped our stakeholders, and we review and validate this information each reporting period. As shown in the *Stakeholders and Communication Methods* chart, we maintain ongoing communications to build and strengthen long-term trusting relationships. **G4 - 25**

Some of the tools we use to validate our stakeholder mapping process include identifying and prioritising stakeholders on a regular basis. Key stakeholder criteria include:

- > Their impact on or interest in Las Bambas, and vice versa; and
- > A shared vision regarding the development of Apurímac and Peru, in most cases.

We have established specific engagement and communications tools and methods appropriate for particular stakeholder groups. **G4 - 26**

Since 2010 Las Bambas has been conducting dialogue panels with representatives of all or the majority of our stakeholder groups. The main purpose of these forums is to hear their opinions and expectations regarding our performance.



We produce seedlings for afforestation in a nursery in the Huancuire community, Coyllurqui district.

In 2014, for the first time, we organised a dialogue panel with institutional stakeholders in Lima, in addition to the panel held with local stakeholders from Apurímac. Participants of these two forums represented our mapped stakeholders.

- > Local communities
- > Civil society
- > Employees
- > Contractors
- > Mining sector
- > Media
- > Government
- > Opinion leaders

The main stakeholders' concerns included: **G4 - 27**

- > Challenges posed by construction completion and project commissioning
- > Developing and working with a clear vision for resettled communities
- > Ensuring the company meets their social and economic expectations during the construction phase and sustains those expectations during operations
- > Rigorous compliance with social and environmental commitments
- > Risks of informal mining
- > Support to strengthen institutions of the Peruvian government in mining areas

4.9. ANALYSING AND DEFINING MATERIALITY

The purpose of this report is to reflect the material topics regarding our performance and management that are relevant for our stakeholders. To that end, we followed a five-stage process in which Las Bambas leaders and our stakeholders participated.

Stages to define material topics for the 2014 Sustainability Report **G4 - 18**

IDENTIFICATION OF VALUE CHAIN

- > Together with our Vice President of Operations and a team of professionals, we defined our value chain.
- > We realise that the key process focused on all construction areas, where our main impacts occur.

DEFINITION OF IMPACTS

- > In a meeting with our key leaders, we analysed the construction phase.
- > We listed the main positive and negative social, employment, environmental and economic impacts during the construction phase.

VALIDATION OF IMPACTS

- > With all the information obtained, we defined and documented 10 material topics in a simple manner. We shared that information during dialogue panels with multiple stakeholders for consultation purposes.

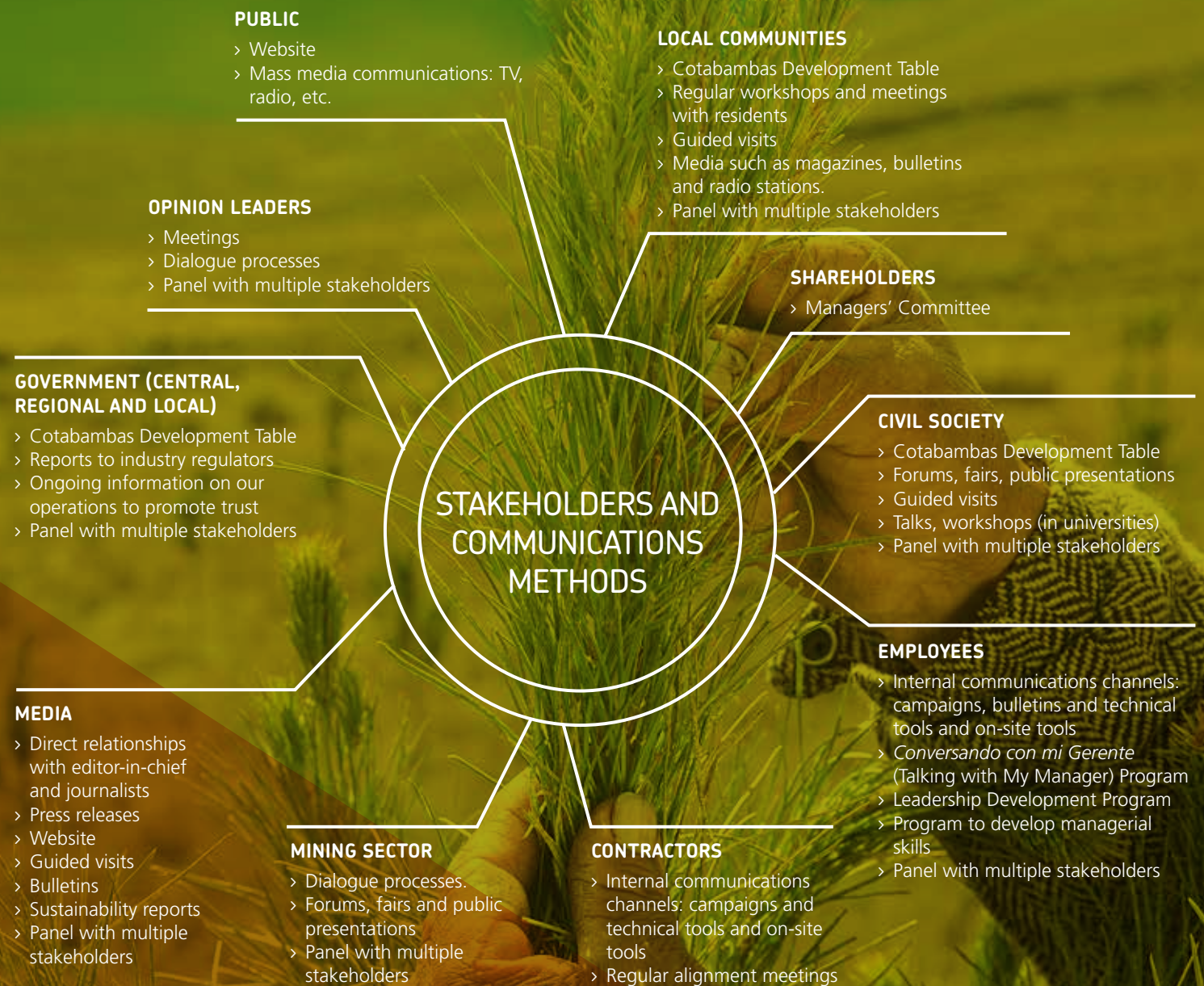
VALIDATION WITH STAKEHOLDERS

- > After consulting with stakeholders, we defined a total of 11 topics (see *List of material topics for the 2014 Sustainability Report*).

CONNECTION TO GRI ASPECTS AND INDICATORS

- > We linked each one of the 11 material topics to the relevant GRI-G4 aspects and indicators.
- > Since this is a report "in accordance" with the Comprehensive option, we report on all indicators related to each GRI-G4 aspect for all material topics.

G4 - 24
G4 - 25
G4 - 26



List of material topics for the 2014 Sustainability Report **G4 - 19**

MATERIAL TOPIC FOR LAS BAMBAS	RELATED GRI-G4 ASPECTS
Environmental performance*	<ul style="list-style-type: none"> > Materials used > Energy > Biodiversity > Emissions > Effluents and waste > Regulatory compliance > Environmental grievance methods > Overall
Water-related issues	<ul style="list-style-type: none"> > Water management
Employment generation (Las Bambas and contractor jobs)	<ul style="list-style-type: none"> > Employment indicators > Labour relations > Diversity and equal opportunity > Equal remuneration > Market presence > Labour grievance methods
Safety and health	<ul style="list-style-type: none"> > Occupational safety and health
Capacity building, training for communities and local governments	<ul style="list-style-type: none"> > Training and education
Compliance with commitments	-
Local purchasing and stimulation of the local and regional economy	<ul style="list-style-type: none"> > Economic performance > Procurement practices > Community indicators
Infrastructure development	<ul style="list-style-type: none"> > Indirect economic impacts
Definition of standards and good performance for suppliers and others	<ul style="list-style-type: none"> > Supplier assessment for labour practices > Supplier environmental assessment > Supplier assessment for impacts on society > Supplier safety measures
Resettlement: Nueva Fuerabamba*	<ul style="list-style-type: none"> > Social impact grievance methods
Informal mining*	<ul style="list-style-type: none"> > Artisanal mining indicator

* Includes indicators from the GRI Mining and Metals Sector Supplement

In total, we reported 11 material topics, which cover 26 GRI aspects. This means we are reporting 67 GRI-G4 performance indicators.

4.10. AWARDS

In 2014 Las Bambas received recognition for our contribution to the culture and the socio-economic development of Cotabambas and Apurímac. MMG was also recognised for its sustainability performance.



Dialogue panel in progress in Abancay, Apurímac.



Promoting culture

In April 2014 Instituto Pro-Cultura Apurímac presented Las Bambas with an award for our ongoing support of the preservation and promotion of the Cotabambas culture. This award recognised our role in promoting the traditional *T'ikapallana* (Flower Gathering) feast, which was recently declared part of our National Cultural Heritage by Peru's Ministry of Culture.

Promoting business development

During an official ceremony in June 2014, the Apurímac Regional Bureau of Production recognised Las Bambas for promoting business development in the region.

The representatives of this regional institution highlighted that the presence of Las Bambas provided an opportunity for the growth and development of Apurímac communities.

MMG's sustainability performance recognised

In 2014 MMG's sustainability performance was recognised in Asia. The Channel NewsAsia (CNA) Sustainability Ranking placed MMG third in Hong Kong and 41st among the 100 leading businesses in 10 Asian countries.

The 10 entities considered for the CNA Sustainability Ranking were China, Hong Kong, India, Indonesia, Malaysia, Philippines, Singapore, South Korea, Taiwan and Thailand.

In addition, MMG is one of 76 companies included in the 2014 Hang Seng Corporate Sustainability Benchmark Index (HSSUB). This is the third consecutive year MMG has been included in this index.

A photograph of a woman and a child washing their hands. The woman, on the left, is wearing a red zip-up jacket and has a joyful expression. The child, on the right, is wearing a grey hat with a white band and a floral patterned shirt. They are standing under a water tap, with water spraying over their hands. The background is a clear blue sky. The image is overlaid with a white diagonal shape in the top right and a dark red diagonal shape in the bottom right.

“WE CONTRIBUTE TO LOCAL DEVELOPMENT IN VARIOUS WAYS. WE **FOSTER LOCAL EMPLOYMENT** AND GIVE INCENTIVES TO LOCAL SUPPLIERS.”

05

OUR CONTRIBUTION
TO DEVELOPMENT

MMG's operations and projects contribute to the socio-economic development of the areas where they are located. With Las Bambas, our contribution reaches beyond the Challhuahuacho district in Cotabambas to the Apurímac region at large. It also extends across the country⁵ and will do so even more once we begin operations.

We contribute to local development in various ways. We foster local employment, give incentives to local suppliers, and provide support to authorities to improve public spending, which helps them prioritise projects to benefit communities. Las Bambas also has a social trust fund in place that makes investments in areas such as health, education and infrastructure.

MMG takes pride in the development model applied by Las Bambas, which represents a benchmark for extractive investments in Peru. This drives us to continue working with communities and authorities to make progress in Apurímac and Peru.

5.1. KEY INDICATORS

In 2014 Las Bambas spent US \$409 million with our suppliers and over US \$61 million on employees' salaries. We invested more than US \$34 million in surrounding communities.

DIRECT ECONOMIC IMPACT (IN US \$ MILLIONS)		
	2013	2014
Investments in construction and development	1,708,627	1,635,757
Total salaries paid	25,950	61,846
Local and national purchases	914,115	409,219
Total taxes paid ⁶	44,315	18,436
Social investment	9,446	34,305

⁵ The mining industry is Peru's second highest source of tax revenues.

⁶ During the life of mine, the total projected tax revenues and royalties paid are expected to amount to US \$5 billion.



We foster continuous improvement of the education system throughout the Apurímac province.

5.2. INTERNAL INDEBTEDNESS METHOD

The internal indebtedness method has been applied for the second consecutive year. It enables regional and local governments to obtain resources to deliver impact projects against future revenues they will get from the mining canon when we begin operations.

The mining canon is 50% of the income tax paid by mining concession holders to the Peruvian government. This percentage is distributed to regional and local governments and local public universities in locations where resources are extracted. Royalties are financial considerations paid by mining concession holders to the Peruvian government to mine non-renewable natural resources, and are based on a percentage of the total sale of copper concentrate. Las Bambas has not made any payments to date since operations have not yet begun.

Through this method, in 2014 the central government granted a second loan of more than US \$44 million to the Challhuahuacho, Cotabambas, Haquira and Coyllurqui districts, in addition to the amounts received in 2013 by Challhuahuacho and Cotabambas province.



TOTAL BENEFIT

The Apurímac region and its local government benefit from the presence of Las Bambas even before we start extracting copper. As a result of the internal indebtedness method, the region will receive more than US \$170 million in loans for development.

Thanks to this initiative, local governments and the regional government can finance and deliver infrastructure, education and sanitation projects, among others, even if mining canon revenues have not yet been received.



EDUCATION

One of the projects being carried out through the internal indebtedness method is the expansion and improvement of pre-primary, primary and secondary education in José Antonio Encinas School in the Ccasa community, Challhuahuacho district.

We provided support and guidance to prepare the project profile and technical file.

Apurímac is the first region of Peru where this public financing model has been applied. The government is replicating it in other mining projects to meet community and stakeholder expectations.

5.3. STRENGTHENING OF LOCAL PUBLIC MANAGEMENT CAPACITIES

We are committed to supporting local governments in the area where we operate to improve how they apply investments in the community. We create forums to share and discuss best practices in public administration, under the guidance of experts in the field.

In December 2014 Las Bambas conducted a workshop on public management tools. Thirty-three authorities participated, including new mayors, councillors and members of the municipal technical teams from the Mara, Challhuahuacho, Coyllurqui, Haquira, Tambobamba and Cotabambas districts, and Cotabambas province. The workshop addressed topics such as public administration structure, strategic planning, public investment and procurement.

We believe that this understanding is essential to support the sustainable development of Cotabambas and Apurímac. Las Bambas is working to reach a cooperative agreement to provide permanent technical staff to help provincial and district municipalities of Cotabambas manage and supervise projects and works. We believe this regular support will also strengthen the capacities of local public administrative employees.

5.4. LAS BAMBAS SOCIAL FUND

For the past six years, since its inception as a civil association, the Las Bambas Social Fund (FOSBAM, in Spanish) has carried out various development projects to benefit the Cotabambas and Grau communities. This trust fund mainly focuses on basic sanitation, education, health, and agricultural and livestock development.



Potable water for Cotabambas residents.

Examples of FOSBAM projects in 2014

CONNECTING COTABAMBAS AND CUSCO

Colca-Kutuqtay highway was the biggest venture completed in 2014. This infrastructure includes a bridge that connects Cotabambas province with Cusco city (a four-hour drive).

EDUCATIONAL INFRASTRUCTURE

As of August 2014 students from the Renzo Michelli School, in the Chuquibambilla district, Grau province, are making use of a modern and fully equipped infrastructure that will improve their quality of education. This undertaking included construction of facilities for three educational levels (pre-school, primary and secondary), a computer lab, covered sports court, auditorium, library and a canteen, benefitting more than 110 students and teachers.

Additionally, thanks to an agreement between the fund administrator, the Cotabambas Provincial Municipality and Universidad Nacional Micaela Bastidas de Apurímac (UNAMBA), 15 pre-fabricated classrooms were built for more than 400 students from the university in Tambobamba, who did not have their own facilities.

POTABLE WATER

Residents of the Chila community, in the Challhuahuacho district, celebrated the 26th anniversary of the community with the construction of an improved sanitation system. Household connections to the potable water system and 133 household sinks were installed.

The Water and Sanitation Administrative Board of the Chila community maintains this infrastructure.

5.5. STANDARDS FOR OUR SUPPLY CHAIN

In the mining industry, environmental impact and interactions with our stakeholders occur through contractors and suppliers. We understand that the activities of various third parties involved in the construction of Las Bambas may affect our stakeholders' daily lives.

To minimise the risks involved in activities, Las Bambas conducts a two-day general induction program for our contractors and suppliers. Topics addressed include:

- > Safety
- > Occupational health
- > Social responsibility (community engagement, social investment and commitments)
- > Local Entrepreneur Development
- > Environment
- > Emergency response

Our contractors and suppliers participate in comprehensive training in environmental management, which gives them the ability to respond to emergencies such as hydrocarbon and chemical spills. We also encourage water and energy conservation, and we encourage participation in local afforestation and reforestation activities. In 2014 we organised the Adopt a Tree campaign, in which our contractors participated. We planted approximately 500 seedlings of pines and *queñuas*, and we are monitoring their growth.

All employees who provide security support to Las Bambas premises receive training in human rights and our policies. By providing this training, we aim to ensure that our employees respect and support human rights.

5.6. LOCAL EMPLOYMENT AND PURCHASES

When we generate employment and stimulate markets and trade in a region, the higher income can result in an improved local economy.

In 2014 we employed 17,356 people; 100% of the unskilled labour we hired was local.

We also launched training programs in communities where residents had limited skills. The goal of these programs is to help residents access better employment opportunities locally and nationally, without reliance on Las Bambas.

Additionally, we made direct purchases from local suppliers totalling almost US \$7 million, exceeding the amount spent in 2013. If we add indirect local purchases, the amount totals US \$68 million.

Besides fostering sustainable development practices, we encourage our contractors and local businesses to work with each other, because this also has a positive impact on the area. The Local Entrepreneur Development Program is in place to promote competition and build capacities for local businesses.



TRAINING PROGRAMS

Training programs are highly important in areas where residents have limited qualifications. These programs help beneficiaries have better opportunities in the labour market at a local and national level.

At Las Bambas, we have implemented the *T'ikariy Wiñaypaq* training program. Thanks to this initiative, we trained 60 young residents in 2014.

VOLUME OF DIRECT PURCHASING OF MATERIALS AND SERVICES

	UNIT	2012	2013	2014
Suppliers	Number	633	2,220	2,554 ⁷
Local suppliers	Number	153	380	520
Local suppliers	Percentage	24	17	20
Total amount of purchases (goods and services)	US \$	321,046,809	268,637,335	214,051,541
Total amount of local purchases (goods and services)	US \$	3,750,556	5,029,748	6,702,331
Total amount of purchases from local suppliers	Percentage	1	2	3

⁷ Of this total, 474 are new suppliers.



We boost local suppliers' growth.

5.7. LOCAL ENTREPRENEUR DEVELOPMENT PROGRAM

In 2014, this program focused on connecting supply and demand, bringing together participants that promote local economic development with initiatives to strengthen microenterprises. This program maintains relationships with the Apurímac regional government, regional bureaus of production and agriculture, chambers of commerce and the Cotabambas local economic development offices.

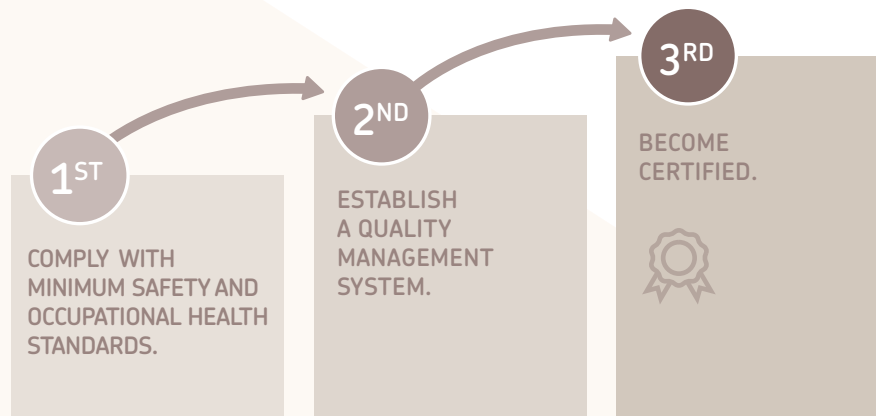
We have improved production chains for high-potential products such as potatoes, trout and vegetables, to encourage rural and urban producers to meet the current and future demand of Las Bambas and other organisations.

Work methodology

The experience we gained through the Local Entrepreneur Development Program has enabled us to structure a work methodology as follows:



To that end, we have defined a competitiveness plan, with the following criteria:



In 2014 Las Bambas developed a baseline of local businesses with growth potential. We defined criteria to classify each business and identified the internal demand for their products and services at Las Bambas. In addition, we prepared, published and shared a business directory of local suppliers.

Our goal is to turn supplier-customer relationships into collaborative partnerships with high added value. Similarly, we seek to diversify and extend local business portfolios, so that these companies can adapt to and meet the requirements of Las Bambas and other companies in a sustainable manner.

SUCCESSFUL CASE

FROM A SMALL GROCERY STORE TO A METAL MECHANIC SPECIALIST

In less than five years, Ezequiel Muñoz went from having a small grocery store in Challhuahuacho to providing metal mechanics services to Las Bambas. His story is one of effort and opportunity.

Over the past several years, Challhuahuacho has experienced rapid growth that has boosted its economy, especially due to the increase in construction activities. That construction required metal mechanics work: doors, windows, protectors, roofs, etc. At the same time, Las Bambas and our suppliers required related services. Initially, there were not many businesses in Challhuahuacho to meet this demand.

Ezequiel's entrepreneurial spirit, in addition to his studies of production mechanics at the Challhuahuacho Public Technological Higher Education Institute and his experience in welding shops

in Arequipa, were a perfect match to meet this new demand. In 2010 he decided to start his own metal mechanics shop with a small welding machine and some tools.

Thanks to the Local Entrepreneur Development Program, he received training and was awarded a number of contracts, which allowed him to furnish his shop. Ezequiel currently has a 200 m² shop equipped with a metal roof, perimeter fence made with durable materials and a metal safety gate. Goods and materials arrive to his shop from Cusco or Arequipa.

All employees of Ezequiel Muñoz's company are local, and they receive training from Las Bambas' contractor firms. Before joining the program, his shop did not sell to Las Bambas; however, in 2014, in less than six months, he has sold us approximately US \$10,000 in services.



SUCCESSFUL CASE

FEMALE ENTREPRENEURS

Established in 2014, Agujas de Oro is a Fuerabamba-based company that produces textile products. This venture was conceived by a group of women who decided to start up a business after receiving training through the Local Entrepreneur Development Program.

Its members started selling their products among friends and relatives, and later on in fairs. Thanks to the program, Agujas de Oro has sold products to Las Bambas worth approximately US \$56,000.

They are currently suppliers to our company, several contractors, and the local market.

Agujas de Oro's financial situation is robust: Its capital comes from the compensation received by its owners, in line with the agreements we have with the Fuerabamba community.



SUCCESSFUL CASE

A BOOKSHOP THAT KEEPS GROWING

JAREM'S is a small Challhuahuacho company that specialises in stationery items. It was established more than 10 years ago, with an initial investment of just PEN 1,000 (approximately US \$335).

As of the end of 2014 this company has a different face. It recorded sales of US \$31,000 to Las Bambas alone. JAREM'S has a management plan and guidelines to diversify its client portfolio, including public and private institutions in the Apurímac region. The Local Entrepreneur Development Program has provided

JAREM'S employees with training and strengthened the organisation.

Currently, JAREM'S has six local employees, US \$50,000 in fixed assets and working capital, 13 offset printers, high-resolution printers for advertising material, banners, a UV oven, die-cutting equipment and other supplies.

Before joining the program, JAREM'S did not sell products to Las Bambas; however, the company has now become our main supplier of office supplies and printed materials.



SUCCESSFUL CASE

ARCHAEOLOGICAL RESCUE IN COTABAMBAS

Cotabambas province has an archaeological heritage that could disappear if efforts are not made to rescue and give new value to it. Even climate change can harm its preservation. Accordingly, at Las Bambas we are investing funds to design and carry out an important archaeological research project.

In 2014 we launched an initiative at the archaeological and colonial sites of Marcapuchunco, Huancuire, Hachayocpata and Muyucorral.

The project consists of a topographical survey, archaeological excavations, preventive preservation, desk research and analysis of materials.

Las Bambas' professional teams and community residents have participated in the archaeological excavations. Residents provided valuable information related to the state of the archaeological remains over a number of decades and regarding rites and customs of ancestral inhabitants.

We will continue investing in this project, which has allowed us to recover remains, records and valuable ceramic and copper objects used by the ancient peoples of Cotabambas province.





A woman in traditional red and black attire is riding a horse. She is wearing a wide-brimmed hat with colorful decorations and a red shawl. The background shows a crowd of people, some also in traditional clothing, suggesting a festival or cultural event. The image is overlaid with a white diagonal shape in the top right corner containing text.

“TRANSPARENCY AND TRUST, AND **RESPECT FOR HUMAN RIGHTS**, UNDERPIN OUR COMMUNITY ENGAGEMENT. WE CREATE FORUMS WHERE WE CAN ASK ABOUT AND LISTEN TO RESIDENTS’ EXPECTATIONS AND ANSWER THEIR QUESTIONS.”

06

LOCAL

COMMUNITIES

For MMG, “*We mine for progress*” means establishing partnerships and delivering on our commitments to achieve development for all. MMG respects the agreements made by previous operators of Las Bambas.

Our approach to working with local communities is built on trusting relationships and understanding community expectations. We invest in initiatives that improve local living conditions. We develop management plans that align with MMG’s Community Standard and cover community and stakeholder engagement, community investment, land access, resettlement and human rights.

The MMG Code of Conduct sets the standards of behaviour we expect from our employees and contractors. The Code of Conduct covers topics such as conflict of interest, anti-corruption, transparency and compliance with law. MMG’s Code of Conduct and five Values require that we behave with integrity and work to earn trust and respect.

6.1. COMMUNITY ENGAGEMENT

Transparency and trust, and respect for human rights, underpin our community engagement. We create forums where we can ask about and listen to residents’ expectations and answer their questions.

We use various communication tools such as direct dialogue and meetings to engage with our stakeholders and identify residents’ needs and demands. Our tools were developed to support our community relations team’s daily work with communities.

At Las Bambas, we have procedures⁸ to record, process and respond to complaints and grievances from residents of the surrounding communities. In 2014 we received 77 complaints (40% fewer than in 2013). We have resolved 31 of them, and the rest are being addressed.

Residents can submit their complaints and grievances anonymously or through local representatives, our community relations specialists, our permanent information offices in the Challhuahuacho and Tambobamba districts, and the reception office of Willana Wasi in Challhuahuacho.



CULTURAL IDENTITY

As part of our commitment to preserve communities’ traditions and customs, we have promoted the *T’ikapallana* Carnival Festival over the past five years. This is one of the biggest festivals in Cotabambas province and has been formally declared part of our National Cultural Heritage. We take pride in this achievement.

At Las Bambas, we take part in the traditions and festivals of the Apurímac communities. We attended the 2014 Fuerabamba Carnival Festival, with the participation of community residents from the 13 hamlets. We also participated in the 54th anniversary of Cotabambas, where the 2nd Regional and 11th Provincial Agricultural and Livestock, Gastronomic and Handcraft fairs took place.

⁸ Operating Rule to Resolve Complaints and/or Grievances.

6.2. LAND USE

We establish processes for fair negotiation of land use rights and sensitive management of cultural heritage with communities from our area of influence. We have completed the exchange process with residents of the Fuerabamba farming community, providing them with properties in exchange for the area we will use for our operations. These properties are located in the Yavi Yavi, Huayccoranra, Ccarhuacpampa, Chila and Choaquere areas.

We conducted the negotiation process with the community in a respectful and collaborative manner. However, there were a number of inconsistencies in the registration of some properties, which we resolved through an intensive communication process and the support of the relevant national authority⁹.



We produce seedlings in nurseries for afforestation.

6.3. DEVELOPMENT PROGRAMS

Our development programs seek to contribute to the sustainable development of communities in our area of influence. We use a participatory approach, and we consult with communities about their needs so we can develop projects that have positive impact.

At Las Bambas, we focus on the following areas:

- › **Production development**
Agricultural and livestock development, improvement of pastures, production capacity-building, fry farming and trading, animal sanitation programs and agricultural automation, community dining rooms, infrastructure, etc.
- › **Education and culture**
Improvement of classrooms, Las Bambas Educational Resource Program (PREB, in Spanish) and training workshops for local teachers.
- › **Other initiatives**
 - Community infrastructure development
 - Development of infrastructure for basic and educational services

“WE USE VARIOUS COMMUNICATION TOOLS. OUR TOOLS WERE DEVELOPED TO SUPPORT OUR COMMUNITY RELATIONS TEAM.”

Main programs

› **T'ikariy Wiñaypaq Training Program**
Launched in 2008, the objective of this program is to develop technical, production and industrial capacities and skills among residents from our area of influence, preparing them for formal employment.

In 2014 we provided driver training in the Chila and Choaquere communities.

› **Tree Nursery Program**
The purpose of this initiative is to afforest the area where we operate with up to 7 million trees. Communities from the Challhuahuacho district help us achieve this objective, while we generate local employment for upper communities of this district. Some of the beneficiaries include Patario, Choccoyo, Cuchuhuacho, Tambulla, Huanquire, Ccasa, Minascucho and Carmen Alto.

› **Las Bambas Educational Resource Program**

This is a flagship program that seeks to increase the educational levels of children from 16 communities in our area of influence by providing access to information, communication tools and technology, and by training local promoters of the program.

By the end of 2014, the program had reached 2,327 children. We have built educational infrastructure in the Los Álamos de Challhuahuacho hamlet, improving education standards for approximately 80 students.

The Manuel Seoane program won the *Canto a mi Cotabambas* (Singing to My Cotabambas) music contest. The grand finale took place in November during the 4th Annual Challhuahuacho Educational Fair.

› **Construction of Community Halls**
We built community halls that benefit the Choaquere, Álamos and Carmen Alto communities. This infrastructure helps strengthen management skills of community organisations.

⁹ National Superintendency of Government Assets.



We do what we say – Aerial view of Nueva Fuerabamba.

6.4. OUR RESETTLEMENT EXPERIENCE: NUEVA FUERABAMBA

One of the most important milestones of community engagement and for the project as a whole was beginning the resettlement process of the Fuerabamba farming community in August 2014.

This process also represents a milestone in the history of Peru's mining industry. It is the result of a community-company dialogue process that began in 2007. In 2010 Las Bambas signed a resettlement agreement with 441 families, which included building houses for them in Nueva Fuerabamba. By the end of March 2015, 95% of these families had been resettled.

We are currently implementing various initiatives to deliver on our resettlement commitments.

There are a number of community committees that regularly follow up on progress made in 13 areas of development:

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

This process included an additional group of families that lived in Fuerabamba and were not initially registered for resettlement benefits. These families have received financial compensation and employment.

“OUR DEVELOPMENT PROGRAMS SEEK TO CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT OF COMMUNITIES IN OUR AREA OF INFLUENCE.”



We offer professional healthcare services in Nueva Fuerabamba.

Some of the activities initiated as part of the resettlement process in 2014 included:

1. Construction of houses completed in Nueva Fuerabamba and transfer of families.
2. Delivery of infrastructure for the community: schools, healthcare centre, home for the elderly, museum, handcraft centre, quick aid establishment, market, bus terminal, community hall, slaughterhouse, equestrian field, stadium and training centre.
3. Implementation of basic services in the area, such as water, power and drainage.
4. Fitting out of Nueva Fuerabamba houses with vertisoil for organic gardens.
5. Re-establishment of small businesses.
6. Sowing of potatoes and livestock farming in the Yavi Yavi Property.
7. Hiring trained residents for when we begin operation.
8. Beginning activities at school and healthcare centre.



NUEVA FUERABAMBA, NEW EDUCATION

Around 400 students from pre-, primary and secondary school started classes in the new classrooms and facilities of Nueva Fuerabamba Integrated School.

All classrooms are properly equipped for school activities.

During the resettlement process there were a number of issues with residents regarding the expected benefits of the resettlement. These issues were resolved through dialogue with the Fuerabamba community and revisiting the agreements previously made between the company and the community. The community showed a responsible and respectful attitude toward the commitments made with Las Bambas for their development.

Challenges and projections

We are aware that moving from a completely rural area to an urban location such as Nueva Fuerabamba creates cultural and socio-economic challenges. Our goal is to promote sustainable livelihoods for Fuerabamba residents, and act as partners in their vision for the future.

The resettlement process includes supporting residents to positively adapt to changes and minimise potential negative impacts. We have initiated the Adaptability Program, supported by Cáritas del Perú, a leading development organisation.

Through this program, resettled families receive training in the correct use of their homes (e.g., stove and toilet operation and planting of gardens) and public areas of the new town. We also arrange for refresher courses on various subjects for children and young people from Nueva Fuerabamba on a weekly basis.

As part of our comprehensive development approach for Nueva Fuerabamba, we also contribute to employment generation. We currently have 201 labourers from the community on our direct payroll. We are adding more local employees in 2015, and are now conducting routine medical checks as well as psychological and occupational testing as part of this process.

Due to the variety of changes resettled families are experiencing, we have implemented indicators to measure their adaptability to new houses and the urban environment; their ability to establish social support and family support networks; and their ability to manage post-resettlement stress. As of year-end 2014, results are as follows:

- > The community authority has already settled in and is using the community administrative building.
- > 71% of families participate in weekly activities for leisure, socialisation and awareness-raising.
- > 69% of families have received training in classification and disposal of solid waste.
- > 46% of students who were on vacations participated in summer school.
- > 60% of elderly people participate in activities such as maintaining family vegetable gardens. They are also adapting to their new houses.

- > 55 families are undergoing treatment for psychosocial issues (alcoholism, domestic violence, depression).
- > 57% of families correctly use toilets, showers and gas stoves.
- > 75% of families participate in routine medical check-ups.



Students returning home after classes.



ARTISANAL MINING

Informal and illegal mining is a concern for most major mining operations. These activities are taking place close to Las Bambas, although to a lesser degree than near other major operations in Peru.

To discourage the intrusion and growth of this activity, we create economic and development opportunities for residents in our area of influence. Some of these initiatives include the Local Entrepreneur Development Program, capacity-building programs and community development programs.



ORE TRANSPORT AND RELATED SOCIAL IMPACTS

We will start producing copper concentrate in 2016. We will transport the copper concentrate by truck to a transfer station 458km from Las Bambas, and then by train 286km to the Port of Matarani. We will use a public road to transport concentrate. Due to the construction of the road, Las Bambas has made a number of commitments with surrounding communities to mitigate possible social impacts, as follows:

- > **Social negotiation commitments for land release:** Support in social infrastructure, implementation of socio-environmental projects and sponsoring of cultural activities
- > **Construction-related impacts:** Remediation of land impacted by quarries, surplus material deposits, replacement of water pipes and sewer venting

In January 2015 Las Bambas established a Regional Social Viability Department, which will monitor compliance with commitments related to future ore transport.



COMMUNICATIONS AT LAS BAMBAS

In 2014 communications management at Las Bambas helped strengthen the internal culture and build the company's reputation with our stakeholders.

The *Conversando con mi Gerente* internal communication program strengthened bonds between our managers and employees from various departments by encouraging dialogue and sharing objectives met and future plans. This program also allowed us to learn about our employees' expectations and innovation suggestions. We worked hard on our campaign to position our brand, new identity and new corporate Values.

We broadcast the First Regional Festival and Fifth Annual *T'ikapallana* Carnival Festival through Surphuy Radio and a domestic broadcast channel, in coordination with Cotabambas provincial authorities. Thanks to this support, the Peruvian government declared *T'ikapallana* the most important and popular festival in this area and part of our National Cultural Heritage.

We also helped communicate relevant information to residents during the resettlement process from Fuerabamba to Nueva Fuerabamba. Through Surphuy Radio, we launched the First Road Safety Campaign in Cotabambas province to prevent traffic incidents and develop safe habits when driving.

Educating and participating on the radio

Launched in 2010, Surphuy Radio has become an effective communications tool offering participatory, educational and cultural programming for the social characteristics of Apurímac, with shows mainly in Quechua. The radio station is at the service of the community, and listeners from the community are the main participants.

Surphuy's coverage includes areas in Cusco and Grau province, Apurímac, broadcasting music from local traditional groups and organising traditional music competitions; reporting on the progress made in Las Bambas; providing advice on topics such as health, education and local business administration; and launching campaigns to raise public awareness of various relevant issues. Surphuy Radio also airs programs in which children from our area of influence may participate.



SUCCESSFUL CASE

THE TORRES HUAMANÍ FAMILY AND THEIR RESETTLEMENT EXPERIENCE

Mr. Wilfredo Torres and Ms. Flora Huamaní Huilca, together with their four children (two, three, eight and nine years old), were one of the first families to be resettled to the Nueva Fuerabamba town. Moving to this new place has provided them with new amenities for their children and has improved their living conditions. They now have round-the-clock electricity and potable water, toilets and a TV. Furthermore, their children have begun studying in a school with first-class infrastructure.

Both of them have directly or indirectly worked for Las Bambas. Ms. Huamaní completed her secondary education in Lima and then returned to Fuerabamba. She got a job in community works organised by the company and then worked for Las Bambas in a job rotation program. Mr. Torres obtained a job in archaeological field surveying during the pre-feasibility stage and since 2011 has also been a rotating worker at Las Bambas. Thanks to their efforts and the compensation they received for resettling, they have invested their money in two properties in Cusco and hope to sell them later at a profit.

In addition, Mr. Torres established Empresa Multiservicios DLGM, a company that manufactures cages for guinea pigs and sells them to Las Bambas and the community. He now seeks to extend his portfolio to other areas such as construction and timber processing. Ms. Huamaní launched a grocery business at her house in Nueva Fuerabamba. She plans to create another microenterprise in Challhuahuacho in the longterm. While they remember their hamlet and open-air walks nostalgically, they believe these changes will bring a better future for their children.



A smiling woman wearing a traditional black hat with a wide brim and a colorful, beaded necklace. She is holding two young pine trees with their roots exposed. The background is a clear blue sky. The image is overlaid with a white diagonal shape in the top right corner and a dark red diagonal shape in the bottom right corner.

07

ENVIRONMENTAL
MANAGEMENT

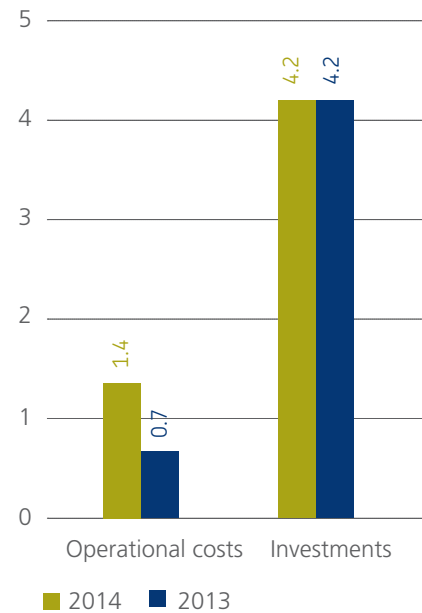
Environmental management is one of the main challenges in mining activity. Our processes minimise potential environmental impacts by identifying, preventing and mitigating risks. All of our activities are supported by our ISO 14001 certification, which validates our best-practice approach to environmental management.

We work to address our environmental commitments and the requirements of MMG's Environmental Standard, which aligns to international expectations for environmental management. We know that it is important to take action on climate change, and we are committed to minimising our greenhouse gas emissions.

In 2014 our main actions were aimed at strengthening our environmental leadership, one of the strategic objectives across all of Las Bambas. This process involved decentralising our environmental management and empowering all of our departments to define and measure indicators pertaining to them. By doing so, we raised awareness among our teams that managing the environment involves our entire organisation.

In 2014 the Second Amendment to our EIS for the Las Bambas project was approved. This amendment allows us to improve our water management practices by reducing fresh water consumption during critical dry periods, while ensuring water supply for the operation. In this way, we will improve water efficiency.

Operational Costs and Investments in Environment (in US \$ millions)



We have continued with our participatory monitoring programs. Our local stakeholders, including new communities and social players, were able to witness and participate in our processes to evaluate impacts. We have provided our stakeholders with new skills to become involved in a more effective manner.

Finally, we have encouraged our employees to put forward their own environmental initiatives. We have received proposals related to water efficiency, mineral waste reduction, recycling and minimising the use of natural resources.

In 2014 there were no fines or sanctions imposed on Las Bambas for noncompliance with environmental legislation. We closely follow up on any type of environmental eventuality or incident.



7.1. WATER MANAGEMENT

Water management is a priority for our operations. It involves reuse of water, efficient consumption, ongoing monitoring of water quality and quantity, and preservation of water sources in surrounding areas.

Las Bambas operates in the microbasin of the Ferrobamba River, the main source of water during the construction stage and a tributary of the Record River. (This microbasin represents 10% of the total basin of the Record River.) We have all the relevant authorisations, granted by the Local Water Authority (ALA)¹⁰. In 2014 we set up the Water Management Committee, through which we have planned and developed strategies to minimise fresh water consumption and obtain the environmental permits required.

We reuse treated water from domestic effluents as a dust control measure at the project, minimising fresh water consumption. We also minimised water consumption during the concrete preparation process used in construction, since it is a closed circuit. This operational practice is possible due to the use of new technologies, and it has had a positive impact on our water management.

Total water withdrawal by source (includes data on construction work)

SOURCE	TOTAL (IN M ³)
Fuerabamba River	91,460
Charcascocha Spring	23,484
Challhuahuacho River	4,251
Loma Negra Gully	9,979
Chica Gully	11,845
Saccana Gully	12,883
Huascabamba Gully	12,804
Sayhua River	59,331
Maramayo Gully	51,011
8 de Agosto Gully	49,679
Cochahuayco Gully	24,546
Pumamarca River	23,820
TOTAL	375,094

Reused Water (includes data on total amount of surface and underground water used)

WATER TYPE	TOTAL
Used Water (m ³)	433,112
Reused Water (m ³)	46,135
Reused Water (%)	11

¹⁰ These authorisations are granted following a thorough assessment by the authority. The authority prioritises communities' use of water and respect for protected areas, which ensures water surplus so that other users are not affected by the lack of water. One of the projects of our Environmental Management Plan is the Plan to Offset the Loss of Bofedales, which seeks to identify and preserve bofedales (High Andean wetlands of special significance) due to their biological and social significance.



Workers transplant seedlings in a nursery in the Huanquire community.

The approval of the Second Amendment to our EIS validates the water balance of the project. Similarly, it authorises a number of water management changes at the operation, including the objective to reuse more than 90% of process water.



ENVIRONMENTAL COMPLAINTS

In 2014 we received five complaints from community representatives, all related to water management. Residents feared that the quantity and quality of water sources could be affected.

We resolved all of these cases, with the exception of one, which we are currently addressing.

7.2. LAND AND BIODIVERSITY PROTECTION

In 2014 our objective was to remove as little topsoil and vegetation as possible to protect local flora and fauna. We trained our employees in environmental topics so they could apply the appropriate protection procedures.

We have an Environmental Management Plan, set forth in our EIS, which includes mitigation measures in biodiversity, such as rescuing endemic and vulnerable species of affected flora and fauna and resettling them in similar areas outside and inside Las Bambas. We have a Monitoring and Surveillance Plan to monitor these activities during dry and wet seasons.

Las Bambas has had an impact on certain types of habitats, such as *pajonales* (High Andean areas where different species of grasses stand out), *bofedales* (High Andean wetlands of special significance), bush and vegetation in rocky areas. These areas are home to some species included in the IUCN Red List and in supreme decrees related to the protection of threatened flora and fauna species in the country. We give these species highest priority when resettling them in similar habitats.

AREA TYPE	TOTAL (HECTARES)
Rehabilitated area	100
Disturbed area	262

“WE HAVE CONTINUED WITH OUR PARTICIPATORY MONITORING PROGRAMS. OUR LOCAL STAKEHOLDERS WERE ABLE TO WITNESS AND PARTICIPATE IN OUR PROCESSES TO EVALUATE IMPACTS.”



Participatory monitoring of surface water quality in Pamputa River, Huancuire community, Coyllurqui district.

7.3. EFFLUENTS AND WASTE

We strive to comply with our environmental commitments and follow the highest standards of waste classification on the basis of origin and hazard potential. We have a Waste Management Plan that defines waste treatment processes from waste production to final disposal.

In 2014 we continued recycling paper and cardboard; we disposed of hazardous waste in a safe sanitary landfill authorised by the relevant authority; and we continued applying organic waste management methods to generate compost for use in our nurseries and afforestation processes.

Waste Generated (includes data on construction work)

NON-HAZARDOUS WASTE	TOTAL GENERATED (t)
Domestic waste	1,387.00
Wood	18,613.80
Paper	70,496.20
Scrap metal	1,439.54
Rubber	1,045.48
Plastic	970.40
Ink toners	0.58
HAZARDOUS WASTE	TOTAL GENERATED (t)
Bags of lime	2.00
Other hazardous waste	765.25
Batteries	2,147.17
Soil contaminated with hydrocarbons	133,691.61
Flammable waste	9.14
Used oil	8,397.67



Waste Management – by treatment method

NON-HAZARDOUS WASTE	TREATMENT METHOD
Domestic inorganic and organic waste	Final disposal in internal sanitary landfill
Wood	Reused/traded
Paper	Final disposal in external sanitary landfill
Scrap metal	Sold for reuse
Rubber	Final disposal in external sanitary landfill
Plastic	Final disposal in external sanitary landfill
Ink toners	Final disposal in safe landfill by supplier (Xerox)
HAZARDOUS WASTE	
Bags of lime	Final disposal in external sanitary landfill, authorised by the government
Hazardous waste (batteries, soil contaminated with hydrocarbons)	Final disposal in external sanitary landfill, authorised by the government
Flammable waste	Final disposal in external sanitary landfill, authorised by the government
Used oil	Sold for reuse

No hazardous waste was transported outside of the country.

In 2014 there were no significant spills. Our employees must immediately report accidental spills so we can launch our Environmental Management Plan in response.

7.4. EMISSIONS

During the reported period, we completed construction of the Nueva Fuerabamba town. This activity increased greenhouse gas emissions due to higher use of machinery and vehicles that consume diesel gasoline or other types of fuel.

Main emissions were carbon dioxide (CO₂) and nitrous oxide (N₂O). However, all of our equipment has filters to minimise emissions to the environment. The equipment also undergoes a regular, rigorous maintenance process to ensure efficient performance.

The high number of employees and equipment, machinery and vehicles that constantly move at the project creates particulate matter (dust) and noise. We have implemented mitigation measures such as regular watering and maintenance of access roads to the project, using a dust suppressor (polymer).



We monitor water quality of rivers around Las Bambas on a regular basis.

7.5. ENERGY

One of our main environmental objectives is to improve energy efficiency and use renewable energy sources, where possible. Our initiatives to reduce energy consumption in 2014 included using solar energy generators and energy-efficient light bulbs.

Since the project is under construction, our energy consumption is significant because we use heavy equipment for earthwork at the tailings dam and to build the Ferrobamba Pit. We aim to optimise energy use once we begin operations.

Direct Energy Consumption (includes data on construction work)

SOURCE	TOTAL CONSUMED (kl)
LPG	18,241
Fuel (Diesel only)	56,595

Indirect Energy Consumption (includes data on construction work)

SOURCE	TOTAL CONSUMED (kW)
Hydropower (bought energy)	676,575
Energy generated through diesel fuel	1,264,820

Materials Used (includes data on construction work)

NON-RENEWABLE MATERIALS	TOTAL USAGE
Diesel (kl)	56,595
AUXILIARY MATERIALS	
Blasting materials (t)	772
OTHER MATERIALS	
Lubricants (gl)	66,275
Liquefied gas (domestic use) (kl)	18,241
Tyres (light vehicles)	1,433
Cement (t)	4,401
Wood (t)	2,349

7.6. COMMUNITY PARTICIPATION

We have continued with our environmental participatory monitoring activities for quality of water and air.

During these activities, Las Bambas works with local authorities and environmental delegates. We have included four new communities – Sacsahuillca, Chumille, Allahua and Payanca– and a neighbourhood from the Challhuahuacho district.

In total, we conducted 22 participatory monitoring activities: 18 to monitor the quality of surface water in the Récord, Fuerabamba, Pumamarca, Chila-Choaquere and Pamputa rivers; two to monitor air quality in Challhuahuacho and Chicñahui; and two to monitor the water quality of the Record River. The National Water Authority (ANA) organised these activities.

We have carried out four training and communication workshops with residents and local authorities, in addition to two internships in Arequipa. We have provided participants with new tools to care for and protect the environment and to better understand the results of the monitoring process.

“OUR ACTIVITIES ARE SUPPORTED BY OUR ISO 14001 CERTIFICATION, WHICH VALIDATES OUR BEST-PRACTICE APPROACH TO ENVIRONMENTAL MANAGEMENT.”



AFFORESTATION ACTIVITIES WITH THE SUPPORT OF COTABAMBAS COMMUNITY

In 2014 we planted 93,000 seedlings of native (*Polylepis incana* and *Polylepis racemosa*) and alien (*Pinus radiata* and *Pinus patula*) species. As a result of this initiative, we were able to afforest 71.9 hectares and create jobs for 374 community residents, who formed four management committees.

Labourers worked on a rotational basis to extend the benefits and opportunities to a higher number of community residents. In this way, we exceeded the commitments made through the EIS. Together with Cotabambas residents, we have encouraged the protection and preservation of green areas.



SUCCESSFUL CASE

INITIATIVE TO SUPPORT BIODIVERSITY

At Las Bambas we work to manage the potential impacts we may have on biodiversity. In 2014, we completed the third year of a project to preserve amphibians (*Rhinella spinulosa* and *Telmatobius jelskii*) and rodents (*Auliscomys pictus* and *Akodon subfuscus*) threatened by climate change and degradation of their habitat.

These species are important because of their role in the local ecosystem. For example, amphibians are able to control plagues and serve as indicators of ecosystem health due

to their vulnerability to environmental changes. Similarly, rodents help disperse seeds and foster pollination.

After completing research and evaluating the conditions of the aforementioned species, we defined the rescue zones to successfully relocate these species.

> With respect to *Rhinella spinulosa*, we relocated five adults, 1,448 young, 74 metamorphs and 2,240 tadpoles to the Choquecca-Antuyo community, from various water bodies and habitats in

Fuerabamba. Likewise, with respect to *Telmatobius jelskii*, we rescued 27 adults, nine young, 136 metamorphs and 939 tadpoles and relocated them to areas around the Jalansiricocha lake.

> We relocated 25 rodent specimens: 16 *Auliscomys pictus* and nine *Akodon subfuscus* species.





“OUR MAIN ACTIONS WERE
AIMED AT STRENGTHENING
OUR **ENVIRONMENTAL
LEADERSHIP.**”

A photograph of two workers in orange safety suits and white hard hats standing on a yellow metal platform at a mining site. They are positioned in front of a large, dark, circular structure, possibly a conveyor or part of a mine shaft. The background shows a rocky, excavated hillside. The image is overlaid with a white diagonal shape in the top right corner and a red-to-orange gradient bar at the bottom.

“ONE OF OUR MOST
SIGNIFICANT MILESTONES
WAS OBTAINING
THE **ISO 9001:2008**
CERTIFICATION.”

08

EMPLOYMENT AND SAFE WORKPLACE

At Las Bambas engagement with our employees is based on MMG's Values and People Policy. We also comply with the Voluntary Principles on Security and Human Rights.

Employees' well-being and security in our workplaces are key components to the success of MMG's strategy.

While we want our employees to contribute to the company's business objectives, we also want them to feel supported and achieve personal and professional growth.

At MMG, including Las Bambas, we abide by the following principles, which are built on our Values. Our people:

- > Are hired under fair terms and conditions, making sure they comply with all the relevant legal requirements;
- > Work under safe and healthy conditions with the necessary support to help them return to work after recovering from an injury or illness, where possible;
- > Receive equal treatment in a workplace that values diversity and inclusion regardless of gender, age, culture and race, religion, sexual orientation or disability;
- > Work in a harassment-free environment;
- > Have stimulating and gratifying jobs;
- > Have access to information and the necessary knowledge to demonstrate good performance;
- > Have access to training and development opportunities, in line with the company's needs;
- > Have open communication and receive regular feedback on their job performance and significant changes;
- > Are recognised when their actions contribute to our vision and values; and
- > Feel confident enough to raise their concerns, which we will address in a timely and fair manner.

8.1. HUMAN RESOURCES MANAGEMENT PERFORMANCE

In 2014 Las Bambas obtained ISO 9001:2008 certification for our 13 human resources processes, which reflects the success of our continuous improvement systems. This achievement comes in addition to the Member Promoter certification of the Good Employers' Association of the Peruvian American Chamber of Commerce that we obtained in 2013.

During the second half of 2014 Las Bambas focused on aligning our human resources management processes with those of our new operator, MMG. This included training and performance management, among others. We also worked to raise awareness of and build understanding of MMG's organisational philosophy (vision, mission and values). We included these new topics in our induction and re-induction programs to immerse employees in MMG's culture.

During the fourth quarter of 2014, for the first time since 2011, we performed a labour climate survey, in line with MMG's standards and methodology. The survey results showed 73% of employees are satisfied with the Las Bambas working environment.



Our workforce comes from the communities in our area of influence.

8.2. OUR WORKFORCE

Compared to 2013, our direct workforce (employees) has increased by over 67% as construction activities accelerate in preparation for project commissioning. Our turnover rate was 3.8% in 2014, compared to 7.1% in 2013.

Employee remuneration is based on performance and market value, without discrimination based on gender or any other factor.

Pursuant to Peru's legislation, we provide benefits to all our employees. We offer family medical insurance that even covers employees' parents. This insurance exceeds the compulsory insurance requirements set by legislation. In 2014 we spent US \$1,124,450 in benefits related to family medical insurance (on average, US \$1,345 per person).

At Las Bambas, we have three employee categories:

- > Staff employees – vice presidents, managers and superintendents
- > Office employees – supervisors, engineers, analysts, coordinators and assistants
- > Field employees – operations workers

CHARACTERISTICS OF OUR WORKFORCE ¹¹				
		2012	2013	2014
By contract type	Fixed term	212	346	585
	Indefinite term	105	154	251
By job hierarchy	Staff employees	30	75	87
	Office employees	216	331	441
	Field employees	71	94	338
By region	Cusco	107	119	162
	Arequipa	30	446	102
	Lima	41	84	127
	Apurimac	72	120	208
	Other	67	131	237
By age	Under 30 years old	66	106	193
	30 - 50 years old	233	350	575
	Over 50 years old	18	44	68

¹¹ All of our employees work full time.



EMPLOYEE COMPLAINT MECHANISMS

No work-related complaints were filed in 2014.

Holiday policy is one of the subjects that raises queries and complaints among our employees. We channel and resolve these employee issues through our supervisors, who are trained on how to receive and formally respond to complaints. We also communicate our complaint processes to employees.



We work together to achieve better results.

8.3. LOCAL EMPLOYMENT

Generating employment opportunities in our area of influence is essential to boost the local economy and develop residents' capacities in the communities surrounding Las Bambas.

We have a local hiring commitment and policy that specifies that 100% of our unskilled labour should be sourced from local communities, which includes training and personal growth of this workforce. Our local recruiters search for suitable candidates based on specific task needs.

Starting salaries at Las Bambas are almost double the minimum wage required by Peru's legislation.

We have a number of programs, such as *T'ikariy Wiñaypaq*, to develop the talents of local residents so they become qualified to work. The objective is to build capacities and skills of community residents from our area of influence, training them in various trades.

People trained through *T'ikariy Wiñaypaq* between 2008 and 2014 have become part of our training program for mine operators, mine maintenance and the concentrator plant. In 2014 this program benefitted more than 2,000 local residents.

8.4. TRAINING AND EMPLOYABILITY

Fostering training activities and improving employability are key aspects of our human resources management practices. We will soon begin operations, requiring employees with specific and advanced skills in particular areas.

- › For the second consecutive year, we carried out the Annual Training Plan. This program is mainly for our office and staff employees.
- › We launched the Adaptability Program, aimed at local employees who do not have previous experience in a business organisation.
- › In 2014 we commenced our Graduate Program, which will benefit 35 young professionals. This program lasts 12 months and concludes in July 2015.
- › We also conducted a Professional Internship Program twice in 2014. Fifteen people participated.

In 2014 we invested an average of 41 man-hours of training per person for employees (nonlabourers) and 232 man-hours of training per person for operators/labourers.



LOCAL TRAINING

Following a two-year training process, 26 young people from the Fuerabamba, Huancuire, Quehuira, Chila, Challhuahuacho, Haquira and Tambobamba communities, in Cotabambas province, became certified as operators of track-type tractors, wheel dozers, backhoes, drills and mining trucks. This group received rigorous training in safety and the operation of light and heavy equipment, which included instruction using simulators.

Measuring performance

We assessed the performance of all office and staff employees at Las Bambas in 2014. This assessment process includes three stages:

- > **Stage 1**
Create or update job position description and prepare action plan.
- > **Stage 2**
Conduct mid-year review (assess performance January to June).
- > **Stage 3**
Review professional effectiveness (individual performance during the year).

This process allows us to monitor performance and take steps to improve employees' productivity, where necessary, while encouraging discussion between supervisors and their employees.



Welding workshop at Las Bambas.

Our main challenge for 2015 is to hire people for the commencement of operations at Las Bambas in 2016. Our investments will focus on talent development, as well as recruitment and selection processes. Our 2014 investment in training increased by 32% compared to 2013, and we expect to follow this trend in 2015.

8.5. SAFETY PERFORMANCE

One of the five Values we uphold across MMG operations and projects is our safety: We think safety first. At Las Bambas we adhere to MMG's sustainability policy, which also covers safety and health.

We make sure our Las Bambas team demonstrates this safety Value, including our contractors and suppliers. We also share our safety approach with surrounding communities (where many of our employees live) to extend this culture across our area of influence.

Our construction stage goals align with our risk prevention standards and procedures. We strive for Las Bambas to become an injury-free workplace. To that end, in 2014 we significantly invested in training activities, providing a total of 109,203 man-hours of training for the total workforce. We also conducted more than 60 two-day general inductions for 4,800 Las Bambas employees and contractors.

We have a Safety and Occupational Health Central Committee (Level 1) and safety and health committees in various departments, which include contractors (Level 2). The main areas addressed by these committees include analysis of incidents and collection of indicators and statistics. These committees represent all Las Bambas employees and contractors.

We also have the Visible Leadership Program, led by Las Bambas' President and vice presidents (VPs). The objective of the program is to promote safe behaviour of employees.

We have the following risk management methods:

- > Training our employees and our contractors' employees in high-risk work
- > Managing internal audits
- > Setting key indicators
- > Investigating and analysing root causes of workplace accidents
- > Following up on action plans on a regular basis
- > Through bulletins, communicating lessons learned from incidents

8.6. SAFETY INDICATORS

Our safety statistics (TRIF, DISR and Absenteeism) increased in 2014 compared to 2013, due to an increased number of construction activities and contracted employees.



Employees participate in safety meeting before beginning their shift.

SAFETY INDICATORS AT LAS BAMBAS								
Rate (per 1 million hours worked)	Description	Operations	2012		2013		2014	
			Projects	Operations	Projects	Operations	Projects	Operations
LTIF	Lost Time Injury Frequency	0.00	0.05	0.00	0.07	0.00	0.05	
TRIF	Total Recordable Injury Frequency	0.31	0.60	0.22	0.49	0.47	1.43	
DISR	Disabling Injury Severity Rate	0.00	2.25	0.00	10.97	0.79	37.56	
A	Absenteeism	0.79%	0.70%	1.00%	6.00%	1.05%	3.30%	
F	Fatalities	0	0	0	2	0	0	

We deeply regret an incident involving the safety of a contractor's employee, who was badly injured after being struck by lightning.



We take care of our employees' health by providing regular medical check-ups.

8.7. OCCUPATIONAL HEALTH

There were several achievements in occupational health management at Las Bambas in 2014. For example, we launched the Occupational Hygiene Program, coached young professionals on health, and established prevention and outcome indicators. Raising safety awareness and carrying out behaviour programs is a fundamental part of our occupational health work. In addition to general inductions where we address health topics, each employee receives specific training in first aid, occupational health and the appropriate use of personal protective equipment, based on the risk level of their position. They also receive training in the implementation of engineering controls.

Our employees receive annual medical check-ups and vaccines (influenza, hepatitis and tetanus) to prevent diseases.

At Las Bambas, the employees who face greater risks of contracting occupational diseases are those from the operational departments (Mine, Plant and Maintenance).

The health risks in our workplaces include potential occupational exposure to physical agents (noise, lighting, vibration, respirable dust), ergonomic hazards (inadequate manual handling of loads, improper posture) and chemical agents (toxic gases, corrosive and other hazardous substances).

To identify and mitigate these risks, we do the following:

- > Monitoring of physical agents: In 2014 we monitored 12 physical-chemical risks in various areas of Las Bambas.
- > Dosimetry (noise intensity measurement) during exposure time at the workplace
- > Training in health and prevention of occupational diseases
- > Pre-occupational and regular medical check-ups. If there is evidence of disease in an employee, we monitor him or her to determine the treatment to be administered.
- > Preventive programs in hearing and respiratory protection, and ergonomic risk

We did not record any cases of hearing impairment, muscle and joint disease or pneumoconiosis¹² in 2014.

“ONE OF THE VALUES WE UPHOLD IS OUR SAFETY: WE THINK SAFETY FIRST.”

¹² We detected one case of muscle and joint ache (muscle pathology diagnosed following evidence of improper movements or non-ergonomic positions or for handling loads during working hours).

8.8. SAFETY AND HEALTH IN OUR AREA OF INFLUENCE

We strive to help local community members adopt a culture of safety and health in their daily lives.

We perform daily home visits with families that have been resettled to Nueva Fuerabamba. The objective is to identify their most significant health needs and teach them how to use the basic sanitation systems installed in the area.

We also launched programs to foster children's growth and development. We offer guidance on family planning and breast and cervical cancer prevention to women in the community. We also provide weekly guidance on nutrition to mothers and children.

If we detect a serious disease, we offer around-the-clock, free medical care at the Nueva Fuerabamba Healthcare Centre for community residents.

Finally, we have conducted road safety campaigns (see *Provincial Road Safety Fair*). The construction phase of a mine has particular risks because communities are located so close to Las Bambas. We implement measures to control the speed of company vehicles, and we supervise the safe crossing of schoolchildren and adults, as well as the passage of cattle, on local roads.



PROVINCIAL ROAD SAFETY FAIR

November 2014 was Road Safety Month in Cotabambas province. During the month we arranged for the Provincial Road Safety Fair with representatives of local authorities and the central government.

We raised residents' awareness of how to drive and operate vehicles safely and responsibly.

Topics addressed included defensive driving, road rules, fines and penalties for offending drivers, etc.

Las Bambas representatives chair the Provincial Road Safety Committee, and we are firmly committed to safety both within and outside our company.



KEY SUSTAINABILITY DATA 2014



OUR SOCIO-ECONOMIC CONTRIBUTION

Total salaries paid	US \$61,846,464
Taxes	US \$18,436,457
Direct purchases in local markets	US \$6,702,331
Percentage of security personnel trained in human rights	100%

OUR PEOPLE

Total workforce (including employees and contractors)	17,356
Permanent employees	251
Total training in man-hours	Employees: 41.41 Operators/labourers: 232.3

WORKPLACE SAFETY AND HEALTH

Fatalities	0
Total Recordable Injury Frequency	0.47 (operations) 1.43 (projects)
Lost Time Injury Frequency	0 (operations) 0.05 (projects)
Disabling Injury Severity Rate	0.79 (operations) 37.56 (projects)

SUSTAINABLE COMMUNITIES

Community resettlement processes	1
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ENVIRONMENTAL PERFORMANCE

Total energy use	LPG: 18,241 kl Diesel: 56,595 kl
Total recycling and reuse of water	46,135m ³
Significant environmental incidents	0
Legal actions	0
Fines	0



ABOUT
THIS REPORT



This Sustainability Report provides relevant information about Las Bambas' sustainability performance for the calendar year 2014, in keeping with our materiality analysis.

In the Employment and Safe Workplace and Environmental Management sections, we have also included quantitative data on indicators for construction processes, where relevant.

Las Bambas has published annual sustainability reports since 2005. We have prepared this report using the Global Reporting Initiative (GRI) G4 Guidelines and the Mining and Metals Sector Supplement.

The Global Reporting Initiative has reviewed the Content Index of this Report in accordance with its GRI Materiality Disclosures Service.

MMG Limited published its 2014 Sustainability Report (excluding Las Bambas data) in May 2015. (Go to www.mmg.com.)

GRI CONTENT INDEX

The table starting on page 67 shows where to find GRI G4-related information in the 2014 Sustainability Report, in line with the material aspects defined for Las Bambas.



Materiality Disclosures
MINERA LAS BAMBAS S.A.

Sep 2015
Service



GENERAL STANDARD DISCLOSURES				
GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS	EXTERNAL ASSURANCE
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision maker of the organisation about the relevance of sustainability to the organisation	4, 5, 6, 7	None	Yes
G4-2	Key impacts, risks and opportunities	21, 22	None	Yes
ORGANISATIONAL PROFILE				
G4-3	Name of the organisation	Las Bambas	None	Yes
G4-4	Primary brands, products and services	15	None	Yes
G4-5	Location of the organisation's headquarters	14	None	Yes
G4-6	Countries where the organisation operates	14	None	Yes
G4-7	Nature of ownership and legal form	13	None	Yes
G4-8	Markets served	Las Bambas does not have customers yet because it is still under construction.	None	Yes
G4-9	Scale of the organisation based on number of employees, operations, net sales or revenues, etc.	3	None	Yes
G4-10	Number of employees by employment contract and gender	56	None	Yes
G4-11	Percentage of employees covered by collective bargaining agreements	Las Bambas does not have a union.	None	Yes
G4-12	Organisation's supply chain	30	None	Yes
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership or supply chain	The most significant change in 2014 was the acquisition of Las Bambas by MMG.	None	Yes
G4-14	How the precautionary principle is addressed by the organisation	18	None	Yes
G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses	19 Las Bambas belongs to the UN Global Compact in Peru.	None	Yes
G4-16	Organisation's memberships in associations and national or international advocacy organisations	13, 19, 55	None	Yes

GENERAL STANDARD DISCLOSURES				
GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS	EXTERNAL ASSURANCE
IDENTIFIED MATERIAL ASPECTS AND COVERAGE				
G4-17	Entities included in the organisation's consolidated financial statements or equivalent documents	MMG, our operator, consolidates the audited monthly or annual financial statements of Las Bambas S.A., and submits them to the Stock Exchange of Hong Kong Limited.	None	Yes
G4-18	Process for defining the report content and aspect boundaries	22	None	Yes
G4-19	Material aspects identified in the process for defining report content	24	None	Yes
G4-20	Aspect boundary for each material aspect within the organisation	All material aspects have internal coverage. The following aspects have external coverage: Capacity building, training for communities and local governments; Infrastructure; Resettlement: Nueva Fuerabamba; and Informal mining.	None	Yes
G4-21	Aspect boundary for each material aspect outside the organisation	The 11 material aspects are limited to the scope of the Las Bambas project's business activities.	None	Yes
G4-22	Effect of any restatements of information provided in previous reports, and the reasons for such restatements	We prepared this report using GRI-G4 indicators. Previous reports were published based on the G3 version. The way in which information has been stated has not changed.	None	Yes
G4-23	Significant changes from previous reporting periods in the scope and aspect boundaries	There were no changes, compared to the previous report.	None	Yes
STAKEHOLDER ENGAGEMENT				
G4-24	Stakeholders engaged by the organisation	23	None	Yes
G4-25	Basis for the identification and selection of stakeholders with whom to engage	22, 23	None	Yes
G4-26	Organisation's approach to stakeholder engagement (frequency, engagement in the report preparation process, etc.)	22	None	Yes
G4-27	Key topics and concerns that have been raised through stakeholder engagement	22	None	Yes
REPORT PROFILE				
G4-28	Reporting period for information provided	January to December 2014.	None	Yes
G4-29	Date of most recent report	2013	None	Yes

GENERAL STANDARD DISCLOSURES				
GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS	EXTERNAL ASSURANCE
G4-30	Reporting cycle	Annual.	None	Yes
G4-31	Contact for questions regarding the report or its contents	81	None	Yes
G4-32	'In accordance' option the organisation has chosen	In accordance with the Comprehensive option.	None	Yes
G4-33	Organisation's policy and current practice with regard to seeking external assurance for the report	65	None	Yes
GOVERNANCE				
G4-34	Governance structure of the organisation	19	None	Yes
G4-35	Process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	19		Yes
G4-36	Existence of executive-level position or positions with responsibility for economic, environmental and social topics in the organisation	19		Yes
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	19		Yes
G4-38	Composition of the highest governance body and its committees	19		Yes
G4-39	The chair of the highest governance body is also an executive officer	http://www.mmg.com/en/About-Us/Structure-and-management.aspx		Yes
G4-40	Nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members	http://www.mmg.com/en/About-Us/Structure-and-management.aspx		Yes
G4-41	Processes for the highest governance body to ensure possible conflicts of interest are avoided and managed	http://www.mmg.com/en/About-Us/Structure-and-management.aspx		Yes
G4-42	Highest governance body's and senior executives' roles in the development, approval and updating of the organisation's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	18, 19		Yes

GENERAL STANDARD DISCLOSURES

GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS	EXTERNAL ASSURANCE
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	http://www.mmg.com/en/About-Us/Structure-and-management.aspx		Yes
G4-45	Highest governance body's role in the identification and management of economic, environmental and social impacts, risks and opportunities	18, 19		Yes
G4-46	Highest governance body's role in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics	http://www.mmg.com/en/About-Us/Structure-and-management.aspx		Yes
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-48	Highest committee or position that formally reviews and approves the organisation's sustainability report and ensures that all material aspects are covered	The President of Las Bambas is responsible for approving the sustainability report.		Yes
G4-49	Process for communicating critical concerns to the highest governance body	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body, and the mechanisms used to address and resolve them	22		Yes
G4-51	Remuneration policies for the highest governance body and senior executives	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-52	Process for determining remuneration	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-53	How stakeholders' views are sought and taken into account regarding remuneration	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
G4-54	Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes

GENERAL STANDARD DISCLOSURES				
GENERAL STANDARD DISCLOSURES	DESCRIPTION	PAGE	OMISSIONS	EXTERNAL ASSURANCE
G4-55	Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	See <i>Transforming through growth</i> , MMG Sustainability Report 2014.		Yes
ETHICS AND INTEGRITY				
G4-56	Organisation's values, principles, standards and norms such as codes of conduct or codes of ethics	18, 20	None	Yes
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organisational integrity, such as helplines or advice lines	20		Yes
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organisational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	20		Yes

SPECIFIC STANDARD DISCLOSURES				
2014 MATERIAL ASPECT ¹³	GRI G4 ASPECTS	GRI G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
ENVIRONMENTAL MANAGEMENT	MATERIALS	G4-EN1: Materials used by weight or volume	44 - 53	Yes
		G4-EN2: Percentage of materials used that are recycled input materials	44 - 53	Yes
	ENERGY	G4-EN3: Energy consumption within the organisation	44 - 53	Yes
		G4-EN4: Energy consumption outside of the organization	This information is not yet available for Las Bambas.	Yes
		G4-EN5: Energy intensity	Not applicable.	Yes
		G4-EN6: Reduction of energy consumption	44 - 53	Yes
		G4-EN7: Reductions in energy requirements of products and services	Does not apply because Las Bambas has not yet begun production.	Yes
	BIODIVERSITY	G4-EN11: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	We did not report protected areas adjacent to our unit.	Yes
		G4-EN12: Description of significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	We did not report protected areas adjacent to our unit.	Yes
		G4-EN13: Habitats protected or restored	We did not report protected areas adjacent to our unit.	Yes
		G4-EN14: Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	We have a significant endemic and conservation list species, as follows: <ul style="list-style-type: none"> > Amphibians <i>Rhinella spinulosa</i>, <i>Gastrotheca masupiata</i>, <i>Pleurodema marmoratum</i>, <i>Telmatobius jelskii</i>. > Birds <i>Podiceps occipitalis</i>, <i>Vultur gryphus</i>, <i>Fulica gigantea</i>. > Mammals <i>Cougar</i> and <i>Hippocamelus antisensis</i>. > Flora <i>Ephedra rupestris</i>, <i>Buddleja coriacea</i>, <i>Polylepis raceosa</i>, <i>Puya raimondii</i>, <i>Polylepis subsericans</i>, <i>Polylepis tomentella</i>, <i>Azorella compacta</i>, <i>Perezia coerulecens</i>, <i>Perezia pinnatifida</i>, <i>Senecio rhizomatis</i>, <i>Echinopsis maximiliana</i>, <i>Escallonia myrtilloides</i>, <i>Chuquiraga spinosa</i>, <i>Ephedra americana</i> and <i>Acaulimalva engleriana</i>. 	Yes

¹³ This report includes 10 out of the 11 material aspects for Las Bambas in 2014. Compliance with Commitments has not been included because it is not related to a specific GRI G4 aspect.

SPECIFIC STANDARD DISCLOSURES				
2014 MATERIAL ASPECT ¹³	GRI G4 ASPECTS	GRI G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
ENVIRONMENTAL MANAGEMENT	EMISSIONS	G4-EN15: Direct greenhouse gas emissions (scope 1)	44 - 53	Yes
		G4-EN16: Energy indirect greenhouse gas emissions (scope 2)	44 - 53	Yes
		G4-EN17: Other indirect greenhouse gas emissions (scope 3)	44 - 53	Yes
		G4-EN18: Greenhouse gas emissions intensity	Not applicable.	Yes
		G4-EN19: Reduction of greenhouse gas emissions	44 - 53	Yes
		G4-EN20: Emissions of ozone-depleting substance	There were no significant emissions.	Yes
		G4-EN21: NO _x , SO _x , and other significant air emissions	There were no significant emissions.	Yes
	EFFLUENTS AND WASTE	G4-EN22: Total water discharge by quality and destination	44 - 53	Yes
		G4-EN23: Total weight of waste by type and disposal method	44 - 53	Yes
		G4-EN24: Total number and volume of significant spills	44 - 53	Yes
		G4-EN25: Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	Does not apply for Las Bambas because it is still under construction.	Yes
		G4-EN26: Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and run-off	There were no discharges to water bodies. We use a zero discharge system at our industrial plant for concrete.	Yes
	COMPLIANCE	G4-EN29: Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	44 - 53	Yes
		G4-EN30: Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce	44 - 53	Yes
	OVERALL	G4-EN31: Environmental protection expenditures and investments by type	44 - 53	Yes
	ENVIRONMENTAL GRIEVANCE MECHANISMS	G4-EN34: Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms	44 - 53	Yes

SPECIFIC STANDARD DISCLOSURES				
2014 MATERIAL ASPECT ¹³	GRI G4 ASPECTS	GRI G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
ENVIRONMENTAL MANAGEMENT	SECTOR SUPPLEMENT	MM1: Disturbed or rehabilitated land	44 - 53	Yes
		MM2: Sites requiring biodiversity management plans	44 - 53	Yes
		MM3: Overburden, rock and other waste	Does not apply for Las Bambas because it is still under construction.	Yes
WATER	WATER	G4-EN8: Total water withdrawal by source	44 - 53	Yes
		G4-EN9: Water sources significantly affected by withdrawal of water	44 - 53	Yes
		G4-EN10: Percentage and total volume of water recycled and reused	44 - 53	Yes
EMPLOYMENT GENERATION (LAS BAMBAS EMPLOYEES AND CONTRACTORS)	LABOUR PRACTICES AND DECENT WORK: EMPLOYMENT	G4-LA1: Number and rates of new employee hires and employee turnover by age group, gender and region	54 - 58	Yes
		G4-LA2: Social benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	44 - 53	Yes
		G4-LA3: Return to work and retention rates after parental leave, by gender	Zero.	Yes
	LABOUR PRACTICES AND DECENT WORK: LABOUR/MANAGEMENT RELATIONS	G4-LA4: Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Does not apply because Las Bambas does not have a union.	Yes
	LABOUR PRACTICES AND DECENT WORK: DIVERSITY AND EQUAL OPPORTUNITY	G4-LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority and other indicators of diversity	54 - 58 http://www.mmg.com/en/About-Us/Structure-and-management.aspx	Yes
	LABOUR PRACTICES AND DECENT WORK: EQUAL REMUNERATION FOR WOMEN AND MEN	G4-LA13: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	In all cases, we apply our pay bands according to the competencies and qualifications required for each position, not by factors such as gender that could be considered discriminatory.	Yes
	LABOUR PRACTICES AND DECENT WORK: LABOUR PRACTICES GRIEVANCE MECHANISMS	G4-LA16: Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	54 - 56	Yes

SPECIFIC STANDARD DISCLOSURES				
2014 MATERIAL ASPECT ¹³	GRI G4 ASPECTS	GRI G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
EMPLOYMENT GENERATION (LAS BAMBAS EMPLOYEES AND CONTRACTORS)	ECONOMY: MARKET PRESENCE	G4-EC5: Ratios of entry-level wage by gender compared to local minimum wage at significant locations of operation	54 - 56	Yes
		G4-EC6: Percentage of senior management hired from the local community at significant locations of operation	54 - 56	Yes
SAFETY AND HEALTH	LABOUR PRACTICES AND DECENT WORK: OCCUPATIONAL HEALTH AND SAFETY	G4-LA5: Percentage of workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	59 - 61	Yes
		G4-LA6: Type of injury and rates of injury, occupational diseases, lost days, absenteeism and total number of work-related fatalities, by region and by gender	59 - 61	Yes
		G4-LA7: Number of workers with high incidence or high risk of diseases related to their occupation	59 - 61	Yes
		G4-LA8: Health and safety topics covered in formal agreements with trade unions	Not applicable because Las Bambas does not have a union.	Yes
CAPACITY BUILDING	LABOUR PRACTICES AND DECENT WORK: TRAINING AND EDUCATION	G4-LA9: Average hours of training per year per employee by gender and by employee category	54 - 56	Yes
		G4-LA10: Programs for skills management and lifelong learning that support employability of employees and assist them in managing the end of their careers	54 - 56	Yes
		G4-LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	54 - 56	Yes
LOCAL PURCHASES AND BOOSTING OF LOCAL ECONOMY	ECONOMY: ECONOMIC PERFORMANCE	G4-EC1: Direct economic value generated and distributed	24 - 33	Yes
		G4-EC2: Financial implications and other risks and opportunities for the organisation's activities due to climate change	We have not have carried out studies on this topic, but we are planning to do so in the future as part of our sustainability approach.	Yes
		G4-EC3: Coverage of the organisation's defined benefit plan obligations	56	Yes
		G4-EC4: Financial assistance received from government	Las Bambas does not receive financial assistance from the government.	Yes
	ECONOMY: PROCUREMENT PRACTICES	G4-EC9: Percentage of spending on local suppliers at significant locations of operation	26 - 35	Yes

SPECIFIC STANDARD DISCLOSURES				
2014 MATERIAL ASPECT ¹³	GRI G4 ASPECTS	GRI G4 INDICATOR	PAGE	EXTERNAL ASSURANCE
LOCAL PURCHASES AND BOOSTING OF LOCAL ECONOMY	SOCIETY: LOCAL COMMUNITIES	G4-SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programs	100% because Las Bambas is the only company covered in this report.	Yes
		G4-SO2: Operations with significant actual and potential negative impacts on local communities	One operation, our Las Bambas mining unit.	Yes
INFRASTRUCTURE DEVELOPMENT	ECONOMY: INDIRECT ECONOMIC IMPACTS	G4-EC7: Development and impact of infrastructure investments and services supported	26 - 35	Yes
		G4-EC8: Significant indirect economic impacts, including the extent of impacts	26 - 35	Yes
DEFINING STANDARDS AND GOOD BUSINESS PRACTICES WITH SUPPLIERS	LABOUR PRACTICES AND DECENT WORK: SUPPLIER ASSESSMENT FOR LABOUR PRACTICES	G4-LA14: Percentage of new suppliers that were screened using labour practices criteria	This indicator will be included in the next sustainability report because we have not yet organised and classified the information.	Yes
		G4-LA15: Significant actual and potential negative impacts on labour practices in the supply chain and actions taken	26 - 35 54 - 58	Yes
	SUPPLIER ENVIRONMENTAL ASSESSMENT	G4-EN32: Percentage of new suppliers that were screened using environmental criteria	This indicator will be included in the next sustainability report because we have not yet organised and classified the information.	Yes
		G4-EN33: Significant actual and potential negative environmental impacts on the supply chain and actions taken	44 - 53	Yes
	SOCIETY: SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY	G4-SO9: Percentage of new suppliers that were screened using criteria for impacts on society	This indicator will be included in the next sustainability report because we have not yet organised and classified the information.	Yes
		G4-SO10: Significant actual and potential negative impacts on society in the supply chain and actions taken	26 - 35	Yes
	HUMAN RIGHTS: SECURITY PRACTICES	G4-HR7: Percentage of security personnel trained in the organisation's human rights policies or procedures that are relevant to operations	100 %	Yes
	RESETTLEMENT: NUEVA FUERABAMBA	SOCIETY: GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY	G4-SO11: Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	36 - 43
SECTOR SUPPLEMENT		MM6: Disputes relating to land use	36 - 43	Yes
		MM7: Dispute resolution mechanisms	36 - 43	Yes
		MM9: Resettlement	36 - 43	Yes
INFORMAL MINING	SECTOR SUPPLEMENT	MM8: Artisanal mining	36 - 43	Yes



“OUR APPROACH IS BUILT ON **ACTIVE ENGAGEMENT** AS WELL AS OPEN AND TRUSTING RELATIONSHIPS **WITH OUR STAKEHOLDERS**”.

A woman wearing a wide-brimmed hat, a white blouse, a red and green patterned skirt, and an orange safety vest is smiling while working in a field. She is wearing brown gloves and is focused on a task in the foreground. The background shows a vast, open landscape under a clear sky. The text 'FEEDBACK FORM' is overlaid on the left side of the image.

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: DLPECopper-LasBambasComunicaciones@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:

- Not interesting
- Somewhat interesting
- Interesting
- Very interesting

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

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

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

- A Glimpse of 2014

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.....

- A Message from MMG's CEO

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.....

- Performance and Goals

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We are Las Bambas

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.....

Our Contribution to Development

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Local Communities

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Environmental Management

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Employment and Safe Workplace

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4. Other comments or suggestions:

.....
.....

Full name

Address

Province

Country

Email 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)



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