In 2018, First Quantum Minerals produced its first Environmental and Safety Data Report. The report summarized our environmental and safety performance against a number of globally accepted standards. Not only did we highlight our performance, but we also provided further commitment to our transparency on these matters. In 2019, we have included additional community relations metrics to this report. In addition to strengthening our transparency, we believe that these metrics provide evidence of our commitment to the people living around our operations.

Of particular interest in 2019 is the ramp up in operations at our new Cobre Panama Project. The project, which is likely to reach commercial production by the end of Q3, 2019, will have a meaningful impact on our environmental and social performance as a Company. In particular, our greenhouse gas emissions and water usage will increase and our social footprint will extend into a number of new communities.

First Quantum recognizes its obligation to extract resources responsibly. This responsibility extends from the communities immediately adjacent to and around our operations to our resource consumption and its impacts on the broader global environment. We aim to meet this obligation through the integration of sound environmental, safety and social management practices into all aspects of our business. Furthermore, First Quantum is committed to continuous improvement through its environmental, safety and social management systems, which are subject to regular external audits.

I hope you will find the information presented herein both informative and useful, and I look forward to reporting on our environmental, safety and social performance and new initiatives in future years.

Philip K. R. Pascall
Chairman of the Board and Chief Executive Officer

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Furthermore, First Quantum is committed to continuous improvement through its environmental, safety and social management systems, which are subject to regular external audits.
This report presents the environmental, safety and social performance of First Quantum for 2018. Year on year we continue to improve the quality of data capture. As with previous years, data is presented at both a site and group level. We believe that this level of detail will provide greater context to our overall performance and longer term trends. When analyzing trends, it should be noted that external factors can play a fairly significant role in year to year performance. While we continually strive to reduce the impact of these factors, some remain out of our control e.g. metal prices, the strength of the local economy, municipality performance and investment of state run utilities into non-renewables. Where data conforms to the requirements of the Global Reporting Initiative (GRI), the relevant code has been referenced. Notes provide further context and clarity to some of the data presented.

Greenhouse Gas and Water Data, have been collected in accordance with the Greenhouse Gas Protocol (WRI, WBCSD) and the Water Accounting Framework (Minerals Council of Australia, 2014) respectively. A summary of the GRI disclosures listed in this report are as follows:

- 302-1: Energy consumption within the organization;
- 302-3: Energy intensity;
- 303-1: Total water withdrawal by source;
- 303-3: Percentage and total volume of water recycled and reused;
- 305-1: Direct Greenhouse Gas (GHG) emissions (Scope 1);
- 305-2: Energy Indirect Greenhouse Gas (GHG) emissions (Scope 2);
- 305-4: Greenhouse Gas (GHG) emissions intensity;
- 305-7: NOx, SOx, and other significant air emissions;
- 306-2: Total weight of waste by type and disposal method;
- 403-2: Rates of injury, severity rates and total number of work related fatalities;
- GRI 411: Rights of indigenous peoples;
- GRI 412: Human rights assessment;
- 413-1: Operations with local community engagement, impact assessments and development programs;
- 413-2: Operations with significant actual and potential negative impacts on local communities.

Abbreviations and Acronyms:

- KT (kilo tonne) - a thousand (10^3) tonne;
- MT (megatonne) - a million (10^6) tonne;
- ML (megalitre) - a million (10^6) litres;
- GJ (gigajoule) - a billion (10^9) joules;
- TJ (terajoule) - a million million (10^12) joules;
- Ha - hectare;
- CU-eq (copper equivalent) - a measure to normalize the production of several mined commodities into a single ‘copper-equivalent’ figure. To calculate a copper equivalent, commodities are scaled by the number of equivalent units of copper they represent in value. Relative commodity prices are pegged to either a single point in time or averaged over a period;
- CO2-eq (carbon dioxide equivalent) - a measure to normalize the impact of different GHGs in terms of the amount of CO2 that would create the same amount of warming.
First Quantum Minerals Limited is committed to making positive steps in sustainable development at its worldwide operations. Our Sustainability Strategy is built around four key pillars:

- Economically viable investments;
- Technically appropriate operations;
- Environmentally sound practices and;
- Socially responsible actions.

The First Quantum Sustainability Strategy is available on our website. To deliver on our strategy, we have established a number of policies, practices, management systems and reporting commitments, including:

- Sound corporate governance practices;
- Comprehensive Code of Conduct, which applies to all permanent employees and contractors (including security contractors), and is part of annual mandatory training requirements for full-time and part-time employees. The Code of Conduct references an internal Whistle-blower Policy and provides contact details for raising concerns;
- Environment, Health, Safety and Corporate Social Responsibility Committee of the Board;
- Integration of safety metrics into executive compensation;
- Environmental Policy, available on www.first-quantum.com;
- Human Rights Policy, available on www.first-quantum.com;
- Grievance mechanisms and procedures at every operation;
- Environmental management system based on the ISO 14001:2015 standard at all operations;
- Health and safety management system based on the OHSAS/BSI 18001:2015 standard at all operations;
- Reporting on the safety and security of our tailings storage facilities;
- Tax transparency and contributions to governments reporting.

Environmental, Safety and Social management oversight is provided by our Group Environmental and Safety Managers, who report to the Chief Executive Officer and Director of Operations respectively. On-site responsibility for adherence to our safety and environmental policies, and compliance with our safety and environmental management systems (including commitments to reduce energy use, emissions, water and waste) rests with the business units.

WHISTLE-BLOWER POLICY

The First Quantum Code of Conduct, which is available on the Company website, provides both internal and third party contact details for reporting complaints or issues of concern. A more detailed Whistle-blower Policy is available on the Company intranet site. The Policy provides a process through which complaints by employees of alleged violations of law, regulation or internal policy may be communicated, whether personally or anonymously, to the Company or an independent third party.
In 2018, group level mineral production (measured as copper equivalents) increased marginally. This is primarily as a result of no Nickel production at Ravensthorpe. Energy consumption increased, due to a ramp up in mining and power production at Cobre Panama and longer waste haulage distances at Sentinel and Kansanshi. As a result, energy consumption and intensity increased by more than 30% in 2018.

While mineral production (measured as copper equivalents) increased marginally at group level, there was no product contribution from Cobre Panama or Ravensthorpe in 2018 resulting in increased energy intensity.
Where available, each site purchases electricity directly from independent electricity suppliers. Typically these are large scale utility companies servicing thousands of clients across a national electricity grid. First Quantum’s purchased electricity consumption increased marginally in 2018. The increase is attributed to improvements in power supply at Sentinel and the connection of the Cobre Panama Project to the Panamanian national grid.

The energy mix of each utility is dependent on a number of factors including but not limited to the availability of natural resources, climatic conditions and local demand. The energy composition of each site is therefore different and may change over the reporting period. The recent diversification of Zambian power generation has resulted in a reduced contribution of hydro-electricity to Kansanshi and Sentinel. Where there are no local utilities, sites generate their own electricity. The energy we generate is not included in the purchased electricity consumption, but is included in the overall Energy Consumption.

**NOTES**

For Guelb Moghrein, a 50:50 split between coal and gas was applied. For all other sites, electricity generation by source values was obtained from 2018 International Energy Association’s (IEA) World Energy Statistics. It was conservatively assumed that electricity generation of all other activities (exploration and projects) have a 50:50 split between coal and gas.
EMISSIONS
2015 – 2018

SCOPE 1 AND SCOPE 2
GHG emissions are generated during the direct combustion of fuels on site (Scope 1) and by independent electricity suppliers (Scope 2). All our carbon emissions are calculated in accordance with the Greenhouse Gas Protocol; A Corporate Accounting and Reporting Standard (WRI, WBCSD, 2001). We report our GHG emissions data and relevant emissions management efforts to the Carbon Disclosure Project (CDP).

First Quantum’s Scope 1 and Scope 2 GHG emissions increased in 2018. The increases were attributed to the ramp up in activities at Cobre Panama and longer mine haulage distances at Sentinel and Kansanshi. With the commissioning and ramp up in production at Cobre Panama in 2019 we anticipate an improved Group Energy Intensity.

NOX AND SO2
Nitrous Oxide (NOX) and Sulphur Dioxide (SO2) emissions are monitored at a number of fixed emission points at our operating sites. The results therefore represent a cumulative value. First Quantum’s SO2 emissions have shown a steady decline in recent years. The reduction is attributed to a combination of investment in new technologies, improvements in operating conditions and more accurate monitoring.

Despite a reduction in NOX emissions at a number of our sites in 2018, the commissioning of the power plant at Cobre Panama resulted in an overall increase in emissions.

NOTES
GHG emissions were calculated in line with GHG Corporate Accounting Protocol, using UK Government GHG Conversion Factors for Company Reporting 2018 and International Energy Agency 2018 Grid emission database for all Scope 2 emissions.

NOTES
Emissions generated from smelting activities at Kansanshi are included in the Cu-Eq intensity calculations.

*Total includes emission from the entire group (not only operating facilities).
The percentage contribution of each site to group GHG emissions is provided below. While not to scale, GHG emissions from different sites over three years are provided to show trends.

NOTES
Other includes: exploration, projects, closed properties and support offices.
The GHG accounting methodology was independently verified by GCX.

2018 PERCENTAGE GHG SPLIT BY SITE
First Quantum has a core commitment to minimise water consumption by improving efficiencies and reuse. We measure all, global water inputs and outputs in accordance with the Water Accounting Framework (WAF) for the Minerals Industry (Minerals Council of Australia, 2014). All definitions and categories have therefore been aligned with the requirements and specifications of the WAF. While every effort has been made to collect data that is accurate, the volumes represent the best efforts of our operating teams.

Ongoing initiatives to increase efficiency and reduce losses in 2018 are reflected in improved water reuse percentages. Total water inputs increased in 2018, largely attributed to the commissioning of the Cobre Panama Project where significant volumes of sea water are required for power plant cooling. Further improvements in data accuracy at our Zambian operations also contributed to an increase in the stated numbers in 2018.

\[
\text{WATER INPUT AND OUTPUT (MEGALITRE)}
\]

<table>
<thead>
<tr>
<th>Surface Water</th>
<th>114,030 (38%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Precipitation &amp; Runoff</td>
<td>77,000</td>
</tr>
<tr>
<td>Rivers and Streams</td>
<td>39,327</td>
</tr>
<tr>
<td>External Surface Water</td>
<td>3,503</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Groundwater</th>
<th>44,339 (15%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Renewable</td>
<td>35,064</td>
</tr>
<tr>
<td>Non-Renewable</td>
<td>2,433</td>
</tr>
<tr>
<td>Ore Entrainment</td>
<td>6,842</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sea Water</th>
<th>142,829 (47%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooling Withdrawal (Ocean)</td>
<td>142,733</td>
</tr>
<tr>
<td>Withdrawal (Ocean)</td>
<td>96</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third Party Water</th>
<th>811 (0%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract/Municipal</td>
<td>36</td>
</tr>
<tr>
<td>Waste Water</td>
<td>775</td>
</tr>
</tbody>
</table>

Total Water Input: 302,009

Total Water Output: 302,987

**Notes** Only water use at our operating sites was used in determining the Company average.
WATER INPUTS AND OUTPUTS PER MINE

2018

WATER INPUT

THIRD PARTY WATER
SEA WATER

SURFACE WATER
GROUND WATER

WATER OUTPUT

PYHÄSALMI
RAVENSTORPE
KANGANSHI
ÇAYELI
COBRE PANAMA
GUEL MOGHREIN
SENTINEL
COBRE LAS CRUCES

GROUND WATER
SURFACE WATER
SEA WATER

SALINE WATER
APPROXIMATELY 55% OF WATER INPUT AT GUEL MOGHREIN IS SALINE GROUNDWATER.

WATER USAGE FOR POWER PRODUCTION

AN ADDITIONAL 142,733 MEGLITRE OF SEA WATER IS USED FOR COOLING THE COBRE PANAMA POWER PLANT. ALL OF THE SEAWATER IS DISCHARGED BACK INTO THE SEA. FOR ILLUSTRATIVE PURPOSES, THE SEA WATER USED FOR COOLING THE COBRE PANAMA POWER PLANT HAS BEEN EXCLUDED FROM THE ADJACENT GRAPHIC.

*Other outputs are predominately evaporation (over 50%) and tailings entrainment.
First Quantum generates a number of waste streams at its operations:

- Hazardous wastes typically include used lubricants and process related chemicals, while non-hazardous wastes include organic matter, wood and plastics;
- Waste streams from mining activities include overburden, waste rock, tailings, slag and waste treatment solids. Waste rock is stored in waste rock dumps adjacent to pits. Processing operations generate tailings which are deposited in tailings storage facilities. Smelting activities generate slag which is stored in dedicated slag dumps. Waste treatment solids are generated during the treatment of water;
- Recycled waste streams include waste oil and scrap metals.

Increased non-hazardous waste volumes in 2018 are attributed to increased activities at Cobre Panama and Sentinel and a number of clean up initiatives at Kansanshi. Increases in mining waste in 2018 are related to increases in mining and processing volumes.

**WASTE MANAGEMENT**

*Includes waste management of hazardous and non hazardous waste.

**MINING WASTE PER SITE (MEGATONNE)**

*Other includes exploration, projects, closed properties and support offices.

**Hazardous and Non-Hazardous Waste Per Site (tonne)**

*Includes waste management of hazardous and non hazardous waste.

**TOTAL WASTE**

**2016 – 2018**

- Hazardous wastes typically include used lubricants and process related chemicals, while non-hazardous wastes include organic matter, wood and plastics;
- Waste streams from mining activities include overburden, waste rock, tailings, slag and waste treatment solids. Waste rock is stored in waste rock dumps adjacent to pits. Processing operations generate tailings which are deposited in tailings storage facilities. Smelting activities generate slag which is stored in dedicated slag dumps. Waste treatment solids are generated during the treatment of water;
- Recycled waste streams include waste oil and scrap metals.

Increased non-hazardous waste volumes in 2018 are attributed to increased activities at Cobre Panama and Sentinel and a number of clean up initiatives at Kansanshi. Increases in mining waste in 2018 are related to increases in mining and processing volumes.
First Quantum acknowledges that an effective Environmental Management System (EMS) is key to sound environmental practice and reducing environmental risk. The Company has implemented EMSs at all of its operations. The EMSs, which are aligned with the ISO14001:2015 standard, are subject to regular external compliance audits. The Company has established EMS compliance targets for selected sites to further reduce environmental risk across the group. As part of the EMS, the Company has implemented a five tier environmental incident classification system. Incidents with no measurable impact are recorded as level one incidents, while incidents with far reaching environmental impacts are recorded as level five incidents. All operations are required to record and report their site incidents monthly according to the classification. A serious Level 4 or Level 5 incident is communicated to the CEO and the Environmental, Health and Safety and Corporate Social Responsibility Committee immediately.

The positive incident trend continued in 2018 with a steady decrease in total and Level 3 incidents. We attribute the decrease to implementation of the EMS and a continuous improvement approach in environmental performance. Total environmental incidents have almost halved in the last five years. In 2019, the Company has established a target of reducing group wide environmental incidents by 5%.
BIODIVERSITY

PROTECTED AREA PLANS

First Quantum has created a network of programs to mitigate and remediate environmental impact and protect and conserve biodiversity, at its sites around the world.

SENTINEL

The Trident Foundation (the Foundation) is a non-profit Company established in 2014. The mission of the Foundation is to support social and ecological development in north-western Zambia through health, education, local business development, livelihood support and wildlife and biodiversity conservation initiatives. The primary donor for the Foundation is Kalumbila Minerals Limited, a subsidiary of First Quantum.

In December 2018 the Trident Foundation (at Sentinel Mine) was selected as the Private Management Partner for a Public Private Community Partnership (PPCP) over the West Lunga Management Area (WLMA). The PPCP will be governed by a Management Board to be established under the partnership. The PPCP management agreement will devolve complete managerial control of the WLMA to the PPCP’s West Lunga Management Board. The agreement will last for 20 years and will demonstrate best practice ecosystem management principles to rehabilitate the ecology of the area and benefit local communities through wildlife related investment initiatives. The awarding of the PPCP follows a Memorandum of Understanding (MoU) signed in 2014 between the Foundation and the Zambian Department of National Parks and Wildlife (DNPW). Since signing the MoU, the Foundation has invested over $3.2 million in the area. The investment has covered DNPW’s conservation management activities including recruiting, training and paying wildlife rangers, vehicle maintenance and transport, infrastructure development and implementing conservation related livelihood programs in surrounding communities.

The partnership between DNPW, traditional leaders, local communities and the Trident Foundation aims to restore the WLMA to a complete and functioning ecosystem. The area once supported large populations of a multitude of species including elephant, buffalo, sable, roan, Lichtenstein’s hartebeest, lion, leopard and wild dog. It is now a skeleton ecosystem that has been rendered “biologically barren” through years of neglect. This will generate equitable benefits for surrounding communities that aim to reverse the trends of unsustainable use. Currently the communities derive little benefit from the resource and the project aims to provide the necessary systems and infrastructure to support wildlife management, tourism, livelihood amelioration and sustainable agricultural practices. Furthermore, the ecosystem services provided by the WLMA are a vital component in Zambia’s efforts to contribute towards the global community’s initiative to reduce GHG emissions and mitigate the effects of global climate change.

COBRE PANAMA

At Cobre Panama, the Company is implementing its biodiversity action plan in accordance with IFC Performance Standard 6 to protect and conserve the sensitive biodiversity of the project area. To this end and throughout the project permitting and construction phase work has continued with Kew Royal Botanical Gardens, Missouri Botanical Gardens, the Smithsonian Tropical Research Institute, Sea Turtle Conservancy, the Peregrine Fund and other specialists with the aim of achieving a net positive impact on biodiversity over the life of mine. Collaboration with these organizations is continuing into operations.

TOTAL LAND DISTURBANCE AND MINING CONCESSION AREAS

<table>
<thead>
<tr>
<th>Site</th>
<th>Çayeli</th>
<th>Cobre Las Cruces</th>
<th>Cobre Panama</th>
<th>Guelb Moghrein</th>
<th>Kansanshi</th>
<th>Pyhäsalmi</th>
<th>Ravensthorpe</th>
<th>Sentinel</th>
<th>Total (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining concession 2018 (ha)</td>
<td>9 074</td>
<td>3 032</td>
<td>12 955</td>
<td>8 100</td>
<td>24 980</td>
<td>412</td>
<td>14 407</td>
<td>95 000</td>
<td>167 960</td>
</tr>
<tr>
<td>Disturbed 2018 (ha)</td>
<td>17</td>
<td>1 056</td>
<td>1 603</td>
<td>423</td>
<td>5 137</td>
<td>219</td>
<td>2 059</td>
<td>5 162</td>
<td>15 676</td>
</tr>
</tbody>
</table>
In line with our overall safety objective of recording no fatalities, the Company launched the 12 THINK Fatal Dangers initiative in 2018. The initiative highlighted the twelve main safety hazards that employees are exposed to and then focused attention and resources on mitigating the risks associated with these hazards. As with our safety policy and the original THINK campaign, the initiative was applicable to all operations, employees and contractors. While these are not our only safety risks, the initiative hoped to not only raise awareness but also reduce the number of incidents associated with these risks.

Further safety initiatives in 2018 included ongoing strengthening of the Health and Safety Management System (HSMS) and an increased attention on contractor management. The HSMS is compatible with the OHSAS 18001 standard and has been implemented at all of our sites. Independent auditing has shown a steady improvement in adoption and performance of the standard in recent years. In addition to adhering to our site protocols and safety standards, all contractors are provided with an induction and the required safety training to ensure that they are able to perform their work in a safe and efficient manner.

### Definitions
- **Lost Time Injury Frequency Rate (LTIFR)** = lost time injuries x 200,000 / hours worked;
- **Severity Rate** = lost days x 200,000 / hours worked;
- LTIFR and Severity Rate include contractors.
First Quantum manages 23 Tailings Storage Facilities (TSFs), of which 10 are active and 13 are closed. The Company has recognized potential TSF failure as one of its most significant risks. All of our TSFs have therefore been designed in accordance with the guidelines of the Australian National Committee on Large Dams (ANCOLD), the guidelines of the International Council on Metals and Mining (ICMM) and the Canada Dam Association (CDA). In an effort to further reduce the risk, operational controls are in place at each of our TSFs including:

- TSF management review and risk oversight by the Environmental, Health and Safety and Corporate Social Responsibility Committee;
- Quarterly or annual inspection, risk review and reports by independent dams specialist;
- Appointment of competent persons at the mine to manage the facility with all reporting directly to the Mine Manager;
- Use of approved operating manuals prepared for each TSF;
- Use of Emergency Response Plans for each TSF;
- Regular inspection by the day to day operators with overview from senior management;
- Close monitoring of the volume of water held in the TSF with particular attention to embankment freeboard and drainage;
- Regular surveys and levelling on all embankments;
- Use of drones for aerial surveillance;
- The installation of sophisticated instrumentation including piezometers (to measure the presence and level of the phreatic surface), slope indicators and settlement gauges to provide a detailed picture of the developing embankment;
- Interpretation of piezometric and associated data by external consultants on an annual basis or more frequently if determined by site conditions;
- Embankments regularly inspected for erosion, seepage and slumping;
- Groundwater quality monitored via peripheral water monitoring bores;
- Group technical staff regularly inspect the TSFs and review the operations with mine management. Recommendations are prepared to improve all aspects of the operation of the facilities.
Earning and maintaining community support for mining is fundamental to our Company’s success. Globally, there is public concern about the perceived effect of mining on the environment and local communities which is why First Quantum has implemented a comprehensive corporate social responsibility program that balances best practice with site-specific needs.

Our initiatives and activities are consistent with international best practice and are carried out in a systematic manner across all sites.

Our commitment to local stakeholder engagement is laid out in our Community Engagement Policy, which describes our community engagement principles:

**RESPECT**
First Quantum strives for relationships that are based on transparency, mutual trust and respect. We recognize that our activities affect or could affect stakeholders, local communities, their culture and traditional and current uses of land and resources.

**ENGAGEMENT**
First Quantum commits to listening and communicating with stakeholders and local communities directly and openly about events, issues and ideas. We seek to engage and resolve grievances in a timely, respectful and culturally appropriate manner.

**BENEFIT**
We recognize people and communities affected by our business should benefit through opportunities such as employment, business development, education, training or community investment over the long term.

To deliver on these principles and adhere to our Community Engagement Policy Commitments, we undertake the following actions.

- Develop strategies and programs that build capacity in local communities and enhance their ability to benefit from economic opportunities associated with mining development:
  - Commit to local communities’ participation in our workforce through employment and contracting opportunities;
  - Strive to ensure local contractors can provide safe, reliable and competitive goods and services to our operations;
  - Work with communities to identify community investment opportunities that support local cultures and priorities.

These commitments are guided by our Human Rights Policy, which in turn is guided by the principles of internationally recognized human rights norms, including the International Labour Organisation (ILO) Declaration on the Fundamental Principles and Rights at Work and the United Nation’s Declaration on the Rights of Indigenous Peoples.

The Environment, Health and Safety and Corporate Social Responsibility Committee of First Quantum has ultimate Board Level oversight of community engagement efforts.

Each site is staffed appropriately to manage community relations, including a local community relations manager.

First Quantum provides sites with clear, focused guidelines relating to local community relations activities.
LOCAL COMMUNITIES

COMMUNITY RELATIONS

Building strong relationships with local communities, traditional leadership, governments, civil society organizations, academics and other interested parties is a fundamental component of First Quantum’s business.

Each of our projects and operating mines has a comprehensive community relations program with dedicated staff. This program is designed to engage with communities affected or perceived to be affected by our activities or that have a genuine interest in the performance of our business.

In addition to ongoing dialogue, each of our operations and projects has a grievance mechanism for receiving complaints and concerns from communities, and ensuring they are effectively responded to.

Engagement is ongoing, as evidenced in the schedule and record of all engagement activities.

GRIEVANCE MANAGEMENT

Each of our projects and operations has a fully functioning grievance mechanism used to accept, assess and resolve community complaints related to Company activities. Each mechanism is culturally appropriate, free and readily accessible. We register and classify grievances and assign responsibilities and timelines for addressing grievances.

All complaints received through our formal mechanisms were addressed within timeframes prescribed by each site’s procedures.

<table>
<thead>
<tr>
<th>SITE</th>
<th>NUMBER OF GRIEVANCES RECEIVED 2018</th>
<th>GRIEVANCES RESOLVED WITHIN PRESCRIBED TIMEFRAMES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Çayeli</td>
<td>20</td>
<td>100%</td>
</tr>
<tr>
<td>Guelb Moghrein</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Cobre Panama</td>
<td>60</td>
<td>100%</td>
</tr>
<tr>
<td>Haquira</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Sentinel</td>
<td>*8</td>
<td>100%</td>
</tr>
<tr>
<td>Kansanshi</td>
<td>5</td>
<td>100%</td>
</tr>
</tbody>
</table>

*An additional 90 grievances received were re-directed to the government ministries responsible for the issue

SOCIAL IMPACT

Each of our projects and operations conducts ongoing social impact reviews and proactively manages these impacts to the greatest degree possible.

This is an ongoing activity focused on identifying, assessing, avoiding, mitigating and enhancing outcomes for host communities and is embedded in community engagement and development activities and informed by community baseline studies.

Formal Social Impact Assessments (SIAs) have been conducted as part of the Environmental and Social Impact Assessment (ESIA) process required for a project’s financing. SIAs are embedded in Resettlement Action Plans.

<table>
<thead>
<tr>
<th>SITE</th>
<th>SOCIAL ASSESSMENT NAME</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Çayeli</td>
<td>Social Closure Assessment</td>
<td>2014, ongoing</td>
</tr>
<tr>
<td>Cobre Panama</td>
<td>Environmental Social Impact Assessment Resettlement Action Plan</td>
<td>2011</td>
</tr>
<tr>
<td>Guelb Moghrein</td>
<td>Social Closure Assessment</td>
<td>2016, ongoing</td>
</tr>
<tr>
<td>Haquira</td>
<td>Resettlement Social Impact Assessment</td>
<td>2014</td>
</tr>
<tr>
<td>Kansanshi</td>
<td>Smelter Road Resettlement Action Plan</td>
<td>2015</td>
</tr>
<tr>
<td>Sentinel</td>
<td>Sentinel Resettlement Action Plan</td>
<td>2015</td>
</tr>
</tbody>
</table>
Each of our sites has a community social and economic development plan which is aligned with the United Nations Sustainable Development Goals (SDG). Furthermore, we build physical infrastructure and institutional capabilities thereby helping to create more resilient communities. We seek to ensure that the positive economic impacts of mining are realized and to assist in improving the quality of life for those people and communities impacted by our activities.

Plans are made according to legal requirements, community needs and business risk. We are continually refining our social investment strategy to best address community needs, local workforce development, local business and infrastructure development in a manner that benefits communities.

Through partnerships with government and civil society, we seek to ensure that benefits of mining extend beyond the life of our mines, so that we leave a positive impact on the national environment, climate change and social capital.

As part of First Quantum’s corporate social performance strategy we support and collaborate with host communities and governments in tackling social challenges that enhance growth and prosperity. Through jobs and skills training and the promotion of local procurement, we develop human and economic capital. Through the construction of physical infrastructure and institutional capabilities we help to create more resilient communities.

In 2018, the Company contributed $18.8 million in community programs.

**EDUCATION**

A social, economic or environmental initiative is only truly sustainable if it includes access to valuable knowledge and skills. That’s why First Quantum’s education investments extend well beyond our employees and their families. We want all community members to gain the power to find solutions for themselves. In 2018 we:

- Supported students with 2,520 review hours on core subjects to students preparing for national university entrance exams in schools close to Guelb Moghrein in Mauritania;
- Sponsored scholarships for 327 students attending schools near Kansanshi and Sentinel in Zambia;
- Developed an educational training initiative helping 112 teachers improve their skills in North Western Province Zambia.

**SCHOOL LUNCH**

The Kansanshi school lunch program provides daily lunch to 6,000 students and has been credited with raising average attendance rates among local students from 64% to 87%. Better nourishment is contributing to improved learning and literacy scores in participating schools are now about 50% above national benchmarks.

In 2019 our school lunch program will be integrated with our conservation farming program to encourage self sufficiency and a holistic approach to nutrition.

At Cobre Panama, we’ve introduced a school lunch program at 86 schools. As part of the program, students are encouraged to help their teachers raise hens. The program has provided a steady supply of eggs resulting in more nutritious lunches for all. The surplus is sold locally, earning revenue that helps to pay for books and supplies.

**COMMUNITY DEVELOPMENT**

**KEY PERFORMANCE PROGRAMS**

**EDUCATION**

<table>
<thead>
<tr>
<th>Review hours on core subjects</th>
<th>Sponsored scholarships</th>
<th>Educational training initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,520</td>
<td>327</td>
<td>112</td>
</tr>
</tbody>
</table>

**SCHOOL LUNCH**

- Students receive daily lunch meals: 87% (previous attendance: 64%)
- Schools have a lunch program: 86
- $18.8m contributed in community programs
SOME KEY PERFORMANCE PROGRAMS INCLUDE

HEALTH AND WELLNESS

First Quantum addresses health issues along a continuum of workplace, family and community: all three aspects are equally vital to maintaining social and economic wellbeing, as well as our own productivity. We target initiatives that will deliver the most impact while helping the public health system fulfill its responsibilities.

In Zambia more than 6,000 employees attended mandatory talks on job safety and family health. We also offered voluntary testing and treatment opportunities for a range of diseases, focusing on malaria, silicosis, HIV/AIDS and other sexually transmitted infections.

Our Indoor Residual Spraying (IRS) program reached 99% of the nearly 16,000 residential structures in the communities around our Sentinel Mine. The IRS program, which is in its sixth year, is a collaborative effort between First Quantum and the Zambian Ministry of Health.

The HIV positivity rate among workers at our Kansanshi and Sentinel mines has declined from a high of 4.9% in 2014 to 2.1% in 2018. This compares favorably to an adult prevalence rate of 12.9% in Zambia.

Partnering with the University of Zambia, we trained 22 people – both community workers and our own team members – in health program management.

AGRICULTURE

Farming is the main livelihood in most regions where First Quantum operates – and our goal is to make this core part of the local economy even stronger. We provide training in conservation farming, encourage agricultural entrepreneurs and support community efforts to be self-sustaining in food production.

Cobre Panama’s agro-extension cooperative brings together local farmers, biological research, business planning, marketing and distribution; we educated traditional farmers on new approaches that would enable them to improve their livelihoods while also growing their crops more sustainably. Working with the Company’s food service and procurement teams, we identified local produce that were high in demand. About 150 families currently supply a wide variety of produce to Cobre Panama canteens. We hope to see 500 farmers participating by the end of 2019.

Our Conservation Farming Program in Zambia has been addressing the challenge of improving subsistence farming since 2010. In addition to annually supporting 5,000 farmers with farming inputs, we support 1,000 small-scale agro dealers, agricultural entrepreneurs and others interested in accessing other markets including our mines’ canteens.

We have introduced both holistic cattle and honey programs across North Western Province in Zambia.

Agriculture and Food Security

DONLAP PROGRAM

As part of the Company’s Socio-Economic Development Program, we have facilitated the development of Donlap (Association of Producers Donoso and La Pintada), a local farming cooperative that sells fruits and vegetables to Cobre Panama, allowing the workforce to eat locally-sourced food.

<table>
<thead>
<tr>
<th>Food and Dollars Returned to Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,000 kg</td>
</tr>
<tr>
<td>800 kg</td>
</tr>
<tr>
<td>600 kg</td>
</tr>
<tr>
<td>400 kg</td>
</tr>
<tr>
<td>200 kg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td>In 2018 First Quantum committed $1.9 million per year, over five years to the management and preservation of the West Lunga Management Area (WLMA). The WLMA, which is situated in North West Zambia supports globally significant biodiversity and pristine river systems. It is hoped that the commitment will provide some balance to the growing social and economic pressures in the region.</td>
</tr>
</tbody>
</table>
HUMAN RIGHTS

While governments have the primary duty for protecting human rights, we recognize that we must respect human rights within our sphere of influence. We also recognize that we have an important role to play in promoting the enjoyment of human rights among our stakeholders. Therefore, respect for human rights is fundamental to our Company values and how we conduct our business activities.

This commitment is embedded in our corporate Human Rights Policy as well as our operational management processes. Our approach is guided by the United Nations Guiding Principles on Business and Human Rights and the Voluntary Principles on Security and Human Rights (VPSHR) which set out rules for engagement with the police that provide external security and response assistance, and provide guidelines on contractual requirements, the use of force and human rights training. All security personnel and security service providers are required to abide by the VPSHR code of conduct. Security service providers are required to provide a quarterly certificate declaring that they inducted and trained all new employees on these principles and that they monitor the adherence of their employees to these principles.

OUR APPROACH

We have a goal of zero human rights violations by our Company and our contractors. In 2018 we are pleased to report that we achieved that goal.

In 2019, we will initiate a comprehensive internal assessment of human rights issues and risks across our business. The assessment will build on previous human rights assessments conducted for the Company. Critically, the assessment will help identify stakeholder concerns with respect to human rights and will identify areas for improvement across the business. Based on the outcome of the assessment, we will provide additional human rights training for our employees and contractors, security forces and local communities.

We actively promote the recognition and respect of human rights. This is especially important in the context of our support for SDGs, as human rights serve as the foundation of the overall SDG framework and underpin over 90% of the SDG targets. As such, the integration of SDGs will help promote a human rights-based approach to our business management.

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When the Company’s activities involve land access and displacement, we have implemented resettlement processes that adhere to international standards of fairness and transparency. As part of these processes, in-depth consultations and negotiations are conducted with Project Affected People (PAP), under the leadership of recognized experts.

**KANSANSHI**

In 2015, Kansanshi completed the Smelter Access Road resettlement program in accordance with the approved Resettlement Action Plan. The project impacted on 114 people. Fifty formal meetings were held in 2015 with local stakeholders and traditional leaders and a livelihood restoration program, including casual employment and conservation farming, has been fully implemented.

114 People affected by road 50 Formal meetings

**SENTINEL**

The resettlement of 624 families and 1,631 subsistence farmers is nearing completion at Sentinel in accordance with the requirements set out in the Resettlement Action Plan approved by the Zambian Environmental Management Agency (ZEMA). All project affected people received their compensation on time prior to the mine’s development. The resettlement included 24,036 formal stakeholder engagement meetings with local authorities, PAP and traditional leadership held between 2010 and 2018. First Quantum has secured title deeds for displaced farmers in conjunction with livelihood conservation farming restoration, specialized water upgrades and sanitation. Other socio-economic programs are being implemented and managed. Engagement with ZEMA is ongoing.

624 Families resettled 1,631 Farmers resettled 24,036 Formal stakeholder meetings

**ÇAYELI**

Voluntary resettlement is ongoing at Çayeli as part of the Near Mine Housing Project. For a number of years local residents have complained that blast vibrations from the mine have damaged their homes. Expert studies were commissioned in 2013 and while no causation was established, heavy precipitation and naturally-occurring ground movement led to Çayeli undertaking a voluntary resettlement process for people living in damaged houses. Ninety-three households have participated in the process, with 71 being resettled, four receiving formal offers and 18 having their homes monitored for damage.

93 Households participated 71 Households resettled 18 Monitored for damage

**COBRE PANAMA**

The resettlement plan for Cobre Panama was developed through extensive stakeholder consultations. The resulting agreement was the product of good-faith negotiations based on internationally accepted principles of free, prior and informed consent. As of January 2017, all residents from Petaquilla community moved voluntarily to Nuevo Eden in accordance with the resettlement agreement. Resettled communities have adapted to their new communities and are now sustaining their livelihoods from their farming outputs. The community schools have been operating for just over four years under the Ministry of Education. This confirms the ongoing government support for, and participation in the new settlement, key to the long-term sustainability of these communities.

**TACA TACA**

At Taca Taca in north-western Argentina, as part of an ESIA, a communications plan has been designed and information meetings held with the populations closest to the project. The area is sparsely populated with no resettlement necessary for the advancement of the project. Local populations are being briefed on the project to address their queries about potential employment and service provision.

**HAQUIRA**

First Quantum has been engaging with communities influenced by the Haquira Project in Peru since 2011. Through direct personal contact with families and local leaders, we have been working with the communities of Huanacopampa, Ccahuanhuire, Lahuani, Llamanhuiire and Pararani to gather socio-economic data needed to commence resettlement negotiations. Community engagement continues to enable access for the ongoing environmental baseline data collection and environmental regulatory requirements for exploration permits.
Where indigenous communities are present, we will use reasonable efforts to respect their standing as distinct, self-determining peoples with collective rights.

At the beginning of 2017, First Quantum completed a decade-long process to resettle several hundred people living near the Cobre Panama Project. Among those voluntarily relocating were two small indigenous communities, who moved from settlements settled a few years earlier to new homes in the rainforest 5 km away. This resettlement was among the first to be carried out under the Guiding Principles on Business and Human Rights adopted by the United Nations in 2011. A highly collaborative effort, the Cobre Panama resettlement has earned appreciation from indigenous leaders, international experts and the government of Panama and is seen as a model for successfully resettling communities through free, prior and informed consent.