

## TSM Performance by Company

### Hudbay Minerals Inc.



Hudbay is an integrated mining company that produces copper concentrate (containing copper, gold and silver) and zinc metal. The company is headquartered in Toronto, and is listed on the Toronto, New York and Lima stock exchanges under the symbol “HBM.” Hudbay has operating mines in Manitoba and the Cusco Region of Peru, and has a development project in Arizona.

For 90 years, Hudbay has worked toward the goal of translating responsible mining into positively impacting people’s lives, local communities and broader regional economies. Our experience in building strong relationships and making a valuable contribution wherever we do business guides us as we expand our presence in the Americas.

When Hudbay started in 1927, our operations were based in Manitoba and our primary market was North America. Today, our company is international and our market is global.

This report provides TSM performance results for both of our current operating business units. The Manitoba Business Unit (MBU) is located in Flin Flon and Snow Lake, Manitoba. Our South American Business Unit (SABU) operation is located in the Chumbivilcas province of Peru.

In 2017, the MBU improved its performance for one indicator within the *Safety and Health Protocol* and maintained its rating across all tailings management and biodiversity indicators. Full adherence to some of the requirements within the *Aboriginal and Community Outreach Protocol* was not maintained due to gaps in stakeholder engagement recordkeeping. Despite these shortcomings, there are several components of best practice (AAA) activity which have been implemented within the same two indicators, such as providing culturally specific training to employees. Several other examples of engagement activity can be found in our annual CSR report.

The MBU did not achieve their energy use and GHG emission reduction target, primarily due to an increase in propane usage associated with building heat. As such, the performance against Indicator 3 was a B. Hudbay Corporate plans to initiate a project to improve eco-efficiency performance. Once this project is implemented, performance barriers at the Business Unit level should be reduced.

At the Constancia operation in Peru, the assessment has determined a Level A or higher for the letter-graded *TSM* indicators. Performance is particularly good in the areas of community outreach, biodiversity management and health and safety management. A few gaps remain to enable a “yes” across all required components of crisis management planning.

Both business units have begun working with a new corporate process for tailings management that has been designed to comply with the updated guidance. Additional work is planned to implement the other best management practices outlined in the guide.

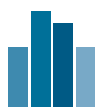
For 2018, Hudbay will be anticipating that its *TSM* performance results will be restored at the MBU and that a minimum of Level A will be maintained at our Peru facility. These goals are in addition to implementing items to address the emerging new requirements of the *TSM* program.

Hudbay's annual sustainability reports are available on its website.

🔗 For more information, please visit [www.hudbayminerals.com](http://www.hudbayminerals.com)



Open Pit at Constancia, Peru.

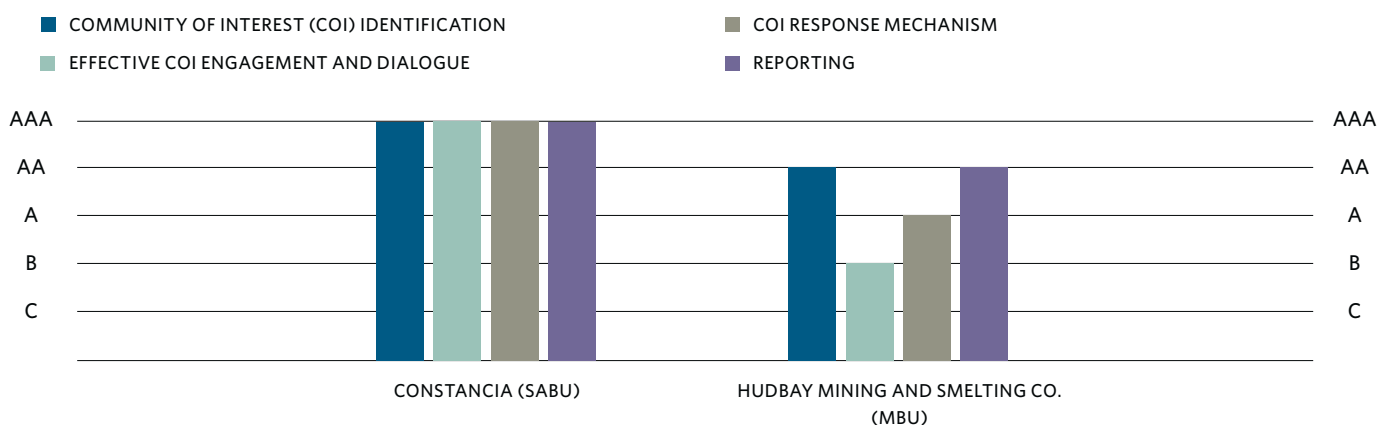


## 2017 TSM Results Hudbay Minerals Inc.

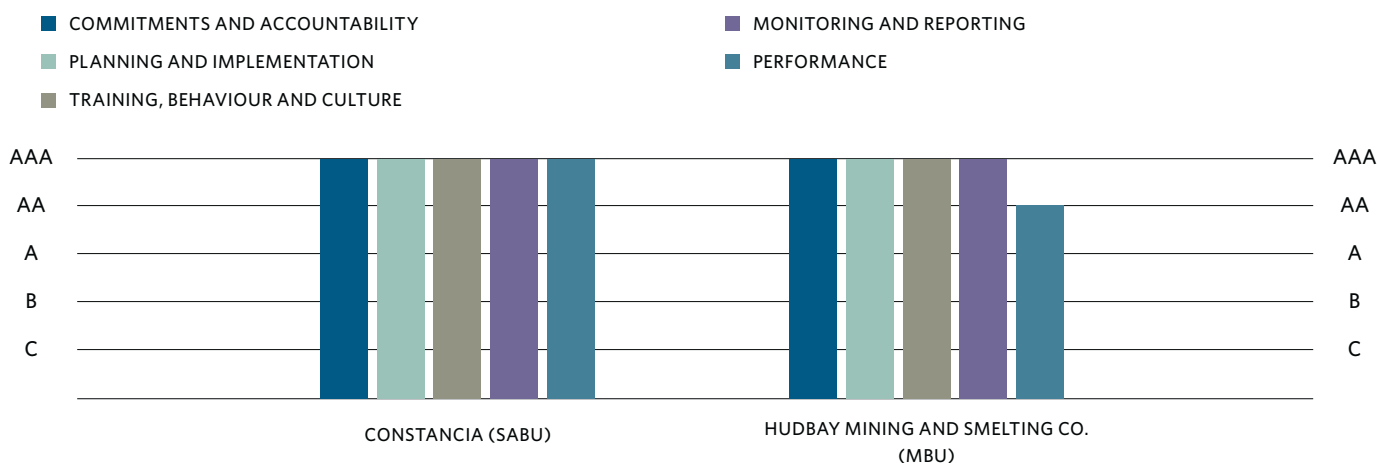
### Crisis Management and Communications Planning Assessment

FACILITY	PREPAREDNESS	REVIEW	TRAINING
CORPORATE	✓	✓	✓
CONSTANCIA (SABU)	✓	✗	✗
HUBBAY MINING AND SMELTING CO. (MBU)	✓	✓	✓

### Aboriginal and Community Outreach Assessment



### Safety and Health Assessment

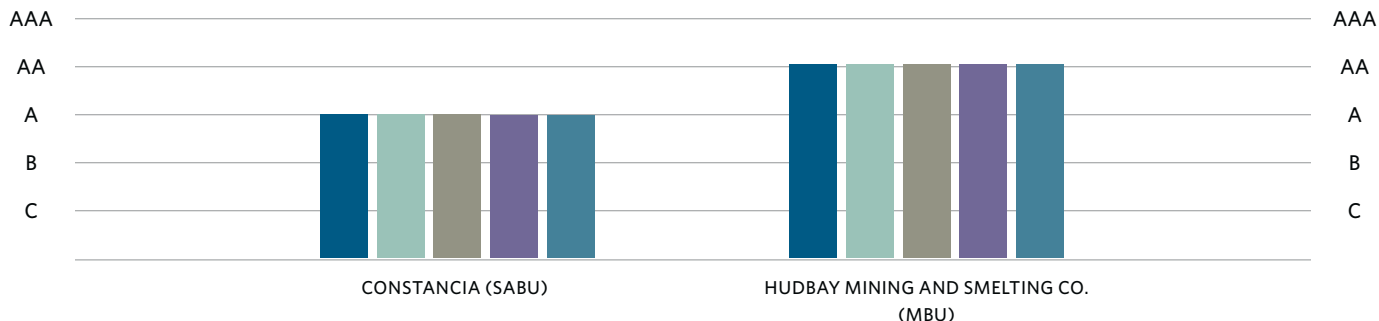


Self-assessed results; last external verification: 2016; next external verification: 2019.



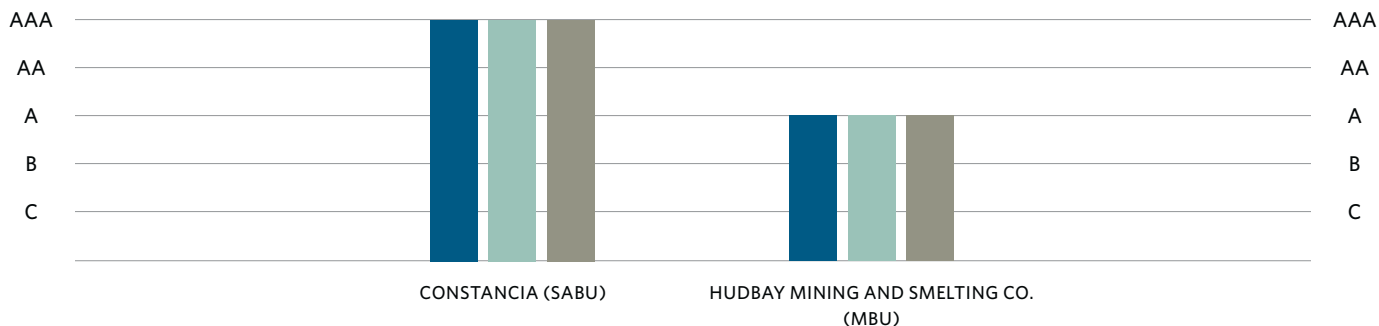
## Tailings Management Assessment

- TAILINGS MANAGEMENT POLICY AND COMMITMENT
- TAILINGS MANAGEMENT SYSTEM
- ASSIGNED ACCOUNTABILITY AND RESPONSIBILITY FOR TAILINGS MANAGEMENT
- ANNUAL TAILINGS MANAGEMENT REVIEW
- OPERATION, MAINTENANCE AND SURVEILLANCE (OMS) MANUAL



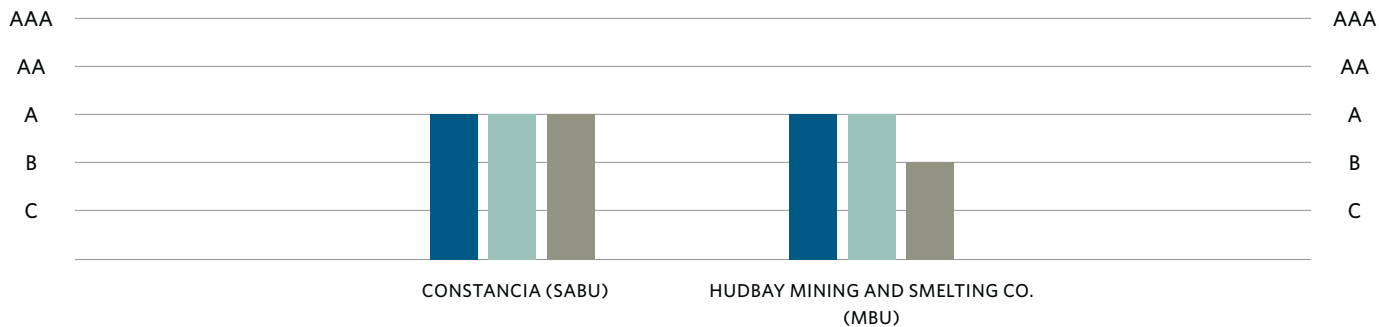
## Biodiversity Conservation Management Assessment

- CORPORATE BIODIVERSITY CONSERVATION POLICY, ACCOUNTABILITY AND COMMUNICATIONS
- FACILITY-LEVEL BIODIVERSITY CONSERVATION PLANNING AND IMPLEMENTATION
- BIODIVERSITY CONSERVATION REPORTING



## Energy Use and GHG Emissions Management Assessment

- ENERGY USE AND GHG EMISSIONS MANAGEMENT SYSTEMS
- ENERGY USE AND GHG EMISSIONS REPORTING SYSTEMS
- ENERGY AND GHG EMISSIONS PERFORMANCE TARGETS



Self-assessed results; last external verification: 2016; next external verification: 2019.

