

2019 TSM Progress Report – 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 over 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 third-party verified *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 2018, the MBU improved its performance against three protocols. The MBU achieved its energy use and GHG emission reduction target, restoring previously attained A level performance for this indicator. In addition, improvements were made for one indicator within each of the *TSM Safety and Health* and *Aboriginal and Community Outreach Protocols*. The MBU also successfully maintained its rating across all tailings management, biodiversity and crisis management planning indicators.

At the Constancia operation in Peru, level AAA performance was maintained for the community outreach, biodiversity management and health and safety management protocols. The energy use target was not attained and thus impacted the performance for one indicator within this protocol. A few gaps remain to enable a “yes” across all required components of crisis management and communications planning.

Both business units have continued work to close identified gaps resulting from the updated tailings management guide, protocol and table of conformance. Internal discussions are continuing to determine the appropriate performance level to target for this protocol, considering the changes in requirements, the time necessary to fill the gaps and the time remaining for auditing implementation of these changes.

For 2019, Hudbay is anticipating that its TSM performance results will at least be maintained across both business units. Both locations are also working towards at least an A level performance against the new *TSM Water Stewardship Protocol*.

Several case studies highlighting Hudbay activity related to the TSM protocol subjects can be found in the annual sustainability reports which are available on its website.

For more information, please visit: www.hudbayminerals.com

2018 TSM Results

HudBay Minerals Inc.

Crisis Management and Communications Planning Assessment

FACILITY	CRISIS MANAGEMENT AND COMMUNICATIONS PREPAREDNESS	REVIEW	TRAINING
HudBay Minerals Inc. - Corporate	✓	✓	✓
Constancia (SABU)	×	×	✓
Hudson Bay Mining and Smelting Co.	✓	✓	✓

Results as of: Oct 08, 2019

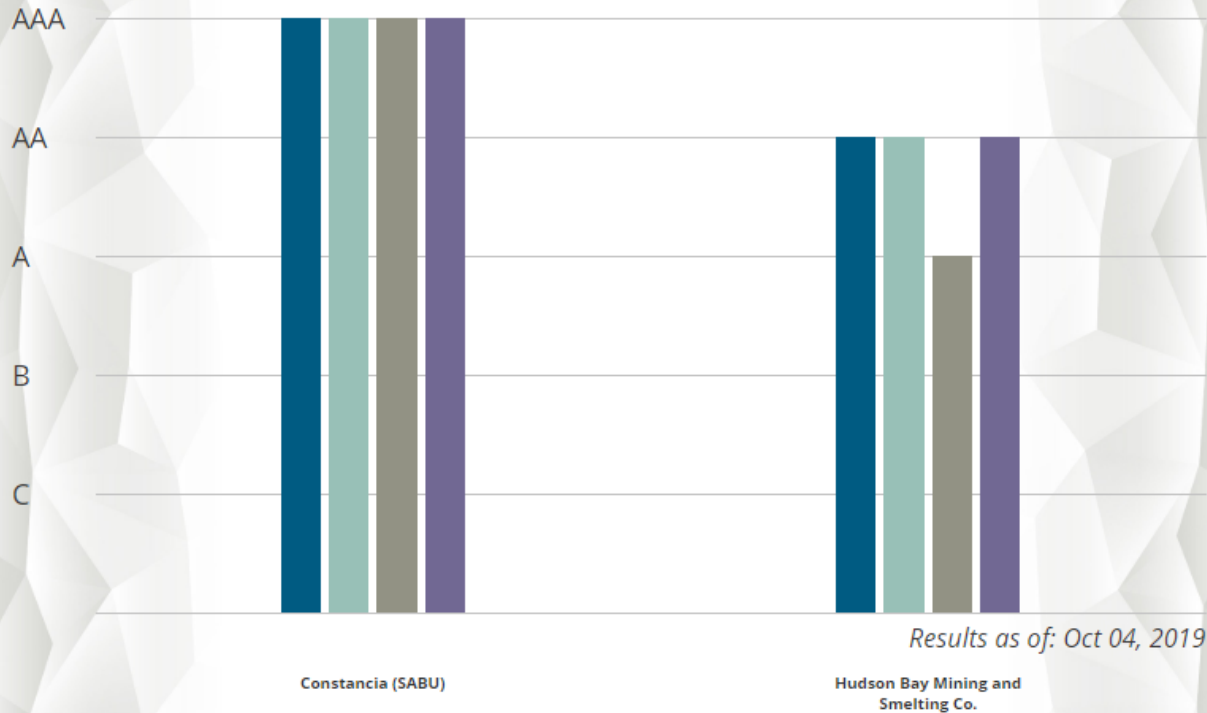
Preventing Child and Forced Labour Assessment

FACILITY	PREVENTING FORCED LABOUR	PREVENTING CHILD LABOUR
Constancia (SABU)	✓	✓
Hudson Bay Mining and Smelting Co.	✓	✓

Results as of: Oct 04, 2019

Aboriginal and Community Outreach Assessment

- Community of Interest (COI) identification
- Effective COI engagement and dialogue
- COI response mechanism
- Reporting

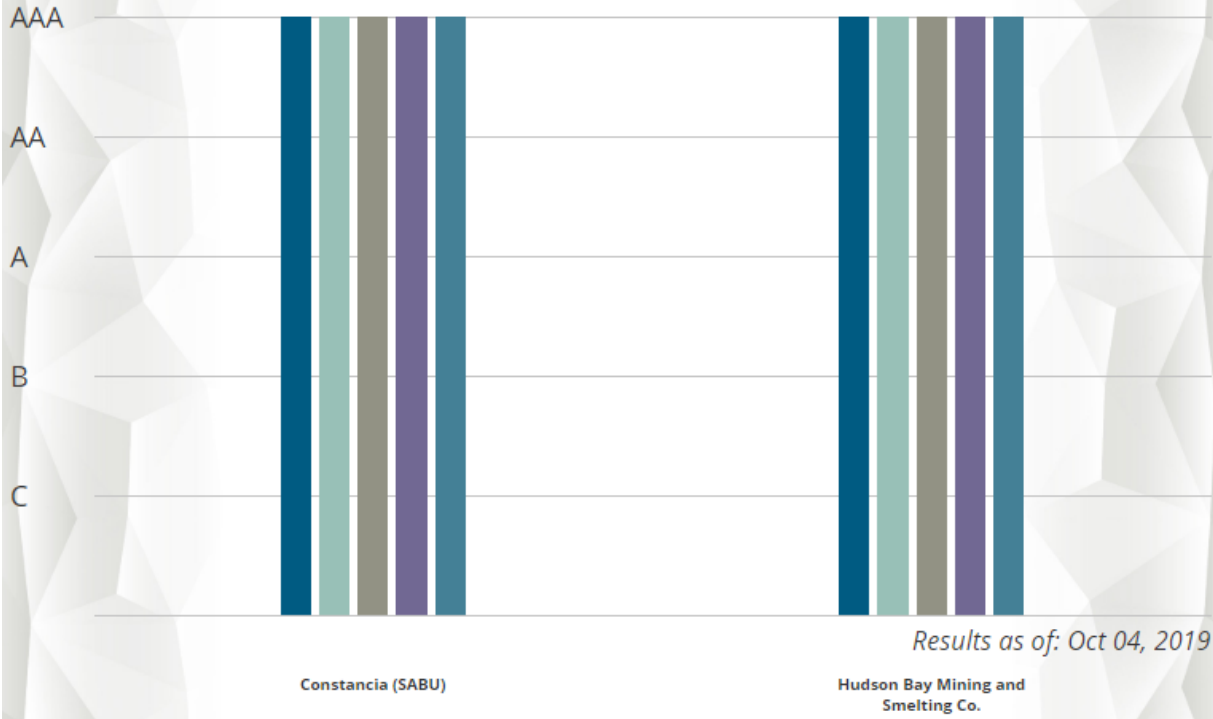




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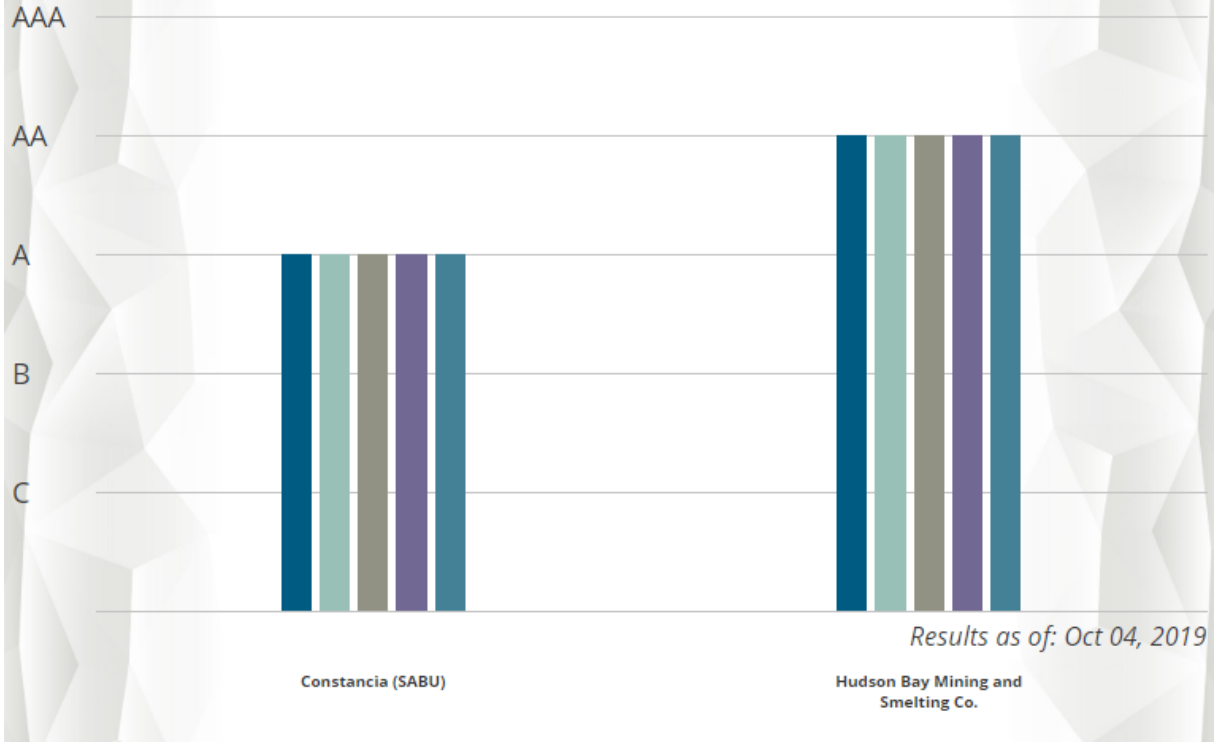
Safety and Health Assessment

- Commitments and accountability
- Planning and implementation
- Training, behaviour and culture
- Monitoring and reporting
- Performance



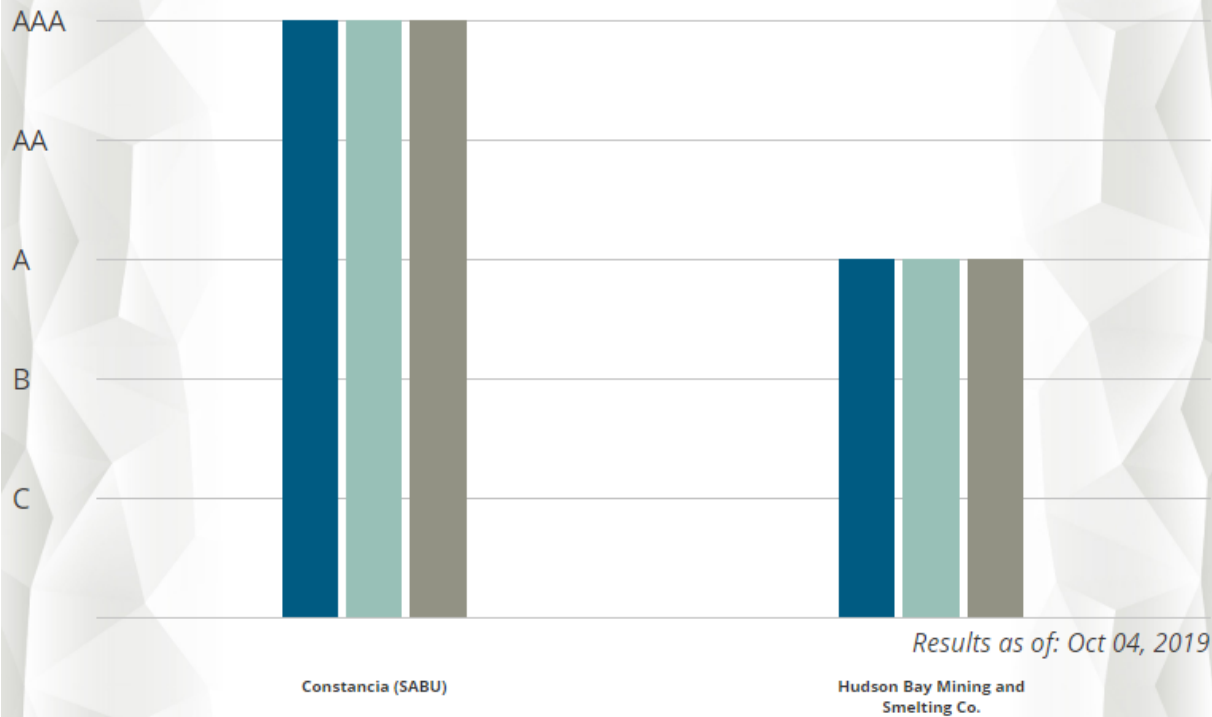
Tailings Management Assessment

- Tailings management policy and commitment
- Tailings management system
- Assigned accountability and responsibility
- Annual tailings management review
- Operation, maintenance and surveillance (OMS) manual



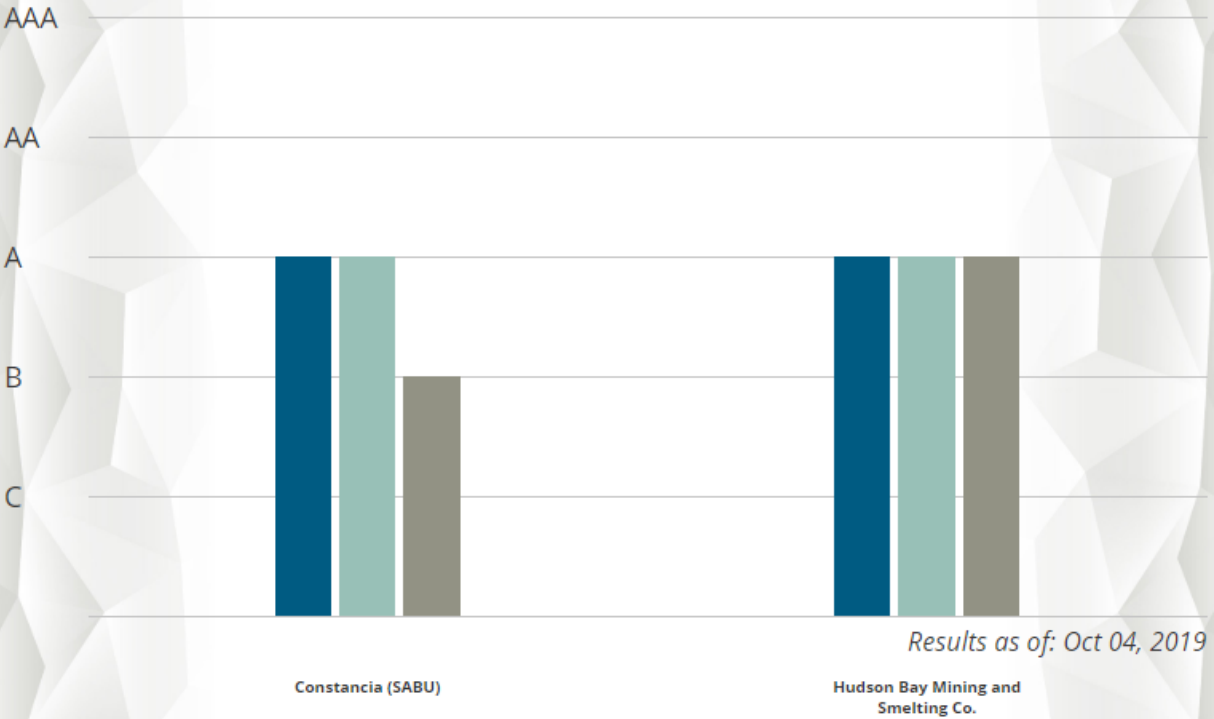
Biodiversity Conservation Management Assessment

■ Commitment, accountability and communications ■ Conservation planning and implementation
■ Reporting



Energy and GHG Emissions Management Assessment

- Energy use and greenhouse gas emissions management
- Energy use and greenhouse gas emissions reporting systems
- Energy and greenhouse gas emissions performance targets



Energy Use & Greenhouse Gas (GHG) Emissions Data

FACILITY	TOTAL DIRECT EMISSIONS (TONNES CO2E)	TOTAL INDIRECT EMISSIONS (TONNES CO2E)	TOTAL EMISSIONS	TOTAL ENERGY USE (GJ)
Constancia (SABU)	103233	399810	503043	4014970
Hudson Bay Mining and Smelting Co.	69034	3032	72066	4383600

Results as of: Oct 08, 2019

INTERNATIONAL INITIATIVES		
Industry Sustainability Initiatives	ICMM Sustainable Development Framework	
	WGC Conflict Free Gold Standard	
	ISO 14001 - EMS Standard	✓
Management System Standards	OHSAS 18001	✓
	UN Global Compact	
International Voluntary Initiatives	Extractive Industries Transparency Initiative	✓
	Voluntary Principles on Security and Human Rights	✓
	OECD Guidelines for Multinational Enterprises	✓
	AA 1000	
Reporting, Disclosure and Transparency Standards	Global Reporting Initiative	✓
	Carbon Disclosure Project	✓
	Water Disclosure Project	✓
	Carbon Pricing Leadership Coalition	
	IFC Social and Environmental Performance Standards	✓
Financing Standards	Dow Jones Sustainability Index	
Listed on Socially Responsible Investing Indices	Jantzi Social Index	
	Responsible Jewellery	
Industry Sustainability Initiatives	International Cyanide Code	
	Kimberley Process	

Results as of: Jun 26, 2019

Letter of Assurance

[HudBay Minerals Inc. | 2018 | TSM Letter of Assurance](#)