

Minas Buenaventura

ISIN CODE: US2044481040

Overall score 24/100

Sector: Mining & Metals Emerging Market

Information rate: 48% (Sector average: 58%)
Company cooperation level: Not responsive *

General information

Compania de Minas Buenaventura is a Peru-based Company. The Company operates the Orcopampa, Uchucchacua, Julcani, Mallay and Breapampa mines and has controlling interests in over three other mining companies, which operate the Colquijirca-Marcapunta, Tantahuatay and La Zanja mines. It also owns an electric power transmission company, a hydroelectric plant and a processing plant.

Main Economic Segment**	Turnover 2016
Participation in Investments	71.8 %
Production and Sale of Minerals	21.2 %
Corporate	4.1 %

CORPORATE GOVERNANCE	
	2014 2014 2016 2018
	100
	75
	50
	25
	0
Score	24
Allegations	No
Rating	-
Risk management	Weak

Key issues

Corporate governance is critical to ensuring that a well functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system, the protection of Shareholders Rights and the establishment of Executive Remunerations which align executives' and company's interests.

Company performance

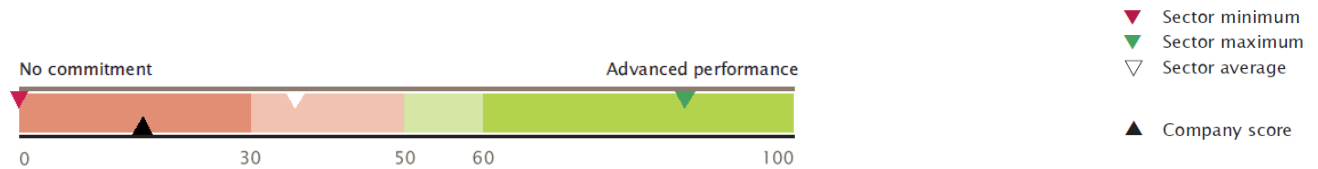
- The Company achieves a weak performance in the Corporate Governance domain, which has decreased since the last review.
- The Company lacks information on detailed Board Committee membership of its Directors. Furthermore, information to assess independency of the Board is insufficient. The Company's internal control system covers the standard issues related to financial, operational, and legal risks. 'Shareholders' rights seem fairly respected however, no safeguards on transactions with major shareholder(s) appear to be in place. The Company lacks disclosure on 'Executive remuneration'.
- The Company did not appear to be involved in any controversies related to this domain.
- Overall, the Company ranks below the sector average.

Corporate Governance

Score : 24

CGV1.1 Board of Directors

(score: 16, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

A specific committee is in place, but at least one executive is part of it, which might raise concerns.
The Company states that all 8 members of the Board are part of the Nomination Committee.

Independence of the Board Chairman

The roles of Chairman and CEO are separated, but the chairman is not considered independent.

Responsibility allocated over CSR issues

Information on the responsibilities allocated over CSR issues is insufficient.

Share of independent shareholder-elected Board members

Information obtained from company and public sources regarding detailed biographical information for all members of the Board of Directors is insufficient.
The Company states that four member of the 8-member Board are considered independent. However information on which directors are considered independent is insufficient to assess. Furthermore, the Company does not disclose information on the membership of the Audit and Remuneration committee.

Diversity of the skills and backgrounds of the Board

The Board of Directors diversity appears to be partial:

- At least 30% of directors are women
- At least 40% of directors are women
- Employee representative(s) sitting on the Board
- Board members with demonstrated professional experience in the company's sector of activities
- Board members with demonstrated expertise on CSR issues
Mr. Benavides (Former President of the Peruvian Mining, Oil, and Energy Association); Mr. Gobitz (Current President of the Peruvian Institute of Mining Engineers).

Training and expertise provided to board members

Information obtained from company and public sources regarding training provided to board members is insufficient.

Regular election of Board members

[LISTED COMPANIES] Board members are elected at least every three years and these elections are not staggered.
Board members are eligible for re-election following 3-year terms according to the bylaws.

Evaluation of Board's functioning and performance

Information obtained from company and public sources regarding the evaluation of board functioning and performance is insufficient.

Review of CSR issues at Board meeting

Information obtained from company and public sources regarding the review of CSR issues at board meetings is insufficient.

- Business ethics
- Human capital
- Community issues
- Environment
- Human rights

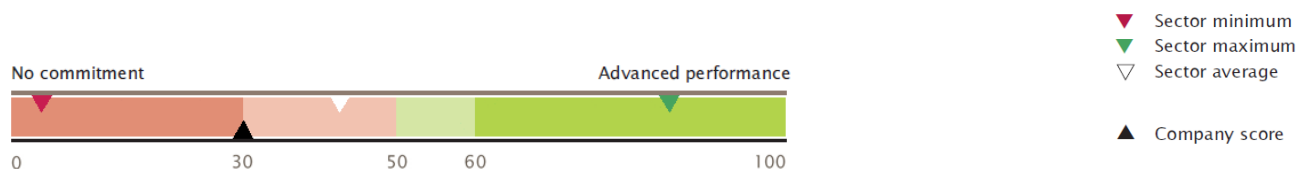
Regularity of and attendance at Board meetings

Information obtained from company and public sources regarding the regularity of and attendance at board meetings is insufficient.

Name of Board member	Role	Executive	Non executive	Employee representative	Nomination	Audit	Remuneration	Former executive	> 9 years on Board	Stock options	Paid > 1/2 executive salary	Represent > 3% company's shares	Other	Independency
Roque Benavides	Chairman of the Board	X			X				X					
Felipe Ortiz de Zeva		X			X				X					
José Miguel Morales		X			X				X					
Germán Suárez					X				X					
William H. Champion					X									
Igor Gonzales					X									
Diego de la Torre					X									
Victor Gobitz	Chief Executive Officer	X			X									

CGV2.1 Audit & Internal Controls

(score: 30, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee

Information disclosed on this subject is insufficient or not relevant.

The Company state that zero members of the 3-member Audit Committee are considered independent. However, the Company does not disclose the details of the membership.

Skills and backgrounds of Audit Committee members

Information disclosed on this subject is insufficient or not relevant.
The Company does not disclose the names of the members of the Audit committee.

Operational and CSR risks covered by the company's internal controls system

The system covers the standard issues related to financial, operational, and legal risks.

- Corruption
- Community Issues
- Employee Safety
- Climate Change
- Fundamental labour rights
- Fundamental human rights
- Local pollution
- Biodiversity
- Water
- Atmospheric emissions
- Waste

Role of the Audit Committee in overseeing internal and external controls

The Audit Committee has a limited role that includes:

- Oversee internal audit and internal controls
- Review accounting policies and be responsible for updates
- Nominate the statutory auditor
- Oversee the work of the external auditor
- Approve the type of audit and non-audit services provided and fees paid to the external auditor

Management of the CSR risks

Information obtained from company and public sources regarding the management of the CSR risks is insufficient.

- Balanced scorecard
- Risk-related training
- Monitoring of key risk indicators
- Reporting system to the Board
- Risk mapping/materiality assessment
- A Board Risk Committee with no executive part of it

Independence of the firm's external auditors

The audit firm receives non-audit fees, but these represent only 5% or less of total fees.

Non-audit fees represented 0.3% of total fees paid to Paredes, Burga & Asociados S. Civil de R.L. in the last fiscal year.

Inclusion of CSR issues in the company's reporting

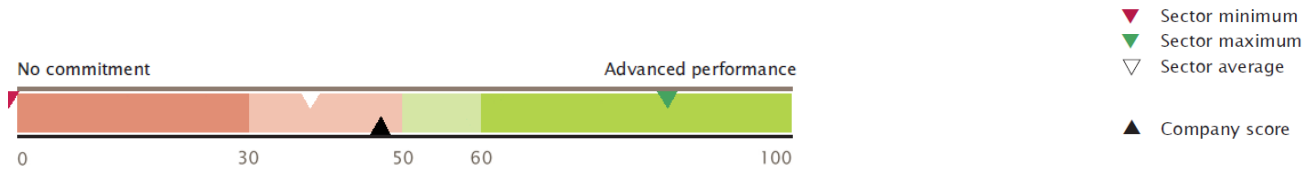
The company does not publish any significant CSR reporting on the key material issues for its sector.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral
As of 01/2018, Minas Buenaventura did not appear to be involved in any controversy related to this sustainability driver

CGV3.1 Shareholders

(score: 47, weight: 2)



Nonexistence of voting rights restrictions

The company respects the "one share - one vote" principle.

Nonexistence of anti-takeover devices

There is no reference to anti-takeover devices in the company's reporting.

Safeguards on transactions with major shareholder(s)

No safeguards appear to be in place, which might raise concerns with regard to the fairness of any such transaction.

Ability to add items to the agenda of the AGM and to convene an EGM

No major restrictions have been identified.

Access to voting at General Meetings

There are no major restrictions on shareholders' ability to vote, however there is no possibility of voting through online services.

Ability to vote on relevant issues in separate resolutions at AGM

Not all major items are put to a shareholder vote.
The following items are not put to a vote at the AGM:

- Changes to bylaws
- Extraordinary transactions

Presentation of CSR strategy to shareholders and investors

Information disclosed from the entity and public sources regarding the presentation of CSR strategy to shareholders and investors is insufficient.

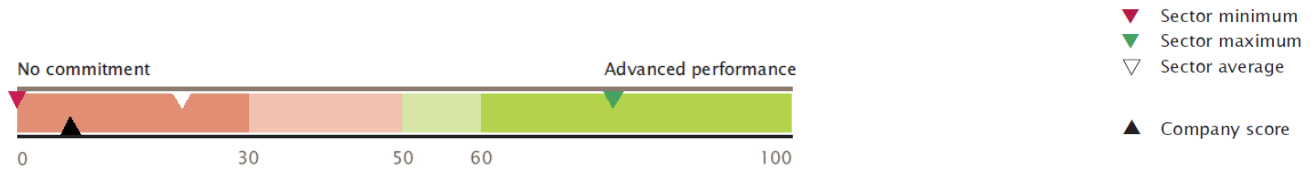
- Business ethics
- Human capital
- Community issues
- Environment
- Human rights

Stakeholders' feedback

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CGV4.1 Executive Remuneration

(score: 7, weight: 2)



[LISTED COMPANIES] Existence and independence of Remuneration Committee

Information disclosed on this subject is insufficient or not relevant.
The Company state that three members of the 3-member Remuneration Committee are considered independent. However, the Company does not disclose the details of the membership.

Disclosure of senior executives' individual remuneration

Disclosure of individual executive remuneration data for senior executives is insufficient.

Link between Short Term Incentive Plans and the performance of the company

There is no disclosure on what rules guide the company in allocating bonuses and other short-term incentives to senior executives.

Link between the main Long Term Incentive Plan and the performance of the company

Information on the rules and performance conditions guiding the allocation of long-term incentives to senior executives is insufficient.

Link between variable remuneration and CSR performance of the company

There is no disclosure on the links between variable remuneration of executive and the CSR performance of the company.

- Human resources development
- Health and safety
- Compliance related to environmental regulations
- Efficient resource utilization

Severance pay for senior executives

Information obtained from company and public sources regarding severance pay for senior executives is insufficient.

Evolution of CEO-to-employee compensation ratio

Information obtained from company and public sources regarding the compensation of CEO and the average employee salary is insufficient.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral
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Contacts

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