

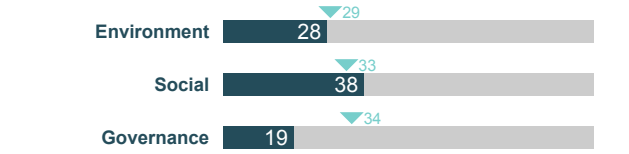
Company and Sector Performance

ESG OVERALL SCORE

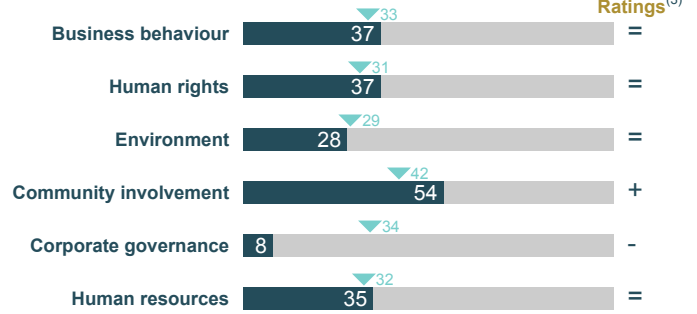


Information rate	52%
sector average	60%
Cooperation level ⁽²⁾	Not responsive
High severity controversies	Yes
Rank in Sector	25/47
Rank in Region	308/904
Rank in Universe	1896/4482

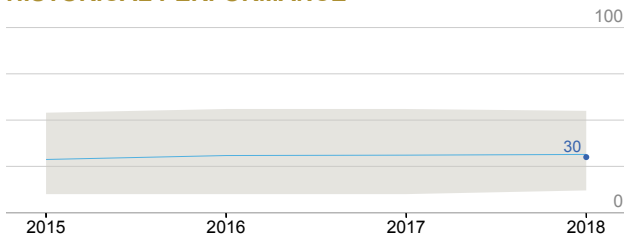
ESG PERFORMANCE (/100)



6 DOMAINS PERFORMANCE (/100)



HISTORICAL PERFORMANCE



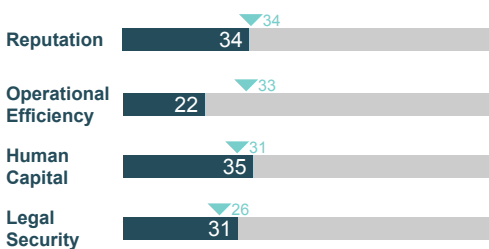
Company inclusion in Vigeo Eiris indices⁽⁴⁾: No

Management of risks and opportunities

MATERIALITY & PERFORMANCE MATRIX



RISK MITIGATION INDEX (/100)



ANALYST FOCUS

TOPIC	COMMENT	TREND
Corporate Governance	Cerro Verde does not adequately disclose its Corporate Governance policies and systems.	
Community Involvement	Different examples of community engagement and social and economic development are provided by the Company.	
Biodiversity	The Company cooperates with 'Wildlife at Work' to uphold its commitment to Biodiversity protection, which is integrated in the management of its operations and to limit its impacts on Biodiversity	
Health and Safety	OHSAS 18001 certifications are in place to manage this issue, and joint employee committees are also in place to integrate employees in the prevention of safety accidents.	

Carbon Footprint and Energy Transition*

"The Carbon Footprint & Energy Transition research provides an assessment of a company's carbon footprint combined with the strategy to manage risks and opportunities related to the transition to a low carbon economy. NI (No Info) is used to indicate that the information is not available."

CARBON FOOTPRINT



SCALE	EMISSIONS (T CO2 EQ)	CATEGORIES
A	<100 000	Moderate
B	>= 100 000 and <1 000 000	Significant
C	>= 1 000 000 and <10 000 000	High
D	>= 10 000 000	Intense

ENERGY TRANSITION SCORE



ENERGY TRANSITION SCORE	CATEGORIES
60-100	Advanced
50-59	Robust
30-49	Limited
0-29	Weak

Goods and services contributing to sustainable development*

"Sustainable Goods & Services research provides a positive screening on companies to identify business activities devoted to sustainable solutions."



INVOLVEMENT	CATEGORIES
>=50%	Major
20-49%	Significant
0-19%	Minor
0%	None

Involvement in controversial activities*

"The Controversial Activities research provides screening on companies to identify involvement in business activities that are subject to philosophical or moral beliefs."

Involvement in controversial activities: Not available in this version

Screened Areas:

- Alcohol
- Animal welfare
- Chemicals of concern
- Civilian firearms
- Fossil fuels
- Gambling
- Genetic engineering
- High interest rate lending
- Military
- Nuclear power
- Pornography
- Reproductive medicine
- Tobacco

For more information please contact us at customer.service@vigeo-eiris.com

(1) Performance level: weak (0-29/100), limited (30-49/100), robust (50-59/100), advanced (60-100/100)
 (2) Cooperation level on a 4-level scale: proactive, responsive, partially responsive, not responsive
 (3) Ratings outline companies' benchmarked domain performance within a sector, on a 5-level scale: "-", "=", "+", "+", "+"
 (4) Indices: based on the most recent indices at the date of publication. More details on vigeo-eiris.com.

Company performance in all the Sustainability Drivers

			Overall score 30/100		Trend	Score	Leadership	Implementation	Results
Weight									
Environment						28	7	56	14
E	ENV1.1	3	Environmental strategy			60	37	83	N/A
E	ENV1.4	3	Biodiversity			44	20	76	35
E	ENV2.1	3	Water			31	0	79	15
E	ENV2.2	3	Energy			15	0	44	0
E	ENV2.4	3	Atmospheric emissions			15	0	44	0
E	ENV2.5	3	Waste			20	0	44	16
E	ENV2.6	3	Local pollution			29	0	58	28
E	ENV1.2	2	Accidental pollution			31	0	58	35
E	ENV2.7	2	Transportation			0	0	0	0
Human Resources						35	37	19	50
S	HRS3.2	3	Health and safety			51	77	46	29
S	HRS1.1	2	Social Dialogue			22	28	0	39
S	HRS2.3	2	Reorganisation			27	0	0	81
S	HRS2.4	2	Career management			32	21	16	60
Human Rights						37	26	29	55
S	HRT1.1	3	Fundamental human rights			45	25	44	65
S	HRT2.1	3	Fundamental labour rights			30	25	0	65
S	HRT2.4	2	Non-discrimination and diversity			34	30	48	24
Community Involvement						54	56	74	32
S	CIN1.1	3	Social and economic development			54	56	74	32
Business Behaviour (C&S)						37	46	25	40
G	C&S3.1	3	Corruption			48	58	44	43
S	C&S2.4	2	Social standards in the supply chain			30	46	9	35
G	C&S3.2	1	Anti-competitive practices			42	58	24	43
G	C&S3.3	1	Responsible Lobbying			12	0	0	35
Corporate Governance						8	3	3	17
G	CGV1.1	3	Board of Directors			6	9	9	0
G	CGV2.1	2	Audit & Internal Controls			10	0	0	30
G	CGV3.1	2	Shareholders			9	0	0	26
G	CGV4.1	2	Executive Remuneration			7	0	0	22

■ Weak (0-29/100)
 ■ Limited (30-49/100)
 ■ Robust (50-59/100)
 ■ Advanced (60-100/100)



Involvement in allegations



Involvement in allegations with evidence of corrective measures

Benchmark
Position versus sector peers

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
ZAE000018123	Gold Fields	+	++	++	++	+	++	55
MA0000010068	SMI	+	++	++	++	=	=	50
BRVALEACNOR0	Vale	+	+	++	+	++	=	50
ZAE000083648	Impala Platinum Holdings	+	+	++	++	+	+	49
ZAE000013181	Anglo American Platinum	+	+	+	+	=	+	48
MA0000011058	Managem	+	++	+	+	+	=	47
TH0148010R15	Banpu Public	+	+	+	+	=	+	46
INE019A01038	JSW Steel	++	=	+	=	-	+	44
JE00B5BCW814	United Company Rusal	+	++	+	+	+	+	44
INE205A01025	Vedanta Limited	+	+	=	=	=	=	41
ZAE000084992	Exxaro Resources	=	+	=	=	=	+	39
ZAE000043485	AngloGold Ashanti	=	=	=	=	+	+	38
INE038A01020	Hindalco	=	+	=	+	=	+	37
RU0007288411	Norilsk Nickel	=	+	=	=	+	+	37
PEP622005002	Minsur	+	=	=	+	+	-	37
TW0002002003	China Steel	=	++	=	-	=	=	36
INE522F01014	Coal India	=	+	=	=	+	=	36
MXP554091415	Industrias Penoles	+	=	=	+	+	-	36
PLKGHM000017	KGHM Polska	=	+	=	+	+	+	36
KR7005490008	POSCO	+	+	-	=	=	=	36
INE081A01012	Tata Steel	=	=	=	+	+	+	36
RU0007252813	Alosa	=	+	=	=	+	=	35
VIGEIRIS0392	Votorantim	=	=	+	+	+	-	33
PEP620001003	Cia Minera Milpo	=	+	=	+	+	=	32
CNE100000528	China Coal Energy	=	=	=	=	=	=	30
PEP646501002	Sociedad Minera Cerro Verde	=	=	=	+	=	-	30
PEP206015005	Corporacion Aceros Arequipa	=	=	=	=	=	=	29
RU0009046510	Severstal	=	=	=	=	=	=	29
MA0000021503	OCP group	=	=	-	-	=	-	28
MXP370841019	Grupo Mexico	=	=	=	-	=	-	27
CNE100000502	Zijin Mining Group	=	-	=	=	=	=	27
KR7004020004	Hyundai Steel	=	=	-	-	-	-	25
BRCNSAACNOR6	Companhia Siderurgica	-	-	=	=	=	=	23

Copyright Vigeo Eiris 2018. Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of Vigeo Eiris and is protected by the provision of the French Intellectual Property Code

Position versus sector peers		Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance	Overall Score
	Nacional							
US2044481040	Minas Buenaventura	-	-	=	=	=	-	23
TRAEREG91G3	Eregli Demir Ve Celik	-	-	-	=	=	=	22
CNE1000002R0	China Shenhua Energy	-	-	=	=	-	=	20
HK0639031506	Shougang Fushan Resources Group	-	=	-	=	-	-	20
ID1000111305	Adaro Energy	-	=	-	=	-	-	19
PHY2088F1004	DMCI Holdings	-	-	-	=	=	=	19
CNE1000004Q8	Yanzhou Coal Mining	-	-	-	-	-	+	19
CNE1000001T8	Aluminum Corp of China	-	-	-	-	-	+	18
CNE1000003K3	Jiangxi Copper	-	-	-	=	=	=	18
MA0000010019	Sonasis	-	-	-	-	-	-	18
US84265V1052	Southern Copper	-	-	-	-	-	=	15
BRUSIMACNOR3	Usiminas	-	-	=	=	-	-	15
KR7010130003	Korea Zinc Company	-	-	-	=	=	-	14
MA0000011793	Miniere Touissit	-	-	-	-	-	-	12

Copyright Vigeo Eiris 2018. Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of Vigeo Eiris and is protected by the provision of the French Intellectual Property Code

General information

Sociedad Minera Cerro Verde is a Peru-based mining company, engaged in the extraction, exploration and production of copper, as well as production, distribution

and sale of copper cathodes. The Company's market scope comprises Asia, Europe and South America.

Selected financial data

Key data	Revenues	EBIT	Employees
2017	USD 3,211.2m	USD 1,034 m	4,660
2016	USD 2,390.8m	USD 676 m	4,363
2015	USD 1,119.4m	N/A	4,082
2014	USD 1,500m	N/A	3,230
2013	USD 1,800m	N/A	2,873

Main shareholders	2018
Freeport-McMoRan Inc.	53.6%
Sumitomo Metal Mining Co Ltd.	21%
Compañía de Minas Buenaventura SAA	19.6%

Geographical Breakdown	Turnover 2017	Employees
Peru	100%	N/A

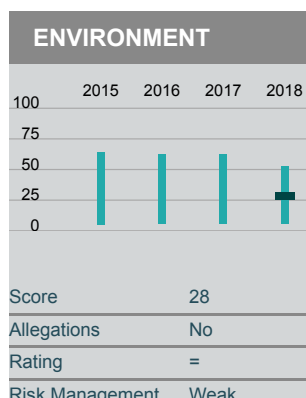
Main economic segment	Turnover 2017
Copper & Molybdenum Concentrate	92.47%
Copper Cathodes	7.53%

Selected ESG Indicators

	2017
Non-executive Board member(s) responsible for CSR issues	No
Executive remuneration linked to CSR performance	No Info
3-year energy consumption trend (normalized to turnover)	N/A
Ratio of payments to employees vs. shareholders (3-year trend)	N/A
Percentage of independent Board members	0
Percentage of women on Board	0
Percentage of women in Executive team	N/A
Percentage of women in workforce	6
Transparency on lobbying budget	No
Percentage of employees covered by collective agreements on working conditions	69
3 year trend for safety at work	↘
Involvement in armament	No
Transparency on payment of tax	Partial
Management of social risks in supply chain	Limited

CSR performance per domain

■ Sector performance
■ Company performance
 Rating : min- / max ++

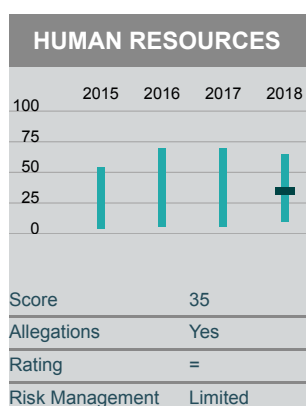


Key issues

Mining companies have a high potential impact on the environment. This explains why in this study, many environmental criteria are considered of material importance. Particularly, mining activities often require significant volumes of water for processing, resulting in large volumes of effluents that may severely contaminate surface and underground water (ENV 2.1). Besides, drilling, excavation, extraction, grinding, crushing, milling, pumping, and ventilation processes, all are energy intensive (ENV 2.2). Mines also generate large volumes of waste (such as overburden and tailings) that are often disposed of in huge dumps and impoundments (ENV 2.5). Also airborne emissions may occur during each stage of the mine cycle, with significant negative local impacts (ENV 2.6). Finally habitat alteration is one of the most significant potential threats to biodiversity associated with mining (ENV 1.4).

Company performance

- Cerro Verde's performance in the Environment domain is weak in absolute terms.
- Although Cerro Verde only issues general commitments to environmental protection, it has ISO 14001 certifications its only operating site. When it comes to biodiversity protection, Cerro Verde implements measures to integrate biodiversity in the management of its operations and to limit its impacts on biodiversity. Finally, most measures in place to address the Company's relevant environmental issues are limited to monitoring, except for 'Water' and 'Local Pollution', where optimisation measures are in place.
- No allegations for the Company were identified in the period under review.

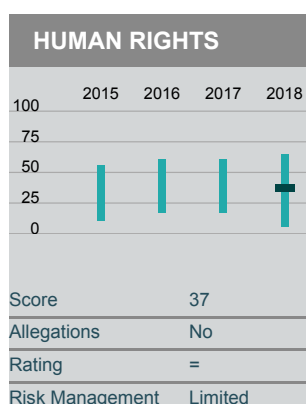


Key issues

The Mining & Metals companies have gone through many restructuring changes (mergers and acquisitions, consolidation of core business and divestment of non core activities, etc.), which can have strong impacts on human resources. The responsible management of these restructurings (HRS 2.3) is thus a major issue. Mining is one of the highest risk activities for workers' safety and health. New technologies introduced within the mining sector led to a positive impact on the number and severity of accidents and diseases. But these changes also brought new or intensified hazards such as dust, noise, vibration, ergonomics-related problems, and electric current. Mining activities can also lead to risks of fire, flood, explosion and collapse with high risks of serious and fatal injuries. (HRS 3.2)

Company performance

- Cerro Verde's performance in the Human Resources domain is limited in absolute terms.
- While 'Responsible Restructurings' is left unaddressed, some commitments seem to be in place to address 'Labour Relations' and 'Career Management'. As for 'Health & Safety', a relevant policy is in place and OHSAS 18001 certifications are also allocated.
- The Company faces allegations related to workers' strikes and is considered to be reactive in this regard.



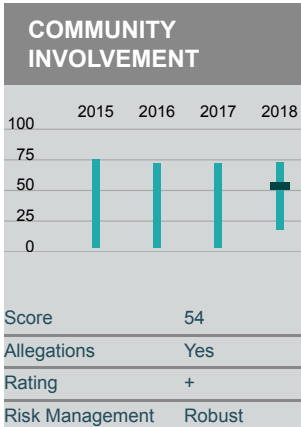
Key issues

Ensuring the respect of fundamental human rights is crucial for the mining industry as it is regularly criticised for its security arrangements, property rights and resettlement plans and indigenous relationship management (HRT1.1). Companies are also expected to have policies and management systems in place (information, training, risk-mapping) to deal specifically with labour rights issues in their countries of operation and guarantee freedom of association and the right to collective bargaining, especially for contract and agency workers and in certain countries where labour legislation does not fully protect workers' rights (e.g. Nigeria, Guatemala, Burma, China) (HRT2.1).

Company performance

- Cerro Verde's performance in the Human Rights domain is limited in absolute terms.
- Both 'Fundamental Human Rights' and 'Fundamental Labour Rights' are addressed in Cerro Verde's Human Rights policy, and while some measures seem to be in place to address the former, there is no evidence that the latter has measures in place. When it comes to 'Diversity', some general statements can be found in its Sustainability Report and both monitoring and a confidential reporting system seem to be in place to address this issue.
- No allegations for the Company were identified in the period under review.

Copyright Vigeo Eiris 2018. Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of Vigeo Eiris and is protected by the provision of the French Intellectual Property Code

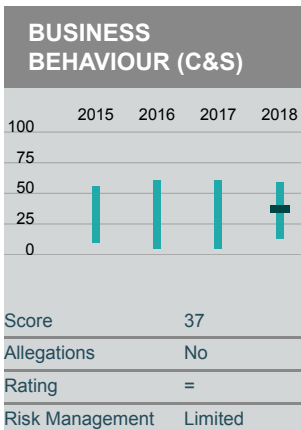


Key issues

Mining and Metal companies generally manage important industrial sites with a high potential socio-economic impact on local communities (CIN 1.1). In order to maintain its license to operate, efficient community engagement is of paramount importance. These type of production sites can foster local development, as the sites are often one of the main employers in the regions where they operate. Mining and Metal companies are expected to contribute to local economies through jobs creation, apprenticeship and training offers, local procurement and the development and maintenance of local infrastructure. Furthermore, as Mining and Metal companies expand production facilities to more remote areas and developing regions, they are often cast in the role of providers of basic community services such as water, electricity, health and education (CIN 1.1).

Company performance

- Cerro Verde's performance in the Community Involvement domain is robust in absolute terms.
- A Community Policy is in place to address Cerro Verde's main responsibilities to the promotion of local social and economic development, and community engagement, social development and economic development measures seem to be in place to uphold this commitment. Finally, the Company reports transparently on taxes and does not operate in jurisdictions considered by the OECD as not compliant on tax transparency rules.
- The Company faces allegations related to tax evasion and is considered to be reactive in this regard.

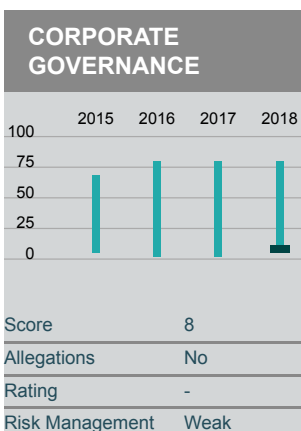


Key issues

Management of fraud and corruption in the Mining and Metal sector is critical as it can erode a company's license to operate through loss of reputation and financial impact. With increased oversight and accountability, companies are increasingly subject to investigations which could eventually lead to significant legal fines. Often in the quest for expanded production and higher returns, operations are being conducted in countries more prone to corruption, and hence greater risk. It is therefore paramount that companies publicly commit to being transparent and engaging in multi-stakeholder processes; and that they have effective internal compliance systems in place to prevent corruption (C&S3.1). Finally, in view of the recent legislative evolutions in the U.S. (Dodd-Frank Section 1502) and discussions in the E.U on conflict minerals, companies' due diligence measures on how they prevent such minerals from entering into supply chain is now analysed in the 'Social standards in the supply chain' (C&S 2.4).

Company performance

- Cerro Verde's performance in the Business Behaviour domain is limited in absolute terms.
- The Company issues a Supplier Code of Conduct to address the 'Integration of social factors in the supply chain' and provides training on this code to its suppliers. When it comes to 'Corruption' and 'Anti-Competition', the Cerro Verde's Business behaviour policy addresses both issues and a confidential hotline is in place for employees to report breaches to this policy; however, no other measure seems to be in place. Finally, 'Responsible lobbying is left unaddressed'.
- No allegations for the Company were identified in the period under review.



Key issues

*** Vigeo recently updated its Corporate Governance evaluation model to better assess the level of integration of environmental and social risk factors in the governance framework. ***



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

- Due to the Company's lack of transparency, Vigeo Eiris' assurance on the Company's ability to manage Corporate Governance issues is low.
- No allegations for the Company were identified in the period under review.

CSR performance per criterion

Detailed Analysis

Environment	11
ENV1.1 Environmental strategy	11
ENV1.2 Pollution prevention and control (soil, accident)	13
ENV1.4 Protection of biodiversity	14
ENV2.1 Protection of water resources	16
ENV2.2 Minimising environmental impacts from energy use	17
ENV2.4 Management of atmospheric emissions	18
ENV2.5 Waste management	19
ENV2.6 Management of local pollution	20
ENV2.7 Management of environmental impacts from transportation	21
Human resources	22
 HRS1.1 Promotion of labour relations	22
HRS2.3 Responsible management of restructurings	24
HRS2.4 Career management and promotion of employability	25
HRS3.2 Improvement of health and safety conditions	27
Human rights	30
HRT1.1 Respect for human rights standards and prevention of violations	30
HRT2.1 Respect for freedom of association and the right to collective bargaining	32
HRT2.4 Non-discrimination	34
Community involvement	36
 CIN1.1 Promotion of the social and economic development	36
Business behaviour (C&S)	39
C&S2.4 Integration of social factors in the supply chain	39
C&S3.1 Prevention of corruption	41
C&S3.2 Prevention of anti-competitive practices	43
C&S3.3 Transparency and integrity of influence strategies and practices	45
Corporate governance	47

CGV1.1	Board of Directors	47
CGV2.1	Audit & Internal Controls	49
CGV3.1	Shareholders	51
CGV4.1	Executive Remuneration	52

 Involvement in allegations  Involvement in allegations with evidence of corrective measures

Environment

Score: 28

ENV1.1 Environmental strategy

(score: 60, weight: 3)



Visibility of commitment to environmental issues

The company has issued a formalised commitment to environmental protection in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Environmental Policy.

Relevance of environmental strategy

The company's commitment to environmental protection is general.

- Pollution prevention and control (soil, accident)
- Protection of biodiversity
- Management of environmental impacts from transportation
- Protection of water resources
- Minimising environmental impacts from energy use
- Management of atmospheric emissions
- Waste management
- Management of local pollution

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Policy is signed by the President.

Environmental Management System

The company has allocated significant resources to environmental management.

- Environmental manual specifying procedures and responsibilities
- Internal audits that assess the effectiveness of the EMS
- Management review of the EMS (at Executive Level)
- Environmental performance measured against targets
- External verification of reporting on environmental performance

The Company has an ISO 14001 certification in place.

Coverage of certified environmental management systems

More than 75% of the company's sites/offices have a certified environmental management system.

Copyright Vigeo Eiris 2018. Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of Vigeo Eiris and is protected by the provision of the French Intellectual Property Code

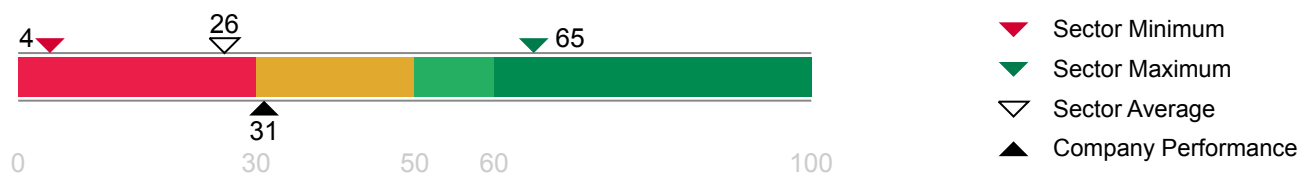
The Company only has one operating site, therefore, certifications cover 100% of the Company.

Leadership	37
Visibility	65
Relevance	30
Ownership	30

Implementation	83
Means & resources	65
Coverage	100

ENV1.2 Pollution prevention and control (soil, accident)

(score: 31, weight: 2)



Relevance of commitments on accidental pollution prevention and control

The company does not disclose any commitment to accidental pollution prevention and control.

Means allocated to accidental pollution prevention and control

No information is available on resources allocated to accidental pollution prevention and control, however the company has some sites with externally certified EMS.

- risk assessment
- specific training
- pollution control audits (f.i. to detect leaks)
- implementation of risk prevention procedures (emergency plans, simulation exercises)
- installation or maintenance of pollution prevention devices (such as containment basins, etc)
- review of historically polluted soil (f.i. to identify remediation needs)

Coverage

The company has allocated resources to pollution prevention and control throughout the company.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

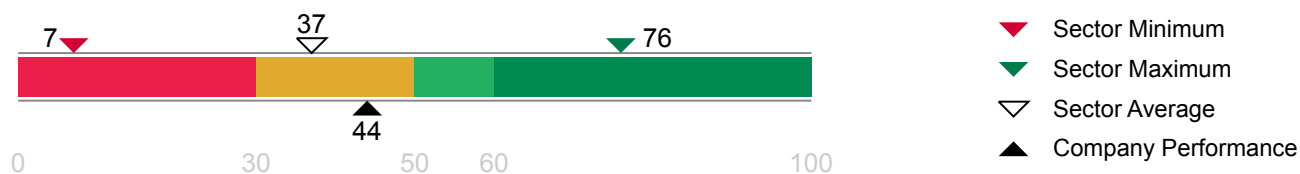
Existence / Reporting of accidental pollution

The company does not disclose data on its environmental incidents and nothing was found in public sources.

Leadership	0	Implementation	58	Results	35
Relevance	0	Means & resources	30	Performance	65
		Coverage	100	Trends	0

ENV1.4 Protection of biodiversity

(score: 44, weight: 3)



Relevance of the commitment

The company does not disclose any commitments to biodiversity protection.

- loss, degradation or fragmentation of ecosystems and habitats
- impact on populations' dynamics
- soil erosion
- impact on watercourses

Ownership of commitment on biodiversity

The commitment applies throughout the company, supported by senior management. In addition, there is a dedicated structure responsible for this issue, and other stakeholders are involved.

The Company has 'Wildlife at Work' and 'Corporate Lands for learning' certifications from the Wildlife Habitat Council, which implies that Cerro Verde has to develop partnerships with local organizations in order to promote environmental education programs .

Managerial tools allocated to biodiversity protection

The company has implemented limited measures to integrate biodiversity in the management of its operations such as:

- Environmental impact assessments and/or risk mapping
- Training relevant managers or employees on biodiversity
- Relevant biodiversity management guidelines
- Monitoring of biodiversity indicators

- The Company has 'Wildlife at Work' and 'Corporate Lands for learning' certifications from the Wildlife Habitat Council, in which Cerro Verde has to provide food, water, shelter, cover and space "suitable to animal needs". Cerro Verde also has a Biodiversity Management Plan which includes various management programs based on information from different management tools, reunions with specialists and studies published in scientific magazines.
- Cerro Verde monitors UINC species affected by operations, land perturbed or rehabilitated and areas where flora and fauna have been re-introduced.

Local measures taken to protect biodiversity on operation sites

The company has implemented most relevant resources to limit the impacts of its operations on biodiversity, including:

- creation of new habitats or buffer areas for relocation of disturbed species
- adaptation of the operations schedule so as to minimise disturbance to wildlife
- land rehabilitation programmes during and/or after operations
- biodiversity offsets

- The Company has re-located flora and fauna (lizards) in over 120 hectares.
- Cerro Verde has management and protection of different plant species within its sites, as well as restriction and signals in relevant habitat rehabilitation zones.

- While Cerro Verde states that it has not yet rehabilitated any hectares of surface, they do have a Closure Plan which includes land rehabilitation after operations.

Coverage of means allocated to biodiversity protection The company has taken such measures throughout the company.

Results with regard to biodiversity protection

Information obtained from company and public sources regarding biodiversity indicators on its sites of operations is insufficient

Stakeholders' feedback

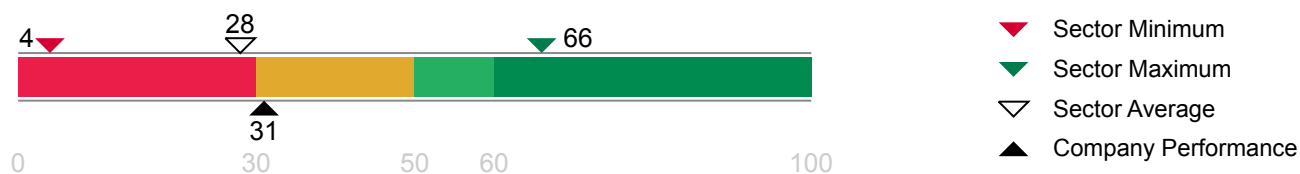
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Leadership	20	Implementation	76	Results	35
Relevance	0	Means & resources	65	Performance	65
Ownership	100	Coverage	100	Trends	0

ENV2.1 Protection of water resources

(score: 31, weight: 3)



Relevance of the company's commitment in terms of reducing its water consumption

The company does not disclose any commitment with regard to its water consumption.

Relevance of the company's commitment in terms of reducing its water emissions.

The company does not disclose any commitment with regard to its water emissions.

Means allocated

The company works to optimize its production processes to reduce water consumption and/or pollution.

- The Company has Residual Water Treatment Plants in place. Additionally, volume of water recycled or reused accounts for 89% of total water used. Finally, Cerro Verde monitors its water consumption.

Coverage

The company has taken such measures throughout the company.

Water consumption

Information obtained from company and public sources regarding water consumption is insufficient.

Suspended solids discharged into water

The company does not disclose quantitative data on suspended solids discharged into water.

Heavy metals* discharges into water

The company does not disclose quantitative data on heavy metals discharges into water.

Stakeholders' feedback

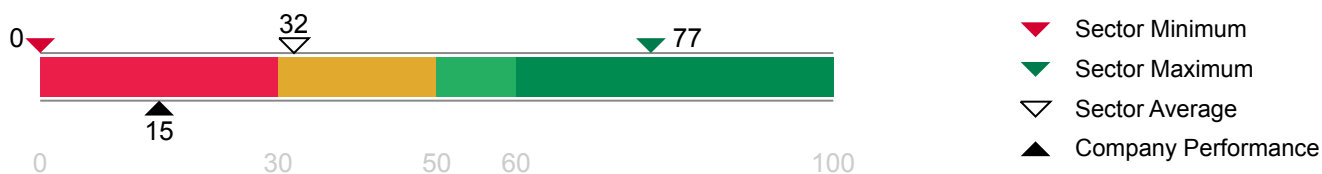
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	79	Results	15
Relevance	0	Means & resources	65	Performance	15
		Coverage	100		

ENV2.2 Minimising environmental impacts from energy use

(score: 15, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company does not disclose any commitment with regard to its energy consumption.

Relevance of the company's commitment in terms of reducing its GHG emissions.

The company does not disclose any commitment with regard to its GHG emissions.

Means allocated.

The company has set up monitoring systems for its energy consumption and/or its GHG emissions.

Coverage

The company has taken such measures at a majority of the company's sites.

Energy consumption

Information obtained from company and public sources regarding energy consumption is insufficient.

GHG emissions (direct AND indirect*, when applicable)

The company does not disclose quantitative data on GHG emissions (direct and indirect).

Leadership	0
Relevance	0

Implementation	44
Means & resources	30
Coverage	65

Results	0
Performance	0

ENV2.4 Management of atmospheric emissions

(score: 15, weight: 3)



Relevance of the company's commitment in terms of reducing its atmospheric emissions.

The company does not disclose any commitment with regard to its atmospheric emissions.

Means allocated

The company has set up monitoring systems for its atmospheric emissions.

Coverage

The company has taken such measures at a majority of the company's sites.

Volatile Organic Compounds (VOC) emissions

Information obtained from company and public sources regarding VOC emissions is insufficient.

Emission of substances responsible for acid rain: SO₂, NOx, Fluorides (HF), Chlorides (HCl)

Information obtained from company and public sources regarding emissions of substances responsible for acid rain is insufficient.

Persistent Organic Pollutant* (POP) emissions

The company does not disclose quantitative data on Persistent Organic Pollutant emissions.

Emissions of carbon monoxide (CO)

The company does not disclose quantitative data on CO emissions.

Leadership	0	Implementation	44	Results	0
Relevance	0	Means & resources	30	Performance	0
		Coverage	65		

ENV2.5 Waste management

(score: 20, weight: 3)



Relevance of the company's commitment with regard to its non-hazardous waste production. The company does not disclose any commitment with regard to its non-hazardous waste production.

Relevance of the company's commitment to reducing its hazardous waste production. The company does not disclose any commitment with regard to its hazardous waste production.

Means allocated to waste management The company has set up monitoring systems for its waste production.

Coverage The company has taken such measures at a majority of the company's sites.

Non-hazardous waste generated Information obtained from company and public sources regarding non-hazardous waste is insufficient.

Waste treatment / recycling Information obtained from company and public sources regarding waste treatment is insufficient.

Hazardous waste generated Information obtained from company and public sources regarding hazardous waste 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.
As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	44	Results	16
Relevance	0	Means & resources	30	Performance	22
		Coverage	65	Trends	0

ENV2.6 Management of local pollution

(score: 29, weight: 3)



Relevance of the company's commitment to reducing its local pollution

The company does not disclose any commitment to reducing its local pollution sources.

- Noise and/or vibrations
- Dust and/or heavy metals
- Landscape aesthetics

Means allocated

The company has limited measures in place to reduce its local pollution.

Water is used in roads to prevent emissions of dust to the atmosphere. Additionally, Cerro Verde states that it has implemented noise and vibrations monitoring in its surrounding communities after some complaints from neighbourhoods about these.

Coverage

The company has taken such measures throughout the company.

Dust emissions (and related metal emissions into the air)

The company does not disclose data on dust emissions at the company's sites.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Leadership	0	Implementation	58	Results	28
Relevance	0	Means & resources	30	Performance	28
		Coverage	100		

ENV2.7 Management of environmental impacts from transportation

(score: 0, weight: 2)



Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products and/or raw materials

The company does not disclose any commitment with regard to the environmental impacts related to the transport of its products and/or raw materials.

Means allocated to minimising the environmental impacts

Information obtained from company and public sources regarding means allocated to minimising the environmental impacts related to the transport of its products is insufficient.

- Measures to reduce pollution (car maintenance, alternative fuels, driver training, etc.)
- Rationalisation of transport flows
- Improvement of production transport mix (alternatives to road transport)
- External evaluation of the impacts of product transportation and logistics supply chain

Coverage

Information obtained from company and public sources regarding the percentage of sites/products covered by such actions is insufficient.

Energy consumption or CO2 emissions related to transportation

The company does not monitor energy consumption or CO2 emissions from transportation.

Trend in transport mix

Information obtained from company and public sources regarding the company's transport mix is insufficient to determine a trend.

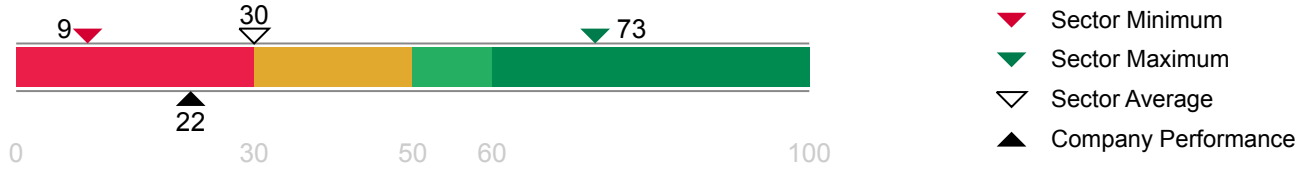
Leadership	0	Implementation	0	Results	0
Relevance	0	Means & resources	0	Performance	0
		Coverage	0	Trends	0

Human resources

Score: 35

HRS1.1 Promotion of labour relations

(score: 22, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to promote labour relations in its:

Human Rights Policy.

Relevance of commitment

The company's commitment to promote labour relations is general.

Ownership of commitment

The company does not disclose any commitment to promotion of labour relations.

The company has signed an International Framework Agreement with a global union, covering social dialogue issues

Coverage of employee representative bodies

Information obtained from company and public sources regarding the percentage of sites where employee representation structures are in place is insufficient.

Subjects covered by collective bargaining

Information obtained from company and public sources regarding the subjects covered in collective bargaining is insufficient.

- health & safety
- CSR issues
- remuneration
- working hours
- training
- career development
- work time flexibility
- employability/life long learning
- stress management
- equal opportunities

Employee representative bodies in countries with restrictive legislation

Information obtained from company and public sources regarding how the company promotes employee representation in countries with restrictive legislations is insufficient.

Stakeholders' feedback

A review of stakeholders' sources revealed that the Company is involved in isolated or occasional controversies of minor or significant severity

As of 06/2018, Sociedad Minera Cerro Verde was involved in 1 controversy

- Case 1 (31/03/2017): Workers obtaining improved healthcare benefits and early payment of share profit after a 3-weeks strike at Cerro Verde

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is reactive

For each of the above mentioned cases, Sociedad Minera Cerro Verde's response is considered:

- case 1: The company is reactive: the Company has agreed to settle the case

The analysis of Sociedad Minera Cerro Verde management of each case is available in Vigeo's controversy profile.

Coverage of collective agreements on working conditions

Collective agreements on working conditions cover between 51 and 75% of its employees.

Collective Agreements cover 69% of employees.

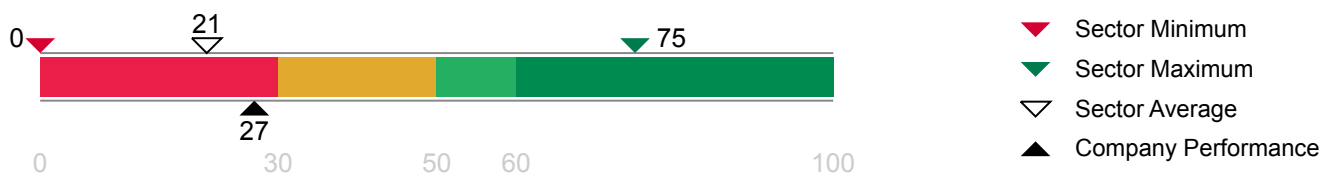
Leadership	28
Visibility	65
Relevance	30
Ownership	0

Implementation	0
Means & resources	0
Scope	0
Coverage	0

Results	39
Performance	39

HRS2.3 Responsible management of restructurings

(score: 27, weight: 2)



Relevance of commitment to manage reorganisations responsibly The company does not disclose any commitment to manage reorganisations responsibly.

Involvement with employee representatives The company does not disclose any commitment to inform and consult employee representatives on reorganisations.

Means allocated to prevent and manage reorganisations Information obtained from company and public sources regarding measures allocated to prevent and manage reorganisations is insufficient.

- significant financial compensation
- early retirement
- reduction of labour time
- internal mobility programme
- outplacement services
- individualised follow-up of employees
- re-training

Coverage Information obtained from company and public sources regarding the percentage of sites where such measures are taken is insufficient.

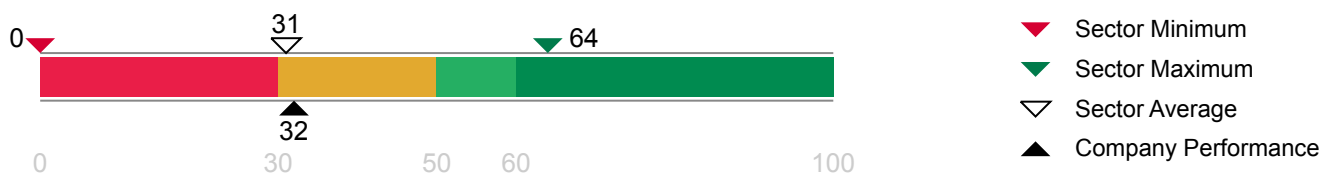
Stakeholders' feedback A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.
As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Result of the company's commitment to manage reorganisations responsibly *Employment has increased over the past three years, and no evidence of reorganisations has been found.*

Leadership	0	Implementation	0	Results	81
Relevance	0	Means & resources	0	Performance	81
Ownership	0	Coverage	0		

HRS2.4 Career management and promotion of employability

(score: 32, weight: 2)



Visibility of commitment

The company makes some general statements promoting career management and training in its:

Sustainability Report.

Relevance of commitment

The company's commitment to promoting career management and training is general.

- Ensure training, life-long learning and employability
- Promote career development
- Anticipate long-term employment needs and skill requirements (ageing workforce)
- Put in place a concerted career management framework, which is transparent and individualized

Ownership of commitment

It is unclear whether the Head of HR is part of the company's Board or Executive Committee and/or whether line managers are evaluated on their performance in terms of HR management.

Career management systems

Information obtained from company and public sources regarding means allocated to career management systems is insufficient.

Coverage of career management systems

Information obtained from company and public sources regarding the percentage of employees that benefit from such systems is insufficient.

Types of training provided to non-managers

The training programmes are aimed at adapting employees' skills to the requirements of their current position and also enable them to develop additional skills.

Some of the trainings given to employees cover Environment, Languages, Leadership skills and others.

Means allocated to training for all employees

Information disclosed on performance indicators related to training per employee is insufficient.

Mobility / turnover

The company does not disclose quantitative data on performance indicators such

as employee turnover or mobility rates.

Training delivered during the year under review

All the company's employees received training during the year under review.

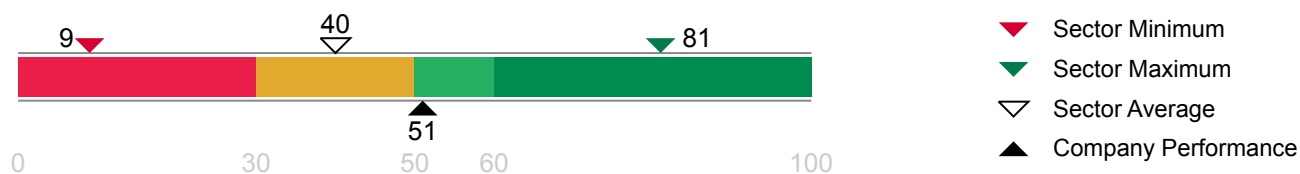
Leadership	21
Visibility	30
Relevance	30
Ownership	0

Implementation	16
Means & resources	0
Scope	65
Coverage	0

Results	60
Performance	60

HRS3.2 Improvement of health and safety conditions

(score: 51, weight: 3)



Visibility of health & safety commitments.

The company has made a formalised commitment to health and safety issues in its: *Health & Safety Policy.*

Relevance of commitment

The company's commitment addresses its main responsibilities:

- Ensure awareness about health and safety issues
- Reduce the number of work accidents and their severity
- Promote health & safety within subcontractors
- Prevent occupational disease
- Reduce stress/promote well-being
- HIV/AIDS programs for employees (only for mining companies)

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, employee representatives are involved at group level. *A joint employee committee is in place to address occupational health & safety.*

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system:

- Training/awareness raising and prevention programmes
- Internal monitoring
- Internal H&S audits
- Risk assessments
- H&S competitions
- Remuneration based on H&S performance
- OHSAS 18001 certifications

The Company has OHSAS 180001 certifications in place. Additionally,

Scope of means

The company addresses some of the occupational health and safety issues identified in the sector

- Physical injury
- Noise (leading to induced hearing loss)
- Dust (leading to lung/respiratory disorders such as silicosis, asbestos, asthma,...)
- Exposure to toxic substances (leading to skin disorders, intoxication, internal organ system damage)

- Ergonomics (leading to Muscular skeletal disorders such as repetitive motion, tendonitis, carpal tunnel syndrome)
- Road safety
- Other (aids, heat stress, hypothermia)

Coverage of health and safety system

The health and safety measures cover most of the company's employees and contractors/company sites

Means allocated to reduce stress at work

Information obtained from company and public sources regarding means allocated to reduce stress is insufficient.

- Employee assistance programme / hotline (stress only)/counselling
- Monitoring of absenteeism/rate of occupational disease; assessment of stress through analysis of internal H&S data
- Stress management training
- Awareness campaigns and information
- Job redesign (work organisation)
- Detection of stress: Identification of stress sources/risks assessments
- Avoidance of overtime
- Employee oriented flexibility (work/life balance)
- Employee participation tools (opinion surveys, dedicated teams, workshops)

Coverage of means allocated to address mental health

Information obtained from company and public sources regarding the percentage of employees that benefit from means allocated to address mental health is insufficient.

Accident frequency rate

Total recordable injury frequency rate has decreased by 9% over the past three years, to stand at 0.42 in 2016. These figures currently stand below sector average.

Accident severity rate

The company does not disclose quantitative data on accident severity rates.

Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

Fatality rate

The company does not disclose quantitative data on fatality rates

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Sociedad Minera Cerro Verde

ISIN CODE: PEP646501002 Mining & Metals Emerging Market

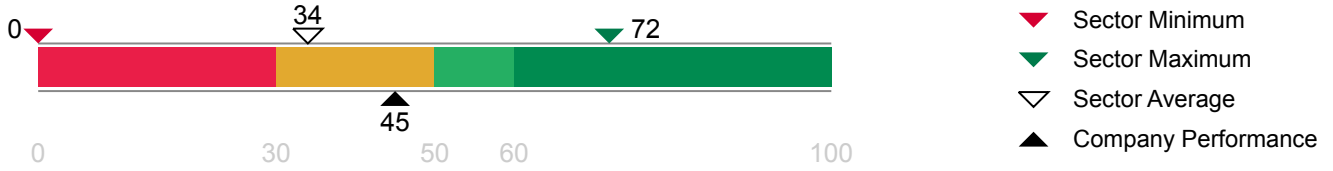
Leadership	77	Implementation	46	Results	29
Visibility	65	Means & resources	39	Performance	29
Relevance	65	Scope	30		
Ownership	100	Coverage	67		

Human rights

Score: 37

HRT1.1 Respect for human rights standards and prevention of violations

(score: 45, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.
- The company is a signatory of the U.S./U.K. Voluntary Principles on Security and Human Rights

Human Rights Policy.

Relevance of commitment

The company's commitment to respect and promote human rights in society addresses only part of its responsibilities:

- respect the right to personal security
- respect property rights and resettlement
- prevent cruel, inhuman, or degrading treatment
- prevent complicity in human rights violations
- respect indigenous people rights
- use of security forces
- respect the right to Free Prior and Informed Consent

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

While the Company states that this policy has been modified by the Board of Directors, the policy in itself has not been signed.

Means allocated

The company has allocated some measures to ensure the respect and promotion of human rights in society that includes

- human rights awareness-raising programmes for employees
- grievance mechanisms
- external investigation of human rights allegations
- external human rights audits/verification
- human rights training programmes for employees
- occasional human rights impact assessments
- regular human rights impacts assessments
- internal human rights audits
- training and awareness-raising programmes for security forces

Copyright Vigeo Eiris 2018. Reproduction of this content (documents, graphs and images) in whole or in part are prohibited without the express written authorization of Vigeo Eiris and is protected by the provision of the French Intellectual Property Code

- including human rights into contracts with private security agencies
- indigenous peoples consultation
- resettlement and compensation plan

- During 2016, 83% of Industrial Protection employees and 100% of Private Security contractors were trained in Human Rights and Voluntary Principles. All new employees also received material on Human Rights and internal regulations.
 - Additionally, during 2016 Cerro Verde started its first steps for doing a Human Rights Impacts Assessment.

Coverage of the measures

The company has set up such systems in all of its operations facing the highest risks in terms of human rights abuses.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

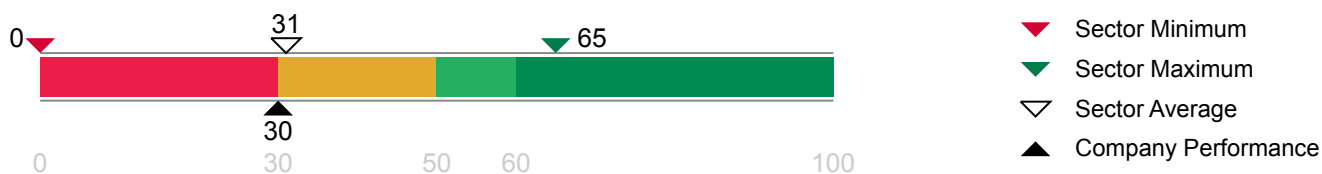
Leadership	25
Visibility	65
Relevance	30
Ownership	0

Implementation	44
Means & resources	30
Coverage	65

Results	65
Performance	65

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 30, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Human Rights Policy.

Relevance of commitment

The company's commitment addresses some of its responsibilities:

- protection of freedom of association and the right to organize
- respect of the right to collective bargaining
- respect and protection of workers' representatives
- explicit support for ILO Conventions C87, C98, C135 ,or similar international texts on union rights
- prevent employee representative discrimination
- guarantee the effective exercise of the trade unions rights in the workplace
- prevent violations of the freedom of association and the right to organize

Ownership of commitment

The company does not disclose any commitment to freedom of association and the right to collective bargaining.

- The company has signed an International Framework Agreement and/or another groupwide agreement with a Global Union Federation. (covering non-discrimination)

While the Company states that this policy has been modified by the Board of Directors, the policy in itself has not been signed.

Monitoring

It is not clear what steps the company takes to ensure that freedom of association is respected throughout the company's operations (e.g.: through external verification, risk mapping, audits, etc.)

- Occasional risk mapping
- Occasional internal audits
- On-going monitoring of labour rights risks
- Regular internal audits
- External audits/verification
- External investigation of allegations
- Cooperation with unions: joint audits, joint grievance procedures etc.

Promotion of collective bargaining and freedom of association

Information obtained from company and public sources regarding measures in place to inform employees about their trade union rights is insufficient.

- Introductory training; awareness raising campaigns

- Reference in employee contract to labour rights
- Means allocated to employees representatives in order they can exercise their function
- Dedicated intranet for all employees
- Infrastructure/time to exercise these rights
- Collaboration with trade unions on the promotion of labour rights

Coverage

Information obtained from company and public sources the percentage of the company where such labour rights systems and programmes are in place 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.

As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

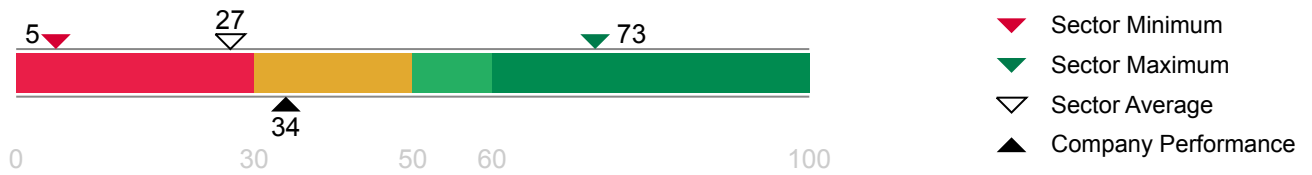
Leadership	25
Visibility	65
Relevance	30
Ownership	0

Implementation	0
Means & resources	0
Coverage	0

Results	65
Performance	65

HRT2.4 Non-discrimination

(score: 34, weight: 2)



Visibility of commitment

The company has made references to non-discrimination in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Sustainability Report.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines some of the categories at stake for the sector:

- gender
- sensitive medical conditions (e.g. AIDS)
- trade union membership or activities
- other (please define)
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)
- race / ethnicity / nationality
- social background
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

- The company has signed an International Framework Agreement and/or another groupwide agreement with a Global Union Federation. (covering non-discrimination)

Means allocated

The company has set up basic measures to prevent discrimination and promote diversity:

- Awareness raising campaigns
- Maternity pay (greater than the statutory requirement)
- Paternity pay (greater than the statutory requirement)

- Job sharing initiatives
- Child care facilities/child care subsidies
- Monitoring of salary disparities
- Non-discrimination and diversity training
- Monitoring
- Confidential reporting system / grievance procedures
- Disciplinary procedures / corrective measures
- Affirmative action programmes
- Flexitime
- Career break opportunities

- During 2016, four complaints were handled to the Human Rights Department associated with discrimination and verbal abuse.
- The Company monitors its gender balance.

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) in a majority of its operations.

Results in terms of gender distribution

The company only publishes indicators over the past two years, but the share of women in management positions has increased over that time.

Women in Management positions have increased by 3 percentage points in the past year, to stand at 24.2% in 2017.

Results in terms of ethnic origin / race distribution

The company does not disclose quantitative data on performance indicators such as the share of employees from ethnic minorities.

Results in terms of employment of disabled persons

The company does not disclose quantitative data on performance indicators such as the share of disabled persons in the total workforce.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

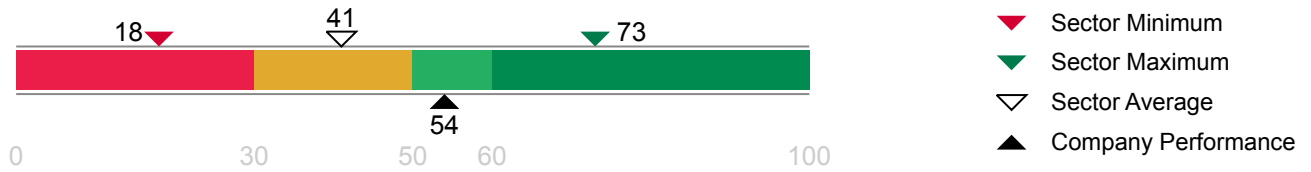
Leadership	30	Implementation	48	Results	24
Visibility	30	Means & resources	30	Performance	65
Relevance	30	Coverage	65	Trends	10
Ownership	30				

Community involvement

Score: 54

CIN1.1 Promotion of the social and economic development

(score: 54, weight: 3)



Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its:

Community Policy.

Relevance of commitment

The company's commitment to promote local social and economic development addresses its main responsibilities:

- Promote the creation and development of local businesses
- Promote the employment and training of local personnel
- Promote the transfer of technology and skills to developing countries
- Reduce the social impacts related to site closures, openings, and restructuring
- Implement a responsible tax strategy
- Engage with local communities

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Policy has been signed by the President.

Means allocated

The company has allocated significant means to address social and economic development, including:

- Social development initiatives (health, education,...)
- Economic development initiatives (support to local businesses/local suppliers/ local workforce/infrastructure)
- Community engagement
- Other relevant measures to mitigate negative impacts of activities and/or site closure and restructurings

- Cerro Verde has Permanent Information Departments (PID) located in Arequipa, Uchumayo and Yarabamba, and monthly newsletters are distributed in the latter two sites. Additionally, the Company meets directly with community leaders and gives trainings and expositions.
 - Cerro Verde, along with Arequipa's regional government, has started subsidizing post graduate studies programs for teachers in the Arequipa region.
 - The Company has started program called "Dream Builder: Business creation for Women" that aims to train and certificate women on the Arequipa region by providing abilities to generate and expand their businesses.

Community engagement and social impact assessment

The company engages with local stakeholders and has set up a system to assess the impact of its operations on local development that includes:

- Social impact assessments (before, during and after exploitation)
- Training and/or awareness raising
- Grievance mechanisms
- Community consultation

- An Environmental and Social Impact Assessment took place during 2016 to foresee the social impacts that the expansion on Cerro Verde's operations might have.

- Cerro Verde states that it recognizes and consults communities about management and environmental impacts issues.

Geographical coverage

Most of the company's sites have been covered by these measures.

Performance trend

The company does not report indicators on social and economic development.

Transparency of tax reporting

The Company reports significantly on taxes paid. Reporting covers:

- taxes paid in some countries of operations
- taxes paid in some regions of operations
- taxes paid in key regions of operations
- taxes paid in key countries of operations
- sales per zone
- operating profit per zone
- number of employees per zone
- ratio between tax paid and headline corporate tax rate per zone
- explanation for significant differences between tax rate actually paid and expected tax rate

Presence in IMF 'offshore financial centers' and/ or in jurisdictions considered by the OECD as not compliant enough with tax transparency rules

The Company does not operate in any location considered by the IMF as 'offshore financial centres' and/ or in jurisdictions considered by the OECD as not compliant enough on tax transparency rules

The Company only has operations in Peru.

 **Stakeholders' feedback**

A review of stakeholder sources revealed that the Company is involved in isolated or occasional controversies of high or critical severity

As of 06/2018, Sociedad Minera Cerro Verde was involved in 1 controversy

- Case 1 (01/08/2017): Cerro Verde to pay EUR 129 million in royalties to Arequipa region

A complete analysis of the severity of each case mentioned is available in Vigeo Controversy Product.

Company's responsiveness

Overall, the company is reactive

For each of the above mentioned cases, Sociedad Minera Cerro Verde's response is considered:

- case 1: The company is reactive: the Company reports in a detailed way on its position to the case

The analysis of Sociedad Minera Cerro Verde management of each case is available in Vigeo's controversy profile.

Leadership	56
Visibility	65
Relevance	65
Ownership	30

Implementation	74
Means & resources	65
Scope	65
Coverage	100

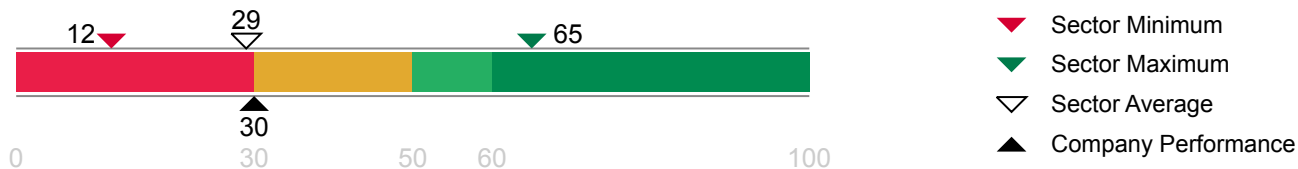
Results	32
Performance	40
Trends	0

Business behaviour (C&S)

Score: 37

C&S2.4 Integration of social factors in the supply chain

(score: 30, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its:

Code of Conduct for Suppliers.

Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Freedom of association and right to collective bargaining
- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Decent wages
- Working hours
- Health and Safety
- Responsible sourcing from conflict areas
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

It is unclear who is responsible for the company's commitment or to which parts of the company it applies.

Means allocated to integrate social factors into supply chain management

The company has set up some measures to include social factors in supply chain management:

- integration of social issues into contractual clauses
- supplier questionnaires
- supplier support (training, technical assistance, etc.)
- training/awareness raising of employees in charge of purchasing
- assessment of social risks linked to existing or potential suppliers

- The Company trains its suppliers on its Supplier Code of Conduct.

Audits of suppliers

Information obtained from company and public sources regarding social audits of suppliers is insufficient.

Coverage (refers to audits of suppliers)

Information obtained from company and public sources regarding social audits of suppliers is insufficient.

Coverage of measures to integrate social factors into the supply chain

The measures implemented cover only a very limited number of purchases/suppliers.

Only 30 suppliers have been trained, out of over 2100 suppliers of the Company by the year 2016.

Due diligence measures for conflict free supply chain

Information obtained from company and public sources regarding due diligence measures to prevent conflict minerals from entering in the supply chain is insufficient.

- Chain of custody tracking and/or traceability (at mines, trading centers, transportation routes, artisanal miners, suppliers)
- On site audits by an accredited third party auditor
- Certification of chain of custody by third party
- Transparency (making reporting online available/answer to customer inquiries)
- Cooperation with stakeholders (NGO, local networks, sector peers) to build capacities in this field.

Reporting on suppliers' non-compliance with social standards

The company does not disclose quantitative data on its suppliers' non-compliance of its suppliers with social standards.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

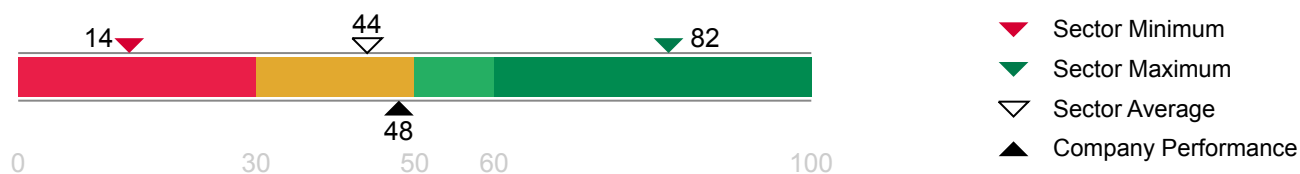
Leadership	46
Visibility	65
Relevance	65
Ownership	0

Implementation	9
Means & resources	13
Coverage	0

Results	35
Performance	35

C&S3.1 Prevention of corruption

(score: 48, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to preventing corruption in its:

- The company is a signatory of the Global Compact and communicates on this principle.
- The company is a signatory of the Global Compact but does not communicate on this principle.

Anti-Corruption Policy and its Business Behaviour Policy.

Relevance of commitment

The company's commitment to preventing corruption addresses its main responsibilities:

- giving / receiving bribes
- restriction of facilitation payments
- gifts and invitations
- extortion
- fraud
- embezzlement
- money laundering
- conflicts of interest
- financing of political parties
- prohibition of facilitation payments

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Policy has been signed by the President.

Involvement of employees

The company has instituted formal training programmes for relevant employees on corruption prevention.

Employees that have (or can potentially have) contact with governmental entities or public figures are trained annually on the reach of the Anti-Corruption Policy and the use of the tools that this policy offers.

Means allocated

The company has set up internal controls to prevent corruption, that include:

- approval procedures for gifts, etc. by an independent department
- external audits (by an independent, external specialised organisation)
- external investigations of allegations
- the possibility to contact internal audit, legal or compliance departments directly

& confidentially

- a dedicated confidential hotline or email address
- internal audits (internal verification of compliance with the company's code of conduct etc.)
- risk assessment of company vulnerability
- due diligence on joint ventures
- due diligence in evaluating contracts/suppliers
- systems for appointment/remuneration of agents
- identify and black list known bribe payers

- A Diligence platform has been created under the FCPA, which allows the company to identify areas of risks related to corruption.

- Any employee might report breaches to the Business Behaviour Policy anonymously if necessary.

Coverage

The measures implemented cover all significant parts of the company.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Reporting

The company does not disclose any quantitative data on the number or nature of corruption incidents reported internally.

Leadership	58	Implementation	44	Results	43
Visibility	65	Means & resources	50	Performance	43
Relevance	65	Coverage	30		
Ownership	30				

C&S3.2 Prevention of anti-competitive practices

(score: 42, weight: 1)



Visibility of commitment

The company has issued a formalised commitment to prevent anti-competitive practices in its:

Business Conduct Policy.

Relevance of commitment

The company's commitment to preventing anti-competitive practices addresses its main responsibilities:

- Price fixing
- Collusion tenders
- Output restrictions or quotas
- Market sharing

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

The Policy has been signed by the President.

Involvement of employees

Information obtained from company and public sources regarding reporting involvement of employees in preventing anti-competitive practices is insufficient.

Means allocated

The company has set a reporting system to prevent anti-competitive practices that include:

- internal audits (internal verification of compliance with the company's code of conduct etc.)
- approval procedures for contract prices etc. by an independent department
- the possibility to contact internal audit, legal or compliance departments directly & confidentially
- a dedicated confidential hotline or email address
- external audits (by an independent, external specialised organisation)
- external investigations of allegations
- risk assessment of vulnerability areas within the company

- Any employee might report breaches to the Business Behaviour Policy anonymously if necessary through FCX's hotline.

Coverage

The measures implemented cover all significant parts of the company.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Reporting

The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.

Leadership	58	Implementation	24	Results	43
Visibility	65	Means & resources	20	Performance	43
Relevance	65	Coverage	30		
Ownership	30				

C&S3.3 Transparency and integrity of influence strategies and practices

(score: 12, weight: 1)



Visibility towards stakeholders

The visibility of the company's commitment to ensuring transparency and integrity of lobbying practices is insufficient.

Comprehensiveness of the commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

- to prevent any contrast with public international conventions (UN, ILO, OECD)
- not obtain or try to obtain information, or any decision, dishonestly
- not to misrepresent themselves to mislead third parties and/or staff of public authorities
- openly declare the company's business interests
- ensure that information provided is up-to-date, complete and not misleading
- not induce staff of PA to contravene rules of behaviour applicable to them
- if the company employs former staff of PA, to respect their obligation of confidentiality
- to be transparent on the amounts of donations to political parties/organisations

Ownership of commitment

The company does not disclose any commitment to ensuring transparency and integrity of lobbying practices.

Involvement of employees

Information regarding the involvement of employees in ensuring transparency and integrity of lobbying practices is insufficient.

Measures allocated

Information regarding measure allocated to ensure transparency and integrity of lobbying practices is insufficient.

- publication of detailed information on lobbying activities
- approval procedures for gifts, travel or other privilege by an independent department
- a dedicated confidential hotline or email address
- internal monitoring for lobbying budget
- internal audits for lobbying activities
- independent party for monitoring lobbying budget/external audit
- external investigations of allegations
- disclosure of the positions in the period of preparation of a debate and during the debate

Coverage

Information regarding the percentage of the company covered by such controls and measures is insufficient.

Reporting

The company does not disclose the budget directly and indirectly dedicated to lobbying practices.

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

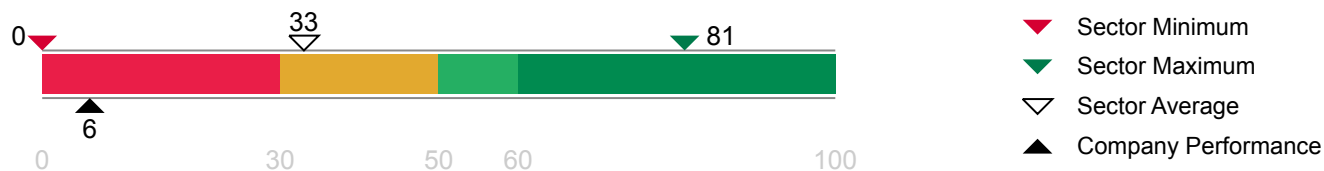
Leadership	0	Implementation	0	Results	35
Visibility	0	Means & resources	0	Performance	35
Relevance	0	Coverage	0		
Ownership	0				

Corporate governance

Score: 8

CGV1.1 Board of Directors

(score: 6, weight: 3)



[LISTED COMPANIES] Existence and independence of Nomination Committee

Information disclosed on this subject is insufficient or not relevant.

Independence of the Board Chairman

The roles of Chairman and CEO are combined and there is no senior independent director.

Responsibility allocated over CSR issues

The Head of CSR department/functions reports directly to the CEO/Board.

A sustainable development committee seems to be in place, however it does not include members of the board of directors.

Share of independent shareholder-elected Board members

The Board is between 0 and 20% independent, which might raise concerns. All members of the 5-member Board are executives of Cerro Verde or one of its parent companies.

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

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

Information obtained from company and public sources regarding the regular election of board members is insufficient.

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

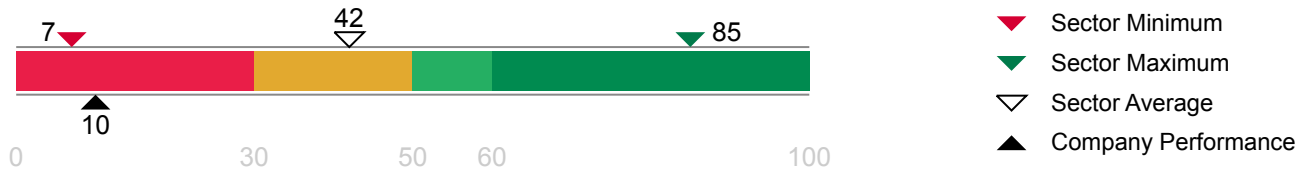
Regularity of and attendance at Board meetings

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
Harry Conger		X											Executive of parent company.	
Derek Cooke	President	X											Executive of parent company.	
Rohn Householder		X												
Hiroshi Asahi		X											Executive of parent company.	
Victor Gobitz		X											Executive of parent company.	

CGV2.1 Audit & Internal Controls

(score: 10, weight: 2)



[LISTED COMPANIES] Existence and independence of Audit Committee Information disclosed on this subject is insufficient or not relevant.

Skills and backgrounds of Audit Committee members Information disclosed on this subject is insufficient or not relevant.

Information disclosed on this subject is insufficient or not relevant.

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

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

Information obtained from company and public sources regarding the role of the Audit Committee in overseeing the internal controls system is insufficient.

Role of the Audit Committee in overseeing internal and external controls

- 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

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

Management of the CSR risks

- 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

Information obtained from company and public sources regarding the independence of the firm's external auditors is insufficient.

Inclusion of CSR issues in the company's reporting

The company publishes significant CSR reporting on key material issues.

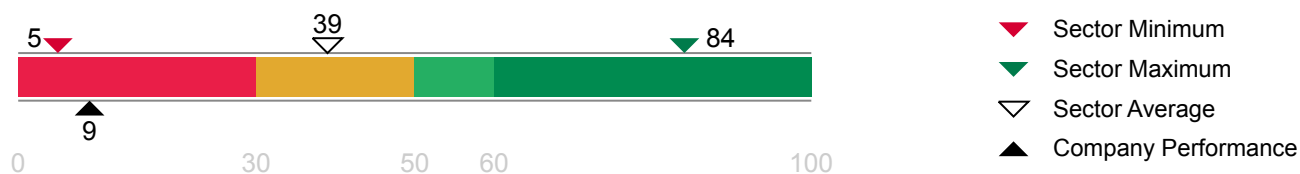
Stakeholders' feedback

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

As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

CGV3.1 Shareholders

(score: 9, weight: 2)



Nonexistence of voting rights restrictions Information disclosed on voting rights restrictions is insufficient or not relevant.

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 Information obtained from company and public sources, regarding the ability to add items to the agenda of the AGM and to convene an EGM, is insufficient.

Access to voting at General Meetings Information obtained from company and public sources regarding the access to voting at the AGM is insufficient.

Ability to vote on relevant issues in separate resolutions at AGM Information obtained from company and public sources, regarding which items are customarily put to a vote at the AGM, is insufficient.

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

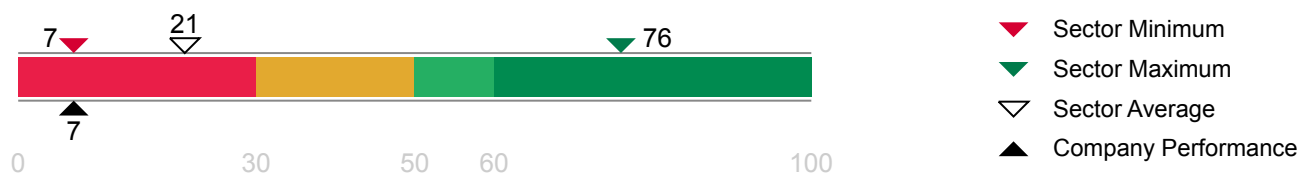
- Presentation of CSR strategy to shareholders and investors**
- Business ethics
 - Human capital
 - Community issues
 - Environment
 - Human rights

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 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

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.

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

As of 06/2018, Sociedad Minera Cerro Verde did not appear to be involved in any controversy related to this sustainability driver

Detailed Scores and Ratings

CURRENT AND PREVIOUS RATINGS

Period	Environment	Human resources	Human rights	Community involvement	Business behaviour (C&S)	Corporate governance
2018/08	=	=	=	+	=	-

SCORES PER DOMAIN

Domain	Average Score	Leadership	Implementation	Results
Environment	28	7	56	14
Human resources	35	37	19	50
Human rights	37	26	29	55
Community involvement	54	56	74	32
Business behaviour (C&S)	37	46	25	40
Corporate governance	8	3	3	17

SCORES PER CRITERIA

Sub-domain	Criterion	Score
Environment 1	1	60
	2	31
	4	44
Environment 2	1	31
	2	15
	4	15
	5	20
	6	29
Human resources 1	1	22
	3	27
	4	32
Human resources 2	2	51

Sub-domain	Criterion	Score
Human rights 1	1	45
	1	30
Human rights 2	4	34

Sub-domain	Criterion	Score
Community involvement 1	1	54

Sub-domain	Criterion	Score
Business behaviour (C&S) 2	4	30
	1	48
	2	42
Business behaviour (C&S) 3	3	12

Sub-domain	Criterion	Score
Corporate governance 1	1	6
Corporate governance 2	1	10
Corporate governance 3	1	9
Corporate governance 4	1	7

Contacts

Analyst: Javier Quinteros • javier.quinteros@vigeo-eiris.com
Research Manager: Albert Charlier • albert.charlier@vigeo-eiris.com

Disclaimer

COPYRIGHT VIGEO EIRIS 2018

Vigeo Eiris provides its clients with information and/or analyses or opinion on factual, quantitative or statistical, managerial, economic, financial, governance, social, or technical data, in relation to companies, brands, products or services, assessed individually or with respect to sectors, regions, stakeholders or specific themes.

Vigeo Eiris, its methodology, brand, and employees, shall under no circumstances, be held responsible for any kind of consequence (including economic, financial, or legal) derived from the interpretation of its information, analyses, opinion, scores, and indicators. The terms of use of our products and services and their impacts stem from the sole responsibility of their users.

The above elements (information, indicators, analyses, scores, and opinion) do not include or imply any approval or disapproval on their content from Vigeo Eiris, its executive officers, or its employees. These elements do not represent in any way a guarantee, or reference of legal, moral, philosophical, ethical or religious nature, supporting or opposing any investment or divestment decision, or any standpoint or opinion expressed in favour of, or against companies, products, services, sectors or regions directly or indirectly mentioned in Vigeo Eiris' deliverables. Our deliverables are not, and should not, be considered as a form of financial advice or recommendation. No investment or divestment decision should be attributed to the information or opinion provided by Vigeo Eiris. Our products and services must only be considered as one of the many elements related to the financial decision making process. Vigeo Eiris, its methodology, brand, and employees, shall under no circumstances, be held responsible for any kind of consequence (including economic, financial, or legal) derived from the interpretation of its information, analyses, opinion, scores, and indicators. The terms of use of our products and services and their impacts stem from the sole responsibility of their users.

Overview of the latest updates

Date of the latest update	Information updated
2018/08	Carbon & Energy Transition
2018/08	Full ESG profile