



VOLCAN

SUSTAINABILITY
REPORT

2 0 1 6





VOLCAN
SUSTAINABILITY
REPORT
2 0 1 6

DISCLAIMER

"This document contains accurate and sufficient information about Volcan Compañía Minera S.A.A.'s business activities in 2016. Regardless of the issuer's liability, the undersigned are responsible for the content herein, in accordance with applicable laws."



José Picasso Salinas
Chairman of the Board



Juan Ignacio Rosado Gómez de la Torre
Chief Executive Officer

CONTENTS

PART 1. Letter from the Board Chairman	7	PART 8. Customer Satisfaction	87
PART 2. Important Indicators for 2016	15	PART 9. Supply Chain	91
PART 3. Our Company	21	PART 10. Community Relations Management	97
PART 4. Corporate Governance	47	PART 11. Responsible Environmental Management	111
PART 5. Sustainability Management	53	PART 12. About the Sustainability Report	133
PART 6. Human Resource Management	59	PART 13. GRI G4 Index	139
PART 7. Health and Safety	79		

PART 1

LETTER FROM THE BOARD CHAIRMAN

G4-1



Communities in the area of influence

Dear Shareholders,

For various reasons, 2016 was a very difficult year for the global economy. Those reasons include diverse political events: through a referendum, the United Kingdom decided to leave the European Union (Brexit); voters in Colombia rejected a peace agreement with the FARC; Donald Trump was elected president of the United States for the 2017-2021 term on a protectionist and anti-immigration platform; and the conflict with ISIS (Islamic State of Iraq and Syria) in the Middle East has caused an exodus to the West.

In 2016, the world GDP grew 3.1%, slightly below the GDP of 2015 (3.2%). This reduced pace of growth resulted from deceleration of developed economies such as the United States and the Eurozone as well as a slowdown in emerging economies like China (6.7%) and India (6.6%). International financial markets were highly volatile, particularly in relation to uncertainty about the United Kingdom's Brexit execution strategy, negotiations among oil-producing countries, and the election in the United States. However, after the election and the agreement reached by OPEC countries this uncertainty dissipated. Markets reflected a positive growth outlook for the U.S. economy, based on expectations of greater infrastructure spending and tax reductions; this outlook was also reflected in the second increase since 2008 in the interest rate set by the U.S. Federal Reserve, with another increase by the time this report went to press. In this context, by year end the stock markets saw significant gains¹.

The domestic situation was also affected by political events, with a general election for the 2016-2021 term. After a polarized electoral campaign and by a narrow margin, Pedro Pablo Kuczynski was elected president in the second round. However, the Fuerza Popular party, led by Keiko Fujimori, gained an absolute majority in the Congress, winning 73 of 130 seats. These electoral results set the tone for the second half of the year, which was characterized by friction between the executive and legislative branches. In spite of that, 30 days after the

new government began its term, the Prime Minister received a vote of confidence for the Ministerial Cabinet in its presentation to Congress and the executive branch obtained the delegation of legislative authority to fast-track laws necessary to implement reform in the country. In December 2016 the executive branch enacted 112 legislative decrees affecting different sectors of the country's economy.

In November, the Asia-Pacific Summit (APEC) was held in Lima, bringing together the presidents of member countries including U.S. President Barack Obama, China's President Xi Jinping and Canadian Prime Minister Justin Trudeau, among other important leaders, as well as bankers and investors from the member countries of the Asia-Pacific economic cooperation forum. It is important to mention that after the summit China's president paid an official state visit to Peru, strengthening relations between the two countries. It is also worth noting that President Kuczynski's first official state visit was to China, in September 2016.

In regard to the economy, Peru's GDP grew 3.9% in 2016, faster than the two previous years, as a result of 16.3% growth in the mining and hydrocarbons sector. However, the fishing, construction, and manufacturing sectors contracted by 10.1%, 3.1% and 1.6%, respectively. The current account on the balance of payments, therefore, reflected a smaller deficit, falling from 4.9% of GDP in 2015 to 2.8% of GDP in 2016. This lower deficit caused the Sol to appreciate 1.7%, closing 2016 at 3.36 PEN/USD. It should be noted that in 2016 inflation was 3.2%, higher than the target range of 1.0%-3.0% set by the Central Reserve Bank of Peru.

Growth in the mining sector was stimulated by greater copper production, which rose 38.4% largely as a result of Las Bambas mine in Apurímac coming on line and the expansion of Cerro Verde in Arequipa. In addition, domestic silver production increased by 6.7%, mainly as a result of greater production at Buenaventura's Uchucchacua mine.

¹ Developed economies: U.S. S&P 500 (+ 9.5%), Germany's DAX (+6.9%), Japan's Nikkei 225 (+0.4%), France's CAC 40 (+4.0%), the U.K.'s FTSE 100 (+14.4%), and Spain's IBEX 35 (-2.0%). Emerging economies: Peru's SP/BVL Peru General (+58.1%), Colombia's COLCAP (+17.2%), Chile's IPSA (+12.8%), and Brazil's BOVESPA (+38.9%)

Private investment has fallen over the past five years, mainly because mining investment has been affected by social conflicts, bureaucratic obstacles, lack of authority, and delays in adopting certain political decisions.

It's also important to mention that excessive pressure on tax, labor, environmental, and social issues has limited opportunities for development of the country's mining industry. This, in addition to the damage caused by the Law of Prior Consultation and inefficient use of mining royalties, which should be distributed in line with the needs of each region, has resulted in social conflicts that have yet to be resolved. The result is delayed private investment and higher costs faced by local mining companies.

According to the Fraser Institute's annual survey for 2016, Peru rose only eight positions in the ranking of attractiveness for mining investment, at 28 out of 104 jurisdictions, thanks to substantial improvement in perceptions of the country's geological potential. However, in regard to perception of public policies and practices related to the sector, Peru continues to languish in the middle of the ranking, surpassed by Botswana, Ghana, Chile and Mexico, among other countries. This situation demands greater emphasis on government policies that, in order to take advantage of Peru's mining potential, facilitate investment and guarantee the start-up of important projects including Tía María, Cuajone, Quellaveco, Conga, Río Blanco, Galeno, Michiquillay, and La Granja.

As we said years ago, it is our responsibility to stimulate the country's development since windows of opportunity don't open every day, and we must remember that we compete to attract new investments that ultimately go to countries offering the best conditions. What we've seen is that neighboring countries without a tradition of mining such as Ecuador, Colombia and recently Argentina, under Mauricio Macri's new government, are beginning to position

themselves better to attract investors who will take advantage of their mining potential.

In the second half of 2016, the mining industry saw a significant recovery in prices. Silver closed the year at 16.24 USD/oz., that is, 17.5% higher than the 13.82 USD/oz. at year-end 2015. The price of zinc increased by 60.2%, climbing from 1,600 USD/MT at the end of 2015 to 2,563 USD/MT at year-end 2016. Likewise, the price of lead rose 10.2% from 1,802 USD/MT at year-end 2015 to 1,985 USD/MT at the close of 2016, while copper saw a 17.0% increase to 5,501 USD/MT and gold climbed 8.6% to 1,153 USD/oz. This recovery came about after five years of constant declines in metal prices, which caused a collapse in share prices, stoppages and partial suspensions of operations, decreased operations investments and financial liquidity, and leveraging problems among mining companies.

Several mining firms were forced to sell assets and/or increase their capital. In addition, low metals prices resulted in poor financial results for mining companies and some have had to record significant asset impairments in compliance with international accounting standards.

Amid these difficulties, Volcan obtained satisfactory results with production of 273,000 FMT of zinc, 22.0 million ounces of silver and 52,000 FMT of lead. These represent decreases of 4.1%, 11.4% and 12.3% respectively, compared to 2015. This was primarily due to lower production at the Yauli unit caused by reduced development and preparation at San Cristóbal mine, as well as lower activity at the Carahuacra Norte pit.

It is important to note that drastic measures were taken to reduce costs throughout the Company, resulting in a significant decrease in production costs. These lower costs were due to the implementation, four years ago, of our continuous improvement system, which is an integral part of operational management aimed at

optimizing our mining methods, reviewing the scope and number of subcontractors, reducing consumption of key supplies, and more efficient energy use, among other improvements.

Our unit cost in 2016 was 49.50 USD/MT, 8% lower than the unit cost of 53.70 USD/MT in 2015. This decrease is the result of our continuous improvement system, which is an integral part of operational management.

As a consequence of low prices in the first half of the year, most mining companies around the world were forced to dramatically reduce their investments. Along those lines, investment in our operating units decreased by 5%, from USD 119 million in 2015 to USD 113 million in 2016, while total Volcan investments in 2016, including energy, were USD 122 million, 30% below the USD 174 million in 2015. This decrease was mainly due to completion of construction of the oxide plant and the Rucuy hydroelectric plant.

In 2016, net sales totaled USD 822 million, 3.4% higher than the USD 795 million in net sales in 2015. As a result, Volcan saw a substantial improvement in its financial margins. The Company's gross margin grew to 29%, compared to 17% in 2015, thanks to higher metal prices, lower production costs, and a decrease in sales volume of third-party concentrates, which generate lower margins. EBITDA rose to USD 303 million, compared to USD 225 million in 2015, while net profits were USD 84 million.

With respect to Volcan total reserves, the Company uses geostatistical tools to generate resource block models. These have been applied to almost all mineralized structures in our operating units, enabling improved interpretation and classification of these structures. The current process generates solid reserve models that provide greater support to mining plans.

Volcan has been working on a superior portfolio of prospects and exploration projects in recent years,

notably: Zoraida, Huaytayán and Chumpe at Yauli; Shuco, Rica Cerreña and Piratas de Plata at Cerro; Islay 4 at Chungar; Romina II, Carhuacayán and Condorsenga at Alpamarca; and the Palma greenfield exploration.

IT IS WORTH NOTING THAT IN DECEMBER 2016 NEGOTIATIONS SUCCESSFULLY CULMINATED FOR THE ACQUISITION OF ROMINA II, LOCATED IN PACARAOS DISTRICT, 15 KILOMETERS WEST OF ALPAMARCA MINE.

Romina II is a high-grade polymetallic mineralization project; the main body is Puagjanca and will be treated at the Alpamarca plant.

Looking beyond current projects, and in line with our long-term vision, we continue to systematically evaluate multiple growth opportunities, some based on development of our own concessions and others related to opportunities that arise in the market, both in Peru and other countries.

In 2016, we strengthened our safety management system, but deeply regret the occurrence of three fatal accidents at Yauli involving two subcontractor employees and one Volcan employee. Full investigations were carried out to determine the causes of each incident and corrective measures were taken with an emphasis on supervision, training, and evaluation to strengthen oversight.

In the energy business, Volcan pressed forward with its strategy of investing in hydroelectric generation and a proprietary electricity transmission system to guarantee

a constant, reliable source of power for its operating units. In 2016 Volcan completed construction of the 20-MW (120 GWh/year) Rucuy hydroelectric plant in the Chancay-Huaral basin, with a total investment of USD 50 million. With this latest addition, the Company now has 13 hydroelectric plants in operation with a total generation capacity of 63 MW. The Company's total energy consumption in 2016 was 635 GWh, with maximum power demand of 84 MW. The Company is also continuing to evaluate expansion of the Tingo hydroelectric plant (15 MW) and construction of the Chancay 2 and 3 plants (30 MW).

Volcan's Board of Directors, through its subsidiary Empresa Administradora de Puertos S.A.C., voted to acquire 100% of Terminales Portuarios Chancay S.A., which has been carrying out studies for the Multipurpose Port Project in the city of Chancay, Lima Region. Volcan has retained MBA Lazard to conduct a competitive search for a partner in Terminales Portuarios Chancay.

With regard to corporate social responsibility and environmental care, Volcan continued to focus on establishing relations of mutual trust and respect with the communities in our areas of influence and in other regions that are of strategic importance to our operation. The Company is well aware of the importance of mining companies in the development of our nation and its people, particularly in remote areas. Along these lines, it is important to highlight the Company's pioneering execution of the Public Works Tax Credit program, developing and/or winning 14 projects with a total value of PEN 100 million, including investments in roads, schools, water, and sanitation.

In regard to Company reorganization, on January 1, 2016 Compañía Minera Alpamarca S.A.C. (acquiring Company) merged with Empresa Administradora Chungar S.A.C. In addition, the spin-off of an equity block to form a new company, Óxidos de Pasco S.A.C., was formalized.

Finally, we are pleased to report that as of the publication date of this report, Volcan has been included in the FTSE Global Equity Index Series. Volcan joins Credicorp Capital and Buenaventura as the only Peruvian stocks included in FTSE indices for Latin American emerging markets.

I'd like to take this opportunity, on behalf of our Board of Directors, to thank our employees for their hard work, dedication, and commitment to the Company's objectives.

Finally, I would like to thank you, our shareholders, for your confidence, support and interest in Volcan's activities.

Sincerely,



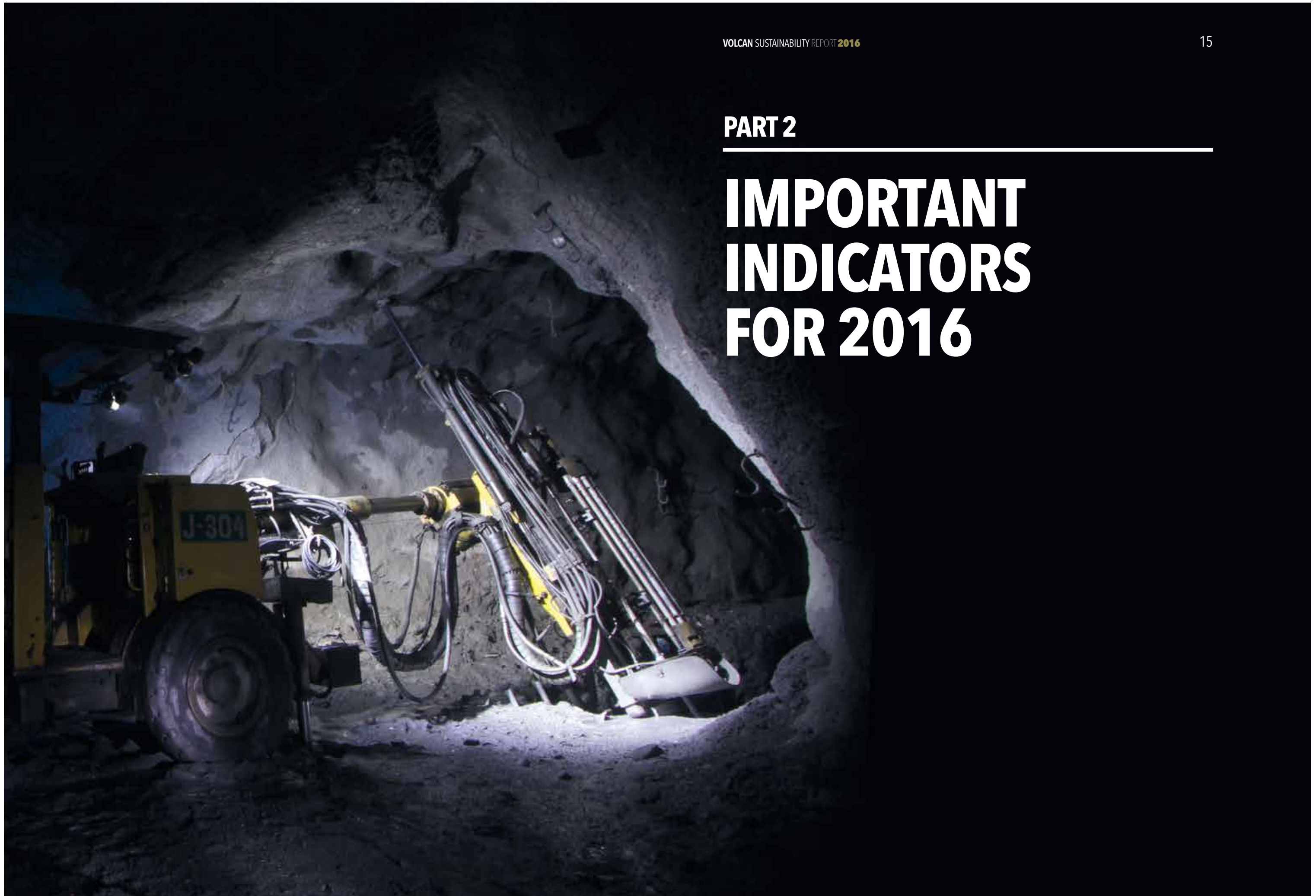
José Picasso Salinas
Chairman of the Board



Alpamarca Plant - Alpamarca

PART 2

IMPORTANT INDICATORS FOR 2016

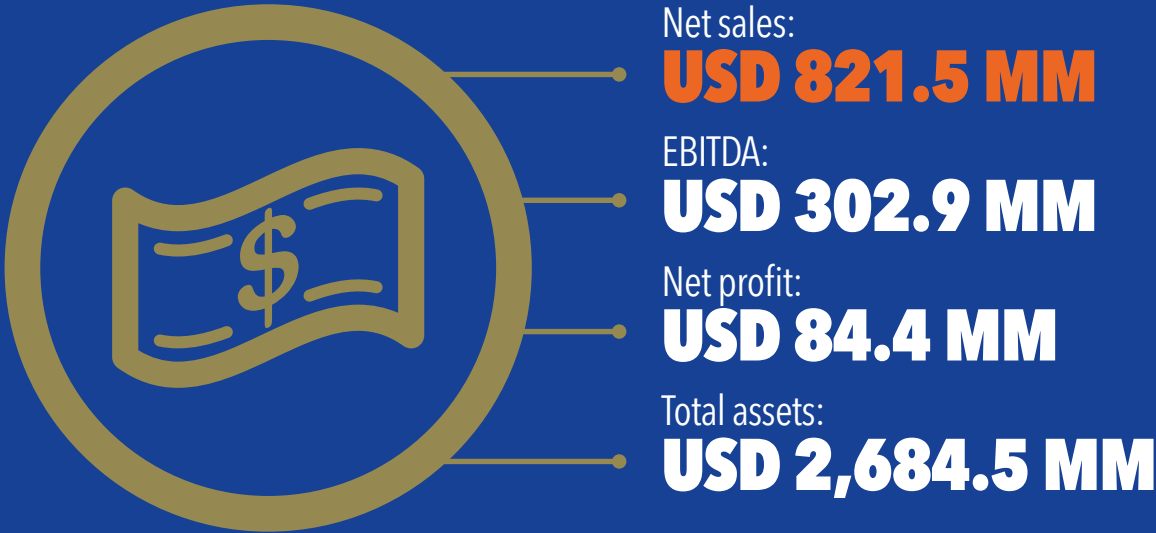




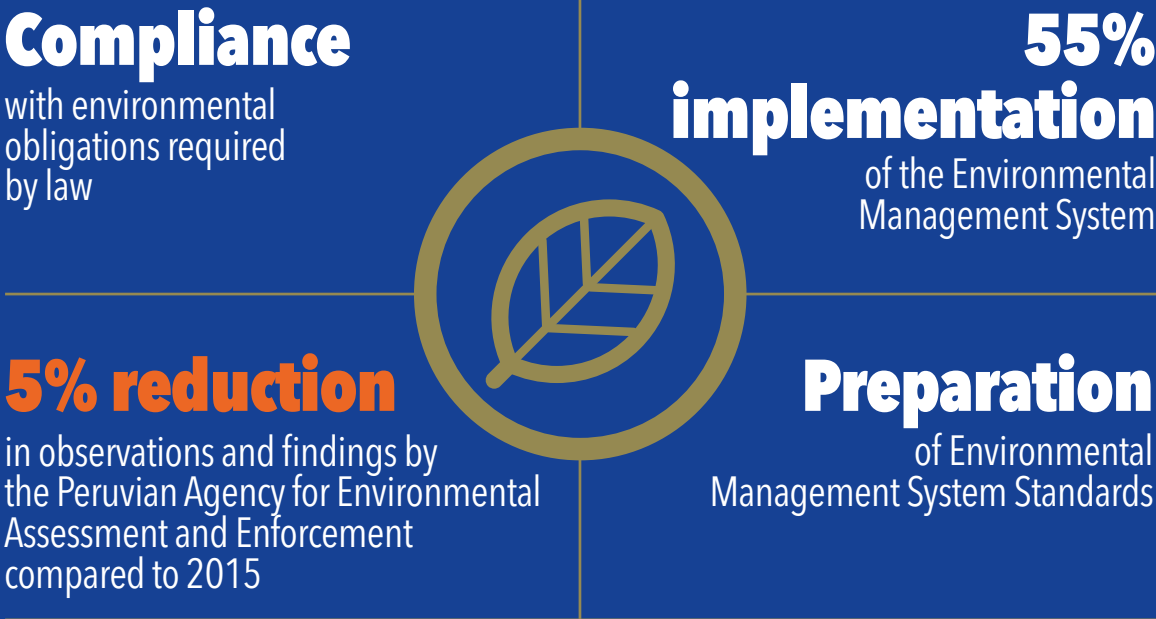
Oxides Plant - Oxides

Sustainability management in 2016 contributed to the following results:

FINANCIAL



ENVIRONMENTAL





San Cristóbal Mine - Yauli

SOCIAL

Employees:

2,757



2,607
men



150
women

28%

of our employees
are union members

Community investment:

USD 5.9 MM

561 
suppliers and 306
subcontractors

The partnership
between Volcan
and Enseña Perú  had an
impact on more than
1,200 students across
all operating units

**RANKED SECOND AMONG MINING
COMPANIES** FOR PROJECTS AWARDED UNDER THE PUBLIC
WORKS FOR TAX CREDIT PROGRAM (OBRAS POR IMPUESTOS)

PART 3

OUR COMPANY



Entrance to Jacob Timmers Shaft - Chungar

A HISTORY OF COMMITMENT

IN 2016, VOLCAN CELEBRATED 73 YEARS SINCE IT BEGAN MINING OPERATIONS IN 1943.

Volcan is a Peruvian mineral exploration, production, and processing company which, through the constant hard work and dedication of its directors, management and employees, has become one of the largest producers of silver, zinc, and lead in Peru and the world.

The Company sells concentrates of zinc, lead, and silver, as well as doré bars, in the domestic and international markets. In addition, Volcan generates electric power

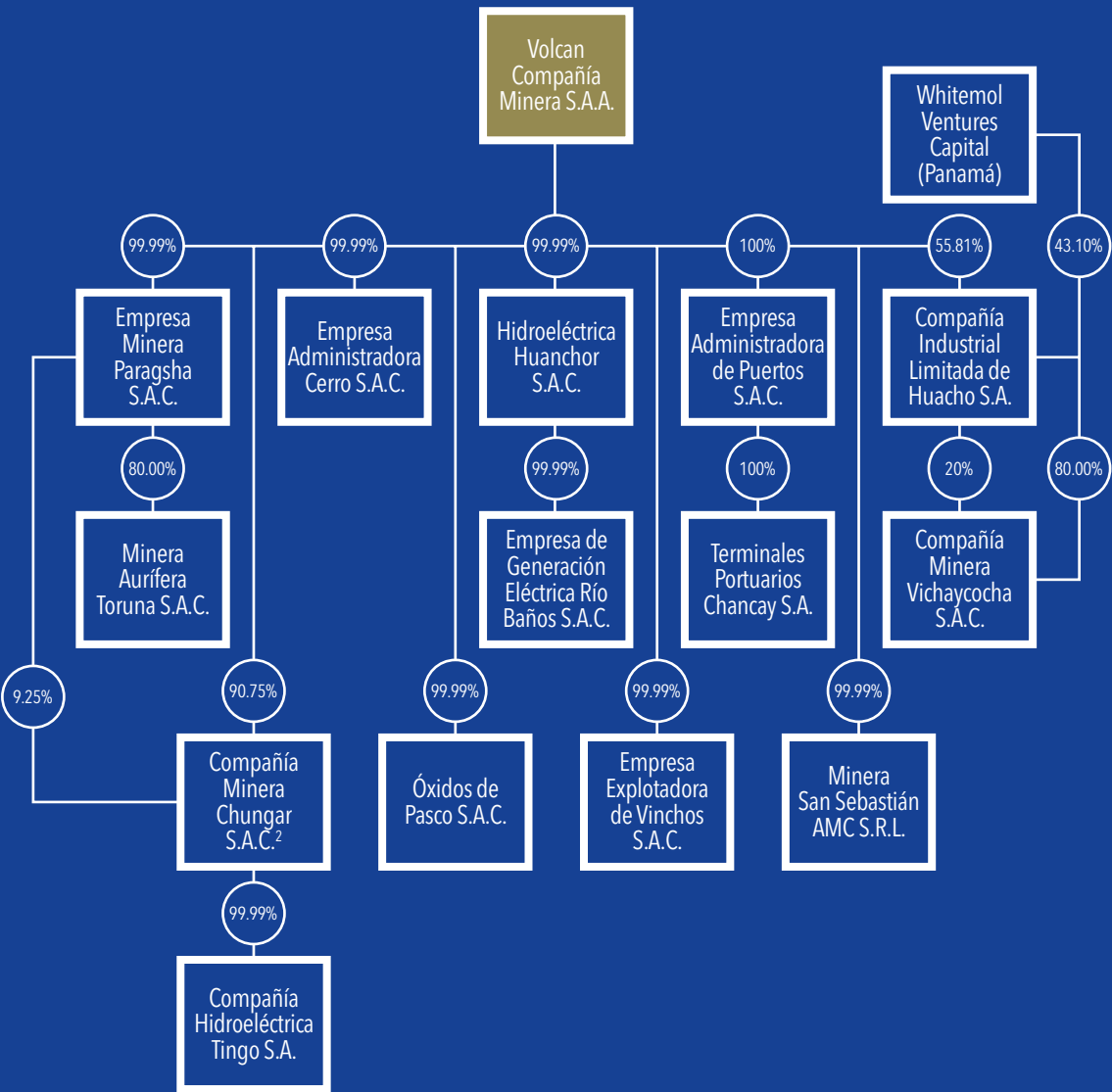
through hydroelectric plants for its own supply and also sells power to several companies located near its operations. **G4-4**

Its activities are classified under ISIC category 1320 (mining of non-ferrous metal ores) and ISIC 3510 (electric power generation, transmission and distribution).

The Company, which resulted from a merger between Volcan Compañía Minera S.A. and Empresa Minera Mahr Túnel S.A., was incorporated on February 1, 1998, in a public deed executed before Notary Public Dr. Abraham Velarde Álvarez. Volcan is registered in the Public Mining Registry under Entry 1, Record 41074, and in Record 11363057 of the Registry of Legal Entities of Lima. **G4-7**



CORPORATE STRUCTURE 2016



²As of January 1 2016, Compañía Minera Alpamarca S.A.C. absorbed Empresa Administradora Chungar S.A.C. entire equity as part of a fusion, the latter extinguished without liquidation. After the fusion, Compañía Minera Alpamarca S.A.C. changed its corporate name to "Compañía Minera Chungar S.A.C."

OUR OPERATIONS

VOLCAN CARRIES OUT ITS ACTIVITIES IN PERU, WITH OPERATIONS IN THE REGIONS OF LIMA, PASCO, AND JUNÍN.

Its business address is Manuel Olguín N° 373, Santiago de Surco, Lima. The Company has five business units in Peru's Central Highlands: Yauli, Chungar, Cerro de Pasco, Alpamarca, and Óxidos de Pasco. Altogether, it has nine underground mines, three open pits, seven concentrate plants, and a lixiviation plant.

In addition, the Company owns 13 hydroelectric plants near its mining operations. **G4-5 / G4-9 / G4-6**

Table 1: Mining units, mines and plants **G4-9**

Unit	Mines		Plants	
	Name	Type	Name	Type
Yauli	San Cristóbal	underground	Victoria	concentrator
	Andaychagua	underground	Mahr Tunel	concentrator
	Tidlio	underground	Andaychagua	concentrator
	Carahuacra	underground		
	Carahuacra Norte	open pit		
Chungar	Animón	underground	Animón	concentrator
	Islay	underground		
Cerro de Pasco	Mina Paragsha	underground	Paragsha	concentrator
	Raúl Rojas	open pit	San Expedito	concentrator
	Vinchos	underground		
Alpamarca	Río Pallanga	underground	Alpamarca	concentrator
	Alpamarca	open pit		
Óxidos de Pasco	Stockpiles	stockpiles	Óxidos	leaching

Table 2: Mining units and their products G4-4

Unit	Obtained products	Fine contents
Yauli	Zinc concentrate	Zinc, silver
	Lead concentrate	Lead, silver
	Copper concentrate	Copper, silver, gold
Chungar	Zinc concentrate	Zinc, silver
	Bulk concentrate	Lead, copper, silver
Cerro de Pasco	Zinc concentrate	Zinc, silver
	Lead concentrate	Lead, silver
Alpamarca	Zinc concentrate	Zinc, silver
	Bulk concentrate	Lead, copper, silver
Óxidos de Pasco	Doré bars	Silver, gold

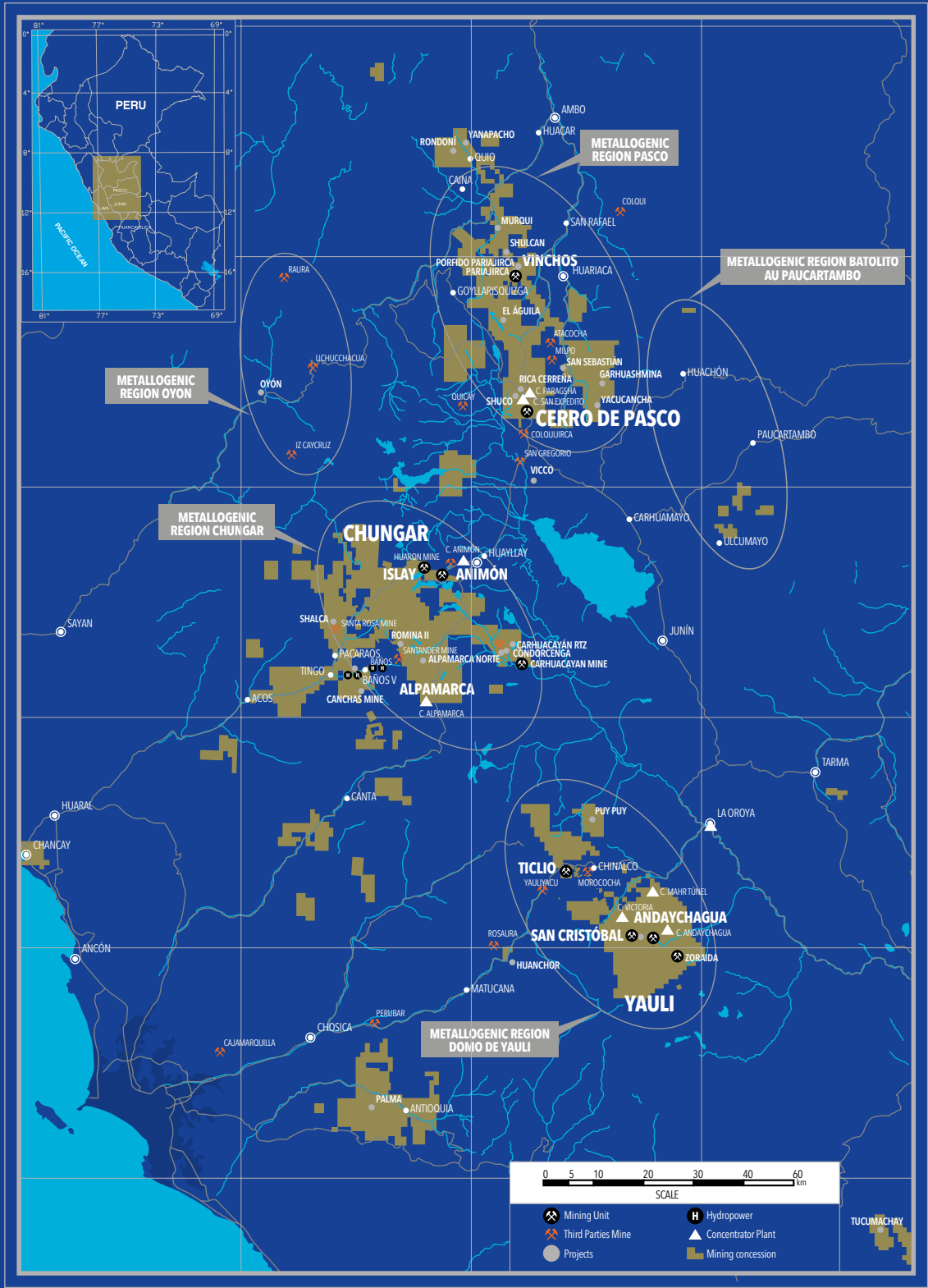
Table 3: Location of mining units

Unit	Region	Location
Yauli	Junín	170 km from the city of Lima
Chungar	Pasco	219 km from the city of Lima
Cerro de Pasco	Pasco	295 km from the city of Lima
Alpamarca	Junín	182 km from the city of Lima
Óxidos de Pasco	Pasco	295 km from the city of Lima

Table 4: Location of hydroelectric plants

Hydroelectric Plant	Region	Location
CH's Chungar*	Lima / Pasco	170 km from the city of Lima
CH Tingo	Lima	130 km from the city of Lima
CH Huanchor	Lima	110 km from the city of Lima
CH Rucuy	Lima	142 km from the city of Lima

*There are 10 hydroelectric plants: Baños I to V (5), Chicrín I to IV (4) and San José (1). Only CH San José is located in Pasco.



WORKING WITH SOLID CORPORATE PRINCIPLES G4-56

VISION AND MISSION

V

By 2021, Volcan aspires to be one of the principal mining companies diversified in the production of base and precious metals, a leader in growth and operational excellence, acting in a socially responsible manner with a dedicated and highly qualified workforce.

M

Volcan is a mining company of Peruvian origin pursuing the maximization of shareholder value through operational excellence and the highest standards of workplace safety and environmental management, contributing to the development of its personnel and its community.

CORPORATE VALUES



SAFETY

Our actions are aimed at mitigating all risks in order to guarantee the health and safety of our employees in day-to-day operations.

INTEGRITY:

Our conduct reflects an honest, just, ethical, and transparent attitude in all of our actions.

COMMITMENT:

We are part of a larger corporate project in which we firmly believe and for which we give our best.

EXCELLENCE:

We strive to always meet the highest performance standards in our work to achieve outstanding results.

RESPECT:

Our actions are aimed at creating harmonious relationships with our employees, communities, environment, customers, and shareholders.

OUR VALUE CHAIN G4-12

Volcan's business value chain, which is shown below, describes how we carry out key strategic activities to generate value for the end customer.

Figure 1: Value chain





Alpamarca Open Pit - Alpamarca UEA

WORKING WITH INTEGRITY

The Company has established a set of standards stipulated in corporate principles and values and in its Code of Ethics and Conduct, which contribute to professional development and to generating a workplace climate of integrity and honesty. These policies are followed by the employees, managers and directors of Volcan and its subcontractor companies.

The Company promotes full compliance with this code. If an employee observes any unethical conduct, they must inform their manager or general auditor. They

can also use the anonymous "Complaint Line", an anonymous communications channel that is open to every employee.

The Code of Ethics and Conduct, approved by the Board of Directors and Senior Management, is provided to all employees for their acceptance and is also published on the Company's web site. Subcontractors are also provided with a copy of the orientation manual and the mission, vision, and values of the Company are explained to them. **G4-56**

CODE OF ETHICS AND CONDUCT **G4-56**

Volcan Compañía Minera S.A.A. and its Subsidiaries adopt an ethical and equitable behavior through a non-sectarian, apolitical, socially and environmentally responsible corporate culture. For this, the Company abides by the following values and principles:

- Justice and integrity in business affairs, including the ethical settlement of actual or potential conflicts in personal and professional relationships;
- Respect to Human Rights and the dignity of all employees;
- Acceptance of several cultures, religions, races, genders and sexual orientations;
- Honest, transparent and responsible actions;
- Observance of the corporate government's honesty standards and the relevant laws.

The Company and people subject to this Code must meet the following principles, duties and rules:

1. CONFLICT OF INTERESTS

Conflicts between personal concerns and the Company's interests must be avoided.

2. GIFTS AND COURTESY GESTURES

The employee is not authorized to deliver or accept, directly or indirectly, favors, gifts or courtesy gestures that may compromise or give the impression that they compromise their professionalism or impartiality, or that may affect their capacity to act with integrity in the Company's best interest.

3. LEISURE ACTIVITIES

The Company recognizes that social activities are important for business relationships; however, employees must not become involved in activities that may affect their integrity, professionalism or judgment regarding business decisions and relationships.

4. USE OF GOODS AND SERVICES

The employees cannot use the Company's goods and services for their personal benefit or other personal purposes (other than their duties or those scheduled by the Company), without written approval of their Manager.

5. RESPONSIBILITY

The employees are not authorized to give, offer, authorize or accept, directly or indirectly, any valuable (bribery) to achieve an undue personal or business advantage that may be deemed as an incorrect behavior.

6. WORKDAY AND VACATIONS

Negligence, dishonesty and abuse regarding the required working hours will be considered a noncompliance with the Code of Ethics, and may give rise to disciplinary measures.

7. PAYMENT ERRORS

Any payment in excess, or the irregular payment of amounts of money to the employee or to a third party not entitled to it, or due to a mistake, must be immediately notified to their Manager.

8. BUSINESS OPERATIONS

Purchase agreements and tenders must be awarded on the basis of quality, service, price and availability, within the parameters of the Company's policies and procedures and any law in effect.

All counsel and/or suppliers of goods or services must have good reputation and integrity if they intend to carry out business with the Company.

9. INTOXICATING SUBSTANCES

It is forbidden to consume, possess or distribute alcoholic beverages or illegal drugs within the Company, as well as to come to the workplace while under their influence.

10. INFORMATION OWNED BY THE COMPANY

The employees are obliged not to disclose, without the corresponding authorization, to any person within or outside the Company, who has no need to know the information, confidential data or information owned by the Company or belonging to their operations or properties, or to disclose it to a supplier, consultant, customer, competitor or business associate, current or

potential, without prior authorization by their Manager, who, in turn, may ask the General Manager on how to proceed.

11. REPORTING NON-ETHICAL CONDUCTS

The Company does not excuse behaviors that are incompatible with the Code of Ethics and Conduct. If the employee is aware of any unethical behavior, they must report it to their Manager or General Auditor. If the employee is aware of any behavior incompatible with this Code by any member of Management, they must report it to the Audit Committee. Report can be made confidentially.

12. DECLARATION OF HUMAN RIGHTS

The Company strives to ensure that every individual within the group respects the rights and freedoms enunciated below and to secure their effective recognition and observance throughout the group. Taking into account the health and safety parameters permitted by its line of business, the Company seeks to protect the right to:

- Human dignity;
- Fair treatment (acknowledging the prior existence of disadvantaged groups);
- Liberty and security of individuals;
- Not be subjected to slavery, servitude and forced labor;
- Freedom of conscience, religion, thought, belief and opinion;
- Freedom of expression (subject to considerations of confidentiality and the prohibition of hate speech and incitement to cause harm);
- Freedom of association;
- Fair labor practices;
- Not to be employed if you are a child, except for exceptions stipulated by law;
- Not to be arbitrarily deprived of property or possessions;
- Freely participate in the cultural activities of your choice;
- Lawful, reasonable and fair action;
- Not to be subject to arbitrary arrest or detention.

VOLUNTARY SOCIAL RESPONSIBILITY INITIATIVES

Social responsibility is a strategic area of the Volcan corporate vision to reach its goal of becoming a leading mining company by 2021. **G4-15**

Toward that end, our social management is focused as a tool that enables us to carry out operations in a sustainable manner and have a positive impact on the development of communities within our direct area of influence. In this way, we strive to strengthen our relationship and dialog with community leaders as well as important government authorities and social groups to generate a partnership committed to development and community well-being.

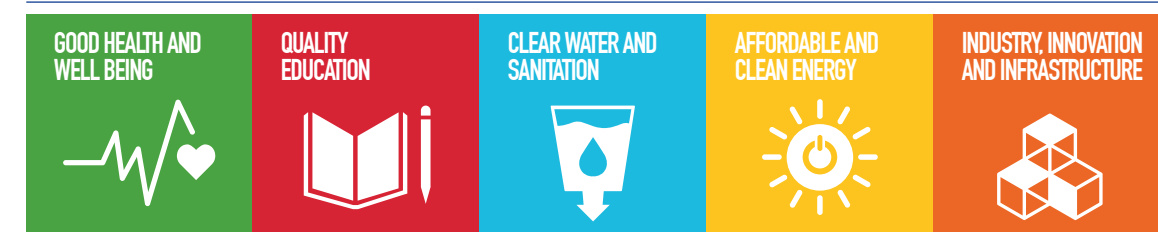
Our sustainable management activities are established in Sustainable Development Plans and Community Relations Plans, which are focused on collaboration through:

- Productive development projects that involve diversification beyond mining itself
- Promoting local employment through formalization and growth of community enterprises that provide goods and services to the mining industry
- Strategic areas of development such as education, health, nutrition, institution-building, and infrastructure

VOLCAN BELIEVES IT IS EXTREMELY IMPORTANT TO PROMOTE HARMONIOUS RELATIONS WITH THE COMMUNITIES IN THE AREA OF INFLUENCE OF ITS OPERATIONS. IN ORDER TO PRIORITIZE VOLCAN INTERVENTIONS IN COMMUNITIES WITHIN ITS DIRECT AREA OF INFLUENCE, THE COMPANY HAS ALIGNED ITS VOLUNTARY CORPORATE SOCIAL RESPONSIBILITY INITIATIVES WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG).

In addition, to achieve its goals Volcan has forged partnerships with private entities, government agencies, and non-governmental organizations. Its social responsibility plans and actions are focused mainly on the following objectives:

Figure 2: SDG to which we contributed in 2016



Our principal actions taken in line with the SDG are as follows:

GOOD HEALTH AND WELL BEING



OBJECTIVE 3: ENSURE HEALTHY LIVES AND PROMOTE WELL-BEING FOR ALL AT ALL AGES

In partnership with Prisma, a non-profit organization, in 2016 we gathered significant information about prevalent diseases in order to establish healthcare priorities in the specialties that are offered. This enabled us to establish three-year objectives as health indicators.

the Company's area of influence. This produced immediate results in terms of academic performance and soft skills improvement for the more than 1,200 students participating in the program. The intervention this year is focused on the Cerro de Pasco, Chungar and Yauli units. In addition, the Company continued with the SENATI comprehensive scholarship program, which directly benefits youth from communities near our operations, was continued. SENATI is the National Service for Industrial Worker Training.

Furthermore, the internal investment strategy for the Public Works Tax Credit program was implemented. This strategy is focused on executing projects with a high social impact that incorporate components of sustainability, innovation, and integral solutions. This resulted in the formulation of a public investment project: The Nuestra Señora de la Asunción early education center in Huayllay, Pasco, with funding of PEN 3.5 million. This project supports the integral development of children in the community through healthy nutrition, quality education, and suitable infrastructure.

QUALITY EDUCATION



OBJECTIVE 4: ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

In 2016 Volcan signed a multi-annual partnership with Enseña Perú to incorporate teachers from their organization into various schools within

CLEAR WATER AND SANITATION

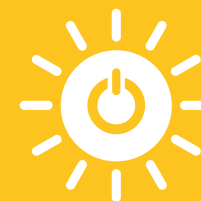


OBJECTIVE 6: ENSURE AVAILABILITY AND SUSTAINABLE MANAGEMENT OF WATER AND SANITATION FOR ALL

Infrastructure investment was channeled through the Public Works Tax Credits program, prioritizing the water and sanitation sector. In 2016 two projects were completed with a total investment of PEN 17.6 million:

- Potable Water Project in Huaychao, a joint venture with Ferreyros and Unimaq with funding of PEN 8.1 million. Volcan's share of the joint venture was 50%.
- Potable Water Project in Yauli, a joint venture with Ferreyros and Chinalco, with funding of PEN 9.5 million. Volcan's share of the joint venture was 45%.

AFFORDABLE AND CLEAN ENERGY



OBJECTIVE 7: ENSURE ACCESS TO AFFORDABLE, RELIABLE, SUSTAINABLE, AND MODERN ENERGY FOR ALL

Volcan has chosen to invest in clean, renewable hydroelectric generation projects to supply its own operations and third parties. It has also invested in its own electricity transmission systems in an effort to better manage its cost structure, ensure greater availability of power for its mining operations, and contribute to reducing greenhouse gas emissions.

In line with this strategy, and after investing USD 50.5 million, on August 9, 2016 the Rucuy hydroelectric plant began commercial operation. The plant, which is located in Pacaraos District, Huaral Province, has an installed capacity of 20 MW. Volcan signed a renewable energy electricity supply contract with

the Ministry of Energy and Mines on behalf of Peru for power from this hydroelectric plant for 20 years, which generated 36 GWh in 2016.

INDUSTRY, INNOVATION AND INFRASTRUCTURE



OBJECTIVE 9: BUILD RESILIENT INFRASTRUCTURE, PROMOTE INCLUSIVE AND SUSTAINABLE INDUSTRIALIZATION, AND FOSTER INNOVATION

Volcan continued to be at the cutting edge of production innovation in 2016. During the year, the Company completed construction of the Cerro de Pasco oxide plant, signifying Volcan's expansion into new metal lixiviation processes. In addition, in 2016 Volcan carried out the first tests for improving the head grade of zinc-lead stockpiles with marginal grades at the Cerro de Pasco unit using sorting technology, with excellent results. This technology, which is expected to be implemented in 2017, will boost head grades by approximately 50%.

PARTICIPATION IN ASSOCIATIONS AND ORGANIZATIONS

- National Society of Mining, Petroleum and Energy: Active member.
- American Chamber of Commerce of Peru (AmCham): Member of the Sustainable Development Committee.
- Enseña Perú (Teach Peru): Member of Campeones por la Educación (Education Champions), a partnership among companies committed to education and whose goal is to close learning gaps in math and reading comprehension. **G4-16**

FINANCIAL STRATEGY

THE COMPANY'S PROFITABILITY IS LARGELY DETERMINED BY ITS GEOLOGICAL WEALTH, PRODUCTION COSTS, AND PRICES OF THE METALS IT PRODUCES. MARGINS ARE ALSO AFFECTED BY CHANGES IN TAX POLICY AND LABOR AND SOCIO-ENVIRONMENTAL REGULATION.

Financial Performance DMA

In that sense, Volcan manages its financial performance through a strategy aimed at controlling costs, prioritizing investments, focusing on exploration and growth opportunities, and constantly monitoring the evolution of metal prices. The Company occasionally undertakes hedging operations to ensure the sales price of a percentage of its production (not greater than 30%).

Volcan recognizes the importance of high environmental quality standards; however, a sudden increase in these standards or a delay in permit approvals would make it difficult to develop various projects. This would cause a reorientation of our strategy, only ensuring the continuity of projects that are profitable in the long-term under these new conditions. The Company constantly monitors its operations to identify those with potential environmental impacts that could potentially affect the ecosystem and communities.

2016 RESULTS

CHUNGAR OPERATING RESULTS

MINE PRODUCTION

In 2016, treated volume fell 2.4% due to lower tonnage at Yauli and Cerro de Pasco, an effect that was counteracted in part by growth in tonnage treated at Chungar and the oxide plant.

In terms of fines, zinc production fell 4.1%, lead production was down 12.3%, and silver production decreased 11.4% relative to 2015, while copper production rose 20.0% and gold production increased by 9.6%. Lower zinc, lead, and silver production in 2016, compared to the previous year, is explained mainly by the suspension of production at Cerro de Pasco since November 2015 and reduced production at Yauli during 4Q16. In the case of lead, decreased production in 2016 was also due to lower grade ore at Chungar; lower grades at Chungar and Alpamarca were also factors in the fall in silver production. **G4-4**

Table 5: Consolidated mining production

Consolidated Production	2015	2016	var %
Ore Treatment (thousand MT)	7,910	7,716	-2.4
Concentrator Plants	7,167	6,816	-4.9
Oxides Plant	743*	900	21.2
Fines Content			
Zinc (thousand FMT)	284.9	273.4	-4.1
Lead (thousand FMT)	59.6	52.2	-12.3
Copper (thousand FMT)	4.3	5.2	20.0
Silver (million Oz)	24.8	22.0	-11.4
Gold (thousand Oz)	5.3	5.8	9.6

*Out of the 743 thousand MT reported from January to December 2015, 227 thousand MT correspond to the January-May pre-operational stage and 516 thousand MT to the operational stage since June 2015.

ENERGY PRODUCTION

In 2016 Volcan's 13 hydroelectric plants generated 322.6 GWh, which represents 51% of the Company's total energy consumption.

Chungar's 10 hydroelectric plants generated 137.8 GWh of power altogether-21.7% of the Company's total consumption. It should be mentioned that the amount of energy generated by these plants was affected by low river flows. This situation is expected to improve in 2017.

Tingo hydroelectric plant generated 9.2 GWh, 1.5% of the Company's total consumption; all of the power generated was used to supply Chungar.

Considering that power generated by the Huanchor hydroelectric plant, totaling 139.3 GWh, was sold to third parties, the Company purchased 487.6 GWh from the Sistema Eléctrico Interconectado Nacional (National Interconnected Electric System).

It is important to note that the 20-MW Rucuy hydroelectric plant began commercial operation in the first week of August 2016 and generated 36.3 GWh in 2016. This power was sold to third parties.

Table 6: Volcan Electricity Balance in GWh

	2015	2016	var %
Energy Production	316.7	322.6	1.9
CH's Chungar	161.2	137.8	-14.5
CH Tingo	9.8	9.2	-5.9
CH Huanchor	145.8	139.3	-4.4
CH Rucuy		36.3	
Energy Consumption	654.2	634.5	-3.0
Energy Purchase	483.3	487.6	0.9

FINANCIAL RESULTS

Table 7: Income statement

MM USD	2015	2016	var %
Sales	794.5	821.5	3.4
Cost of Sales	-663.2	-581.2	-12.4
Gross Profit	131.3	240.3	83.0
Margin	17%	29%	13pp
Net Profit	-453.9	84.4	
Margin	-57%	10%	67pp
EBITDA	225.3	302.9	

MINING SALES

Volcan mining sales totaled USD 821.5 million in 2016, a 3.4% increase over sales in the previous year. [G4-9](#)

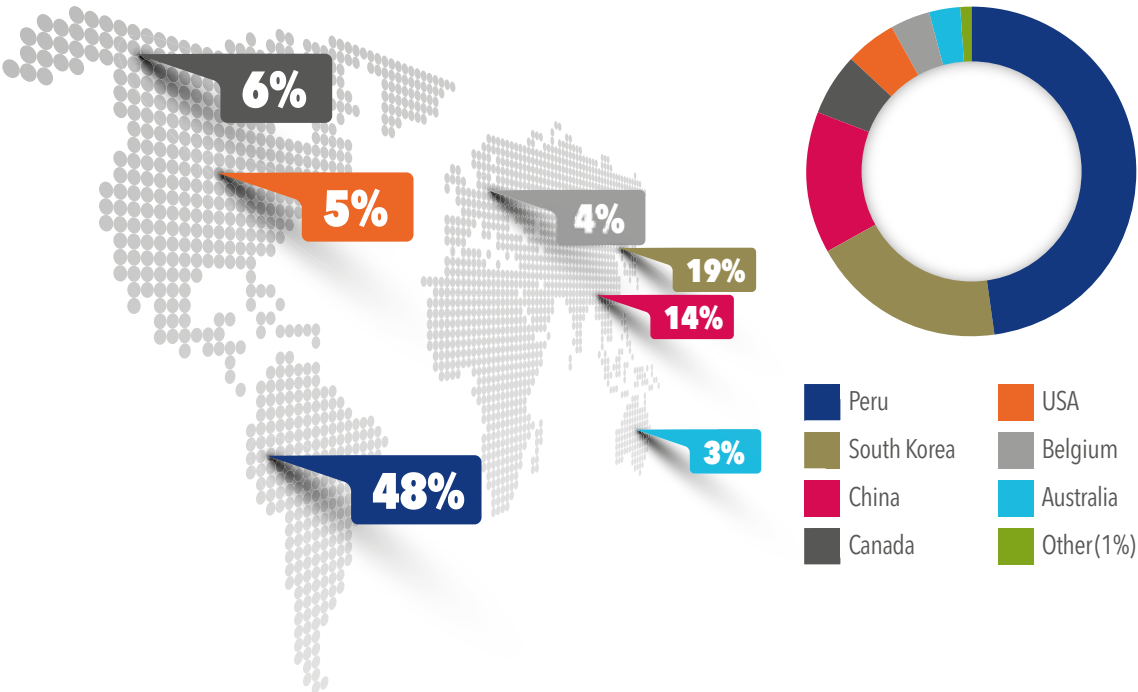
Volcan's main customers are domestic, accounting for 48% of sales value in 2016, followed by South Korea with 19%, China, with 14%; Canada, with 6%; the United States, with 5%; and Belgium, with 4%, among others.

Table 8: Detail of mining sales, by metal

MM USD	2015	2016	Var. %
Zinc	413.0	399.6	-3.3
Lead	65.0	71.7	10.4
Copper	17.7	12.7	-28.1
Silver	330.3	323.3	-2.1
Gold	10.1	8.5	-16.1
Total	836.3	815.9	-2.4
Adjustments*	-41.8	5.7	-113.6
Net Sales	794.5	821.5	3.4

* Adjustments: i) final settlements of shipments of previous periods, ii) adjustments for open positions (embedded derivative and sales adjustments), iii) hedging results.

Figure 3: Percentage of sales by destination, 2016 [G4-8](#)



C.H. Baños - Chungar

ENERGY SALES

In the energy sector, net sales totaled USD 13.3 million. 100% of energy sales were domestic.

Table 9: Energy sales

Energy Sales (MM USD)	Huanchor	Egerba	Tingo	Total
Free Clients	8.0	0.6	0.5	9.0
Regulated Clients	1.7	0.0	0.0	1.7
Spot Market	0.1	1.3	0.0	1.4
Transmission	0.0	0.0	1.1	1.1
Total	9.8	1.9	1.6	13.3

SOCIAL INVESTMENT

The goal of Volcan’s social investment is to contribute to sustainable human development in the 33 communities in its direct area of influence.

IN 2016, VOLCAN INVESTED USD 5.9 MILLION IN THIS AREA.

The investment is primarily based on the Company’s 49 agreements and commitments with rural communities, established in sustainable development and community relations plans arising out of environmental impact assessments. They are concentrated in three areas: education, health, and economic development. In addition, to strengthen the local economy, Volcan worked with 14 community enterprises with total billing around USD 1.8 million per month for civil works, mining operations, and hauling services, among others.

G4-EC7 / Indirect Economic Impacts DMA

Figure 4: Percentage of sales by customer type, 2016

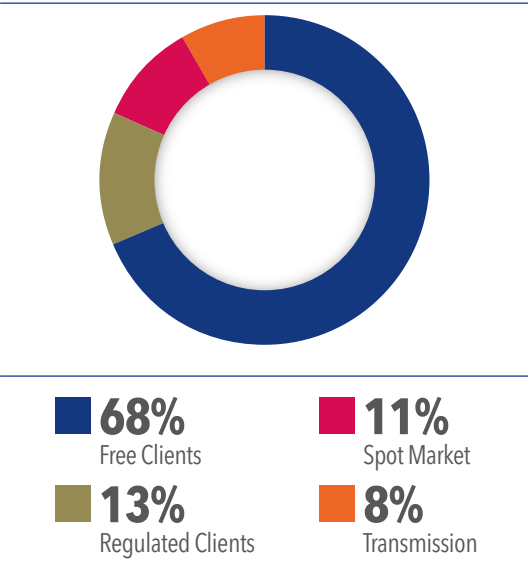


Table 10: Social investment by division and unit

Division	Unit	Social Investment (USD 000)
Mining	Yauli	2,034
	Chungar	1,663
	Cerro de Pasco	580
	Alpamarca	127
	Óxidos de Pasco	39
	Lima/Proyectos	565
	Subtotal	5,007
Energy	C.H Baños	627
	C.H. Tingo	19
	C.H. Huanchor	3
	C.H. Rucuy	246
	Subtotal	895
Total		5,902

There are currently no impact evaluations being implemented for the main projects and investments made, as it is necessary to establish a baseline that would enable analysis of the current situation. In 2016 the baseline created for Huayllay and Huaychao was used to establish intervention priorities in accordance with the most critical indicators in those communities. This resulted in prioritizing investment in education, health, and nutrition.

SIGNIFICANT INVESTMENTS IN SOCIAL INFRASTRUCTURE

Volcan continued to participate in the Public Works Tax Credits program in 2016 despite circumstances in the sector, which required major financial and technical support. Public Works Tax Credits projects were oriented toward improving the quality of life in nearby communities through adequate basic services and better infrastructure, as well as establishing an internal strategy to prioritize investment in certain sectors to achieve greater social impact. G4-EC7

One of the public investment projects developed is: the Nuestra Señora de la Asunción early education center in Huayllay, Pasco, with funding of PEN 3.5 million. The project’s goal is the integral development of children attending the school by guaranteeing healthy nutrition and quality education as well as suitable infrastructure.

To achieve this goal, the project was based on a social assessment conducted by Cáritas del Perú and an evaluation of current infrastructure. As a result of these assessments, the project has been focused on four major issues: health, educational management, teacher training, and infrastructure.

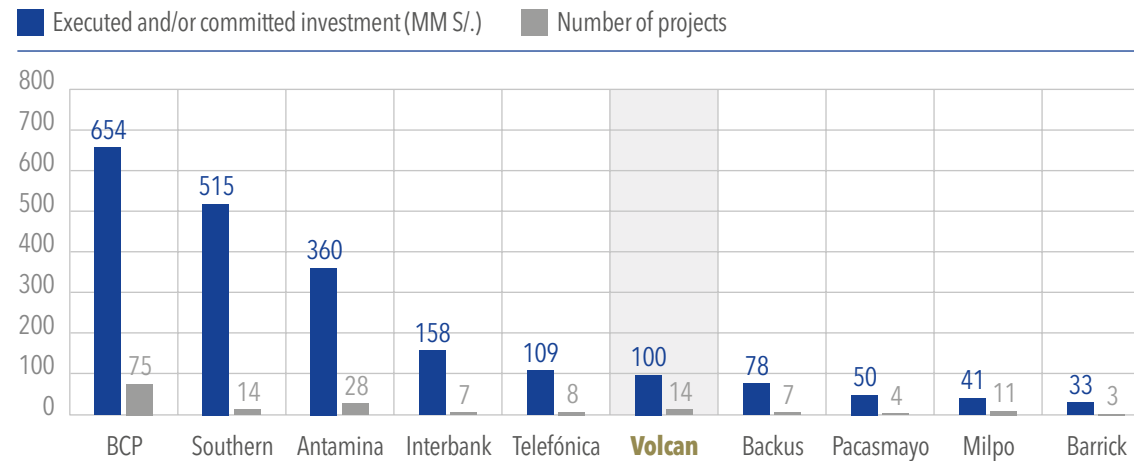
Other projects completed include: Expansion and Improvement of the Potable Water and Sewer System in San Agustín-Huaychao Settlement, Huayllay District, Pasco Department, with a total investment of PEN 8.1 million, in a joint venture with Ferreyros and Unimaq and Improvement and Expansion of Potable Water, Sewer and Wastewater Treatment Services for the

Aguas Calientes, Santa Rosa, Bolognesi, Centro Yauli, Las Brisas, Manuel Montero and San Juan Bautista de Pachachaca Neighborhoods, Yauli District, Junín Department, with a total investment of PEN 9.5 million, also a joint venture, with Ferreyros and Chinalco

Finally, Volcan has a portfolio of projects under evaluation totaling PEN 80 million that it has shared with the new local and regional authorities in Pasco and Junín. The evaluation will prioritize those projects that reduce gaps in access to basic services, focusing investment in the following sectors:

- Water and Sanitation
- Education
- Healthcare
- Nutrition

VOLCAN RANKS SECOND AMONG MINING COMPANIES IN TERMS OF THE NUMBER OF PUBLIC WORKS TAX CREDITS PROJECTS WON, AND THIRD IN TERMS OF COMMITTED FUNDING AMOUNT.

Figure 5: Rankings of companies by investment amount and number of projects (2011-2016)

Source: Private Investment Promotion Agency - Peru. Prepared by: Volcan Cia. Minera

SIGNIFICANT CHANGES IN 2016

OPERATIONAL ASPECTS

There have been no changes in the location of Volcan operations or its suppliers; the structure of the supply chain and aspects related to selection or termination of contracts have remained the same as the previous year. **G4-13**

Commercial operation of the 20-MW Rucuy hydroelectric plant (120 GWh/year) began in August. Total investment in the plant was USD 50 million. With this project, the Company now has 13 hydroelectric plants in operation with a total generation capacity of 63 MW.

The San Expedito plant at Cerro de Pasco, which suspended operations along with the Paragsha underground mine in November 2015, resumed activities in July 2016 to treat stockpiles from old operations. Activities at Vinchos mine, which is also part of the Cerro de Pasco unit, are still suspended. However, environmental control activities are continuing normally,

and the monitoring results are reported quarterly to the Ministry of Energy and Mines.

IN TERMS OF THE SIZE OF OPERATIONS, THERE WERE NO INCREASES IN TREATMENT CAPACITIES. HOWEVER, IT IS IMPORTANT TO MENTION THAT INVESTMENTS WERE MADE DURING THE YEAR TO BUILD UP TAILINGS DAMS IN ALL OPERATIONS, MAKING PROGRESS IN THE PROCESS OF EXTENDING THEIR USEFUL LIVES.

The goal of Volcan's social investment is to contribute to sustainable human development in the 33 communities in its direct area of influence.

Public Works Tax Credits projects were oriented toward improving the quality of life in nearby communities through adequate basic services and better infrastructure.

CAPITAL STRUCTURE ASPECTS

At the General Shareholders Meeting held on March 31, 2016 the Company's shareholders agreed to reduce Company capital by PEN 529,954,383.00, from PEN 4,076,572,175.00 to PEN 3,546,617,792.00 by reducing the nominal value of all Class A and Class B shares from PEN 1.00 to PEN 0.87.

Compañía Minera Alpacar S.A.C. (acquiring Company) merged with Empresa Administradora

Chungar S.A.C. This operation went into effect on January 1, 2016.

Also in 2016, an equity block was formally spun off to form a new company, Óxidos de Pasco S.A.C.

In addition, in a Board of Directors meeting held on March 30, 2016, Volcan, through its subsidiary Empresa Administradora de Puertos S.A.C., acquired 100% of Terminales Portuarios Chancay S.A., which has been carrying out studies for the Multipurpose Port Project in the city of Chancay, Lima Region.

Table 11: Awards and honors received in 2016

Period	Name of award or distinction	Institution	Motive or reason
April 2016	XX National Mine Safety Contest 2015. Third place nationally in the "Underground Mine" category for Andaychagua	Mining Safety Institute of Peru (ISEM)	Acknowledgment of best safety practices (Underground Mine Category)
April 2016	XX National Mine Safety Contest 2015. Fourth place nationally in the "Underground Mine" category for Cerro de Pasco	Mining Safety Institute of Peru (ISEM)	Acknowledgment of best safety practices (Underground Mine Category)
June 2016	Award for excellence in Security, honorable mention	Compañía de Seguros Mapfre	Acknowledgment of best safety practices: Volcan Compañía Minera S.A.A.
August 2016	2016 Latin America Executive team - Metals & Mining, third place	Institutional Investor	Best CEO: Ignacio Rosado Gomez de la Torre



Victoria Plant - Yauli

PART 4

CORPORATE GOVERNANCE





Ticlio - Yauli

STRATEGIC MANAGEMENT COMMITTED TO THE FUTURE

Volcan's Board of Directors is its highest authority.
G4-34

SHARE STRUCTURE

Subscribed, paid and registered capital as of December 31, 2016 was PEN 3,546,617,792, comprised of 1,633,414,553 Class A common shares and 2,443,157,622 Class B common shares; the value of each nominal share is PEN 0.87. The subsidiary Empresa Minera Paragsha S.A.C. holds 182,375,312 Class A common shares and 12,234,901 Class B common shares. The subsidiary Compañía Minera Chungar S.A.C. holds 23,442,345 Class A common shares.

Table 12: Board of Directors as of December 31, 2016

Full name	Position
José Picasso Salinas	Chairman
José Ignacio De Romaña Letts	Vice Chairman
José Bayly Letts	Director
Cristopher Eskdale	Director
Irene Letts Colmenares de De Romaña	Director
Daniel Mate Badenes	Director
Pablo Moreyra Almenara	Director
Felipe Osterling Letts	Director
Madeleine Osterling Letts	Director

Table 13: Principal shareholders - Class A common shares

Main Shareholders	%	Type of Person	Nationality	Economic group
Empresa Minera Paragsha S.A.C.	11.17	Legal	Peruvian	Volcan
De Romaña Letts, José Ignacio	10.33	Natural	Peruvian	Not applicable
Letts Colmenares de Romaña, Irene Florencia	9.90	Natural	Peruvian	Not applicable
Osterling Letts, Madeleine	9.38	Natural	Peruvian	Not applicable
Letts Colmenares de Osterling, María Josefina	8.91	Natural	Peruvian	Not applicable
Letts Colmenares Vda. de Bayly, Doris	8.44	Natural	Peruvian	Not applicable
Blue Streak International N.V.	8.38	Legal	Netherlands Antilles	Not applicable
Sandown Resources S.A.	7.81	Legal	Panama	Glencore

Table 14: Principal shareholders - Class B common shares

Main Shareholders	%	Type of Person	Nationality	Economic group
AFP Integra - Fondo 2	11.82	Legal	Peruvian	Not applicable
AFP Prima - Fondo 2	7.71	Legal	Peruvian	Not applicable
AFP Profuturo - Fondo 2	6.92	Legal	Peruvian	Not applicable
AFP Integra - Fondo 3	5.60	Legal	Peruvian	Not applicable

STOCK MARKET PARTICIPATION

Volcan shares are traded on the Lima Stock Exchange, the Santiago Stock Exchange, and the Latibex in Madrid.

Table 15: Stock market

Share	Lima Stock Exchange	Santiago de Chile Stock Exchange	Madrid Stock Exchange Latibex
Volcan Class "A" common share	VOLCAAC1	VCMAC1	
Volcan Class "B" common share	VOLCABC1	VCMBC1	XVOLB.MC

STRATEGIC COMMITTEES

These committees are responsible for decision-making and management of the following economic, social, and environmental aspects. Board committees are made up of Company directors, while operational committees are comprised of Company executives. **G4-34**

Table 16: Board committees

Committee	Duties
Executive Committee	<ul style="list-style-type: none">• Research and resolve matters entrusted to it by the Board of Directors, except for accounting matters, distribution of provisional dividends, B3:C7 of financial reports to the general shareholders meeting, and the specific powers that the General Shareholders Meeting concedes to the Board of Directors, in accordance with Article 38 of the bylaws.
Audit Committee	<ul style="list-style-type: none">• "Support management to ensure compliance with the company's Good Corporate Governance standards.• Monitor compliance with the company's Strategic Management of Corporate Risk.• Guarantee the existence of a proper internal control system.• Monitor the implementation of effective controls based on the cost/benefit evaluation.• Although there is no formal Risk Committee, most of its duties are carried out by the Audit Committee."
Human Resources Committee	<ul style="list-style-type: none">• "Ensure that an organizational structure is maintained in accordance with business needs, promoting meritocracy and professional development of the company's executives.• Define guidelines for compensation plans (current and long-term) for management levels, to ensure alignment with company objectives and consistency with market conditions, to attract and retain the best talent available.• Participate in determining annual bonuses for senior management based on performance."
Corporate Social Responsibility Committee	<ul style="list-style-type: none">• "Define annual objectives and priority improvement initiatives in the areas of community, environment, and occupational health and safety.• Monitor progress of implementation of priority initiatives, including progress of the Dupont project.• Analyze and propose for assessment specific topics that require a Board decision."

Table 17: Operational committees

	Committee	Duties
Lima	Management Committee-Health and Safety in the Workplace	<ul style="list-style-type: none">• Follow-up and control of compliance with standards, procedures and indicators for managing the severity and frequency of accidents.
	Environmental Affairs Committee	<ul style="list-style-type: none">• Control and follow-up on applications for environmental licenses and certifications.• Follow-up and control of environmental inspections to identify and prevent environmental impacts and possible deviations from compliance with standards.
Units	Management Committee-Health and Safety in the Workplace	<ul style="list-style-type: none">• Follow-up and control of the Safety Management System.• Monitor Occupational Health, Safety, Environment, and Quality system (known as SSOMAC) committees.• Participate in scheduled safety inspections.
	Human Resource Management Indicators Committee	<ul style="list-style-type: none">• Control and follow-up of human resource management indicators: overtime, absenteeism, vacations, selection, medical exams, etc.
	Environmental Services Management Committee	<ul style="list-style-type: none">• Responsible for implementing the Environmental Management System.
	Health Indicators Committee	<ul style="list-style-type: none">• Follow-up and control of occupational health indicators.
	Meeting on operational results, production indicators and costs	<ul style="list-style-type: none">• Follow-up and control of monthly budget compliance.• Control of mine planning, production indicators, physical goals and costs.

INVESTOR RELATIONS

Volcan strives to maintain constant communication with all stakeholders, above and beyond legal requirements. The Company believes it is essential that current and potential investors are provided with timely, complete, accessible, and transparent information about the key activities that could affect their decisions. In this area, the main achievements in 2016 were:

- Organization of the required annual meeting and a general shareholders meeting
- Publication of press releases on production and results of exploration activities carried out by the Geology Division
- The CEO's quarterly presentation of financial

statements to specialized analysts who cover Volcan stock

- Participation in three non-deal road shows for institutional and individual investors
- Visits to leading stockbrokers in Peru to present the Company's results and outlook
- Guided visits to our mining units for analysts and investors seeking an in-depth understanding of our mining and metallurgy operations
- Presentation of the Company's operating and financial results to domestic and international auditors such as Merrill Lynch, BMO Bank of Montreal, etc.
- Hiring a consultant in corporate communications to improve greater transparency with different stakeholder groups.

PART 5

SUSTAINABILITY MANAGEMENT





C.H. Huanchor Intake

SUSTAINABILITY STRATEGY

Each year, modern companies make commitments to generate profitability in a responsible way. Volcan adheres to this concept, with the understanding that proper management of its environmental impacts has a positive effect on value generation and enables the Company to develop its operations in a sustainable manner. It is important to emphasize that Volcan's internal policies are in compliance with Peruvian law. **G4-14**

ENVIRONMENTAL CARE AND PROTECTION IS A CONCERN PRESENT IN ALL COMPANY ACTIVITIES.

In this sense, Volcan's Environmental Management System (EMS) aids the Company in identifying and

preventing environmental damage, optimizes water and energy consumption, controls waste production, as well as assisting in evaluating the Company's commitments and updates, improves, or redesigns environmental measures.

In addition, the Internal Auditing unit identifies opportunities for improvement and incorporates preventive and corrective actions throughout the different areas of the Company. The Company's EMS contributes to the continuous improvement of procedures, adds value, and optimizes management of economic, social, and environmental risks.

Finally, the different areas of the Company are overseen and subject to enforcement by government regulatory entities that evaluate compliance with legal procedures and statutes. In this regard, the Company dedicates careful attention to the legal commitments made in the various environmental instruments it manages.

INFORMING WITH TRANSPARENCY

Volcan conducted an evaluation to identify stakeholder groups that in one way or another are directly or indirectly influenced by its operations, taking into consideration both potential positive and negative impacts. **G4-25**

Figure 6: Stakeholders **G4-24**



STAKEHOLDER MANAGEMENT AND DIALOG

ESTABLISHING SOLID, LASTING RELATIONS WITH STAKEHOLDER GROUPS IS A STRATEGIC GOAL OF VOLCAN'S ENVIRONMENTAL MANAGEMENT.

In 2016, the company conducted surveys and interviews with employees, suppliers, and subcontractors, as well as focus groups with community representatives in its areas of direct influence. In addition, community relations specialists contributed quality information for understanding community expectations.

It is important to note that stakeholder participation in the various stages of mining activity occurs through processes of dialog, negotiations, participation in informational workshops, communication mechanisms, and complaint channels. These dialog mechanisms enable the Company to understand and more closely manage its relations with stakeholder groups. **G4-26**

Table 18: Stakeholder group expectations, by GRI category **G4-27**

GRI Category	Expectations
Economic	Value generated (revenues) and distributed (operating and administrative costs, payroll, investment in the community, etc.)
	Indirect economic consequences (investment in infrastructure, development of economic activities in the area of influence)
Environmental	Water use and management
	Biodiversity protection
	Effluent and waste management
Social (Labor)	Investments for improved environmental performance
	Employment and work practices (staff retention, turnover, social benefits, support to employees approaching retirement)
	Employee training and education
	Occupational health and safety management
Social (Society)	Diversity and equal opportunities
	Impacts on communities and their management
	Information for customers and their satisfaction level
	Planning for operation closure

Table 19: Principal mechanisms for dialog with stakeholder groups

Stakeholder	Mechanisms
Shareholders	<ul style="list-style-type: none">• Informational meetings.• Website for the Securities Market of the Superintendency of Securities Market (SMV).• Email and post.• Telephone.• Company web site.
Employees	<ul style="list-style-type: none">• Ongoing and interdepartmental meetings with teams.• Bimonthly meetings with unions.• Response to complaints.• Virtual media, intranet and daily email and boards.• Occupational Health and Safety Committees in all Operating Units.• Activities with employees.
Community	<ul style="list-style-type: none">• Daily interaction with community actors.• Weekly meetings with authorities.• Daily coordination with community groups.• Assemblies with active community participation.• Strategic meetings with thought leaders.• Community outreach through print and radio media.
Government and Civil Society	<ul style="list-style-type: none">• Requests and letters.• Email.• Telephone communications.• Information Office.
Customers	<ul style="list-style-type: none">• Ongoing interaction via email and telephone.• Incident areas and complaints.• Visits to plants.
Suppliers and contractors	<ul style="list-style-type: none">• Ongoing interaction.• Email.• Telephone.

PART 6

HUMAN RESOURCE MANAGEMENT





Powerhouse of Animón Plant - Chungar

Volcan understands that caring for its employees is vital for its sustainability, and therefore ensures they are committed to the Company's values, Code of Ethics and Conduct, and vision and mission. In addition, it provides the resources, environment, and tools employees need to carry out their activities and prioritize the principle of employment stability. Moreover, the Company ensures respect for collective agreements with all of its unions.

At year-end 2016, the Company had a total of 2,757 direct employees in Lima and its operating units. An additional 7,413 employees work with Volcan subcontractor companies, representing 73% of the workforce. [Employment DMA](#)

Table 20: Total employees by gender and employment category [G4-10](#)

Company	Female	Male	Total
Volcan Cía. Minera S.A.A.	100	1,415	1,515
Officers	2	31	33
Staff	75	353	428
Employees	16	546	562
Workers	7	485	492
Cía. Minera Chungar S.A.C.	21	878	899
Officers	0	2	2
Staff	18	208	226
Employees	1	284	285
Workers	2	384	386
Emp. Admin. Cerro S.A.C.	24	184	208
Officers	0	0	0
Staff	4	32	36
Employees	3	13	16
Workers	17	139	156
Óxidos de Pasco S.A.C.	4	109	113
Officers	0	1	1
Staff	1	31	32
Employees	2	41	43
Workers	1	36	37
Hidroeléctrica Huanchor S.A.C.	1	21	22
Staff	1	10	11
Employees	0	11	11
Total General	150	2,607	2,757
Officers	2	34	36
Staff	99	634	733
Employees	22	895	917
Workers	27	1,044	1,071

Table 21: Staffing size by region and gender G4-10

	Volcan Cía. Minera S.A.A			Cía. Minera Chungar S.A.C.			Emp. Admin. Cerro S.A.C.				Óxidos de Pasco S.A.C.			Hidroeléctrica Huanchor S.A.C.			Consolidated			
Region	Female	Male	Total	Female	Male	Total	Female	Male	Total		Region	Female	Male	Total	Female	Male	Total	Female	Male	Total
Ancash	0	17	17	0	6	6	0	3	3		Ancash	0	4	4			0		30	30
Arequipa	1	11	12	0	19	19			0		Arequipa			0	0	1	1	1	31	32
Ayacucho	0	2	2			0			0		Ayacucho			0			0		2	2
Callao	6	15	21	1	11	12	0	2	2		Callao	0	1	1			0	7	29	36
Cajamarca	0	3	3	0	2	2			0		Cajamarca	0	1	1			0		6	6
Cusco	0	2	2	0	1	1			0		Cusco			0			0		3	3
Huancavelica	0	16	16	0	3	3			0		Huancavelica			0			0		19	19
Huánuco	0	13	13	0	23	23	0	1	1		Huánuco	0	3	3			0		40	40
Ica	0	3	3	0	6	6			0		Ica	0	1	1			0		10	10
Junín	19	880	899	4	185	189	4	26	30		Junín	1	21	22	0	7	7	28	1,119	1,147
La Libertad	1	14	15	0	17	17	0	4	4		La Libertad	0	6	6			0	1	41	42
Lambayeque	0	1	1	1	1	2			0		Lambayeque			0	0	1	1	1	3	4
Lima	72	364	436	10	139	149	2	21	23		Lima	0	21	21	1	12	13	85	557	642
Moquegua			0			0	1	4	5		Moquegua	0	1	1			0	1	5	6
Pasco	1	68	69	5	457	462	17	123	140		Pasco	3	50	53			0	26	698	724
Piura	0	1	1	0	7	7			0		Piura			0			0		8	8
Puno	0	2	2			0			0		Puno			0			0		2	2
San Martín	0	1	1			0			0		San Martín			0			0		1	1
Tacna	0	2	2			0			0		Tacna			0			0		2	2
Ucayali			0	0	1	1			0		Ucayali			0			0		1	1
Total	100	1,415	1,515	21	878	899	24	184	208		Total	4	109	113	1	21	22	150	2,607	2,757

Table 22: Total employees by type of contract G4-10

Division	Company	Unit	Stable staff		Fixed-term staff		Total		Total
			Female	Male	Female	Male	Female	Male	
Mining	Volcan Cía Minera S.A.A	Yauli y Lima	58	893	42	522	100	1,415	1,515
	Cía. Minera Chungar S.A.C.	Chungar y Alpamarca	4	415	17	463	21	878	899
	Emp. Admin. Cerro SAC	Cerro de Pasco	1	125	23	59	24	184	208
	Óxidos de Pasco S.A.C.	Óxidos de Pasco	1	15	3	94	4	109	113
Energy	Hidroeléctrica Huanchor S.A.C.	C.H. Huanchor	1	18	0	3	1	21	22
Total			65	1,466	85	1,141	150	2,607	2,757

Table 23: Employees with specialized companies G4-10

Company	2016*
Yauli	4,459
Chungar	2,292
Cerro de Pasco	225
Alpamarca	245
Óxidos de Pasco	192
Total General	7,413

* As of December 31.

TALENT RECRUITMENT AND RETENTION STRATEGY

Identifying talent and motivating performance improvement is a fundamental concept for Volcan. To achieve this goal, the Company has developed strategies to retain and manage talent through:

- Annual training plan
- Career plan
- Personnel management
- Salary planning
- Performance evaluation

TRAINING AND DEVELOPMENT

To achieve excellence in its processes, Volcan has developed an annual training plan based on operational and employee needs. This plan enables the Company to achieve exceptional results and ensure the availability of qualified labor. The plan encompasses programs that help to close gaps in conduct and increase employee skills. **Training and Education DMA**

In addition, preventing accidents and having personnel trained in new developments and skills are critical factors for managing operations efficiently. For that reason, it is essential to promote continuous improvement of employee competitiveness and productivity.

Volcan invests time and resources in internal and external training. In 2016, the Company invested 116,086 man-hours in training to reach an average of 42.1 hours of training per worker, in compliance with D.S. N° 024-2016-EM.

Notable internal training programs included Supervisor Development, Operator Training, and Teachers Inspiring Teachers (an internal volunteer program). **G4-LA10**

The Supervisor Development Program is focused on training mining unit supervisors. The goal of the program is to strengthen knowledge and conduct necessary to achieve excellence in relation to corporate

Table 24: Average man-hours of employee training by professional category and gender **G4-LA9**

Region	Per professional category				Per gender		Total
	Officers	Staff	Employees	Workers	Female	Male	
Number of workers	36	733	917	1,071	150	2,607	2,757
Training man-hours	1,077	32,879	42,484	39,646	9,132	106,954	116,086
Average training hours per worker	29.9	44.9	46.3	37.0	60.9	41.0	42.1

competencies and work procedures, prioritizing workplace safety management. More than 360 supervisors participated in this training in 2016.

In addition, the Operator Training Program trains heavy equipment operators at the Volcan Training Center located at the Yauli unit. The participants undergo 48 hours of training. More than 70 operators were trained through this program in 2016.

The Teachers Inspiring Teachers volunteer program has become a place to share knowledge, experiences, and learning. The program provides personal and professional development opportunities for Volcan employees. It includes voluntary training workshops on topics of general interest that affect all areas of the Company. In 2016 these workshops were focused on mining, professional skills development, quality-of-life improvement, and personal growth. Throughout the Company, there were 35 sessions on 20 different topics, both at the mining units, as well as in Lima.

The Company's performance in this area is evaluated using a set of indicators that includes the total number and average of training man-hours and the number of participants in the programs. Other indicators are related to workplace safety (reduction of workplace accidents), the results of the organizational climate survey, and evaluation of competencies as part of performance management.

VOLCAN'S COMMITMENT TO ITS EMPLOYEES IS ALSO MANIFESTED IN OTHER ASPECTS. THE COMPANY PROVIDES FINANCIAL SUPPORT FOR POST-GRADUATE STUDIES (MASTER'S DEGREES OR CERTIFICATES) FOR PERSONNEL WHO HAVE DEMONSTRATED EXCELLENT PERFORMANCE AND HIGH POTENTIAL.

In periods of transition to labor inactivity, the Company offers placement and assistance such as training and guidance. In addition, it offers outplacement workshops to employees who occupied key positions in the Company and are retiring. **G4-LA10**

Table 25: Training participants and man-hours in special programs

Indicators	Supervisor Development Program	Operator Training Program	Teachers Inspiring Teachers Volunteer Program	Total
Participants	363	74	1,136	1,573
Training man-hours	10,890	3,552	3,222	17,664



Mahr Túnel Plant - Yauli

EMPLOYEE WELL-BEING AND WORKING CONDITIONS

IN MANAGING LABOR RELATIONS, THE COMPANY STRIVES TO PROMOTE A GOOD WORKING ENVIRONMENT AND APPROPRIATE CONDITIONS FOR ALL OF ITS EMPLOYEES. TOWARDS THAT END, ALL AREAS OF THE COMPANY ARE COMMITTED TO COMPLYING WITH PROCEDURES ESTABLISHED IN THE DIFFERENT OPERATIONS, MAINLY COLLECTIVE BARGAINING AGREEMENTS AND INTERNAL WORK RULES.

Organizational climate committees have been created in Lima and the operating units; these multidisciplinary groups analyze the factors affecting climate and generate the respective action plans. As a result, workshops were held on topics such as leadership, improved employee transportation, improved dining services, nutrition services, physical and mental health advising, as well as recognition of safety and productivity improvements, sports tournaments, birthday celebrations, and holidays, among others.

To measure the impact of these improvements, Volcan has used the Organizational Climate Survey to measure levels of personnel satisfaction and commitment since 2014. Results of the 2016 survey show a 72% satisfaction level, 15 percentage points higher than the previous year.

In addition, labor relations committees receive reports on progress in compliance with commitments and management indicators. In 2016 there were no changes in labor relations management.

Worker-Management Relations DMA

Dialog procedures and Volcan labor policies are evidence of the Company's interest in establishing closer connections with employees and union organizations. In addition, collective bargaining agreements and internal policies establish procedures for addressing, overseeing, and tracking commitments, which are carried out through regular meetings with the various unions and regular joint inspections of work areas.

General labor relations management indicators measure operations stoppages by personnel due to complaints that have not been addressed or collective bargaining processes. In 2016 there were no strikes longer than one week or employee blockades. **G4-MM4**

IN 2016 THERE WERE NO STRIKES LONGER THAN ONE WEEK OR EMPLOYEE BLOCKADES.

Table 26: Mechanisms for dialog with employees G4-26

Mechanism	Description
Meetings on internal agreements	Collective complaints and observations are received on work and operational issues. Agreements recorded in minutes are monitored during periodical meetings and in indicators.
Bi-monthly scheduled meetings between unions and labor relations areas	Labor, safety and operational complaints from UEAs are handled. Items on the agenda are monitored through indicators and reviewed through a Monthly Workplace Relations Committee and sent to the Operations Department.
Reception of individual complaints	Complaints are received as established in the internal work regulations and in the collective agreement. The immediate supervisor is responsible for handling these, or in his/her stead the head of Workplace Relations for the respective UEA.
Open Doors	Quarterly meeting to close the gaps between the CEO and staff, in both Lima and in UEAs. Its purpose is to communicate the current situation and company prospects in terms of safety, operations, finance, projects, workplace climate and other relevant issues for the Company. This is a space that promotes open dialog in both directions to resolve any queries or concerns.
Quarterly meeting	Meeting with the Metallurgical Mining Workers Federation of Volcan to present the Company's economic and financial position. The aim is to keep staff informed and committed to corporate goals.

Table 27: Local employees (direct and subcontracted)

Unit*	Detail
Yauli	120, who belong to the local community of 1,323 residents
Hydroelectric plants	15 collaborators, who belong to the local community of 30 residents

* Chungar, Cerro de Pasco and Alpamarca data will be surveyed in 2017

ECONOMIC WELL-BEING

In regard to compensation, the majority of personnel is comprised of workers and employees at the Yauli, Cerro de Pasco, and Chungar units. Salaries are established in accordance with the provisions of collective bargaining agreement; they are never based on minimum-wage laws. G4-EC5

Table 28: Relationship between lowest salary and minimum legal salary

Minimum legal salary (SML)	S/.850
Lowest operator salary	S/.1,500
Ratio (Lowest salary/SML)	1.80

Results of the Organizational Climate Survey 2016 show a 72% satisfaction level, 15 percentage points higher than the previous year.

Salaries are established in accordance with the provisions of collective bargaining agreement; they are never based on minimum-wage laws.

SOCIAL BENEFITS FOR EMPLOYEES

Volcan provides the following social benefits to all full-time employees. **G4-LA2**

Table 29: Social benefits

Service	Detail
Life insurance	Legal life insurance for all employees from their start date.
Medical insurance	Medical insurance from private health providers (EPS) to staff and officials. Workers and employees have Essalud (public health) coverage.
Personal accident insurance	Benefit for managers and deputy managers.
Disability coverage (medical care)	In the event of disabilities (common accident, illness) there is Rímac EPS or Essalud coverage. On the other hand, workplace accidents are covered by Rímac (a benefit added in 2016).
Disability coverage (economic coverage)	Temporary disabilities are covered by Essalud and permanent disabilities and those resulting from accidents in the workplace are covered by ONP or Mapfre.
Maternity or paternity leave	Maternity leave is 98 days; paternity leave is 4 days.
Pension fund	Workers benefit from contributions to the pension system. Each affiliate has a personal savings account administered by an AFP or ONP.

PERFORMANCE MANAGEMENT

As in previous years, the performance management process is part of the employee management cycle and is manifested through recognition of individual contributions in the period evaluated. In 2016, a talent retention plan was implemented through salary planning and prioritizing training activities for outstanding personnel.

LOCAL HIRING

Providing employment to trained personnel in the area of the different mining units is a key factor in promoting local development and strong community relations. In this aspect, Volcan has maintained its commitment, in conjunction with local communities, with an emphasis on hiring personnel for operations. The number of local residents working at Volcan operations and the way they apply for employment varies in each community.

Market Presence DMA

The local hiring process begins with identifying the position, then determining the worker profile and seeking candidates. The position requirements are communicated to the communal resident committee through the Corporate Social Responsibility office in

each unit. The ultimate goal is to meet, in a reasonable manner, the demand for work in accordance with operating needs.

Fulfillment of this objective is measured by the percentage of local community members on Volcan's staff by mining unit. In 2016, the Company worked on this indicator at the hydroelectric plants (50%) and Yauli (9%). We expect to implement it at Chungar and Cerro de Pasco in 2017. There are no personnel in management positions from the local community. **G4-EC6**

Local employees are mainly involved in operations activities: operators, mine assistants, drivers, maintenance, and safety inspectors, among others.

FIRMLY RESPECTING HUMAN RIGHTS

RESPECT FOR HUMAN RIGHTS IS A THEME THAT VOLCAN PROMOTES BOTH INSIDE AND OUTSIDE THE COMPANY INCLUDING WITH SUPPLIERS AND SUBCONTRACTORS.

To promote compliance, the Company sponsors training talks on labor regulations and has a process for permanent oversight and enforcement of subcontractor hiring. In addition, as part of their orientation when joining the Company, new employees receive a copy of the Code of Ethics and Conduct and sign a commitment to respect the corporate values and principles.

To provide guarantees and prevent possible cases of human rights abuses, Volcan offers an anonymous "Complaint Line". In 2016 the Company did not receive any reports or become aware of any incidents of discrimination, forced labor, or child labor in its operating units. **G4-HR3 G4-HR5 G4-HR6**

NON-DISCRIMINATION

Eradicating discrimination of any kind is important to Volcan. Managing this issue strengthens the Company's workplace climate. Towards that end, Volcan has programs to support employees, their families, and the community in general that are based on prevention, education, and advice. In addition, the Complaint Line is provided to detect cases of discrimination. Reports can be made confidentially and anonymously.

Non-discrimination DMA

FORCED LABOR

Volcan condemns any form of forced labor in all of its operations. Compliance with measures to eliminate poor labor practices is an opportunity to improve workplace climate.

In 2016, there were no reports of forced labor. Volcan complies with labor laws and requires respect for recognition of employee overtime. The Company's Internal Workplace Regulation is aligned with the General Law on Workplace Inspection, the Internal Regulation on Workplace Health and Safety, the Code of Ethics and Conduct and the Policy on Safety, Occupational Health, Environment and Quality. Volcan also offers support programs for its employees and

their families that include prevention of forced labor risks. Forced Labor DMA

CHILD LABOR

There are child labor risks throughout the supply chain for all mining activity in Peru. Volcan strongly condemns this practice. The Company believes that this aspect represents an opportunity to strengthen the productive capacity of local families and increase their income, as a way to prevent child labor.

All individuals who work for the Company are of legal age as established by applicable law and international principles of labor ethics. To eliminate this risk and prevent hiring of minors, Volcan sponsors school prevention campaigns aimed at children in communities near its production units such as Huayhuay (Yauli), Huayllay (Chungar) and Rancas (Cerro de Pasco).

To optimize performance in this regard, the Company carefully reviews and verifies the documents of each individual who applies for a position in any operating unit. Each employee's personal information is checked against data from the National Identification and Civil Status Registry (RENIEC). DMA Child Labor

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Volcan respects the right to collective bargaining, as established in the collective bargaining agreement and internal work regulations. These documents include commitments to improve working conditions and economic benefits the Company provides in agreement with unions to avoid the impact of labor strikes or stoppages.

In addition, Volcan respects its employees' freedom to join unions and participate in collective bargaining, as established by both domestic and international law. Employees are completely free to meet and associate with one another in the entity or union of their choice.

Each year, the Company signs collective bargaining accords or agreements with unions that represent the majority of its employees. During these negotiations, the parties evaluate salary increases and working conditions in the operating units.

Freedom of Association and Collective Bargaining DMA

It should be noted that employees of subcontractor or supplier companies are not represented by unions.

Under the Company's policy, benefits contained in collective bargaining agreements apply to all Volcan

employees, regardless of whether they belong to a union. G4-11

It is important to note that 28% of personnel belong to some kind of union and their salary increases and working conditions are regulated through collective bargaining processes. G4-11

As in other areas, the Company provides a "Complaint Line" for reporting cases of discrimination or infringement of the rights of unionized employees. The Company did not receive any reports in 2016. G4-HR4

Table 30: Unions in each operating unit

Unit	Union
Yauli	San Cristóbal Mine Workers' Union
	Andaychagua Metallurgical Mine Workers' Union
	Mahr Tunnel Concentrate Plant Workers' Union
	Volcan Cía. Minera SAA – Yauli Employees Union
	Carahuacra Workers' Union
	Metallurgical Mining Workers Federation of Volcan Compañía Minera SAA (organism that represents the unions as indicated above)
Chungar	Animón Mine Workers' Union
Cerro de Pasco	Cerro de Pasco Metallurgical Mine Workers' Union

Table 31: Summary of unionized personnel by operating unit

Unit	Worker	Employee	Total
Yauli	384	153	537
Chungar	146	-	146
Cerro de Pasco	79	6	85
Total	609	159	768

REGULATORY COMPLIANCE WITH UNIONS

Compliance with legal labor obligations and collective bargaining agreements improves relations with employees, strengthens the continuity of operations, and enables the Company to understand personnel concerns and needs. Regulatory Compliance-Society DMA

Volcan uses the following tools to manage labor relations and compliance with legal labor obligations and agreements:

- Regular meetings with union representatives, as established by the Company and the unions. These meetings take place every two weeks. They are an opportunity to hear grievances or contributions from the employees represented.
- Continuous improvement meetings. These meetings include the participation of Operations Management. The purpose of these meetings is to obtain regular feedback from employees through their unions, and follow up on implementation.

Finally, labor relations committees meet monthly to evaluate management indicators related to:

- The number of items addressed in the bi-weekly agendas with different unions.
- Compliance with commitments made to unions arising from internal items (agendas).
- Number of workers who belong to unions, of total operations personnel.
- Number of days of labor stoppages due to union grievances.

SIGNIFICANT CHANGES IN THE LABOR FORCE

The decrease in metal prices in the international market triggered a process of personnel reduction. Volcan was also affected by this global situation. In 2016, 641 employees were terminated, mainly due to contract expiration, resignation, and mutual consent. **G4-10**

Table 32: Employees terminated in 2016 **G4-LA1**

Sociedad	
Volcan Cía Minera S.A.A	349
Cia. Minera Chungar	152
Emp. Admin. Cerro SAC	124
Óxidos de Pasco S.A.C.	14
Hidroeléctrica Huanchor S.A.C.	2
Total	641

Table 33: Employees terminated by cause **G4-LA1**

Cause	
Termination	13
Death	2
Gross Misconduct	2
Mutual Consent	158
Resignatio	196
Early Contract Termination	1
Contract Expiration	235
Completion of Test Period	16
Transfer through Court Order	18
Total	641

ANNUAL EMPLOYEE TURNOVER AT VOLCAN WAS 23.2%; THE MAJORITY OF TERMINATED EMPLOYEES WERE FROM JUNÍN, PASCO, AND LIMA.

Table 34: Annual employee turnover by age range and gender **G4-LA1**

Division	Company	Unit	Age range (years)			Per gender		Total
			18 - 29	30 - 50	Over 50	Female	Male	
Mining	Volcan Cía Minera S.A.A	Yauli y Lima	2.4%	15.8%	4.8%	1.5%	21.6%	23.0%
	Cía. Minera Chungar	Chungar y Alpamarca	2.1%	13.0%	1.8%	0.9%	16.0%	16.9%
	Emp. Admin. Cerro SAC	Cerro de Pasco	20.2%	23.6%	15.9%	6.7%	52.9%	59.6%
	Óxidos de Pasco S.A.C.	Óxidos de Pasco	3.5%	8.0%	0.9%	1.8%	10.6%	12.4%
Energy	Hidroeléctrica Huanchor S.A.C.	C.H. Huanchor	0.0%	9.1%	0.0%	0.0%	9.1%	9.1%
Total			3.7%	15.1%	4.5%	1.7%	21.6%	23.2%

Table 35: Annual employee turnover by region **G4-LA1**

Region	Volcan Cía. Minera S.A.A	Cía. Minera Chungar S.A.C.	Emp. Admin. Cerro S.A.C.	Óxidos de Pasco S.A.C.	Hidroeléctrica Huanchor S.A.C.	Consolidated
Ancash	0.3%	0.6%	1.9%			0.5%
Apurímac				0.9%		0.0%
Arequipa	0.4%	0.7%		0.9%		0.5%
Ayacucho		0.1%				0.0%
Callao	0.3%	0.2%	0.5%			0.3%
Cajamarca	0.1%	0.2%				0.1%
Cusco	0.1%					0.0%
Huancavelica	0.5%	0.1%				0.3%
Huánuco	0.3%	0.2%				0.3%
Ica		0.1%			4.5%	0.1%
Junín	13.8%	4.3%	6.7%	1.8%		9.6%
La Libertad	0.3%	0.4%	3.4%	0.9%		0.6%
Lambayeque		0.2%				0.1%
Lima	5.3%	5.8%	3.4%	5.3%	4.5%	5.3%
Moquegua			1.0%			0.1%
Pasco	1.7%	3.7%	42.8%	2.7%		5.5%
Tacna		0.2%				0.1%
Total	23.0%	16.9%	59.6%	12.4%	9.1%	23.2%

This level of turnover requires rapid, appropriate actions to cover positions and ensure that the Company's activities are not affected. During the year, the Company was able to fill positions vacated due to layoffs and other positions, for a total of 741 new hires. All positions have been budgeted and authorized by Management.

The majority of personnel hired in 2016 work in Lima, Junín, and Pasco. It is also worth mentioning that most of these hires are from the local community or skilled workers who live close to operations.

Table 36: Hiring by place of origin G4-LA1

Region	Volcan Cía. Minera S.A.A	Cía. Minera Chungar S.A.C.	Emp. Admin. Cerro S.A.C.	Óxidos de Pasco S.A.C.	Hidroeléctrica Huanchor S.A.C.	Consolidated
Ancash	5	3	4	1		13
Arequipa	4	8			3	15
Ayacucho	1					1
Callao	1	4	1			6
Cajamarca	2	2				4
Cusco	1	3				4
Huancavelica	4	4				8
Huánuco	4	9				13
Ica		2				2
Junín	99	70	27	8		204
La Libertad	6	15	10			31
Lambayeque		2			1	3
Lima	169	83	11	4	1	268
Pasco	24	49	90	3		166
Piura		2				2
Ucayali		1				1
Total	320	257	143	16	5	741



Rumichaca Tailings Dam Thickener - Yauli

PART 7

HEALTH AND SAFETY





Powerhouse - Huanchor Hydroelectric Plant

VOLCAN UNDERSTANDS THAT PROPER MANAGEMENT OF HEALTH AND SAFETY IS VITAL FOR THE SUSTAINABILITY OF ITS OPERATIONS.

Therefore, it ensures careful hazard identification and evaluation of risks to health and safety in all of its activities, in order to minimize accidents and incidents for its direct employees as well as indirect employees. There are significant inherent risks in the mining sector, particularly in underground mining.

MANAGEMENT OF OCCUPATIONAL HEALTH AND SAFETY

Our strategy for ensuring appropriate management of occupational health and safety is defined as follows:

Occupational Health and Safety DMA

- Management commitment and involvement through the Occupational Health and Safety, Environment, and Quality Policy.
- Safety Management System based on four fundamental pillars: risk evaluation, conditions, training, and behavior. In addition, the Company has implemented management tools for hazard identification, risk evaluation, and determination of controls; inspections; critical risks; training tailored to each position; safe conduct audit; internal work regulations and internal occupational health and safety regulations; development of and training in standards and procedures, etc.
- Participation and consultation through the OHS committee in all operating units.

EVALUATION OF OCCUPATIONAL HEALTH AND SAFETY

- Safety Management System: Internal and corporate audits.
- Conditions: Inspections focused on critical safety risks.
- Legal: External enforcement (SUNAFIL and OSINERGNIN).
- Health: Monitoring of agents and occupational studies.

OHS TRAINING

- Annual occupational health and safety training, approved by the joint committee at each operating unit.
- Annual training plan based on legal requirements for the sector.
- Supervisor Development Program focused on developing soft and technical skills.
- Amauta Minero program aimed at operators involved in critical mining operation activities, to develop their technical skills and understanding of the importance of following procedures.
- Training provided to direct employees and contractors.

ACCIDENT REPORTING

IN 2016 VOLCAN FOCUSED ON CONTROLLING THE CRITICAL RISKS OF FALLING ROCK, MOBILE VEHICLES AND EQUIPMENT, ENERGY BLOCKING, AND MANUAL TOOLS.

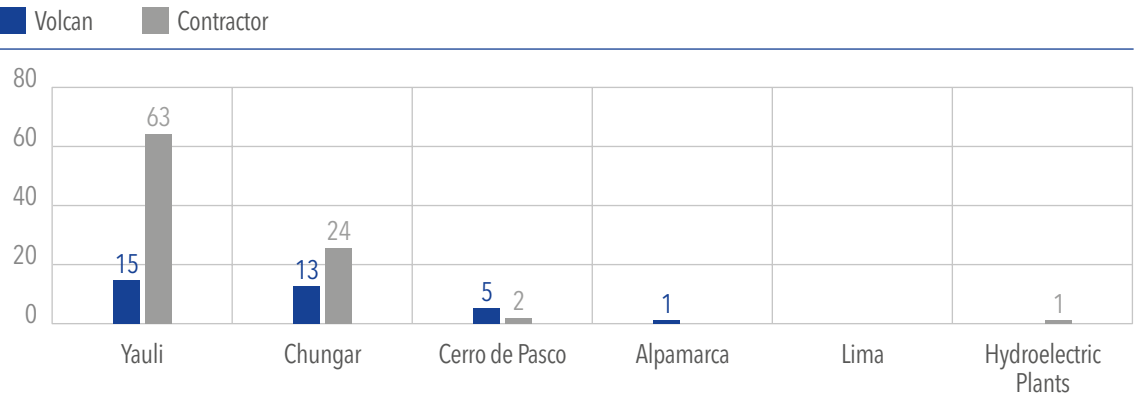
The efforts made at Alpamarca, Chungar, and Cerro de Pasco resulted in substantial reductions of accident rates. The values achieved were 0.00, 0.04, and 0.15, respectively. At Yauli, however, the indicators increased as a result of three fatal accidents.

Because Volcan has prioritized safety management, the frequency index, which measures the number of accidents per million man-hours worked, has continued to fall, from 2.35 in 2015 to 1.54 in 2016. However, the three fatal accidents had an impact on the Company's severity indicator, which measures workdays lost per million man-hours worked. This indicator rose from 384 in 2015 to 893 in 2016, such that the accident rate, which weighs both frequency and severity, increased from 0.90 in 2015 to 1.37 in 2016.

Table 37: Accident rate, frequency, severity and accidents G4-LA6

Region	Yauli	Chungar	Cerro de Pasco	Alpamarca	Hydroelectric plants	Lima	Consolidated
Fatal accidents	3	0	0	0	0	0	3
Disabling accidents	28	3	3	0	0	0	34
Minor accidents	47	34	4	1	1	0	87
Property accidents	44	25	4	3	3	1	80
Accident Index	3.30	0.04	0.15	0.00	0.00	0.00	1.37
Frequency Index	2.22	0.46	1.93	0.00	0.00	0.00	1.54
Severity Index	1,490	79	80	0	0	0	893
Man-hours worked	13,990,081	6,532,025	1,557,589	1,081,930	335,926	560,960	24,058,511
Time lost (days) due to accidents	20,844	519	125	0	0	0	21,488

Figure 7: Volcan accidents vs. subcontractor accidents



Volcan complies with the regulatory provisions of Supreme Decree No. 024-2016-EM and Law No. 29783, the Occupational Health and Safety Law, in regard to registration and communication of accidents. Health and safety incidents and management performance are also tracked by the health and safety committees at each operating unit, which meet weekly, and corporate monitoring committees, which meet monthly in Lima.

and one Volcan employee. These incidents were investigated to determine the causes, and corrective measures were taken with an emphasis on supervision, training, and evaluation to strengthen oversight and reduce the accident rate in 2017.

Table 38: Fatal accident reports

Unit	Date	Company
Yauli	November 20, 2016	Contractor
	September 14, 2016	Contractor
	April 29, 2016	Volcan

FATAL ACCIDENTS

In 2016, there were three accidents with fatal consequences involving two subcontractor employees

ASSET SECURITY

Safeguarding assets and implementing security protocols to manage everyday activities safely is appropriate practice in all organizations. Using a prevention approach, the Company's Security area is responsible for identifying and minimizing the occurrence of infractions or crimes that affect the organization through an efficient and effective safety system. Management of this aspect is aimed at protecting the physical safety of individuals and assets belonging to Volcan.

The Company uses the following mechanisms for oversight, monitoring, and evaluation, in order to apply corrective measures and ensure continuous improvement.

These mechanisms are measured according to the following management indicators:

- Material loss exposure report: Measures the commitment of internal units and subcontractors to safeguard their own or assigned assets to perform their work.

- Attempted theft report: Information about individuals engaged in wrongdoing.
- Report on alcohol use: Shows incidents of personnel found with symptoms of alcohol use (they are turned over to law enforcement).
- Safety incident report: Measures substandard actions and conditions, caused by direct or contractor personnel, which could significantly affect individual safety or health.

These incidents are entered into the SSOMAC system to be handled as applicable.

HUMAN RIGHTS TRAINING FOR SECURITY AGENTS

Volcan supports appropriate interaction of surveillance and security personnel with neighboring communities and stakeholders through its corporate values, respective for individuals, and fair treatment. The Company rejects all types of violence, abuse, and discrimination inside or outside its facilities. [Security Practices DMA](#)

To promote compliance with principles in support of individual rights, Volcan trains, supervises, monitors, and evaluates the actions of surveillance and security personnel to prevent inappropriate conduct.

Company Security coordinators monitor the behavior of surveillance personnel through controls implemented at each of the mining units.

No complaints, reports or grievances were received in 2016 from communities or other stakeholders regarding treatment by Volcan surveillance and security staff.

During 2016, security personnel participated in the following trainings at the Cerro de Pasco, Chungar, Alpamarca, and Yauli (San Cristóbal, Mahr Túnel, Carahuacra, Andaychagua and Ticio) units.

• Voluntary principles on human rights and security.

The purpose of this training is to maintain operational security within a framework that ensures respect for fundamental individual rights and freedoms.

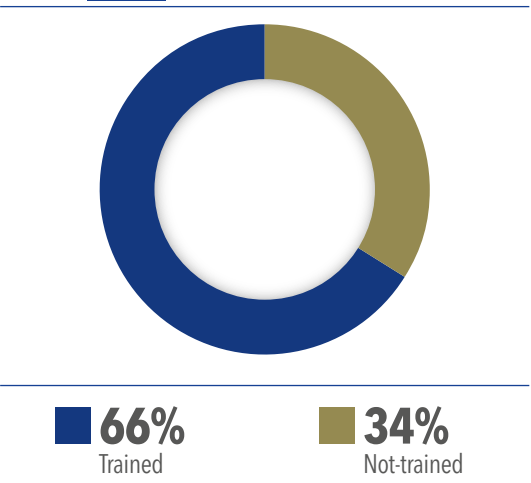
• Human rights

Training focused on human values, the right of individuals to receive fair and equitable treatment, as well as non-discrimination on the basis of origin, age, gender, sexual orientation, education, religion, customs, or socioeconomic status.

Table 39: Human rights training for security personnel

Unit	Trained	Not-trained	Total
Yauli	142	4	146
Chungar	27	41	68
Cerro de Pasco	54	69	123
Alpamarca	11	9	20
Total	234	123	357

Figure 8: Percentage of security personnel trained [G4-HR7](#)



Alpamarca Offices

PART 8

CUSTOMER SATISFACTION





Animón Plant - Chungar

SATISFYING ALL OF OUR CUSTOMERS IS PART OF THE MISSION OF VOLCAN'S EXECUTIVE MANAGEMENT. AT THE START OF EACH FISCAL YEAR, MANAGEMENT EVALUATES THE PRODUCTION BUDGET OF THE OPERATIONS AREA AND AGREES ON A DELIVERY PLAN WITH EACH CUSTOMER FOR THE COMING YEAR.

Therefore, efforts throughout the year are focused on fulfilling each customer plan, which includes details on tonnage, material quality, description of delivery methods, schedules, and destinations.

Volcan has good relations with its customers, based on constant, fluid communication throughout the year. This way, any event or change that occurs during the contract term is promptly communicated.

Customer satisfaction evaluation includes analysis of annual delivery plan fulfillment in terms of the quantity and quality of concentrates delivered.

In addition, to anticipate, evaluate, and communicate any deviation from planned deliveries to the customer, meetings and committees are organized with the Operations and Logistics Division. It is worth emphasizing that possible deviations occur mainly due to production, logistics, or operational reasons.

Executive management evaluates the following indicators:

Figure 9: Indicators



PART 9

SUPPLY CHAIN





Oxides Plant Vault

Volcan's 2016 supply chain is shown in the figure below.

Figure 10: Volcan supply chain



EFFICIENT MANAGEMENT OF SUBCONTRACTORS AND SUPPLIERS

SUBCONTRACTORS AND SUPPLIERS ARE A FUNDAMENTAL PART OF THE VOLCAN SUPPLY CHAIN. THEY PROVIDE GOODS, SERVICES, INFORMATION, AND RESOURCES TO MEET THE NEEDS OF ALL FUNCTIONAL AND OPERATING UNITS.

In 2016 Volcan disbursed USD 390 million to subcontractors and suppliers. Volcan's main suppliers are comprised of 56 companies representing 80% of supply purchases (USD 113 million). In 2016, Volcan began working with 26 new subcontractors. **G4-LA14**

Table 40: Average amount and payments to suppliers and subcontractors in 2016

Classification	Average amount	Annual payment (MM USD)
Suppliers	561	141
Contractors	306	249
Total	867	390

To ensure appropriate economic, social, and environmental performance, Volcan supervises its subcontractors to ensure that they comply with labor laws and are aligned with Company principles, values, and policies. Toward that end, the Company strictly controls compliance with regulations and obligations in the operating units. In addition, the subcontractor invoice payment procedure is subject to controls; payment is released only after the subcontractor submits evidence of compliance with labor obligations for the previous month.

Consequently, all subcontractor personnel must work in accordance with the Volcan Occupational Health and Safety and Environment System, as well as best practices in social responsibility promoted by the Company. Each worker is required to receive a minimum number of hours of training and actively participate in all programs and talks given each month.

Assessment of Supplier Labor Practices DMA

Supplier Assessment for Impacts on Society DMA

COMPLIANCE WITH LABOR OBLIGATIONS

In addition to the foregoing, Volcan has established strict controls for compliance with labor obligations, laws, and social benefits with each subcontractor at its mining units. This oversight is based on careful review of documents provided as proof of compliance with obligations (payroll, unemployment and retirement fund contributions, etc.), as well as compliance with deadlines established by the National Superintendency of Tax Administration (SUNAT). Labor obligation compliance is validated only if the subcontractor fulfills 100% of its obligations; otherwise, the documentation is annotated and each subcontractor is informed to ensure that they correct the situation as quickly as possible. Finally, results of controls are reviewed

each month with the subcontractor to effectively manage worker well-being and proper functioning of operations.

At year-end 2016, the compliance percentage with subcontractor labor obligations was 87.7%.

PROCUREMENT PRACTICES

VOLCAN'S PROCUREMENT POLICY PRIORITIZES LOCAL HIRING FOR SERVICES AND CERTAIN INPUTS, AS LONG AS REQUIRED QUALITY CONDITIONS ARE MET AND GOODS AND SERVICES ARE OFFERED AT COMPETITIVE PRICES.

The Company also encourages subcontractors or suppliers to hire personnel from the area of influence of the operating unit, mainly for positions requiring unskilled and non-technical labor.

In addition, Volcan has quality standards for the raw materials it purchases and makes periodic visits to different suppliers. The Company also follows a procedure that establishes technical and financial mechanisms for procuring goods and services.

Procurement Practices DMA

In 2016 materials and supplies purchased domestically represented 96.6% of all procurement, while imported purchases represented 3.4%. **G4-EC9**

Volcan set aside a percentage of its annual budget for local suppliers to purchase products and services in the areas of its major operations, (defined as any company that provides services or goods and is located within the area of influence of mine operations). **G4-EC9**

- 31% of all service contracts are local.
- 3.4% of all goods purchases were local.

PROPER PRODUCT MANAGEMENT

Correct handling and manipulation of Volcan products not only ensures efficient management but also appropriate environmental care throughout the logistics chain. Toward that end, the Company strives to work with partners who specialize in transportation, storage, shipping, etc. In addition, the Company uses Material Safety Data Sheets(MSDS) for each of its products. These reports are available to all agents in the chain. This procedure enables the Company to ensure the transparency of information about the chemical composition, use, storage, handling, emergency procedures, and potential health effects of its products. As a result, customers, shipping companies, logistics agents, and warehouses are duly informed, as deliveries are fulfilled. All MSDS reports are reviewed and periodically updated to ensure their applicability.

Product Labeling DMA

PART 10

COMMUNITY RELATIONS MANAGEMENT





Dosage campaign

The basis of open and harmonious communication is respect for people, their customs, and their traditions. That is the essence of Volcan's relations with one of its main stakeholder groups: the communities within its area of influence. One of the pillars of community relations management is the expectations that communities have of the Company.

Local Communities DMA / G4-26

KEY COMMUNITY EXPECTATIONS

- A strategic alliance that promotes community development
- Development interventions based on the sustainable development plan
- Expectation that the Company will prioritize hiring members of the local community and their families

Current law requires that companies conduct environmental and social studies before initiating any extractive activity. These instruments clearly establish the mechanisms for assessing and managing the impacts of operational activities on the surrounding population. This information enables development of environmental and social baselines that describe the environmental and socioeconomic characteristics of the area prior to the start of activities.

The baselines are used to determine the potential social impacts of the activity or mining project and to develop measures to mitigate or control negative impacts and reinforce positive ones. These measures are set forth in the Community Relations Plan (CRP) which also documents the population's concerns and desires. Based on this analysis, the following programs were established:

- Communication and information programs
- Education programs
- Health programs
- Employment promotion programs
- Local goods and services procurement programs
- Cultural promotion programs, among others

Volcan manages mechanisms for involvement, follow-up, and control of the community relations activities contained in its policies, rules, and procedures, including:

- Community Relations Plans (CRP), register commitments acquired by the Company each year.
- Community relations protocols that govern the conduct and performance of all management personnel at operating units or projects
- Current regulations, which include mechanisms for enforcement and control of compliance with commitments
- Involvement of the Office of Social Management and Dialog of the Presidential Council of Ministers, which channels community grievances, coordinates dialog, and facilitates consensus
- Participation by the Ministry of Energy and Mines, which through the Social Management Office facilitates dialog and verifies the information in the Annual Consolidated Declaration, which is a sworn statement
- Permanent Information Offices (PIO), which are a channel for community concerns, complaints, and grievances

To verify progress toward the commitments or potential non-compliance, Volcan regularly meets with resident organizations. These meetings are also opportunities for community members to share concerns, complaints, or suggestions about the community relations process. Volcan uses the (ISMS) to register, follow up on, and

control the various commitments of the Company. This system provides alerts about possible deviations from the CRPs. In addition, the CRPs in environmental assessments contain indicators and control and compliance mechanisms for commitments made. These are then enforced and supervised by competent agencies such as the Agency for Environmental Assessment and Enforcement, the Ministry of Energy and Mines, and the Presidential Council of Ministers, among others.

Sustainable development plans (SDP) have been developed to promote the participation of communities in the areas of influence of Volcan's operations and projects, with an emphasis on the most disadvantaged groups. The SDPs are aligned with the participatory development plans established by local governments (municipalities) and regional governments. **G4-26**

AREAS OF INFLUENCE

Each Volcan operating unit has signed agreements with the communities in its direct area of influence. Shown below are the operating units and the communities within their direct and indirect areas of influence.

Table 41: Chungar Unit

Direct area of influence	Indirect area of influence
Chauca	
Chisque	
Huaroquín	
Huascay	
Huayllay	
Pacaraos	
Pasac	
Ravira	
San Agustín de Huaychao	
San José de Baños	
Santa Catalina	
Santa Cruz	
Vichaycocha	
Viscas	

Table 42: Alpamarca Unit

Direct area of influence	Indirect area of influence
San José de Baños	Carhuacayán

Table 43: Cerro de Pasco Unit and Óxidos de Pasco Unit

Direct area of influence	Indirect area of influence
San Antonio de Rancas	Tingo Palca
Human settlement Champamarca	
Quiulacocha	
Yurajhuanca	
Paragsha	
Uliachín population center	
Buenos Aires population center	
Ayapoto population center	
Santa Ana de Tusi	
Racracancha	

Table 44: Yauli Unit

Direct area of influence	Indirect area of influence
Huayhuay	Huari
Pachachaca	San Antonio
Pomacocha	San Mateo de Huanchor
San Francisco de Asís de Pucara	
Yauli	

COMMUNITY RELATIONS AT ALPAMARCA ARE MANAGED BY THE CHUNGAR UNIT BECAUSE THEY SHARE THE ONLY COMMUNITY WITHIN THEIR DIRECT AREAS OF INFLUENCE.

BUILDING HARMONIOUS COMMUNITY RELATIONS

COMMITMENT TO EDUCATION

All Volcan operating units have community development plans. **(G4-S01)**

PRIMARY AND SECONDARY EDUCATION

IN 2016, 1,200 STUDENTS FROM ALL MINING UNITS IMPROVED THEIR MATH AND LANGUAGE COMPREHENSION LEVELS.

This was possible thanks to the strengthening of Volcan's partnership with the Enseña Perú (Teach Peru) program, which promotes transformation in education.

Table 45: Areas of Enseña Peru's program intervention

Unit	District	Community	Number of Programs
Yauli	Yauli	Yauli	3
	Huay-huay	Huay-huay	2
	Suitucancha	Suitucancha	1
Chungar	Huayllay	Huaychao	1
Cerro de Pasco	Simón Bolívar	Rancas	3
Total			10

The activities carried out in 2016, particularly in the Yauli unit, produced significant results. The following is a summary of the main projects and participation in competitions.

- **Huay-huay (Yauli):** Organization of the CultuArte street festival. This consisted of a variety of activities to promote integral child development: literacy workshop, tutoring workshops for primary school students, a mobile library, storytelling, poetry recitals, and activities to promote awareness of animal care.
- **Suitucancha (Yauli):** The program won the Ideas in Action competition in the Junín Region and participated in the ConCausa competition sponsored by UNICEF and América Solidaria.
- **Baños (Alpamarca / CH's Chungar):** Summer schools were organized in the communities of Santa Cruz de Andamarca and San José de Baños, with attendance by 12 secondary and 25 primary school students, respectively.

HIGHER EDUCATION

- **Yauli:** The Integral Scholarship Program was continued through the National Service for Training in Industrial Work (SENATI). In 2016 two scholarships were awarded to youth from the Yauli rural community for technical training in heavy machinery

- mechanics and industrial electronics. In addition, two young people from the same community graduated from programs in maintenance mechanics and automotive mechanics. Also, two scholarships with SENATI were awarded in the community of Suitucancha. In total, 12 youth from both communities completed or are studying for a three-year technical degree at SENATI.
- **Chungar:** In the communities of Huayllay and Huaychao, 19 students are studying heavy machinery mechanics and five are studying maintenance mechanics at SENATI.
 - **Cerro de Pasco:** In San Antonio de Rancas, 20 scholarships were awarded for studies at Daniel Alcides Carrión National University (UNDAC) and 10 students received full scholarships at SENATI. In Quiulacocha, four students received scholarships for studies at UNDAC while one student received a full scholarship at SENATI.
 - **Alpamarca / CH's Chungar:** In the community of San José de Baños, 10 full scholarships for technical studies at SENATI were granted to community members and their children.

TRAINING

In 2016, 20 youth and adults from the community of Pomacocha (Yauli) were trained in information technology at SENATI. In addition, the following training courses were offered at Chungar:

Table 46: Training at Chungar

Community	Course	Number of participants	Investment S/	Number of hours
Huaychao	Basic Topography	18	47,500	260
	Jumbo Operator Mechanic	10	56,040	140
Huayllay	Scooptram Operator Mechanic	21	47,500	140
	Backhoe Operator Mechanic	16	47,500	140
Total		65	198,540	680

In 2017, the goal is to provide training in the communities of direct influence at Cerro de Pasco and Alpamarca.



Enseña Perú Program



Health Post in the Pachachaca Community - Yauli

HEALTH

Volcan has committed to generating material and sustainable improvements in community health standards.

THEREFORE, IN ALLIANCE WITH PRISMA, A NON-GOVERNMENTAL ORGANIZATION AND STRATEGIC HEALTH PARTNER, THE COMPANY HAS DESIGNED A CORPORATE PROJECT WITH A 2018 TIMELINE.

The aim of the project is to identify the principal diseases in each community, monitor their evolution over time, and develop medical campaigns to address them. Another aspect of this work is prevention, which is carried out through advocacy meetings, raising awareness among authorities, and in-person educational sessions on key topics, which are determined by the community's needs. In addition, conscious of the important role played by the government in the project's sustainability, Volcan brings together the corresponding public entities to contribute to its implementation and management.

Several campaigns were carried out from April to November 2016. For this report, the Company had a corporate supplier, enabling comparison and

Table 47: Number of general health care interventions by specialization and services

Division	Unit	Community	No. of general medical attention cases	No. of specialized medicine cases	No. of complementary health services
Mining	Yauli	Pomacocha	103	229	122
		Pachachaca	199	424	198
		Yauli 1	355	561	375
		Yauli 2	401	740	488
		Suitucancha 1	289	464	424
		Suitucancha 2	248	685	380
	Chungar	Huayllay	586	1,108	1,971
		Huaychao 1	239	618	669
		Huaychao 2	192	487	410
	Cerro de Pasco	Yurahuanca	105	135	224
		Quiulacocha 1	240	643	666
		Quiulacocha 2	253	771	598
Total Mining		3,210	6,865	6,525	
Energy	CH Baños	Ravira	76	259	211
		Viscas	123	345	302
	Total Energy		199	604	513
Total			3,409	7,469	7,038

improvement of service indicators for the first time. The satisfaction level achieved was 90%.

A TOTAL OF 7,469 SERVICES WERE PROVIDED IN DIVERSE SPECIALIZATIONS WITH ANOTHER 7,038 COMPLEMENTARY SERVICES, LAB TESTS, AND PHARMACIES.

Other activities were also carried out. For example, in the community of Huaychao at Chungar, Volcan financed a professional obstetrician to fill a position at the community medical clinic that serves 800 community members and their families. In addition, Volcan provided funding for a professional psychologist to work at schools in the community of Huayllay, thanks to an agreement with the resident committee. Finally, six health training workshops were held in the communities of Ravira and Viscas.

ECONOMIC DEVELOPMENT

Conservation and protection of traditional businesses, as well as development of production and innovation, are factors that have a positive impact on the economies of these local communities. With this perspective, Volcan and the NGO Prisma have designed an action strategy with a timeline of 2018.

In this area, the Company has developed farming campaigns to improve the production chain for more than 2,600 families, through technical assistance and progress monitoring.

IN THE AREA OF INFLUENCE OF THE BAÑOS HYDROELECTRIC PLANT, VOLCAN PROVIDED TECHNICAL ASSISTANCE AND FINANCIAL SUPPORT OF PEN 30,000 TO THE RURAL COMMUNITY OF SANTA CRUZ DE ANDAMARCA TO PREPARE A TECHNICAL STUDY FOR IMPLEMENTING IRRIGATION TECHNOLOGIES AND PLANTING IMPROVED PASTURES. THE PROJECT WAS AWARDED PEN 1.3 MILLION FROM THE 2016 NATIONAL PROGRAM FOR AGRARIAN INNOVATION FOR EXECUTION.

Table 48: Farming development results in 2016

Division	Unit	Community	No. of head of cattle considered	No. of head of cattle served	Doses delivered	Total No. of services	Percentage of services
Mining	Yauli	Pomacocha	5,023	6,214		6,214	123.7%
		Yauli	6,030	6,293		6,293	104.4%
		Suitucancha	30,118		30,118	30,118	100.0%
	Chungar	Huayllay	10,937	11,432		11,432	104.5%
		Huaychao	26,902	27,860		27,860	103.6%
	Cerro de Pasco	Cooperativa Yanamate	12,930	11,912		11,912	92.1%
		Quiulacocha	15,737	13,669	2,068	15,737	100.0%
		Yurajhuanca	8,254	0		0	0.0%
	Total Mining		115,931	77,380	32,186	109,566	94.5%
Energy	CH Baños	San José de Baños	1,642	1,872		1,872	114.0%
		Santa Cruz de Andamarca	1,870	2,350		2,350	125.7%
		San Miguel de Vichaycocha	5,697	6,049		6,049	106.2%
		Santa Catalina	1,467	2,352		2,352	160.3%
		Viscas	701	906		906	129.2%
		Ravira	2,461	2,105		2,105	85.5%
		San Juan de Chauca	215	342		342	159.1%
		Santa Bárbara De Carhuacayán	3,010	0		0	0.0%
	Total Energy		17,063	15,976	0	15,976	93.6%
Total		132,994	93,356	32,186	125,542	94.4%	

LOCAL EMPLOYMENT DEVELOPMENT

To meet commitments related to developing local employment through demand for various types of services, Volcan created opportunities for several communities near the Cerro de Pasco mining unit, benefiting 181 members of neighboring communities.

INFRASTRUCTURE

Through its commitments to communities in its direct area of influence and depending on the needs identified, Volcan stimulates development of infrastructure that has a positive social impact on quality of life. In 2016 the following public works projects were built:

Table 49: Public works

Department	Unit	Community	Work
Mine	Yauli	Yauli	Construction of the CITE (Technical Innovation Center) in compliance with the Rumichaca Tailings Dam Expansion (24 hectares) agreement, signed in 2012.
		Pomacocha	Sprinkler irrigation and installation of 13 hectares of grass, in compliance with the Rumichaca Tailings Dam Expansion (10.85 hectares) agreement, signed in 2014.
		Huay Huay	Planting grass and installation of sheds in the Callapampa area, in compliance with the "Chaquipampa" agreement.
	Chungar	Huayllay	Hotel Comunal de Huayllay, executed by RINUS SAC Consultores & Constructores. Construction of a multipurpose community center in Huarimarcán.
		Huayllay / Huaychao	Road watering in Huallay and Huaychao to reduce pollution and contribute to environmental protection.
		Huaychao	Construction of a 6.5-km long carriageway, connecting Caserío Santo Rosario with the Huaychao community, reducing transit time from 50 to 20 minutes.
Energy	Cerro de Pasco	Quiulacocha	Textile training pilot project in Learning Institute No. 34031 - "13 de agosto" to promote entrepreneurial skills and technical training.
		Ravira	Construction of public square
	CH Baños	San José de Baños	Technical file and construction of the fish farm project for annual production of 49 tons Construction of a fifth floor and fixtures for the multipurpose community center Development of the second stage to restore the Marca Piche archaeological complex
		Santa Cruz de Andamarca	Construction of 1,000 meters of perimeter fencing to delimit the community Provision of 4,150 meters of 10" HDPE pipeline for improving water supply for farming
		San Juan de Chauca	Construction of a dam and donation of a geomembrane for improving the irrigation system

COMPLIANCE OVERSIGHT

Volcan's activities are supervised by government agencies that enforce fulfillment of commitments to communities and application of standards to prevent

significant impact on the environment that could harm human health and lives. Volcan's units were not subject to any sanctions in 2016. **G4-S08**

FORMAL GRIEVANCE MECHANISMS

As part of its environmental policy and to comply with citizen engagement regulations (Supreme Decree No. 028-2008-EM, Regulation on Citizen Engagement in the Mining Subsector), Volcan and its subsidiaries implement citizen engagement mechanisms for the different stages of mining activity, such as exploration, production, or mine closure.

influence. The documentation is promptly processed and addressed. Depending on the type of grievance, meetings are organized to clarify questions; these are complemented by guided visits when necessary.

Social and Environmental Grievance Mechanisms DMA

In 2016, grievances were followed up on through community roundtables. During these roundtables, participants reviewed compliance with commitments signed as part of agreements with each community in the direct area of influence.

In the reporting period, the Company did not have a standard mechanism for addressing socio-environmental grievances. In this sense, Volcan has determined that it is appropriate to implement the second phase of the Integrated Social Management System (ISMS) in 2017. This system consists of registration and systematic tracking of documents and information. **G4-S011** **G4-EN34**

Each unit will submit a corporate report each month with information about grievance cases and types to ensure proper oversight.

Grievance Mechanisms for Impacts on Society and the Environment DMA

IN ADDITION, THE COMPANY HAS A PERMANENT INFORMATION OFFICE IN ALL UNITS THAT MAKE APPROVED ENVIRONMENTAL IMPACT ASSESSMENTS AVAILABLE TO THE COMMUNITY AND PROVIDE INFORMATION ABOUT PROJECT AND OPERATIONAL PROGRESS.

These offices receive suggestions, comments, reports, and grievances from stakeholders in the areas of

PART 11

RESPONSIBLE ENVIRONMENTAL MANAGEMENT





Rumichaca Tailings Dam Thickener - Yauli

ENVIRONMENTAL MANAGEMENT

Because it is committed to environmental preservation and care, Volcan has implemented an Environmental Management System (EMS) that helps the Company apply and develop the best practices identified in the mining sector. Use of this system generates a preventive environmental culture and enables world-class environmental management. **G4-14**

The risk management standard is used to assess the severity, probability, and exposure to environmental risks of each activity. The goal of the methodology used by Volcan is to establish environmental mitigation controls for all of its operating units.

Table 50: Measures to ensure proper environmental management and compliance with domestic law

Measures	Description
Dissemination of environmental obligations	Current environmental legislation is described.
Implementation of the Regulatory Affairs Committee with the UEAs	Implies a closer approach and coordination with units
Application of corrective measures	Follow-up and verification of compliance with corrective measures imposed by OEFA
Alerts	These alerts indicate when mandatory periodical environmental reports have been turned in.
SGA Audits	These audits prevent, mitigate and control environmental risks and guarantee compliance with environmental obligations.
Strategic Committees	The SGA implements these, and they are made up of Senior Management and the heads of each UEA
Level 2 Committees	The SGA implements these and they are made up of the superintendents of each UEA. This is where the environmental situation and areas for improvement are presented.

Figure 11: EMS assessment indicators



Figure 12: Key corporate standards developed to manage critical environmental risks

WATER AND LIQUID EFFLUENTS MANAGEMENT	SOLID WASTE MANAGEMENT	MANAGEMENT OF WASTE DEPOSITS, TAILINGS DAMS AND OVERBURDEN	ENVIRONMENTAL MANAGEMENT	NATURAL WASTE MANAGEMENT
	GUIDELINES FOR MINE CLOSURE	ATMOSPHERIC EMISSION MANAGEMENT	EMERGENCY RESPONSE PREPAREDNESS	

EMISSIONS AND AIR QUALITY

Volcan has identified gas emissions as an environmental risk and has therefore put into practice an Air Emissions Monitoring Plan. **DMA Emissions**

In 2016 the Company implemented and internalized the Air Emissions Standard, which establishes concrete actions for better, safer, and more effective management of emissions from operating units.

To reduce emissions, all plants and laboratories are equipped with gas extractors and air recirculation equipment. In 2016 the Company continued to make operational improvements at processing plants and laboratories to prevent mineral loss and dust generation.

Air quality is monitored in operations and in the environmental area of influence through a network of monitoring stations, which enable observation and measurement of the impact of mining activities. Monitoring is performed by a specialized company using inertial separation/filtration (gravimetric analysis) for 24 hours. According to the 2016 results, emissions of particulate matter, measured in parts per million (ppm), met the Environmental Quality Standard (EQS) established by Supreme Decree 074-2001-PCM for PM10 and Supreme Decree 003-2008-MINAM for PM2.5.

Also, as part of compliance with environmental commitments and regulations, monitoring results are reported each quarter to the Ministry of Energy and Mines.

Table 51: Environmental quality standard for particulate matter

Parameter	Value (annual)	Standard
Particulate matter under 10 micra PM10	50 ug/m3	D.S. 074-2001-PCM
Particulate matter under 2.5 micra PM2.5	25 ug/m3	D.S 003-2008-MINAM

Table 52: Quantity of PM10 and PM 2.5 particulates by unit

	Unit	Particle number (PPM)	
		PM2.5	PM10
Yauli	Andaychagua	3.5	13.6
	San Cristóbal	3.7	20.6
	Carahuacra	3.5	30.4
	Ticlo	5.8	14.3
Chungar		8.8	41.3
Cerro de Pasco		9.2	12.9
Alpamarca		3.0	15.5
Environmental Quality Standard (EQS)		25.0	50.0

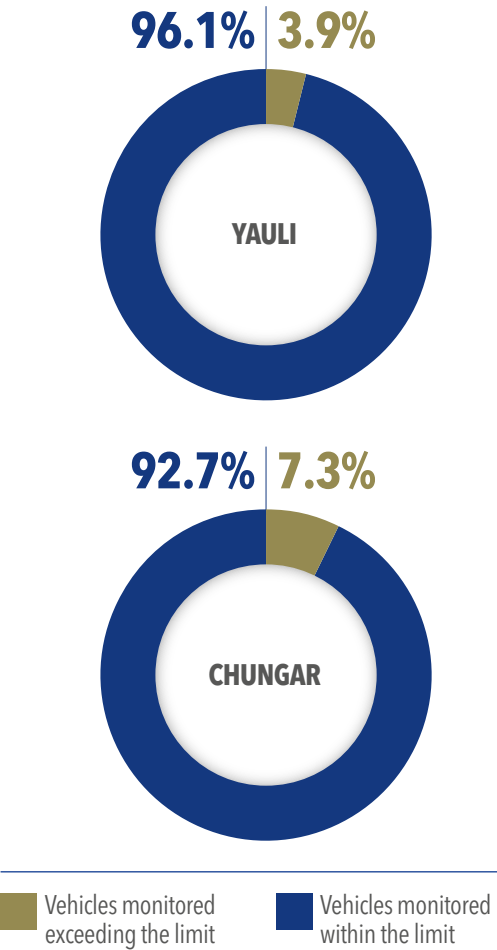
Air quality is also affected by greenhouse gas emissions (NO2, CO and O3) from motor vehicles. For that reason, all vehicles that enter operations areas are inspected every day in accordance with carbon monoxide parameters.

IN 2016, YAULI RECORDED EMISSIONS BELOW THE LIMIT³ IN 96.1% OF THE VEHICLES MONITORED, WHILE AT CHUNGAR THE FIGURE WAS 92.7%. VEHICLES ABOVE THE LIMIT WERE REMOVED AND SENT TO MAINTENANCE SHOPS FOR RECONDITIONING. **G4-EN15**

Table 53: Measurement of CO, NO, and SO2

	Unit	Vehicles monitored within the limit	Vehicles monitored exceeding the limit
Yauli	Andaychagua	5,277	85
	San Cristóbal	7,318	559
	Carahuacra	2,058	31
	Ticlo	2,279	12
Chungar		1,489	117
Total		18,421	804

Figure 13: Vehicle monitoring



³The Ministry of Energy and Mines, through Supreme Decree 024-2016-MEM, establishes an Environmental Quality Standard for air of 500 ppm.



Alpamarca Landscape

BIODIVERSITY

Biodiversity is an important aspect of Volcan's environmental protection policy. However, it should be noted that none of Volcan's operations are located within protected natural areas that are part of the National System of Protected Natural Areas (SINANPE).

Biodiversity DMA

Volcan has one mining project in the buffer zone of the Nor Yauyos Cochas Landscape Reserve. The Company conducts biological monitoring of flora and fauna biannually and reports the results to the Ministry of Energy and Mines and the Agency for Environmental Assessment and Enforcement. **G4-EN12**

In addition, the Alpamarca unit has nine flora and fauna monitoring stations. Monitoring activities take

place twice a year as established in commitments made in environmental management instruments.

AS PART OF MINE CLOSURE ACTIVITIES, VOLCAN HAS IMPLEMENTED REVEGETATION PLANS USING NATIVE SPECIES FOR THE RECOVERY OF DISTURBED AREAS.

Table 54: Flora and fauna monitoring stations

Sampling Point Code	"UTM Coordinates (reference points) "		Description of the location of monitoring station
	North	East	
PB_1	8,760,507	339,388	Aguascocha Lagoon Wetlands
PB_2	8,760,348	339,329	Scrublands - Pasture near old tailings dam
PB_3	879,946	340,592	Wetlands near Nv400 mine entrance
PB_4	8,760,463	340,940	Scrubland regrowth with rock formations around the Nito pit
PB_5	8,756,949	342,322	Control station located in puna grass
PB_6	8,760,993	341,314	Control station located in scrublands with rock formations
PB_7	8,758,363	342,835	Control station located in grass formation
PB_8	8,758,767	341,892	Around the Capilla overburden deposit, located in grass formations
PB_9	8,758,818	342,889	Around the Don Pablo overburden deposit, located in grass formations

TRANSPORT

Transport management is part of the Company's Environmental Management System. This system controls environmental risks through continuous assessment using the Company's hazard identification procedure, risk assessment and control, internal audits, and air quality measurement. [Transport DMA](#)

With respect to personnel, Volcan transports its employees to and from operations areas in its own 4X4 trucks and also uses third-party bus transport services.

Mineral is transported in dump trucks, belts and/or passes from underground extraction areas and pits to concentrate plants, while concentrates are transported from mining units to the port of Callao in enclosed trailers, containers and via the Central Andino Railway.

All transport vehicles are part of the Preventive and Predictive Maintenance Program to mitigate and control significant environmental impacts.

Table 55: Environmental impacts generated [G4-EN30](#)

Environmental Impact	Environmental Control
Gas emissions such as CO and CO2 from diesel fuel consumption.	Preventive maintenance of transport vehicles
Hydrocarbon (oil, grease and fuel) spill	Preventive maintenance of transport vehicles
Noise when in transit.	The Internal Transit Regulation (RITRA) establishes situations where horn use is justified.
Particulate matter when in transit.	Road watering procedure (Cistern truck near the operation area and sprinklers located within the operation)

WASTE MANAGEMENT

With the improvement of its Environmental Management System in 2016, Volcan has included standards for solid waste management, including controls and indicators for critical environmental risks. The Company's Solid Waste Management Standard was developed in 2016 with goals for reduction, storage, reuse, sale, transport, recycling, and final disposal of waste throughout the entire value chain.

It is currently in the process of implementing and internalizing the standard.

All operations have stockpile points at strategic locations for separating waste by color code. Solid waste is properly disposed of at temporary storage facilities and the Toldorrumi landfill.

Table 56: Main waste types generated in 2016

Type of waste	Waste
Hazardous	Used oils
	EEAW* (Batteries, used fluorescents, toner, etc.)
	Plastic waste (Bags, bottles, PVC pipes)
	Waste with cyanide and sulfate
	Material with hydrocarbons
	Heavy metals (soldering waste)
Non-hazardous	Explosives remains
	Organic waste
	Wood remains
	Plastic waste
	Paper and cardboard
	Metal waste (scrap)

* RAEE: Electric and Electronic Appliances Waste

Waste management policies are aligned with current environmental regulations. To comply with the regulatory provisions of the General Law on Solid Waste approved by Supreme Decree 057-2004-PCM, Volcan submits a Solid Waste Management Plan to the government each year. Hazardous solid waste manifests are reported each month to the Agency for Environmental Assessment and Enforcement. Annual Statements for the previous period and the Solid Waste Management Plan for the following year are reported no later than the 15th of the first month of the following year. [Effluent and Waste DMA](#)

In 2016, Volcan generated 9,704 MT of solid waste, of which 79% was non-hazardous. Chungar generates the most solid waste, due to the size of its population and a plant that operates at 5,500 tpd.

Figure 14: Hazardous vs. non-hazardous waste generation (MT) [G4-EN23](#)

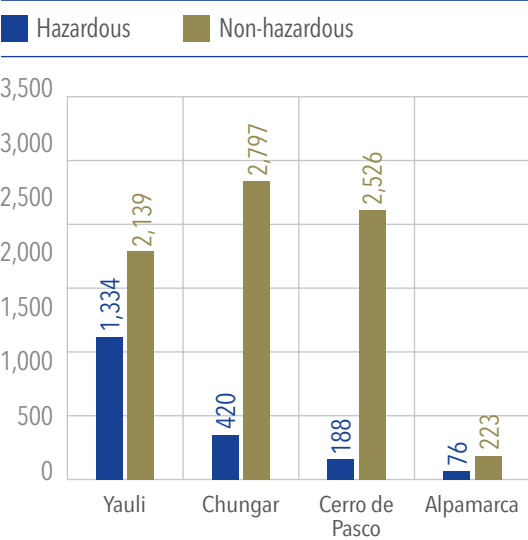


Table 57: Waste generation by mining unit (MT) [G4-EN23](#)

		Annual waste generation (MT)		
Unit		Hazardous	Non-hazardous	Total
Yauli	Andaychagua	330.1	612.9	943.0
	San Cristóbal	782.6	1,315.2	2,097.8
	Carahuacra	170.5	105.5	276.0
	Tidlio	50.9	105.5	156.4
Chungar		420.1	2,797.2	3,217.3
Cerro de Pasco *		188.4	2,525.7	2,714.1
Alpamarca		76.1	223.3	299.4
Total		2,018.7	7,685.4	9,704.1

* Includes waste generated by the Oxides Plant of Pasco

Volcan contracts service provider companies (SPC) at each of its units for final disposal of hazardous and non-hazardous waste. **G4-EN23**

Table 58: SPC-SW **G4-EN23**

Unit	Service Company	Sanitary Registry
Yauli	GSA- DISAL	EPNA – 828.13
Chungar	Emiconsath S.A y D&D	EP-1901-088.16 y EPNA-968-14
Cerro de Pasco	Emiconsath S.A	EP-1901-088.16
Alpamarca	Emiconsath S.A	EP-1901-088.16

ENERGY

ENERGY MANAGEMENT AT THE COMPANY HAS TWO FRONTS: THE GENERATION OF ENERGY FROM RENEWABLE SOURCES AND THE OPTIMIZATION OF ENERGY USE THROUGH IMPROVING OPERATING EFFICIENCIES.

Energy DMA

In regard to renewable energy generation, Volcan has been investing in generation projects to supply its own operations and third-party operations, helping to reduce greenhouse gas emissions. In line with this strategy, and after investing USD 50.5 million, on August 9, 2016 the Rucuy hydroelectric plant began commercial operation. The plant, located in Pacaraos District, Huaral Province, has an installed capacity of 20 MW. With this new plant, the total installed capacity of Volcan hydroelectric plants is 63 MW.

To increase operational efficiency, the Company created the Corporate Energy Efficiency Program aimed at maintaining energy costs at 8-10% of mineral production cost. This program consists of minimizing service interruptions, turning off equipment during peak hours and using condenser banks to efficiently compensate for reactive energy.

Table 59: Electricity consumption **G4-EN3**

Electric Power Balance (GWh)	2015	2016	var %
Energy Production	316.7	322.6	1.9
CH's Chungar	161.2	137.8	-14.5
CH Tingo	9.8	9.2	-5.9
CH Huanchor	145.8	139.3	-4.4
CH Rucuy		36.3	
Energy Consumption	654.2	634.5	-3.0
Energy Purchase	483.3	487.6	0.9

Volcan energy consumption is calculated as follows:

- Calculation of monthly consumption from the electricity supplier based on readings from meters installed in the Main Substations of mining units.



San Mateo substation - Huanchor Hydroelectric Plant

- Monthly reports from the Operations/Electric Maintenance Area and the Hydroelectric Operations Division, based on information from electronic/electro-mechanic meters.
- Purchases and generation of hydroelectric power are recorded in megawatts/hour (MWh). Tons processed (MTS) refers to the tons processed by concentrate plants at the mining units. Those responsible for overseeing costs at the mining units track energy consumption costs; this information is consolidated

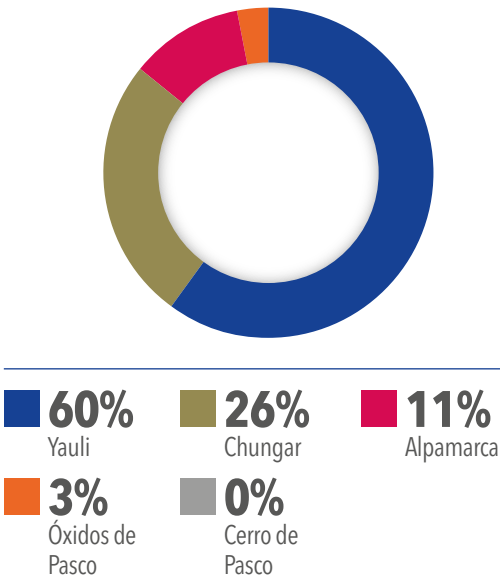
Table 60: Fuel consumption (diesel) by unit
G4-EN3

Unit	Consumption (thousand gallons)
Yauli	4,577
Chungar	1,933
Cerro de Pasco	33
Alpamarca	863
Óxidos de Pasco	190
Total	7,596

- into a monthly report prepared by the Budget and Management Control Division.
- Conversion factors are calculated according to the GRI G4 Guidelines for preparing Sustainability Reports.

At Volcan non-renewable fuel sources are used for transport vehicles, recording a total of 7.6 million gallons of diesel.

Figure 13: Fuel consumption % G4-EN3



WATER MANAGEMENT

Water is an essential resource for mining that is used primarily in the mineral concentration process and to a lesser extent in auxiliary facilities and for human use. The main sources of supply are surface water and water from the interior of the mine. **Water DMA**

Volumes of water used by operations are approved by licenses and permits granted by the National Water Authority, for which Volcan pays an annual usage rights fee. This restriction requires efficient use of the resource

by the Company, which is why it has been implementing measures to optimize water use: **G4-EN8**

- Recirculation of water in operations
- Inspections to detect leaks and/or poor practices in order to identify opportunities for improving water and liquid effluent standards.
- Annual audits to identify process improvements and reduce water consumption.
- Personnel training in rational water use.

Volcan has been investing in generation projects to supply its own operations.

Volumes of water used by operations are approved by licenses and permits granted by the National Water Authority.

Proper control of water consumption in relation to authorized flow volume is possible thanks to installation of equipment that measures volumes consumed via conventional methods, based on a water gauge and the hydraulic structure sections implemented at each authorized water capture point. The locations of this equipment have been reported to the Local Water Authority in compliance with Resolution No. 250-2015-ANA.

At year-end 2016, Volcan was authorized to use an annual flow of 48.6 million m³, of which 60% is for mining and 40% is for domestic use. **G4-EN8**

To safeguard, preserve, and protect water, Volcan conducts monthly environmental monitoring activities and submits the results each quarter to the Ministry of Energy and Mines and the National Water Authority. The Company also monitors water and effluent quality, not only at points approved by the authorities but at strategic locations to identify

Table 61: Authorized water volumes by unit

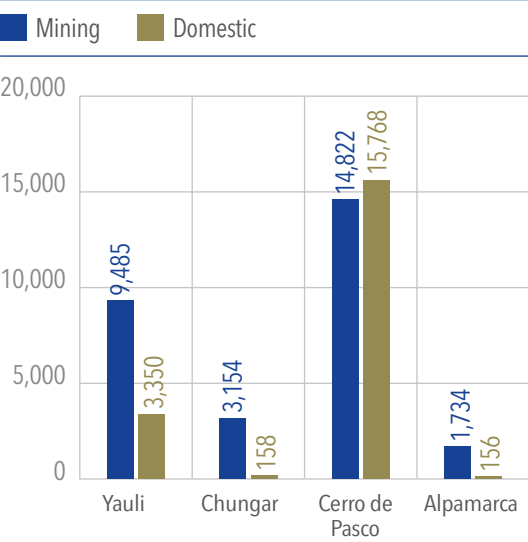
Unit		Annual volume (thousand m ³)		
		Mining	Domestic	Total
Yauli	Andaychagua	2,017	426	2,443
	San Cristóbal	5,046	1,700	6,746
	Carahuacra	2,186	814	3,000
	Tidlio	237	410	647
Chungar	Animón	2,996	158	3,154
	Islay	158	0	158
Cerro de Pasco		14,822	15,768	30,590
Alpamarca		1,734	156	1,891
Total		29,195	19,432	48,628

operational deviations that could put water at risk, in order to prevent, control, and mitigate such situations.

TO IMPROVE WATER QUALITY AND USAGE, IN 2016 THE COMPANY DEVELOPED THE WATER AND LIQUID EFFLUENT MANAGEMENT STANDARD, WHICH IS CURRENTLY BEING INTERNALIZED. **G4-14**

As part of compliance with Supreme Decree No. 015-2015-MINAM, the units have been updating the Plan for Integral Adaptation to Water Quality Standards and Maximum Permissible Limits.

Figure 16: Annual authorized water volume by unit (m³)



EFFLUENT MANAGEMENT

To improve control of discharge volumes, since 2015 the Company has been improving the installation of flow measurement equipment located at domestic and industrial effluent discharge points. It is important to note that Volcan has been granted the requisite discharge authorizations from the National Water Authority. In this aspect, discharge quality and quantity meet the maximum permissible limits in effect and are reported to the competent authorities each quarter.

Effluent and Waste DMA

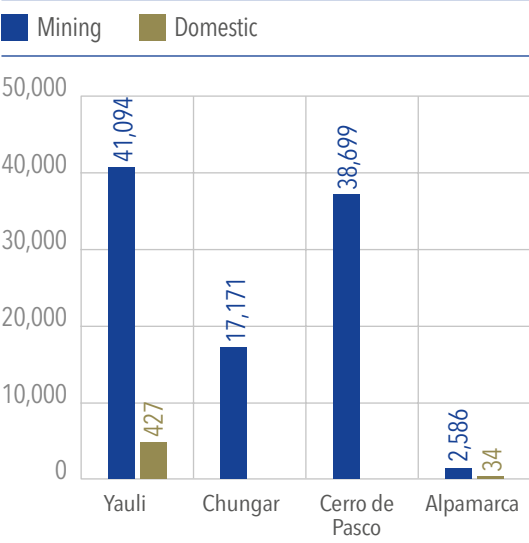
For example, at Yauli water from the tailings dam at the Victoria concentrate plant is recirculated, meeting 100% of the need.

At the end of 2016, Volcan authorized discharges totaled 100 million m³, of which 99.5% are from mining activities. The Yauli unit has the largest authorized volume (41.1 million m³), followed by Cerro de Pasco (38.7 million m³). **G4-EN22**

Table 62: Annual authorized discharge volume by unit

Unit		Annual volume (thousand m³)		
		Mining	Domestic	Total
Yauli	Andaychagua	7,070	52	7,122
	San Cristóbal	2,551	210	2,761
	Carahuacra	15,704	163	15,867
	Ticlio	15,768	3	15,771
Chungar		17,171	0	17,171
Cerro de Pasco		38,699	0	38,699
Alpamarca		2,586	34	2,620
Total		99,550	461	100,011

Figure 17: Annual authorized discharge volume by unit



TAILINGS DAM MANAGEMENT

Tailings generated by production processes are accumulated in deposits that must be managed efficiently to ensure proper functioning and prevent potential environmental damage. Volcan has six tailings dams, which are evaluated through a monitoring program using geotechnical instrumentation. In addition, the Company

has a contingency plan for tailings dam ruptures and failures. This plan is updated each year based on the risks identified during operation. Because tailings dams are critical points for all operations, the Company expects to continue heightening its tailings dams. **Waste DMA**

In 2016 the Company implemented training programs regarding a standard for managing tailings dams and waste dumps. The main objective of the standard is to ensure safe operation of the geotechnical aspects

of dams at all units. The standard incorporates best engineering practices, following the premises of the project, environmental laws, and Volcan corporate policies. **G4-EN23**

Table 63: Storage volume by unit **G4-EN23**

Unit	Deposit	Type	Elevations	Storage volume (MM m³)	Environmental Instrument
Yauli	Andaychagua Alto	Soil or arid	4406 msnm	1.49	EIA
	Rumichaca	Soil or arid	4222 msnm	4.17	EIA
	Mahr Túnel 6	Soil or arid	4036 msnm	2.16	EIA
Chungar	Animón	Soil or arid	4618 msnm	2.10	EIA
Cerro de Pasco	Ocroyoc	Soil or arid	4268 msnm	n.d.	EIA
Alpamarca	Alpamarca	Soil or arid	4673 msnm	1.45	EIA

REGULATIONS, FINES AND SANCTIONS

Volcan manages its compliance with environmental regulations and the impacts generated by its operations through the following actions:

Regulatory Compliance DMA

- Dissemination of environmental obligations required under current regulations.
- Execution of internal audits in mining units to verify environmental obligations.
- Follow-up and verification of compliance with corrective measures imposed by the Agency for Environmental Assessment and Enforcement (OEFA).
- Engagement of the Regulatory Affairs Committee with the mining units, which implies closer relations and coordination with the units.

- Follow-up through alerts to operations regarding compliance with the required periodic environmental reports.
- Environmental management system audits aimed at preventing, mitigating, and controlling environmental risks of the operation and therefore compliance with environmental obligations.

The framework of the Environmental Management System includes strategic committees comprised of management and those responsible for each mining unit, charged with making decisions regarding environmental performance. In addition, there is a committee (Committee Level 2) comprised of

superintendents for each operation, who share information on environmental situations and opportunities for improvement.

Likewise, regulatory compliance is evaluated through the following mechanisms:

- Correction of findings identified in environmental inspections.
- Reduction of findings detected during inspections conducted by the environmental authority.
- Decrease in fines imposed by the environmental authority.

Volcan was not subject to any fines in 2016. The Company only submitted administrative environmental statements to the environmental authority in regard to the occurrence of infractions that were corrected within the required time periods. In addition, with proper legal tracking through audits, the Company rectified deficiencies detected in previous years and succeeded in reducing the number of findings and infractions. For the purposes of the report, significant fines are defined as administrative sanctioning procedures that imply a contingency greater than 100 taxation units (Unidad Impositiva Tributaria or UIT, in Spanish), which is equivalent to PEN 395,000. **G4-EN29**

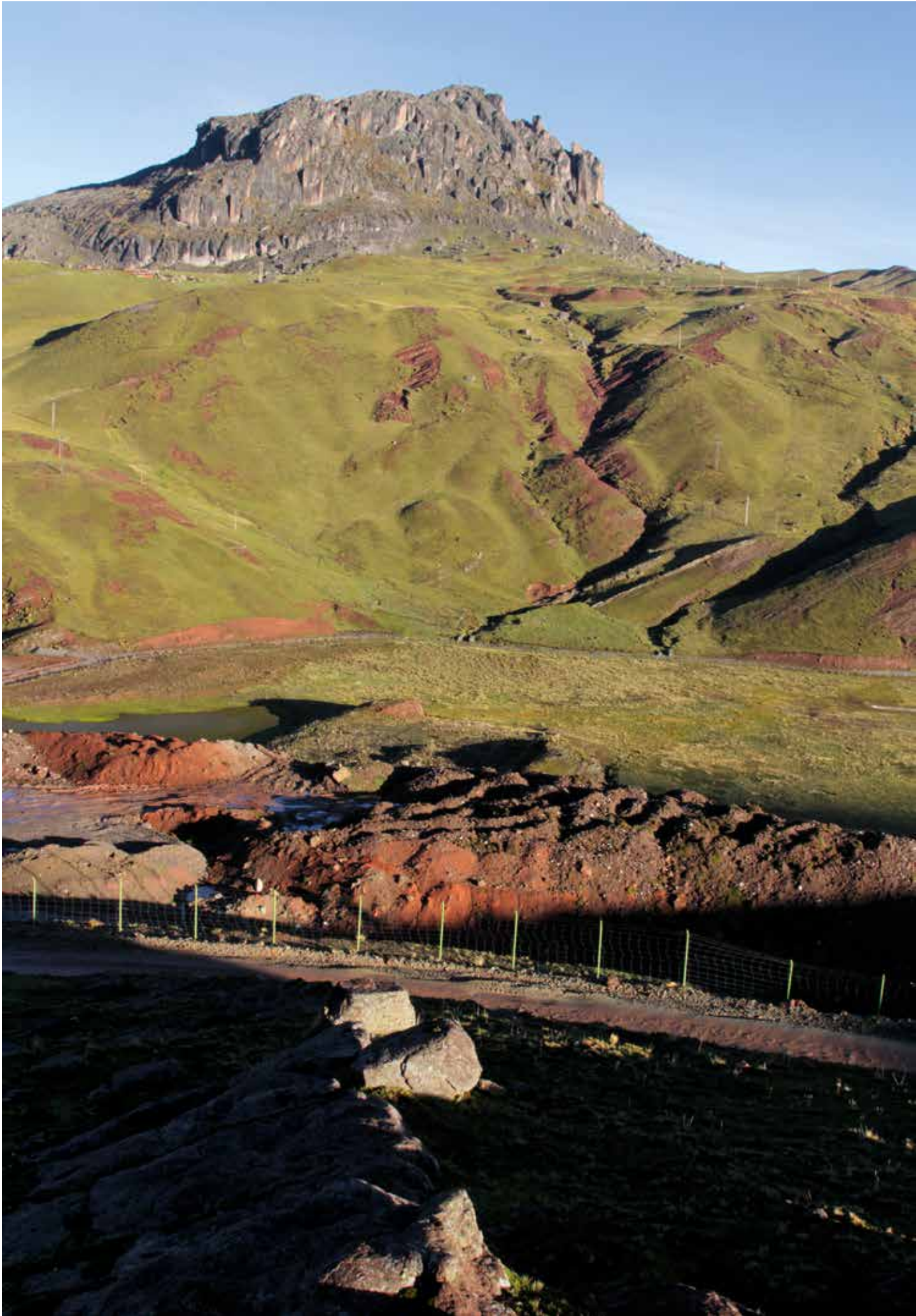
COMPLIANCE WITH ENVIRONMENTAL REGULATIONS

THE COMPANY MET ALL REQUIREMENTS OF ENVIRONMENTAL REGULATIONS ON MINING. THIS INCLUDED SUBMISSION OF QUARTERLY REPORTS TO THE MINISTRY OF ENERGY AND MINES ON WATER, AIR, AND NOISE QUALITY MONITORING, AS REQUIRED BY THE PERUVIAN GOVERNMENT.

In addition, the Company submitted quarterly reports to the National Water Authority on effluent and water quality in receiving water bodies.

Volcan also submitted reports on its environmental obligations to the Ministry of Energy and Mines as established by Supreme Decree No. 040-2014-EM, as well as the Environmental Sustainability Report, the Environmental Strategy Compliance Report, the Annual Report on Significant Impacts, and the Annual Report on Reagents and Operational Inputs.

Finally, environmental training was provided to personnel in all mining units in compliance with Article 153 of Supreme Decree No. 040-2014-MEM. One of the most important training topics was environmental obligations in the framework of approved environmental instruments.



Chungar Stone Forest

CLOSURE PLANS

The final stage of a mine requires appropriate procedures to ensure that disturbed areas are able to recover both socially and environmentally and to avoid generating environmental liabilities that affect future generations. To date, all Volcan units have mine closure plans in place. The Company developed its first closure plans starting in 2009, under Law No. 28090 and its regulation, Supreme Decree No. 033-2005. Those plans have been updated, and in some cases modified, since 2012.

AS PART OF THE EXECUTION OF GOVERNMENT-APPROVED MINE CLOSURE PLANS, THE RE-VEGETATION AND PROGRESSIVE RESTORATION PROGRAM HAS BEEN IMPLEMENTED TO RECOVER AREAS AFFECTED BY MINING ACTIVITIES, TO BENEFIT COMMUNITIES IN THE AREA OF INFLUENCE.

Progress in the activities executed and their results are reported to the Ministry of Energy and Mines; these are then enforced by the Agency for Environmental Assessment and Enforcement. [Closure Plans DMA](#)

Commitments in mine closure plans in 2016 were centered around carrying out activities in relation to inoperative mine components. Activities executed by Volcan and its subsidiaries as part of the progressive closure program were as follows:

Table 64: Progressive mine closure by component [G4-MM10](#)

Unit		Components	Execution
Yauli	Andaychagua	B-AN-01	100%
		B-AN-02	
		B-AN-10	
		B-AN-15	
	San Cristóbal	B-SC-02	
		B-SC-03	
		B-SC-04	
		B-SC-11	
	Tidlo	B-SC-14	
		Exploration	
		C-TPO-1	
		DD-TI-1	
		DD-TCAS-1	
		DD-TADELA-1	
Alpamarca	Overburden dump site	PCMT-DD-09	100%
		DD-TREM-1	
		MB-TAD-1	
		B-03	
		B-TC-1	
	Water Pond	PAA-04	100%
	Concentrator Plant	PCA-01	
	Camps	CA-02	
	Camps	CA-03	
	Camps	CA-04	

It should be noted that during the year Volcan provided a financial guarantee of USD 59.9 million to the Ministry of Energy and Mines for final closure and post-closure commitments, in accordance with the program approved each year. This ensures sufficient funding for closure activities or remediation in the final stage.

In addition, in 2016 the closure plans for the Alpamarca, Animón (Chungar), San Cristóbal (Yauli) and Vinchos

(Cerro de Pasco) mines were modified and new closure schedules were established. The Company also developed a standard mine closure plan to improve control of the activities planned for each stage.

Implementation of this standard includes measurable objectives that will have an impact in the following period.

Table 65: Mine closure budget approved by the Ministry of Energy and Mines

		Mine Closure Budget (USD 000)					
	Unit	Mine Closure Plan approved by:	Progressive Closure	Final Closure	Post-closure	Total	Guarantees
Yauli	Andaychagua	RD.176-2013-MEM-DGAAM	5,540.1	9,849.3	1,065.2	16,454.6	15,818.0
	San Cristóbal	RD.142-2016-MEM-DGAAM	9,584.1	21,522.4	1,775.8	32,882.3	33,673.0
	Carahuacra	RD.296-2014-MEM-DGAAM	3,035.3	28,601.7	2,713.2	34,350.3	41,031.3
	Ticlio	RD.303-2014-MEM-DGAAM	2,637.5	2,622.7	663.3	5,923.5	4,394.2
	Subtotal		20,796.9	62,596.2	6,217.5	89,610.7	94,916.6
Chungar	Animón	RD.139-2016-MEM-DGAAM	2,119.1	12,440.6	1,325.3	15,885.0	14,766.9
Cerro de Pasco	Cerro de Pasco	RD.154-2015-MEM-DGAAM	23,600.0	27,043.9	3,032.5	53,676.3	52,304.8
	Vinchos	RD.116-2016-MEM-DGAAM	7,415.9	1,349.6	1,169.7	9,935.1	2,646.5
	Subtotal		31,015.8	28,393.4	4,202.2	63,611.4	54,951.3
Alpamarca	Alpamarca		2,680.4	9,555.3	1,128.4	13,364.1	12,570.1
Total			56,612.3	112,985.5	12,873.5	182,471.2	177,204.9

OPERATIONAL DEVELOPMENT PERMITS

YAULI UNIT

ANDAYCHAGUA MINE

The Ministry of Energy and Mines (MINEM), through Directorial Resolution No. 0011-2016-MEM/DG,

approved expansion of the Andaychagua concession by 131.70 hectares.

The National Water Authority, with Directorial Resolution No. 1166-2016-ANA-AAA-MANTARO, approved a license

for use of surface water for human use, with a total volume of 44,150.40 m³/year.

CARAHUACRA MINE

Through Directorial Resolution No. 0257-2016-MEM-DGM/V, the Ministry of Energy and Mines authorized a height increase for the Rumichaca tailings dam to an elevation of 4,221 m.

The Ministry of Culture's Directorial Resolution No. 124-2016-DDC JUN-MC approved the archaeological monitoring plan for the Rumichaca tailings dam height increase and components for the height increase of the Mahr Tunnel dam at an elevation f 4,036 m.

SAN CRISTÓBAL MINE

Directorial Resolution No. 022-2016-MEM-DGM approved the mine technical report authorizing construction and operation of the heightened tailings dam No. 6 at 4,036 m.

The Ministry of Culture issued a Certificate of Non-existence of Archaeological Remains No. 2016-030-JUN, approving an area of 4.2 hectares for the concession to increase the height of tailings dam No. 6.

TICLIO MINE

With Directorial Resolution No. 207-2016-ANA-AAA-CAÑETE-FORTALEZA, the Company received approval to use 213,131.52 m³/year of surface water from Leoncocha Baja lagoon for mining purposes.

Through a directorial resolution from the National Water Authority, the Company received authorization to discharge treated wastewater from the San Nicolás pithead and filtration of water from the tailings dam to Antaranra ravine.

CHUNGAR UNIT

ANIMÓN MINE

The supporting technical study for expansion of the Animón tailings dam at 4621 m of the central dike, including construction of two structures on the western side of the tailings basin, was approved through Directorial Resolution No. 227-2016-MEM-DGAAM.

The National Water Authority approved renewal of the industrial discharge permit for treated water from the sediment pond, through Directorial Resolution No. 031-2016-ANA-DGCRH.

The Ministry of Culture authorized execution of the archaeological monitoring plan for the Animón Project through Directorial Resolution No. 91-2016-DDC PAS-MC.

ALPAMARCA UNIT

ALPAMARCA MINE

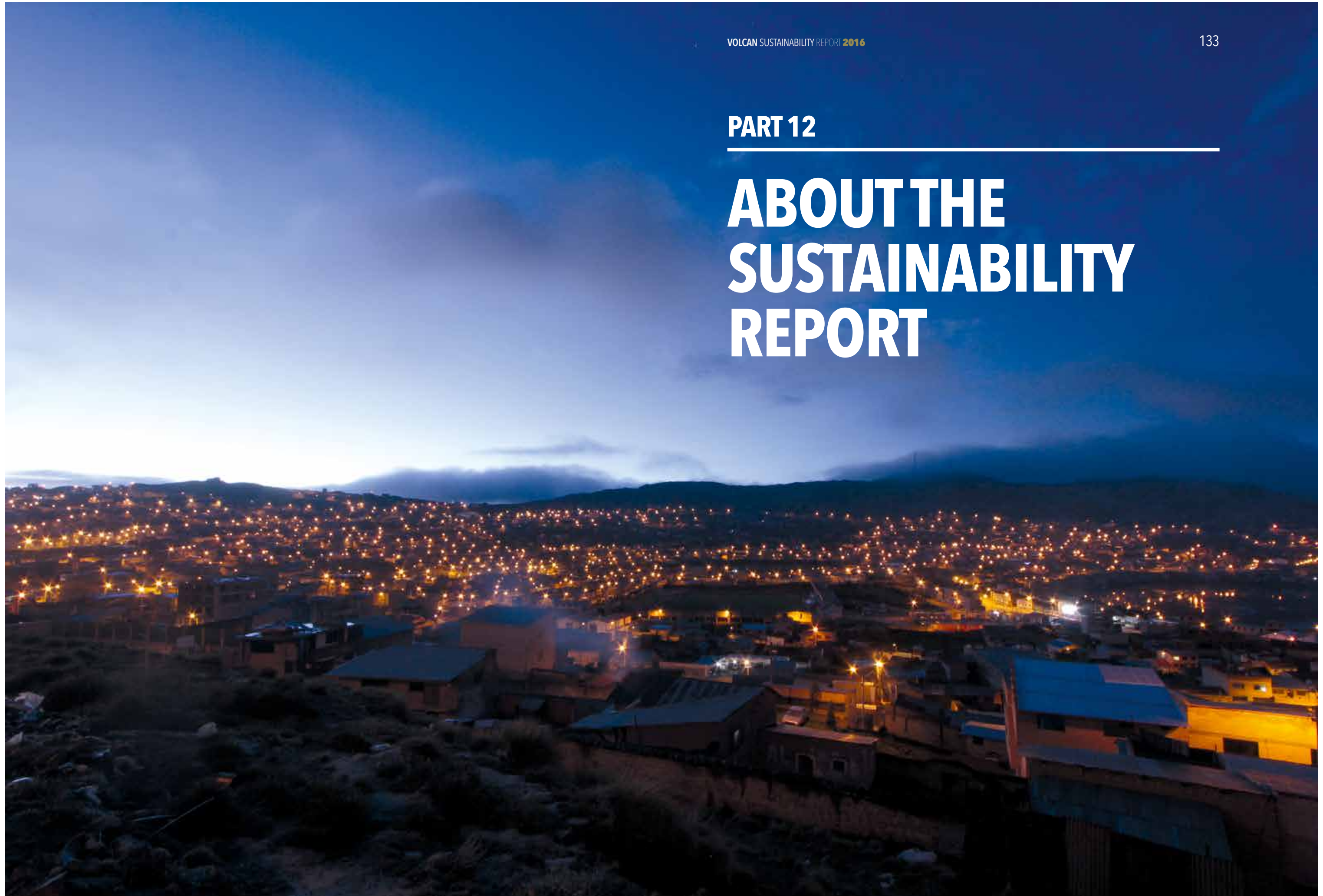
The National Service of Environmental Certification for Sustainable Investment (SENACE), through Directorial Resolution No. 046-2016-SENACE-DCA, approved the supporting technical study for a change in construction material for the Alpamarca tailings basin.

With Directorial Resolution No. 143-2016-ANA-DGCRH, the National Water Authority approved the discharge of treated water from Alpamarca sediment ponds.

The General Directorate of Environmental Health (DIGESA), through Directorial Resolution No. 2032-2016-DSA-DIGESA-SA, granted a sanitary permit to the Alpamarca unit for treatment of water for human consumption.

PART 12

ABOUT THE SUSTAINABILITY REPORT





Animón Plant - Chungar

This document reports on economic, social, and environmental management by Volcan Compañía Minera S.A.A. and its subsidiaries in Peru, including mine operations, hydroelectric plants, and administrative offices, for the period from January 1 to December 31, 2016. This is the second sustainability report prepared using the GRI methodology. The report is issued annually and has been prepared in accordance with the Global Reporting Initiative G4 Guidelines, following the core option. The most recent Volcan report was published in November 2016, for the 2015 period.

G4-3 G4-6 G4-17 G4-28 G4-29 G4-30

Internal and public documents have been reviewed to determine the content and application of GRI indicators. Data collection forms based on the guidelines established in the GRI technical protocols were used to prepare the

report. The process also included outreach and support workshops for those responsible for providing the information.

MATERIALITY PROCESS

Following GRI recommendations, during preparation of the 2015 sustainability report (in June 2016), Volcan conducted a consultation process to identify and choose the most important aspects for reporting. The contents reflect the expectations of stakeholders and address management of potential impacts that could affect the sustainability of its operations. The process included four stages, as follows: **G4-18**

Table 68: Process stages

Stage	Description
Stage 1: Review	To identify expectations and perceptions regarding management, as well as the aspects to be included in this report, the results of 166 online surveys targeted at collaborators and suppliers were used, together with community consultations prepared in 2015. In 2016, this stage was concluded through the evaluation carried out by report 2015, where improvement opportunities are identified. In addition, sustainability surveys were taken by managers and the Company's shareholders, and customers were also surveyed.
Stage 2: Identification	On the basis of the information obtained and the analysis of different management tools, interviews with Volcan officers were held to identify the main impacts of operations with regard to sustainability. Emerging sustainability topics defined in Robeco Sam's "The sustainability yearbook 2016" were identified and comparisons were made against sustainability reports of other international mining companies to identify aspects that are common across the sector.
Stage 3: Prioritization	To determine their maturity, relevance and prioritization of the topics addressed in this report, Perú2021's risk assessment methodology was used. This assessment takes into account the expectations of stakeholders, as well as the review of documents and reports related to management of economic, social and environmental aspects.
Stage 4: Validation	The materiality matrix obtained was validated by managers, community representatives and collaborators, and was followed by the selection of indicators and management approaches needed for the Sustainability Report. In 2016, the material aspects identified in 2015 were validated through feedback meetings held with officers of strategic areas. Focus groups were held with community representatives and Yauli collaborators, and the person in charge of community relations in Chungar and CH Baños was interviewed. Moreover, an induction workshop on GRI standard for Data Managers in charge of providing information was held. Finally, the responsibility process 2016 was launched through a meeting held with 24 managers of the Company.

AS A RESULT OF THIS PROCESS, WE IDENTIFIED THE MATERIAL ASPECTS THAT THE COMPANY MUST PRIORITIZE IN ITS SUSTAINABILITY REPORTS, WHICH REMAIN IN EFFECT AND WERE REVALIDATED FOR INCLUSION IN THE 2016 REPORT.

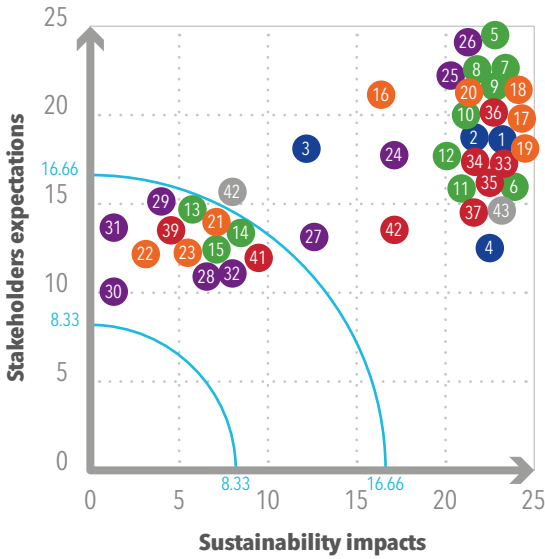
The level of coverage⁴, stakeholders and related business units are as follows: **G4-18**

Table 67: Material aspects included

GRI Category	N°	GRI Material Aspect G4-19	Coverage G4-20 G4-21	Related stakeholders
Economy	1	Indirect economic consequences	External coverage	Community
	2	Economic performance	Internal coverage	Shareholders, collaborators, government and civil society
	3	Acquisition practices	External coverage	Suppliers
	4	Market presence		
Environment	5	Water	External coverage	Community and environment
	6	Biodiversity		
	7	Regulatory compliance (environmental)	External coverage	Community and environment
	8	Effluents and waste	External coverage	Community and environment
	9	Emissions		
	10	Energy	External coverage	Clients, community and environment
	11	Environmental grievance mechanisms		
	12	Transport	External coverage	Clients, community and environment

⁴ Coverage: Description of where impacts are generated in each aspect.

Figure 18: Prioritization of material aspects



Social: labor practices and dignified work	13	Training and education	Internal coverage	Collaborators
	14	Employment	Internal and external coverage	Collaborators and community
	15	Evaluation of suppliers' labor practices	Internal and external coverage	Collaborators and suppliers
	16	Relations between workers and directors	Internal coverage	Collaborators
	17	Occupational health and safety	Internal and external coverage	Collaborators and suppliers
Social: Society	18	Local communities	External coverage	Community
	19	Regulatory compliance (society)	Internal and external coverage	Collaborators, clients, suppliers, Government and community
	20	Closure planning		
	21	Social impact grievance mechanisms	Internal and external coverage	
	22	Freedom of association and collective bargaining	Internal and external coverage	Collaborators and suppliers
	23	Safety measures	Internal and external coverage	Collaborators and suppliers
	24	Non-discrimination	Internal and external coverage	Collaborators, suppliers and community
	25	Forced labor	Internal and external coverage	Collaborators and suppliers
	26	Child labor	External coverage	Collaborators and suppliers
	27	Labeling of products and services	External coverage	Customers
Social: Responsibility over products	28	Client confidentiality	External coverage	Customers

PART 13

GRI G4 INDEX



Suitucancha Community - Yauli

GRI G4 Table of Contents G4-32 SPECIFIC BASIC CONTENT		
Strategy and Analysis		
General Basic Content	Page	Omissions
G4-1. CEO statement on the importance of sustainability for the Company and its strategy.	7	
Organizational Profile		
General Basic Content	Page	Omissions
G4-3. Company name.	135, 147	
G4-4. Primary products.	23, 26, 37	
G4-5. Location of headquarters.	25, 147	
G4-6. Countries where the Company operates.	25, 135	
G4-7. Nature of ownership and legal form.	23, 147	
G4-8. Markets served.	38	
G4-9. Scale of the Company.	25, 38	
G4-10. Total number of employees by type of employment, employment contract, region, and gender.	61, 62, 63, 74	
G4-11. Percentage of employees covered by collective bargaining agreements.	73	
G4-12. Description of the Company's supply chain.	29	
G4-13. Significant changes during the sustainability reporting period.	42	
G4-14. Description of how the Company addresses the precautionary approach or principle.	55, 113, 124	
G4-15. Externally developed social, environmental, and economic principles or programs and other initiatives that the Company subscribes or endorses.	33	
G4-16. Membership in domestic and international associations and/or advocacy organizations.	36	
Material Aspects and Boundaries		
General Basic Content	Page	Omissions
G4-17. Coverage of the sustainability report.	135	
G4-18. Process for defining sustainability report content.	135, 136	
G4-19. Material aspects identified.	136	
G4-20. Limitations of the material aspects identified within the Company.	136	
G4-21. Limitations of the material aspects identified outside the Company.	136	
Stakeholder Engagement		
General Basic Content	Page	Omissions
G4-24. Relationship of stakeholders to the Company.	55	
G4-25. Basis for identification and selection of stakeholders.	55	
G4-26. Approaches taken to include stakeholders.	56, 68, 99, 100	
G4-27. Key topics and concerns, by stakeholder group, that have been raised through stakeholder engagement.	56	

Report Profile		
General Basic Content	Page	Omissions
G4-28. Sustainability reporting period.	135	
G4-29. Date of most recent sustainability report.	135	
G4-30. Reporting cycle.	135	
(G4-31) Contact point.	147	
G4-32. Content index for locating standard information in the sustainability report.	141	
G4-33. External assurance policies and practices for the sustainability report.		This report has not been externally assured
Governance		
General Basic Content	Page	Omissions
G4-34. Governance structure of the Company.	49, 50	
Ethics and Integrity		
General Basic Content	Page	Omissions
G4-56. Company values, principles, standards, and norms of behavior.	28, 31	

ECONOMIC ASPECTS		
Economic Performance		
Specific Basic Content	Page	Omissions
Management focus (Economic Performance DMA)	36	
Market presence		
Specific Basic Content	Page	Omissions
Management Approach (Market Presence DMA)	71	
G4-EC5. Relationship between initial salary per gender and local minimum salary in locations where large operations are carried out.	68	
G4-EC6. Proportion of senior executives and employees from the local community in places where significant operations are located.	71	
Indirect Economic Impacts		
Specific Basic Content	Page	Omissions
Management Approach (Indirect Economic Impacts DMA)	40	
G4-EC7. Development and impact of infrastructure investments and types of services provided mainly for public benefit through commercial, pro bono, or in-kind commitments.	40, 41	
Procurement Practices		
Specific Basic Content	Page	Omissions
Management Approach (Procurement Practices DMA)	95	
G4-EC9. Percentage of expenses that correspond to local suppliers in locations of significant operations.	95	

ENVIRONMENTAL ASPECTS		
Energy		
Specific Basic Content	Page	Omissions
Management Approach (Energy DMA)	120	
G4-EN3. Energy consumption within the organization.	120, 122	
Water		
Specific Basic Content	Page	Omissions
Management Approach (Water DMA)		
G4-EN8. Total water withdrawal by source.	122, 124	
Biodiversity		
Specific Basic Content	Page	Omissions
Management Approach (Biodiversity DMA)	117	
G4-EN12. Description of most significant impacts on the biodiversity inside and outside protected areas generated by the Company's activities, products, and services.	117	
Emissions		
Specific Basic Content	Page	Omissions
Management Approach (Emissions DMA)	114	
G4-EN15. Direct greenhouse gases emissions (scope 1)	115	
G4-EN21. NOx, SOx, and other significant air emissions.		
Effluents and Waste		
Specific Basic Content	Page	Omissions
Management Approach (Effluent and Waste DMA)	119, 125	
G4-EN22. Total water discharge by quality and destination.	125	
G4-EN23. Total weight of waste by type and disposal method.	119, 120, 126	
Regulatory Compliance		
Specific Basic Content	Page	Omissions
Management Approach (Regulatory Compliance DMA)	126	
G4-EN29. Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	127	
Transport		
Specific Basic Content	Page	Omissions
Management Approach (Transport DMA)	118	
G4-EN30. Significant environmental impacts of transporting products and other goods and materials for the Company's operations and transporting personnel.	118	
Environmental Grievance Mechanisms		
Specific Basic Content	Page	Omissions
Management Approach (Environmental Grievance Mechanisms DMA)	109	
G4-EN34. Number of environmental grievances filed, addressed, and resolved through formal grievance mechanisms.	109	

SOCIAL ASPECTS: LABOR PRACTICES		
Employment		
Specific Basic Content	Page	Omissions
Management Approach (Employment DMA)	61	
G4-LA1. Number and rates of new employee hires and average turnover of employees by age group, gender, and region.	75, 74, 76	
G4-LA2. Benefits provided to full-time employees that are not provided to temporary or part-time employees by significant locations of operation.	70	
(Labor/Management Relations DMA)		
Specific Basic Content	Page	Omissions
Management Approach (Labor/Management Relations DMA)	67	
G4-MM4. Number of strikes and lockouts that exceed one week	67	
Occupational Health and Safety		
Specific Basic Content	Page	Omissions
Management Approach (Occupational Health and Safety DMA)	81	
G4-LA6. Types and rates of injury, occupational diseases, absenteeism, lost days, and total number of work-related fatalities by region and by gender.	82	
Training and Education		
Specific Basic Content	Page	Omissions
Management Approach (Training and Education DMA)	64	
G4-LA9. Average hours of training per year per employee, by gender and by employee category.	64	
G4-LA10. Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	64, 65	
Assessment of Supplier Labor Practices		
Specific Basic Content	Page	Omissions
Management Approach (Assessment of Supplier Labor Practices DMA)	94	
G4-LA14. Percentage of new suppliers that were screened using labor practices criteria.	94	
SOCIAL ASPECTS: HUMAN RIGHTS		
Non-discrimination		
Specific Basic Content	Page	Omissions
Management Approach (Non-discrimination DMA)	72	
G4-HR3. Total number of incidents of discrimination and corrective measures taken.	71	
Freedom of Association and Collective Bargaining		
Specific Basic Content	Page	Omissions
Management Approach (Freedom of Association and Collective Bargaining DMA)	73	

G4-HR4. Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights.	73	
Child Labor		
Specific Basic Content	Page	Omissions
Management Approach (Child Labor DMA)	72	
G4-HR5. Operations and suppliers identified as having significant risk for incidents, of child labor, and measures taken to contribute to the effective abolition of child labor.	71	
Forced labor		
Specific Basic Content	Page	Omissions
Management Approach (Forced Labor DMA)	72	
G4-HR6. Significant operations and suppliers identified as having a significant risk for incidents of forced labor, and measures taken to contribute to the effective abolition of all forms of forced labor.	71	
Management Approach (Security Practices DMA)		
Specific Basic Content	Page	Omissions
Management Approach (Security Practices DMA)	84	
G4-HR7. Percentage of security personnel who have received training in the Company's human rights policies or procedures.	84	
SOCIAL ASPECTS: SOCIETY		
Local Communities		
Specific Basic Content	Page	Omissions
Management Approach (Local Communities DMA)	99	
G4-SO1. Percentage of operations with implemented development programs, impact assessments, and local community engagement.	101	
Regulatory compliance		
Specific Basic Content	Page	Omissions
Management approach (DMA Regulatory compliance)	73	
G4-SO8. Monetary value of significant in fines imposed and number of non-monetary sanctions for non-compliance with legislation and regulations	109	
Evaluation of suppliers' social impact		
Specific Basic Content	Page	Omissions
Management approach (DMA Evaluation of suppliers' social impact)	94	
Social impact grievance mechanisms		
Specific Basic Content	Page	Omissions
Management approach (DMA Social impact grievance mechanisms).	109	
G4-SO11. Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms.	109	

Closure Plans		
Specific Basic Content	Page	Omissions
Management Approach (Closure Plans DMA)	129	
G4-MM10. Number and percentage of operations with mine closure plans	129	

SOCIAL ASPECTS: PRODUCT RESPONSIBILITY		
Product and Service Labeling		
Specific Basic Content	Page	Omissions
Management Approach (Product and Service Labeling DMA)	95	

Customer Privacy		
Specific Basic Content		
Management Approach (Customer Privacy DMA)		The Company respects the confidentiality of the information received in Volcan, including that of its customers.
G4-PR8. Total number of substantiated complaints regarding privacy and leaks of customer data.		No claim regarding breach of confidentiality or leak of personal information has been filed.

Volcan Compañía Minera S.A.A. **G4-3** **G4-7**
All communication concerning this 2016 Sustainability Report should be sent to: **G4-31**

Email
sostenibilidad@volcan.com.pe

Address:
Avenida Manuel Olguín N° 375, distrito Santiago de Surco, Lima - Perú **G4-5**

Web page:
www.volcan.com.pe

Volcan Sustainability Report 2016 has been prepared by:

Edition
Volcan Compañía Minera S.A.A.
Av. Manuel Olguín 373, Santiago de Surco – Lima 33, Perú

Design and layout
Kick Off Typographica
www.ko.com.pe

Printing
Impresiones Santa Ana S.A.C.
Ignasio Cossio 1157, La Victoria

Lima, June 2017
Legal Deposit has been made with the National Library of Peru.
N°2011-04680



Volcan Compañía Minera S.A.A.

Av. Manuel Olguín 373, Santiago de Surco.

Lima 33, Peru

Telephone: (511) 416-7000

www.volcan.com.pe