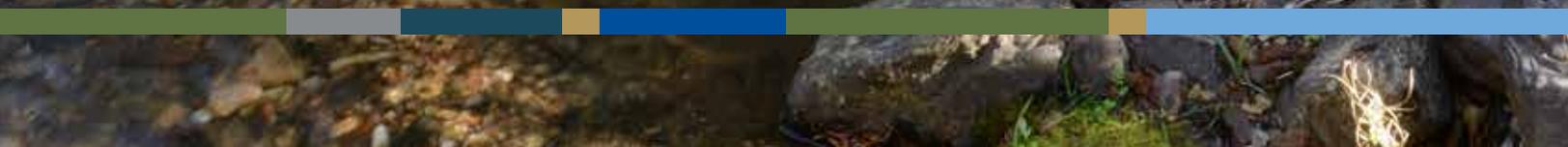




# Responsible Mining: OUR CORE VALUE



# From the President and CEO

At Hecla, the foundation of our corporate responsibility is built on three key areas: health and safety programs, environmental stewardship, and community engagement. This triad is how we manage our business. It's who we are and how we will continue to build upon our accomplishments.



**Phillips S. Baker, Jr.**  
*President and  
Chief Executive Officer*

## **Corporate responsibility is at the core of our business.**

**T**his strategy allows us to establish long-term relationships and partnerships with the communities in which we operate. This strategy also allows us to attract a committed and talented work force. Many of our employees have been with Hecla for decades—they are some of the best in the mining industry.

Our mantra is to continually improve our health and safety performance, so that at the end of each shift our workers go home safely—everyday. In 2016, Hecla was recognized by the National Mining Association (NMA) as the first hardrock mining company to receive an independent certification under the NMA CORESafety system. We also strive to be better environmental stewards by using advanced mining technologies to minimize our impact on the landscape.

At the operations level, we have specific teams that are dedicated to the three key areas of our corporate responsibility philosophy. In addition, Hecla's Board of Directors, through the Health, Safety, Environment, and Technology Committee, monitors performance, reviews policies and tracks emerging legislation and proposed regulations affecting the company.

Our philosophy of continuous improvement also applies to technological innovation. New technology, much of it adopted from other industries, is already reshaping the way underground mines operate. Hecla is a leader among companies our size in adopting these new technologies to increase productivity, improve safety, and reduce our environmental footprint.

For example, improvements to health and safety using battery-powered loaders and trucks, which are now available for underground work. These vehicles produce no diesel particulates, reduce heat output, and generate significantly lower levels of noise.



Looking forward, I see a great opportunity to reduce our water use and energy intensity demand. Our nation will likely continue to deploy alternative energy production from wind and solar power sources. The minerals we produce—silver and gold, along with our prospective move into copper production—are key supply-chain ingredients for alternative energy systems, and future demand growth is promising.

The third sphere of our corporate responsibility philosophy is meaningful partnering with the local communities in which we operate. Resource development typically goes through a continuum of public sentiment—from initial questioning and concerns, to acceptance, followed by a feeling of “ownership” in the sense of what is good for the mine is good for the community, and vice versa. I am proud to say that as a part of our having long-lived mines and our corporate responsibility philosophy, the company’s relationship is one of “ownership” by the communities in which we operate.

One aspect of our community engagement approach is the Hecla Charitable Foundation. Created in 2007 to ensure consistency in corporate philanthropic giving, the Foundation has provided several million dollars in support of youth, education, health services, and community infrastructure projects.

The implementation of corporate responsibility is only possible through the dedication of our employees and the support from our communities. Hecla Mining Company is made up of a caring group of individuals, and we strive for excellence in all that we do. Thanks to our employees and to our board of directors—and with your support—we will continue to build our social license to operate.

A handwritten signature in black ink, appearing to read "P. S. K.", with a long horizontal line extending to the right.

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# Governing Responsibility



**A**t Hecla, our Integrated Corporate Responsibility Policy (ICR) begins with the belief that a safe mine is a productive mine – each day, each shift, home safely. We strive to guard the health and safety of our employees and the community, in everything we do. We seek to be responsible environmental stewards and to minimize the environmental effects during exploration, development, and operations, and then reclaim our projects so that the land may become productive again once mining has ended. Our efforts are overseen by the Health, Safety, Environment, and Technology committee of the Board of Directors.

By listening and responding to community needs, Hecla builds trust and relationships that foster our social license to operate. This encompasses taking a mutually beneficial approach to issues affecting the community, treating others with respect, and engaging in open and honest communication.

# Environmental Responsibility



The Greens Creek fish passage was constructed by Hecla to address a natural barrier to salmon spawning habitat. It's created nearly 3 miles of additional spawning habitat.

## Environmental Management System

**H**ecla's Environmental Management System (EMS) consists of a set of standardized processes and practices that enable the company to ensure compliance, reduce its environmental impact and increase operating efficiencies. It uses a proactive approach to help ensure continuous improvement with a focus on key issues, while promoting a culture of environmental awareness and innovation from its engaged employees.

## Toward Sustainable Mining

In addition to adopting the Hecla EMS program, our Canadian operations are also adopting the Mining Association of Canada's Toward Sustainable Development (TSM) program. The Hecla program compliments TSM, which is also a systematic approach that allows mining companies to turn high-level environmental and social commitments into action on the ground.

# Environmental Responsibility

## Air and Water Protection

Hecla meets and maintains established high standards of air and water quality, and seeks to conserve water at all our mines through efficient operations, engineering, and training. Air emissions, regulated through State and Federal permits, are well within the permitting thresholds.

Minimizing water use and maintaining water quality is one of the most significant issues facing the mining industry today. All water output must meet applicable federal and state (or provincial) water quality standards—all monitored through a robust program of sampling, quality analysis, and audits. For example, at Casa Berardi, more than 90% of the process plant water needs are met by recycling water from the tailings pond, rather than from pumping fresh water.

Water audits are conducted to better understand usage, to find opportunities to reduce consumption and reduce the associated volume of treated water to ensure that natural waters are protected.

**By updating the water treatment systems at Hecla's Lucky Friday Mine, water use in the concentrator has been reduced by 97%.**

## Energy Conservation

In the remote locations where Hecla operates, energy conservation is not just good for the environment, it is good business. Two excellent examples of this are the use of hydropower at the Green Creek Mine and the biomass heating project at the Casa Berardi Mine.

Greens Creek provided its local utility with justification for an expansion of hydropower capability. Since 2006, the use of lower-cost interruptible hydropower has resulted in a 60% reduction in diesel fuel consumption for the operation.

The biomass heating project installed at the Casa Berardi Mine in 2014 has proven to be another energy conservation alternative. Discarded logs from forestry operations are the biofuel that is burned to supplement the use of propane gas to heat the mine's surface buildings, as well as the incoming air used to ventilate the underground mine. The project is expected to avoid 2,732 tonnes of greenhouse gas emissions per year by using biomass instead of propane.





## Tailings Stewardship

Hecla is committed to safe and environmentally responsible design, construction, operation, and closure of its tailings storage facilities.

Hecla's Greens Creek Mine in Alaska was an early adopter of the dry-stack method of tailings management. This method, while not applicable to all situations, minimizes the tailings surface footprint, reduces the amount of water retained in the tailings and lessens the consequences of any potential failure. This method also allows the opportunity for concurrent reclamation that further enhances the site's stability.

## Reduce, Reuse, Recycle

Hecla strives to reduce waste output on all fronts, and we continuously explore the environmentally responsible use of resources, products, and materials. All sites have active programs for reuse, recycling, and recovery of all non-mineral wastes.

Mineral waste (rock from mining development and mill tailings) remain on site and are utilized as much as possible for backfill and construction in and around the mining operation. Approximately half of the tailings produced are used as backfill at Greens Creek, Lucky Friday, and Casa Berardi. At the San Sebastian Mine in Mexico, the open pits will ultimately be backfilled with rock and soil and will be reestablished as productive agricultural lands.

**Our tailings stewardship program was initiated to help us meet our responsibilities and to minimize the environmental effects and risks—for today and for future generations.**

# Health & Safety Responsibility



**W**ithout our dedicated and talented workforce, the company would not be as successful as it is today. While each mining operation has its own challenges and solutions, all have the same goal: to send employees and contractors home to their families safe and sound, every day.

Our commitment to health and safety is further enhanced by the Hecla Safety and Health Management System/NMA CORESafety system, a scalable safety and health management system with a goal of eliminating fatalities and reducing

**When a conflict arises between production and safety, safety always comes first.**

the rate of injuries by 50 percent nationwide over a five-year period. Hecla was the first hardrock mining company to become certified under this program and is well on the way to achieving this goal.

A variety of safety performance indicators are tracked including injuries, near misses, observations, and equipment damages. Our goal each year is to reduce safety incidents and improve upon

**Hecla's greatest resource is its people and our top priority is their health and safety.**

**Hecla protects its workforce with extensive and effective safety training.**

the previous year's performance. The choice for all employees is clear: when a conflict arises between production and safety, safety always comes first.



All employees receive training that complies with the Mine Safety and Health Administration (MSHA) regulations in the United States; Occupational Health and Safety in Mines regulations in Quebec, Canada; and the Federal regulations for Occupational Health, Safety and Work Environment in Mexico.

Employees also participate in ongoing training designed to develop skills in performing their assigned tasks in a safe, healthy, and environmentally responsible manner.

Our top priority is to protect our workforce and mitigate risks. We are committed to the continuous improvement of our health and safety practices.



CEO Phil Baker leads company hiking excursion in the Cabinet Mountains near the Rock Creek and Montanore development projects in NW Montana.

## **Promoting Healthy Lifestyles**

Our employees benefit from a variety of company-sponsored health and wellness programs, which cover education, health interventions, and disease management. Employees are provided annual health screenings, free flu shots, access to on-site fitness equipment or financial assistance toward fitness club memberships.

Many wellness activities are scheduled throughout the year for employees and family participation. Our responsibility to ensure a safe workplace extends to providing opportunities for employee wellness.

# Technological Advances in Mining



**H**eccla is an early adopter of new technological advances in underground hardrock mining—using applications such as high-speed wireless data transfer for underground monitoring, communication, data assessment, and remote control. In addition, we are advancing tele-remote and battery-powered load, haul, and dump (LHD) equipment that reduces ventilation requirements and improves worker safety; adopting automated jumbo stope drilling and shaft operations between shifts, as well as autonomous haulage systems.

These new technological advances will have a significant impact in lowering the health and safety risk for our employees as well as improving our environmental performance and mine-operating efficiency.

Our operations have upgraded underground ventilation, converted to biodiesel use, implemented cleaner engine technology and exhaust filtration, introduced enclosed and environmentally controlled cabs, and required respirators in high-exposure tasks and work areas. Reducing lead exposure in the mill operations is also a priority. Annual blood tests measure employee exposure, which is minimized through personal hygiene training and the use of state-of-the-art respirators.

Hecla uses new technology to minimize safety risks.



# Community Commitment: A Key to Success

Our strategy of developing long-lived, low-cost mines also enables us to become deeply engaged within the communities where we operate. In addition to the company providing significant economic benefits as a major employer and taxpayer, our employees also give back in meaningful ways—they serve on school boards, join civic organizations, become volunteer fireman and EMT's, coach little league hockey and baseball, and contribute to local arts and museums.

As an example, our long-term commitment to our communities includes supporting education programs. Since 2011, Hecla has provided over \$600,000 to support sustainable career development programs at our Greens Creek Mine in Alaska. The annual “Pathway” program begins with middle school tours designed to introduce young teens to the multi-faceted job and skill requirements at a modern mine.

An Introduction to Mining Operations course is offered by the high school in Juneau and includes hands-on lab experience. The course is presented by Hecla, in association with the local university. For those with further interest, Hecla offers a Mine Academy, which includes the use of a mine training simulator and provides students with Mine Safety and Health Administration (MSHA) training.

Interested students can then further be involved through our Mentor Program that includes job shadowing and instruction in various mine operations. In addition, students can pursue mine mechanic certification in association with Hecla and the University of Alaska Southeast. In 2014, we were very pleased to hire the first two successful certification graduates who started in our Pathway programs in middle school.



The San Sebastian Mine in Mexico supports its local schools, and helps to repair buildings, sidewalks and fences. The mine also provides medical supplies to the local Red Cross, in addition to other contributions.

## Pathways to Mining Careers



Middle School Tours



Intro to Mining Occupations



Mine Academy

Diesel Program and Internships

New Hires



*“While the company is committed to operating the mine in an environmentally responsible manner, Hecla’s long standing involvement in the community has been perhaps the company’s greater quality. The men and women working at Hecla are active participants in the Juneau business community, civic associations, education, and elected governmental roles. They are integral to the community and their passion and professionalism makes Juneau an even better place to call home.*

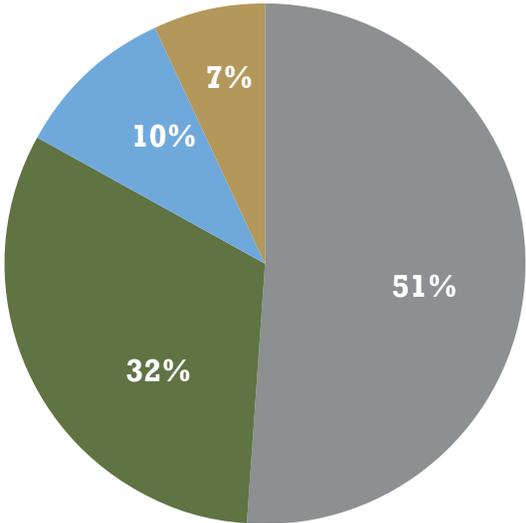
*We are very fortunate to have them in our community.”*

–Merrill Sanford,  
former Mayor of Juneau, Alaska

# Community Commitment



## Hecla's Charitable Giving



Community Education Health Youth

The Hecla Foundation has given several million in contributions since its inception.



## The Hecla Charitable Foundation

The Hecla Charitable Foundation is another example of Hecla's commitment to partner with their local communities. Established in 2007 to provide grants and disburse funds for educational and charitable purposes to qualifying 501(c)(3) organizations, the Foundation works to enhance the quality of life and to promote the social, environmental, and economic sustainability and development of those communities. The Foundation focuses its efforts in four key areas: education, community programs, youth activities, and health services. It has awarded several million dollars in grants since its formation in 2007.

In addition, Hecla Quebec has separately partnered with the local university to create the Hecla-Québec Global Development Fund (UQAT Foundation). Since 2009 over \$1 million has been donated to the Foundation that provides annual scholarships to students in support of work-life balance, return to school, perseverance and success training programs.

# Economic Responsibility

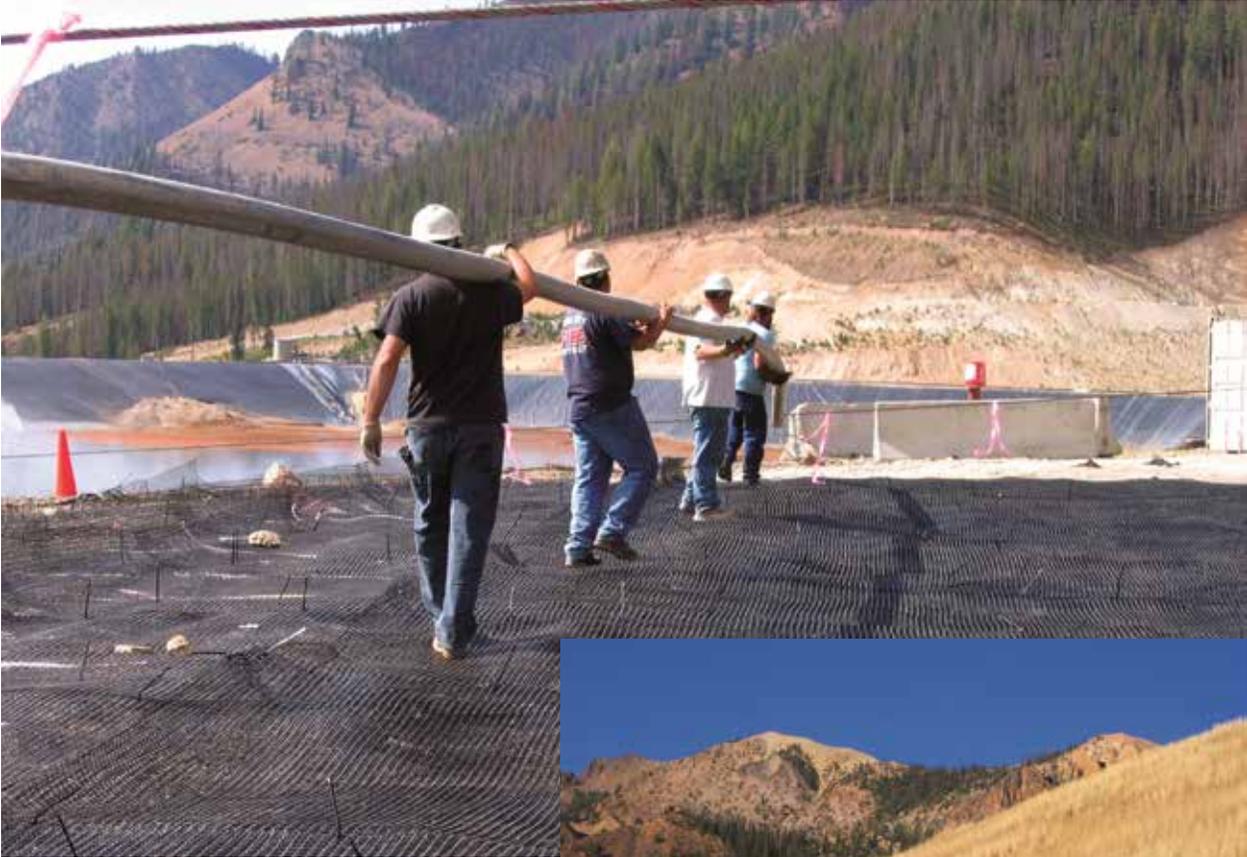


**H**ecla's operations are prime examples of mining's positive economic impact on communities where high-paying jobs are scarce. We're the largest private-sector employer in Juneau, Alaska, and the second largest in Shoshone County, Idaho. These are family-supporting wages where an average miner's salary may be double the local average pay scale.

The company has over 1,400 employees with a total direct compensation of over \$174 million per year. In addition, more than one indirect job is created by each direct Hecla job. This leads to nearly 3,000 workers in the local communities—all from our mining operations.

The local economic effect of a Hecla operation is significant, given our mines are typically located in rural landscapes and small communities. The five-year average contribution from wages, benefits, taxes, goods and services purchased, and local donations and contributions at the Greens Creek, Casa Berardi, and Lucky Friday mines has been more than \$800 million at each location.

# Life of Mine Responsibility: Reclamation & Closure



Reclamation of the 570-acre Grouse Creek Mine was completed in 2013.

**A**t Hecla, we understand our responsibility to manage environmental impacts from our operations at all stages of a mine’s life cycle. We require all our sites to have and keep current plans for reclamation and ultimate closure. Methods vary from site to site, but all have the same goals; return the land to viable post-disturbance uses and mitigate environmental impacts. In addition, the company has committed over \$130 million to ensure mined lands are successfully reclaimed following mining. These sums are held by state and federal agencies to guarantee reclamation is completed.



## Case Study

### **Historic Mining Cleanup and Community Action – Lower Willow Creek Floodplain – Creede, Colorado**

While Hecla never operated the former mill site and floodplain property located along Willow Creek, south of the town of Creede, Colorado, the company is working in partnership with the City of Creede to remediate the site to minimize the environmental impact and to improve the condition of the property.

In 2010, Hecla completed remediation of the 16-acre mill site, then the company and the City of Creede formed the Lower Willow Creek Restoration Company (LWCRCo), a 501(c)3 non-profit corporation, to promote the restoration and reuse of the 110-acre floodplain. This allowed LWCRCo to conduct additional restoration activities in the Willow Creek stream channel, floodplain, and riparian areas.

## Recent Key Awards

- 2017** Dr. Dean McDonald, Senior Vice President-Exploration, received the A.O. Dufresne Exploration Achievement Award from the Canadian Institute of Mining, Metallurgy and Petroleum.  
Lucky Friday Mine Rescue Team received 1st place and the Greens Creek Mine Rescue Team received 2nd place in the Central Mine Rescue Competition.
- 2016** First hardrock mining company to achieve certification under NMA CORESafety system (voluntary mine safety and health initiative developed and facilitated by National Mining Association).  
SME M&E Division Miner of the Year - Clayr Alexander 2016.  
SME William Lawrence Saunders Gold Medal – Phillips Baker 2016.  
Casa Berardi was honored by the Chamber of Commerce in Abitibi-Ouest which awarded it the Excell'Or trophy in the Economic Contribution and Sustainable Development.
- 2015** Casa Berardi Mine, Quebec. Certificate of Recognition from Commission for Health and Safety of the Work of Quebec.
- 2014** Troy Mine Inc. Sentinels of Safety Award (small underground metal category).
- 2013** Casa Berardi Mine, Quebec. Certificate of Recognition from Commission for Health and Safety of the Work of Quebec.  
Greens Creek Mine, Alaska. Mine Safety & Health Technology Innovations Award from National Institute for Occupation Safety and Health (NIOSH).  
Rio Grande Silver, Inc. (Hecla subsidiary, San Juan Silver property). Excellence Award in Hard Rock Reclamation from Colorado Mineral Land Reclamation Board.
- 2012** Hecla Mining Company. Platinum Award for Corporate Excellence from the American Exploration & Mining Association.



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