



## **COMMUNICATION ON PROGRESS**

**United Nations Global Compact**

**January 1 – December 31, 2017**

Date of Submission: March 27, 2018

March 27, 2018

To our stakeholders,

I am pleased to reaffirm Lundin Mining Corporation's support for the Ten Principles and 17 Sustainable Development Goals (SDGs) of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this, our second annual Communication on Progress, we describe actions the Corporation is taking to integrate the principles and SDGs of the Global Compact into our business strategy, culture and daily operations. We provide further information within our annual Sustainability Report, which is publicly available.

Sincerely yours,

Paul Conibear  
President & Chief Executive Officer

# Lundin Mining Corporation

Lundin Mining Corporation (“Lundin Mining” or the “Company”) is a diversified Canadian base metals mining company with operations in Chile, the United States of America, Portugal, and Sweden, primarily producing copper, nickel and zinc. In addition, Lundin Mining holds an indirect 24 percent equity stake in the Freeport Cobalt Oy business, which includes a cobalt refinery located in Kokkola, Finland. The Company’s headquarters are in Toronto, Canada, with exploration activities including in-mine and near-mine targets at Candelaria, Eagle, Zinkgruvan and Neves-Corvo, as well as exploration activities in South America and Eastern Europe.

Our organization operates with our Mission at the core of our decisions:

**We responsibly mine base metals vital to society, creating meaningful value for our stakeholders.**

This focus supports our strong commitment to responsible mining through the following priority business objectives:

- Responsible and profitable development of mineral resources and operations while generating shared value with host communities and other stakeholders.
- Generation of a steady pipeline of high potential development opportunities while maximizing value from our existing operations and maintaining a strong corporate balance sheet.
- Development of a high-performance culture across all operations, being an employer and partner of choice.

Our values are the lens that influences everything that we do as an organization, providing a deeper meaning to our business approach. Although our plans and projects may change, our values are non-negotiable.

## Our Values

### Safety

**We hold health and safety as our top priority in everything we do.**

### Respect

**We embrace diversity, inclusion, open dialogue and collaboration.**

### Integrity

**We do what is right and honour our commitments.**

### Excellence

**We set high standards and challenge ourselves to deliver superior performance.**

Our Mission, Values and commitment to Responsible Mining are aligned with the United Nations Global Compact's Ten Principles and Sustainable Development Goals (SDGs), as summarized below:

- We are committed to achieving a safe, productive and healthy work environment wherever we operate. The health and safety of our employees and contractors is first and foremost in everything that we do.
- We engage in open and inclusive dialogue with local communities and our stakeholders in a spirit of transparency, cooperation and good faith. We recognize every community as unique and respect the cultural and historical perspectives and rights of those affected by our operations. We work to improve the long-term well-being of those affected by our activities.
- We foster the provision of lasting benefits to local communities, aligned with their priorities.
- We are vigilant and collaborative in our protection of the environment, our advancement of sustainability opportunities, and in seeking ways to minimize our environmental impacts.
- We conduct our activities in accordance with recognized standards for respect of Indigenous and human rights, and we maintain high standards of ethics, corporate governance and honesty in all aspects of our business.

To support our commitment to these guiding principles and goals, we engage with our industry peers, associations, governments, non-governmental organizations and civil society to communicate on our performance and to contribute to best practice development. We strive to meet or surpass applicable legal requirements wherever we work, and we seek to continuously improve our performance.

Lundin Mining joined the United Nations Global Compact in 2016 and submitted its first annual Communication on Progress on March 28, 2017. Our corporate values and guiding principles continue to align well with the Global Compact's Ten Principles on human rights, labour, the environment and anti-corruption, as well as the SDGs, and we continue to advance our efforts to further integrate these into our business strategy, day to day operations, and our organizational culture.

We are working to support our operations in progressing the 17 United Nations SDGs by creating shared value, fostering partnerships and demonstrating environmental and economic performance.



## Description of Actions

### HUMAN RIGHTS



*Principle 1: Support and respect the protection of internationally proclaimed human rights*

*Principle 2: Make sure the organization is not complicit in human rights abuses*

Lundin Mining respects human rights as set forth in the United Nations Universal Declaration of Human Rights and integrates human rights into its business practices and processes. The Company also fosters a work environment free from discrimination against gender, age, race, national origin, marital status, sexual orientation, religious beliefs, disability, or any other personal characteristics protected by international human rights law.

### Sustainable Development Goals Achieved



### Policies and Procedures

Lundin Mining's position on human rights is guided by the following policies, principles, standards and/or commitments:

#### **Code of Conduct, Ethical Values and Anti-Corruption ("Code of Conduct")**

The recognition of, and respect for, human rights is an essential component of the Company's conduct and ethical values and underlies our commitment to ethical business conduct and corporate social responsibility wherever we operate.

#### **Responsible Mining Policy**

Our Responsible Mining Policy includes commitments to: conduct our business activities ethically and transparently; treat people with dignity, and respect human rights as set forth in the United Nations Universal Declaration of Human Rights; and respect and take into consideration the rights, interests, concerns, traditional land uses and cultural activities of Indigenous peoples within our sphere of influence.

#### **Responsible Mining Framework**

Responsible Mining is dependent on conducting activities in accordance with recognized standards for respect of Indigenous & human rights. One of our five Responsible Mining Framework elements – social – ensures that formal systems are in place to uphold fundamental human rights.

In addition to the United Nations Global Compact, Lundin Mining demonstrates its commitment to support human rights through voluntary alignment with the following international principles/standards:

- **Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (MNEs)**
- **United Nations Guiding Principles on Business and Human Rights**
- **Voluntary Principles on Security and Human Rights (VPs)**

### Activities and Implementation

Concrete actions taken by Lundin Mining to implement human rights policies, address human rights risks and respond to human rights related concerns include:

- In accordance with the Company's Whistleblower Policy, implementation of confidential and, if desired, anonymous lines of communication via an independently operated 24-hour telephone hotline and website ("ClearView Connects") or, alternatively, by mail/courier, for reporting and, as appropriate, investigation of concerns regarding behavior which does or may violate the Code of Conduct, including human rights. We have recently updated our Whistleblower Policy to clarify these lines of communication and provide a choice for reporting to either the Chair of the Audit Committee or the Chair of the Corporate Governance and Nominating Committee.
- Processes are in place at each operation to receive and address questions, concerns and formal grievances from third parties. The structure of these grievance mechanisms varies across our operations, but all ensure that our stakeholders have an avenue to voice concerns and can expect a fair process where their feedback is heard, and complaints are addressed. We receive, document, track, and respond to questions or concerns raised by stakeholders both informally and formally and are working to align these processes with international best practices.

### Goals

In 2018, we will finalize the development of our Social Impacts Management Standard, which will include guidance to our operations for assessing and managing human rights risks and impacts. For more information on our goals and future commitments in this area, please see our [Corporate Responsibility Website](#).

### Measurement of Outcomes

Lundin Mining monitors and evaluates performance on the issue of human rights by way of:

- All Lundin Mining operations have processes in place to recognize, record, and respond to stakeholder concerns – including human rights-related issues – as early as possible, and on a consistent basis, both informally (through regular stakeholder engagement, dialogue and discussion) and more formally through a grievance mechanism. Data and information on grievances filed and resolved within the reporting period can be found in our annual Sustainability Report. No human rights-related grievances were filed in 2017.

## LABOUR



*Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining*

*Principle 4: The elimination of all forms of forced and compulsory labour*

*Principle 5: The effective abolition of child labour*

*Principle 6: The elimination of discrimination in respect of employment and occupation*

Lundin Mining is committed to achieving a safe, productive and healthy work environment across all operations. The Company supports freedom of association and collective bargaining, does not tolerate any form of harassment and fosters a work environment free from discrimination. We support the elimination of all forms of forced and compulsory labour, and child labour. Based on our internal assessment, none of our operations are at risk for incidents of child labour, or forced or compulsory labour.

### Sustainable Development Goals Achieved



### Policies and Procedures

Lundin Mining's position on labour is guided by the following policies, principles, standards and/or commitments:

#### **Code of Conduct, Ethical Values, and Anti-Corruption ("Code of Conduct")**

Lundin Mining is committed to respecting internationally recognized human rights across all its projects and operations. The recognition of, and respect for, human rights is an essential component of the Corporation's conduct and ethical values and underlies its commitment to ethical business conduct and corporate social responsibility wherever we operate. Lundin Mining does not engage in or condone forced, compulsory, or child labour of any kind and works diligently to reduce the probability that such conditions, which are fundamental contraventions of human rights, are not present in its workforce.

#### **Diversity Policy**

Lundin Mining values its diverse employee population and the contributions that each employee brings to the Company. Correspondingly, Lundin Mining is committed to providing equal opportunities, in the form of training, development, and progression considerations, to all employees. We have proactive initiatives in place to increase diversity across the Company, with an emphasis on attracting and promoting women in mining, from the graduate level through to executive management team and Board positions. Lundin Mining's Diversity Policy provides a framework for the Company to support efforts to achieve and assure workplaces that are free from all forms of discrimination and harassment.

**Equal Pay**

Competitive remuneration practices at all its locations and operations facilitate Lundin Mining's ability to attract and retain well-qualified employees. Lundin Mining is on guard for any gender bias in its compensation systems and participates annually in industry-specific compensation surveys. Confidence in the competitiveness of compensation for all positions is also achieved through periodic benchmarking exercises.

**Human Resources Policy**

Lundin Mining meets or exceeds all applicable labour standards and national labour laws in the jurisdictions in which it operates. Under the terms of its Human Resources Policy, work is equitably and fairly remunerated. Terms of employment for each employee are clearly detailed in individual, transparent, and legally recognized written employment contracts. Employment parameters with respect to compensation, hours of work, rest periods, holidays and vacations, disciplinary and termination practices, maternity protection, working conditions, workplace environment, and occupational health and safety are consistently above standard and have been established with the well-being of employees as a priority. Lundin Mining is also committed to protecting younger workers; students and interns are compensated at market terms, and unpaid internships are not allowed.

**Freedom of Association**

Lundin Mining supports the unencumbered right of its employees to freedom of association and, correspondingly, to unencumbered bargaining at all its operation. Lundin Mining engages with union leaders regularly on matters of local labour laws, business changes, and negotiation of employment terms and conditions.

**Proof of Age Requirements**

Lundin Mining has strict proof of age requirements for its workforce upon hiring at all sites, preventing anyone under the legal industrial working age of 18 from obtaining employment at any of our sites or operations.

**Strategic Social Investment Standard**

In 2017, we updated our Strategic Social Investment Standard. The Standard includes a focus on local content development.

**Five-year Social Performance Strategic Plans**

In 2017, each site initiated the development of a five-year social performance strategic plan to assess project developments, social risks, impacts, contextual changes, engagement priorities and social investment priorities. These strategic plans include a focus on local employment and procurement content.

In addition to the United Nations Global Compact, Lundin Mining is committed to supporting labour through voluntary alignment with the **International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability**.

## Activities and Implementation

Concrete actions taken by Lundin Mining to implement labour rights policies, principles, standards and/or commitments include:

- In 2017 the Vice President, Human Resources met with sites to improve consistency in the implementation of the Company's Diversity Policy and related training, building on the 2016 corporate training content to create site-appropriate updates.
- Relevant key activities across our sites in 2017:
  - Our Eagle operation now has a Paid Maternity and Parental Leave Policy that provides paid leave to full-time employees upon birth or adoption of a child. Under the policy, eligible female employees receive 12 weeks of paid leave and eligible male employees receive 80 hours of paid leave.
  - A comparable Pregnancy and Parental Leave Standard was put in place at the corporate office.
  - Our Zinkgruvan operation's Human Resources department distributed an employee satisfaction survey. This survey will be conducted every second year with results published in a timely manner.
  - Our Neves-Corvo operation's Health & Safety and Community Relations team worked with the Municipality of Almodôvar to develop a plan to provide training to community residents, especially young people, in emergency response related to fires and accidents.
  - For more than 10 years, and in partnership with public agencies, Candelaria has conducted a skills training program throughout the Copiapó province. This program promotes local employment by providing skill development opportunities for local communities. Recently, Candelaria was recognized for having almost 95% of its workforce locally hired. This success can be partially attributed to this program, which has created new opportunities in mining – especially for women, youth, Indigenous peoples and fishermen groups.

## Goals

In 2018, we will finalize the development of our Social Impacts Management Standard, which will include guidance to our operations in areas such as local labour and workforce planning and worker influx management.

We also plan to:

- Review and update Human Resources related standards, practices and procedures.
- Increase the representation of female employees at our Candelaria operation through community-oriented training programs with special emphasis on the female gender.
- Make personal safety training available to all employees at our Eagle operation.
- Develop and conduct an Employee Engagement Survey at our Eagle operation to improve awareness of employee concerns and reinforce messaging regarding Eagle's values, practices, and positioning.
- Focus on women in our recruiting campaigns for the Neves-Corvo process plant and support our new hires by implementing specialized training programs as necessary.

For more information on our goals and future commitments in this area, please see our [Corporate Responsibility Website](#).

## Measurement of Outcomes

- Lundin Mining is committed to launching internal investigations in response to formal complaints addressing labour practices. Once an investigation has concluded, recommendations and actions taken by the Company are reviewed. If necessary, external legal counsel is asked to advise the Company on the appropriate response. No grievances about labour practices were filed through formal grievance mechanisms in 2017.
- At the end of every calendar year, each employee at the Corporate and senior management level of our operations undergoes a Performance Evaluation Review, which is based on meeting Key Performance Indicators (KPIs). KPIs are established by mutual agreement at the beginning of each year and are also reviewed at the six-month point or when needed.
- There have been no recorded incidents of proven discrimination at our operations during the reporting period.
- No operations are at risk for incidents of child labour or young workers exposed to hazardous or industrial conditions. Similarly, our operations are not at risk for incidents of forced or compulsory labour. There were no reported or known incidents of forced or child labour practices at our operations in 2017, nor in the past.
- In 2017, the workforce at our mine sites, including the exploration teams, comprised 3073 (89%) male employees and 383 (11%) female employees. At corporate offices, our workforce comprised 44 (56%) males and 35 (44%) females. Four of our 11 vice-presidents are female.
- In 2017, 83% of employees Company-wide were represented by unions (compared to 66% in 2016).

# ENVIRONMENT



- Principle 7: Support a precautionary approach to environmental challenges
- Principle 8: Undertake initiatives to promote greater environmental responsibility
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies

In 2017, Lundin Mining continued advancement of numerous programs to improve and optimize our environmental and sustainability performance, both at the Corporate and Site-level, and progressed several community-based environmental initiatives. Lundin Mining undertook a detailed review of its operational greenhouse gas (GHG) emissions reduction and energy efficiency programs, resulting in the development of a comprehensive GHG Emissions Reductions and Energy Efficiency report and recommendations for site implementation. As well, Lundin Mining undertook a detailed review of its operational supply chain and responsible sourcing activities to develop a road map for improving practices and incorporating environmental and social considerations. Lundin Mining continued its goal of designing, developing and operating our facilities in a manner which minimizes our overall environmental impact. Our material environmental areas of focus include: Water and Effluents, Mine Closure Planning, Mineral Wastes, Climate Change Adaptation and GHG Emissions.

## Sustainable Development Goals Addressed



## Policies and Procedures

Lundin Mining’s environmental practices are guided by the following policies, principles, standards and/or commitments:

### Code of Conduct, Ethical Values and Anti-Corruption (“Code of Conduct”)

Our Code of Conduct states that Lundin Corporation shall undertake exploration with care for the environment; design and construct facilities with the aim of achieving long-term stability and the highest possible security against disturbances; strive to economize the use and re-use of energy from sustainable sources; and, develop and implement plans for land use and reclamation that, as far as practical, return the land to its former condition or to a state that conforms to accepted industry practice and meets local regulatory approvals.

### **Responsible Mining Policy**

We aim to design, develop and operate our facilities to minimize their overall environmental impact and take into account their eventual closure. We efficiently use water, energy and other resources, and responsibly manage wastes. The Company contributes to the conservation of biodiversity by developing and implementing detailed Biodiversity Action Plans at each site, in accordance with our Standards, promoting research, partnerships and responsible land management practices. We also assess the risks and impacts of our operations and integrate these considerations into our planning and operational decision-making processes. The Company strives for continuous improvement in our health, safety, environmental and community (HSEC) performance.

### **Responsible Mining Framework**

One of the five Responsible Mining Framework elements – environmental stewardship – focuses on avoiding, minimizing or mitigating environmental impacts of operations and ensuring that appropriate management and monitoring systems are in place always.

### **Supply Chain-Responsible Sourcing Benchmarking Program**

In 2017, Lundin Mining undertook an integrated review of Supply Chain-Responsible Sourcing management systems across all operations. The Company also completed a bench-marking assessment of practices at various peer companies, to assess current Lundin Mining management practices and identify opportunities for improving the integration of HSEC considerations into Supply Chain management.

### **Corporate Group Standards and Procedures**

Lundin Mining has developed several Corporate Standards and Procedures to which every operation is required to adhere, resulting in exacting Company-wide standards and consistency in the prevention and management of environmental impact and risk. Standards and procedures that have been implemented currently address: risk assessment, water management, tailings management, air quality and GHG emissions, biodiversity and mine closure. In 2017, Lundin Mining undertook an update of its former HSEC Management System and developed the recently implemented Responsible Mining Management System (RMMS). This new integrated system provides updated and refined HSEC management system standards, supported by selected Technical Standards for specific areas (e.g. GHG Emissions Reduction and Energy Efficiency Standard).

In addition to the United Nations Global Compact, Lundin Mining's environmental practices align with the **IFC's Performance Standards on Social and Environmental Sustainability**, and the **OECD Guidelines for MNEs**.

### **Activities and Implementation**

Specific environmental activities undertaken by Lundin Mining during the reporting period include:

- Updating the status of Environmental Action items resulting from the most recent operational HSE audits.
- Completion, introduction, and initiation of operational roll-outs of the RMMS.
- Ensuring consistent application of our project and operational environmental assessment methodologies.
- Reviewing and strengthening our environmental permitting and compliance practices across all projects and operating sites.

- Continued implementation of the Tailings Management Standard, including the successful completion of independent, third-party reviews at all operating sites.
- Reviewing and strengthening our mine closure and cost planning practices.
- Implementing energy management initiatives to reduce energy consumption and associated GHG emissions.
- Advancing the review of the status of comprehensive water management plans at each operating site.
- Continual alignment of Biodiversity Management Plans at each operation with the requirements of the Group Procedure for Biodiversity Management and enhancement of associated monitoring programs.
- Extensive update program of all Lundin Mining mineral concentrate shipping documents, including Safety Data Sheets and Shippers Declarations, to align with applicable international shipping regulations and best practices.
- Participation in environmental and sustainability-related activities in our various regions, including relevant national and commodity associations such as the Mining Association of Canada, Euromines, ANIET (Portugal), SveMin (Sweden), Consejo Minero (Chile), International Zinc Association, and AEMA (United States).
- Relevant key activities across our sites in 2017:
  - Completion of an in-depth GHG Emissions Reduction and Energy Efficiency Benchmarking study of all sites, including development of recommendations for short and long-term planning.
  - Awareness/training, including presentations on sustainability and mining at industry-related association meetings.
  - Completion of an annual in-depth workshop for all environmental management staff from Lundin Mining operations and Peru Exploration.
  - Review of energy supply contracts to identify possible updates to include higher levels of renewable energy in the electrical supply options. This was achieved in 2017 at our Zinkgruvan Mine, which switched its electricity supply to a certified 100% renewable energy source. Developments at other operations are pending and will be progressed in 2018, where possible.
  - Assessment of new and innovative ways to limit on-site dusting, with the implementation of new and successful dust control technologies. At Zinkgruvan, a local company's invention has been found to control dust using a truck that sweeps/high-pressure sprays and then draws up the water and dust particles. This has limited the dusting on-site and reduced dust migration to the nearby community.
  - Construction of a four-kilometer-long pipeline to maintain water flows from a local lake to a nearby creek in the vicinity of our Zinkgruvan Mine to maintain local biodiversity.
  - Neves-Corvo-led conservation programs at and near our mine in Portugal, conducted in coordination with local University researchers, to support the preservation of an International Union for Conservation of Nature vulnerable status native bivalve species, *Unio tumidiformis*, in the Oeiras River. In 2017, water flow in the Oeiras River fell to reduced levels as a result of regional drought conditions, causing concern over a vulnerable bivalve population. Specimens of *Unio Tumidiformis*, *Unio Delphinus*, and *Anodonta anatine* were relocated to areas with greater water flow by Neves-Corvo staff, protecting them from drought-related impacts.
  - Improvements in water treatment processes to allow more efficient reuse of industrial water at our Neves-Corvo mine.

- Increased use of tailings at Neves-Corvo as material to produce paste fill, allowing a reduction in the use of other naturally-occurring materials, such as sand, from nearby areas.
- Exploration of opportunities with the regional electrical energy supplier, AES Gener (at our Candelaria & Ojos del Salado operations) to increase the percentage of renewable energy in their electrical supply contract package.
- Candelaria's development of Inventa Comunidad, a community-based program to promote the local development of innovative solutions to environmental and social challenges having a direct impact on the Tierra Amarilla, Copiapó and Caldera communities. Entrepreneurial efforts supported by this Candelaria Mine program include: 1) a technology using waste plastic in the manufacturing of cement blocks that can be used to construct emergency shelters; 2) designing a module to desalinate water using solar and wind energy to deliver water in water-stressed areas; 3) designing an autonomous vertical wind turbine system to maximize energy from low wind levels; 4) designing a mechanism to collect and store water from mist and dew on the slopes of hills as well as providing powerful energy wind generating capacity; and 5) support to a local entrepreneur for a small-scale battery recycling research project.
- Installation of a water ring at our Eagle mine main ventilation air raise to reduce the water content of the air exhausted into the environment.
- Successful construction of additions to the Eagle mine mill water treatment plant, planned for commissioning in 2018, which will support the continued maintenance of an effective freshwater cover in the tailings storage area, thereby supporting the maintenance of appropriate water quality.

## Goals

In 2018, we will continue to work toward our goals to increase sustainability initiatives across all operations, throughout all levels of the Company, and with our local communities. We will complete our 5-year Sustainability Strategy and will introduce its principles Company-wide by late 2018.

We will work towards reducing our Company-wide emissions intensity (GHG) by 1% and will advance the development of mid- and long-term GHG emissions reduction targets. We will also complete our Carbon Disclosure Project (CDP) Reporting process on time, showing effective improvements in our Company-wide GHG Emissions levels.

As well, we will continue advancing our RMMS implementation program across all sites and will progress the assessment and implementation of recommendations resulting from the recently completed Supply Chain-Responsible Sourcing Benchmarking program.

Site-level training in Mineral Concentrate Safety Data Sheet update processes will also be undertaken in 2018 to support the maintenance of updated information and responsible handling of the materials we produce.

For more information on our goals and future commitments in this area, please refer to our [Corporate Responsibility Website](#).

### Measurement of Outcomes

Through the implementation of Site-level and corporate management systems, and the completion of third-party audits against our integrated management system standards, the Company monitors and evaluates environmental performance on a regular basis. Formal preventive and corrective action processes are in place at all sites, and environmental performance is regularly reported to Site-level and corporate senior management. Lundin Mining also conducts independent verification of its Sustainability Report and supporting data. As well, Lundin Mining operations track, and provide updates on progress to resolve, their top five environmental risks on a monthly basis. Company-wide, Lundin Mining tracks a wide range of environmental performance metrics and detailed environmental performance data, presented annually in our externally-assured [Sustainability Reports](#).

## ANTI-CORRUPTION



*Principle 10: Work against corruption in all its forms, including extortion and bribery*

Lundin Mining has a zero-tolerance policy for bribery and corruption by employees, officers, directors, consultants, and contractors of the Company, with even the appearance of impropriety deemed unacceptable. The Company is committed to meeting or exceeding legal requirements wherever we operate. The Lundin Mining Board has approved an updated Code of Conduct for further clarity of alignment with the recent amendment of the *Corruption of Foreign Public Officials Act* (Canada), removing the facilitation payments exception under the Act.

### Sustainable Development Goals Addressed



### Policies and Procedures

Lundin Mining's position on anti-corruption is guided by the following policies, principles, standards and/or commitments:

#### **Company's Code of Conduct, Ethical Values and Anti-Corruption Policy ("Code of Conduct")**

Lundin Mining's anti-corruption and anti-bribery policies are aligned with the *Corruption of Foreign Public Officials Act* (Canada) and the guidelines on combating bribery of the OECD for MNEs. We revised our Code of Conduct in early 2016 to, among other things, further enhance existing anti-corruption policies. We will revise the Code of Conduct once again in 2018, for further clarity of alignment with the recent amendment of the *Corruption of Foreign Public Officials Act* (Canada). It is available on our corporate website at [www.lundinmining.com](http://www.lundinmining.com). All our directors, officers, employees, consultants, contractors and subsidiaries are expected to conduct business activities ethically and transparently and in accordance with the Code of Conduct.

#### **Gifts and Entertainment**

Employees should neither seek nor accept gifts, payments, services, fees, strictly leisure trips or accommodations, special valuable privileges, or loans from any person (except from persons in the business of lending and then on conventional terms) or from any organization or group that does, or is seeking to do, business with the Corporation or any of its affiliates, or from a competitor of the Corporation or any of its affiliates.

**Conflicts of Interest**

Employees must avoid all situations in which their personal interests conflict or might conflict with their duties to the Corporation or with the economic interest of the Corporation.

**Political Contributions and Activities**

Lundin Mining prohibits the direct or indirect use of the Corporation's funds, goods or services as contributions to political parties, campaigns or candidates for election to any level of government.

**Activities and Implementation**

Actions taken by the Company to implement anti-corruption policies, address anti-corruption risks and respond to incidents include:

- Dissemination of the Code of Conduct at each of our operational sites, ensuring it is readily accessible in key locations.
- Requiring that each employee reviews the Code of Conduct during the induction process, and again on an annual basis.
- Distributing our Code of Conduct to contractors, suppliers, and service providers to ensure they understand the Company's expectations and conduct their activities in accordance with these standards
- Enacting internal financial controls and process for monitoring and oversight with respect to the financial aspects of operations.
- In accordance with the Company's Whistleblower Policy, implementation of confidential and, if desired, anonymous lines of communication via the independently operated ClearView Connects system (or, alternatively, by courier/mail) for reporting and, as appropriate, investigation of concerns regarding behavior which may violate the Code of Conduct, including anti-corruption. We have recently updated this Policy to clarify these lines of communication and provide choice for reporting to either the Chair of the Audit Committee or the Chair of the Corporate Governance and Nominating Committee.
- Candelaria maintains a Crime Prevention Rulebook, which applies to any conduct which could be in violation of money laundering, terrorist financing and bribery of government officials. Specific criteria are detailed in this Rulebook and applied according to laws and regulations as well as internal procedures to investigate in Candelaria, Ojos del Salado, Tailings Storage Facility (TSF) Project as well as our corporate offices based in Santiago.

**Goals**

For more information on our goals and future commitments in this area, please see our [Corporate Responsibility Website](#).

**Measurement of Outcomes**

Lundin Mining monitors and evaluates anti-corruption best practices and performance through internal audits and the Company's ClearView Connects reporting system. In 2017, there were no known incidents of corruption.

## For Further Information

For further information on our management practices and performances in each of these areas, please consult our annual Sustainability Report, available on our website: [www.lundinmining.com](http://www.lundinmining.com), or contact:

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