

UN GLOBAL COMPACT: COMMUNICATION ON PROGRESS

Lundin Mining joined the United Nations Global Compact (UNGC) in 2016 and has documented its support of the 10 Principles on human rights, labour standards, environment and anti-corruption, and the 17 Sustainable Development Goals (SDGs), through an annual Communication on Progress (COP). This COP presents a summary of our 2019 progress and actions related to the UNGC Principles and the SDGs, achieved through Company-wide activities and documented in more detail throughout the *2019 Sustainability Report*.

Principles	Progress	Related SDGs
Expectations	Human Rights	
<p>1. Businesses should support and respect the protection of internationally proclaimed human rights</p> <p>2. Business should make sure that they are not complicit in human right abuses</p>	<p>LMC currently integrates human rights into its business practices and processes such as the Code of Conduct, Ethical Values, and Anti-Corruption (“Code of Conduct”), Responsible Mining Policy and Framework.</p> <p>In 2019, the Company completed Human Rights Risk and Impact Assessments at its Eagle, Zinkgruvan, Neves-Corvo operations and Peru exploration site and will continue with assessments at its Chapada and Candelaria sites in 2021. In addition, the Company prepared a draft Human Rights Policy that will be finalized and released in 2020 and described in future reports.</p> <p>The Company 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. In 2019, human rights-related grievances were filed through the Company’s grievance mechanism and Whistleblower reporting hotline. All cases were investigated and where claims were verified, management took appropriate action.</p> <p>In addition to the UNGC, Lundin Mining demonstrates its commitment to support human rights through consideration of 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, and the Voluntary Principles on Security and Human Rights.</p> <p>Supplementary details on progress on these areas can be found in these sections of the <i>2019 Sustainability Report</i>:</p> <ul style="list-style-type: none"> • Governance – Human Rights • Human Resources • Social Performance – Our Approach • Case studies (throughout the report) 	5, 8, 12, 16
Expectations	Labour	
3. Business should uphold the freedom of	Lundin Mining is committed to achieving a safe, productive and healthy work environment across all operations. The	3, 5, 8, 10

<p>association and the effective recognition of the right to collective bargaining</p> <p>4. The elimination of all forms of forced and compulsory labour</p> <p>5. The effective abolition of child labour</p> <p>6. The elimination of discrimination in respect of employment and occupation</p>	<p>Company supports freedom of association and collective bargaining, does not tolerate any form of harassment and fosters a work environment free from discrimination. In 2019, two labour unions filed notices alleging limitation of union rights. Management engaged with the unions and resolved the complaints. 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. Lundin Mining’s position on labour is guided by the following policies, principles, standards and/or commitments:</p> <ul style="list-style-type: none"> • Code of Conduct • Freedom of Association* • Proof of Age Requirements* • Diversity Policy • Equal Pay* • Human Resources Policy* <p>(*) details for these topics can be found on pages 7 & 8 of the 2017 Communication on Progress Report</p> <p>Lundin Mining provides oversight and governance for these Principles through the activities of the Human Resources/Compensation Committee of the Board. As well, the Company is a member of the United Nations Global Compact to advance the 10 Principles and 17 SDGs and considers the International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability as best practice.</p> <p>More details on progress in these areas can be found in this report: Our Performance against 2019 Targets – Social Performance, Our People.</p>	
Expectations	Environment	
<p>7. Business should support a precautionary approach to environmental challenges</p> <p>8. Undertake initiatives to promote greater environmental responsibility</p> <p>9. Encourage the development and diffusion of environmentally friendly technologies</p>	<p>Lundin Mining supports the precautionary approach and continues advancing numerous programs and partnerships to improve and optimize environmental, biodiversity and sustainability performance.</p> <p>Our material environmental areas of focus include tailings and waste rock management, water, climate change and reclamation and closure.</p> <p>Our practices are guided by the following:</p> <ul style="list-style-type: none"> • HSEC Committee of the Board • RMMS and supporting technical standards • Responsible Mining Policy and Framework • Participation in local, national, and international associations (memberships and associations) <p>In 2019, the Company completed the implementation of the RMMS process at all sites and the first third-party RMMS audit program was conducted to assess HSEC performance and compliance at all sites with the exception of Chapada. The Chapada RMMS audit is planned for 2021. The results of the audit were reported to Lundin Mining management and</p>	7,9,12,13

	<p>sites are developing action plans to address findings and recommendations, for follow-up in 2020. The next audit and verification are in 2021 and will continue bi-annually.</p> <p>In addition to the UNGC, Lundin Mining’s environmental practices voluntarily align with the IFC’s Performance Standards on Social and Environmental Sustainability, and the OECD Guidelines for MNEs. Lundin Mining is a member of the Mining Association of Canada (MAC) and considers the MAC Towards Sustainable Mining Framework as a best practice to enhance Company-wide environmental standards and practices.</p> <p>In 2019, Lundin Mining continued to integrate innovative, sustainable technologies into its operations and business strategy, including testing LTE/4G networks for underground mines. To support industry-wide change, the Company signed a sponsorship agreement with the Coalition for Energy Efficient Communitation to promote the diffusion of environmental technologies across the mining industry. Additionally, Lundin Mining supports community initiatives that encourage technology development and entrepreneurship.</p> <p>Details on progress in these areas, and partnerships to advance them, can be found in these sections of the <i>2019 Sustainability Report</i>:</p> <ul style="list-style-type: none"> • Our Performance Against 2019 Targets – Environment • Environment • Case Studies (throughout the report) 	
Expectations	Anti-Corruption	
<p>10. Business should work against corruption in all its forms, including extortion and bribery</p>	<p>Lundin Mining has a zero-tolerance policy for bribery and corruption by employees, officers, directors, consultants, and contractors of the Company. The Company is committed to meeting or exceeding legal requirements wherever we operate. In 2019, there were no known incidents of corruption.</p> <p>Lundin Mining’s position on anti-corruption is guided by the following:</p> <ul style="list-style-type: none"> • Code of Conduct – including gifts and entertainment; conflicts of interest; political contributions and activities • Audit Committee of the Board <p>Lundin Mining monitors and evaluates anti-corruption best practices and performance through internal audits and its Whistleblower Policy (revised in 2019), which includes the Company’s independent third-party ClearView Connects reporting system. Details on progress on these areas can be found in the following sections:</p> <ul style="list-style-type: none"> • Governance • Social Performance 	<p>10, 12, 16</p>