



Mining responsibly to
contribute to a more
sustainable world

Lundin Mining Corporation is a diversified Canadian base metals mining company with operations in Brazil, Chile, Portugal, Sweden, and the USA, primarily producing copper, zinc, gold and nickel.



WE SUPPORT OUR COMMITMENT TO THE UN GLOBAL COMPACT

Lundin Mining Corporation joined the United Nations Global Compact in 2016, supports the Ten Principles on human rights, labour standards, environment and anti-corruption, and promotes the UNGC's 17 Sustainable Development Goals. The results of our 2021 activities are presented in our annual Communication on Progress, available [online](#).

Some photographs in this report were taken before and after COVID-19 restrictions.

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This report uses interactive features to link to various parts of the report or access additional content online.			
☰ Access to table of contents			
🔗 Link to another section in the report			
🔗 Hyperlink denoted throughout to reference externally			



MESSAGE FROM THE PRESIDENT AND CEO



Integral to Lundin Mining's success is that our approach to Responsible Mining keeps pace with climate change, the demands of the green economy for the metals we produce, and evolving employee and stakeholder expectations. To do this, in late 2020, we began a journey to refresh our approach to sustainability and develop a new long-term strategy. A cross-functional and international Sustainability Working Group was established in 2021, which, with executive-level support from myself and the Board of Directors, undertook an in-depth mapping project to identify the Environmental, Social and Governance topics material to our business.

In conversation with employees at every location and level of our organization, the Working Group undertook months of research, including stakeholder and industry benchmarking, a materiality assessment, and a detailed mapping exercise of the United Nations Sustainable Development Goals (SDGs) at each operation. We established a framework that will allow us to integrate, embed and improve sustainability

across the organization and enhance our collective awareness of key sustainability challenges facing our industry.

LUNDIN MINING'S SUSTAINABILITY STRATEGY



Focused on the Future is comprised of a promise, a purpose, and five pillars. This foundational work incorporates the initiatives already underway, as well as new ones. It is aligned with highly regarded frameworks for sustainable business, including the Global Reporting Initiative (GRI) and the United Nations SDGs.

In 2021, we continued our commitment to the United Nations Global Compact initiative, documenting our 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) available [online](#).

Our Sustainability Strategy Framework will guide us as we continue to develop meaningful key performance indicators (KPI) that track and measure our efforts under our five strategic pillars.

Importantly, this strategy is a living document, and it will continue to evolve as our business does. The Board's newly renamed Safety and Sustainability Committee (SSC) has clear and direct oversight of this progress and performance.

The 2022 update of our Responsible Mining Policy better reflects Lundin Mining's approach to "Mining responsibly to contribute to a more sustainable world". While the spirit of this foundational document is unchanged, the updated policy addresses the key elements of Responsible Mining that include health and safety, environmental stewardship, social performance, economic contribution, compliance, and governance throughout the mine cycle. At its core, our Responsible Mining Policy exemplifies our *Values* of Safety, Integrity, Respect and Excellence, and our commitment to sustainable practices across our operations.



ENVIRONMENTAL STEWARDSHIP

We commit to climate action, strengthening water and waste management, and biodiversity conservation to contribute towards a more sustainable environment for all.

THRIVING COMMUNITIES

We collaborate to enhance the health and well-being of our communities by addressing impacts and developing initiatives that achieve positive social and economic benefits that last.

BUSINESS RESILIENCE

We adapt to changing conditions and leverage proven and new technology, partnerships, and operational excellence to ensure sustained growth of our business into the future.

EMPOWERED WORKFORCE

We support and motivate our people by providing safe work environments, fostering open communication and inclusivity, and investing in skills and talent for tomorrow.

GOOD GOVERNANCE

We engage in ethical business practices founded on transparency and accountability to enhance trust with all our stakeholders throughout the mine life and beyond.

Acting on our *Values*, we at Lundin Mining worked throughout 2021 to deliver strong performance while continually focusing on the health, safety and well-being of our employees and host communities.

In 2021, we celebrated many successes, we achieved best ever safety results, increased metal production and delivered on cost guidance. We advanced our growth projects, drilled the Saúva discovery hole, a shallow, high-grade copper-gold mineralization at Chapada, and announced the acquisition of Josemaria Resources Inc. which will complement our portfolio of high-quality assets and significantly increase our future growth potential.

Safety is our foremost core *Value* and our goal is Zero Harm. Lundin Mining achieved its best ever Total Recordable Injury Frequency (TRIF) rate in 2021 with a rate of 0.54 against a target of 0.55 across all our operations. We maintained a flexible and adaptive approach to COVID-19 prevention and response and sustained a high level of business resilience and response capability without material business impacts or disruption. While there were no fatalities reported in 2021, in March 2022, we were saddened to report the fatality of our colleague at Neves-Corvo. Relevant regulatory authorities were notified, and the incident will be reported in our 2022 data.

Embracing diversity and inclusion is representative of our core *Values*, particularly Respect. Diversity among our Board, senior management and employees has tangible and intangible benefits that foster an inclusive culture and make Lundin Mining a more successful business. In 2021, we amended our Diversity and Inclusion Policy to include a Company target for achieving and maintaining a Board composition in which women comprise at least 30% of all directors, and to sustain at least 30% of executive officer positions held by women, as relevant positions become vacant and appropriately skilled candidates are available.

At Lundin Mining, we support the Universal Declaration of Human Rights and in 2021, we approved our new Human Rights Policy. The policy serves as a guide in our efforts to continuously improve our understanding of how to identify, prevent, mitigate and report human rights risks and

associated issues, designed to complement our pre-existing commitment to human rights as stated in our updated Responsible Mining Policy, Code of Conduct, Ethical Values and Anti-Corruption Policy, and related principles described in our Diversity and Inclusion Policy.

Commitment to our core *Values* guides all aspects of our business, including community relations and social performance. In 2021, we implemented the Social Licence to Operate (SLO) Index at all sites to enhance our understanding of the level of trust and acceptance towards our operations.

Lundin Mining continued implementation of the Global Industry Standard on Tailings Management (GISTM) in 2021. Supported by our Responsible Mining Management System, we aim to implement the Standard over 3 to 5 years from our December 2020 commitment date, the action plans being prioritized as defined by GISTM classifications.

In recognition of the importance of responsible sourcing and product stewardship, Lundin Mining has established a cross-functional working group to develop a corporate strategy and design a strategic roadmap. In 2021, a gap assessment compared the strategy to international standards to ensure integration with corporate management systems, building on the integration of our Human Rights Policy and harnessing the broader Sustainability Strategy.

"Copper is vital to society and, in our view, its role in transition to a low-carbon economy cannot be overstated. Lundin Mining's participation in the Copper Mark™ will provide yet further assurance to our customers, our shareholders, and our many additional stakeholders that we truly live our Values of Responsible Mining."


Effective environmental management is integral to the success of our operations. We recognize the value of water as a shared resource and are committed to responsible water stewardship, to

minimize any detrimental impact on water resources, other water users and receiving environments. At Lundin Mining, environmental incidents are classified on a significance scale, and while the Corporation recorded a Level 3 incident on December 31, it significantly reduced its Level 2 incidents to 7, as compared to 16 in 2020.

Lundin Mining acknowledges our role in the call for action to reduce greenhouse gas emissions, commit to low-carbon alternatives, and develop climate resilience. We annually report our climate-related disclosures in the CDP climate change report, aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. Our operations have continued to focus on addressing Scope 1 and Scope 2 GHG emissions and identifying lower-carbon energy sources. Efforts to expand the evaluation of Scope 3 emissions have continued in 2021.

In late 2021, we worked towards developing our interim decarbonization ambition and are happy to announce we are committed to reducing our absolute Scope 1 + Scope 2 (market-based) emissions by 35% by 2030 across our end-of-2019 portfolio of operations, compared to a target base year of adjusted 2019 emissions.

Lundin Mining has been reporting on its sustainability performance in a comprehensive, standalone document since 2010. I am proud to introduce my first Sustainability Report as President and CEO, laid out under our sustainability pillars. Our ongoing commitment to Responsible Mining is reflected in our past performance, our daily actions and our Sustainability Strategy for the future, as summarized in our *2021 Sustainability Report*.


Peter Rockandel
President and CEO

ABOUT LUNDIN MINING

Lundin Mining Corporation is a diversified Canadian base metals mining company with headquarters in Toronto, Canada, and operations in Brazil, Chile, Portugal, Sweden, and the United States of America. Lundin Mining agreed to acquire the Josemaria copper-gold project, located in San Juan Province of Argentina, in December 2021 (transaction closed in April 2022). The Company's principal products and sources of sales are copper, zinc and nickel concentrates, with the copper concentrates from Candelaria and Chapada containing significant gold content.

OUR APPROACH TO RESPONSIBLE MINING AND SUSTAINABILITY

At Lundin Mining, our *Mission and Values* form the foundation of our sustainability approach and are vital to the long-term economic success and sustainability of our business.

OUR MISSION

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

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.

We seek to create and foster enduring relationships and meaningful shared value with our local communities and our stakeholders through our *Values of Safety, Respect, Integrity and Excellence — Mining responsibly to contribute to a more sustainable world.*

We are committed to operating in compliance with applicable laws and regulations in all jurisdictions where we operate, and we seek to continuously improve our sustainability performance. We strive to align our policies and procedures with international best practices and guidance on sustainability matters to meet our business objectives and targets.

Our *Responsible Mining Policy (RMP)*, updated in February 2022, establishes our commitment to sustainable practices and principles that guide the Company in ensuring the success of our long-term Sustainability Strategy and our business objectives. Comprising 17 principles, the policy addresses the key elements of Responsible Mining that include health and safety, environmental stewardship, social performance, economic contribution, compliance, and governance throughout the mine cycle. We expect all employees, suppliers, customers, contractors, and business partners to adhere to the principles of this policy when operating on our sites or on our behalf.

The principles of the RMP are enacted through the implementation of our *Responsible Mining Management System (RMMS)* standard. The RMMS is a critical enabler of our Sustainability Strategy that specifies our holistic Company-wide requirements for the management of the health, safety, environmental and community (HSEC) aspects of our business. Currently aligned with the ISO 14001:2015 Environmental Management System Standard, Occupational Health and Safety Assessment Series (OHSAS) 18001, and the Global Industry Standard on Tailings Management (GISTM), we initiated a revision to also align our RMMS to the ISO 45001:2018 Health and Safety Management Standard and the Mining Association of Canada's Towards Sustainable Mining (TSM) Standard in 2021. It is expected to be completed in 2022.

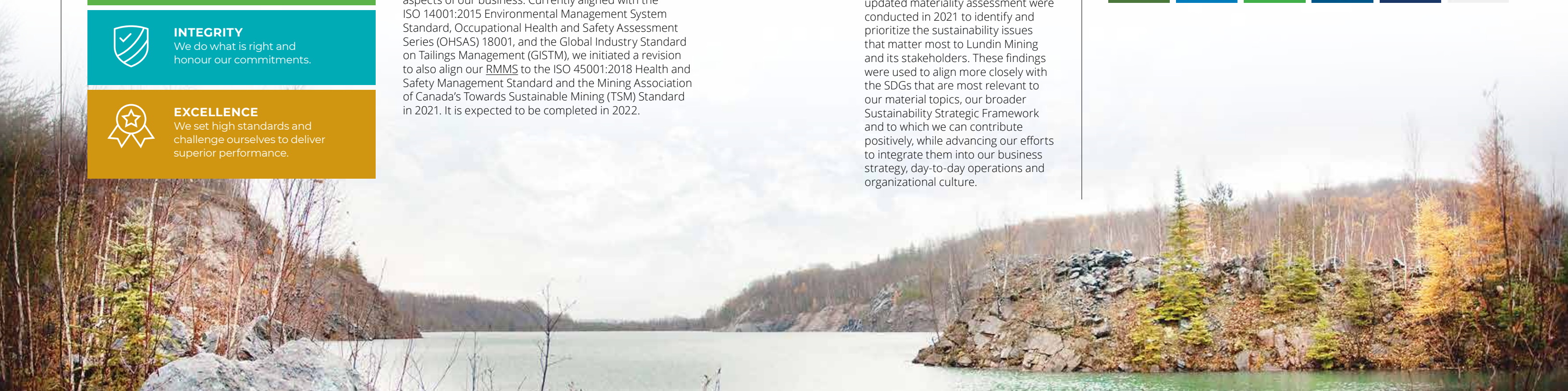
Technical standards that address key operational activities and risks such as social performance management, air quality, greenhouse gas management, closure planning, safety and fatality prevention, water management, and tailings stewardship further the management system requirements and form the basis for continual improvement and performance enhancement.

Evaluation of our management approach, including for our material topics, forms part of the RMMS and Independent Tailings Review Board (ITRB) assessment conducted at each operation. In 2021, we assessed performance of the management system through our third-party reviews. Findings are being discussed with site teams; action plans are being developed to address findings, and updates are reported to the *Safety and Sustainability Committee (SSC)* of the Board to ensure a pathway to continuous improvement. Our RMMS verification cycle is biennial and performance will be assessed in 2023.

Company-wide, focused mapping of the integration of the Sustainable Development Goals (SDGs) and an updated materiality assessment were conducted in 2021 to identify and prioritize the sustainability issues that matter most to Lundin Mining and its stakeholders. These findings were used to align more closely with the SDGs that are most relevant to our material topics, our broader Sustainability Strategic Framework and to which we can contribute positively, while advancing our efforts to integrate them into our business strategy, day-to-day operations and organizational culture.

In 2016, Lundin Mining joined the United Nations Global Compact (UNGC), which is promoted as the world's largest corporate sustainability initiative to address the priority economic, social, environmental and governance challenges. Through this initiative, we joined the global business community in a commitment to sustainable business practices, aligning our strategies with the UNGC's Ten Principles on human rights, labour, the environment and anti-corruption, the UNGC SDGs and related 2030 targets.

Our Mission and Values and *Responsible Mining Policy* align with the UNGC Principles and SDGs, and we have undertaken programs at site and corporate levels to advance positive change in these priority areas.



DEVELOPING OUR SUSTAINABILITY STRATEGY



Mining responsibly to contribute to a more sustainable world. We completed development of our Sustainability Strategic Framework in 2021 with the establishment of a multi-disciplinary sustainability working group represented by our operations and core functional areas across the organization. Guided by an executive steering committee and a formal governance structure, the working group established a framework that will allow us to integrate, embed and improve sustainability across the organization and enhance our collective awareness of key sustainability challenges facing our industry.

Comprehensive, evidence-based data analysis was conducted to support strategy development. Anchored in our updated materiality assessment and data analysis, this collaborative process allowed us to review and recalibrate our long-term sustainability vision for Lundin Mining.

Our sustainability purpose — *Mining responsibly to contribute to a more sustainable world* — provides the foundation of our work and enabled us to identify clear themes, strategic pillars and guiding statements to support our multi-year Sustainability Strategy in 2021.



Multi-Disciplinary Diverse Team

22 PARTICIPANTS

OPERATIONS REPRESENTED 33% OF WORKING GROUP

50:50

Functional Areas

- Finance
- Health, Safety and Risk
- Investor Relations
- Commercial
- Operational Excellence
- Environment
- Social Performance
- Human Resources
- Legal
- Technical Services
- Exploration

In 2022, we will implement our workplan to integrate the Sustainability Strategy across the organization. Guided by our materiality assessment, we will select focus areas important to our internal and external stakeholders. A staged approach to developing targets and defining headline key performance indicators (KPIs) will continue in 2022 for strategically important and material issues, prioritizing target setting for focus areas. Lundin Mining's current targets are discussed throughout the report under our five Sustainability Strategy pillars described below.

Sustainability Governance at Lundin Mining

In early 2022, Lundin Mining's Board of Directors reconstituted the Health, Safety, Environment and Community (HSEC) Committee as the Safety and Sustainability Committee (SSC) with three standing members who meet quarterly, at a minimum. The Committee has direct oversight of health, safety, environment, social and sustainability matters including risk management, performance, leadership and reporting including climate change and tailings management at Lundin Mining.

ENVIRONMENTAL STEWARDSHIP

We commit to climate action, strengthening water and waste management, and biodiversity conservation to contribute towards a more sustainable environment for all.



THRIVING COMMUNITIES

We collaborate to enhance the health and well-being of our communities by addressing impacts and developing initiatives that achieve positive social and economic benefits that last.



BUSINESS RESILIENCE

We adapt to changing conditions and leverage proven and new technology, partnerships, and operational excellence to ensure sustained growth of our business into the future.



EMPOWERED WORKFORCE

We support and motivate our people by providing safe work environments, fostering open communication and inclusivity, and investing in skills and talent for tomorrow.



GOOD GOVERNANCE

We engage in ethical business practices founded on transparency and accountability to enhance trust with all our stakeholders throughout the mine life and beyond.



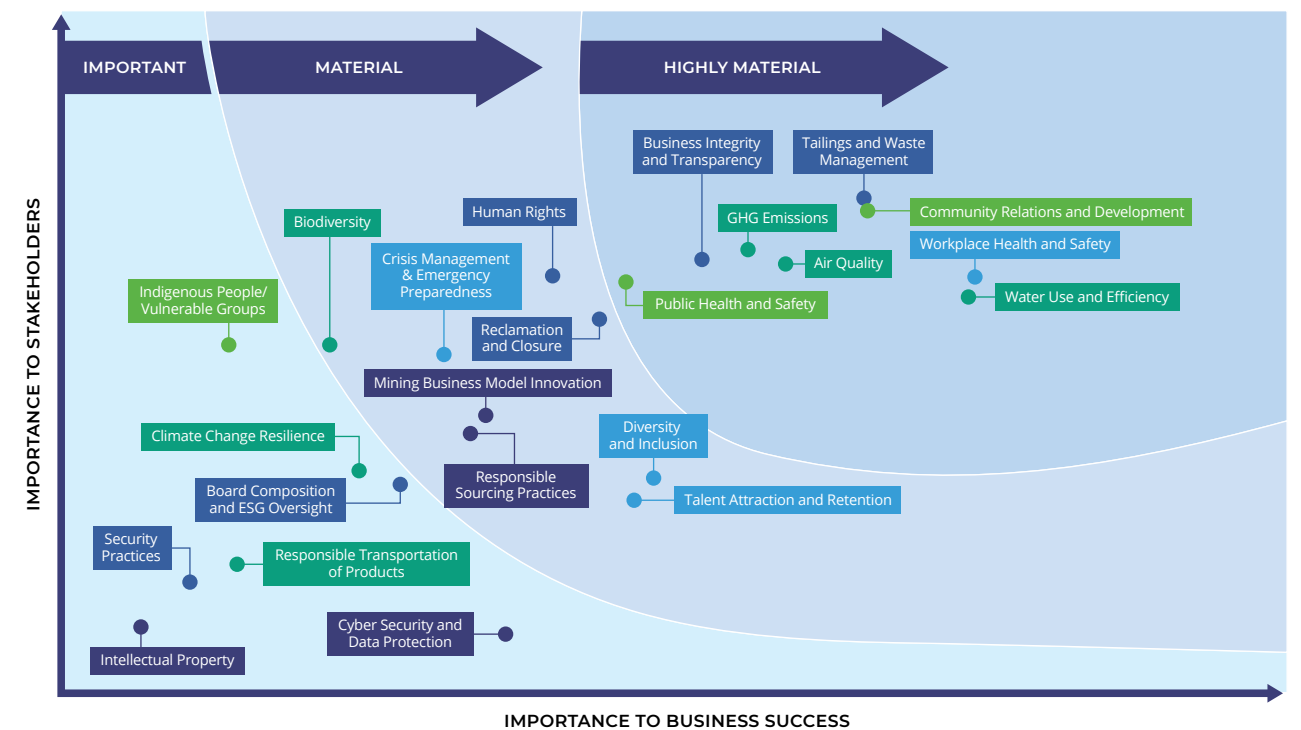
DEFINING OUR REPORT CONTENT

MATERIALITY AND STAKEHOLDER ENGAGEMENT

Our 2021 Sustainability Report focuses on topics that are most material — of greatest interest — to our business and stakeholders. In our most recent materiality assessment (2021), we undertook an extensive internal and external stakeholder consultation process, aligned with the GRI Standards framework and EU regulations. This process identified material sustainability topics, detailed below, in terms of the potential economic, environmental and societal impacts of Lundin Mining's activities, based on their importance to stakeholders, as well as for the minerals sector in general. We report on each of these highly material topics in significant detail under each of our sustainability pillars. Our material topics have been updated since the last reporting period. Certain sustainability topics that we recognize can be relevant to the mining sector were not identified as highly material during our materiality assessment process, however, they form part of how we do business. We include some information concerning these subject areas in our report to present a more comprehensive view of our operations and activities.

Materiality Assessment of Sustainability Topics

2021 Materiality Matrix



DEFINING OUR REPORT CONTENT

STAKEHOLDER ENGAGEMENT

Lundin Mining's stakeholder engagement approach is based on clear communication, transparency and trust, helping us to understand and respond to the interests and concerns of our stakeholders and the emerging issues and risks to our operations. The [RMMS](#), Stakeholder Engagement Standard and accompanying Guidance set the framework for a consistent approach to engaging with stakeholders across the Company.

Our Corporate function and each of our operations use a systematic and dynamic stakeholder mapping process to identify and prioritize stakeholders from direct and indirect influence areas, as well as those interested in, or potentially affected by, our activities. The first criterion of stakeholder definition is of a geographic nature within our direct areas of influence. Special consideration is given to identifying potentially vulnerable groups whose voices and perspectives may not otherwise be heard. Also considered are regulatory, business and supply chain partners as well as wider social, economic and environmental impacts. Engagement prioritization is largely based on stakeholders' interest, influence, and magnitude of impacts in relation to key areas of operation. Stakeholder mapping is updated annually to account for changes to the level of interest and influence of different stakeholder

groups and the nature of their interests and concerns throughout the mine life cycle. In addition, sites develop an annual stakeholder engagement plan to support their social performance action plan.

Monthly updates on social performance, including stakeholder engagement, social investment and grievance management, are provided to corporate management, with quarterly reports to the Board [Safety and Sustainability Committee \(SSC\)](#). Our stakeholder engagement process is externally assured annually, as detailed on our [website](#). Stakeholder engagement activities in 2021 continued to be adapted in response to the COVID-19 pandemic. The table below provides an overview of the stakeholder groups we engaged with in 2021, the types and frequency of engagement, and some examples of key interests and concerns raised. These approaches are used regularly to engage stakeholders on a monthly, quarterly, bi-annual and / or annual basis, as well as for ad hoc engagement. We also engaged with a range of internal and external stakeholders while we updated our materiality assessment in 2021. Stakeholders can also access our annual sustainability report and language-specific brochures, revenue transparency reports, financial statements, management information circular, compliance statements, and news releases available on our [website](#).

STAKEHOLDER GROUP	FREQUENCY AND TYPE OF ENGAGEMENT	KEY INTERESTS AND CONCERNS RAISED
Local Communities	<ul style="list-style-type: none"> Occasional virtual webinars, training and forums Scheduled virtual meetings Community perceptions surveys — Social Licence to Operate Index (SLO) In-person meetings* Newsletters and social media Annual sustainability summary brochures 	<ul style="list-style-type: none"> Health concerns regarding COVID-19 pandemic Concerns related to actual or perceived impacts, including traffic, noise, dust, vibration, water use and safety of tailings facilities Human rights Relocation of families affected by 2015 flooding at Candelaria
Indigenous Peoples	<ul style="list-style-type: none"> Regular engagement with local Indigenous community members regarding identified concerns and opportunities for collaboration 	<ul style="list-style-type: none"> Protection of environmental and cultural resources Social and economic impacts of mine closure
Government	<ul style="list-style-type: none"> Regular meetings or consultations Implementation of agreements (ongoing) Partnerships and donations (ongoing) 	<ul style="list-style-type: none"> Regulatory compliance and associated monitoring Escalated risks and grievances

STAKEHOLDER GROUP	FREQUENCY AND TYPE OF ENGAGEMENT	KEY INTERESTS AND CONCERNS RAISED
Employees and Contractors	<ul style="list-style-type: none"> Site-specific Joint Health & Safety Committee (JHSC) Annual Employee Survey Safety Culture Perception Survey Social media (e.g., videos) Regular newsletter and e-mail updates Training 	<ul style="list-style-type: none"> Health and safety (General concerns and related to COVID-19) Training and capacity building Mine closure planning and communications Human rights
Labour Unions	<ul style="list-style-type: none"> One-on-one and group meetings 	<ul style="list-style-type: none"> Health and safety, with a focus on COVID-19 Workers' rights
Non-Governmental Organizations	<ul style="list-style-type: none"> Community collaboration programs Virtual meetings throughout the year, as needed 	<ul style="list-style-type: none"> Community health and development
Industry Associations / Regional Business Associations	<ul style="list-style-type: none"> Ongoing membership for industry associations Participation in virtual industry forums, conferences and committees 	<ul style="list-style-type: none"> Economic and regulatory performance Sustainability and Climate Change
Suppliers	<ul style="list-style-type: none"> Meetings with local contractors and suppliers* Meetings with other contractors and suppliers* 	<ul style="list-style-type: none"> Local economic impact of COVID-19 pandemic
Customers	<ul style="list-style-type: none"> Regular contact* Environmental, social and governance surveys to ensure accurate and updated information Periodic ESG information requests 	<ul style="list-style-type: none"> Sustainability performance High-quality products Information on any hazards
Investors / Shareholders	<ul style="list-style-type: none"> Investor / Industry events and presentations Annual General Meeting Management Information Circular Annual Information Form, Quarterly & Annual Financial Results Meetings, phone calls, and email correspondence with Analysts / Investors Third-party ESG score databases (Bloomberg, S&P, etc.) 	<ul style="list-style-type: none"> Human rights / Community involvement Responsible Mining and comprehensive ESG disclosure Production results Health & Safety / COVID-19 impact / injuries Environmental emissions, water pollution, tailings Biodiversity Management: forestry and marine initiatives Governance, Board management and diversity Related Party transactions / Due diligence process

* Where COVID-19 restrictions permitted. The Corporate office engages directly with additional key stakeholder groups including lenders and financial institutions.

Further details regarding community engagement are included in the [Thriving Communities](#) section of this report and Lundin Mining's response to key interests and concerns raised by our stakeholders in 2021 are detailed throughout the report.

ABOUT THIS REPORT

Lundin Mining Corporation has published an annual sustainability report since 2010, providing updates on the safety, environmental, social and economic issues that are of greatest interest to communities near our operations, our employees, our investors and other stakeholders. Detailed information regarding our nature of ownership, legal form and financial and operational results for the reporting period can be found in our [Annual Information Form \(AIF\)](#), [2021 Annual Management's Discussion and Analysis \(MD&A\)](#) and [Financial Statements](#) and the [Management Information Circular \(MIC\)](#) available on the Company's website, also accessible under the Company's profile on the [System for Electronic Document Analysis and Retrieval \(SEDAR\)](#).

Certain information contained or incorporated by reference in this *2021 Sustainability Report*, including any information as to our Sustainability Strategy and vision, projects, plans, or future financial or operating performance, constitutes "forward-looking statements". All such forward-looking statements made in this Sustainability Report are qualified by the Cautionary Statement found in the Appendix section of this report.

* Unless otherwise stated, all references to "\$" are United States dollars. "Lundin Mining" or "Company" refer to Lundin Mining Corporation and / or its subsidiaries.

SUSTAINABILITY REPORTING FRAMEWORK AND CYCLE



REPORTING PERIOD

January 1, 2021 – December 31, 2021



DATE OF LAST REPORT

December 31, 2020



REPORTING FRAMEWORK

Global Reporting Initiative (GRI) Standards (plus the Mining & Metals Sector Supplement).



IN ACCORDANCE OPTION

This report has been prepared in accordance with the GRI Standards: Core option.



MATERIAL TOPICS

Subjects are prioritized for inclusion in the report based on significance to Lundin Mining's stakeholders and the mining and minerals sector in general, as approved by Lundin Mining senior management.



INDEPENDENT ASSURANCE

Apex Companies, LLC (Apex) provided independent assurance of Lundin Mining's *2021 Sustainability Report*. The assurance was conducted to meet the AA1000AS v3 Type 2 moderate level of assurance requirements for selected indicators. Greenhouse gas emissions were verified to a reasonable level in accordance with ISO 14064-3: Second edition 2019-04: Greenhouse gases — Part 3: Specification with Guidance for the Verification and Validation of Greenhouse Gas Statements. Apex's Letter of Assurance can be found on [our website](#).



REVIEW

This report has been reviewed and approved by Lundin Mining's [Safety and Sustainability Committee \(SSC\)](#) of the Board and Lundin Mining senior management, including the CEO; COO; CFO; SVP General Counsel; SVP Human Resources; SVP Commercial; SVP Technical Services and Growth; VP Environment and Social Performance; VP Health, Safety and Risk; VP Business Valuations and Investor Relations; and Managing Directors at each operation.

REPORT SCOPE

Significant change to scope and material topic boundaries, compared to *2020 Sustainability Report*:

- Following an update to our Corporate materiality assessment in 2021, our list of material topics has changed since the previous reporting period, as described throughout this report.
- Key focus on operating mines, majority-owned and managed by Lundin Mining through its subsidiaries:
 - > Candelaria Complex, Chile (80% interest)
 - > Chapada Mine, Brazil
 - > Eagle Mine, USA
 - > Neves-Corvo Mine, Portugal
 - > Zinkgruvan Mine, Sweden
- Inclusion of selected health and safety, employment, energy and greenhouse gas data, for additional areas of our business:
 - > Corporate headquarters in Toronto, Canada
 - > Exploration projects in the vicinity of our operating mines
- Exclusion of Koboltti Chemicals Holdings Limited's speciality cobalt business in which Lundin Mining owned a 24% share until the third quarter of 2021.
- Exclusion of Amauta exploration property in Peru (exploration activity ceased February 2020).
- Exclusion of the Josemaria copper-gold project located in the San Juan Province of Argentina. On December 20, 2021, Lundin Mining announced it had entered into a definitive agreement to acquire all of the issued and outstanding shares of Josemaria Resources Inc. (transaction closed April 28, 2022 which resulted in 100% ownership of the project).

INDEPENDENT ASSURANCE OF OUR REPORT CONTENT

As a commitment to transparent sustainability reporting, certain material disclosures have been independently assured since 2014. Each year, our assurance process includes a representative site visit with associated data reviews and interviews at one of our operations, as well as a review of Company-wide data, information systems and methodologies used to determine selected GRI data used in the development of this report. The assurance visit was conducted at our Zinkgruvan mine in Sweden in March 2022, based on site interviews, data review and meetings with corporate staff.

The 2021 [Independent Assurance Statement](#) covers the following performance indicators for all Lundin Mining operations, according to GRI Standards.

PERFORMANCE INDICATORS

- **Safety** — Total Recordable Injury Frequency rate (TRIF) and Lost Time Injury Frequency rate (LTIF);
- **Water** — Total amount of water withdrawn from all sources and total amount of water discharged;
- **Energy** — Total energy consumption within Lundin Mining's operations, including electricity and liquid and gaseous fuel consumption;
- **Greenhouse Gas (GHG) Emissions** — Scope 1 and Scope 2 (location-based and market-based) emissions;
- **Stakeholder Engagement** — As it relates to the AccountAbility's AA1000AS v3 (2021) principles of inclusivity, materiality, responsiveness and impact; and
- **Grievance Mechanism** — Grievances filed during the year, including number, description, actions taken and outcome.

Independent Assurance Statement 2021 can be found on our [website](#).

OUR OPERATIONS



Candelaria

● **Copper**
By-product: Gold / Silver
Interest: 80%
Number of Employees: 1,594
Mine Type: Open Pit and Underground
Current Mine Life: 23 years to 2045 (Underground and stockpiles)
Ore Milled: 27.0 mtpa Candelaria, 1.3 mtpa PAC

Chapada

● **Copper**
By-product: Gold / Silver
Interest: 100%
Number of Employees: 924
Mine Type: Open Pit
Current Mine Life: 30 years to 2052 (Open pit and stockpiles)
Ore Milled: 24.0 mtpa

Eagle

● **Nickel**
By-product: Copper / Cobalt / Gold / Platinum Group Metals
Interest: 100%
Number of Employees: 193
Mine Type: Underground
Current Mine Life: 3 years to 2025
Ore Milled: 0.7 mtpa

Neves-Corvo

● **Copper**
By-product: Zinc / Lead / Silver
Interest: 100%
Number of Employees: 1,315
Mine Type: Underground
Current Mine Life: 10 years to 2032
Ore Milled: 2.7 mtpa copper, 1.1 mtpa zinc
Expansion project: Zinc Expansion Project (ZEP) to 2.5 mtpa

Zinkgruvan

● **Zinc**
By-product: Copper / Lead / Silver
Interest: 100%
Number of Employees: 456
Mine Type: Underground
Current Mine Life: 9 years to 2031
Ore Milled: 1.4 mtpa
Extension project: Dalby mineral lease

Exploration Activities 2021

Candelaria, Chile (Copper, Gold)
Zinkgruvan, Sweden (Zinc, Copper)
Chapada, Brazil (Copper, Gold)
Neves-Corvo, Portugal (Copper, Zinc)
Number of Employees: 56

More information on our operations may be viewed at www.lundinmining.com

OUR OPERATIONS

Candelaria

The Candelaria Mining Complex comprises two adjacent copper mining operations, Candelaria and Ojos del Salado, in the community of Tierra Amarilla in the Atacama Region of Chile, as well as a port facility and desalination plant owned and operated by Lundin Mining at Punta Padrones, located in the town of Caldera. Candelaria operates an open pit and an underground mine providing copper / gold ore to an onsite processing plant. Ojos del Salado comprises two underground mines: Santos and Alcaparrosa. The Santos mine provides copper / gold ore to the nearby Pedro Aguirre Cerda (PAC) processing plant, and the remainder of ore extracted from these two mines is processed at the Candelaria plant.

Chapada

The Chapada mine, is comprised of four open pits providing copper / gold ore to an onsite processing plant, located in the northern Goiás State of Brazil. The port at Açú in Brazil is operated under contract by third parties, with oversight by Lundin Mining.

Eagle Mine

Eagle Mine is an underground nickel and copper mine that was extended underground to the Eagle East deposit, from which the first ore was produced in 2019. Ore from the mine is transported by truck approximately 105 km to a processing plant at the Humboldt processing facility.

Neves-Corvo

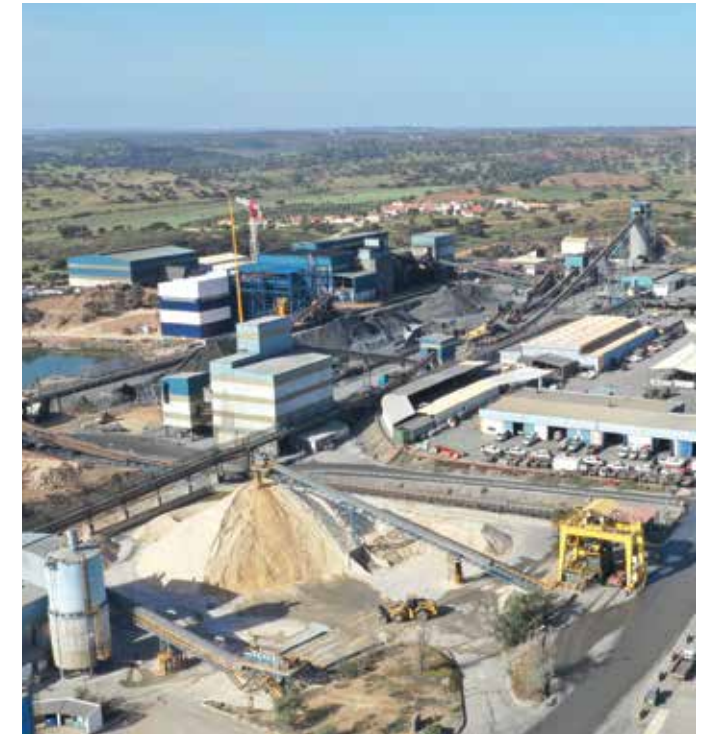
Neves-Corvo is located southeast of Lisbon, Portugal, in the western part of the Iberian Pyrite Belt and consists of an underground mine and two onsite processing facilities for copper and zinc / lead. Development of the Zinc Expansion Project (ZEP), which at completion will double zinc production, was restarted in early-2021 following a nine-month period of suspension due to COVID-19 in 2020. Neves-Corvo also owns the port at Setúbal, where the company's concentrates are loaded for shipping overseas.

Zinkgruvan

Zinkgruvan mine consists of an underground operation that mines zinc, copper, and lead ores that are delivered to onsite processing facilities. The port at Otterbäcken, Sweden is operated under contract by third parties, with oversight by Lundin Mining.

OUR CUSTOMERS AND MARKETS

Our mineral concentrate products are transported in bulk by covered trucks or rail cars directly to local smelter facilities for further processing; or to outbound ports for shipping, where additional concentrate management control procedures include covered storage, truck washes and sweeper trucks to reduce the potential for offsite emission of dust. Concentrates are mainly sold under multi-year sales contracts to a variety of smelter customers in Europe, Asia and the Americas. The end-users of our products are global.



Aerial View, Neves-Corvo, Portugal

OUR EXPLORATION GROUP

Our exploration group supports near-term production growth, life of mine extensions, and economic assessments to expand the sustainability of our business through the discovery of mineral reserves and mineral resources at existing operations. In addition, the exploration group supports the assessment of new business and discovery potential at third-party brownfield or advanced-stage exploration projects.

OUR SUPPLY CHAIN

Our supply chains reflect a strong focus on prioritizing local and national suppliers; most are in the countries in which we operate. We rely on national and international networks of suppliers for the provision of products and services required to support business activities at our mines. There were no significant changes to our organization or supply chain in 2021.

LARGEST CATEGORIES OF SUPPLIERS ACROSS OUR OPERATIONS IN 2021

Cement	Explosives
Chemicals	Fuel
Construction	Maintenance
Electrical Energy	Mechanical
Engineering	Mining Contractors
Equipment And Parts	Transportation
Exploration Drilling	

2021 PERFORMANCE HIGHLIGHTS

Safest year ever for TRIF reporting TRIF rate of 0.54 vs target of 0.55.

HUMAN RIGHTS POLICY WAS APPROVED.

Sustainability Strategy Framework was approved.

INITIATED GLOBAL SUCCESS FACTORS PROJECT TO DRIVE TALENT MANAGEMENT PROCESSES.

Discovered the shallow, high-grade copper-gold mineralization at Saúva, Chapada.

Commenced Company-wide Operations Business Intelligence project as the foundation of digital business transformation.

ACHIEVED SEVERAL LUNDIN MINING ALL-TIME FINANCIAL RECORDS, INCLUDING GENERATING REVENUE OF \$3.3 BILLION, NET EARNINGS OF \$879 MILLION AND OPERATING CASH FLOW OF \$1.5 BILLION.

ROLLED OUT GLOBAL BUSINESS PARTNER ONBOARDING TO FURTHER OUR DUE DILIGENCE PROCESS OF PARTNERS RELATED TO OUR CODE OF CONDUCT, ETHICAL VALUES, AND ANTI-CORRUPTION.

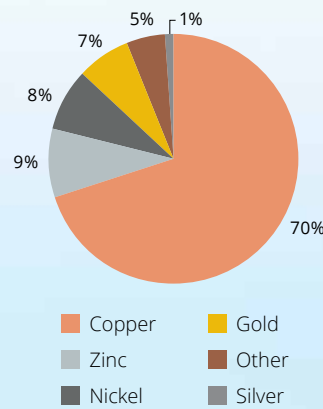
Implemented the Social Licence to Operate (SLO) Index at all sites to enhance our understanding of the level of trust and acceptance towards our operations.

Continued to support COVID-19 response programs in local communities.

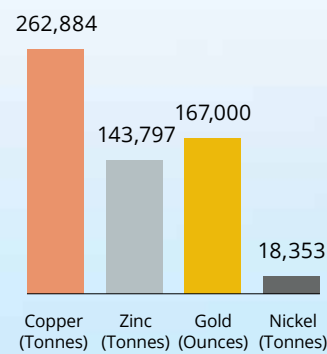
IT CYBERSECURITY MATURITY IMPROVED BY 20% THROUGH THE IMPLEMENTATION OF KEY TECHNOLOGY AND SECURITY PROJECTS.

Developed a five-year Corporate Social Performance Strategy to support our vision of Thriving Communities.

Revenue Breakdown, by Metal 2021

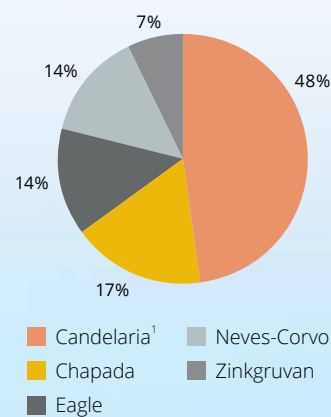


Metal¹ Production, by Contained Metal 2021



¹Candelaria's copper production has been reported on a 100% basis.

Revenue Breakdown, by Mine 2021



¹Candelaria's copper revenue has been reported on a 100% basis.

2022 SUSTAINABILITY GOALS

In 2022, we will progress and communicate the Sustainability Strategy and embed key performance indicators, and targets for focus areas across the organization, integrated with our business strategy. We have aligned our annual sustainability goals to support progress of strategically important and material issues under the pillars of our corporate Sustainability Strategy. In establishing our goals, we consider the results of internal risk assessments, stakeholder-feedback monitoring, and continuous improvement of existing processes and procedures.



Environment: No Level 3 or above environmental incidents.

Social Performance: Develop 2030 targets for Focus Areas to guide Social Performance Programming.

Zero Harm: No fatal injuries. Maintain a TRIF rate of 0.55 or better.

Ethical Business: Achieve target providing that the Board and executive officer positions should at all times be comprised of at least 30% women.

Mining Innovation: Continue implementation of operational business intelligence and operational technology roadmap to support the digital business transformation.

Climate Resilience: Progress integration of our interim decarbonization target (35% reduction in Scope 1 & 2 emissions by 2030 across our end-of-2019 portfolio of operations, against 2019 adjusted base year).

Local Economic Development: Rollout Social Investment Impact Framework and measure impact of flagship projects at all sites.

Talent Attraction And Retention: Progress strategic workforce planning, assuring succession for critical roles and future-state talent pool needs.

Human Rights: Develop Human Rights Framework to guide implementation of Policy.

Responsible Production: Continue responsible production through commitment to Copper Mark™ at Candelaria.

Tailings Stewardship: Continue implementation of GISTM with development of corporate and operation-level implementation action plans.

Economic Performance: Execute growth strategy through securing financing to support the construction decision of the Josemaria copper-gold project and successful commissioning of Neves-Corvo's ZEP.



OUR PERFORMANCE AGAINST 2021 GOALS

Our 2021 sustainability goals are aligned with our updated [Responsible Mining Policy \(RMP\)](#) and help us achieve continuous performance improvement in priority areas.

2021 GOAL	RESULT	HIGHLIGHTS
GOVERNANCE		
Continue Board renewal and maintain Board and executive officer positions comprising at least 30% women.	●	The Board exceeded this target at the end of 2021 and the Company continues to exceed this target at the executive officer level.
Develop an executive cybersecurity dashboard.	●	Not achieved in 2021; planned for 2022.
Develop gap assessment and site-level action plans to support the implementation of GISTM.	●	External gap analyses against the GISTM completed. Implementation action plans will be finalized in 2022 for all tailings facilities.
HEALTH AND SAFETY		
Zero fatalities.	●	There were no fatal injuries.
Achieve a Total Recordable Injury Frequency (TRIF) rate of 0.55 or better.	●	Lundin Mining achieved a TRIF rate of 0.54 versus target of 0.55.
Continue to manage the impacts of the COVID-19 pandemic through effective prevention and control measures.	●	Maintained a flexible and adaptive approach to COVID-19 prevention and response. Supported local vaccination efforts. Sustained a high level of business resilience and response capability without material business impacts or disruption.
ECONOMIC PERFORMANCE		
Monitor and optimize shareholder returns while continuing to maintain balance sheet strength to act on compelling growth opportunities.	●	Shareholder returns were optimized after achieving record earnings in 2021. The regular quarterly dividend was increased by \$0.03 or 50% and a new performance dividend was announced in the second quarter. Total annual dividends paid in the year were more than double those paid in the previous fiscal period. The Company reported a net cash position of \$563.1 million as of December 31, 2021, while maintaining access to its undrawn revolving credit facility.
Continue to manage efficient, effective, operating expenditures to ensure more productive operations and achievement of financial returns.	●	Although production costs were higher in 2021 due to higher sales volumes and inflationary price increases, cash costs ¹ were better than the guidance for each operation. Financial returns were achieved after generating net earnings of nearly \$880 million and \$1.5 billion of cash flow from operations.
Execute Neves-Corvo's ZEP as planned while continuing to optimize sustaining capital expenditures.	●	The ZEP progressed on schedule and on budget and benefits have been realized from previous sustaining capital expenditures that have optimized operations.

¹ Cash costs are a non-GAAP measure. These measures have no meaning within generally accepted accounting principles under IFRS and may not be comparable to similar data presented by other mining companies. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company uses these measures to assess how well the Company's producing mines are performing and to assess overall efficiency and effectiveness of the mining operations.

2021 GOAL	RESULT	HIGHLIGHTS
OUR PEOPLE		
Continuous improvement of talent programs globally through the implementation of Success Factors.	●	Progressed Success Factors implementation as planned and advanced talent programs (including succession planning).
Review diversity and inclusion action plans.	●	Performed second internal benchmarking to assess diversity and inclusion maturity and executed diversity and inclusion initiatives at each site.
Increase female representation with a focus on site and corporate leadership positions.	●	Achieved female representation increase (2022 target achieved in 2021).
ENVIRONMENT		
No Level 3 or above environmental incidents.	●	One Level 3 incident was reported in late 2021, by our Neves-Corvo operation. A rupture in the tailings pipeline resulted in a release of tailings, which were subsequently contained and cleaned up.
Integrate climate-related risks and opportunities into our Company-wide Risk Management Framework.	●	A plan was developed to integrate, and the risks and opportunities will form part of a comprehensive review as part of a TCFD gap assessment, scheduled for Q1 2022, aligned with the Sustainability Strategy.
Develop corporate internal water report, providing a holistic view of current Company water stewardship.	●	A comprehensive, Company-wide water report was developed to improve our understanding of key water management challenges and to assess our overall water risk profile, providing the foundation for prioritization of our water stewardship efforts.
Assess dust suppression technology, including thorough quantitative assessment and trial studies.	●	Work focused on evaluating solutions for suppressing dust, including a quantitative review of effectiveness and suitability assessment at Candelaria and Chapada.
VALUE CHAIN		
Development of Responsible Sourcing and Product Stewardship program.	●	A gap analysis was conducted across the organization to compare the strategy to international standards and ensure integration with our RMMS at all sites, with a decision approved at Candelaria to commit to Copper Mark™.
Roll out supplier business conduct expectations and enhanced due-diligence reviews.	●	Our Global Business Partner Onboarding solution with embedded world screening and enhanced monitoring, was rolled out to further support the due-diligence processing of our partners as related to our Code of Conduct, Ethical Values, and Anti-Corruption obligations.
SOCIAL PERFORMANCE		
Develop a five-year Corporate Social Performance Strategy.	●	Established the five-year Corporate Social Performance Strategy, including implementation of several foundational measures.
Implement the Social Licence to Operate (SLO) Index at all sites to enhance our understanding of the level of trust and acceptance towards our operations.	●	Conducted baseline perception surveys at all operations to determine their SLO Indexes.
Train all Company leaders and key operational staff on the Human Rights Standard.	●	Delivered interactive virtual training sessions on our Human Rights Standard to all corporate and site-level senior management and key functional areas.

Progress toward our 2021 Sustainability Goals is reported in the format disclosed in our 2020 Sustainability Report.

● Achieved ● Partially Achieved ● Not Achieved



ENVIRONMENTAL STEWARDSHIP

WE COMMIT TO CLIMATE ACTION, STRENGTHENING WATER AND WASTE MANAGEMENT, AND BIODIVERSITY CONSERVATION

to contribute towards a more sustainable environment for all.

OUR APPROACH

Environmental stewardship is one of the pillars of our Sustainability Strategy, guiding our commitment to responsible mining through all stages of the life of a mineral project — design, development, operation, closure, and beyond. Effective environmental stewardship is integral to the success of Lundin Mining’s operations, from day-to-day activities on site to corporate strategic planning. Our holistic approach contributes towards a more sustainable environment, as we strive to efficiently and thoughtfully use the resources that are necessary to our operations (such as land, water and energy), responsibly manage emissions and wastes and conserve biodiversity.

RELATED MATERIAL TOPIC:
Tailings and Waste Management
Water Stewardship
Greenhouse Gas Emissions
Air Quality

Sustainability Strategy Focus Areas:
Climate Resilience
Biodiversity

Our approach is founded on a commitment to compliance with applicable laws and regulations along with additional voluntary external commitments. As required by our RMMS, aligned with the ISO 14001:2015 Environmental Management System, a risk-management-based approach forms the foundation of our global environmental stewardship program. The process is aligned with our corporate Risk Management Framework that supports conformance to UNGC Environment Principals Seven, Eight and Nine. Our UNGC Communication on Progress (COP) is available [online](#).

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ENVIRONMENTAL STEWARDSHIP



A series of Corporate Environmental Technical Standards, aligned with TSM Standards, formalizes these requirements. Candelaria, Ojos del Salado and Chapada operate in compliance with environmental management systems certified under the international standard ISO 14001:2015.

Each of our sites operates in accordance with defined environmental management controls and practices that have been designed to protect the environments and communities in which we operate. Our RMMS requires all our operations to establish a formal process to identify and assess environmental hazards and other aspects that can create a risk exposure, and then identify, document and implement appropriate controls to treat identified risk exposures. The RMMS requires that environmental risk treatment methods follow a hierarchy of controls, with priority given to elimination, substitution and engineering risk reduction strategies over administrative and behavioural controls. Resulting environmental management controls and practices are designed to protect the environmental and social settings that are unique to each of our operations.

To support our primary objective of identifying and minimizing potential environmental impacts throughout the life of our mines, our operations employ controls and associated monitoring of their effectiveness, a selection of which include:

- Accessing sustainable water resources for operational use and minimizing withdrawal of freshwater from surface water bodies;
- Assessing the climate change resilience of our operations, including water availability and water and mineral waste management structures and procedures;
- Phasing in the implementation of GISTM to further the safe and responsible management of our tailings facilities;
- Implementing energy efficiency and decarbonization initiatives;
- Controlling noise, vibration and air emissions associated with: mining; blasting; ore, waste and concentrate handling and transport; and mineral processing operations;
- Adhering to strict protocols for storage, handling, labelling, and disposal of hazardous and non-hazardous materials, including raw materials, concentrate products and wastes;
- Assessing and monitoring the effects of our biodiversity management programs and partnerships; and
- Periodically conducting additional studies to improve our ability to manage risks to human health and the environment.

KEY ENVIRONMENTAL STEWARDSHIP PERFORMANCE ACCOMPLISHMENTS IN 2021



COMPANY-WIDE SUSTAINABILITY STRATEGY

Established a multi-disciplinary sustainability working group represented by our operations and core functional areas to define our sustainability purpose, identified clear themes, and approved strategic pillars and guiding statements to support our Sustainability Strategy.



MINE CLOSURE

Continued our program to conduct third-party reviews of closure plans at all our operations. Candelaria (including Ojos del Salado), Chapada and Eagle closure plans were reviewed in 2021. By early 2022, independent, third-party reviews of mine closure plans for all operations will have been completed.



CLIMATE RESILIENCE

Established a cross-functional group to develop an interim decarbonization target across the organization, committed to reducing our absolute Scope 1 + Scope 2 (market-based) emissions by 35% by 2030 across our end-of-2019 portfolio of operations, compared to a target base year of adjusted 2019 emissions.



ADVANCED WATER STEWARDSHIP

Developed corporate internal water report, providing a holistic view of current Company water stewardship, and providing the foundation for prioritization of our water stewardship efforts.



DUST TECHNOLOGY ASSESSMENTS

Work focused on evaluating solutions for suppressing dust, including quantitative review of effectiveness and suitability assessment at each of our operations, prioritizing first our open pit operations.



Forestry Management, Chapada, Brazil

Environmental Permitting and Compliance

The Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Permitting, approvals and compliance management are crucial for the effective regulation of mining-related activities to prevent possible adverse impacts on the natural environment as well as the interests and rights of local communities. Our mines operate under environmental approvals and licences, routinely submit applications for new permits, when required, and submit compliance reports for existing permits. We track emerging environmental legislation in preparedness for potentially stricter standards and enforcement, more stringent environmental assessment requirements for proposed projects, and a heightened degree of responsibility for our operations. The timing of approvals of all permits and licences have been negatively affected by COVID-19.

Candelaria submitted an environmental permit application in early-2020 that reflects the continued growth in mineral reserve discoveries and further extension of its operating life to post-2040. The application has progressed through a review and public comment period through 2021, with a determination expected in 2022.

Zinkgruvan continues to liaise with relevant authorities regarding the renewal of conditions attached to its environmental licence and anticipates submitting reports on its studies in late-2022, with final permit limits on water to be defined by mid-2026. Zinkgruvan holds a mining concession, Dalby, which was the subject of further exploration, permitting and development activities during 2021.

At Chapada, numerous historical permits, some of which had expired or were otherwise subject to certain compliance risks or irregularities, are now part of a legislated corrective process to consolidate historical permits and activities into a single Unification Licence. This corrective process includes additional operational requirements and conditions. The site obtained key permits during 2021, including an operational permit for the South West open pit.

Neves-Corvo successfully renewed its abstraction licence for the supply of water from the Santa Clara reservoir and updated the discharge licence to the Oeiras River.



Tailings Facility, Candelaria, Chile

Environmental Incidents

The Lundin Mining environmental incidents reporting system requires classification on a severity scale of Level 1 (low) to Level 5 (high). The severity of an environmental incident is judged by one or more of the following:

- Impact on species, communities and habitats that comprise ecosystems of the natural environment;
- The degree of regulatory non-compliance; and
- The level of local community concern.

All incidents are reported to the Board of Directors, and those that are classified as Level 3 or above are reported in our annual disclosures and tied to executive and operational compensation. One Level 3 incident occurred in late 2021 at our Neves-Corvo operation. A rupture in the tailings pipeline resulted in a release of tailings to land and the adjacent Oeiras riverbed. The riverbed was dry at the time of the release, allowing the tailings to be contained and removed, with downstream impact assessed to be unlikely. Subsequent upgrades to protect the river included tailings pipeline replacement and improvements to spill containment structures.

Compliance With Environmental Laws

Lundin Mining strives to comply with relevant environmental laws and regulations in all aspects of our operations. Unfortunately, on occasion, sanctions or fines are issued by regulatory authorities. Fines of \$10,000 or above for infringement of environmental legislation or regulations are disclosed in our annual sustainability reports. No such fines were issued in 2021.

We are continuing to track the outcome of charges notified to our Candelaria mine in 2015 by the Chilean Environmental Superintendent (Superintendencia de Medio Ambiente, or SMA) associated with alleged infractions of its environmental approvals. The charges originate from two inspections carried out in 2013 and 2014 before Lundin Mining acquired the mine. The case has been ongoing for several years, and in 2019, the Supreme Court ordered a re-hearing of the case, which occurred in 2020. The Second Environmental Court ruled in favour of Candelaria, overturning a previously administered fine and ordering the SMA to carry out a new investigation. The SMA appealed this decision and a hearing before the Supreme Court took place in December 2021. The Company is awaiting the court’s determination.


In 2018, a claim was filed against Candelaria in the Copiapó Court of Appeals on behalf of a group of Caldera fishermen. The claim alleges that contamination of marine habitat had occurred due to vessel loading activities at the Punta Padrones port operations, causing harm to fishermen and local communities, including impact on health and livelihood. Subsequent additional claims were consolidated into a single proceeding in 2018. In 2019, a ruling was issued dismissing all claims, following which the plaintiff Caldera fishermen filed an appeal that was again dismissed by the Court in April 2021. The plaintiff appealed and the Company is awaiting the court’s determination.

In July 2019, the State Defense Council (Consejo de Defensa del Estado) filed a lawsuit against Candelaria before the First Environmental Court alleging environmental damage due to extraction of groundwater beyond Candelaria’s permitted limits. The action was settled in January 2021 with no admission of environmental damage having occurred. In July 2021, a notification was received from the environmental regulator (SMA) regarding six alleged breaches of obligations under Candelaria’s current environmental approvals, identified during an inspection in 2018. The allegations were regarding water use and storage, blasting, vibration monitoring and explosives quantities, and reporting of industrial waste. Candelaria formally responded to the allegations through a proposed Compliance Program. The proposal is under review and Candelaria continues to await a response from SMA.

In 2018, the Lisbon and Tagus Valley Regional Coordination and Development Commission alleged that our Neves-Corvo operation had failed to notify all stakeholders of work undertaken at our Setúbal port facilities. The matter was still pending resolution at the close of 2021. Neves-Corvo received four additional alleged infringement notifications from authorities in 2021, two relating to labelling of chemical substances and two in relation to registering and licensing of medical radiology equipment. These matters were in process at the end of 2021.

Further details on certain of these legal disclosures can be found in our [AIF](#).

TAILINGS AND WASTE MANAGEMENT


 **Materiality**
Tailings and waste rock management is a material topic for Lundin Mining because mining and mineral processing produce a significant amount of these mineral wastes. When they are not properly managed, they have the potential to impact local communities and the natural environment during operations and post-closure. Management of non-mineral wastes is a material topic because, if these are not managed responsibly, there is the potential for impact on people and the environment, both locally to our operations and further afield.

Our Approach

We are committed to strengthening mineral and non-mineral waste management to contribute toward a more sustainable environment for all. The responsible management of our waste is a critical principle of our [RMP](#) and our commitment to Environmental Stewardship. We have aligned our public reporting for mineral and non-mineral wastes with [GRI 306: Waste 2020](#). Tailings and waste rock that were reused as backfill in our underground mines or for construction of tailings facility embankments or internal roads are classified as “diverted from

disposal”. The materials classified as “directed to disposal” are placed in onsite engineered and approved tailings storage facilities or waste rock stockpiles. The data are presented within the context of regulatory, operational and scheduling constraints on reuse of these materials at our sites. Our non-mineral non-hazardous and hazardous waste data are reported according to typical destinations for these types of wastes such as reuse, recycling, landfilling and incineration.

Mineral Wastes

 Lundin Mining’s operations generate mineral waste in the form of waste rock and process tailings. Waste rock is necessarily removed during mining to enable access to economic ore, may be mineralized or non-mineralized; and is retained underground, used in onsite construction or disposed in stockpiles onsite. Tailings are generated during ore processing and are typically, either delivered to tailings facilities as a slurry where they settle and the pond water is returned to the processing plant or used as paste backfill in underground workings. Through efficient mining and mineral processing practices, along with reuse of these wastes underground and on the surface where practicable, we enhance circularity and minimize the overall quantity stored on the surface by maximizing metal

recovery from the available raw materials. Our operations employ a comprehensive and integrated approach to mineral waste management, providing us with confidence that potential safety, environmental and social impacts can be reliably identified and minimized.

Adoption and implementation of the [Global Industry Standard on Tailings Management \(GISTM\)](#), which reflects and addresses the complexity and multi-disciplinary nature of responsible tailings management, furthers our commitment to safe and responsible management of our tailings facilities. All Lundin Mining’s operations manage their tailings in accordance with our Tailings Management Standard, aligned with GISTM in 2021. Supported by the [RMMS](#), our goal is conformance with GISTM of our tailings facilities at Candelaria, Chapada, and Neves-Corvo by August 2023, while the lower-consequence-classified facilities at Eagle and Zinkgruvan will be operated in conformance by August 2025. To further our GISTM implementation, Lundin Mining will investigate embedding climate change considerations, including criteria for extreme hydrological events, into our evaluations and decision-making around tailings facilities.



Eagle Mill, Michigan, USA



Tailings Facility, Neves-Corvo, Portugal

Lundin Mining participates in credible global transparency initiatives to create standardized, independent, industry-wide, and publicly accessible inventories or other information repositories about the safety and integrity of tailings facilities. We are open and transparent with stakeholders regarding the safe and responsible management of our tailings facilities and public information on our tailings management is available [online](#).

Lundin Mining's active tailings facilities use two widely accepted methods of tailings disposal:

- Underground disposal involves combining tailings with products such as sand or cement, followed by disposal as a paste backfill or hydraulic backfill in previously mined areas of underground mines; and
- Surface disposal involves placement in engineered surface impoundments or, in the case of Eagle, subaqueous placement in a previously mined open pit.

Lundin Mining takes considerable care to ensure our tailings facilities are well designed, constructed, operated and maintained; inspected; independently reviewed; carefully monitored; and closed in accordance with accepted international practices and standards. Across all

operations, we actively manage 11 tailings facilities. Of these managed facilities, five are in active use and six are inactive or closed, no longer receiving tailings material. More detailed information is regularly updated in our Tailings Management Information Sheet found on our [website](#).

In 2021, a mining geotechnical Global Waste Dumps and Stockpile Standard was developed, aligned with the RMMS, to define the minimum requirements and provide guidance to sites on expectations regarding the design, construction and risk management of waste stockpiles. The design is performed by an expert design engineer, and stability is assured by applying design methods that meet industry best practices.

An important environmental consideration for our mineral wastes is the potential for the generation of acidic water, known as acid rock drainage (ARD), that can be formed when sulphide minerals in waste rock and / or tailings are exposed to moisture and air. The release of ARD can adversely affect the quality of waterways or groundwater by introducing undesirable levels of acidity and dissolved metals. In 2021, we worked to formalize our corporate requirements for the assessment and management of geochemical risks associated with mineral wastes by developing a Geochemical Characterization Procedure for approval in 2022 and subsequent adoption by all our operations.

Both tailings facilities and waste rock stockpiles can be a source of particulates, or dust, under dry conditions, contributing to air quality impacts on and adjacent to our mining operations. Our approach to managing these emissions has been developed in recognition of the fact some members of the communities in which we operate have concerns regarding dust emissions and is discussed in further detail in the [Air Quality](#) section of this report.

Non-mineral Wastes

We recognize that responsible non-mineral waste management is important for the mining sector. Our operations purchase a wide range of raw materials that, in turn results in the generation of many different types of waste. Management of these wastes is formalized through jurisdictional requirements and the implementation of waste management plans. These plans specify how the different types of waste produced by our activities are to be managed, including a focus on circularity measures through identification of opportunities for waste minimization, recycling and reuse.



President and CEO, Peter Rockandel, officially launches Geotechnical Monitoring Centre, Chapada, Brazil.



Our Performance Mineral Wastes

Site visits for annual independent tailings reviews were completed at all tailings facilities in 2021 except for Chapada which is planned for early 2022. Online progress meetings with the independent reviewers and *Designer / Engineer of Record* were completed at Chapada throughout 2021 to closely track progress made on outstanding recommendations.

Our tailings governance framework provides a consistent company-wide approach to how we manage tailings-related risks, with multi-tiered oversight and key roles and responsibilities clearly defined. Initial GISTM implementation activities completed to date include the formal appointment of an Accountable Executive by the Board of Directors, site responsible Managing Directors, site responsible tailings facility engineers, along with updated Engineer of Record scopes and contracts.

To progress our 2021 next steps, briefing workshops and information sessions were completed throughout the year, associated with updating the Company's internal standard for tailings management to align with GISTM requirements. Formal external gap analyses started mid-year, the results of which will form the basis of corporate and operation-level implementation action plans that will be developed in 2022 for all tailings facilities. Operations progressed alignment with community-related aspects of tailings facility emergency planning, as described in the [Community Well-Being](#) section of this report.

In 2021, we initiated our *Enhanced Tailings Governance, Monitoring, and Reporting Initiative*, evaluating enterprise-wide business intelligence solutions for real-time monitoring, data management, tailings governance, and critical controls reporting. A current landscape review was completed across all operations in 2021 with plans to define a viable solution in 2022. A geotechnical monitoring centre was set up at Chapada to monitor and control the operation of the tailings facility remotely in October 2021.

This centre monitors the tailings facility 24 hours 7 days a week, with vibrating wire piezometers, radars, robotic station, sirens, video-cameras, and weather stations. The main goal of the geotechnical monitoring centre is to confirm conformance to the dam operational, monitoring and surveillance procedures.

An Independent Tailings Review Board (ITRB) for each operation, was established by Lundin Mining in 2021, comprising third-party international experts who will convene annually to provide ongoing independent review of the planning, siting, design, construction, operation, maintenance, monitoring, performance, governance and risk management at appropriate intervals across all phases of the lifecycles of all our tailings facilities.

ENVIRONMENTAL STEWARDSHIP

The waste rock footprint at our operations reflects the fact that open pit mines generate significantly greater quantities of waste rock than underground mines. The scale, management and performance for waste rock are summarized for our operations as follows.

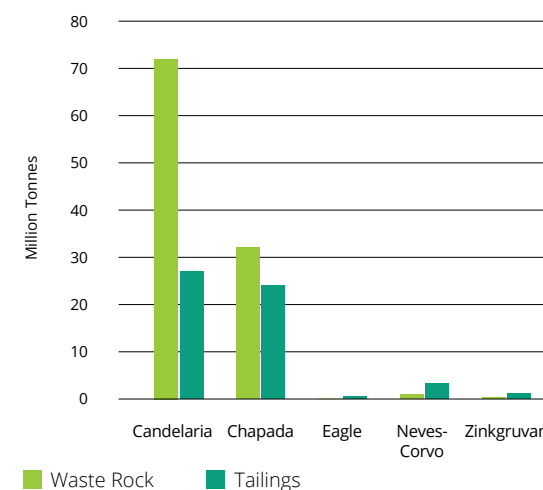
OPERATION	WASTE ROCK FOOTPRINT ¹	MANAGEMENT AND PERFORMANCE
Candelaria	907 ha	<ul style="list-style-type: none"> Permanent surface storage in terraced stockpiles on site Designed and constructed for seismic stability and to reduce “shadow effect” on the neighbouring Tierra Amarilla community Continued development and implementation of Emissions Reduction Plan No ARD controls required
Chapada	661 ha	<ul style="list-style-type: none"> Permanent surface storage in terraced stockpiles on site Some management for ARD control Review and evaluation of risks or impacts arising from waste rock stockpiles Initiated establishment of a buffer zone adjacent to the South pit and waste rock stockpile by formulating a resettlement action plan for residents affected by dust Ongoing participation in a Mining Hub initiative assessing alternative uses for waste rock
Eagle	3 ha	<ul style="list-style-type: none"> Temporary surface storage incorporating ARD controls Waste rock returned underground from temporary stockpile, as scheduling allows. No waste rock will remain at surface on mine closure
Neves-Corvo	9 ha	<ul style="list-style-type: none"> Temporary surface storage incorporating ARD controls prior to final disposal in internal areas of tailings facility Over 60% of waste rock mined retained underground in 2021
Zinkgruvan	0 ha	<ul style="list-style-type: none"> No surface storage Used as a construction material for tailings facility embankments and internal roads, with collection of runoff Over 80% of waste rock mined retained underground in 2021

¹ Approximate footprint area. Chapada data has been revised from 686 ha reported in 2020 to 661 ha, based on an improved data source.

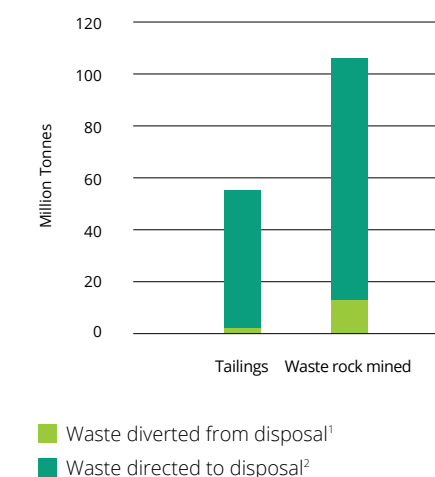
Waste Rock Stockpile, Neves-Corvo, Portugal



Waste Rock Mined and Tailings Generated, 2021



Waste Rock and Tailings Directed To / Diverted From Disposal, 2021



In 2021, a total of 55.3 million tonnes of tailings and 105 million tonnes of waste rock were generated across our operations. In line with expectations, 98% of waste rock was mined at our Candelaria and Chapada open pit operations. Approximately 40% of the waste rock from our underground mines remained underground and some 30–40% of tailings from processing ore from underground mines were reused in paste backfill. Additional waste rock that was brought to the surface for operational scheduling reasons was subsequently returned underground as rockfill at Eagle.

Non-mineral Wastes

Our non-mineral waste streams are wide-ranging, and include (among others) metals and wood, rubber and tires, waste oils and lubricants, chemicals, batteries, packaging materials, industrial wastes, office wastes, and food and garden wastes. All wastes generated by

the Company's operations in 2021 were managed following applicable waste regulations and site waste management plans. In addition, our operations use only licensed waste management contractors, who are obliged to comply with relevant laws and regulations to ensure appropriate waste transport, treatment, and disposal beyond our site boundaries. In most cases, this is supplemented by contractual agreements with third-party waste management contractors.

Waste types and quantities generated are closely tracked, typically using comprehensive online platforms accessed by the operations and the waste management contractors they engage. Most operations have processes and controls to confirm that the third parties manage their waste in line with contractual and legislative obligations. For example, Candelaria

tracks third-party waste management practices through on-line platforms for both non-hazardous and hazardous wastes. Final disposal certificates are issued following declarations of the waste quantities generated by the operation and of the quantity received by the final recipient.

All our sites work to continuously improve waste minimization, recycling and reuse. By implementing specific initiatives and goals over the last three years, Candelaria has achieved significant decreases in the generation of wastes, particularly hazardous wastes, and will continue to work towards its goal of reducing the generation of wastes directed to disposal.

¹ Diverted from disposal refers to reuse in underground mines or for onsite construction.

² Directed to disposal refers to placement in onsite engineered storage facilities.

ENVIRONMENTAL STEWARDSHIP

During 2021, approximately 21,000 tonnes of non-mineral wastes were generated Company-wide, of which approximately 80% were classified as non-hazardous waste. Approximately 76% of non-hazardous wastes and 63% of hazardous wastes were diverted from disposal, being either reused or recycled.

Non-Hazardous and Hazardous Wastes Directed To / Diverted From Disposal, 2021



OUR NEXT STEPS

- Approve Global Waste Dumps and Stockpile Standard and associated mineral waste Geochemical Characterization Procedure, with corporate roll-out in 2022 for subsequent adoption by all operations.
- Develop corporate and operation-level GISTM implementation action plans in 2022.
- Conformance of tailings facilities at Candelaria, Chapada, and Neves-Corvo with GISTM by August 2023 and Eagle and Zinkgruvan by August 2025.
- Initiate Independent Tailings Review Board program across the Company in 2022.

During 2021, Zinkgruvan worked towards goals committed to in their 2020-2023 waste plan, to increase recycling of wastes and decrease the quantities sent to landfill. The operation conducted a waste management review both at surface and in the underground mine. Improved facilities, signage and procedures for waste sorting and control were introduced, supplemented by education and training for employees. New and improved battery recycling stations were also installed above and below ground. A 34% reduction in landfilled waste was achieved compared to 2020. The operation also implemented an initiative which has successfully reduced the quantity of single-use plastic in the kitchen and canteen areas.



Underground Waste Management, Zinkgruvan, Sweden

WATER STEWARDSHIP

Materiality

Responsible use and stewardship of water is a material topic for Lundin Mining because a significant quantity of this shared resource is required for our mining and mineral processing operations, and much of that water is returned to the natural environment. Potential impacts that can occur at the source, point-of-use or downstream are related to water availability, community needs and ecosystem health.

Our Approach

Clean water is vital for maintaining healthy natural ecosystems, and access to this resource is a basic human right. Given that water is essential for our business, careful and responsible water management is a focus of our Sustainability Strategy to ensure we manage this resource by balancing our operational requirements with the needs of the surrounding communities and environments where we operate. In our updated RMP, we commit to assessing the risks and impacts of our activities and integrating these considerations into our business decisions. We recognize the value of water as a shared resource and are committed to responsible water stewardship, implementing a comprehensive water management planning process that is designed to minimize any detrimental impact on water resources, water users and receiving environments.

Our Corporate Water Management Standard represents a holistic risk-based approach to effective management of water throughout the life cycle of our operations from exploration through mining and mineral processing to post-closure. Lundin Mining's sites are in diverse climatic zones and natural environments with varying proximity to local populations. In recent years, we have worked to ensure that local and regional context underpins our approach to water stewardship.

Our water-related risk assessments are founded on the understanding that continued access to water is dependent on a successful balance between each operation's requirements and its individual regulatory, social and environmental context. We value the views of our stakeholders, obtained through routine engagement and formal grievance mechanisms, and integrate them into our assessment of risk as appropriate. A systematic assessment of water-related risks enables our operations to track current and emerging risks, prioritize controls required to reduce those risks to an acceptable level, and elevate the key issues to our corporate risk register for quarterly review by the Executive Risk Committee and the Board.

Our operations strive to comply with their water abstraction and discharge licence conditions, not only for regulatory purposes but also for protection of other water users and the environment. Non-compliances are reported to the Board's SSC and our sites implement corrective action plans to address underlying conditions for non-compliance, with the aim of prevention in the future. Environmental monitoring is



Water Monitoring, Candelaria, Chile

routinely undertaken by all our operations for timely detection of any changes that may be attributable to our activities. When further investigation is required, routine assessments are supplemented by focused studies and modelling. Assessment of cumulative impact is a requirement of our updated Water Management Standard and impacts on other water users are monitored through stakeholder engagement mechanisms and a cooperative working relationship with relevant government departments and third-party suppliers.

In 2020, we revised our public water reporting approach to align with the updated GRI 303: Water and Effluents 2018 standard. We also referenced ICMM metric definitions, consistent with practice widely used in the mining and metals sector. This year we are restating our 2020 data to align with updated ICMM guidance, published in 2021. In 2020, we reported volumes classified as "diversions" separately from our total withdrawal and discharge volumes; under the new ICMM guidance, these volumes are now included in total withdrawal and total discharge volumes. As we first reported to the 2018 GRI Standard in 2020, this remains our baseline year for water data; therefore, we do not report pre-2020 annual trends for water metrics. Trends will be reported in the future as our database increases. We report our interactions with water for our operational sites, desalination facility and ports, including water that we manage directly from a withdrawal source to the receiving environment without entering our operational systems and water that we supply for the benefit of local communities. Further details on our approach are provided in Appendix A.



Aerial View, Zinkgruvan, Sweden

Our Performance Strategy and Procedure

Our internal corporate water stewardship initiative, launched late in 2020, was progressed throughout 2021. A comprehensive Company-wide water report was developed to improve our understanding of key water management challenges and to assess our overall water risk profile. This initiative will continue to be refined over the coming years, providing the foundation for prioritization of our water stewardship efforts.

In 2021, our operational sites continued to progress alignment with our refined Corporate Water Management Standard, aiming for full alignment prior to an in-depth RMMS audit planned for 2023. We continue to track water-consumption intensity at each operation against our internal corporate key performance indicators, and our operations work towards goals appropriate to their individual circumstances. The potential impacts of altered weather patterns in changing climatic environments are widely acknowledged in the mining sector. In this context, management of issues such as resilience of site water management infrastructure, processes and procedures, essential transportation networks, and security of water resources becomes increasingly important. We continue

to work towards integrating these climate-related risks into our broader risk framework, strengthening our approach to water management planning across the Company. Water is a key focus area of our Sustainability Strategy, with plans to develop a Company-wide target on a phased basis.

We understand that water management should be based on robust scientific and technical data. As such, ongoing refinement of our site water balance models coupled with detailed evaluation of onsite and environmental water quality data are important aspects of our water management strategy. These data contribute to our understanding of the water management challenges and achievements specific to each of our operations and inform us of areas for focus, such as managing excess water or evaluation of alternative treatment options.

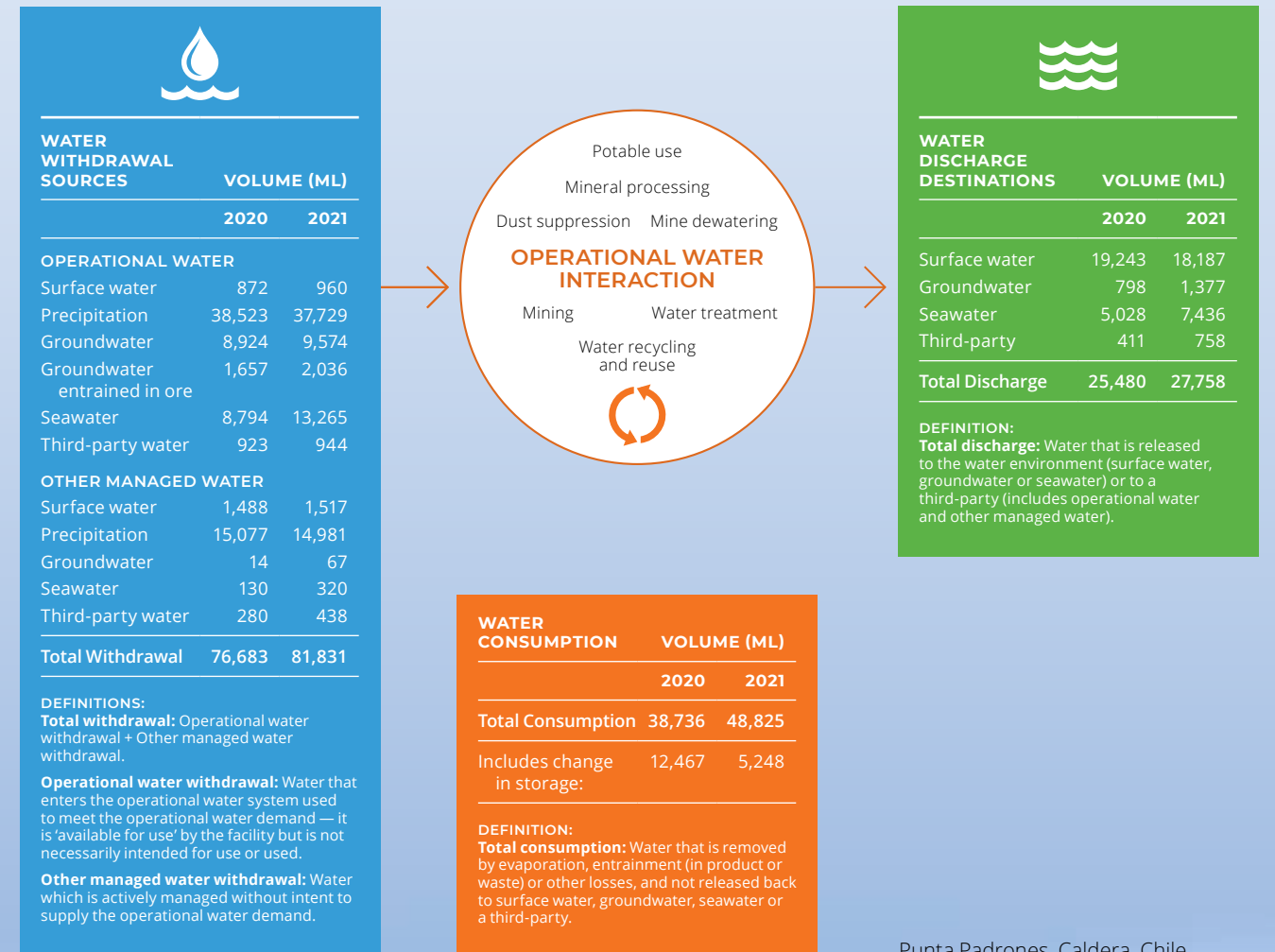
Interactions With Water as a Shared Resource

Across our sites, we rely on a range of water sources for operational and potable needs. Annual precipitation patterns strongly influence the quantities of water requiring management, with some operations managing an excess of water due to higher precipitation levels, while others are subject to strong seasonal

variations or arid conditions. A significant proportion of rainfall and snowmelt received by our sites is necessarily managed but not used. Operational water for our Candelaria Complex is sourced primarily from the sea via the operation's desalination facility. Our water sources are significantly supplemented by process water reclaimed from our tailings facilities and water treatment plants for reuse by our operations.

Aligned with ICMM 2021, our withdrawals and discharges are described as either "operational water" or "other managed water", which are summed to derive total volumes. By definition, "operational water" includes all water that enters the operational water system used to meet the operational water demand at our facilities; it is "available for use" by the site but is not necessarily intended for use or used. Notably, because a portion of surface water runoff is managed through collection into our operational water management systems, for some of our sites, particularly those in areas of higher precipitation, "operational water" withdrawal volumes can substantially exceed the actual volume of water required for, or used by, the site. Our Company-wide total water withdrawal, consumption and discharge volumes for both 2020 (restated) and 2021 are presented in the accompanying graphic.

OUR INTERACTIONS WITH WATER 2020 (RESTATED) AND 2021



Punta Padrones, Caldera, Chile



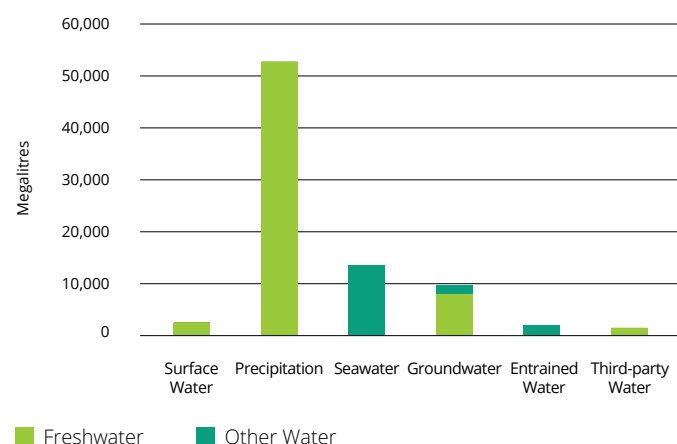
Our Company-wide water withdrawal (“operational water” and “other managed water”) for 2021 is presented on a source and water quality basis in the accompanying chart with data values provided in our Interactive ESG Data Tool, available on our website.

Lundin Mining’s total *Freshwater* withdrawal is dominated by precipitation and natural groundwater infiltration into our mines, predominantly at Chapada. A portion of our surface water withdrawal is used at Zinkgruvan, the remainder being managed but not used. Third-party water represents potable supplies for our employees and contractors. The seawater abstraction at Candelaria’s desalination facility dominates our *Other water* withdrawal, with a smaller contribution by the moisture that is naturally present in the ore when it enters our mills for processing (entrained water). We seek to minimize our withdrawals, although some volumes that we manage, such as precipitation, natural infiltration into our mines and groundwater entrained in the ore, are beyond our full control. Probabilistic models continue to be refined at Chapada to monitor and mitigate any risks associated with the significant volume of precipitation and groundwater infiltration.

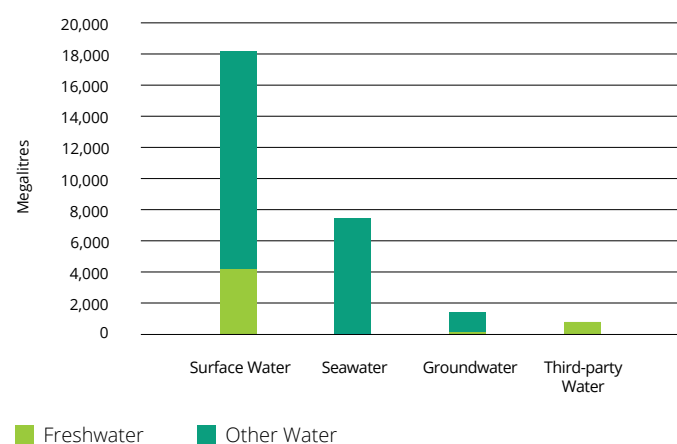
Our Company-wide water discharge for 2021, including water managed for environmental purposes and to supply local communities, is presented on a destination and water quality basis in the accompanying chart, with data values provided in our Interactive ESG Data Tool.

Our 2021 total discharge volume was dominated by the need to manage high levels of precipitation at Chapada. This contact water can no longer be considered *Freshwater* quality on entering the receiving environment. Seawater is withdrawn for processing at Candelaria’s desalination facility, the desalinated water being pumped to the mine, with the balance being returned to the sea. Eagle discharges treated water to the local surface water course at the mill site and through infiltration beds to groundwater at the mine site, under licence. Zinkgruvan’s effluent passes through a primary treatment pond before licensed discharge to the local creek. Neves-Corvo is permitted to discharge treated effluent into the Oeiras River under certain river flow conditions. We reported previously that the volume of water stored at the site increased rapidly towards the end of 2020 due to higher-than-normal rainfall and operational changes. Neves-Corvo managed the situation through controlled discharge to the river in early 2021 and forced evaporation from March onwards. Our discharge totals also include volumes of seepage water that are not intercepted from site facilities for recirculation.

Water Withdrawal by Source and Quality¹, 2021



Water Discharge / Release by Destination and Quality¹, 2021



¹ *Freshwater* is defined as water containing less than or equal to 1,000 mg / L total dissolved solids. *Other water* is defined as water containing more than 1,000 mg / L total dissolved solids.

Compliance

We publicly report incidents of non-compliance that resulted in formal enforcement action. Neves-Corvo managed a controlled discharge of operational water to the Oeiras River over a seven-week period from January to March 2021. The discharge was necessary to safely manage water that had accumulated in onsite water stores due to a combination of high precipitation levels and operational factors including a water treatment plant fault. Due to the unplanned nature of the discharge, compliance with permitted sulphate and daily flow rate levels was not always achieved; however, no negative impacts have been identified in the Oeiras River due to the high natural flow rate in the river at the time of the discharge. High-efficiency evaporators were installed in March 2021 and the following October to reduce excess volumes of water at the site.

Isolated incidents of non-compliance with certain permissible or guideline limits specified in licences occurred at some of our sites. Regulatory authorities were notified as required and follow-up investigations and appropriate adjustments were made to minimize the potential for recurrence. Zinkgruvan continues to manage its operational discharge with reference to provisional guidelines that are currently under review in consultation with authorities. There continued to be periods in 2021 when some metal concentrations exceeded the guideline levels. While Zinkgruvan has implemented short-term measures to improve the quality of its discharge, minor exceedances of the provisional limits may continue on occasion until a long-term solution is implemented. Pilot testing for a long-term water treatment solution was conducted in 2021 with positive results, and a final recommendation will be taken to the authorities for approval during 2022.

Risks and Opportunities

Given that catchment baseline water stress contributes to the overall water-risk profile of our operations, they each undertake systematic baseline water stress profiling of their withdrawal source and discharge catchments, based on the Water Resources Institute (WRI) Aqueduct Water Risk Atlas. Chapada, Eagle and Zinkgruvan are not located in water-stressed areas; nevertheless, there remains a strong focus on minimizing adverse impact on water resources, other water users, and receiving environments.

Candelaria and its desalination facility / port operations at Punta Padrones are in an area designated as “arid and low water use”, that we recognize as an area of water stress. Our Neves-Corvo mine is not located in an area of water stress; however, it receives operational water from the third-party Santa Clara reservoir, located in a catchment designated as an area of “extremely high” water stress. At the Setúbal port facility, the operation also receives relatively minor volumes of third-party potable water and withdraws water from a well located in this same water-stressed catchment.



Oeiras River, Neves-Corvo, Portugal

Including seawater drawn into Candelaria’s desalination facility, 16,496 Megalitres (ML) of water withdrawal, or 20% of our total Company-wide water withdrawal, was in areas with water stress. Excluding the seawater, this sum reduces to 2,911 ML or 3.6% of our total water withdrawal.

Volumes of water withdrawal in areas of water stress are given in the accompanying table.

Water Withdrawn From Areas With Water Stress¹, 2021 (ML)

	CANDELARIA	NEVES-CORVO
Precipitation	2	0
Seawater	13,585	0
Groundwater	922 ²	3 ⁴
Water entrained in ore	624	0
Third-party water	190 ³	1,170

¹ Water stress as defined in WRI Aqueduct Water Risk Atlas where baseline water stress is high (40-80%), extremely high (>80%) or “arid and low water use”.

² Mine dewatering for access and safety.

³ Municipal supply for potable use and sports complex.

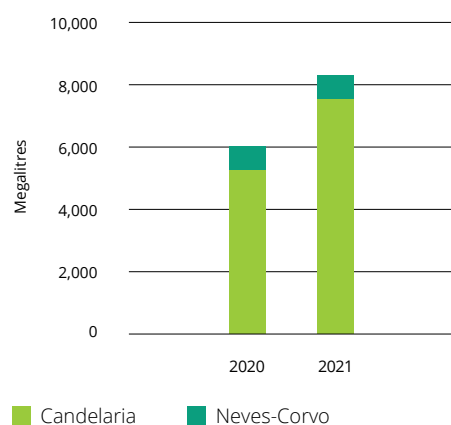
⁴ Setúbal Port well.



Aerial View, Eagle Mill, Michigan, USA

100% of the water we withdraw specifically for use in Candelaria's production process is desalinated seawater.

Water Consumption from Areas With Water Stress¹, 2020 and 2021



Due to the arid climate in the Atacama region, water scarcity is an inherent risk that our Candelaria Complex manages by supplying its operational water requirements from its desalination facility, supplemented with water recycled from the active Los Diques tailings facility and the former Candelaria tailings facility. Potable water for mine personnel is currently supplied by third-party organizations and is sourced from the local groundwater aquifer. Candelaria collaborates with local authorities to ensure risk associated with the availability of this important community resource is minimized, while it continues towards its commitment to meeting all its water requirements from the desalination facility by July 2025. Groundwater that infiltrates naturally into the underground Alcaparrosa mine must be removed for operational reasons and the Company mitigates for this by no longer routinely abstracting water from its groundwater well, in accordance with permitting requirements. Withdrawal of the moisture that is naturally present in ore when it enters the mills for processing (entrained water) is unavoidable.

Candelaria's only operational water discharge arises from its commitment to use seawater, as opposed to the local aquifer resource, for operational purposes. As for the original seawater withdrawal, the regulated discharge from the desalination facility back to the sea is classified as *Other water* in terms of quality. In accordance with regulatory requirements, the Company also provides desalinated water for agricultural use by the local community in the Copiapó Valley, classified as "discharge to a third-party".

Neves-Corvo received 774 ML of water from the third-party Santa Clara reservoir supply for operational use in 2021. We recognize that there is risk associated with sustained long-term availability of this resource for operational supply, given the reservoir's location in a water-stressed catchment area. The Company has prioritized action in recent years to reduce reliance on the reservoir supply, upgrading water management infrastructure and procedures to improve water reuse and recycling, thus recirculating in excess of 93% of the total water received in 2021. Upgraded instrumentation will track water use more closely across the operation, with the aim of identifying opportunities to replace the use of freshwater in operational areas. Towards the end of 2021, the water treatment circuit was upgraded, enabling replacement of freshwater with treated water in the mine's paste plant. In addition, alternatives to the Santa Clara resource continued to be evaluated both for potable water and operational water. Despite the progress described, meaningful reduction of freshwater use could not be achieved in 2021, due to constraints on internal water recycling resulting from other water treatment challenges. Neves-Corvo does not discharge to a water-stressed area.

Our total water consumption from areas with water stress was 6,035 ML in 2020 and 8,304 ML in 2021, comprising mostly seawater. Candelaria's consumption of a greater volume of seawater in 2021 reflects reduced processing plant operations the previous year (10 months as opposed to 12 months) and high recovery of water from the Candelaria and Los Diques tailings facilities in 2020. Since fresh tailings are no longer deposited in the Candelaria tailings facility, smaller volumes of water become available for interception and reclaim as the existing tailings settle and compact over time.

¹ Water stress as defined in WRI Aqueduct Water Risk Atlas where baseline water stress is high (40-80%), extremely high (>80%) or "arid and low water use".

Additional water-related risks being managed by Neves-Corvo include the acid-generating potential of the ore and waste rocks, the proximity of the Oeiras River to the mine site, and the presence of an area groundwater system that is part of a significant aquifer connecting to local water supplies and the Oeiras River. To support effective management of these risks, Neves-Corvo is progressing the development of its groundwater model and continues to conduct regular monitoring of the river and the local aquifer.

At Candelaria, the potential for impact on the marine environment and on community relations, as well as potential legal challenges associated with the seawater intake and discharge at the desalination facility have been identified as risks. Candelaria's withdrawal from, and discharge to, the sea arises from the commitment to use seawater as opposed to the local aquifer resource, for operational purposes. The Company manages these risks by undertaking routine marine monitoring programs to enable early detection of any changes to aquatic populations and regularly engaging with community and industry groups.

A primary water-related risk at Chapada is associated with the management of contact water from waste rock stockpiles that contain material classified as potentially acid-generating (PAG). The Company is addressing the risk of contamination of surface and / or groundwater by developing an ARD management strategy based on a site-wide water-balance model, geochemical characterization studies, water monitoring, and improvement of waste rock management practices. In 2021, a project to investigate water treatment options at the site commenced, comprising studies and pilot tests. It is anticipated that this project will continue for several years, in consultation with relevant authorities. Chapada developed an ARD monitoring plan for submission to authorities in 2022.

Significant seasonal and annual variation in precipitation patterns in the locality results in the need for Chapada to manage excess water at certain times. The strategy developed for addressing the risk associated with excess water resulted in the installation of high-capacity evaporators and the installation and commissioning of a dewatering well to reduce the volumes of groundwater infiltrating naturally to the South pit, thereby reducing the amount of contact water that needs to be managed.

Our Eagle operation uses a technique known as subaqueous deposition for its tailings, whereby a depth of water is maintained over the tailings to control the generation of ARD. The operation's water-related risks are principally associated with managing the mill's water balance such that outputs are controlled and treated to achieve regulatory compliance and protection of the local water environment. This risk is managed through the team's technical and operational expertise founded on the site-probabilistic water-balance model. Eagle is addressing future risk associated with these facilities by conducting timely modelling studies to identify feasible and effective closure options.



Water Evaporators, Neves-Corvo, Portugal

For Zinkgruvan, the most significant water-related risk is impact on the local groundwater aquifer. The Zinkgruvan mineral deposit has been continuously mined for over 160 years and, typical of many historical mining areas, water quality and aquatic health impacts have been observed locally. The focus is to manage current operations such that the potential for adverse environmental or social impact is minimized. The Company is working in consultation with authorities to develop and conduct technical studies aimed at fully understanding this risk, as discussed under the [Impacts](#) section.

We recognize that the diversity of natural environments in which our operations are located presents unique opportunities as well as challenges. Some of our operations use their water management infrastructure to direct water to local communities. Neves-Corvo uses its network to distribute water from the Santa Clara reservoir to several local communities for agricultural use and to be treated for potable use. The Company also supplies treated water to some local villages for potable use. Candelaria, in accordance with permitting requirements, supplies water from its desalination facility for agricultural use in Copiapó Valley. Our Eagle and Zinkgruvan operations manage water for environmental outcomes in accordance with their permits.

Our operations regularly collaborate and develop partnership opportunities to further research and scientific understanding of their local aquatic habitats. Neves-Corvo partners with several Portuguese universities, and Candelaria commissions marine monitoring. Opportunities for meaningful engagement with communities on water-related matters are also valued by our operations, examples being community monitoring programs at Eagle and engagement with fishing communities in the Punta Padrones region (Candelaria).

ENVIRONMENTAL STEWARDSHIP



Drought Tolerant Forestry Planting, Candelaria, Chile

Impacts

We report our principal identified material water impacts and how they are addressed. Chapada manages an excess of precipitation that infiltrates and runs off waste rock stockpiles with subsequent release to the environment. The Company recognizes that the runoff may have a detrimental impact on the tributaries of the Rio dos Bois and Formiga due to contact with PAG rock in the stockpiles. Metal concentrations elevated above surface water quality standards have also been detected on occasion during routine monitoring in the Rio dos Bois, down-gradient of the Chapada operation. Some members of the local community have expressed concern regarding water quality in local water courses and associated impacts on fish in 2021. A third-party review commissioned by Chapada to address these concerns indicated that the issue was related to seasonal “first-flush” conditions that have been reported in other areas as well, not being limited to the area around Chapada. While the Company modified operations to enable more runoff to be collected and recirculated within the boundaries of the operation, as opposed to released to the environment, additional water management options require further investigation and implementation.

Neves-Corvo continues to monitor a localized biodiversity impact in the Oeiras River arising from the Company's permitted water discharge to the river over the years. To reduce the potential for impacts, the operation discharges occasionally when necessary, and suspends routine discharge when there is no flow in the river. Protection and monitoring of the river remains a particularly high priority for the mine because the river is in the Guadiana Delta Basin where both the tributary system and the Guadiana Valley Natural Park have protected status. No site discharge-related impacts have been identified in the Guadiana River.

Zinkgruvan has continued to work with relevant authorities in recognition of the importance of understanding and minimizing any Company-related impact on the local Forsaåsen Aquifer. Current data indicate that mitigation works conducted in the past two years and interim treatment measures have had a beneficial effect on the aquifer water quality, with sulphate concentrations in a relocated municipal well at consistently acceptable levels. Guided by the Environmental Court-approved schedule, systematic studies to further the understanding of the relationship between the Ekershyttebäcken Creek, which receives the mine's permitted

discharge, and the local groundwater systems are progressing, along with pilot-scale testing to assess long-term water treatment options at the site. The Company anticipates submitting its plans for an appropriate solution to authorities in late-2022, with final discharge permit limits being defined by mid-2026. Zinkgruvan hosts quarterly meetings with Örebro County Administration Board (ÖCAB) and biannual meetings with other authorities and local residents to share information and concerns, with subsequent compilation of action plans, as required.

OUR NEXT STEPS

- Conduct RMMS audits of Corporate Water Management Standard implementation at all sites; deferred to 2023.
- Continue to integrate water stewardship into the Sustainability Strategy and develop action plans for Company-wide key performance indicators and targets, on a phased basis.



OUR APPROACH TO CLIMATE RESILIENCE

Governance

Lundin Mining acknowledges our role in the call for action to reduce GHG emissions, to commit to low-carbon alternatives, and to develop climate resilience, as communicated in the 2015 Paris Agreement on Climate Change and the United Nations' SDGs, among others. With momentum from the 2021 United Nations Climate Change Conference (COP 26), and as a company in an energy-intensive sector, we recognize the need to work towards meaningful decarbonization commitments for our operations and beyond.

Lundin Mining strives to manage and mitigate the impact of the Company's operations through a responsible approach to energy consumption and GHG emissions, along with preparing for regulatory and physical changes associated with climate change. Our updated RMP publicly commits to reducing GHG emissions and preparing our operations and host communities to respond to climate-related risks. Our climate strategy is currently in development and will form part of the corporate Sustainability Strategy, which will provide the foundation for a Company-wide transition plan to ensure resilience across our business and adaptation in the face of climate change.

In early-2022, our Board of Directors reconstituted the Health, Safety, Environment and Community Committee as the Safety and Sustainability Committee (SSC), which has oversight of safety and sustainability matters, including related risks, performance, leadership and reporting. Consisting of three standing members, the SSC will meet quarterly, at a minimum, and oversee risk management for safety and sustainability, including climate change risks, furthering this commitment.

Strategy

We recognize the growing expectations of our stakeholders in understanding how climate change impacts our business model and corporate strategic planning, and how our activities can affect the climate, over the short, medium and long terms.

As an energy-intensive sector, and with our current reliance on non-renewable energy sources, we acknowledge our contribution and publicly disclose our GHG emissions. While our operations are subject to significant changes in energy-input requirements associated with changing operational needs from year to year, we maintain a strong focus on operational efficiencies. We aim to demonstrate a responsible approach to energy consumption and GHG emissions by establishing site specific energy management plans.

Decarbonization will shift demand for key minerals, and the commodities we mine — copper, nickel, zinc and lead — are critically important in emerging technologies and innovations. We are committed to sustainably providing raw materials to support the global transition to a low-carbon future. Low-carbon technologies will require over 600 million tonnes of metal resources (measured in iron-equivalency) by 2050 (IAEE, 2018). Furthermore, our commodities are widely recycled globally, significantly contributing to the circular economy.

Our RMMS governs how our operations manage energy, GHG emissions and interactions with water. Our updated Water Management Standard includes requirements for climate change risk assessments, mitigation and adaptation to ensure these topics are included in current and future water management strategies at our sites. To further our GISTM implementation, we will evaluate embedding climate change considerations into our decision-making around tailings facilities.

To mitigate impacts to our business, our Corporate office and operations continue to closely track regulatory developments in their respective jurisdictions. The Company currently does not have a system in place to calculate the financial implications on business revenues or costs as a result of the impact of climate change. An implementation plan and timeline are being developed to support this additional financial analysis. In 2022, the Company expects to complete a gap assessment against the TCFD reporting framework to allow for future enhancements to the Company's reporting of climate-related financial information.

Risk Management

We recognize and prepare for the fact that physical and transition risks associated with climate change can have an adverse impact on our business and the communities where we operate. Our Risk Management Framework ensures effective identification, management and mitigation of enterprise-wide risk in a manner that integrates consideration of risk into key decision-making processes. The framework requires that our highest-ranking risks are to be elevated for further analysis. We continue to embed systems to identify, assess and manage the integration of climate-related risks and opportunities. We completed a vulnerability assessment of our physical climate-related risks in 2019 and are currently embarking on an internal analysis of our transition risk that will form part of the broader TCFD gap assessment in 2022. Once complete, these climate-related risks and opportunities will be incorporated into the enterprise Risk Management Framework and placed on the risk register, where material and appropriate, reported quarterly to the Executive Risk Committee and the Board.


Climate-related Risks and Opportunities

An increasing number of jurisdictions have introduced regulatory changes in response to the potential impacts of climate change. We developed climate-related scenario analysis to identify cost scenarios for carbon taxes, including emissions projections and a financial stress test. This will be updated to integrate Chapada and reflect recent regulatory changes.

Other identified risks include regulatory changes placing restrictions on access to certain water resources. In addition, the physical risks of climate change associated with changing weather patterns may have an adverse effect at some of the Company's operations. Our operational sites are in a range of climatic zones with varying vulnerabilities to both acute and chronic physical risks, including extreme weather events; natural disasters; resource shortages; changes in the patterns and intensity of rainfall and storms; water shortages; changing sea levels; and changing temperatures.

Due to the dependency of our operations on supplies of suitable water, the risk for regions already exposed to shortages can be considered more severe because of the effects of climate change. Potential for competition with local communities or increased operating costs may result. Where this has been identified as a credible risk, our mines are assessing mitigation initiatives aimed at seeking alternative water sources or altering existing water management and treatment facilities. Conversely, extraordinary storm events may result in localized flooding that impacts mine personnel and operations.

Opportunities associated with emerging low-carbon and more-energy-efficient technologies are also being tracked by our operations and integrated into our business strategies, including increasing demand for the metals we mine, fuel-switching, negotiation of contracts to increase the use of renewable and lower-carbon energy sources, and improving energy efficiency. Our operations have also identified climate-related opportunities for the support of local communities. In recent years, some of our operations have assisted local government departments, emergency services and communities during flood and wildfire events.

 **Metrics and Targets**

We publicly disclose our Scope 1, Scope 2, and limited Scope 3 GHG emissions. Comprehensive and externally assured climate-related information is included in this report and disclosed through CDP (formerly the Carbon Disclosure Project) aligned with TCFD recommendations.

CDP Score 2021: Disclosure / risk & opportunity awareness and management / leadership

Lundin Mining: B

North America Regional Average: C

Metallic Mineral Mining Sector Average: C

During 2021, we significantly enhanced our approach to managing our GHG emissions by working towards the development of a Company-wide Scope 1 + Scope 2 GHG emissions target. Setting an interim 2030 target places us clearly on our climate commitment pathway to 2050. In 2022, we will develop a roadmap for achieving the target and finalize a data management platform to support measurement of performance against our target, with quarterly reporting to our Board. We also expect to advance evaluation of material Scope 3 GHG emissions associated with our operations and engage with suppliers and customers to collect accurate data and encourage emission reduction activities where possible.

Climate resilience is a priority focus area of our Sustainability Strategy, guided by our updated RMP. We recognize the need to urgently work towards meaningful decarbonization commitments for our operations and beyond. With the support of our Vice President, Environment and Social Performance and Senior Director, Operational Excellence, and under the leadership of our Chief Operating Officer, we established a cross-functional group to work with an external consultant to develop our interim GHG emissions reduction target. All our operations contributed data to inform the target development approach, which was approved by senior management and shared with our operations, for publication in 2022.

We are committed to reducing our absolute Scope 1 + Scope 2 (market-based) emissions by 35% by 2030 across our end-of-2019 portfolio of operations, compared to a target base year of adjusted 2019¹ emissions.

¹ Given that our Chapada operation was acquired in July 2019, Lundin Mining's GHG emissions inventory that year included Chapada operations from July to December. The emissions in our target base year have been adjusted to annualize the Chapada emissions data.

Our adjusted target base year emissions are:

Scope 1	514,170 tonnes CO ₂ e
Scope 2	493,328 tonnes CO ₂ e
Total Scope 1 + Scope 2	1,007,498 tonnes CO₂e

ENERGY AND GHG EMISSIONS

 **Materiality**

Greenhouse gas (GHG) emissions is a material topic for Lundin Mining due to the energy-intensive nature of our extractive industry sector, associated carbon footprint, and adaptation and mitigation planning considerations. In recent years, there has been considerably more global interest in spurring corporate action to reduce GHG emissions, to commit to low-carbon alternatives, and to develop climate resilience. The Company acknowledges climate change as an international concern and that our climate-related disclosures are of increasing interest to our stakeholders.

Our Approach

Managing energy consumption and GHG emissions is a high priority for Lundin Mining as we continue to focus on our climate-related risks and opportunities and transition to the low-carbon economy. Reducing GHG emissions is an important part of our Environmental Stewardship pillar and working alongside our host communities to respond to climate risks falls under our Thriving Communities pillar. Our structured and transparent approach to energy consumption and GHG emissions reporting is founded on effective energy-consumption tracking by our operations for a robust corporate GHG Inventory with data values provided in our [Interactive ESG Data Tool](#). Our annual total energy consumption and total Scope 1 and Scope 2 GHG emissions are subject to external assurance annually. Details of our methodologies are provided in [Appendix A](#).

Our Corporate Energy and Greenhouse Gas Management Standard, updated RMP and RMMS guide our operations' approach to responsible use of energy and the development of initiatives to reduce GHG emissions throughout the mine life cycle. We host Global Operational Excellence calls with a focus on energy management to increase awareness of energy management and share learnings on reductions in energy consumption. In 2021, our largest energy consumer, Candelaria, gained certification of its newly developed energy management system under the ISO 50001 Energy Management System Standard to further this approach. In Europe, both our Neves-Corvo and Zinkgruvan operations comply with regulatory requirements, completing periodic energy audits and submitting formal plans for energy efficiency to national authorities.

Typical of the global mining sector, our operations are energy intensive, consuming significant quantities of fuel and electricity for mining and mineral processing. When analyzing our energy consumption and GHG emissions data, we acknowledge that key factors result in variations between sites and within sites from year to year, including:

- Relative scale of each operation;
- Quantity of ore milled;
- Electrical power requirements underground for ventilation, lighting, hoisting, conveyors, pumps and other equipment;
- Fuel requirements at our open pit mines for haulage of waste rock and ore; and
- Changing operating conditions over time such as ore characteristics, expansion projects, construction projects and haulage distances.

Mill Process Plant, Candelaria, Chile

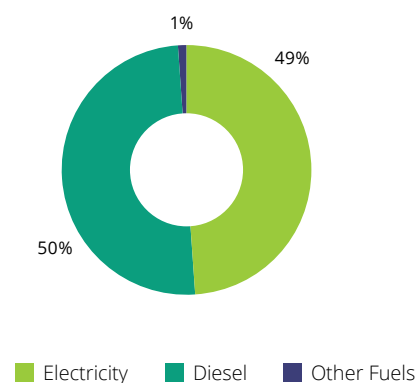


Energy Consumption

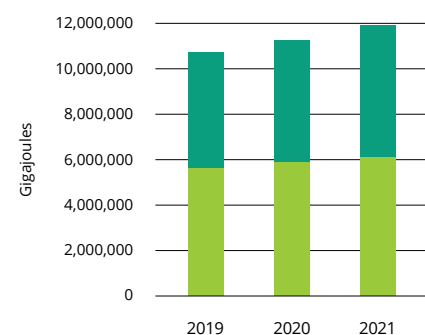
Total energy consumption within Lundin Mining in 2021 was 11,931,194 Gigajoules (GJ). Across the Company, 51% of energy consumed was from fuel and 49% from electricity. Most of our fuel energy consumption was from diesel, with relatively minor amounts from (in decreasing order) propane / LPG, gas oil, biodiesel, gasoline, biopellets and natural gas.

Our energy consumption has steadily increased in recent years. A 5% increase from 2019 to 2020 was driven by the inclusion of 12 months of data for Chapada in 2020 compared to six months the prior year, due to acquisition of the operation in July 2019. A further 6% increase in 2021 can be attributed to a higher production rate, with a 21% increase in the quantity of ore milled Company-wide, and Neves-Corvo's ZEP construction activities restarting in January following temporary suspension during the COVID-19 pandemic.

Percentage of Energy Consumption by Source, 2021



Lundin Mining Energy Consumption, 2019¹ to 2021



¹ Chapada data included from July 2019.



Open Pit, Chapada, Brazil

Our consumption of energy from fuel is most influenced by our open pit operations, Candelaria and Chapada, where ore and waste haulage result in energy consumption from fuel exceeding that from electricity. Neves-Corvo is our third-largest energy consumer, with its consumption reflecting its production levels, followed by our two smaller operations, Eagle and Zinkgruvan. Although Eagle is one of our smaller underground operations, its relatively high fuel consumption reflects the 105 km ore haulage distance from the mine to the mill. As expected, Corporate headquarters' energy use was very low in comparison to our operational sites and continued to be reduced due, in part to COVID-19-related changes to employee in-person office attendance and also to "smart" energy-saving installations.



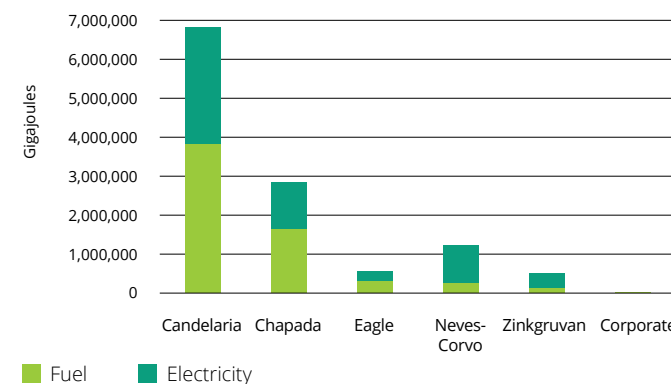
Electric Buses Launched, Candelaria, Chile



Open Pit, Candelaria, Chile

Energy consumption data for individual operations is provided on our [website](#) and summarized in the accompanying chart.

Energy Consumption by Operation, 2021



The Candelaria Complex, across its open pit and underground mines, processing plants, desalination facility and port site, is our largest energy consumer. Lundin Mining's total energy consumption is strongly influenced by the scale of Candelaria, with 62% of our total fuel energy and 51% of our total electrical energy consumed by the complex in 2021. The quantities of ore mined, waste rock mined, and ore milled all increased at Candelaria in 2021, with an associated 9% increase in energy consumption. Smaller increases in consumption occurred at our other mines, except for Eagle where there was a small reduction.

The renewable content of our consumed energy is summarized below with approximately 4% of our fuel and 52% of electricity consumed from renewable sources.

Energy Consumption Within Lundin Mining, 2021¹

	GIGAJOULES
Fuel from non-renewable sources	5,886,082
Fuel from renewable sources	224,801
Total Fuel	6,110,883
Electricity from non-renewable sources	2,808,719
Electricity from renewable sources	3,011,592
Total Electricity	5,820,311

¹ Details of information sources and methodologies used to generate the data are given in [Appendix A](#).

Scope 1 and Scope 2 GHG Emissions

Scope 1 emissions are primarily from consumption of fuel while Scope 2 reflects emissions from consumption of purchased electricity. Fugitive GHG emissions from refrigeration and air-conditioning equipment at our operations are included in our Scope 1 emissions, calculated from readily available data and estimated to form a very small portion (less than 1%) of our total Scope 1 emissions. We use Scope 2 GHG emissions calculated using the market-based methodology in our data comparisons.

Lundin Mining Scope 1 and Scope 2 GHG Emissions, 2021¹

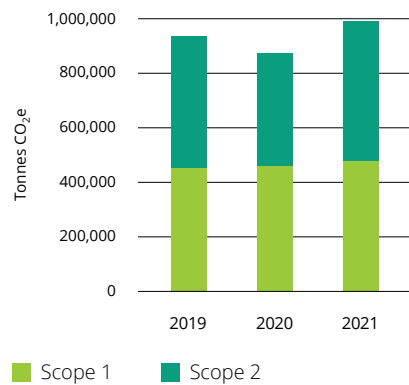
	TONNES CO ₂ e
Scope 1	478,253
Scope 2 (location-based)	480,754
Scope 2 (market-based)	510,241

¹ Details of information sources and methodologies used to generate the data are given in [Appendix A](#).

ENVIRONMENTAL STEWARDSHIP

In accordance with GHG Protocol requirements, biogenic CO₂ emissions are not included in our Scope 1 and Scope 2 totals and are reported separately at 23,599 tonnes CO₂ for 2021.

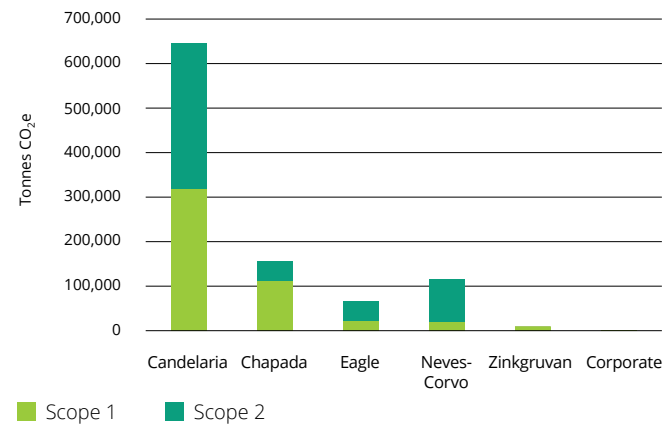
Lundin Mining GHG Emissions, 2019¹ to 2021



¹ Chapada data included from July 2019.

In 2020, although it was our first full year of reporting for Chapada, our total Scope 1 + Scope 2 GHG emissions decreased in comparison to 2019, largely attributed to interruptions to normal operations and associated reduced mill throughput in that year. The trend in our GHG emissions reflects a return to more-typical operations in 2021, with mining production and mill throughputs both exceeding 2020 levels and Neves-Corvo's ZEP construction activities restarting.

Scope 1 and Scope 2 GHG Emissions by Operation, 2021



Solar Panels Installed, Candelaria, Chile

Candelaria is the largest source of our GHG emissions, due to the scale of the operations, with the contribution from our other mines reflecting their relative scale. Candelaria and Chapada contribute most of our Scope 1 emissions, reflecting the open pit nature of these operations and their reliance on diesel for ore and waste rock haulage. Our Scope 2 emissions continue to benefit from Zinkgruvan's investment in a 100%-renewable electricity supply supported by a Guarantee of Origin. In the future, we will also realize the positive effect of Candelaria's contractual agreement with its supplier for an increase in renewables to a minimum of 80% in the energy mix, prioritizing wind and solar energy, commencing in 2023. Chapada's Scope 2 emissions benefit from almost 85% of renewable energy sources in the grid supply. Electricity consumption is the greatest source of GHG emissions at our remaining underground operations.

Energy and GHG Emissions Intensity

Intensity ratios allow the analysis of energy consumption and GHG emissions data in the context of an organization-specific metric. The metrics can be impacted by factors that do not necessarily relate to operational efficiencies, such as type of mine, haulage distances and ore grade or hardness; consequently, interpretation of intensity data requires careful consideration of context. At Lundin Mining, we select the "per tonne mined" intensity metric, as it enables us to analyze our data in the context of activity at our sites. We also report the Company-wide production-related metric "per tonne of copper equivalent" (tonne CO₂e / tonne Cu eq) to facilitate benchmarking across the mining and metals sector.

Lundin Mining Energy and GHG Emissions Intensity, 2019¹ to 2021

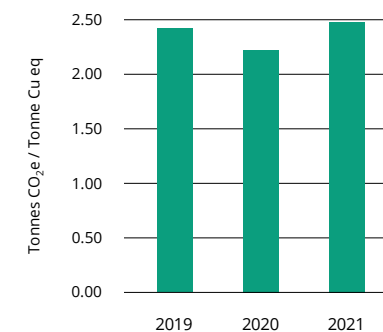
	2019 ¹	2020	2021
Energy Intensity (GJ / tonne mined)	0.071	0.069	0.069
GHG Emissions Intensity (tonne CO ₂ e / tonne mined)	0.006	0.005	0.006
GHG Emissions Intensity (tonne CO ₂ e / tonne Cu eq)	2.42	2.22	2.48

¹ Chapada data included from July 2019.

A decrease in our Company-wide energy intensity per tonne mined between 2019 and 2020 resulted from the addition of Chapada to our mining portfolio. Both of our open pit operations have a low energy intensity level based on this metric, relative to our underground operations, arising from the mining of significant tonnages of ore and waste rock. Our underground operations do not benefit from such efficiencies of scale, especially those located in colder climates, which require additional energy for heating. Energy intensity per tonne mined increased at some of our operations and decreased at others in 2021, resulting in an overall Company-wide intensity level that was consistent with the prior year.

Lundin Mining's overall GHG (Scope 1 + Scope 2) emissions intensity increased in 2021, reflecting an intensity increase at all our operations. The metric is influenced by non-mining site activities that consume energy, such as Neves-Corvo's ZEP and the operation of evaporators to manage excess precipitation at Chapada and Neves-Corvo.

Lundin Mining GHG Emissions Intensity Per Tonne Copper Equivalent, 2019¹ to 2021



¹ Chapada data included from July 2019.

GHG Emission Reduction and Energy Conservation Measures

During 2021, approximately 27 initiatives were assessed and / or implemented Company-wide, aimed at reducing both Scope 1 and Scope 2 emissions at our operations. We continue to engage with the Coalition for Eco-Efficient Comminution (CEEC) to pursue process improvements in milling across the Company's operational profile to reduce Scope 2 emissions. Additional initiatives being assessed include modifications in our mills; renewable energy options; and operating equipment on demand, such as pumps and lighting. Fuel projects undergoing assessment included optimization of truck fuel consumption and average haulage route; using electric vehicles for certain aspects of operations; and moving from fossil fuel to biofuel for heating. Our Zinkgruvan operation renewed its contract for a 100%-renewable energy source for electricity supply, maintained since 2017.

In tandem with our work during 2021 to develop a GHG emissions reduction target, we have also worked on creating an improved platform for recording details of the emissions reduction initiatives at each of our operations. Enhanced data collection will enable us to quantify reductions and track the benefits of these initiatives against our Corporate GHG emissions reduction target. Operational systems to enhance data collection on all initiatives will be further refined to harness the benefits of implemented initiatives that are not currently quantified.

Our Corporate office continued to participate in *ForeverGreen*, a tenant-engagement program that includes energy efficiency and carbon emission reduction as core components, and we are pleased to note that our 2021 GHG emissions intensity calculated under the program was the lowest out of a total of 30 tenants in the building. We continue our sponsorship agreement with CEEC to promote industry uptake of energy-efficient, lower-footprint mining.



Energy Consumption Outside Lundin Mining and Scope 3 GHG Emissions

Scope 3 GHG emissions are indirect emissions that occur in our value chain. They are potentially significant because, typically in the mining sector, Scope 3 emissions represent a greater proportion of a company's total carbon footprint than Scope 1 and Scope 2 operational emissions. Developing a full corporate GHG Inventory that includes Scope 3 emissions is a component of our commitment to climate change resilience and will enable us to advance our understanding of our carbon footprint and more fully assess risks, opportunities and resulting management priorities. It will also enhance sustainability performance disclosure to our stakeholders, many of whom have an increasing interest in corporate GHG emissions.

In 2020, Lundin Mining committed to formulating a strategy for expanding our evaluation of Scope 3 GHG emissions aligned with the GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The strategy, developed by a cross-functional corporate group comprising teams from environment, supply chain, commercial and finance, was approved during 2021. Its implementation will be initiated in 2022 and refined over a number of years. While our strategy allows for an initial 'screening-level' estimate of Scope 3 emissions across all applicable 15 upstream and downstream Scope 3 emissions categories, we currently continue to report energy consumption and GHG emissions associated with some third-party transport activities that take place beyond our operational boundaries as a preliminary step towards tracking selected Scope 3 GHG emissions:

Energy Consumption Outside Lundin Mining and Selected Scope 3 GHG Emissions, 2021

SCOPE 3 CATEGORY ¹	DESCRIPTION	ENERGY CONSUMED	SCOPE 3 GHG EMISSIONS
Category 4: Upstream Transportation and Distribution	Transport of concentrate and some of our most significant imported raw materials.	491,481 GJ	34,562 t CO ₂ e
Category 7: Employee Commuting	Transport by bus of some personnel.	33,328 GJ	2,378 t CO ₂ e

¹ Categories defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

OUR NEXT STEPS

- Develop Climate Strategy for approval.
- Establish long-term decarbonization target, embedded in broader Sustainability Strategy.
- Develop roadmap for achievement of our interim 2030 target.
- Conduct TCFD gap assessment and develop roadmap to address gaps.
- Progress data management and analysis to support development of sustainability targets and measure performance.
- Conduct climate-related risk assessment for transition risks.
- Expand evaluation of Scope 3 emissions.

AIR QUALITY Materiality

Air quality was newly assessed to be a material topic for Lundin Mining in 2021. If not properly controlled, air emissions from mining operations can create a nuisance or can be harmful to human health and the environment. Potential impacts can occur both on site and beyond our site boundaries in surrounding communities.

Our Approach

Lundin Mining's objective is to minimize disturbance to our neighbouring communities and the surrounding environment from emissions of air pollutants. Guided by the principles of our updated RMP and our Sustainability Strategy, addressing impacts to air quality contributes to the health and well-being of our local communities and workers and results in a more sustainable environment for all. Our Corporate Air Quality Management Standard supports this approach, intending to minimize environmental and social impacts from air emissions via site-specific management planning, ongoing performance evaluation and implementation of appropriate controls throughout the mining life cycle.

We align our public reporting with the GRI 305: Emissions definition of "significant air emissions", being air emissions that are included in our operations' environmental permits and regulated under international conventions and / or national laws or regulations. Depending on their specific circumstances and regulatory requirements, our operations monitor oxides of nitrogen and sulphur (NO_x and SO_x), volatile organic compounds (VOCs), carbon monoxide (CO), hazardous air pollutants (HAPs), and particulate emissions.

We recognize that the most significant air quality issue associated with mining that can be of concern is the emission of particulates, i.e., dust. Fugitive emissions can result from mining and blasting in open pits, vehicle movements on unpaved mine roads and onsite haulage routes, ore handling, tailings facilities and waste rock stockpiles. Typically, dust emissions are of greater concern in arid or seasonally dry locations, for example in desert or Mediterranean regions, where particulates are more readily eroded and ambient levels in the atmosphere are naturally high. Dust from within underground mines occurs as a point-source emission at access shaft and ventilation shaft openings.

All our operations routinely employ dust suppression and associated management measures that are widely used across the mining sector. Controls include the application of water and binding agents, sprinkler systems, wheel washes and sweepers, covering of concentrate and other materials for transport, and dust capture systems and air filters in indoor areas. Documented procedures, and associated training of personnel as to the circumstances under which action is required, are critical to the effectiveness of these measures. Our management approach takes account of air quality impacts both within our site boundaries and on land adjacent to operations. Monitoring allows the effectiveness of controls to be routinely assessed and adjusted if required.



Dust Control Measures, Candelaria, Chile

In 2020, Lundin Mining carried out foundational work to better understand each operation's dust emissions, significant sources, conditional requirements, current mitigation techniques and determine best practices across the Company. This established a global baseline for our performance, concluding that site-specific, integrated solutions to manage particulates have the greatest potential, and guided our work in 2021.

Our Performance

All our operations that monitor point-source emissions from mine shafts, ventilation shafts, boilers or generators were in full compliance with regulatory requirements in 2021. Our annual data are summarized in the accompanying table.

Lundin Mining Point-Source Emissions, 2021

EMISSIONS	OPERATIONS	TOTAL (KG)
NO _x	Chapada, Eagle, Neves-Corvo	11,768
SO _x	Eagle, Neves-Corvo	772
CO	Eagle, Neves-Corvo	25,430
VOC	Eagle, Chapada	192
HAP	Chapada	85

Data sources include direct measurement, calculation based on site-specific data, and EPA AP-42, Compilation of Air Pollutant Emissions Factors

All our operations monitor particulate matter, either as onsite point-source emissions or in the community as ambient concentrations in air. The data from the community monitoring stations represent the cumulative effect of a range of sources of particulates in addition to our operations, including from other mining and industrial operations, vehicle movements, fires, and natural emissions where land is dry with sparse vegetation cover.

Our operations monitor particulate matter (PM), inhalable particles with a diameter 10 microns or smaller (PM₁₀) and 2.5 microns or smaller (PM_{2.5}), depending on local regulatory requirements. All our operations were in full regulatory compliance in 2021. Our annual data are summarized in the accompanying tables.

Lundin Mining Onsite Particulate Emissions, 2021

OPERATION	POINT SOURCE EMISSION LOCATION	CALCULATED ANNUAL EMISSIONS
Eagle	Ventilation shaft and stand-by generator at the mine; Ore storage bin and crusher at the mill	PM: 5,559 kg / year ¹
		PM ₁₀ : 4,878 kg / year
		PM _{2.5} : 792 kg / year
Zinkgruvan	Three mine shafts and two ventilation shafts	PM: 1,023 kg / year

¹ PM_{2.5} is a subset of PM₁₀ and PM₁₀ is a subset of PM.

Lundin Mining Community Monitoring of Ambient Particulates¹, 2021

OPERATION	COMMUNITY MONITORING STATION	ANNUAL AVERAGE ¹
Candelaria ²	Tierra Amarilla	PM ₁₀ : 63 µ / m ³ N, PM _{2.5} : 16 µ / m ³
	Nantoco	PM ₁₀ : 31 µ / m ³ N, PM _{2.5} : 11 µ / m ³
	Caldera	PM ₁₀ : 23 µ / m ³ N, PM _{2.5} : 9 µ / m ³
Chapada ³	Residence	PM: 22 µ / m ³ , PM ₁₀ : 18 µ / m ³
	Nova Iguaçú	PM: 18 µ / m ³ , PM ₁₀ : 11 µ / m ³
	Alto Horizonte	PM: 24 µ / m ³ , PM ₁₀ : 16 µ / m ³
Neves-Corvo	Graça	PM: 14.4 µg / m ³
	Neves	PM: 15.2 µg / m ³

¹ Monitoring stations represent the cumulative effect of a range of sources of particulates in these regions.

² Candelaria PM₁₀ data are normalized in accordance with regulatory requirements.

³ Chapada installed monitoring in October 2021; the average is calculated based on November and December data.

Open Pit, Chapada, Brazil



We recognize that members of some communities in which we operate have concerns regarding dust emissions, as borne out by grievances received regarding dust in the vicinity of our Candelaria and Chapada open pit operations. In 2021, work focused on evaluating solutions for suppressing dust, including quantitative review of effectiveness and suitability assessment at each of our operations, prioritizing first our open pit operations. One trial study was conducted at Chapada, and detailed planning commenced at Candelaria in 2021. In addition, we maintained various programs related to impact management including dust suppression programs of unpaved areas, traffic management to reduce impacts and mitigation of dusting at mineral waste facilities.

Chapada completed the construction of the Alto Horizonte Bypass, which is expected to have a beneficial effect in the town in terms of emissions and safety associated with concentrate haulage trucks and reducing general site-related traffic. The operation also initiated work to establish a buffer zone adjacent to the South pit and waste rock stockpile, working with an external consultant to formulate a resettlement action plan for residents affected by dust.

Our Candelaria operations are located in an arid region with limited natural vegetation, which hosts several other industrial and agricultural operations, resulting in considerable latent dust in the air. In 2021, the areas of Copiapó and Tierra Amarilla were formally declared a saturated zone with respect to PM₁₀ by the Ministry of the Environment. Candelaria acknowledges the importance of managing particulate emissions from the mine and, in 2021, worked on further developing and implementing its Emissions Reduction Plan. Significant progress was made, including benchmark and review of the site watering plan and measurement of the effectiveness of particulate emission mitigation practices in the open pit and on interior and exterior surface roads. The plan aims to mitigate emissions in multiple areas of the operation, including: a strategy for wetting the ore prior to offloading to crushers, maintenance of internal and external



Environmental Monitoring, Eagle, Michigan, USA

roads, and tire monitoring to ensure optimum conditions. Dust suppressant products continue to be assessed, and the Company is also developing air quality modelling capability for the forecast and management of blasting plumes.

As reported previously, fugitive-dust investigations by our Zinkgruvan operation indicated a potential human health exposure risk from some heavy metals on some garden produce. The Company has since been consulting with ÖCAB, local health authorities (AMM), and impacted residents; implementing additional dust mitigation measures that were approved by ÖCAB, such as planting “green barriers” and establishing meadows on land in the industrial zone, along with suppressing dust using water. Sampling in 2021 indicated improved metal levels, with further work required to assess if historical land-use or dusting has the potential to be impacting data. Monitoring will be continued to assess the benefits as the planted barrier is completed and the vegetation matures.

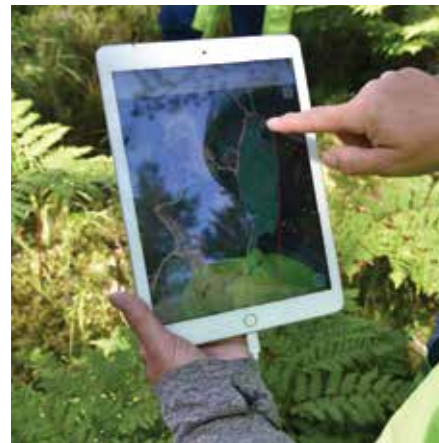
Fugitive-dust and mitigation activity evaluations have continued according to the Environment Court-approved schedule to allow for systematic studies that will form the basis of an appropriate long-term dust management plan. The Company anticipates submitting this plan in late-2022, with final permit limits to be defined by mid-2026.

OUR NEXT STEPS

- Carry out larger-scale trial study of an alternative dust suppression solution at the Chapada tailings facility.
- Evaluation of solutions to reduce dust from activities at Candelaria.
- Consider and apply dust suppression research at other operations, including consideration of trial studies and / or implementation of solutions, where feasible.
- Progress planting and maintenance of the “green barrier” project at Zinkgruvan.



Lynx, Neves-Corvo, Portugal



Biodiversity Inventory, Zinkgruvan, Sweden

BIODIVERSITY AND LAND MANAGEMENT
Our Approach

We recognize the importance of our role in biodiversity stewardship — contributing to the proper assessment of biodiversity conditions, minimizing habitat degradation, and planning for habitat restoration during the life of mine cycle. Our objectives for biodiversity management include considering biodiversity-related information and management systems during due diligence assessment programs, undertaking baseline studies to document conditions before the development of new mines or significant expansion beyond a mine’s current footprint, and monitoring the effects of our biodiversity management programs. We aim to promote sustainable management of living natural resources through partnerships that seek to integrate conservation needs and development priorities, including community-based knowledge in our planned activities, where available.

Our Performance

Our operational sites prepare and update their biodiversity action plans on an annual basis, identifying biodiversity risks and opportunities and informing the development of operational plans at each site in alignment with the Company standard. Our operations conduct routine flora, fauna and aquatic surveys, as appropriate, to identify species of interest and to monitor habitat health, biodiversity and any changes that could potentially be attributable to our operations. Supplementary surveys are undertaken periodically to support new permit applications for extensions of a mine site footprint, with relocation programs for selected species where required.

There are no protected or high biodiversity value areas within or adjacent to our Candelaria or Eagle sites. At Candelaria’s port operations, complementary programs support marine rehabilitation, restoration, and replantation programs to ensure sustainable use and management of marine areas.

Chapada is located within a *cerrado aberto baixo*, or low, open, savannah region of Brazil. There are no protected areas within the property boundaries or in the region surrounding the operation. Prior to the development of the mine, the land was zoned as a legal reserve. When the zoning was changed to permit mining, the legal reserve was relocated approximately 23 km north of the site; this 1,650-hectare forest reserve is managed by Chapada, along with an environmental education centre. A plant survey and carbon-capture program commenced at the site’s reserve in 2019 was paused in 2020 due to COVID-19 restrictions. The program is planned to resume in 2022.

Neves-Corvo’s lands lie adjacent to the Oeiras River, an area of high biodiversity value where both the tributary system and the Guadiana Valley Natural Park have protected status as part of the European Natura 2000 network. Conservation of the Oeiras River and downstream catchment habitat is one of the highest environmental priorities for Neves-Corvo, as it continues its long-standing partnerships with Portuguese universities, national conservation organizations, and natural park authorities to support river health and assist in the protection of endangered and vulnerable species, including supporting the Castro Verde Special Protected Area to promote the long-term conservation of great bustards and participation in the Portuguese Nocturnal Butterfly Stations Network initiative.

In Sweden, part of our Zinkgruvan operational area lies within the Knalla Nature Reserve, a popular spot for hiking. A minor part of Lake Viksjön lies within this reserve, and our Zinkgruvan operation plays an important role in managing the water level of the lake, while maintaining the flow rate of a nearby creek within a valley of high natural value. In 2021, Zinkgruvan began a project of planting “green barriers” on the operational area, consisting of a variety of plants and trees of different heights. The barriers support dust mitigation and are also contributing to the biodiversity in the area.

Species of Interest

Habitats hosting three critically endangered and eleven endangered species, as defined by the International Union for Conservation of Nature (IUCN) Red List and national conservation lists, can be found in regions where we have operations. The monitoring and protection of all Red List species are addressed in the relevant biodiversity management plans developed and implemented by each site.

Land Management

At the beginning of 2021, Lundin Mining was managing 8,961 hectares of land that we own or lease and occupy with our mining and processing activities and associated infrastructure, increasing to 9,182 hectares at the close of the year. Most of the land managed by Lundin Mining is located at our Candelaria Complex and Chapada. The primary land disturbance that took place in 2021 is attributed to the deforestation around the tailings facility at our Chapada operation to provide space for additional buttressing and construction to safely manage our tailings. In compensation for this disturbance, we donated Cerrado biome native seedlings, from our plant nursery to the Goiás Environmental Agency.

As a member of the National Oceanographic Committee (CONA), Candelaria participated in the publication *Coastal Marine Environment Program: Experimental designs, sampling, analysis methods and associated statistics*.



This publication rigorously analyzes international and national sources of information regarding marine monitoring programs, compiles them, and proposes technical considerations for their application and execution, thus becoming a powerful work tool that can be used both by academic and public institutions, as well as by proponents of projects to be developed in the marine environment.



Lugre (*Carduelis spinus*), Neves-Corvo, Portugal

Candelaria continued its support of marine studies in the waters off the Punta Padrones port, participating in a project related to “blue carbon”. Coastal ecosystems, such as seagrass meadows, can remove and store carbon from the atmosphere and they are now being recognized for their role in mitigating climate change (The Blue Carbon Initiative). A baseline and preliminary study was conducted for the installation of an artificial reef in the area adjacent to the pier to evaluate the restoration of the subtidal ecosystem and the potential for blue carbon sequestration in seagrass that will grow in the artificial reef. Preliminary results are expected in 2024.

OUR NEXT STEPS

- Approve updated Biodiversity Standard and roll out to operations.
- Develop key performance indicators aligned with the Sustainability Strategy.

THRIVING
COMMUNITIESWE COLLABORATE
TO ENHANCE
THE HEALTH AND
WELL-BEING OF
OUR COMMUNITIES

by addressing impacts and developing initiatives that achieve positive social and economic benefits that last.

SOCIAL PERFORMANCE

At Lundin Mining, social performance refers to the Company's interactions, activities and outcomes concerning its stakeholders at local, regional and national levels. Our approach to social performance is to contribute to the long-term viability and well-being of the regions where we operate, building a trust-based environment that earns and maintains the Company's social licence to operate.

RELATED MATERIAL TOPICS:

Community Relations
and Development
Community Well-being

**Sustainability
Strategy Focus Area:**
Local Economic Development

Our Approach

At Lundin Mining, we are committed to fostering healthy, resilient, and diversified communities in our areas of operation. We achieve our social performance objectives through proactive and transparent engagement processes that lead to genuine collaboration with our stakeholders and enable us to be responsive to their concerns and the net impacts we may cause. We continue to modify our approach to capture and incorporate social and economic changes within our communities.

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Community Event — Atacamagica, Candelaria, Chile

Throughout 2021, our social performance teams worked together to set a five-year corporate social performance strategy. We used a participatory approach to develop a roadmap of our five-year strategy by bringing together our operational social performance leads to form a Global Social Performance Forum. The Forum met monthly throughout 2021 to:

- Assess the maturity level of our current social performance;
- Establish and rollout principles and standards to guide strategy development and implementation; and
- Identify priority areas of focus and establish 2030 and five-year objectives for each area.

The collaborative work of the Forum allowed us to develop a consistent and holistic 5-year Social Performance Strategy based on the four pillars outlined below:

1. Enhance our social performance by strengthening our teams' competencies and skills and working towards implementation of our newly launched Social Performance Standards.
2. Enable data-driven decision making on Social Performance by setting up and enhancing systems for data collection, and governance.
3. Embed social performance into enterprise-wide strategy through further integration of the function.
4. Advance development of social performance initiatives and targets to support our Sustainability Strategy.

Collaboration
Consistency
Trust-Based
Risk-Mitigation
Participatory
Transparency
Continual-Improvement

Our Performance

In 2021, we put in place some of the building blocks to advance our social performance. An outline of our key accomplishments includes achievement of our 2021 goals to develop a Corporate Social Performance Strategy and implementation of the Social Licence to Operate Index at all sites. These survey results will help to inform our engagement, social investment and operational activities.

Throughout the year, our operations continued to implement their annual social performance plans. These plans are tailored to the local contexts of the countries and regions in which we operate, each with its own unique economic development, social capital and political conditions. The plans are informed by site risk assessments governed by our [Risk Management Framework](#) and assess impacts that consider social and human rights risks / impacts, the presence of Indigenous Peoples and vulnerable groups, and emerging issues and opportunities at each location.

KEY SOCIAL PERFORMANCE ACCOMPLISHMENTS IN 2021



DEVELOPED A 5-YEAR CORPORATE STRATEGY FOR SOCIAL PERFORMANCE

A step towards our goal to embed Social Performance into enterprise-wide strategy.



LAUNCHED SOCIAL PERFORMANCE STANDARDS

Introduced updated corporate standards across the organization to enhance Social Performance Management, Stakeholder Engagement, and Community Investment.



APPLIED THE SOCIAL LICENCE TO OPERATE (SLO) INDEX

Conducted baseline community perceptions surveys at all our sites to determine their SLO indexes (levels of community trust and acceptance). Analyzed findings to inform site-specific planning to enhance trust.



ENHANCED SOCIAL INFORMATION MANAGEMENT

Completed the first stage deployment of a Corporate Social Information Management System at all sites, focused on enabling better management of data about stakeholders and interactions. Also developed an online monthly reporting and grievances management platform.



ESTABLISHED SOCIAL INVESTMENT IMPACT FRAMEWORK

Developed a corporate framework to measure the impact of social investment and pilot tested the methodology on the Artisanal Fisheries Program for Candelaria.



Supporting Local Football, Zinkgruvan, Sweden

THRIVING COMMUNITIES



Technical Program Visit, Candelaria, Chile

COMMUNITY RELATIONS AND DEVELOPMENT

Materiality

Community relations and development are material because for a period, our Company becomes embedded within communities, becoming a custodian of land, consumer of natural resources, employer, consumer of goods, and user of local services. Our activities can affect these communities in different ways, both positive and negative. A trusting relationship between Lundin Mining and individuals, groups and communities as a whole is essential. Our understanding of the needs, expectations and concerns of communities and our ability to identify and capitalize on opportunities to deliver a sustainable future, support

development of local economies, and enable economic diversification throughout the mine life cycle and beyond are essential for the well-being of the communities in which we operate and for the ongoing success of our Company. Community Relations and Community Development are presented separately below for clarity.

Our Approach To Community Relations

We seek to engage, listen, and acknowledge our impacts, building a trust-based environment for the development of relationships with members of the communities within which we operate, supporting our management of risks and opportunities associated with community rights and interests. We believe that responding in a

professional and timely manner to stakeholder grievances is an important aspect of our approach to managing community relations.

Guided by the RMMS and aligned with our Social Performance Standards, Principles and accompanying Guidance, our proactive and transparent stakeholder engagement leads to meaningful collaboration and enables us to be responsive to community interests and concerns. Our implementation of the Social Licence to Operate (SLO) Index, stakeholder engagement process and our enhanced social information management tool enable us to gain insight into community perspectives on impacts and benefits of our operations. This approach ensures that our responses to social issues and impacts are periodically assessed and updated based on prevailing needs within our communities.

Some of our activities take place within or in proximity to Indigenous Peoples' territories. Our Eagle Mine operations are located on ceded territory near the Keweenaw Bay Indian Community and our Candelaria operations are in the Atacama Region of Chile where 3,000 people self-identify as Indigenous Colla community members. As such, these communities are a central part of our stakeholder mapping and engagement. We have formal procedures and processes related to Indigenous community engagement, economic inclusion, and cultural conservation, while ensuring we meet applicable legislative requirements. There are some agreements in place with Indigenous communities at those sites.

ROBUST AND RELEVANT PERCEPTION DATA

Candelaria, Chile		Zinkgruvan, Sweden	
	935 SURVEYS		383 SURVEYS
ANCHOR Sep 21	FACE TO FACE	ANCHOR Aug 21	MAIL & WEB-BASED
Eagle, USA		Chapada, Brazil	
	599 SURVEYS		153 SURVEYS
ANCHOR July 21	WEB-BASED	PULSE Oct 21	PHONE
Neves-Corvo, Portugal		Legend	
	675 SURVEYS	COUNTRY	# SURVEYS
ANCHOR Oct 21	FACE TO FACE	LAST SURVEY TYPE / DATE	METHOD OF SURVEY

Our Community Relations Performance

A range of formal engagement activities took place in 2021, such as implementation of site-level engagement plans, implementation of the SLO Index survey, grievance and suggestion mechanisms, and environmental compliance reporting. Informal engagement activities included virtual training sessions, social media outreach, and partnerships. An overview of Lundin Mining's community engagement activities and the key interests and concerns raised in 2021 can be found in our [stakeholder engagement table](#).

In 2021, Lundin Mining extended implementation of the SLO Index program, previously used solely at Chapada, conducting over 2,500 engagements measuring community trust and acceptance across all our operations. The index measures local stakeholders' perceptions related to drivers of trust, which include procedural fairness, quality of engagement, environmental impacts, and local economic benefits, among others. Beyond understanding trust and acceptance levels of Lundin Mining, the survey results help to identify drivers that can enhance or hinder trust, thereby informing our engagement, social investment, and operational activities.

Social Licence to Operate Index

SLO Index survey results across all sites indicate that all surveyed communities expressed acceptance for the continued operation of the mine in their region. Scored out of a possible 5.0, results ranged from 3.5–4.2, indicating acceptance to high acceptance across the communities surveyed. Since local conditions and context highly influence the ratings, the results were compared to local benchmarks. All our mine sites were ranked in the highest positions of trust, above the mining industry and other institutions in each jurisdiction. Chapada's results were consistent with previous years (4.2 in 2021), showing positive and consistent levels of acceptance.

We continue to engage and collaborate with all Indigenous communities in our areas of operation. In 2021, Eagle continued the Community Environmental Monitoring Program (CEMP) agreement with the Keweenaw Bay Indian Community. There were no disputes relating to land use, customary rights of local communities and Indigenous Peoples, or incidents of violation of the rights of Indigenous Peoples in 2021. As a result, grievance mechanisms were not used to resolve any issues related to Indigenous Peoples.

Stakeholder Information Management and Maintenance

In 2021, we initiated implementation of our Company-wide social information management platform which is a valuable tool for stakeholder mapping and tracking community interactions. Once fully adopted, it will enhance our ability to incorporate stakeholder insights into our decisions including informing our community-investment decisions.

Aerial View, Neves-Corvo, Portugal



Grievance Management

All sites have a grievance mechanism in place to ensure that community members and other stakeholders can voice concerns about Company activities and impacts, and that these concerns are documented in a transparent, accountable manner and addressed in a timely fashion. Our grievance management system is subject to [external assurance](#) for this report and verified annually. The total number of grievances across mine sites in 2021 was 75, of which 81% have been resolved.

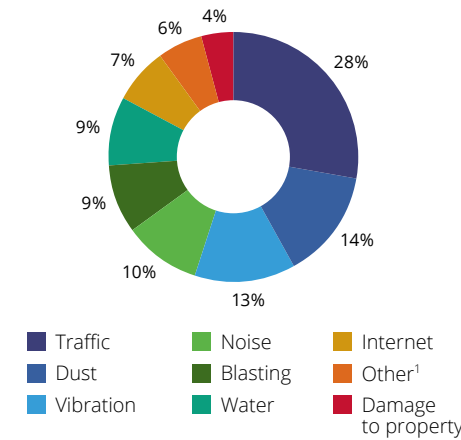
The table below lists the grievances filed at each operation in 2021. It also includes the number of grievances under ongoing management and those that have been resolved.

OPERATION	TOTAL NUMBER OF GRIEVANCES 2021	GRIEVANCES WITH ONGOING MANAGEMENT	GRIEVANCES RESOLVED
Candelaria	19	4	18 ¹
Chapada	43	5	38
Eagle	6	0	6
Neves-Corvo	4	3	1
Zinkgruvan	3	2	2 ²

¹ Three grievances were filed in 2020 and resolved in 2021.
² One grievance was filed in 2020 and resolved in 2021.

The higher number of grievances at Chapada and Candelaria, compared to other sites, is due to in part to the proximity to local communities and the type of operations (open pit mining) which contribute to noise, vibration, and dust complaints by local community members, with most grievances received at Chapada related to traffic / transportation and dust. Chapada's grievance mechanism can be accessed through a mobile device app, Whats-App, making the mechanism more accessible and contributing to higher reporting.

Company-wide Grievances by Category, 2021



¹ "Other" includes grievances that a site was not maintaining local roads and/or that a site did not clean up debris on a piece of land adjacent to a community.

MANAGEMENT OF NOISE EMISSIONS AND BLASTING-RELATED IMPACTS

It is widely understood that noise, ground vibration and airblast associated with mining and ancillary activities can be a source of disturbance and concern to neighbouring communities and regulatory authorities. Although our operations were in full regulatory compliance in 2021, except for a single noise measurement and a single vibration measurement exceeding provisional guidance values at Zinkgruvan, a significant proportion of grievances received at some of our operations were related to these issues. We strive to operate in a manner which does not disturb the communities in which we operate, resolve issues raised and do our best to alleviate community concerns e.g., at Neves-Corvo, we modified the operational schedule of evaporators to address noise complaints. At Candelaria, we continued work with the Villa Estadio Citizen Committee on training for monitoring vibrations due to blasting. An external third-party investigated and measured the impacts of vibrations on infrastructure and findings are under review.

In 2021, grievances received associated with noise and vibrations principally related to blasting, onsite vehicles and machinery, and vehicles transporting our ore or concentrate product on public roads. At Candelaria, we continued traffic mitigation measures, including scheduling mine-related buses and traffic to reduce traffic interaction, modifying haulage routes in Tierra Amarilla, and avoiding residential areas in Copiapó and Caldera. To minimize disturbance from our onsite activities, we supplement the noise controls inherent in the design of structures and mine planning with activity-specific or location-specific noise mitigation works where practicable, maintain good standards of site road maintenance and restrict activities with greater noise emissions to daytime hours where possible. We inform local communities of blasting times in advance to reduce disturbance. Vibration monitoring is conducted in the community to confirm blasting emissions are within permitted levels. Typical follow-up to concerns expressed about noise and vibration includes liaison and inspections, focused monitoring, changes to activities where practicable, and improvement of controls. The contractors transporting our ore and concentrate product on public roads are required to use specified routes and adhere to applicable road traffic rules. Trucks at Eagle are equipped with vehicle monitoring systems.

Actual or Potential Impacts and Mitigation Measures in 2021

Some of the actual or potential social, economic or environmental impacts from our operations and mitigation measures to address them are detailed below, based on site-level assessment, grievances, and stakeholder perspectives from ongoing stakeholder engagement efforts.

OPERATION	ACTUAL OR POTENTIAL IMPACTS	MITIGATION MEASURES
Candelaria	<ul style="list-style-type: none"> Operational activities resulted in community grievances. Key themes included dust, noise, vibrations from blasting, traffic levels and speed, water, and the maintenance of Candelaria property adjacent to residents. More than 20 years of operation in an area of low economic development created a dependency on the mine. 	<ul style="list-style-type: none"> Coordinated with municipalities and other partners to address grievances (e.g., land access, driver certification). Initiated a dust suppression pilot program to reduce dust dispersion at the site as described under Air Quality. Inspected perceived impacts of operations, as described under Management of Noise Emissions and Blasting-related impacts. Supported programs for local entrepreneurs based on activities other than mining, as described under Community Development.
Chapada	<ul style="list-style-type: none"> Local economy and government budget are dependent on the mine. Neighbouring farmers' complaints about the lack of access to mining benefits. Operational activities resulted in community grievances related to dust, water, vibration, noise and traffic. Concerns about living in close proximity to a tailings facility. 	<ul style="list-style-type: none"> Consolidated Rural Development Program — 50 farmers engaged in the 2021 cycle. Completed the construction of Alto Horizonte Bypass to reduce the risk of traffic incidents. Worked with an external consultant to initiate implementation of a resettlement plan for residents adjacent to the South pit and waste rock stockpile as part of the establishment of a buffer zone. Continued engagement with local residents, including work on the tailings facility emergency plan aligned with GISTM.
Eagle	<ul style="list-style-type: none"> Tribal concerns about closure planning. Impact on the local economy as mine closure approaches. Haul truck driving incidents led to most grievances; concerns about speed and safety. 	<ul style="list-style-type: none"> Closure planning engagement and activities are described under Reclamation and Closure. Completed a strategic review of expected closure outcomes and activities that included social closure. Trucks are equipped with vehicle monitoring systems.

OPERATION	ACTUAL OR POTENTIAL IMPACTS	MITIGATION MEASURES
Neves-Corvo	<ul style="list-style-type: none"> • More than 30 years of operation in an area of low economic development created a dependency on the mine. • Community concerns about mine closure. • Noise and vibrations from operations lead to grievances about community impacts. 	<ul style="list-style-type: none"> • Supported programs that focus on economic diversification, through identifying opportunities for regional development e.g., "Loja da Planície". • Provided support to promote entrepreneurship in local schools. • Completed closure-related socio-economic impact study as described under Reclamation and Closure. • Inspected perceived impacts of operations, as described under Management of Noise Emissions and Blasting-related impacts.
Zinkgruvan	<ul style="list-style-type: none"> • Economic dependency on the mine in Zinkgruvan and Ämmeberg. • Operational activities have led to community grievances associated with traffic, noise, dust emissions and vibration. • Operations impacted water level of at least one individual in the community (well). • New exploration areas of Höksjön and Friggeberget presented new concerns. 	<ul style="list-style-type: none"> • Supported local entrepreneurship programs, based on activities other than mining as described under Economic Diversification. • Inspected perceived impacts of operations as described under Management of Noise Emissions and Blasting-related impacts. • Produced an educational video on the operation's water management. • Initiated development of a communication strategy on regional exploration.



Donation of Electric Street Cleaners, Neves-Corvo, Portugal

Our Approach To Community Development

Direct social investment, including local procurement and employment of members of the local community, is the means by which Lundin Mining may benefit the local economy.

Our Social Investment Programming decisions are directly driven by our communities' overarching needs and our Sustainability Strategy's purpose of achieving positive social and economic benefits that last. Lundin Mining recognizes the importance of achieving meaningful economic benefits to the communities, businesses and governments of the localities and regions where we operate. Economic diversification is one of the key principles of our social investment program and is considered in our mine closure plans. Investment goals are developed with host communities and aligned with our *Mission* and *Values*. We seek to promote regional sustainable development and economic diversification through implementation of site-specific community development strategies and annual action plans.

Key to this action is making strategic and informed decisions on social investment. With targeted, effective social investment, not only do we complement our impact mitigation efforts, but we can also establish strong and sustainable programs through which fundamental economic and social transformation and development of our communities can be achieved. An objective of our five-year Corporate Social Performance Strategy is to assess and enhance the impact of our corporate social investments. We periodically review and update our material issues and, as community dynamics and expectations change, we need to ensure that the way we interact with our communities and stakeholders reflects that change, and that implemented community-investment programs, projects and policies continue to be effective in generating the expected benefits.

OUR NEXT STEPS

- Alignment and compliance with our Social Performance Standards and conduct an annual assessment of social risks at each site.
- Continue to build the capacity of social performance teams through training and mentoring as well as facilitating and empowering our Global Social Performance Forum.
- Strengthen the adoption of the SLO Index at all sites; adapt management approaches based on survey results, to enhance internal capacity and mitigation of operational impacts.
- Review grievance mechanisms compliance against UN Guiding Principles at Eagle and Neves-Corvo in 2022 and at all other sites in 2023.
- Consolidate stakeholder engagement information management system at all operations in 2022.



THRIVING COMMUNITIES



Eagle's contribution to economic well-being recognized by Operation Action U.P.

Our Social Investment Impact Framework was developed to reflect our key material issues, including contributing to the development of local economies, to help us measure the impact and efficiency of our investments and to enable more strategic social investment decisions. Our objective is to establish formal and integrated social investment planning and management systems to address identified issues, ultimately contributing to the development of thriving communities. In 2022, we will apply this framework to other key projects across our operations, to embed this impact investment approach in our social investment strategies.

For certain programs, community investment is implemented through the **Lundin Foundation**, a Canadian non-profit organization principally supported through contributions from the Lundin Group of Companies. The Foundation works with Lundin Mining and other Lundin Group corporate partners, host governments and local communities to improve the management of, and benefit streams from, natural resource development projects. Program staff work with our social performance teams at each site to address stakeholder priorities aligned with business needs or capacities. Foundation staff also work with Lundin Mining and other stakeholders to plan, implement and resource long-term community-investment initiatives with a focus on market-based approaches.



Zinkgruvan Supports Askersund Business Fair, Sweden

Local economic procurement and local hiring decisions and processes can have significant and positive impacts on local economies, with associated benefits to businesses and communities to advance socioeconomic development, promote economic diversification, and provide a diverse and skilled workforce. At Lundin Mining, we make it a priority to draw our workforce from the local communities to ensure that the economic benefit of employment remains in our host communities. In addition, capacity-building, through training, skills development and promoting education, is pivotal to the success of our communities throughout the mine life cycle and beyond.

LOCAL HIRING

In 2021, our operational site employees were almost exclusively from in-country, with expatriates accounting for only 0.6% of our employees across our operations.

Our Community Development Performance Lundin Mining Direct Community Investments

Total direct social investment expenditures across our operations and corporate headquarters in 2021 were approximately \$4.7 million, compared to \$7.96 million in 2020. These social investment initiatives supported education, health, culture, community development, and small business economic stimulation. The value is smaller than in previous years due to deferral of a significant investment by Candelaria to 2022 and completion of large social investments in recent years.

Lundin Mining Direct Community Investments, 2021

LOCATION	2021 LUNDIN MINING DIRECT COMMUNITY INVESTMENT EXPENDITURE ¹
Candelaria	2,112
Chapada	1,003
Eagle	824
Neves-Corvo	295
Zinkgruvan	135
Corporate	289
Total Direct Community Investments, 2021 (\$US 000s)	4,658

¹ Values are rounded to the nearest thousand dollars

Contributions to the Lundin Foundation (Indirect Community Investments)

Lundin Mining spent \$206,000 through the **Lundin Foundation** to support the development and implementation of social investment programs.

Lundin Mining Total Community Investments, 2018–2021¹

	2018	2019 ¹	2020	2021
Lundin Foundation	2,200	2,680	953	206
Direct Community Investment	9,796	4,766	7,962	4,658
Total Community Investments (\$US 000s)	11,996	7,446	8,915	4,864

¹ The 2019 community investments total includes the Chapada mine, acquired in July 2019.

Our pilot social economic impact study — the sustainable fisheries program — found that Lundin Mining's investments contributed to retaining approximately 400 artisanal fisheries jobs, and that 54% of beneficiaries acquired new skills through program activities. The study also revealed that 40% of the artisanal fisheries organizations reported an increase in production and sales, and the same proportion of individual members interviewed reported an increase in their household income.



Fisheries Program, Caldera, Chile

THRIVING COMMUNITIES

Economic Diversification

Lundin Mining recognizes risks associated with local dependence on our mines. We understand that economic diversification and collaborative regional development form the cornerstone of our thriving communities for achieving positive social and economic benefits that last.

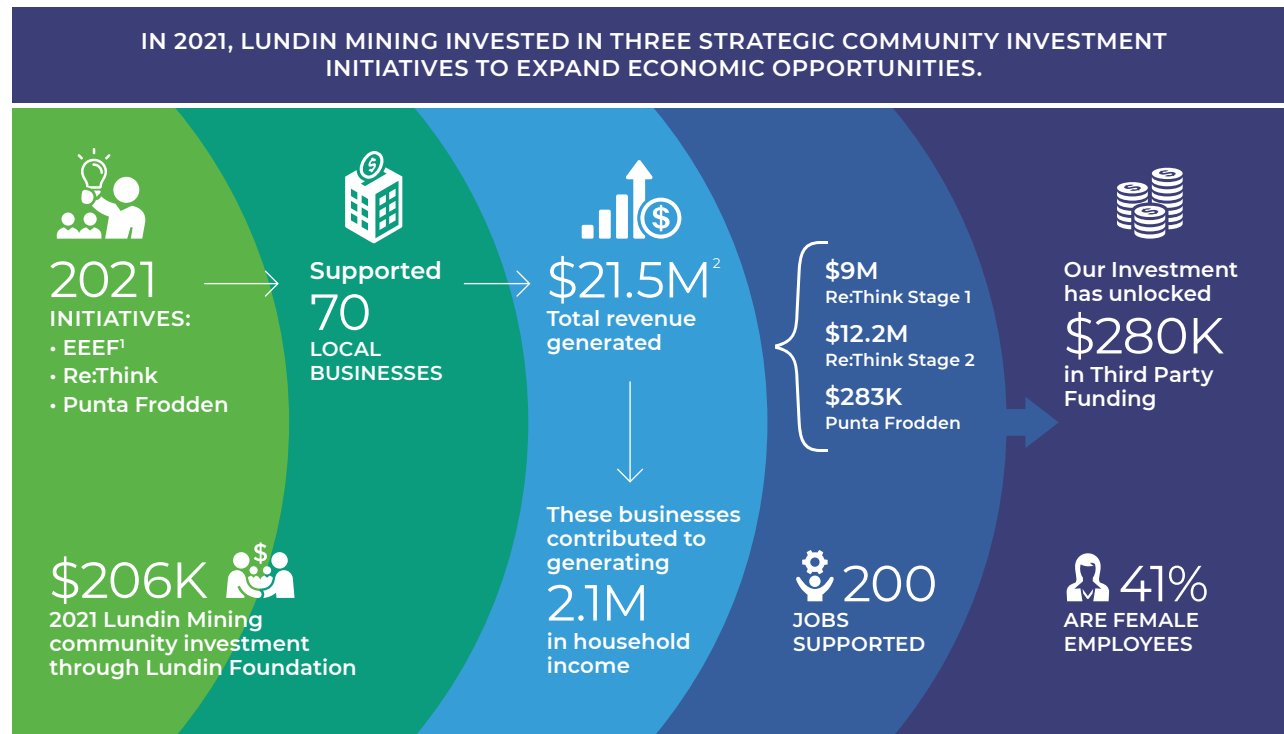
Candelaria has been working with local artisanal fisheries organizations in Caldera for several years to support a sustainable fisheries program. One of the anchors of this program involved supporting a local fisheries association to build, set up and manage a seafood processing plant (Punta Frodden). Announced in July 2019, Punta Frodden is part of a three-year commitment between Candelaria and the Lundin Foundation to promote local economic growth and development of sustainable fishing practices through processing and selling seafood products. We conducted a pilot socio-economic impact study of the sustainable fisheries program supported by Candelaria, which included the development of indicators to be tracked over time. This study provided the blueprint for the broader Social Investment Impact Framework to guide our efforts toward local investments and development.

Construction of the fishermen union's community centre "SITIMAR" was completed in 2021 to support technical training, development programs, and activities for increasing production and sales. In 2021, the sustainable fisheries program achieved a significant milestone with the Punta Frodden plant exporting their products to Spain, which is the first time a local small company has exported their products to Europe, also achieving record monthly product sales. Complementary biodiversity programs were supported by Candelaria to ensure sustainable use and management of marine areas by marine rehabilitation, restoration and replantation programs.

Candelaria continued to support entrepreneurs through the *Acelera Program*, conducting 15 business training events and 23 consultation / advice sessions. Our support contributed to additional capital being raised by these entrepreneurs.

We also assessed the socio-economic impacts of our operations at Eagle and Neves-Corvo. At Eagle, we partnered with external experts and Michigan Technological University to conduct a closure-related social economic impact assessment. Additionally, Eagle is actively working to convene and support a multi-stakeholder forum to develop a long-term management plan for local trail systems.

Lundin Mining 2021 — Impact Summary



¹ Eagle Emerging Entrepreneurs Fund (EEEE) 2021. Big Bay, Middle College and Accelerate UP impact metrics were not considered in the figures presented.
² These figures reflect the supported businesses' economic performance during 2021 and are not directly attributable to the Lundin Foundation Programs. All figures are quoted in USD (GRI and IFRS reporting protocol)



Candelaria Donates Watercrafts to Local Shellfish Divers to support aquaculture business, Chile.

In 2021, Eagle continued work with the Lundin Foundation to support ongoing partnerships with Accelerate UP and the Big Bay Stewardship Council (BBSC) in our drive to promote local entrepreneurs and diversify the local economy. Since its inception in 2014, the *Accelerate UP* program has supported the creation of 75 new businesses, resulting in 211 jobs created and a total capital investment of nearly \$11 million. In 2021, the program worked directly with over 100 clients, resulting in three new businesses, two business expansions, 17 jobs created and a capital investment of about \$1.3 million. Capacity-building and fundraising support to the BBSC in 2021 included administrative, marketing, placemaking and strategic support. A membership model concept is being contemplated for the BBSC Fundraising Working Group. An important part of Eagle's input this year involved working with multiple stakeholders to develop responsible exit strategies from Accelerate UP and another flagship social development program, the Eagle Emerging Entrepreneurs Fund (EEEE) to ensure a stable financial position for these programs following mine closure, as discussed under [Reclamation and Closure](#) in this report.

Neves-Corvo participated in the Alentejo's Regional Development Agency (ADRAL) General Assembly in 2021. ADRAL is the result of a partnership of public and private entities working in several areas of business to discuss strategies for the promotion and development of the Alentejo region. Neves-Corvo also initiated talks with CIRIEC Portugal (International Centre of Research and Information on the Public, Social and Cooperative Economy) and ISCS (Higher Institute for Social and Political Studies) for a potential partnership in the development of a capacity-building program for not-for-profit organizations in our area of influence. Neves-Corvo continued to work on "Loja da Planície", an online platform to support local economic recovery. The marketing platform is accessible to everyone to support, promote, and disseminate local trade and services by adapting traditional sales to new digital trends.

Chapada continued its partnership with the non-governmental organization Agenda Publica and the municipality of Alto Horizonte on economic diversification, with the objective to develop programs targeted at reducing economic dependency on the mining sector. In 2021, we organized engagement sessions on rural development, infrastructure and job creation, and co-developed action plans.

Each year, the members of Operation Action Upper Peninsula (U.P.) and the business community from across Michigan gather to review the accomplishments of the past year. The Operation Action U.P. Excellence Awards recognize up to four outstanding for-profit businesses that have contributed to the economic well-being of the Upper Peninsula. In 2021, Eagle was recognized during this event.

Darby Stacey, Managing Director, who accepted the award on Eagle's behalf, said, "Eagle's success is driven by our outstanding workforce and the quality of our daily decision-making that is based on our *Values* of Safety, Integrity, Excellence and Respect."

This recognition by the community is a reflection of every individual at Eagle and the hard work that is accomplished every day."



THRIVING COMMUNITIES

Skills Development

Capacity-building through training and skills development is pivotal to the economic success of our communities. We started our re:think entrepreneurship program at Zinkgruvan in 2020 with the objective of supporting small businesses in and around Askersund municipality to grow, change, and recover from the economic impacts of the COVID-19 pandemic. An additional focus for the 2021 program was to link local entrepreneurs to existing regional business development services. In this way, we provided tailored business coaching support to 10 small businesses through the COVID-19 recovery initiative.



Another re:think initiative supported in 2021 was the delivery of a climate change awareness workshop, with the support of Zinkgruvan.

Despite the pandemic, 16 out of 19 re:think companies managed to increase their net revenue, between starting the program in 2020 and the end of 2021. To date, the group from

2020 has increased its revenue by 44% and, in just six months, the group from 2021 had increased its revenue by an average of 34%. The companies have created over 100 employment opportunities in Askersund. In 2021, 61% of the companies had women in leadership positions.

The corporate office continued its collaboration with Generation Chosen, a non-profit organization focused on providing services to young adults from underserved and underrepresented communities in the areas of mental health, emotional intelligence, education, and civic engagement.



Previous re:think entrepreneurs and founders of the 'Period Pack' deliver their new product to Zinkgruvan, Sweden.

In 2021, the DIARD Committee, in partnership with Generation Chosen, hosted Mining Week, an educational program developed to contribute to students' sense of future vision by sharing the job opportunities and the personal career stories represented in the diverse communities of the mining industry.

In late 2021, we co-created The Dig Entrepreneurial Competition, a business pitch competition for youth. The competition is designed to allow members of Generation Chosen to dig deep and invest in their unique business ideas by creating a robust business pitch through mentorship. Mentors from the corporate office will assist six participants in developing their business ideas, and refining the overall business plan submission in 2022.



Education

At Eagle, we are supporting Marquette-Alger Technical Middle College in implementing its Five-year Strategic Plan. Through the Lundin Foundation we supported several marketing opportunities and are actively scoping further avenues to support the college.

At Candelaria, through the Atacamagica foundation, we supported the purchase and delivery of educational kits to homes in Copiapó province to enable youth to access computers, printers and the internet as they complete their studies and training. We also continued supporting our Scholarship Program at Candelaria with the objective of maintaining students in university education.

Lundin Mining helped prepare schools in Brazil to deliver education safely through a contribution to UNICEF Canada via the Lundin Foundation. At Chapada, in a bid to support local education, we delivered 77 computer notebooks and 165 tablets to assist students and teachers. We also undertook a community survey in collaboration with local social workers to identify beneficiaries without prior adequate technology to access online classes.

Neves-Corvo supported several education and training initiatives in Castro Verde, Almodôvar and Mértola assisting with the provision of educational tools and support including 40 laptops, 20 tablets and 20 PC's. Providing opportunities to



Donation of Educational Supplies, Candelaria, Chile

enhance education and learning for young students is an important cause for Neves-Corvo and Lundin Mining. In 2021, Neves-Corvo continued to support the Girl MOVE Academy, an organization that facilitates the mentorship of young, university-educated women from Mozambique. The academy was the winner of 2021 UNESCO prize for Girls' and Women's Education. The intern had the opportunity to learn more about mining and Neves-Corvo's operation.

"In Marquette and Alger Counties, I am blessed to work with many incredible industry partners but none greater than the Eagle Mine. From day one of their operations, Eagle has shown a genuine interest in improving the lives of our young people and their positive impact will be felt for decades. Their greatest impact and lasting legacy will be their commitment to the Marquette-Alger Technical Middle College. Each year, Eagle contributes \$125,000 to provide students with this incredible opportunity and our region with the exceptional workforce it needs. Our

middle college grads have become an integral part of our region's economy and the talent pipeline that so many local employers needed.

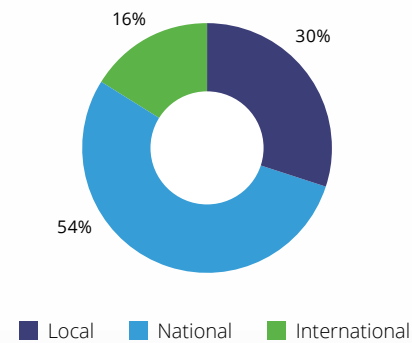
Additionally, their financial support in partnership with Cleveland Cliffs for the construction of trades programs at Ishpeming and Westwood High Schools, as part of the county's blight elimination program enabled the Marquette County Land Bank Authority and the City of Ishpeming to renovate rather than tear down the old structures.

Thanks as well to their parent company, Lundin Mining Corporation, which provided funding for the strategic planning that will allow us to expand this tremendous opportunity to many more students in the future. As our nation's only primary nickel mine, Eagle's value to our country is undeniable and their investment in our young people is of unmatched importance to Marquette and Alger Counties." Brian Sarvello, Marquette-Alger Regional Service Agency (MARESA) Careers in Technical Director.

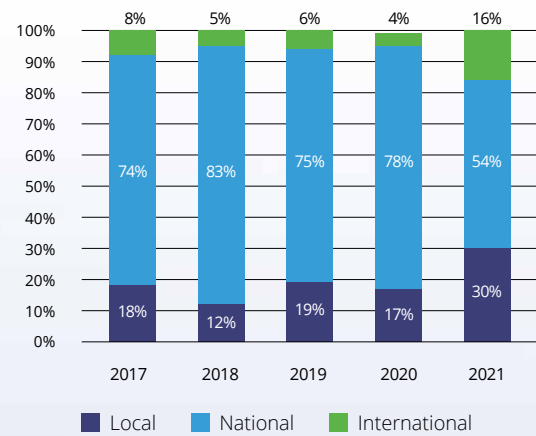
Local Procurement

Approximately \$1.37 billion of our goods and services were procured at the local or country levels across the Company's operating sites in the United States, South America and Europe. This result was slightly lower at 84% of our total procurement, than our highest achievement of 96% in 2020, due to Candelaria increasing its international supply requirements to mitigate expected shipping delays as a result of COVID-19. The overall average between 2017-2021 was 92% of total procurement spend at the local and country levels.

Total Procurement, 2021



Total Procurement, 2017 – 2021



OUR NEXT STEPS

- Continue to consolidate our engagement tools to drive actionable intelligence on social gaps and key areas for economic development.
- Continue to strengthen our relationships with delivery partners to support effective delivery of social investment both at the corporate and site level.
- Review of our social investment portfolio in preparation for the launch of our revised site-specific Five-year Social Performance Strategies to be developed in 2023.
- Implement partnerships to our Corporate Social Investment Strategy and apply our Impact Framework to additional key site-led investment projects.

In 2021, Zinkgruvan and Neves-Corvo define local procurement to include all goods and services procured at the country level and their local procurement rates were 100% and 78%, respectively. Given the larger geographic scope of operations in the United States, Chile and Brazil, these sites distinguish between local-level procurement (Michigan state-wide, 25%; Copiapó province-wide, 20%; and Goiás State procurement, 56%) and country-level procurement (all other in-country procurement at a range of 38% to 73%). Goods and services that largely could not be sourced locally included specialized or heavy equipment, chemicals, and certain types of specialized technical-consulting services. Rail and vessel shipping are also services that generally are procured outside of local areas.

Neves-Corvo, Portugal



COMMUNITY WELL-BEING



Materiality

Public Health and Safety is a newly material topic for Lundin Mining in 2021, relating to the importance of minimizing impacts on the safety, health or well-being of members of society beyond our operational site boundaries. Understanding and proactively managing hazards associated with our activities that could affect the safety or health of members of the communities within which we operate, members of our value chain, and wider society is important for our business, our employees, our community and other external stakeholders.

Our Approach

In our commitment to responsible mining, we work to protect the safety, health and well-being of society beyond our site boundaries from potential adverse impact associated with our activities. Preparedness and pandemic planning have always been important aspects of this work, gaining a higher profile in recent years as a result of the COVID-19 pandemic. Through our [stakeholder engagement](#) process, we foster partnerships and work across the business to protect the living environment and avoid unnecessary operational impacts through our management systems, operational controls and pandemic response plan. Furthermore, we actively work to positively influence the health and well-being of our local communities, our vendors and suppliers, business partners, customers and other stakeholders.

Although this topic has been assessed to be material for the first time in 2021, these protective measures and positive contributions have always formed an integral part of our business activities in all the regions where we operate. Certain legislative requirements, our operating permits, and our [RMMS](#) require that we assess our activities in the context of risk and impact to public



Environmental Cycling Tour, Chapada, Brazil

safety, health and well-being. The scope is broad, including hazards associated with tailings and waste rock; non-mineral wastes; emissions of dust; noise and vibration; water quality; fire; road safety; transport and handling of raw materials or concentrate; and spread of disease. Controls include safe construction and operation of mining waste management facilities, management of dust emissions, monitoring for impacts of vibration, water quality monitoring, management of hazardous raw materials and wastes, appropriate labelling of our concentrates for transport, engaging licensed contractors for transport of our wastes, pandemic response planning, and crisis response planning. We continually evaluate potential risks associated with the production and transportation of our concentrates and take steps to address and manage identified risks, ensuring our contractors are appropriately equipped and trained, and that they follow robust procedures that allow them to deliver our concentrates safely.

Lundin Mining also contributes and demonstrates commitment to public health and well-being through financial and in-kind donations of health equipment and support of local emergency services in the regions where we operate. Our Social Investment Impact Framework was developed to reflect our key material issues, including contributing to the health, safety and well-being of local communities, to help us measure the impact and efficiency of our actions and to enable more strategic decisions.

We understand the need for our communities to adapt to a changing world characterized by warmer temperatures and uncharacteristic weather patterns. We are actively incorporating adaptive strategies in our community projects to mitigate the emerging risk of climate change. Climate change initiatives will be integrated further across all sites as part of their upcoming five-year social performance strategies.



Our Performance

Tailings Safety

We recognize that stability of tailings facilities can be of concern to local communities who understand that, although extremely rare these structures can be breached or, at worst, fail. In 2020, the [Global Industry Standard on Tailings Management \(GISTM\)](#) was published, intending to set a precedent for the safe management of tailings facilities, towards the goal of zero harm. In our commitment to safe and responsible management of our tailings facilities, Lundin Mining has adopted and is implementing this standard, which requires collaboration across multiple disciplines to develop an integrated approach to effectively manage the risks that tailings facilities can pose to the environment and society. The standard addresses not only technical aspects associated with design, construction, operation and monitoring, but also an emphasis to respect the rights of project-affected people, with requirements for meaningful engagement, access to grievance mechanisms, human exposure and vulnerability analysis, and community-focused emergency preparedness, among others. All our operations are required to address tailings facility-related safety and emergency preparedness in accordance with their permits and our corporate standards. Operations progressed work towards our goal to conform with GISTM over the coming years, as described under [Tailings and Waste Management](#) in this report. Candelaria, Chapada and Neves-Corvo have an additional focus on emergency planning as they work towards alignment with GISTM by mid-2023. These planning and engagement activities will be continued in 2022 and beyond.

In 2021, Chapada engaged with 13 farmers who live in the tailings facility self-rescue zone to discuss new emergency sirens and meeting points and to invite residents to an evacuation drill. The Company also engaged with 34 farmers who live close to the secondary safety zone, to discuss and address concerns. We established scenario-focused emergency plans, such as the Tailings Facility emergency response plan at Chapada.

Emergency Preparedness

We strive to maintain a high degree of emergency preparedness across Lundin Mining through implementation of our Crisis Management Standard and crisis management plans. Our crisis management plans are supplemented by site-specific emergency response plans catering to the unique aspects of each operation that maintain emergency response capabilities, a variety of firefighting and rescue equipment, and specialized PPE that is suited to each working environment and operational jurisdiction, as described under [Crisis Management Planning and Emergency Preparedness](#). Emergency preparedness is also a key component of GISTM, to prepare for emergency response in the event of a tailings facility incident.

In 2021, Lundin Mining helped build capacity and maintain emergency response capabilities in the regions where we operate, donating a variety of firefighting and rescue equipment and specialized PPE that is suited to each working environment and operational jurisdiction.

Enhancing Impact Management

In 2021, we responded to stakeholder feedback and grievances by initiating or maintaining various programs related to impact management to protect the health and well-being of communities, including reducing and mitigating dust, vibration and noise impacts and assessing supplementary water treatment options. We continue to strengthen and improve our internal impact management systems to manage our stakeholders' priorities, concerns, and actual or perceived impacts, and continually improve operations risk exposure. In addition to routine monitoring, supplementary studies are conducted as required to inform impact management. At Candelaria, we continued work with the Villa Estadio Citizen Committee on training for monitoring vibrations due to blasting. A third-party investigated and measured the impacts of vibrations on infrastructure.

Safety on the Roads

We continue to mitigate the risk of motor accidents associated with our transportation operations. At Chapada, Lundin Mining in collaboration with the Municipality, completed the construction of the Alto Horizonte Bypass in an effort to reduce the risk of traffic incidents involving haul trucks and community members. At Chapada and Eagle, we organized traffic safety campaigns to increase road safety and equip our trucks with vehicle monitoring systems, respectively.

Responsible and Safe Transportation of Materials

The industrial nature of our operations necessitates the import of hazardous materials (such as chemicals), transport and disposal of hazardous wastes, and transport of our concentrate product. In 2021, we followed the required procedures and precautions for the safe management of these materials as required by the Company's [RMMS](#)

and legislative requirements, including health, safety and environmental measures. The provision of required shipping documentation and up-to-date Safety Data Sheets (SDS) is an important aspect of these procedures. We routinely evaluate potential health and safety impacts associated with the production of concentrates and have developed comprehensive SDSs in accordance with local, international and European Union regulations. In 2021, we continued to review our SDS documentation and performed updates as needed, with ongoing training to ensure that our operations stay current and compliant with changing international regulatory requirements. These processes are designed to ensure only authorized contact with these materials by properly licensed, informed and trained personnel, for their protection. Engaging appropriately licensed contractors for transport and disposal of our wastes is an important aspect of their safe management.

Eagle helped the L'Anse Fire Department keep their community safe. The department's fleet has grown by two rescue rigs with a donation of a 40-foot disaster response trailer and a Polaris ATV mini-ambulance. The trailer is destined for regional use as a disaster response control centre, and the ATV has already played an integral role in the rescue of a damaged snowmobile.

Neves-Corvo has supported the regional volunteer fire departments (Castro Verde, Almodôvar, Mértola & Ourique) ensuring they have the best tools and equipment necessary to do their job efficiently and safely. When the site was made aware of an equipment shortage, they quickly responded and financially supported the purchase of two new vehicles and operational equipment that will be integral assets to the departments.



Newly Constructed Alto Horizonte Bypass, Chapada, Brazil

Preventing Spread of Disease

Our Pandemic Response Plan has been in existence for many years and played a key role in helping us to respond rapidly and effectively to the COVID-19 pandemic. Concerns about the spread of COVID-19 from mine operations continued to be addressed at all sites through strong health and safety controls and community investments in health throughout 2021 (e.g., providing PPE and masks, and donating specialized health equipment).

PANDEMIC PLAN IMPLEMENTATION AND MONITORING

Through the implementation of Lundin Mining's Pandemic Response Plan, we were able to deliver a timely and effective response to protect the health and well-being of our workforce and contractors during the emergence and outbreak of the pandemic. The Company began actively monitoring the outbreak in mid-January 2020 and implemented formal controls and safeguards across the business in early-February. By having a well-established crisis management process and a Pandemic Response Plan, we were able to protect our workforce and successfully mount a flexible and adaptable response to the pandemic without sustaining a material impact to the Company's operations. In 2021, all operations and offices implemented travel restrictions, as well as surveillance, monitoring and response plans as legislation required, to reduce the risk of COVID-19 transmission.

COVID-19 PANDEMIC COMMUNITY RESPONSE

The COVID-19 pandemic has impacted communities around the world in different ways. Lundin Mining responded to the impacts of the pandemic to address the immediate and longer-term needs of our local communities.

COVID-19 PANDEMIC SUPPLY CHAIN RESPONSE

Lundin Mining established a dedicated task force in February 2020 to evaluate supply chain risks associated with the pandemic and to establish direct contact with high-risk suppliers to develop contingency plans, mitigating any major impacts and ensuring the security of supply throughout the pandemic.

In addition to our response to COVID-19, we support and facilitate influenza vaccination programs at Candelaria, Chapada and Neves-Corvo. While our COVID-19 response has helped with short-term recovery, we supported longer-term resilience in 2021 and revisited our social investment approaches to reflect this objective.

The SLO Index revealed that approximately 82% of survey participants across the sites approved of our operations' responsiveness to community concerns, while 95% and 86% agreed that our operations are committed to protecting the health of our employees and communities during the pandemic, respectively.



Contributions to Health and Well-being

A selection of projects and initiatives supported by donations from our operations and corporate office in 2021 are detailed below.

Physical and Mental Health

In partnership with the local municipality, Candelaria has co-financed the Caldera Dialysis Center. When the centre opens in 2022, it will usher in a new era of kidney diagnosis and treatment services in the region. During the construction phase, the project also created 50 direct jobs in Caldera.

Also at Candelaria, alongside Franco Nevada, we supported the implementation of a Mental Health Program, Línea Libre, with the objective of delivering mental health care in a specialized, remote and cost-free manner, to the inhabitants of the Copiapó province. Furthermore, Candelaria supported the addition of a communication channel specializing in child and youth mental health, benefiting 70 people in 2021.

"We are proud that we will soon have a dialysis care in Caldera. We usually have to get up early and travel to Copiapó to get dialysis and then return. We do that three times a week, which requires a lot of physical effort and is a great drain on our patients' health. This dialysis center is going to change our patients' lives and their families. We thank the mayor, the councillors, Minera Candelaria and all those who have made this project possible"

– JUAN ASTORGA,
President of the Dialysis Group of Caldera



"...participating in a meeting with the neighborhood association of "Villa Estadio" allowed us to learn about the experiences of fathers, mothers and caregivers regarding the care of their children and to uncover painful stories that showed feelings of loneliness and difficulty in finding spaces for psychological accompaniment. At Línea Libre we believe that it is possible to build these community meeting spaces, in which we are able to recognize our weaknesses and strengthen our ties from a shared experience"

– DIEGO RIVEROS,
Psychologist, Free line (Línea Libre).



THRIVING COMMUNITIES



THRIVING COMMUNITIES



Candelaria donation to The Atacama National Service for Women and Gender Equity (SernamEG), Chile.



UVC technology, Project "Julia", supported by Neves-Corvo, Portugal.

Candelaria also donated equipment to the National Service for Women and Gender Equity. The donation will enable the organization to continue its efforts in providing psychosocial care and legal guidance for women of the Atacama region who are exposed to gender violence.

Throughout 2021, we continued to support our communities in their response to COVID-19 through in-kind donations and pro bono services. At Chapada, we supported maintenance of the Uruaçu airport, which is instrumental in providing rapid air medical evacuation in the region. We also launched a communication campaign to reinforce preventive measures and mitigate the spread of COVID-19.

At Chapada, we continued our support for the Childhood Institute through local initiatives targeted

at the prevention of sexual abuse, exploitation, and violence against children. We produced a video for the National Campaign Against Sexual Abuse and Exploitation of Children and Teenagers and supported a livestream event with the theme "Reflections of the COVID-19 pandemic on sexual exploitation and abuse of children and teenagers."

Eagle supported several health-related initiatives, including sponsorship of the 906 Adventure Team's Bike Club, which helps kids ages 5-17 improve biking skills, meet new kids, ride new trails, gain confidence and stay active. The sponsorship goes towards the branding and cost of the coach, volunteer, and youth t-shirts; face coverings; and bike nameplates for each child. In addition, Eagle sponsored the Iron Range Roll, a 16-mile point-to-point bike race from Ishpeming to Marquette along the Iron Ore Heritage Trail.

Neves-Corvo continued to support research in collaboration with UNINOVA — Institute for the Development of New Technologies at NOVA School of Science and Technology. The objective of this research is to create a robot that will use UVC technology to disinfect hospitals. In 2021, the robot "Julia" project entered the testing phase.

After delays due to COVID-19, the full benefit of funds donated by Zinkgruvan in 2019 were realized with the completion of a warehouse constructed at Kvinnohuset, a women's shelter offering professional help and a place of refuge for abused women and children in Örebro. The Company also supported a summer swim camp, encouraging children to be physically and socially active, and celebrated its fourth anniversary as a co-organizer of Lakeside Pride.

In 2021, Lundin Mining entered into a partnership with Yee Hong Centre for Geriatric Care (YHCGC), a long-term care home provider located in Toronto, and the Coalition for Community and Healthcare Acquired Infection Reduction (CHAIR), a volunteer not-for-profit group of industry and healthcare professionals, to work together to reduce healthcare-acquired infections. Lundin Mining supported project management efforts and provided funding for the procurement and installation of copper-plated / copper-infused equipment and coatings at one of their care facilities in the Greater Toronto Area. The antimicrobial properties of copper will reduce the spread of infections when installed on high-touch surfaces; it eliminates up to 99.9% of harmful bacteria.



Copper Clean™, Lundin Mining partnership with Yee Hong Centre for Geriatric Care, Toronto, Canada.



Daily Bread Food Bank, Toronto, Canada



Sports Futures Candelaria, Chile

Strengthening Community Organizations

Lundin Mining provided support to help people facing poverty, food insecurity and social isolation through the Daily Bread food bank in Toronto. Due to the impact of COVID-19, particularly in low-income, racialized communities, there were 1.45 million visits to food banks in Toronto — the highest number ever recorded. Daily Bread was able to distribute food to adults, seniors and children experiencing hunger, and to open 22 new food programs in high-priority neighbourhoods.

In South Etobicoke, our donations enabled the food bank to distribute nearly 38,000 meals and supported the launch a new weekly hot meal program at one facility.

Eagle continues its commitment to support various community organizations that rely on financial support, including donating to the YMCA of Marquette County to help support their goal of raising \$100,000 in 2021 to provide memberships, programs, meal programs, and to address unmet community needs for all ages.



Restoration of Royal Basilica Castro Verde, Neves-Corvo, Portugal (before and after).

In 2021, Neves-Corvo supported numerous community projects in the region. Social projects included the restoration of the Royal Basilica of Castro Verde. The company complemented European Union funds available to restore this important cultural landmark. The rehabilitation has enabled the Basilica to be classified as a National Monument by Portuguese authorities. Other community contributions include the donation of Christmas baskets and equipment for vulnerable populations and equipment and funds for sports organizations.

OUR NEXT STEPS

- Continue involvement of local communities in the implementation of GISTM.
- Advance stakeholder engagement requirements for GISTM.
- Continue to strengthen our relationships with delivery partners to support effective delivery of social investment both at the corporate and site level.
- Review of our social investment portfolio in preparation for the launch of our revised site-specific 5-year Social Performance Strategies to be developed in 2023.
- Apply our Impact Framework to additional key site-led investment projects.



EMPOWERED WORKFORCE

WE SUPPORT AND MOTIVATE OUR PEOPLE BY PROVIDING SAFE WORK ENVIRONMENTS,

fostering open communication and inclusivity, and investing in skills and talent for tomorrow.

WORKPLACE HEALTH AND SAFETY



Materiality

Health and safety is a material topic for Lundin Mining and Safety is the first *Value* of the Company. We hold safety as our top priority in everything that we do, and our fundamental objective is Zero Harm — Work Safe — Home Safe — the protection of the health, safety and well-being of our employees and contractors.

RELATED MATERIAL TOPIC:
Workplace Health and Safety

Sustainability Strategy Focus Area:
Talent Attraction and Retention

Our Approach

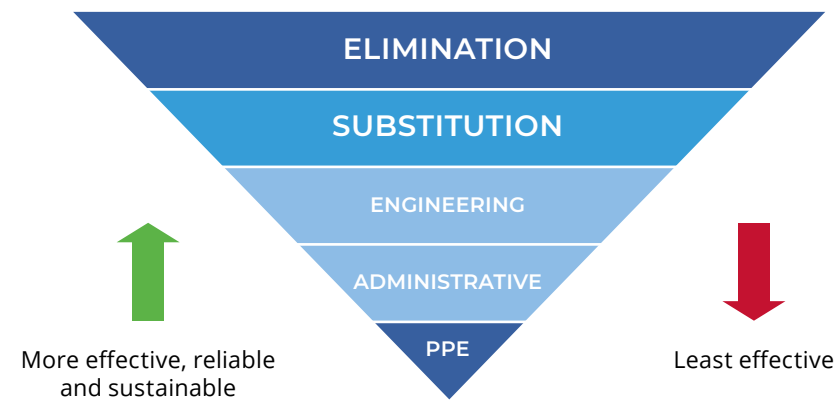
At Lundin Mining, we are committed to Zero Harm — Work Safe — Home Safe and to providing our workforce with a safe, healthy and productive work environment wherever we operate. The *Values* of Safety, Respect, Integrity and Excellence established the foundation for our approach to health and safety. We believe that every injury is preventable and, as part of our commitment to Zero Harm, our goal is to send everyone home healthy, safe and well each and every day. Our new Zero Harm logo launched in early-2022.



IN THIS SECTION

Workplace Health and Safety	75	➔
Industrial Hygiene and Occupational Health	82	➔
Crisis Management Planning and Emergency Preparedness	83	➔
Talent Attraction and Retention	86	➔

Hierarchy of Control
 In general, we work to apply the the highest level of control possible commensurate with the risk. Lower level controls are used as interim measures until longer term controls can be implemented. The objective is to control health and safety risks to a level that is as low as is reasonably practical (ALARP).



As required by our **RMMS**, we employ a risk management-based approach to health and safety to ensure that health and safety hazards and other aspects that can create a risk exposure are identified, assessed and treated to prevent injuries and fatalities and to mitigate the impact of adverse events on human health. Each operation establishes a formal process to identify and assess health and safety hazards that can create a risk exposure, which conforms to our corporate **Risk Management Framework**. The process must cover a range of sources of risk, including health, safety and well-being of employees, contractors, visitors and local communities. Each operation must identify, document and implement appropriate controls to treat identified risk exposures. Our **RMMS** requires that risk treatment methods follow the hierarchy of controls, with priority given to elimination, substitution and engineering risk reduction strategies

over administrative, behavioural and PPE (personal protective equipment) controls.

Health and Safety Management Systems
 Lundin Mining's **RMP** and **RMMS** set the context for the Company's health and safety management system and provide a foundation for meeting compliance, industry best practices, and voluntary requirements in all jurisdictions where we operate. Requirements apply to all employees and contractors working at all Lundin Mining operations, with biennial third-party assessments to evaluate conformance. The Standard is aligned to ISO 14001 and OHSAS 18001. A revision of the Standard to fully align it to ISO 45001 and the Mining Association of Canada's TSM Standard in 2021 was deferred and is now planned for 2022. Candelaria and Chapada, were recertified under ISO 45001 in 2021. The Candelaria

and Chapada certifications cover employees and contractor activities alike at these operations.

Key aspects of the management system include:

- workplace hazard identification;
- reporting and control requirements;
- qualitative and quantitative risk assessments;
- life-saving rules;
- fatality prevention requirements (High Consequence Protocols);
- leadership training;
- fatality prevention training;
- safe work procedures and permit systems;
- safety interactions;
- safe work observations;
- incident reporting and investigation;
- root cause analysis;

- sharing of lessons learned during monthly and quarterly teleconference meetings; and
- development and implementation of annual improvement plans and initiatives.

By continually striving to improve the health and safety of our work practices, we can have a direct and positive effect on our stakeholders, including our employees, contractors, suppliers, and those who live and work in the communities where we operate. We work to set the example when it comes to health and safety, and we share safe work practices and any lessons learned with those impacted and all who are interested.



Eagle Mine, Michigan, USA

HEALTH AND SAFETY COMMITTEES

Each of our operations has an active Health and Safety Committee with worker and management representation. The committees generally meet on a quarterly or monthly basis and provide a formal avenue for the workforce to address issues and concerns and to make suggestions to improve the Company's health and safety program. Portions of our workforce are also represented by collective employee labour agreements that contain specific health and safety provisions and protections.

Health and Safety Reporting

We aim to foster an open and supportive dialogue with our employees and contractors to actively encourage reporting of work-related hazards and hazardous situations, including recognizing their right to remove themselves from work situations that they believe could cause injury or ill-health. We ensure our workers are aware of the channels available for reporting and that they will be protected against reprisals through all levels of the organization, supported by our grievance mechanism and **Whistleblower Policy**.

Health and safety performance results are reported to the corporate senior leadership team, are shared across our operations via weekly and monthly reports and are reviewed quarterly with the Board's **SSC**. Incidents that result in a reportable injury, and all high-potential, non-injury incidents, are reported, analyzed, and shared across the Company weekly to emphasize key learnings to prevent recurrence. Consolidated health and safety performance data are frequently evaluated to identify trends and to develop focused incident and injury prevention strategies. Health and safety performance statistics, incident alerts, summary investigation findings, and lessons learned are accessible to employees, contractors and visitors through site postings, site broadcasts, safety meetings, on the Company's intranet site (SharePoint), or when requested.



Women of Candelaria recognised for their contribution to the Chilean mining industry.

OUR PERFORMANCE

Even with the challenges posed by the continuing evolution of the COVID-19 pandemic, our workforce remained actively engaged with health and safety activities throughout 2021. This participation included contributing to health and safety working groups, conducting workplace inspections, taking part in special initiatives such as the "risk hunter" program at Candelaria, attending health and safety training both virtually and in person, joining in on health and wellness activities, supporting pandemic response initiatives and vaccination campaigns, taking part in special projects, business improvement initiatives, health and safety committees, and through engagement with designated employee health and safety representatives.

Training is integral to our approach to managing health and safety. During 2021, we continued to hold regular safety meetings to review key hazards; we conducted training on task familiarization, risk awareness, and required safeguards; we held new-worker inductions as well as annual safety refresher training; we conducted emergency response and evacuation drills; and we facilitated crisis management training at each of our operations. We also enhanced our health and safety hazard awareness

communication campaigns during 2021 to focus on our highest risks and potential fatality hazards. COVID-19 education and prevention awareness continued throughout 2021, both at our sites and in our local communities.

Lundin Mining's health and safety efforts during 2021 were concentrated in several key areas, while we also continued to focus our commitment to COVID-19 prevention, monitoring, and response. These areas included improving our hazard identification and elimination processes, enhancing personal safety accountability across all levels of the organization, reducing long-term occupational health risk exposures, and improving our fatality prevention efforts.

Our health and safety performance is measured using a combination of leading and lagging indicators and associated performance targets established during the annual business planning process. We publish our targets in annual One Page Plans and share them with our workforce through internal communications. Select health and safety leading indicators are used to help identify strengths and weaknesses in our systems, highlight areas needing focus, and address potential issues to reduce the risk of incident, injury, or illness.

Our primary lagging indicator for measuring health and safety performance and for benchmarking against our peers is the Total Recordable Injury Frequency (TRIF) rate. Other lagging indicators include All Injury Frequency (AIF) rate, Lost Time Injury Frequency (LTIF) rate, Medical Aid Frequency (MAF) rate and Lost Time Severity Rate (SR), with all rates calculated based on a 200,000-hour formula. We follow the US OSHA definition of medical treatment for classification of recordable injuries at all operations, and our reporting processes are aligned with the International Council on Mining & Metals (ICMM) Health and Safety Performance Indicators manual and GRI 403: Occupational Health and Safety 2018 Standard disclosure requirements. In 2021, we adjusted our definition for lost time injuries to include restricted workday injuries per ICMM and GRI reporting definitions. While this altered our data consolidation process, it did not affect current or previously reported values. Our annual TRIF and LTIF data were subject to external assurance for this report.

Leading Indicators:
35,000+
Reported in 2021

LEADING INDICATORS CONSIST OF:

- Significant Incidents
- Near Misses
- Equipment Damage
- Visible Felt Leadership (VFL) Observations
- Inspections
- Safety Meetings
- Surface Evacuations
- Underground Evacuations
- Other Focused Risk Prevention Measures

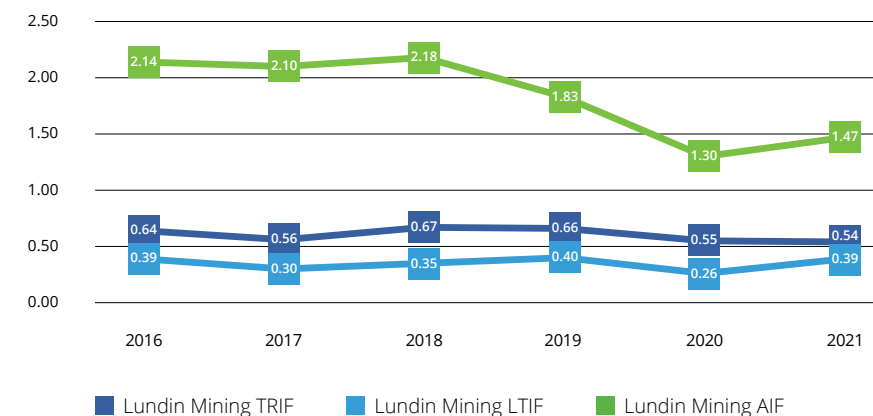
While we experienced 63 recordable injuries during 2021 for employees and contractors as a whole, we realized a best-ever TRIF rate of 0.54, versus a target of 0.55. There were also 46 lost time injuries and 109 first aid cases during 2021. Correspondingly, our LTIF and AIF rates for 2021 were 0.39 and 1.47 respectively, both up slightly compared to 2020. We experienced 1,178 lost workdays in 2021 resulting in a SR of 10 versus a target of 16. Total hours worked across the Company were up 11% in 2021 compared to 2020 due to a return to normal levels of work across all operations following COVID-19 related disruptions in 2020, and the Q4 2020 strike at Candelaria. In addition, total hours worked in 2021 were positively influenced by ZEP work at Neves-Corvo and increased maintenance and project work at the other operations.

SAFETY PERFORMANCE COMPARISON
*includes both employees and contractors**

	2019	2020	2021
Total Recordable Injury Frequency rate (TRIF) ¹	0.66	0.55	0.54
Lundin Mining TRIF target	0.60	0.60	0.55
Lost Time Injury Frequency rate (LTIF) ²	0.40	0.26	0.39
Lost Workdays	1,612	7,247 ³	1,178
Lost Time Severity Rate (SR) ⁴	14	69	10
Fatalities	0	1 ⁵	0
Fatality Rate ⁶	0.00	0.01	0.00
Total hours worked	22,723,989	20,995,989	23,395,098

¹ Total Recordable Injury Frequency rate (TRIF) is calculated as (total number of recordable injuries [including fatalities, lost-time injuries, restricted work and medical treatment injuries] x 200,000) / total hours worked.
² Lost Time Injury Frequency rate (LTIF) is calculated as (total lost-time injuries x 200,000) / total hours worked.
³ 6,000 additional lost workdays assessed due to September 25, 2020, fatality at Neves-Corvo mine in Portugal.
⁴ Lost Time Severity Rate (SR) is calculated as (total lost workdays x 200,000) / total hours worked.
⁵ September 25, 2020 fatality underground at Neves-Corvo mine in Portugal.
⁶ Fatality Rate is calculated as (total number of fatalities x 200,000) / total hours worked.
 * GRI data are provided for employees and contractors separately in Appendix B.

Lundin Mining – TRIF, LTIF and AIF Trends, 2016 – 2021



Self-Contained Breathing Apparatus Training, Eagle, USA

KEY HEALTH AND SAFETY HAZARDS

Work related health and safety hazards are identified as part of Lundin Mining's risk management process. The top 8 hazards identified during 2021 were:

1. Ground control and falls of ground (underground)
2. Mobile equipment operation (including light vehicles)
3. Heavy maintenance work (fixed and mobile equipment)
4. Rotating machinery
5. Cranes, lifting and rigging
6. Slips, trips and falls to the same level
7. Energy isolation and lockout tagout
8. Fires (underground and surface)

EMPOWERED WORKFORCE



Punta Padrones, Caldera, Chile



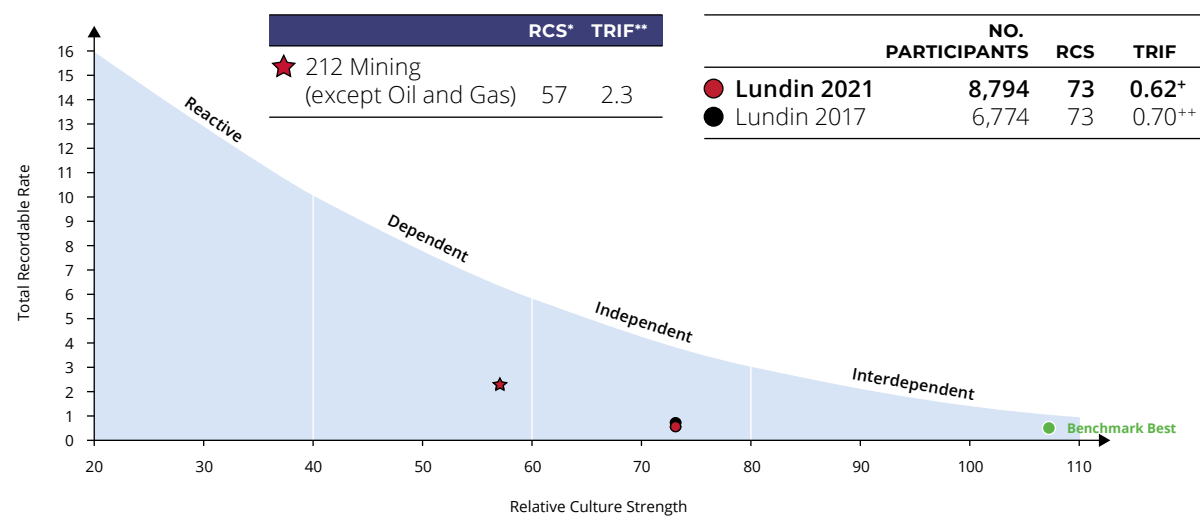
Underground, Neves-Corvo, Portugal

Working Together

Teamwork, good leadership, employee involvement, and a personal commitment to health and safety are critical to achieving Zero Harm. Building on work originally started in 2015, we worked with DSS+ (formerly DuPont Sustainable Solutions) in 2021 to conduct a second Company-wide safety culture perception survey, to measure our safety culture against DuPont's Bradley Curve™. More than 11,000 survey responses were submitted from across

the Company for an overall participation rate of 79% compared to our internal target of 60%. Survey results in 2021 indicate that Lundin Mining's safety culture remained strong throughout the period of the pandemic, with the overall Relative Culture Strength (RCS) score of 73 remaining unchanged from the 2017 survey result. Learnings from the survey will be used to identify and refine areas for strategic health and safety improvement.

DSS Bradley Curve™



* Average industry RCS from DSS Safety Perception Survey database.

** Average industry OSHA total recordable case rate, 200,000-hour basis; U.S. Department of Labor, Bureau of Labor Statistics. Table 1. Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2019.

+ 2021 TRIF includes average results from 2018-2020

** 2017 TRIF include average results from 2015-2017

2021 SAFETY AT A GLANCE

28,672
WORKPLACE SAFETY OBSERVATIONS

3,746
PLANNED WORKPLACE INSPECTIONS

532
REPORTED NEAR MISSES



0
Workplace Fatalities

46
Lost Time Injuries

0.39
LTIF Rate
p/200,000 hours worked

63
Total Recordable Injuries

0.54
TRIF Rate
p/200,000 hours worked

23,395,098
HOURS WORKED
EMPLOYEES + CONTRACTORS

~11,700
FULL TIME EQUIVALENT (FTE) WORKERS
(Based on reported hours worked)

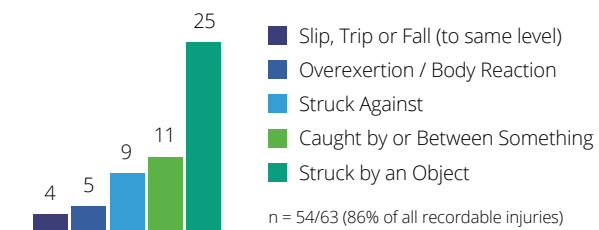
1,178
LOST WORKDAYS

10 LOST TIME SEVERITY RATE [SR]
p/200,000 hours worked

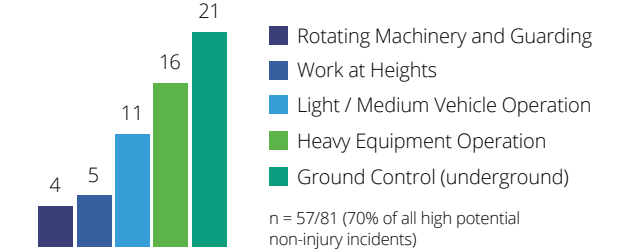
13 ZERO HARM WEEKS

81 HIGH POTENTIAL NON-RECORDABLE INJURY INCIDENTS

Top 5 Types of Incidents Resulting in Recordable Injuries



Top 5 Types of High Potential Non-Injury Incidents



2021 HEALTH AND SAFETY ACCOMPLISHMENTS

Zero Fatalities

TRIF Rate of 0.54 versus target of 0.55

AIF Rate of 1.47 better than target of 1.85

Severity Rate of 10 better than target of 16

Candelaria and Neves-Corvo TRIF Rate performance improved over 2020



INDUSTRIAL HYGIENE AND OCCUPATIONAL HEALTH Our Approach

Occupational health and industrial hygiene both play critical roles in our overall health and safety program for our employees and contractors. While our safety efforts focus on hazards that can result in an immediate incident or acute injury, our occupational health efforts are focused on identifying, monitoring and mitigating exposures to potential workplace hazards, such as chemical, biological, physical or ergonomic agents, that can lead to acute illness or long-term, chronic occupational disease.

Our operations maintain a risk-based industrial hygiene program with a focus on identifying and monitoring for potential exposures unique to their operating environment and applying exposure-reduction plans that target our most significant agents (contaminants) of concern. When potential exposures are identified, we analyze the relevant risks and develop exposure-reduction strategies with mitigative measures based on a [hierarchy of controls](#) to reduce the potential risk to human health.

We operate professionally staffed, onsite, occupational medical facilities at Neves-Corvo, Candelaria and Chapada. Zinkgruvan is supported by part-time medical professionals who conduct employee assessments and evaluations, while Eagle and our Corporate offices engage with outside medical service providers and community clinics. All our employees have access to Employee and Family Assistance Programs and confidential counselling services.



Plant Employees, Safety Protocols, Candelaria, Chile

Our Performance Industrial Hygiene

During 2021, the number of planned industrial hygiene samples was higher than in previous years in part due to an increased emphasis on understanding and evaluating high-risk contaminants, such as diesel particulate matter emissions, in advance of new regulatory limits being introduced in some of our operating jurisdictions.

INDUSTRIAL HYGIENE SAMPLING PLAN 2021			
Planned Samples	Samples Taken Against Plan	Additional Samples Taken	Total Samples Taken
1,925	1,959	655	2,614

Our industrial hygiene sampling program and monitoring activities focused on 12 different workplace issues and agents of concern.

2021 INDUSTRIAL HYGIENE SAMPLING PLAN — ISSUES AND AGENTS OF CONCERN	
Diesel Particulate Matter	Relative Humidity
Oxides of Nitrogen	Ventilation
Vibration	Respirable Dust / Total Dust
Noise	Lead and Other Heavy Metals
Silica	Workplace Illumination
Radon	Welding Fumes

Occupational Health

In 2021, considerable effort was put towards actioning the recommendations arising from multi-year lead exposure studies at Neves-Corvo and Zinkgruvan. Our objective is to further reduce exposures at these locations by enhancing our airborne-lead monitoring approach and related exposure controls, thus protecting the long-term health of the workforce through a reduction of measured lead in blood to levels below the industry best-practice consensus standards by 2022.

MEDICAL SCREENINGS IN 2021 ¹					
Total	Candelaria	Chapada	Eagle	Neves-Corvo	Zinkgruvan
11,958	1,930	1,724	376	7,427	501

¹ Non-COVID-19 occupational health assessments and fitness-for-work examinations conducted in 2021.



Eagle Surface Rescue Simulation, Michigan, USA

CRISIS MANAGEMENT PLANNING AND EMERGENCY PREPAREDNESS

We strive to maintain a high degree of emergency preparedness across Lundin Mining through implementation of our Crisis Management Standard and crisis management plans. Our crisis management plans are supplemented by site-specific emergency response plans, catering to the unique aspects of each operation, that maintain emergency response capabilities, a variety of firefighting and rescue equipment, and specialized PPE that is suited to each working environment and operational jurisdiction.

Formal crisis management training and a mix of practice and desktop scenarios are conducted across the Company annually. Training continued principally virtually in 2021 due to the COVID-19 pandemic. Implementation of our Pandemic Response Plan allowed us to continue providing a flexible and adaptive response to the COVID-19 pandemic as it evolved throughout 2021. As a result, we were able to effectively ensure the protection and support of our workforce and our local communities while not experiencing significant business disruption.

Our operations-based emergency responders and mine rescue teams receive regular training on equipment and emergency response techniques. Practice exercises, simulated emergency scenarios, and external training are regularly provided to ensure that team skills are maintained.

CHAPADA'S SAFE DRIVING CAMPAIGN

In 2021, the Chapada team promoted safe driving by working with local police services to create an awareness campaign using damaged vehicles from car crashes that occurred in their local region. The campaign highlighted the dangers of using a mobile phone while driving by using giant cell phone icons as part of the damaged vehicle displays. As part of the campaign, the team also carried out a safety awareness blitz that involved engaging their employees and the local community and the sharing of information and tips on safe driving.





Safety Awareness Campaign, Candelaria, Chile

Lundin Mining's Crisis Management Objectives:

- Take immediate control and manage the crisis effectively and professionally.
- Provide appropriate support to people who may be adversely affected or at risk.
- Communicate effectively both internally and externally, including helping stakeholders and the media to focus on known facts and our actions to manage the situation.
- Provide necessary support to staff, contractors, suppliers, communities and our customers to minimize the impact of events on operations and the business.
- Maintain employee, community, public and shareholder confidence in management's ability to effectively manage the crisis.
- Continue to run the business effectively and efficiently during the crisis, while also developing and implementing an appropriate recovery plan.

9 Surface Emergency Response Teams	378 Trained Surface Emergency Responders	6 Underground Mine-Rescue Teams	119 Trained Underground Mine-Rescue Team Responders	123 Underground Refuge Chambers	1,334 Underground Mine Refuge Chamber Combined Capacity
--	--	--	--	--	--

6
Facilitated Crisis Management
Scenario Exercises
(One in-person at Zinkgruvan, virtual at each
operation plus the Corporate office)

47
Underground Emergency
Evacuation Drills

23
Surface Facility Emergency
Evacuation Drills



Safety Protocols, Eagle, Michigan, USA

OUR NEXT STEPS

- Maintain a TRIF rate of 0.55 or better.
- Progress alignment of the RMMS with ISO45001.
- Effective implementation of an annual (risk-based) Health and Safety Action Plan working towards a TRIF target of 0.50 by 2027.

MENTAL HEALTH AWARENESS

May was mental health awareness month at Lundin Mining and 2021 was our third year participating in Not Myself Today[®], a workplace mental health initiative from the Canadian Mental Health Association (CMHA). Our 2021 campaign featured six weeks of videos, resources, activities and webinars to help our employees better understand mental health and how to build a safe and supportive work environment. While the Not Myself Today[®] campaign has traditionally focused on our Corporate head office staff, the operational sites also participated in May mental health awareness month by sharing information on the basics of mental health, stress management, active listening, and emotional resilience with their workforce.

Active participation was encouraged throughout the campaign with the use of mood-themed backgrounds in video calls, which allowed employees to share how they were feeling using digital "Kindness Cards" for employees to express gratitude and appreciation for one another, and "Pledges of Support" which acted as a call for empathy and dialogue on reducing the stigma surrounding mental health. Lundin Mining is proud to be one of more than 450 companies and organizations across Canada that have taken part in the Not Myself Today[®] campaign since 2013.



EMPOWERED WORKFORCE

TALENT ATTRACTION AND RETENTION Our Approach

Lundin Mining is committed to its employees and believes that its workforce should reflect the diversity of the countries and communities in which it operates. Our [Human Rights Policy](#) and our [Code of Conduct](#) support the unencumbered right to freedom of association and collective bargaining at all our operations. Our objective to behave according to our *Values*, to embrace diversity and promote the inclusion of different perspectives and ideas, encourages independent thinking and ensures that the Company benefits from all available talent.

The Company aligns its practices with the UNGC Principles on Labour and supports freedom of association and collective bargaining, the elimination of all forms of forced and compulsory

labour, the effective abolition of child labour, and the elimination of employment / occupation-related discrimination. We foster an inclusive and diverse workplace that does not tolerate harassment or discrimination based on gender, age, race, national origin, marital status, sexual orientation, religious beliefs, disability or any other personal characteristics protected by applicable law. We continuously refine, study and advance female metrics globally. The [Diversity and Inclusion Policy](#) was amended in February 2021 to reflect the Company's ongoing commitment to promote diversity at Lundin Mining and to foster an inclusive culture based on merit, free of conscious or unconscious bias. We believe that having a diverse workforce has tangible and intangible benefits that make Lundin Mining a more successful business and an employer of choice.

We work hard to strengthen our culture of respect and transparency. We understand that success depends on a skilled and motivated workforce, and that employee engagement is key to employee retention. To effectively foster a meaningful work experience, we believe it is important that our employees have knowledge of the Company's direction and priorities and appreciate how their efforts and successes contribute to overall goals. We develop market competitive talent retention and attraction strategies to progress strategic workforce planning, assuring succession for critical roles and future-state talent development. Investing in our internal talent makes good business sense; it not only ensures our talent pipeline, but also empowers our people to further their careers within our global organization. In 2020, we began work to implement our global human resources management system, SuccessFactors, to enable more efficient and effective talent management processes.

Candelaria, Chile



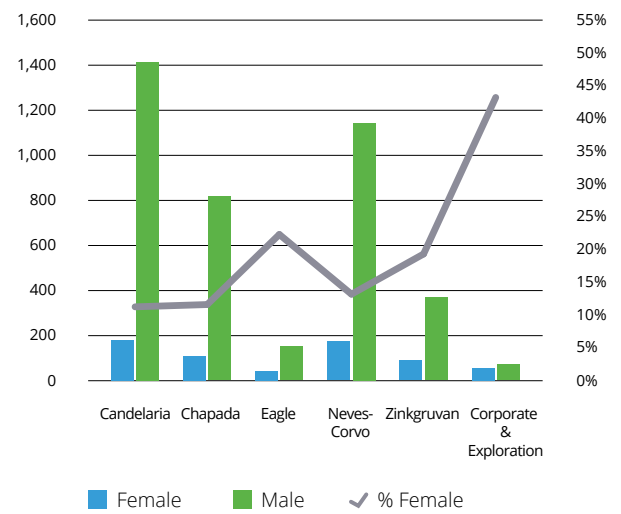
Underground Operations, Zinkgruvan, Sweden

We continuously seek ways to improve and expand our employee communication channels to ensure that employees are kept up to date and informed. Employee training protocols and focused training initiatives further contribute to motivation and workforce engagement. We continue to conduct frequent employee engagement surveys across our organization, including Diversity, Equity and Inclusion assessments in support of our ambition to be an employer of choice. We use the data obtained to create localized action plans that are relevant and meaningful to our workforce. We aim to create safe work environments that promote a respectful work environment where our employees honour differences in backgrounds, experiences and perspectives. The Corporate Governance and Nominating Committee of the Board has oversight of our diversity and inclusion performance.

Our Performance

As of December 31, 2021, Lundin Mining globally employed 4,607 employees, compared to 4,291 in 2020. Employment contract types, employee gender and regional details are provided in [Appendix B](#). A significant number of contractors also work at our sites, numbering approximately 7,000 globally at the end of 2021. Contractors are primarily engaged in maintenance, mine development, mining and project activities; however, they also may temporarily replace workers on leave or be assigned to specific, short-term projects. The turnover rate for Lundin Mining in 2021 was approximately 7.2%, a decrease from 10.8% in 2020.

Employees, by Gender 2021





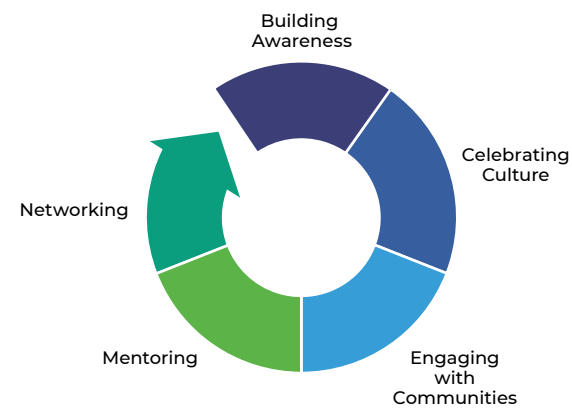
Corporate staff commemorate the inaugural National Day for Truth and Reconciliation.

Throughout 2021, our Corporate Diversity, Inclusion, Anti-Racism and Discrimination Committee (DIARD) continued to support the Company's diversity and inclusion agenda providing recommendations to address institutional and systemic inequalities and biases that may exist and promoting resources and forums that enable important and, at times, uncomfortable conversations, recommending concrete actions in support of its mandate. In collaboration with the Human Resources department, the DIARD Committee is tasked with promoting diversity and inclusion within the framework of the Company's core corporate *Values* of Safety, Respect, Integrity and Excellence continuing to raise awareness on diversity, inclusion and Indigenous matters.

In 2021, as part of our diversity and inclusion activities and to celebrate Pride Month, the DIARD Committee hosted an inclusivity workshop at the Corporate office led by the Get REAL Movement, providing the practical tools necessary to combat 2SLGBTQ+ discrimination, racism, and bullying in the workplace and our day-to-day lives, as well as to increase awareness of 2SLGBTQ+ identities, terminology, and language through peer-to-peer conversations activities and storytelling.

In September 2021, DIARD hosted a Webinar session, led by Ryan McMahon, an Anishinaabe comedian, writer, media maker and community activator from Couchiching First Nation in Treaty 3 Territory, for our Corporate employees to commemorate the inaugural National Day for Truth and Reconciliation, providing an in-depth challenging education session analysis of the indigenous experience and the reconciliation movement.

DIARD organizes events and activities around the five core concepts:



Mill Control Room, Candelaria, Chile

In 2021, Lundin Mining proactively recruited female applicants, promoted opportunities for women, and made good progress in developing workplaces that address the needs of female workers. We progressed efforts to bring equal eligible applicants (male / female) for recruiting processes and challenged hiring managers on potential biases of applicant evaluations. To support our 2021 sustainability goal, we executed

diversity and inclusion initiatives at each of our operations and conducted our second internal benchmarking assessment to evaluate diversity and inclusion maturity across our organization.

Traditionally, the attraction and retention of female employees are challenging, particularly for operational roles at industrial sites. Regardless, our female representation is improving gradually, and commitments were made to strive for continued growth in the number of women we employ across our organization. We have developed initiatives to increase the workforce female representation and set internal key performance indicators to achieve improvements at each of our operations. In 2021, we began our implementation of SuccessFactors, an SAP-based human capital management system, internally called *mySuccess*. creating a single source of employee data across our organization. Importantly, it will help us better understand our employees' career needs and motivations. *mySuccess* also allows us to identify continuous development and growth opportunities for our employees, so we can strategically prepare and promote talent for career advancement within our business.

OUR NEXT STEPS

- Progress initiatives and targets to increase female representation at our operations.
- Continue diversity and inclusion awareness training.
- Advance HR management and performance implementation and improvements through our global HR system, SuccessFactors.
- Continue to invest in skills and talent at Lundin Mining, aiming for a turnover rate lower than our peer group average for top talent by 2027.
- Target to fill at least 80% of our critical and leadership roles with internal talent by 2027.

In 2021, Chapada established a formal Diversity, Equity and Inclusion Committee, to promote diverse and equitable working conditions for all employees and implemented diversity, equity and inclusion action plans. At Chapada, we trained PwD (Person with Disabilities) in administrative support roles to be hired by Lundin Mining or other organizations in the same region.

TRAINING PROGRAM FOR WOMEN APPRENTICES

A program of theoretical and practical training, in high-tech simulators and in the vehicles themselves, was provided to 40 women who participated in Candelaria's "Training Program for Women Apprentices." This initiative, promoted by the Company and which benefits the residents of Tierra Amarilla and Copiapó, furthers our commitment to increase the presence of women in operations. Its main objective was to train and develop skills that allow women to gain certification and employment as operators of mining equipment.



Women Apprentices, Training Program, Candelaria, Chile



GOOD GOVERNANCE

WE ENGAGE IN ETHICAL BUSINESS PRACTICES FOUNDED ON TRANSPARENCY AND ACCOUNTABILITY

to enhance trust with all our stakeholders throughout the mine life and beyond.

BUSINESS INTEGRITY AND TRANSPARENCY



Materiality

Business integrity and transparency is a material topic for Lundin Mining because, aligned with our core *Value* of Integrity, it is important for our business, our employees and our external stakeholders that we demonstrate our commitment to high standards of accountability, ethics and honesty in the conduct of our business. To this end, we enact robust corporate governance processes and engage in ethical business practices founded on transparency to earn the trust and respect of our stakeholders, thus protecting our reputation, achieving our short- and long-term goals, and avoiding financial harm.

RELATED MATERIAL TOPICS:
Business Integrity and Transparency

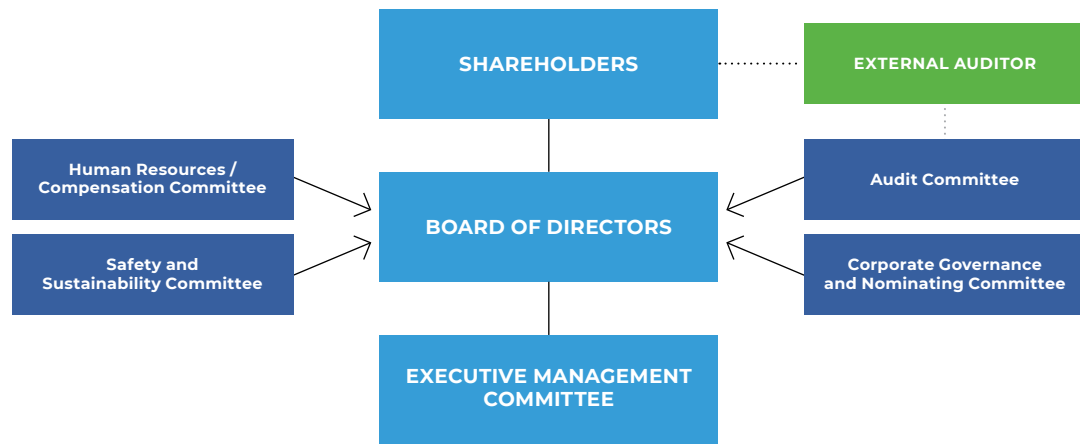
Sustainability Strategy Focus Areas:
Human Rights
Reclamation and Closure

Our Approach and Performance

Aligned with our *Mission and Values*, Lundin Mining is committed to maintaining high standards of accountability, corporate governance, ethics and honesty in all aspects of our business by enacting robust corporate governance processes and ensuring our employees understand, and consistently meet, the standards formalized by our systems and policies. All employees, contractors and suppliers are expected to conduct business ethically and transparently by following our [Code of Conduct](#), [Ethical Values](#) and [Anti-Corruption Policy](#) (the Code of Conduct).

IN THIS SECTION

Business Integrity and Transparency	91	➔
Our Board of Directors	92	➔
Business Ethics	92	➔
Risk Management	94	➔
Tax	95	➔
Human Rights	96	➔
Reclamation and Closure	99	➔



OUR BOARD OF DIRECTORS

The Board of Directors (the Board) is primarily responsible for the oversight of management, as well as Lundin Mining's strategy and business affairs. Guided by Lundin Mining governance documents and policies, which underpin good governance practices, the Board, supported by four standing committees — Audit, Corporate Governance and Nominating, Safety and Sustainability and Human Resources / Compensation — ensures that appropriate governance mechanisms are in place to monitor the Company's development, and that relevant information and reporting are provided, including progress and continuous improvement efforts concerning its ethical business, human rights, safety and sustainability matters, financial statements, taxation matters, disclosure of material facts, and economic performance.

In performing its functions, the Board considers the legitimate interests that its other stakeholders, such as employees (including consultants and contractors), suppliers, customers, communities, shareholders and investors, may have in the Corporation. In overseeing the conduct of the business, the Board, through the CEO, sets the standard of conduct for the Corporation, considering the interests of all stakeholders.

We believe that the number of women on the Board and the number of women and members of other designated groups in executive officer positions reflects the Corporation's commitment to, and success in, promoting diversity. The Board guides the business, bringing benefits related to both the expertise that individual directors bring on specific topics, and their respective professional experiences and track records in guiding and growing large and successful organizations. Diversity of perspectives is essential, particularly in defining strategy and managing risk.

The Board members bring a depth of knowledge, a mix of skills and experiences and the necessary strategic mindset to drive the business forward in a disciplined and well-governed manner. The specific skills and expertise are detailed in the Management Information Circular. The Corporation's directors attended the Director Climate Change Workshop (facilitated by Accenture) and the Cybersecurity Education Session (facilitated by Deloitte) in 2021.

BUSINESS ETHICS

Lundin Mining's Code of Conduct, Ethical Values and Anti-Corruption Policy, approved by the Board and available in all our operational languages, articulates definitions and expectations related to ethical business conduct. We have developed interactive scenario-based online training that is conducted during on-hire induction and annually for existing employees. The Company reviews the Code of Conduct regularly, most recently in October 2021, to ensure that it continues to achieve its purpose, and measures are in place to support key employee reviews of the Code of Conduct. Under the Code of Conduct, directors, officers and employees are required to avoid all situations in which their personal interests conflict, or might conflict, or might be perceived to conflict, with their duties to the Company or with the economic interest of the Company.

Our commitment to ethical business practices is founded on the development of effective Company policies and frameworks, with associated communication, training and monitoring for effectiveness. Action plans are developed and implemented to ensure policies and systems remain relevant, effective and compliant with regulatory requirements. Annually, key employees are required to review all company policies and sign off in respect of such review. The primary policies that supplement the Code of Conduct in governing business ethics are summarized in the following section.

Anti-Corruption and Anti-Bribery

Lundin Mining has a zero-tolerance policy for bribery and corruption. In alignment with UNGC Principle Ten: Anti-Corruption and guided by the Code of Conduct, the standard of integrity and ethical behaviour is set for directors, employees, officers, contractors, and third-party agents. All are required to adhere to policies governing ethical business conduct and practices, and to be compliant with anti-corruption and anti-bribery laws, including the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act, as well as similar laws in the countries in which the Company conducts business. Furthermore, we conduct internal audits of all our business units and have robust internal financial controls and processes in place for monitoring and oversight concerning financial aspects of operations, designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes. The Audit Committee reviews and reports to the Board on the integrity of internal controls to ensure Lundin Mining and its subsidiaries have effective internal financial controls and reviews the compliance with regulatory and statutory requirements as they relate to the financial statements, taxation matters and disclosure of material facts. We assess risks and uncertainties associated with our business annually and report the findings in our AIE, where we acknowledge that our operations are governed by, and involve interactions with, many levels of government in numerous countries, which raises a corruption risk. We track the annual Corruption Perceptions Index, published by Transparency International, and do not have operations or exploration sites in the lowest 70 of 180 ranking countries. In 2021, there were no known incidents of bribery or corruption.



Executives Visiting Exploration Area, Chapada, Brazil

Whistleblower Policy

The Board, through the Audit Committee and the Corporate Governance and Nominating Committee (CGNC), are responsible for mechanisms for advice and concerns about ethics. Our Whistleblower Policy establishes a protocol for the receipt, retention and treatment by the Company and its subsidiaries of concerns reported from its directors, officers, employees, consultants and contractors regarding any known or suspected accounting, financial or auditing irregularities or any other known or suspected violations of the Code of Conduct across several ethics and compliance risk areas. Individuals governed by the Whistleblower Policy report such improper conduct on a confidential and, if preferred, anonymous basis through an independently hosted

online and telephone reporting service or by sending a letter to the applicable committee Chair. We have a strict non-retaliation policy to ensure that those who report in good faith are protected from reprisal. The Audit Committee and CGNC summarize all whistleblower reports to the Board annually, including all outstanding unresolved reports, how such reports are being handled, the results of any investigations, and any corrective actions implemented. In 2021, there were 115 reports received with 100 reports resolved (90%) in the reporting period, and 15 open or outstanding reports. Code of Conduct violations received in 2021 included health and safety issues, human resources concerns, conflict of interest and non-compliance with core governance policies.



Peter Rockandel and Lukas Lundin visit Neves-Corvo, Portugal.

RISK ASSESSMENT AND MANAGEMENT

Lundin Mining believes that an enterprise-wide approach to risk management allows the Company to successfully assess and mitigate risks. The Company maintains a framework that ensures effective and efficient identification, management, and mitigation of risk in a manner that creates the greatest value and integrates consideration of risk into key decision-making processes. This system framework, based on the ISO 31000:2018 Risk Management Standard, supports conformance to UNGC Principal Seven: Environment and includes the development, implementation and monitoring of key controls for periodic risk reporting and assurance to the executive team and relevant committees of the Board.

The Company has published and implemented a Risk Management Statement and Risk Management Framework, which, combined with our [RMP](#) and [RMMS](#), establish our

approach and the processes for risk governance, risk identification, risk management and responsible mining. Our approach and the related processes consider a broad spectrum of stakeholders and potential internal and external risk exposures and are used to identify and leverage potential up-side, risk-related opportunities. At the site and corporate levels, we conduct risk assessments to evaluate operational, health and safety, environmental, social, business, finance, and reputational risks and opportunities, among others. Quarterly reviews are conducted by functional risk owners, site-based risk champions, project teams, and senior leaders at the enterprise, functional and site / project levels.

Based on these reviews, a quarterly corporate risk report and listing of material enterprise risks are prepared under the guidance of the Vice President, Health, Safety and Risk, for review by an Executive Risk Committee (ERC) comprising

members of the senior leadership team. A formal quarterly risk report is prepared on behalf of the ERC for submission and review by the Board's [Safety and Sustainability Committee](#) and Audit Committee with follow-on reporting and discussion with the Board. The Board and its committees are responsible for overseeing enterprise-level effectiveness of the Company's risk management program, and for knowing and understanding the details of the principal risks of the business. As part of its oversight responsibility, the Board ensures that the Company maintains a proper balance between risks incurred and potential return to shareholders; ensures that risk management programs are in place and effective, including internal control frameworks and insurance and loss prevention efforts; and ensures implementation of policies and standards for monitoring and managing risks. A detailed enterprise risk review is also performed annually as part of the Board's approval of our [AIF](#).

Diversity and Inclusion Policy

The [Diversity and Inclusion Policy](#) was amended in February 2021 to reflect the Company's ongoing commitment to promote diversity at the highest levels of Lundin Mining and to foster an inclusive culture based on merit, free of conscious or unconscious bias. We believe diversity among our Board, senior management and employees has tangible and intangible benefits that make Lundin Mining a more successful business. We have defined targets across Lundin Mining for the next five years, aspiring to maintain a Board composition in which women comprise at least 30% of all directors, and aim to sustain at least 30% of executive officer positions held by women, as relevant positions become vacant and appropriately skilled candidates are available. The percentage of female employees in senior executive positions and on the Board is publicly disclosed in our [MIC](#).

In 2021, the Board had nine members (67% male and 33% female), eight of whom were independent, non-executive directors with two directors who identified as members of a designated group, with an average age of 58 and an average tenure of eight years.

TAX

At Lundin Mining, we continuously monitor our performance and objectives. This includes fulfilment of taxation responsibilities to the economies in which the Company operates, and ensuring transparent payments to governments aligned with our [Code of Conduct](#). We are subject to various tax regulations in multiple jurisdictions around the world. The Company's tax strategy, which supports the overall business strategy, seeks to comply with the legal provisions of income tax and indirect tax law in all jurisdictions that we operate; maintain an open, objective, and ethical relationship with tax authorities; and manage business risk by taking a conservative approach to tax. Lundin Mining's operations contribute to economic development and prosperity in regions where we operate through wages and salaries paid to employees, payments to contractors, local procurement, taxes, royalties and fees paid to governments detailed under the [Economic Performance](#) section of this report. Furthermore, we promote and contribute financially to local economic and regional development programs that advance sustainable development, as detailed in [Community Development and Local Economic Development](#) section of this report.

The Company's tax strategy and general approach to the tax function is reviewed and approved by the Chief Financial Officer (CFO) who reports tax matters and any new issues to the Board's Audit Committee on a regular basis. Lundin Mining seeks to comply with the letter and the spirit of the law in all countries where we operate. Our [quarterly and annual financial statements](#), [MD&A](#) and associated tax-related disclosures are prepared in accordance with International Financial Reporting Standards (IFRS), which includes financial information and disclosure from its subsidiaries. The Company also complies with all income tax and indirect tax related compliance reporting in all jurisdictions, including, but not limited to, the filing of corporate income tax returns. Payments to governments are reported by the Company annually as defined in the [Extractive Sector Transparency Measures Act](#) legislation ("ESTMA").

Our CFO is accountable for compliance with our tax strategy. Lundin Mining has an internal tax team that executes most tax-related functions such as the preparation of tax compliance documentation, tax analysis of ongoing and potential projects, and liaising with tax authorities. Lundin Mining also collaborates with tax advisory firms in all tax jurisdictions and invests in technology that assists in keeping the internal tax team updated with the most pertinent information required to carry out essential tasks. The Company identifies, manages and monitors emerging and existing tax risks as part of overall risk assessments prepared on a quarterly basis, under our

[Company-wide Risk Management Framework](#). Tax compliance filings are externally verified through annual financial audits against IFRS, with internal audits conducted to assess and maintain tax governance compliance.

Lundin Mining's [Whistleblower Policy](#) provides individuals with the opportunity to access a specified hotline to voice any concerns regarding unethical or unlawful behaviour. Audit Committee meetings also provide a forum for raising any concerns related to materially misstated figures that may inaccurately represent the financial position of the Company. Details on the Company's financial assurance process and the independent audit report for our audited annual financial statements can be found in the Financial Reporting, Internal Controls and Cash Management Practices section of the 2021 [AIF](#). The Company implements internal controls over the preparation of its financial statements and other financial disclosure.

Lundin Mining maintains open, objective, and ethical relationships with tax authorities in all jurisdictions where we operate. Generally, the Company engages with authorities on tax audits and other tax-related inquiries as the need arises and particularly where we require clarification regarding tax laws. Lundin Mining makes efforts to appeal to policy makers in operating jurisdictions when possible. In 2021, our Candelaria operation was invited to make a presentation to the Mining and Energy Commission in the Chilean Senate. During this time, the Company presented its position on the potential impacts that a proposed new royalty Bill could have on the mining industry if it were passed.

The Company's process for collecting and considering the views of stakeholders in relation to tax is integrated into our overall approach to communicating with stakeholders. For example, in Candelaria our team engages with stakeholders to identify impacts, risks and needs that are specific to the community and align potential opportunities with the Company's funding priorities. The tax function supports financial aspects of these initiatives by providing analysis on the potential tax impact on the Company. Similarly, any stakeholder concerns may be raised through our formal [grievance mechanism](#) and independently hosted whistleblower mechanism. In line with our commitment to business transparency, we report our tax-related information separately for each jurisdiction in which we operate. Our 2020 data are the most recent available and are included in [Appendix A](#).



CEO and President visits Zinkgruvan, Sweden.

HUMAN RIGHTS Our Approach

We recognize that while our activities can have a positive impact on the lives, livelihoods and rights of individuals and communities, there is also the potential to cause, contribute to, or be directly linked to, negative human rights impacts. Our approach to human rights is informed by, and in alignment with, the [United Nations Guiding Principles on Business and Human Rights](#) (UNGPs). It includes the three pillars identified in Principle 15:

- A **policy commitment** to meet our responsibility to respect human rights;
- A human rights **due diligence** process to identify, prevent, mitigate and account for how we address our impacts on human rights; and
- Processes to enable the **remediation** of any adverse human rights impacts we cause or to which we contribute.

We seek to prevent and mitigate adverse impacts and contribute to the promotion of broader societal respect for, and protection of, human rights. Our Human Rights Policy, approved in 2021, is designed to complement and enhance our pre-existing commitment to human rights as stated in our updated [Responsible Mining Policy](#), [Code of Conduct](#), [Ethical Values and Anti-Corruption Policy](#), and related principles described in our [Diversity and Inclusion Policy](#). This policy replaces the Human Rights Standard, incorporating the content of the standard and elevating it within our corporate document hierarchy.

Our [Human Rights Policy](#) and requirements apply to all Lundin Mining employees, senior management and Board of Directors, as well as our contractors and suppliers. The policy is publicly available and communicated internally and externally, in all our operating languages. The [SSC](#) of the Board is responsible for overseeing our approach to human rights, and the Vice-President of Environment and Social Performance is responsible for overseeing implementation.

In fulfilling our responsibility to respect internationally recognized human rights as proclaimed by the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, our approach is also informed by, and aligned with, leading international frameworks including International Finance Corporation, World Bank Group, OECD Guidelines for Multinational Enterprises, and the Voluntary Principles on Security and Human Rights.

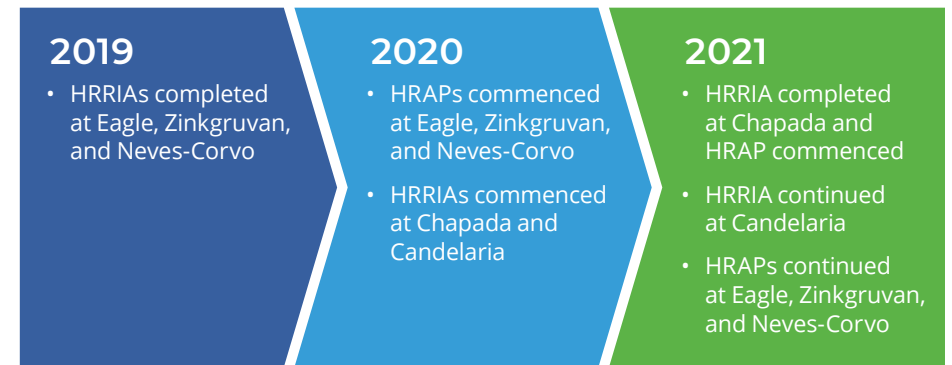
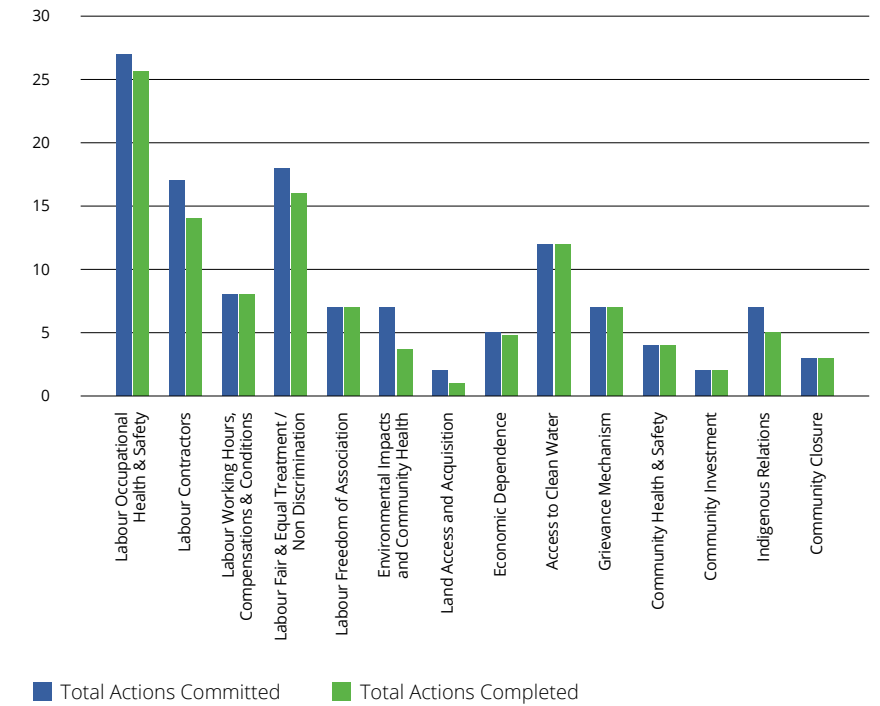


Our Performance

Our Human Rights Risk and Impact Assessments (HRRRIAs) were conducted by expert third party consultants that assessed our policy and standard frameworks against relevant international standards, conducted internal and external stakeholder engagement, and defined salient issues that need to be addressed at each site. The assessments were broad in scope, covering areas that included impacted communities, environmental impacts, security arrangements, worker arrangements, procurement and supply chain management, and business relationships (e.g., business partners and host governments).

In 2021, we completed the HRRRIA for Chapada and significantly advanced the assessment at Candelaria, where we established a Human Rights Committee. Completion of this assessment and development of action plans for Candelaria and Chapada are planned for 2022. Following assessments in 2019, Eagle, Neves-Corvo and Zinkgruvan developed Human Rights Action Plans (HRAPs), with implementation continuing through 2021 to address the areas for improvement identified through the HRRRIAs. Through this work, we have addressed most of the identified salient issues, implementing actions through collaborative inter-departmental committees. In total, there were 126 actions taken by sites in accordance with their HRAPs, with 90% of them completed (our target for 2021 was 80%).


Progress Towards Human Rights Action Plans at Eagle, Neves-Corvo and Zinkgruvan





In 2021, Candelaria continued extensive dialogue with the Chilean National Contact Point (NCP) regarding a 2019 complaint filed on behalf of a group of people living in the local area who alleged a breach of the OECD Guidelines on Human Rights and associated environmental damage. The Company operates in accordance with all permits and legal requirements and therefore disputes the allegations. Candelaria has actively engaged with the Chilean NCP and has advised that it will complement its existing public consultations with an enhanced, comprehensive community and stakeholder engagement process that has a specific focus on the affected community. This process has commenced with the launch of the Villa Estadio Citizen Committee, and initial stakeholder feedback has been positive.

Based on all the HRRIsA conducted to date, the following positive contributions and areas for improvement were identified as common across our operations:

	
<p>POSITIVE CONTRIBUTIONS</p> <ul style="list-style-type: none"> + Fair remuneration and benefits + Workforce health and safety + Economic and social investments + Local capacity building and environmental monitoring + Communication and engagement + Equal and inclusive environment 	<p>AREAS FOR IMPROVEMENT</p> <ul style="list-style-type: none"> - Indigenous relations - Working conditions - Occupational health and hygiene - Discrimination and fair treatment - Community health and water access - Closure and grievance management - Land acquisition and resettlement

Labour and Security Arrangements

Lundin Mining strives to create a safe, fair and respectful working environment for our employees. Our [Human Rights Policy](#) and our [Code of Conduct](#) supports the unencumbered right to freedom of association and collective bargaining at all our operations. The relationships between the Company, its unions and employees are distinct at each of our mines; however, what is consistent is that our approach focuses on employee representation based on trust and transparency; respectful dialogue; and constructive, peaceful resolution of any concerns that arise. We engage with union leaders regularly on matters of local labour laws, business changes and the negotiation of contract terms and conditions. We have integrated the Voluntary Principles on Security and Human Rights into our security-related policies and procedures. Human rights training for security personnel is envisaged in the medium-term. None of our operations is currently located in areas of conflict.

As a member of the [Mining Association of Canada \(MAC\)](#), Lundin Mining is committed to implementing the [Preventing Child and Forced Labour Protocol](#) of the [Towards Sustainable Mining](#) initiative, whereby we have processes in place commensurate to jurisdictional risk to ensure that child and forced labour is not used. We also align with MAC's membership requirement to implement the [Voluntary Principles on Security and Human Rights](#). No operations have been identified as being at risk for incidents of child labour or having young workers exposed to hazardous work. Lundin Mining has strict proof-of-age requirements for its workforce upon hiring that prevent anyone under the legal industrial working age from obtaining employment at any of our operations or exploration sites. Similarly, our operations are not considered to be at risk for incidents of forced or compulsory labour.

 **OUR NEXT STEPS**

- Continue to embed a human rights approach into our risk assessment and action planning by achieving compliance with our Human Rights Policy.
- Complete the Candelaria HRRIA.
- Continue implementation of the HRAPs at Eagle, Zinkgruvan, Neves-Corvo and Chapada.
- Develop a human rights approach document that outlines our governance, due diligence, monitoring and disclosures related to human rights.
- Develop human rights site-level disclosure plans.

RECLAMATION AND CLOSURE

Our Approach

Lundin Mining plans for closure from the earliest stages in the life of our mines, ensuring allocation of adequate resources for closure activities to be properly implemented, managed and monitored throughout the active-closure and post-closure phases. Planning for the social transition that follows mine closure is an important component of our approach, and stakeholder participation is integral to our closure planning process. We take an integrated approach to mine closure planning with the aim of designing, developing and operating our mines to minimize environmental and social impact upon their eventual closure. Our Mine Closure Planning Standard requires the use of a risk-based approach to closure planning and the definition of site-specific closure objectives and completion criteria for each operation. The standard requires that closure plans be developed to a level of detail that reflects the stage of each mine's life cycle, and they are updated in accordance with legislation or when required due to operational changes. The standard includes objectives relating to long-term water and land stewardship, requiring the definition of post-closure land uses, employee and public safety, chemical and geotechnical stability, post-closure monitoring and aftercare, post-closure land ownership and tenure, temporary closure, and premature closure.

Our Performance

Our closure plans are required to address legal obligations and corporate commitments, financial provisions, community interests, the environment, and employees' expectations once the mine is closed. The Company provides the appropriate regulatory authorities with reclamation financial assurance for mine closure obligations in the various jurisdictions in which it operates in accordance with applicable law and regulation. Our financial provisions for mine closure follow legal requirements in accordance with IFRS and the respective Company policies. Details of the Company's total liability for reclamation and other closure provisions are provided in Lundin Mining's most recent AIF.

During 2021, Lundin Mining continued a program to conduct third-party reviews of closure plans at our operations. Candelaria (including Ojos del Salado), Chapada and Eagle closure plans were reviewed in 2021. By early 2022, independent, third-party reviews of mine closure plans for all operations will have been completed. Findings will be used to update site-specific plans and ensure the standard is aligned with industry best practices.

Desert Bloom near Candelaria, Atacama, Chile





Quarterly Meeting, Chapada, Brazil

Our operations continued enhancing and further developing our plans for social transition in 2021 to support our communities in managing expected changes during the life cycle of our mines. At Eagle, we worked with multiple stakeholders to develop responsible exit strategies from two flagship social development programs, Accelerate UP and the Eagle Emerging Entrepreneurs Fund (EEEF). We established partnerships to ensure a stable financial position for these programs post-closure. Eagle also partnered with external experts and Michigan State University to conduct a closure-related socio-economic impact study that will directly inform our future stakeholder engagement and social investment strategies. Eagle continued engagement with other stakeholders, including the Keweenaw Bay Indian Community, to discuss issues of interest, cultural concerns

and investment initiatives. Eagle is actively working to convene and support a multi-stakeholder forum to develop a long-term management plan for Marquette County's Trail Systems.

At Neves-Corvo, we conducted a two-stage closure-related socio-economic impact study that identified expectations from key stakeholders such as local government authorities, community-based organizations, and representatives from business groups, to inform our social transition planning process, which is underway.

Lundin Mining actively manages the former Storliden mine in northern Sweden, which was closed in 2008. We are currently in the process of finalizing human health and ecological site-specific risk assessment of the closed site. More details are available in our [AIF](#).

As of November 2021, EEEF had a total of 35 active community loans totaling \$1.48 million. Through this program, we also provided up to \$60,000 guaranteed funding for emergency COVID-19 loans. Lundin Foundation will use the Accelerate UP program to develop a model that may be adopted and replicated in communities in need of entrepreneurial development support, leveraging lessons learned.

 **OUR NEXT STEPS**

- Continue to actively plan for closure of Eagle in 2025 as scheduled in the most recent Life of Mine Plan.
- Update Eagle social closure plan to outline more detailed programs to support revised closure objectives including financial sustainability of programs after closure.
- Continue to progress the social transition planning process at Neves-Corvo.

EXTERNAL COMMITMENTS AND MEMBERSHIPS

Lundin Mining's RMP and RMMS are aligned with the Government of Canada's Enhanced Corporate Social Responsibility Strategy and other voluntary national and international initiatives to which we commit, include the following:

- Organization for Economic Cooperation and Development Guidelines for Multi-National Enterprises;
- United Nations Guiding Principles on Business and Human Rights;
- United Nations Global Compact;
- Voluntary Principles on Security and Human Rights;
- International Finance Corporation Performance Standards on Social and Environmental Sustainability;

- Global Reporting Initiative;
- Prospectors and Developers Association of Canada e3 Plus;
- Global International Standard for Tailings Management;

- CDP Climate Change, which is aligned with the voluntary Task Force on Climate-related Financial Disclosures (TCFD) recommendations; and
- CDP Forests Program.

Membership of industry associations enables Lundin Mining to stay current regarding matters of public policy, emerging sector and sustainability trends, regulatory updates, stakeholder interests, and the sharing of industry best practices. In 2021, Lundin Mining was a member of, or participant in, associations listed at <https://lundinmining.com/sustainability/business-resilience/>

Tailings Facility, Zinkgruvan, Sweden





BUSINESS RESILIENCE

WE ADAPT TO CHANGING CONDITIONS

and leverage proven and new technology, partnerships and operational excellence to ensure sustained growth of our business into the future.

The long-term resilience and economic sustainability of Lundin Mining is important to ensure we continue to meet our *Mission* well into the future. Our *Mission to mine critical metals vital to society while creating meaningful value for our stakeholders* becomes increasingly relevant in the context of today's high-profile, global decarbonization efforts. The mining industry must embrace change, be adaptable, and build long-term resilience, to sustain the provision of minerals that are critically important to support these efforts, and we, as a Company, are committed to sustainably providing raw materials in the long-term to support the global transition to a low-carbon future.

Sustainability Strategy Focus Areas:
 Economic Performance
 Mining Innovation
 Responsible Production and Supply Chain

At Lundin Mining, we will accomplish this through our Business Resilience pillar, focusing on our operational technology strategy and harnessing digital transformation, securing our systems against the growing risk of cybersecurity threats, ensuring continued responsible production at our operations and within our value chain, and delivering ongoing reliable economic performance. It is important for us to continue to demonstrate to our stakeholders that we focus on responsible production of metals and responsible sourcing in our purchasing decisions as we navigate the transition to a low-carbon economy.

IN THIS SECTION

- Economic Performance 104
- Responsible Production and Supply Chain 107
- Intelligent Mine 4.0 109

Decarbonization will shift demand as global energy transition requires substantial quantities of critical minerals, and their supply emerges as a significant growth area (International Energy Agency (IEA), 2021). Companies that mine and process critical minerals have a major role to play in the emerging technologies and innovations associated with clean energy transitions. Growth demand for the minerals we mine — copper, nickel, zinc and lead — is driven primarily by trends in low-emissions vehicles, improved energy efficiency, renewable energy generation, energy storage, and carbon capture technology. Significantly, at Eagle, we own the only operating nickel mine in the United States. The World Bank reports an overall increase in demand for as many as 11 minerals used across a variety of energy technologies, with iron and aluminum showing the highest absolute increase, followed by copper and zinc. Not only is low-carbon energy transition materially intensive, but that intensity increases with the level of decarbonization. (World Bank, 2020)

ECONOMIC PERFORMANCE
Our Approach

At Lundin Mining, we continuously monitor our performance and objectives, conduct opportunity and risk assessments, and integrate these findings into our economic strategy. The resilience and economic sustainability of our business are important to our stakeholders. We strive to create meaningful value through the responsible acquisition, development, operation and closure of base metal mines, delivering shared value through effective partnerships and innovation while maintaining balance sheet strength and flexibility to act on compelling growth opportunities.

Except where otherwise noted, financial information is presented in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee, which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the CPA Canada Handbook — Accounting. Economic performance updates regarding our financial and operational results for the reporting period are available in other publications and financial disclosures found in the [AIF, 2021 Annual MD&A](#) and [Financial Statements](#) and the [MIC](#).



Process Plant, Candelaria, Chile

Our economic strategy is focused on maximizing value from mine to market. This is accomplished by delivering strong production and cash flow generation, low cash costs, maintaining a strong and flexible balance sheet, and executing improvement and expansionary projects as planned. The Company is focused on improving productivity and innovation through advancing value-added technology, continuous improvement programs, and

proactive procurement processes. The Company will remain committed to optimizing sustaining capital expenditures. This strategy positions us to generate leading returns and take advantage of internal and external growth opportunities.

Our Performance

For the year ended December 31, 2021, the Company achieved most recent production guidance for all metals, and cash costs better than guidance, at all our operations and was able to generate cash flow from operations of \$1.5 billion and net earnings attributable to shareholders of \$780 million. We were able to increase our regular cash dividend and announce a performance dividend. Expansion study work evaluating future growth and mine life extensions were advanced for the Candelaria underground mines, Eagle East and at Chapada.

The Candelaria Mill Optimization Project was completed during the year, and Neves-Corvo's ZEP officially restarted in January 2021 after proactive COVID-19 temporary suspension in the first quarter of 2020. The project was substantially completed in 2021 with commissioning underway. We were able to increase our regular cash dividend and advance exploration programs at all sites.

Lundin Mining's operations contribute to economic development and prosperity in regions where we operate through wages and salaries paid to employees and contractors, local procurement, taxes royalties and fees paid to governments, and community investments or initiatives that advance sustainable development. Given our commitment to work with our stakeholders to advance socio-economic development in the regions where we operate, we also measure our economic performance in terms of our community-investment contributions, as described under the [Community Development](#) section of this report. Total revenue and production costs in 2021 were \$3.3 billion and \$1.4 billion, respectively. As defined by GRI, our total economic value generated¹ in 2021 was approximately \$3.3 billion, and total economic value distributed¹ was approximately \$2.0 billion, as detailed in the following table.

IN US\$ 000s	2019 ¹	2020 ¹	2021 ¹
Total economic value generated	1,903,969	2,046,609	3,322,744
Operating costs	787,771	795,618	1,099,815
Employee benefits	286,037	297,181	335,762
Payments to providers of capital	80,366	100,318	234,911
Payments to governments ²	84,612	79,906	313,744
Community investments	7,446	9,915	4,864
Total economic value distributed	1,246,232	1,281,938	1,989,096
Total economic value retained	657,737	764,761	1,333,648

¹ These are non-GAAP measures which have no meaning within generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company prepares these measures to meet the reporting requirements under GRI 201-1. Please refer to [Appendix B](#) for additional reconciliations of non-GAAP measures.

² Payments to governments, as reported under GRI 201-1, differs from the legislation defined in the Extractive Sector Transparency Measures Act ("ESTMA") and as reported by the Company in our annual ESTMA filing.



Eagle Exploration Core Samples, Michigan, USA

In 2021, we produced predominantly copper, zinc, gold and nickel concentrate to supply the increasing demand for low-carbon technologies.

Metal¹ Production, by Contained Metal 2021

METAL	TONNES	000 OZ
Copper	262,884	
Zinc	143,797	
Gold		167
Nickel	18,353	

¹ Candelaria's copper production has been reported on a 100% basis.

GUINNESS WORLD RECORD

Porsche's goal was to demonstrate the capabilities of its Cross Taycan Turismo electric vehicles by making a dramatic ascent beginning at the lowest depth of Eagle mine underground and continuing, stopping only to charge, to one of the highest elevations in the United States, Pikes Peak in Colorado.

It seemed only fitting a high-grade nickel and copper mine, both elements essential to electric vehicles, would be the perfect choice to spearhead the event. After several months of risk assessments, safety discussions and detailed planning, the team at Eagle was up to the challenge.

<https://www.youtube.com/watch?v=VITSTMQxwdQ>



Porsche set New World Record with Electric Vehicle, Eagle, Michigan, USA.



Mill Plant, Neves-Corvo, Portugal

We invest in the future of our operations and the development of our business. Total general exploration expense¹ for the year ended December 31, 2021, was \$36.7 million, an increase compared to the prior year expenditure of \$26.2 million. This expenditure reflects increased exploration activity and the acquisition of new exploration properties in the Chapada region. On December 20, 2021, Lundin Mining announced it had entered into a definitive agreement to acquire all of the issued and outstanding shares of Josemaria Resources Inc. which will result in 100% ownership of the Josemaria copper-gold project located in the San Juan Province of Argentina.

¹ These are non-GAAP measures which have no meaning within generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Please refer to [Appendix B](#) for additional reconciliations of non-GAAP measures.

 **OUR NEXT STEPS**

- Anticipate significant growth in our zinc production for 2022 with the ramp-up of ZEP at Neves-Corvo.
- Complete the acquisition of Josemaria Resources, (completed April 2022), and obtain the necessary financing to initiate the construction design of the copper-gold project located in San Juan Province of Argentina.
- Contribute to community investments and initiatives that advance sustainable development in regions where we operate and generate meaningful value for our stakeholders.



Punta Padrones, Candelaria, Chile

RESPONSIBLE PRODUCTION AND SUPPLY CHAIN
Our Approach

Lundin Mining's mission is to responsibly mine base metals vital to society while creating meaningful value for our stakeholders. Guided by our updated [RMP](#), [RMMS](#), [Human Rights Policy](#), and [Code of Conduct](#) we expect our Board, employees, suppliers, customers, contractors and business partners to adhere to the principles of these policies when operating at our sites or on our behalf. Our approach to Responsible Mining ensures the success of our Sustainability Strategy integrating health, safety, environment, and community into all aspects of our business. Increasing demand for ethically produced metals requires companies to look more closely at their production and supply chains and reduce the environmental, social

and health impacts arising from mining the quantities of these minerals that are needed to meet the expanding demand.

Our stakeholders are increasingly interested in responsibly sourced and managed goods, understanding how our concentrate products are produced, handled and transported, and measures that we take to reduce any potential risks associated with these materials. Lundin Mining's materials and product stewardship initiatives focus on being a preferred, responsible supplier through providing sustainably developed, quality products; technical and marketing support; and dependable, on-time delivery. In 2020, the Company formed a cross-functional working group to establish a corporate responsible production strategy aligned with corporate management systems and our business strategy.

Responsible sourcing has a pivotal role to play to ensure ethical, social and environmental considerations in purchasing decisions. Lundin Mining partners with a national and international network of suppliers to manage the supply of goods, services and information required to promote safe and responsible mining. Our Collaborative Sourcing Strategy focuses on synergies and volume-level benefits across our operations to establish ongoing global framework agreements with strategic suppliers that have resulted in benefits to multiple operations. Our global supply chain framework was developed to deliver process improvements and governance at all operations. Standards were implemented governing best practices to ensure fair bidding and evaluations the awarding of contracts.

BUSINESS RESILIENCE

Our Performance

In recognition of the importance of responsible sourcing and product stewardship, Lundin Mining established a cross-functional working group in 2020 to develop a corporate strategy and strategic roadmap over two years. In 2021, a gap analysis was conducted across the organization to compare the strategy to international standards and ensure integration with our RMMS at all sites. Following this review, a decision was approved at Candelaria, which accounted for approximately 58% of the Company's copper production in 2021, to commit to Copper Mark™. Copper Mark™ is a credible voluntary assurance framework demonstrating industry's responsible copper production practices and contribution to the United Nations SDGs, designed to hold the copper industry accountable to responsible practices in critical areas including environment, community, human rights and governance issues.

In April 2022, Candelaria submitted a Letter of Commitment to the Copper Mark™ Responsible Production Framework. Learn more about our commitment at coppermark.org.

We developed a strategy for an initial 'screening-level' assessment of Scope 3 emissions across the value chain of all our sites where we have operational control. We continue to report energy consumption and GHG emissions associated with some third-party transport activities that take place beyond our operational boundaries in 2021, as a preliminary step towards tracking selected Scope 3 GHG emissions, as found under the [Energy and GHG Emissions](#) section of this report.

In 2021, we rolled out our new Global Business Partner Onboarding program with multiple checks embedded, including worldwide screening and enhanced monitoring, to support the due diligence process of our supply partners. Through our new Global Business Partner Onboarding Standard and process system, we defined requirements for all our business partners, while engaging with internal and external stakeholders to ensure our ethical standards are upheld. Due diligence measures are monitored through our Business Partner Onboarding and Certification program. All partners are reviewed to determine if they meet the due diligence requirements to be registered and added to the organization's business transactions list.

OUR NEXT STEPS

- Complete Copper Mark™ site-assessment at Candelaria.
- Conduct a mapping exercise of Scope 3 emissions sources across the value chain of all sites where we have operational control.
- Identify the most significant Scope 3 categories and activities across the corporate value chain to allow informed decision-making regarding where engagement efforts should be focused to further refine emission estimates in the future.

Punta Padrones, Caldera, Chile



INTELLIGENT MINE 4.0 — OUR DIGITAL JOURNEY Our Approach

The transition to the low-carbon economy will require the mining industry to adapt through technological advances and increased digital access. Digitization will play a significant role in the resilience of our business, harnessing innovation and sustainable solutions throughout the mine life cycle, with a medium to long-term view on economic, social, and environmental aspects, focusing on infrastructure and sustainability to improve performance and create competitive advantage.

Our operational technology vision is focused on setting the foundations for redefining the mining landscape and implementing digital strategies to mine responsibly, contributing to a more sustainable world. Our Operational Technology team is designing a plan — Intelligent Mine 4.0 — to support this greater goal, while ensuring the consistent application of technology across our organization to improve safety by removing people from hazardous conditions, reducing environmental impact through decarbonization and increasing efficiencies through automation and process stability.

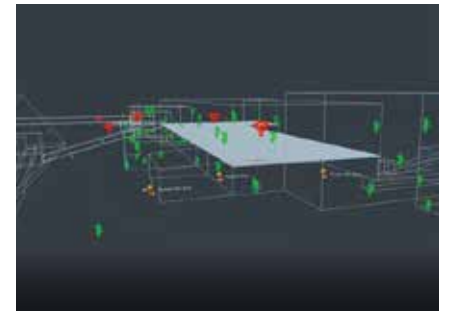
As part of Intelligent Mine 4.0, we will design, prioritize and implement digital solutions to integrate mining, processing and transportation to monitor and improve operational performance and enhance sustainability. Our five-year plan will provide corporate direction to

develop a systematic approach, define guidelines and processes to implement operational technology, identify opportunities to leverage existing technology and support operational excellence initiatives. We will continue to monitor emerging technologies, skills and capabilities and seek opportunities to collaborate with strategic technology suppliers to further develop operational technology solutions and services to improve our operational excellence and business sustainability.

Lundin Mining recognizes the increasing importance of cybersecurity and data privacy to safeguard against the growing enterprise risk posed by cybersecurity threats and to ensure compliance with data protection regulations in the countries where we operate. We have adopted a proactive approach to mitigate cybersecurity risks and to ensure the resilience of our operations with a business continuity plan and a disaster recovery plan for each of our operations. Our systems are subject to external and internal audits; findings are shared with the Board and fully integrated into our [Risk Management Framework](#). Our Cybersecurity Strategic Plan, renewed in 2021, provides a roadmap to deploy process improvements and governance at all operations, aligned with best practices and global frameworks, to enhance our cybersecurity program and protect the Company's operational technology networks.



Processing Plant Control Room, Candelaria, Chile



Digitization, Zinkgruvan, Sweden

BUSINESS RESILIENCE



Remote operation of underground drill rigs, Zinkgruvan, Sweden.

In 2021, Zinkgruvan was the first mine in the world to remotely operate one of Epiroc's drill rigs, at 650 meters underground on their 4G mobile LTE network. An LTE network is cutting-edge technology for communication and Zinkgruvan was the first in Sweden to install one underground. It has been a successful collaboration among Zinkgruvan, Epiroc and Telia, a Swedish multinational telecommunications and mobile network operator. The automation increases both safety and efficiency in production, while at the same time giving machine operators a better working environment.

Neves-Corvo partnered with Altice, a Portuguese telecommunications and mobile network operator and installed LTE 4G over 90 km at their underground operations. The network provides high-speed data communication. The system will be used to operate remote underground equipment from surface and will also assist in emergency safety evacuation while aiding increased efficiencies, production rate and resource optimization.

Our Performance

We continued work on the Underground Mine Control Program (UGMCP) for deployment across the organization. The program is integrating data centralization and production reporting, communications (LTE), equipment health tracking, dispatch, collision avoidance, tele remote working, automation and asset location, where feasible at each operation. In 2021, we started the Company-wide implementation of *SmartMine* — our new Operational Business Intelligence Platform — that will lay the foundations for integrated, accurate and reliable reporting and analytics.

In 2021, we initiated our Enhanced Tailings Governance, Monitoring and Reporting Initiative, evaluating enterprise-wide business intelligence solutions for real-time monitoring, data management, tailings governance, and critical controls reporting. A current landscape review was completed across all operations in 2021 with plans to define a viable solution in 2022. In 2021, we commenced work on improving our data management processes to support the tracking of water, air, energy and waste data to improve decision-making, trend analysis and support the development and measurement of sustainability targets on a phased basis.

We initiated and implemented projects to increase detection of, and response to, security risks and recovery functions for our data security management, including additional security controls, user awareness programs, and improved monitoring, which together improved the cybersecurity maturity level by 20% in 2021. Another focus was enhancing the cybersecurity of the operational technology network, including the implementation of multiple security-oriented projects. There were no major instances of data loss or other significant data compromise during 2021.

OUR NEXT STEPS

- Complete the design and implementation of the Intelligent Mine 4.0 plan.
- Continue implementation of our five-year operational technology roadmap.
- Focus on operational technology maturity assessments at our open pits and processing plants to evaluate needs and prioritize identified initiatives for implementation.
- Continue to advance the Operational Business Intelligence program across the organization.
- Finalize the UGMCP project.
- Integrate operational technology and information technology roadmaps, with plans to identify convergences and opportunities for collaboration.
- Implement cybersecurity-related initiatives to ensure security of the operational technology network.

APPENDIX A: Basis for Water, Energy and GHG Reporting

BASIS FOR LUNDIN MINING WATER REPORTING 2021

Data Sources

- Primary withdrawals and discharges are metered. Some other flow rates are derived from manual readings. Some flow rates are determined by water balance calculation based on metered flows and using probabilistic models.
- Precipitation is determined based on annual precipitation data, surface catchment areas and runoff coefficients to account for natural infiltration.
- Entrained water is the volume of groundwater in the ore which necessarily enters the mineral processing plant, calculated based on average ore moisture content and tonnes milled.
- Third-party volumes are derived from invoices for metered or trucked water.

Definitions (Other water-related definitions are included in the body of the report)

- Total water withdrawals and discharges are sub-divided (after ICMM):
 - > 'Operational water': Water that enters the operational water system used to meet the operational water demand. This water is *theoretically available for use* by the site within an operational task or activity.
 - > 'Other managed water': Water that is actively managed (eg physically pumped, actively treated or has material consumptive losses) without intent to supply the operational water demand.
- Water quality based on Total Dissolved Solids (TDS) content where *Freshwater* ≤ 1,000 mg / L TDS and *Other water* > 1,000 mg / L TDS).
- Surface water refers to rivers, creeks and lakes. Precipitation and seawater are reported separately for transparency.
- Groundwater withdrawals are permitted abstraction from wells and natural infiltration into mines.
- Water entrained in ore that is processed in our mills is an additional form of groundwater withdrawal, reported separately for transparency.
- Consumption losses include evaporation, water used for dust control and drilling, water retained in tailings and waste rock deposits, stored water and moisture in shipped concentrate.
- Change in water storage is integrated into consumption calculations for a consistent consumption calculation approach across all operations.

Discharges

- Priority substances of concern in our discharges primarily defined by site-specific permits and national legislation applicable to receiving environments.
- Where a permit is required, discharge limits are typically defined by regulatory authorities during the permitting process, supported by baseline monitoring data and risk assessments of impact on the receiving environment.
- For operations with regulated discharges, an integrated system of water treatment processes and procedures is designed and in place.
- Chapada monitors onsite and in the Rio dos Bois, which receives surface runoff and seepage from the site, referencing results to Brazilian surface water quality standards.

Water Stress

- Water stress as defined in WRI Aqueduct Water Risk Atlas where baseline water stress is high (40-80%), extremely high (>80%) or 'arid and low water use'.
- Candelaria and its desalination facility / port operations at Punta Padrones are in the North Chile, Pacific Coast Basin, designated as an area of "arid and low water use".
- Neves-Corvo mine receives operational water from the Santa Clara reservoir in the Portugal, Atlantic Coast Basin, designated as an area of "extremely high" water stress.
- Neves-Corvo's port facility at Setúbal receives third-party potable water and withdraws a very small percentage of its water from a well in the Portugal, Atlantic Coast Basin, designated as an area of "extremely high" water stress.

APPENDIX A: Basis for Water, Energy and GHG Reporting

BASIS FOR LUNDIN MINING ENERGY REPORTING 2021

- Energy Within Lundin Mining includes fuel and electricity consumed in our corporate office and onsite by Lundin Mining and contractors for core business activities.
- Energy Outside Lundin includes fuel consumed by contractors for the transport of concentrate, some imported raw materials and personnel in buses.
- Data sources include Lundin Mining's internal purchase records and fuel-consumption records reported to Lundin Mining by contractors.
- Factors to convert quantities of fuel consumed to energy units sourced in-country from product data sheets, national publications and 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
- Electricity consumption data obtained from suppliers and onsite meters.
- Fuel and electricity renewable content based on best readily available data from suppliers and national publications.

BASIS FOR LUNDIN MINING GHG REPORTING 2021

- GHG emissions calculation approach aligned with the GHG Protocol methodologies.
 - > Consolidation approach based on operational control.
 - > Latest Global Warming Potentials, given in the Intergovernmental Panel on Climate Change (IPCC) Sixth Assessment Report were used, as recommended by the GHG Protocol and CDP.
 - > Calculations include relevant gases including carbon dioxide, methane, nitrous oxide, HFCs reported as carbon dioxide equivalents (CO₂e).
 - > 2015 defined as base year for GHG emissions reporting (data were externally assured and both location-based and market-based Scope 2 data were reported). Base year Scope 1 and Scope 2 emissions were recalculated in 2019 using pro-rata option, to account for the acquisition of Chapada Mine in July 2019. Full recalculation was completed for the 2020 reporting year.

2015 Base Year Emissions (recalculated March 2021)	<ul style="list-style-type: none"> • Scope 1: 351,251 tonnes CO₂e • Scope 2 (Location-based): 495,872 tonnes CO₂e • Scope 2 (Market-based): 483,257 tonnes CO₂e
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- Scope 1 emissions accounting based on fuel, blasting agents, and fugitive emissions from refrigeration and air-conditioning equipment at our operations.
 - > Where available, fuel emission factors sourced in-country, from national publications; otherwise, default fuel emission factors were sourced from 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
 - > Fugitive emissions calculated based on broadly estimated refrigerant data from our operations, in alignment with the GHG Protocol's Screening Method (WS3 Emission Factor-Based Approach to Estimate HFC and PFC Emissions from Refrigeration / AC, 2015).
- Scope 2 emissions accounting based on electricity consumption onsite and in corporate offices.
 - > "Location-based" and "Market-based" Scope 2 emissions calculated in accordance with GHG Protocol Scope 2 Guidance, published in 2015.
 - > Emission factors for location-based emissions calculations were regional or national data obtained in-country, where available, and otherwise were sourced from the International Energy Agency (IEA (2021), Emission Factors).
 - > Emission factors for market-based calculations were sourced from a contractual arrangement between our Swedish operation and its electricity supplier; European Residual Mix (AIB, 2021) for Portugal; and, since residual mix data are not currently available for Brazil, Chile and the U.S., regional or national grid average data were applied.
- Scope 3 emissions from some third-party fuel combustion in our value chain (transportation only) based upon fuel-consumption data supplied by contractors.
- Scope 1 + Scope 2 GHG emissions intensity (Tonnes CO₂e / Tonne Cu eq) based on Lundin Mining total 2021 production (contained metal in concentrate) and 2021 average metal prices sourced from London Metal Exchange (LME) and London Bullion Market Association (LBMA).

APPENDIX B: Performance Data Tables

HEALTH & SAFETY STATISTICS 2021

	EMPLOYEES	CONTRACTORS	TOTAL
	MALE AND FEMALE	MALE AND FEMALE	
Candelaria	3,471,307 Employee Hours	9,010,258 Contractor Hours	12,481,565 Hours Worked
Total Recordable Injuries	4	10	14
Injury Rate (TRIF)	0.23	0.22	0.22
Occupational Diseases	3	0	3
Occupational Disease Rate	0.17	0	0.05
Lost Workdays	89	275	364
Lost Day Severity Rate (SR) ¹	5	6	6
Work Related Fatalities	0	0	0
Chapada	1,554,391 Employee Hours	2,776,523 Contractor Hours	4,330,914 Hours Worked
Total Recordable Injuries	4	11	15
Injury Rate (TRIF)	0.51	0.79	0.69
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	62	247	309
Lost Day Severity Rate (SR) ¹	8	18	14
Work Related Fatalities	0	0	0
Eagle	382,855 Employee Hours	451,402 Contractor Hours	834,257 Hours Worked
Total Recordable Injuries	0	4	4
Injury Rate (TRIF)	0	1.77	0.96
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	0	40	40
Lost Day Severity Rate (SR) ¹	0	18	10
Work Related Fatalities	0	0	0
Neves-Corvo	2,179,738 Employee Hours	2,349,218 Contractor Hours	4,528,956 Hours Worked
Total Recordable Injuries	14	7	21
Injury Rate (TRIF)	1.28	0.60	0.93
Occupational Diseases	13	0	13
Occupational Disease Rate	1.19	0	0.57
Lost Workdays	401	30	431
Lost Day Severity Rate (SR) ¹	37	3	19
Work Related Fatalities	0	0	0

APPENDIX B: Performance Data Tables

HEALTH & SAFETY STATISTICS 2021

	EMPLOYEES		CONTRACTORS		TOTAL
	MALE AND FEMALE		MALE AND FEMALE		
Zinkgruvan	711,205 Employee Hours		264,643 Contractor Hours		975,848 Hours Worked
Total Recordable Injuries	7		2		9
Injury Rate (TRIF)	1.97		1.51		1.84
Occupational Diseases	3		0		3
Occupational Disease Rate	0.84		0		0.61
Lost Workdays	5		29		34
Lost Day Severity Rate (SR) ¹	1		22		7
Work Related Fatalities	0		0		0
Exploration	22,415 Employee Hours		1,540 Contractor Hours		23,955 Hours Worked
Total Recordable Injuries	0		0		0
Injury Rate (TRIF)	0		0		0
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	0		0		0
Lost Day Severity Rate (SR) ¹	0		0		0
Work Related Fatalities	0		0		0
Corporate Offices	218,436 Employee Hours		1,169 Contractor Hours		219,605 Hours Worked
Total Recordable Injuries	0		0		0
Injury Rate (TRIF)	0		0		0
Occupational Diseases	0		0		0
Occupational Disease Rate	0		0		0
Lost Workdays	0		0		0
Lost Day Severity Rate (SR) ¹	0		0		0
Work Related Fatalities	0		0		0
Lundin Mining Total	8,540,346 Employee Hours		14,854,752 Contractor Hours		23,395,098 Hours Worked
Total Recordable Injuries	29		34		63 ²
Injury Rate (TRIF)	0.68		0.46		0.54
Occupational Diseases	19		0		19
Occupational Disease Rate	0.44		0		0.16
Lost Workdays	557		621		1,178
Lost Day Severity Rate (SR) ¹	13		8		10
High-consequence Injuries	4		4		8
High-consequence Injury Rate	0.09		0.05		0.07
Work Related Fatalities	0		0		0
Fatality Rate	0		0		0

Explanation of how data are compiled:

Employee Hours and Contractor Hours include female and male hours combined. For the purpose of this report, the 'Injury Rate' is based on total recordable injuries.

Total Recordable Injuries = Medical Treatment Cases + Restricted Duty Cases + Lost Time Cases. First aid injuries are not included.

¹ Lost Day Severity Rate (SR) = Based on workdays lost after the first day. SR calculation: '(lost workdays x 200,000) / hours worked'. Fatality would add 6,000 loss of life penalty days in the calculation.

² 3 female and 60 male recordable injuries — 2 involving employees and 1 involving a contractor.

	FEMALE EMPLOYEES	FEMALE CONTRACTORS	TOTAL
Chapada			
Total Recordable Injuries	1	1	2
Neves-Corvo			
Total Recordable Injuries	1	0	1
Occupational Diseases	1	0	1
Lost Workdays	9	0	9
Lundin Mining Total			
Total Recordable Injuries	2	1	3
Occupational Diseases	1	0	1
Lost Workdays	9	0	9

STAFFING SUMMARY 2021

		NUMBER OF EMPLOYEES	PERMANENT EMPLOYEES	TEMPORARY EMPLOYEES	FULL-TIME EMPLOYEES	PART-TIME EMPLOYEES	EMPLOYEE TURNOVER (%)	NON-MANAGERIAL WORKFORCE COVERED BY COLLECTIVE BARGAINING AGREEMENTS (%)
Candelaria	Male	1,415	1,368	47	1,415	0	6.6	
	Female	179	153	26	179	0	7.8	
	Total	1,594	1,521	73	1,594	0	6.8	78
Chapada	Male	817	785	32	817	0	8.6	
	Female	107	104	3	107	0	12.1	
	Total	924	889	35	924	0	9.0	100
Eagle	Male	150	150	0	150	0	10.0	
	Female	43	43	0	43	0	11.6	
	Total	193	193	0	193	0	10.4	0
Neves-Corvo	Male	1,142	842	300	1,142	0	5.9	
	Female	173	126	47	173	0	5.8	
	Total	1,315	968	347	1,315	0	5.9	99
Zinkgruvan	Male	368	358	10	368	0	6.8	
	Female	88	83	5	81	7	3.4	
	Total	456	441	15	449	7	6.1	100
Exploration	Male	6	6	0	6	0	33.3	
	Female	5	5	0	5	0	0	
	Total	11	11	0	11	0	18.2	0
Corporate	Male	65	62	3	65	0	15.4	
	Female	49	45	4	49	0	12.2	
	Total	114	107	7	114	0	14.0	0

Explanation of how data are compiled:

Employee numbers are as expressed as headcount. Numbers disclosed as at the end of the reporting period.

APPENDIX B: Performance Data Tables

RECONCILIATION OF NON-GAAP MEASURES 2021

Economic value generated and economic value distributed are measures of Lundin Mining's contribution to the economic development of the regions that the Company operates in. Economic value generated can be reconciled to revenue as follows:

	2019	2020	2021
Revenue	1,892,713	2,041,506	3,328,765
<i>Add:</i>			
Interest income	12,165	5,985	613
Loss on disposal of assets	(909)	(882)	(6,634)
Total economic value generated	1,903,969	2,046,609	3,322,744

Operating costs, employee benefits, payments to governments and community investments can be reconciled to production costs, general and administrative expenses, general exploration and business development and current tax expense as follows:

2021	OPERATING COSTS	EMPLOYEE BENEFITS	PAYMENTS TO GOVERNMENTS	COMMUNITY INVESTMENTS	OTHER COSTS	TOTAL
Production costs	1,099,815	291,782	40,106	4,575	-	1,436,278
General and administrative expenses	-	39,790	-	289	12,117	52,196
General exploration and business development	-	4,190	-	-	40,748	44,938
Current tax expense	-	-	273,638	-	-	273,638
Total	1,099,815	335,762	313,744	4,864	52,865	-

2020	OPERATING COSTS	EMPLOYEE BENEFITS	PAYMENTS TO GOVERNMENTS	COMMUNITY INVESTMENTS	OTHER COSTS	TOTAL
Production costs	795,618	264,416	26,962	8,915	-	1,095,911
General and administrative expenses	-	28,488	-	-	15,683	44,171
General exploration and business development	-	4,277	-	-	39,935	44,212
Current tax expense	-	-	52,944	-	-	52,944
Total	795,618	297,181	79,906	8,915	55,618	-

2019	OPERATING COSTS	EMPLOYEE BENEFITS	PAYMENTS TO GOVERNMENTS	COMMUNITY INVESTMENTS	OTHER COSTS	TOTAL
Production costs	787,771	249,235	21,751	7,446	-	1,066,203
General and administrative expenses	-	30,249	-	-	16,855	47,104
General exploration and business development	-	6,553	-	-	71,295	77,848
Current tax expense	-	-	62,861	-	-	62,861
Total	787,771	286,037	84,612	7,446	88,150	-

Payments to providers of capital can be reconciled to dividends paid as follows:

	2019	2020	2021
Dividends paid to shareholders	66,437	88,002	227,392
<i>Add:</i>			
Lease liability interest	1,640	1,479	1,494
Interest expense and bank fees	12,289	10,837	6,025
Total payments to providers of capital	80,366	100,318	234,911

General exploration expense is reconciled to General exploration and business development as follows:

	2020	2021
General exploration and business development	44,212	44,938
<i>Deduct:</i>		
Project development	16,097	7,431
Corporate development	1,928	771
General exploration expense	26,187	36,736

¹ These are non-GAAP measures which have no meaning within generally accepted accounting principles under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. This data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Company prepares these measures to meet the reporting requirements under GRI 201-1.

Lundin Mining Corporation Country-by-Country Report 2020

TAX JURISDICTION	MAIN BUSINESS ACTIVITIES								
	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, Management or Support Services	Provision of Services to Unrelated Parties	Internal Group Finance	Holding Shares or Other Equity Instruments	Dormant	Other (Exploration)
Brazil		✓							
Chile		✓	✓	✓		✓	✓	✓	✓
Portugal		✓	✓	✓					
Sweden		✓	✓			✓	✓		✓
United States		✓				✓	✓	✓	✓
Canada	✓		✓	✓	✓	✓	✓	✓	

Transfer Pricing Documentation — Country-by-Country Report 2020 (In USD)

TAX JURISDICTION	REVENUES ²			PROFIT (LOSS) BEFORE INCOME TAX ²	INCOME TAX PAID (ON CASH BASIS)	INCOME TAX ACCRUED — CURRENT YEAR ²	STATED CAPITAL ²	ACCUMULATED EARNINGS ²	NUMBER OF EMPLOYEES ¹	TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS ²
	Unrelated Party	Related Party	Total							
Brazil	2,435,516	461,876,150	464,311,666	222,927,204	42,364,750	67,432,000	152,154,901	189,841,630	798	870,991,591
Chile	904,625,884	214,628,986	1,119,254,871	140,642,667	23,527,950	21,829,205	3,282,423,106	2,099,640,450	1,488	2,484,795,040
Portugal	293,735,443	957,609	294,693,052	6,691,302	5,986,392	207,533	143,444,195	478,448,775	1,263	913,775,334
Sweden	163,857,286	8,255,732	172,113,018	24,602,961	6,470,907	12,562,141	6,395,232	-297,019,149	449	319,261,901
United States	294,468,042	-	294,468,042	64,668,643	-	-	1,422,841,775	-120,651,867	399	346,874,434
Canada	441,726,391	66,192,897	507,919,288	50,426,133	21,514,639	11,061,000	4,904,577,990	-871,543,464	84	7,973,334

¹ For 2020, there were 13 employees related to exploration related activities that are not included in the figures above. Also, for the United States tax jurisdiction, included in the figures above are 203 contractors that have been classified as employees for country-by-country reporting purposes.

² These measures are reported as per the Organisation for Economic Co-operation and Development (OECD) guidelines and exchanged with tax jurisdictions in which the company operates. The figures may not be consistent with generally accepted accounting principles under IFRS or as reported in the Company's year-ended December 31, 2020 annual consolidated financial statements.

CAUTIONARY STATEMENT ON FORWARD-LOOKING INFORMATION

Certain of the statements made and information contained herein is “forward-looking information” within the meaning of applicable Canadian securities laws. All statements other than statements of historical facts included in this document constitute forward-looking information, including but not limited to statements regarding the Company’s plans, prospects and business strategies; the Company’s guidance on the timing and amount of future production and its expectations regarding the results of operations; expected costs; permitting requirements and timelines; timing and possible outcome of pending litigation; the results of any Preliminary Economic Assessment, Feasibility Study, or Mineral Resource and Mineral Reserve estimations, life of mine estimates, and mine and mine closure plans; anticipated market prices of metals, currency exchange rates, and interest rates; the development and implementation of the Company’s Responsible Mining Management System; the Company’s ability to comply with contractual and permitting or other regulatory requirements; anticipated exploration and development activities at the Company’s projects; the Company’s integration of acquisitions and any anticipated benefits thereof; and expectations for other economic, business, and / or competitive factors. Words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “goal”, “aim”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “can”, “could”, “should”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management, including that the Company can access financing, appropriate equipment and sufficient labor; assumed and future price of copper, nickel, zinc, gold and other metals; anticipated costs; ability to achieve goals; the prompt and effective integration of acquisitions; that the political environment in which the Company operates will continue to support the development and operation of mining projects; and assumptions related to the factors set forth below. While these factors and assumptions are considered reasonable by Lundin Mining as at the date of this document in light of management’s experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information. Such factors include, but are not limited to: risks inherent in mining including but not limited to risks to the environment, industrial accidents, catastrophic equipment failures, unusual or unexpected geological formations or unstable ground conditions, and natural phenomena such as earthquakes, flooding or unusually severe weather; uninsurable risks; global financial conditions and inflation; changes in the Company’s share price, and volatility in the equity markets in general; volatility and fluctuations in metal and commodity demand and prices; changing taxation regimes; delays or the inability to obtain, retain or comply with permits; reliance on a single asset; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; pricing and availability of key supplies and services; the threat associated with outbreaks of viruses and infectious diseases, including the COVID-19 virus; exchange rate fluctuations; risks relating to attracting and retaining of highly skilled employees; risks inherent in and / or associated with operating in foreign countries and emerging markets; climate change; regulatory investigations, enforcement, sanctions and / or related or other litigation; existence of significant shareholders; uncertain political and economic environments, including in Brazil and Chile;

risks associated with acquisitions and related integration efforts, including the ability to achieve anticipated benefits, unanticipated difficulties or expenditures relating to integration and diversion of management time on integration; indebtedness; liquidity risks and limited financial resources; funding requirements and availability of financing; exploration, development or mining results not being consistent with the Company’s expectations; risks related to the environmental regulation and environmental impact of the Company’s operations and products and management thereof; activist shareholders and proxy solicitation matters; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; historical environmental liabilities and ongoing reclamation obligations; information technology and cybersecurity risks; risks related to mine closure activities, reclamation obligations, and closed and historical sites; social and political unrest, including civil disruption in Chile; the inability to effectively compete in the industry; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may be unreliable; actual ore mined and / or metal recoveries varying from Mineral Resource and Mineral Reserve estimates, estimates of grade, tonnage, dilution, mine plans and metallurgical and other characteristics; ore processing efficiency; risks associated with the estimation of Mineral Resources and Mineral Reserves and the geology, grade and continuity of mineral deposits including but not limited to models relating thereto; enforcing legal rights in foreign jurisdictions; community and stakeholder opposition; changes in laws, regulations or policies including but not limited to those related to mining regimes, permitting and approvals, environmental and tailings management, labor, trade relations, and transportation; risks associated with the structural stability of waste rock dumps or tailings storage facilities; dilution; risks relating to dividends; conflicts of interest; counterparty and credit risks and customer concentration; the estimation of asset carrying values; challenges or defects in title; internal controls; relationships with employees and contractors, and the potential for and effects of labor disputes or other unanticipated difficulties with or shortages of labor or interruptions in production; compliance with foreign laws; potential for the allegation of fraud and corruption involving the Company, its customers, suppliers or employees, or the allegation of improper or discriminatory employment practices, or human rights violations; compliance with environmental, health and safety regulations and laws; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of this AIF and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2021, which are available on SEDAR at www.sedar.com under the Company’s profile. All of the forward-looking statements made in this document are qualified by these cautionary statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, forecast or intended and readers are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information. Accordingly, there can be no assurance that forward-looking information will prove to be accurate and forward-looking information is not a guarantee of future performance. Readers are advised not to place undue reliance on forward-looking information. The forward-looking information contained herein speaks only as of the date of this document. The Company disclaims any intention or obligation to update or revise forward-looking information or to explain any material difference between such and subsequent actual events, except as required by applicable law.

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SUSTAINABILITY REPORT FEEDBACK

We welcome feedback from stakeholders regarding our *2021 Sustainability Report*.
For further information or comments, please contact:

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Photos in this report reflect adherence to COVID-19 regulations in place at the time. Some photographs in this report were taken before and after restrictions.