

lundin mining

2022 Sustainability Report



About This Report

Lundin Mining Corporation has published an annual sustainability report since 2010, providing updates on the safety, environmental, social, governance 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 are publicly available and can be found in our [2022 Annual Information Form \(AIF\)](#), [Management's Discussion and Analysis](#), [Consolidated Financial Statements](#) and the [Management Information Circular \(MIC\)](#) available on the Company's website and accessible under Lundin Mining's profile on the [System for Electronic Document Analysis and Retrieval \(SEDAR\)](#).

Certain information contained or incorporated by reference in this 2022 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 [Appendices section](#) of this report.

Sustainability Reporting Framework and Cycle

Reporting Period	January 1, 2022 – December 31, 2022
Date of Last Report	December 31, 2021
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.
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's senior management.
Independent Assurance	Apex Companies, LLC (Apex) provided independent assurance of Lundin Mining's 2022 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 . Assurance covers stakeholder engagement as it relates to the AccountAbility's AA1000AS v3 (2021) principles of inclusivity, materiality, responsiveness and impact.
Review	This report has been reviewed and approved by Lundin Mining's Safety & Sustainability Committee ("SSC") of the Board of Directors ("Board"), the Company's Management Disclosure Committee and Lundin Mining senior management, including the CEO; President; COO; CFO; SVP General Counsel; SVP Safety & Sustainability; SVP Technical Services and Growth; VP Finance; VP Tax and Treasury; VP Human Resources; VP Commercial; VP Business Valuations and Investor Relations; VP Technical Services; and Managing Directors at each operation and project.



Josemaría Project, Argentina

*Unless otherwise stated, all references to "\$" are United States dollars. "Lundin Mining" or "Company" refers to Lundin Mining Corporation and / or its subsidiaries. This report contains non-GAAP ("generally accepted accounting principles") measures. These performance measures have no meaning within GAAP under International Financial Reporting Standards as issued by the International Accounting Standards Board and therefore amounts presented may not be comparable to similar data presented by other mining companies. A reconciliation of the non-GAAP measures in this Sustainability Report can be found in [Appendix B](#).

Report Scope: Our list of material topics has not changed from the previous reporting period and is based on our Corporate materiality assessment in 2021, reviewed for relevance at the close of 2022.

- Key focus on operating mines, majority-owned and managed by Lundin Mining through our subsidiaries: Candelaria Complex, Chile (80% interest); Chapada Mine, Brazil; Eagle Mine, USA; Neves-Corvo Mine, Portugal; and Zinkgruvan Mine, Sweden.
- Inclusion: Selected information for our Corporate headquarters in Toronto, Canada. On April 28, 2022, Lundin Mining acquired Josemaría Resources Inc. which resulted in 100% ownership of the Project. Since the Josemaría Project is currently in design phase, reporting is limited to selected metrics, where available and material.
- Exclusion: On March 27, 2023, Lundin Mining announced a binding purchase agreement to acquire fifty-one percent (51%) of the issued and outstanding equity of SCM Minera Lumina Copper Chile, a wholly owned subsidiary of JX Nippon Mining & Metals Corporation which operates the Caserones copper-molybdenum mine located in Chile. The transaction is subject to customary closing conditions and is expected to be completed in the third quarter of 2023.

Independent Assurance of 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, 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 Neves-Corvo Mine in Portugal in March 2023, and consisted of staff interviews, data review and stakeholder interviews.

The 2022 Independent Assurance Statement covers the following performance indicators for all Lundin Mining operations, according to GRI Standards.

Performance Indicators:

- **Safety**¹ – 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**¹ – As it relates to the AccountAbility's AA1000AS v3 (2021) principles of inclusivity, materiality, responsiveness and impact; and
- **Grievance Mechanism**¹ – Grievances filed during the year, including number, description, actions taken and outcome¹.



Open Pit, Chapada, Brazil

1. Josemaría Project data included for the post-acquisition period (April 28, 2022).

Contents

Overview 1

A Message from Our CEO	2
A Message from Our Senior Vice President Sustainability, Health & Safety	3
About Lundin Mining	4
Our Sustainability Strategy	8
Our 2023 Sustainability Goals	9
Materiality & Stakeholder Engagement	10
Progress Against Our 2022 Sustainability Goals	12

Environmental Stewardship 13

2022 Highlights	15
Tailings Stewardship & Waste Management	16
Water Stewardship	20
Decarbonization, Climate Resilience & Energy	27
Air Quality	35
Biodiversity & Land Management	38
Environmental Compliance	41

Thriving Communities 43

2022 Highlights	45
Local Economic Development	46
Community Health & Well-being	55

Empowered Workforce 59

2022 Highlights	61
Workplace Health & Safety	62
Industrial Hygiene & Occupational Health	67
Crisis Management Planning & Emergency Preparedness	68
Talent Attraction & Retention	70
Diversity & Inclusion	74

Good Governance 76

2022 Highlights	78
Business Integrity & Transparency	79
Risk Management	83
Human Rights	84
Reclamation & Closure	86

Business Resilience 88

2022 Highlights	90
Economic Performance	91
Responsible Production & Supply Chain	93
Mining Innovation	95

Appendices 97



Mining responsibly to contribute to a more sustainable world

Oeiras River, Neves-Corvo, Portugal

Overview

In This Section

A Message from Our CEO	2
A Message from Our Senior Vice President Sustainability, Health & Safety	3
About Lundin Mining	4
Our Sustainability Strategy	8
Our 2023 Sustainability Goals	9
Materiality & Stakeholder Engagement	10
Progress Against Our 2022 Sustainability Goals	12



A Message from Our CEO



At the heart of Lundin Mining's success is our commitment to sustainability. We understand that continually improving our sustainability performance is essential to achieving our long-term growth and operational goals, allowing us to create meaningful value for our many and diverse stakeholders. Since becoming CEO in 2021, I have had the pleasure of witnessing firsthand the improvements and progress our team has driven across our operations and resilience in the face of challenges to become a more sustainable business and producer of base metals essential to a low-carbon future.

Sustainability Makes Good Business Sense

Officially launched in 2022, *Focused on the Future* consists of a promise, a purpose, and five pillars, which has become the cornerstone of our Responsible Mining approach. Aligned with highly regarded frameworks for sustainable business, including the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs), considering sustainability topics material to our business and our stakeholders.



Our *Focused on the Future* strategy enables us to continue to commit to the United Nations Global Compact (UNGC) 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 [here](#). We have reported our COP since 2016.

Safety at Lundin Mining has always been the first of our core *Values*. This past year our commitment was tragically not fulfilled. We continue to mourn the loss of two colleagues in Portugal. These tragic incidents directly and indirectly affect many within our organization and community. To reflect on the loss, share initial learnings, and reinforce our commitment to Zero Harm, stand-downs were held at each of our operations and offices globally. Each incident underwent thorough internal and external investigation with further learnings shared across our business. We recognize the need to continually improve and have accelerated the introduction of Fatal Risk Management (FRM) and increased our commitment to in-the-field Visible Felt Leadership (VFL) across our organization. Fatal Risk Management is an industry-leading fatality-prevention program that focuses on the 18 fatal risks present in mining which have the potential to cause a serious or fatal injury. By recognizing

the fatal risks, implementing critical controls and workplace planning that integrates FRM into everything we do, I am confident we are now on the right path to Zero Harm.

In July 2022, we reported the formation of the sinkhole near the Alcaparroza Mine, which is part of the Minera Ojos del Salado operations at our Candelaria Mining Complex. All mining activities were immediately and temporarily suspended by the Company. We have worked alongside regulators and local authorities to quickly address any concerns, working cooperatively with an independent investigation, in addition to conducting our own investigation. The Candelaria team worked to develop a comprehensive engagement plan designed to re-establish constructive dialogue, keep community members informed of the latest developments, and address concerns. Candelaria's commitment to being transparent and accessible and to engage in ongoing dialogue has helped to strengthen trust and our relationship with the local community.

Our Operations have continued to make great strides in the implementation of this strategy, and work continues across the business to further define meaningful KPIs aligned with the strategy. Our plan for reducing absolute Scope 1 and Scope 2 (market-based) emissions by 35% by 2030, compared to the target base year of adjusted 2019 emissions, is an outstanding example of this.

In 2022, we were proud to announce the discovery of the high-grade Saúva copper-gold deposit near to our Chapada operations in Brazil, and successful completion of the acquisition of the large copper-gold Josemaría Project in Argentina in the emerging Vicuna district. In April 2023, we announced the planned acquisition of a majority stake and operatorship of the producing copper-molybdenum Caserones mines in Chile. Our Sustainability Strategy, *Focused on the Future*, will be core to the successful integration, development, and advancement of these growth projects.

In early 2023, Candelaria was awarded The Copper Mark™, following the extensive assessment process that culminated in late 2022. The Copper Mark™ is a voluntary program that recognizes copper producers for their demonstrated commitment to responsible operating practices across the entire value chain. This award allows us to share the results in a standardized and transparent way with our shareholders, employees, communities, customers, and other stakeholders.



Contained in this report are many additional examples of our work and progress, which are tracked and reported to the Board of Directors' Safety and Sustainability Committee quarterly. This year marks the 13th year Lundin Mining has been reporting on its sustainability performance in a comprehensive, standalone document.

In the coming years, through *Focused on the Future*, our greenhouse gas reduction target, and the many ways our operations make sustainable choices every day, we will continue to drive positive change. While our approach to sustainability will continue to progress, we remain committed to our core *Values* and Responsible Mining. This will ensure we meet the evolving demands of climate change, supply the metals necessary for a low-carbon economy, and exceed employee and stakeholder expectations, well into the future.

Thank you for your interest in Lundin Mining and our commitment to sustainability.

Sincerely,

Peter Rockandel
CHIEF EXECUTIVE OFFICER

A Message from Our Senior Vice President Sustainability, Health & Safety



Lundin Mining has a mission of mining responsibly which includes the integration of a long-term sustainability strategy within our existing business. In 2022, we continued to make progress in fulfilling our mission and achieving Lundin Mining's sustainability goals.

Throughout the year, our Sustainability Strategy known as *Focused on the Future* was integrated into our business strategy, operations, and culture. Employees across the organization have supported this critical work, helping us keep pace with climate change, the high metal demands of a green economy, and ever-evolving stakeholder interests and expectations.

Lundin Mining's Sustainability Strategy was officially launched in 2022, the second stage in a multi-year implementation process referred to as *define, integrate, embed*. In 2022, the focus was on integrating the strategy into our business processes, building awareness throughout the organization, and defining targets for priority material topics. The material topics in which we focused represent the sustainability pillars of Environmental Stewardship, Thriving Communities, and Empowered Workforce.

We increased internal and external awareness of our strategy, goals and initiatives through a multi-faceted communications campaign and incorporation of the Sustainability Strategy into our Responsible Mining Policy. This policy embodies our *Values of Safety, Respect, Integrity, and Excellence* and is the foundation for ensuring health, safety, environment, and communities are integrated into all aspects of the business.

Environmental Stewardship

In July 2022, Lundin Mining committed to reducing greenhouse gas (GHG) emissions and established an interim decarbonization target of a 35% reduction in Scope 1 and 2 emissions by 2030, across our end of 2019 portfolio of operations. A roadmap to achieve this target was developed along with specific decarbonization plans at each of the operations to advance this effort.

Throughout the year, we progressed the implementation of the Global Industry Standard on Tailings Management (GISTM) and are on track to meet our target dates. This ensures we are operating and maintaining our tailings facilities in a manner that is safe for our employees, our neighbouring communities, and the environment.

Additionally, we continued to enhance our processes and reporting of climate-related financial information to align with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

Thriving Communities

Social performance remained a priority in 2022 with the establishment of a 'control room' for social performance at each of our sites. This 'control room' guides how we engage, invest and benefit our communities, and it integrates strategies, standards, frameworks and systems that are foundational to mining responsibly. This comprehensive approach was instrumental to improving community relationships following the sinkhole event near Alcaparrosa Mine where our site Social Performance team turned this difficult situation into an opportunity for collaboration based on transparency and respect.

Empowered Workforce

The health and safety of our employees, contractors, and the communities in which we operate remained a focus throughout the year. Following two tragic fatalities at Neves-Corvo, the introduction of our Fatal Risk Management (FRM) program was accelerated. The program aims to eliminate fatalities, prevent serious, high potential injuries, and reduce repeat incidents. FRM is part of a multi-year effort to advance Lundin Mining's health and safety culture and deliver against our Zero Harm objective.

The first wave of SAP SuccessFactors was successfully implemented at all of our operations, allowing us to advance our targets in the area of talent management, including development and succession planning. In addition, there was continued effort to increase the number of women represented in various roles throughout the organization.

Looking Forward

In 2023, the implementation process will focus on embedding the Sustainability Strategy into all aspects of our business from budgeting to long-term planning and project reviews.

Our annual goals include advancing the climate strategy by establishing site-specific targets and integrating the decarbonization projects into the capital management process. Along with that, we will advance our inventory of Scope 3 emission sources. Work will continue at Candelaria, Chapada and Neves-Corvo to align with the GISTM by August 2023 and the implementation of FRM will continue at all sites throughout the year. Finally, we will continue to strengthen our approach to human rights, building out our grievance mechanisms to provide Lundin Mining stakeholders with the opportunity to speak up and be heard.

It is exciting to see the progress made over the past year in advancing our Sustainability Strategy. I am grateful to our Sustainability Committee for their time and contributions to this critical work and to all the employees for uniting behind the five pillars of our strategy. Thank you for supporting this effort and for helping us contribute to a more sustainable world.

Kristen Mariuzza
SENIOR VICE PRESIDENT
SUSTAINABILITY, HEALTH & SAFETY

About Lundin Mining

Lundin Mining Corporation is a diversified Canadian base metals mining company with headquarters in Toronto, Canada. In 2022, we announced the corporate head office will relocate to Vancouver, Canada in 2023. Our operations are located in Brazil, Chile, Portugal, Sweden and the United States of America. Lundin Mining acquired the Josemaría copper-gold project, located in the San Juan Province of Argentina, 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.



CANDELARIA, CHILE

Copper
By-product: Gold / Silver

Interest: **80%**

Number of Employees: **1,756**

Mine Type: **Open Pit and Underground**

Current Mine Life: **24 years to 2046 (Underground and stockpiles)**

Ore Milled: **Up to 28.0 mtpa Candelaria, 1.4 mtpa PAC**

CHAPADA, BRAZIL

Copper
By-product: Gold / Silver

Interest: **100%**

Number of Employees: **923**

Mine Type: **Open Pit**

Current Mine Life: **29 years to 2051 (Open pit and stockpiles)**

Ore Milled: **Up to 24.0 mtpa**

EAGLE, USA

Nickel
By-product: Copper / Cobalt / Gold / Platinum Group Metals

Interest: **100%**

Number of Employees: **196**

Mine Type: **Underground**

Current Mine Life: **5 years to 2027**

Ore Milled: **Up to 0.7 mtpa**

JOSEMARÍA, ARGENTINAⁱ

Copper
By-product: Gold / Silver

Interest: **100%**

Number of Employees: **227**

Mine Type: **Open Pit**

Current Mine Life: **19 years**

Ore Milled: **Up to 55.9 mtpa**

ⁱ Project, current design specifications.

NEVES-CORVO, PORTUGAL

Copper
By-product: Zinc / Lead / Silver

Interest: **100%**

Number of Employees: **1,308**

Mine Type: **Underground**

Current Mine Life: **10 years to 2032**

Ore Milled: **Up to 2.8 mtpa copper and 1.15 mtpa zinc**

Expansion project: **Zinc Expansion Project (ZEP) to 2.5 mtpa**

ZINKGRUVAN, SWEDEN

Zinc
By-product: Copper / Lead / Silver

Interest: **100%**

Number of Employees: **466**

Mine Type: **Underground**

Current Mine Life: **12 years to 2034**

Ore Milled: **Up to 1.5 mtpa**

Extension project: **Dalby zone**

EXPLORATION ACTIVITIES

Candelaria, Chile (Copper, Gold)

Zinkgruvan, Sweden (Zinc, Copper)

Chapada, Brazil (Copper, Gold)

Neves-Corvo, Portugal (Copper, Zinc)

Eagle (Nickel, Copper)

Number of Employees: **14**

Our Business²

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 processing plant, and the remainder of ore extracted from these two mines is processed at the Candelaria plant. The Alcaparrosa Mine is currently on temporary suspension and the Company is working with the relevant authorities towards a potential restart of operations.

Chapada

The Chapada Mine is located in northern Goiás State, Brazil, approximately 320 km north of the state capital of Goiania and 270 km northwest of the national capital of Brasilia. The mining and processing operations at Chapada produce copper concentrates, with significant gold by-products, from open pit mining. The mine production is currently entirely from Chapada, with the Chapada Main and Corpo Sul pits in operation. The mineral concentrate product from the processing plant is transported by road to the port of Açú in the state of Rio de Janeiro.

Eagle

The Eagle Mine is an underground mine producing about 2,000 tonnes per day (tpd) of high-grade nickel-copper ore situated in the Upper Peninsula Michigan, United States of America. The ore is hauled to surface in diesel-powered trucks via the ramp and then trucked to the Humboldt processing plant, located approximately 105 km from the mine site. The current production at Eagle Mine is from two deposits: Eagle Main and Eagle East. The new Keel zone, which was recently added into the mine plan, is expected to be in production starting in 2024. Nickel and copper concentrates are transported via rail car direct to smelter facilities within North America.

Neves-Corvo

The Neves-Corvo Mine is situated in the Alentejo Region of southern Portugal. The operation includes: the Neves-Corvo underground mine, copper and zinc processing facilities and associated facilities at the mine site; private harbour and loading facility at Setúbal; and sand extraction facilities at Alcácer do Sal. Copper and zinc concentrates are transported to a dedicated port facility at Setúbal, Portugal.

Zinkgruvan

The Zinkgruvan Mine is located in south central Sweden approximately 15 km from the town of Askersund and comprises a deep underground mine, a processing plant and associated infrastructure and tailings management facilities. Copper and zinc / lead concentrates are trucked from the mine to the inland port of Otterbäcken on Lake Vänern.

Josemaría

The Josemaría Project is located within the San Juan province of Argentina, 9 km east of the Chile-Argentina border in the Andes Mountains at elevations ranging from 4,000 m to 4,900 m above sea level. The Josemaría Project is planned to be developed as a large-scale open pit mining operation with processing facilities capable of handling throughput in excess of 150,000 tpd, adding significant growth in a new jurisdiction for our organization. Concentrate is anticipated to be transported along the site access road and public two-lane paved roads to San Juan, where it will be loaded onto rail and taken to the port at Rosario.

OUR EXPLORATION GROUP

Our exploration group supports near-term production growth, life-of-mine extensions, and economic assessments to ensure sustainability of our business through the discovery of additional 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 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.

OUR SUPPLY CHAIN

Supply chains rely on national and international networks of business partners for the provision of products and services required to support business activities at our mines. Our partners vary across our operations but reflect a strong focus on prioritizing a local and national supplier base. The acquisition of the Josemaría Project in 2022 represents a significant change to our organization's supply chain; associated supply chain effects will be measured as the project develops.

Largest Categories of Suppliers Across Our Operations in 2022:

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

2. Further information on our operations can be found on our [website](#).

Our Approach to Responsible Mining & Sustainability

Lundin Mining's *Mission and Values* form the foundation of our sustainability approach. They are fundamental 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.



Tailing Facility, Zinkgruvan, Sweden

Our Values

Mining responsibly to contribute to a more sustainable world guides us in achieving our *Values* of Safety, Respect, Integrity and Excellence. They are essential to creating and fostering enduring relationships and meaningful shared value with our local communities and stakeholders. Lundin Mining is committed to operating in compliance with all applicable laws and regulations in the jurisdictions where we operate, and we seek to continuously improve our sustainability performance.

Our Responsible Mining Policy (RMP) outlines our commitment to sustainable practices and principles that guide the Company and align our Sustainability Strategy with our business objectives. It also complements our governance policies including our Human Rights Policy, Diversity and Inclusion Policy, and our Code of Conduct among others. We strive to align our policies and procedures with international best practices and guidance on sustainability matters to meet our business objectives and targets. The RMP was updated and approved by the Board in 2022 and is available in all our operational languages. Our commitment to it was communicated by our CEO across the organization.

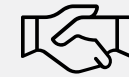
Our RMP, which is comprised of 17 core principles, addresses the key elements of responsible mining: health and safety, environmental stewardship, stakeholder engagement, human rights, tailings management, local economic development, business conduct, economic contribution and governance throughout the mining life cycle. We expect all employees, suppliers, customers, contractors and business partners to adhere to these principles when operating on our sites or on our behalf.

Our Values



SAFETY

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



RESPECT

We embrace diversity, inclusion, open dialogue and collaboration.



INTEGRITY

We do what is right and honour our commitments.

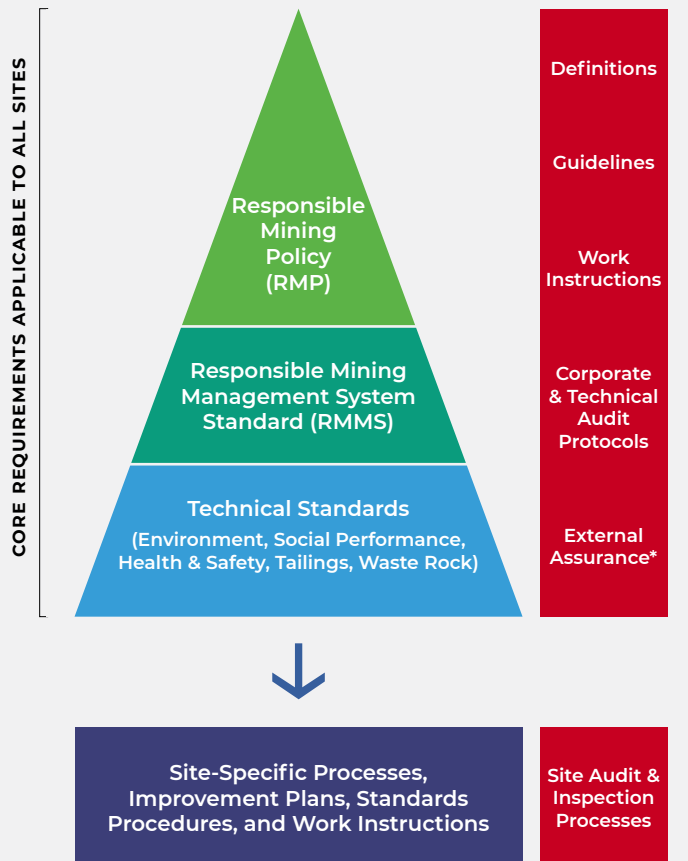


EXCELLENCE

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

Our values guide us in mining responsibly to contribute to a more sustainable world.

Lundin Mining Corporation Sustainability Strategy



Hierarchy of RMMS Documents – This graphic depicts the structure of Responsible Mining Management System documentation. *Selected metrics.

Our RMP principles are embedded in Lundin Mining's Responsible Mining Management System (RMMS) standard – a critical enabler of our Sustainability Strategy. The RMMS specifies Company-wide requirements for managing the health, safety, environmental and community (HSEC) aspects of our business. Each operation is required to establish formal processes to:

- manage risk, operational changes and legal requirements,
- establish goals and targets to improve performance related to our responsible mining principles,
- determine responsibilities and accountabilities,
- provide awareness, competency and training,
- enhance communications and stakeholder engagement,
- ensure operational controls exist to effectively manage environment, health & safety, and social performance,
- establish crisis and emergency response,
- ensure effective incident and action management,
- manage contractors and suppliers,
- determine document control and recordkeeping, and
- assure management system effectiveness through assessing performance and regular audits.

• Our **Technical Standards** formalize these RMMS requirements and form the basis for continual performance improvement and enhancement of our site-specific management programs to address key operational activities and risks – such as tailings stewardship, social performance management, air quality, greenhouse gas management, closure planning, safety and fatality prevention, water management and waste rock management.

• The RMMS is 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 regularly update our management system to reflect industry best practices. In 2022, we aligned our RMMS to the ISO 45001:2018 Health and Safety Management Standard and the Mining Association of Canada's Towards Sustainable Mining (TSM) Standard. Additionally, Candelaria,

Ojos del Salado and Chapada's environmental and health and safety management systems are separately certified under the ISO 14001:2015 and ISO 45001, both of which cover employee and contractor activities.

We regularly evaluate our management approach, as part of the RMMS audit process and the Independent Tailings Review Board (ITRB) assessments, among other assessments conducted at each operation. In 2022, we followed up on action plans and resolved a number of findings at each of our operations, which were identified during our third-party 2021 audit program. Our RMMS third-party verification cycle is biennial, and performance against selected management technical standards will next be assessed in 2023. Updates on the resolution of audit findings and performance on sustainability matters are reported quarterly to the Safety and Sustainability Committee of the Board to ensure a pathway to continuous improvement.

Lundin Mining is a member of the United Nations Global Compact (UNGC), the world's largest corporate sustainability initiative working to address priority economic, social, environmental and governance challenges. Through this initiative, we have made 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 Sustainable Development Goals (SDGs) and related 2030 SDG targets. Our *Mission, Values, RMP* and Sustainability Strategy 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. Our Communication on Progress (COP) is available [online](#).



Our Sustainability Strategy

Ensuring the resilience and agility of our business

Our Sustainability Strategy consists of:

- our **Purpose** – Mining responsibly to contribute to a more sustainable world;
- our **Promise** – Focused on the Future, a call to action to unite our employees to our Purpose and to Lundin Mining’s ambitious sustainability goals; and
- our **Pillars** – environmental stewardship, thriving communities, empowered workforce, good governance and business resilience.

Our Purpose has provided the foundation for our work and enabled us to identify clear themes, strategic pillars and guiding statements to support our multi-year Sustainability Strategy. Our Promise has been broadly communicated, both internally and externally, to support our goal of increasing engagement and awareness of sustainability matters at all levels of the organization.

Our five strategic pillars are interconnected, a relationship depicted in an iconic wheel image. We have developed a position statement for each Pillar that closely aligns with the SDGs most relevant to our material topics. Additionally, they underscore where we believe we can make a positive contribution as we work to integrate them fully into our business strategy, day-to-day operations and organizational culture.



Our Sustainability Strategy Framework

Our strategic pillars form the foundation of Lundin Mining’s Sustainability Strategy Framework, which was developed by a multi-disciplinary Sustainability Working Group, comprised of cross-functional representatives from both our operations and corporate teams.

Guided by an Executive Steering Committee, the Sustainability Working Group established this Framework to embed sustainability across our sites and enhance our collective awareness of key sustainability challenges facing our industry. It is anchored in our 2021 materiality assessment, as well as in comprehensive, evidence-based data analysis that we conducted to support strategy development. This collaborative process allowed us to review and recalibrate our long-term integrated sustainability vision for Lundin Mining.

Our Framework includes key performance indicators (KPIs) as well as long-term targets, which will be phased in based on the status of current and ongoing initiatives. Throughout 2022, we continued to integrate sustainability planning, initiatives and targets into Lundin Mining’s business cycle and annual plans.

Sustainability Priorities and SDGs



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.



Our 2023 Sustainability Goals

In 2023, we will continue to take this phased approach for strategically important and material issues, prioritizing target setting for select focus areas important to our internal and external stakeholders. We have aligned our sustainability goals to support progress of these 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.

Sustainability Governance at Lundin Mining

In 2022, the Lundin Mining 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. The SSC assists the Board in its oversight of health, safety, environment, social and sustainability matters including risk management, performance, leadership and reporting, as well as climate change and tailings management at Lundin Mining. At the management level, executive leadership oversees the implementation of our Sustainability Strategy and the effectiveness of the Company's risk assessment and management policies and procedures with respect to safety and sustainability matters. Additionally, the senior executive leadership monitors performance against key safety and sustainability performance objectives. The day-to-day ownership and management of sustainability matters and risks occur at the operational level at each of our mine sites, reporting to and under the guidance of corporate leadership. *More detailed information is available in our AIE.*

Performance-based Compensation

Underscoring the importance of sustainability, we directly link a variety of measures including health & safety, environment and social performance measures to compensation outcomes for our executive team. *For details, please reference our previous annual [Management Information Circulars](#).*



Environmental Stewardship

Environment
No Level 3 or above environmental incidents.

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).

Progress evaluation of Scope 3 emissions throughout our value chain.

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



Thriving Communities

Social Performance
Develop economic diversification strategies for each jurisdiction.

Improve the level of trust in our company, relative to the most trusted institution in each jurisdiction.

Improve the perception of environmental impacts in each jurisdiction.

Local Economic Development
Draft 5-year Social Investment Plans at all operations.



Empowered Workforce

Zero Harm
No fatal injuries.
Continue implementation of Fatal Risk Management across all operations.
Maintain a TRIF rate of 0.55 or better.

Talent Attraction and Retention
Advance SuccessFactors, our human capital management system, to support strategic workforce planning, assuring succession for critical roles and future talent needs.



Good Governance

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

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



Business Resilience

Mining Innovation
Continue implementation of operational business intelligence and Operational Technology Roadmap to support the digital business transformation.

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

Economic Performance
Progress the Josemaría Project through the establishment of an updated capital cost estimate, project execution schedule, and Technical Report. Further advance financing, including potential debt sources, joint ventures, and off-take partnerships. Advance studies for expansion opportunities at Candelaria and Chapada, and extension of mine life at Eagle.

Materiality & Stakeholder Engagement

Our 2022 Sustainability Report focuses on topics that are most material to both our business and our stakeholders. We align our reporting process with the GRI Standards framework and EU regulations, and identify and assess material sustainability topics in terms of actual and potential economic, environmental and societal impacts of Lundin Mining's activities, duly considering each topic's importance to both internal and external stakeholders. We also take account of wider perceptions of the minerals sector in general.

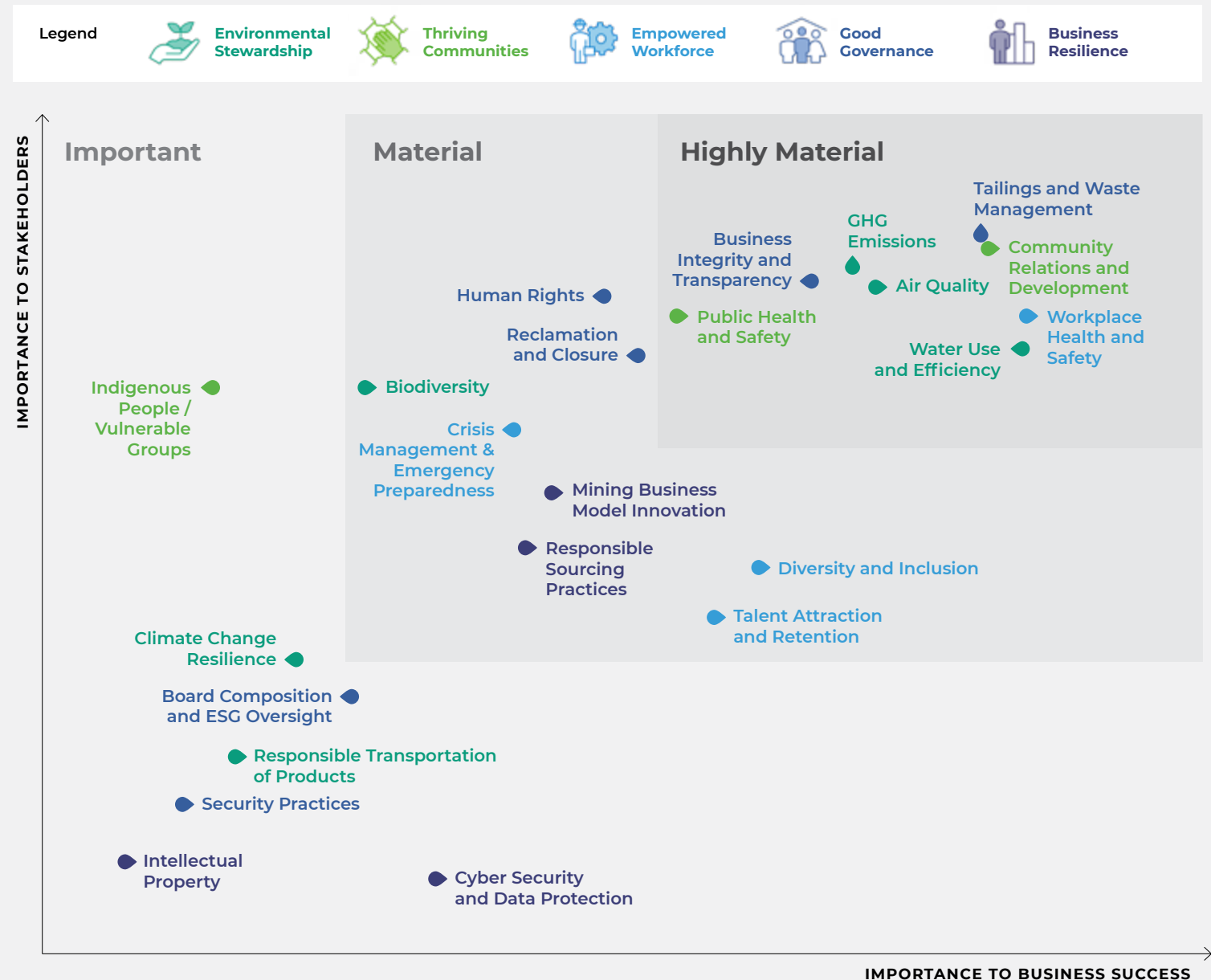
Materiality Assessment of Sustainability Topics

In our most recent detailed materiality assessment (2021), we undertook an extensive consultation process with internal and external stakeholders. Interviews were conducted with external stakeholders including customers, suppliers, international mining associations, capital investment managers, banks, environmental NGOs, and local community groups representative of the regions in which we operate. Internal stakeholder consultations included a comprehensive survey across all operations, with more focused interviews with representatives from many functions across Lundin Mining at both the corporate and operational level.

We continually monitor and annually evaluate the impacts that make a topic material to our business via internal and external processes which are discussed in detail throughout this report, e.g., through quarterly risk assessments, Human Rights Risk Impact Assessments, RMMS audit process, Social License to Operate (SLO) Index, and our various grievance mechanisms. Based on feedback from these various monitoring tools, we made no changes to our material topics from the previous reporting period. A planned update to Lundin Mining's detailed materiality assessment will be carried out in 2024.

We report on each of our highly material topics in significant detail under each of our sustainability pillars. Certain sustainability topics, which can be relevant to the mining sector, were not identified as highly material during our materiality assessment process; however, we include some information concerning these subject areas in our report to present a more comprehensive view of our operations and activities.

Materiality Matrix



IMPORTANCE TO BUSINESS SUCCESS

IMPORTANCE TO STAKEHOLDERS

Important

Material

Highly Material

Stakeholder Engagement

Lundin Mining’s approach to stakeholder engagement is based on clear communication, transparency and trust. Our goal is to better understand and respond to the interests and concerns of our stakeholders and any emerging issues and risks to our operations. The RMP and RMMS set the framework for a consistent approach to engaging with stakeholders across our organization. We use insights gained from our SLO Index to identify stakeholders and engage on perceived and actual impacts. Our sites are establishing multi-stakeholder forums to gain further insight into community interests and concerns.

Our corporate and operating sites use a systematic and dynamic stakeholder mapping process to annually identify and prioritize stakeholders from our direct and indirect areas of influence, as well as those interested in, or potentially affected by, our activities. Our newly implemented Simply Stakeholders™ system supports this engagement, enabling our teams to conduct stakeholder mapping, track stakeholder interactions and commitments, and measure the sentiment of this engagement. Our stakeholder engagement process is externally assured on an annual basis, as detailed on our [website](#).

Stakeholder Mapping:

We identify key stakeholders based on their geographic proximity to our operations, i.e. within our direct areas of influence. We give special consideration to identifying potentially vulnerable groups whose voices and perspectives might not otherwise be heard. Our corporate and operational sites annually update their stakeholder mapping and prioritize engagement to account for any changes in the level of interest or influence of different stakeholder groups, and the magnitude of impacts or potential impacts in relation to Lundin Mining’s key areas of operation. We also consider regulatory, business and our supply chain partners, as well as stakeholders linked with any wider associated social, economic and environmental impacts.

We engage with stakeholders on a monthly, quarterly, bi-annual and / or annual basis, as well as on an ad hoc basis. Stakeholders can also access our annual sustainability report and language-specific brochures, revenue transparency reports, [financial statements](#), [Management’s Discussion and Analysis](#), [MIC](#), [AIF](#), compliance statements, and [news releases](#) available on our [website](#).

The following table provides an overview of the stakeholder groups we engaged with in 2022 and the types and frequency of engagement.

How We Engage with Key Stakeholders

STAKEHOLDER GROUP	FREQUENCY AND TYPE OF ENGAGEMENT
Local Communities*	<ul style="list-style-type: none"> Occasional virtual webinars, training and forums Scheduled virtual / in-person meetings Guided site tours and visits to Community Offices Door-to-door visits Community perceptions surveys – SLO Index Newsletters and social media Annual sustainability summary brochures
Indigenous Peoples	<ul style="list-style-type: none"> Regular engagement with local Indigenous community members regarding identified concerns and opportunities for collaboration
Government	<ul style="list-style-type: none"> Regular meetings or consultations Implementation of agreements (ongoing) Partnerships (ongoing)
Employees and Contractors	<ul style="list-style-type: none"> Site-specific Joint Health & Safety Committee (JHSC) Training Safety Culture Perception and Sustainability Surveys Social media Regular newsletter, internal communications and e-mail updates Employee Engagement Surveys
Labour Unions	<ul style="list-style-type: none"> Collective bargaining (where applicable) One-on-one and group meetings
Non-Governmental Organizations	<ul style="list-style-type: none"> Community collaboration programs discussed throughout the report Meetings throughout the year, as needed
Industry Associations / Regional Business Associations	<ul style="list-style-type: none"> Ongoing membership in industry associations Participation in industry forums, conferences and committees
Suppliers	<ul style="list-style-type: none"> Meetings with local contractors and suppliers Meetings with other contractors and suppliers
Customers	<ul style="list-style-type: none"> Regular contact Environmental, social and governance-related information requests and surveys Engagement on Scope 3 emissions and climate-related initiatives
Local Tax Authorities (Chile)	<ul style="list-style-type: none"> Engagement to identify impacts, risks and needs specific to the community and to align potential opportunities with the Company’s funding priorities
Investors / Shareholders	<ul style="list-style-type: none"> Investor / Industry events and presentations Annual General Meeting of shareholders, Quarterly and Annual Corporate Filings Meetings and email correspondence with analysts, investors and lenders Third-party ESG rating databases (Bloomberg, S&P, etc.) Quarterly analyst conference calls

*Lundin Mining’s responses to key interests and concerns raised by our stakeholders in 2022 are detailed throughout the report. *Further details regarding community engagement are included in the [Thriving Communities](#) section of this report.*

Progress Against Our 2022 Sustainability Goals

Progress toward Lundin Mining’s sustainability targets is discussed throughout the report under our five sustainability strategic pillars.

	SUSTAINABILITY GOALS	RESULT	SUMMARY
ENVIRONMENTAL STEWARDSHIP	Environment: No Level 3 or above environmental incidents.	○	One Level 4 environmental incident (sinkhole near Alcaparrosa Mine) was reported.
	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.	●	Site decarbonization roadmaps were reviewed and integrated into Company-wide 2030 target, with work underway with external consultants to validate plans.
	Tailings Stewardship: Continue implementation of GISTM with development of corporate and operation-level implementation action plans.	●	Implementation action plans developed for Corporate and all operating sites, based on initial external gap assessments.
THRIVING COMMUNITIES	Social Performance: Develop 2030 targets for Focus Areas to guide Social Performance Programming.	●	Three targets were developed for all jurisdictions over the next 3–5 years.
	Local Economic Development: Roll out Social Investment Impact Framework (SIIF) and measure impact of flagship projects at all sites.	◐	Launched SIIF and pilot projects to measure the impact of flagship community investment projects in each jurisdiction. Impact pilots completed in Candelaria and Chapada, results for other sites expected early 2023.
EMPOWERED WORKFORCE	Zero Harm: No fatal injuries. Maintain a TRIF rate of 0.55 or better.	○	Two fatalities occurred at Neves-Corvo in March and September 2022. Overall TRIF rate of 0.68.
	Talent Attraction and Retention: Progress strategic workforce planning, assuring succession for critical roles and future-state talent pool needs.	◐	Advanced strategic workforce planning by identifying succession for 187 critical roles.
GOOD GOVERNANCE	Ethical Business: Achieve target providing that Board and executive officer positions should at all times be comprised of at least 30% women.	●	At the end of 2022, the Board was composed of three women, 37.5%. At the executive level, three of 10, or 30%, of our officers were women.
	Human Rights: Develop Human Rights Framework to guide implementation of Policy.	◐	Initiated the development of the Human Rights Guideline with a specialized consultant. Work expected to be completed in 2023.
BUSINESS RESILIENCE	Mining Innovation: Continue implementation of operational business intelligence and Operational Technology Roadmap to support the digital business transformation.	●	Implementation of operational business intelligence program was completed at Candelaria, with deployment of the second phase significantly advanced at Chapada, Eagle, Neves-Corvo and Zinkgruvan. Operational Technology Roadmaps consolidated with 80% of the Underground Mine Control Program implemented.
	Responsible Production: Continue responsible production through commitment to Copper Mark™ at Candelaria.	●	Candelaria was the first mine site in the Atacama region awarded the Copper Mark™ certification in early 2023, following site assessment in 2022.
	Economic Performance: Execute growth strategy through securing financing to support construction decision of the Josemaría copper-gold project and successful commissioning of Neves-Corvo’s ZEP.	●	Executed a fourth amended and restated credit agreement that increased the Company’s revolving credit facility to \$1,750 million, reduced the cost of borrowing, and extended the term, providing the Company with more favourable covenants, and reduced security on assets, providing meaningful financing to support the advancement of the Josemaría Project. In addition, Neves-Corvo’s ZEP was commissioned.

LEGEND

- Achieved
- ◐ Partially achieved
- Not achieved



Environmental Stewardship

In This Section

2022 Highlights	15
Tailings Stewardship & Waste Management	16
Water Stewardship	20
Decarbonization, Climate Resilience & Energy	27
Air Quality	35
Biodiversity & Land Management	38
Environmental Compliance	41



Environmental Stewardship

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

We believe in taking care of the land, air, water and biodiversity that are affected by our operations. That is why we have set meaningful targets to reduce the environmental footprint of our tailings facilities, decarbonize our operations, and conserve the water we use.

Related Material Topics:

- Tailings and Waste Management
- Water Stewardship
- Greenhouse Gas Emissions
- Air Quality

Sustainability Strategy Focus Areas:

- Climate Resilience
- Biodiversity



OUR APPROACH

Environmental stewardship is a pillar of Lundin Mining's Sustainability Strategy, guiding our commitment to responsible mining throughout the life cycle of a mineral project – from planning, development and day-to-day operations, through to closure and beyond.

Our holistic approach contributes to a more sustainable environment and, ultimately, a more sustainable business. Our goal is to use the natural resources in our care efficiently and thoughtfully, while responsibly managing emissions and wastes, and conserving biodiversity.

Lundin Mining's global environmental stewardship program is based on a risk-based management approach to responsible mining aligned with our Corporate Risk Management Framework. We are committed to complying with all applicable laws and regulations, which we supplement with external voluntary commitments. Our RMMS provides the management approach for each of our operations to establish a formal process to identify and assess environmental hazards and any other aspects that can create a risk exposure. A series of Environmental Technical Standards formalizes these requirements and forms the basis of our site-specific environmental management programs.

Minimizing Our Environmental Impacts

We strive to identify and minimize any potential environmental impacts throughout the life cycle of our mining activities. Our operations employ various monitoring and controls, including:

- 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.



Eurasian Eagle-Owl, Neves-Corvo, Portugal © José Godinho

2022 Highlights

In 2022, we made good progress on strengthening our tailings and waste management programs, expanding assessment of our carbon footprint and emissions reduction opportunities and conserving the water we use.



Sustainability Strategy

Further embedded our Sustainability Strategy, *Focused on the Future*, integrating sustainability planning, initiatives and targets into our business planning cycle and annual plans.



Climate Resilience

Finalized site-specific roadmaps to achieve a 35% reduction in Scope 1 and Scope 2 (market-based) emissions by 2030 across our end-of-2019 portfolio of operations, compared to a target base year of adjusted 2019 emissions.



Tailings Stewardship

Advanced implementation of the GISTM.



Closure

Continued site closure plan review cycle and completed or actioned independent third-party reviews of the mine closure plans at Candelaria and Eagle.



Scope 3

Completed 'screening-level' estimate of GHG emissions using the Scope 3 Evaluator, enabling focused efforts on future inventory development and engagement with value chain partners.



Humboldt Tailings Disposal Facility, Eagle, Michigan

Tailings Stewardship & Waste Management

We have set meaningful targets to reduce the environmental footprint of our tailings facilities. To achieve the targets, we are developing an integrated approach to safely and effectively manage the risks that tailings facilities can pose. Additionally, we have made significant progress in the implementation of the Global Industry Standard on Tailings Management (GISTM), which addresses the complexity and multi-disciplinary nature of responsible tailings management and requires strong collaboration across all areas of our business.

Materiality

Mining and mineral processing produce a significant amount of tailings and mineral wastes, which have the potential to impact local communities and the natural environment if not properly managed during operations and post-closure. Additionally, non-mineral wastes must be responsibly managed or there is potential for impact on people and the environment, both locally to our operations and further afield.

OUR APPROACH

Responsibly managing our mineral and non-mineral waste is a critical principle of our RMP and our commitment to environmental stewardship under our Sustainability Strategy.

Managing 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 and it may be mineralized or non-mineralized. We retain it underground, use it in onsite construction or dispose of it in waste stockpiles onsite. Tailings are generated during ore processing and, typically, are 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 aim to minimize the overall quantity stored on surface at our sites. 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.

Advancing Tailings Stewardship

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

in global transparency initiatives to create standardized, independent, and publicly accessible inventories about the safety and integrity of tailings facilities. We also provide online access to information regarding the safe and responsible management of our tailings facilities.

Our five active tailings facilities³ use two widely accepted methods to dispose of tailings:

- Underground disposal, which combines 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, which places tailings in engineered surface impoundments or, in the case of Eagle, subaqueous placement in a previously mined open pit.

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. All Lundin Mining operations manage their tailings in accordance with our Tailings Management Standard, which is aligned with the GISTM and supported by the RMMS.



Groundwater sampling, Neves-Corvo, Portugal

3. Across all operations, we manage 14 tailings facilities. Of these, five are in active use and nine are inactive or closed, and no longer receive tailings material.

We are working to demonstrate conformance to the GISTM for our active tailings facilities at Candelaria, Chapada and Neves-Corvo by August 2023. Our active tailings facilities at Eagle and Zinkgruvan, which are classified as lower-consequence facilities, will conform with the GISTM by August 2025 along with all other inactive / closed facilities. In addition to our stated 2023 and 2025 operational goals, we are incorporating climate change considerations – including criteria for extreme hydrological events – into our evaluations and decision-making around tailings facilities. Our conformance plans will incorporate all aspects of emergency preparedness. *More detailed information regarding our tailings facilities can be found in our Tailings Management Information Sheet, which is available on [our website](#).*

An important environmental consideration for our mineral wastes is the potential for the generation of acidic water, known as acid rock drainage (ARD), and for metal leaching (ML). ARD can form when sulphide minerals in waste rock and / or tailings are exposed to moisture and air, and its release can adversely affect the quality of waterways or groundwater by introducing undesirable levels of acidity and dissolved metals. Our newly developed Geochemical Characterization Procedure and Global Waste Rock and Ore Stockpile Facility Standard, supported by the RMMS, define the minimum requirements and provide guidance to sites on expectations regarding the design, construction and operation of waste stockpiles. Facility design is completed by an expert design engineer and reviewed by Lundin Mining engineers or a competent third party. Stability is maintained by applying design methods that meet industry best practices.

Managing 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, result 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.

Contributing to the Circular Economy

We actively pursue responsible and alternative disposal methods for our tailings and waste materials. Chapada's tailings were recently certified and registered by the Brazilian Ministry of Agriculture as an agricultural remineralizer. The site's tailings contain significant quantities of the macronutrient phosphorus, which can improve soil quality without any detrimental impact to health or the environment. Research conducted in partnership with Brasilia National University verified that the Chapada remineralizer was almost 3% more efficient than current market options. Further in-depth research of the remineralizer is planned. This important project provides Chapada with an opportunity to potentially reduce the volume of tailings stored in its tailings facility and integrate circular economy principles into its mineral waste process in the future.

OUR PERFORMANCE

In 2022, our Global Waste Rock and Ore Stockpile Facility Standard was formally approved under our RMMS and corporate rollout is now underway for subsequent adoption by all operations by 2026. Our sites made significant progress toward conforming with the GISTM. As part of this work, we completed formal external gap assessments against the GISTM and developed implementation action plans for each operating site.

Meeting Global Tailings Management Standards

72%–86%

conformance for active tailings facilities with August 2023 implementation target – Candelaria, Chapada and Neves-Corvo

66%–73%

conformance for active tailings facilities with August 2025 implementation target – Eagle and Zinkgruvan

In 2022, we finalized and approved a Geochemical Characterization Procedure which outlines our corporate requirements for assessing and managing any geochemical risks associated with mineral wastes. We also expanded Lundin Mining's independent tailings review program to meet the updated RMMS Tailings Management Standard (GISTM aligned) requirements. This included establishing multi-disciplinary Independent Tailings Review Boards (ITRBs) for all tailings facilities. Inaugural ITRB site visits were completed at all our operations between August and October 2022.

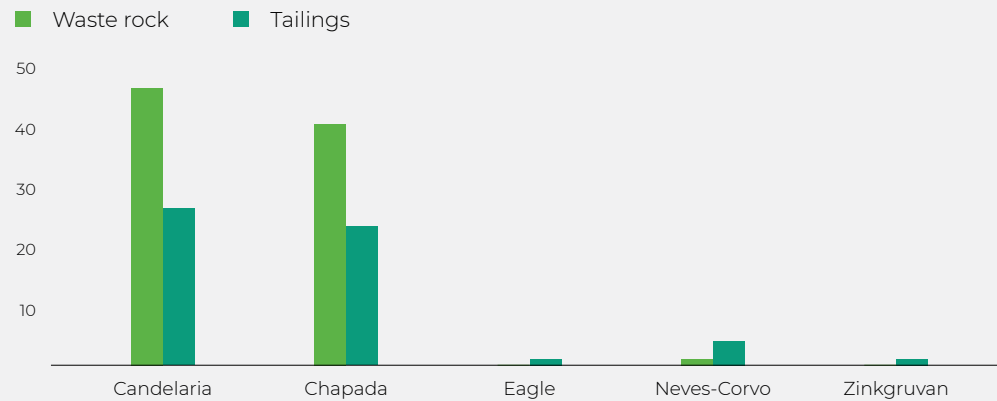
In 2022, almost 54 million tonnes of tailings and 88 million tonnes of waste rock were generated across our operations. In line with expectations, 97% of waste rock was mined at our Candelaria and Chapada open pit operations. Approximately 7% of the total waste rock generated at our operations either remained underground or was used in onsite construction and some 30%–40% of tailings from processing ore from underground mines were reused in paste backfill.



Waste rock stockpile at Chapada, Brazil

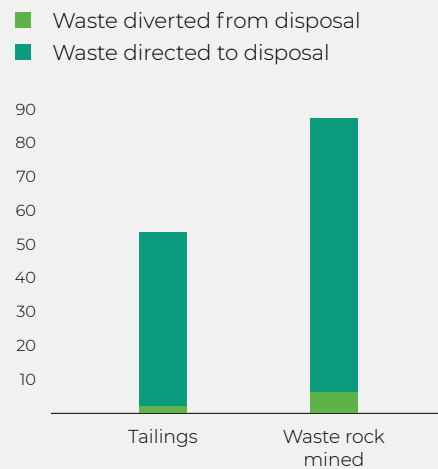
Waste Rock Mined and Tailings Generated, 2022

(million tonnes)



Waste Rock and Tailings Directed To / Diverted From Disposal, 2022

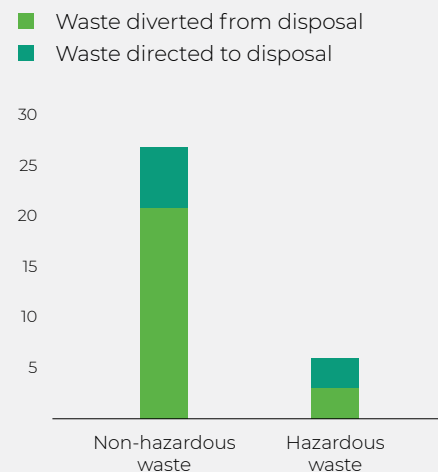
(million tonnes)



We classify any tailings or waste rock that were reused as backfill in our underground mines or for construction of tailings facility embankments or internal roads as "diverted from disposal." The data are presented within the context of regulatory, operational and scheduling constraints on reuse of these materials at our sites.

Non-Hazardous and Hazardous Wastes Directed To / Diverted From Disposal, 2022

(thousand tonnes)



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.

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 ⁴	APPROXIMATE WASTE ROCK FOOTPRINT	MANAGEMENT AND PERFORMANCE
Candelaria	929 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 No ARD controls required
Chapada	662 ha	<ul style="list-style-type: none"> Permanent surface storage in terraced stockpiles on site Some management for ARD / ML control Ongoing review and evaluation of risks or impacts arising from waste rock stockpiles Continued participation in Mining Hub Initiative, conducting in-situ trials to assess suitable soil / tailings blends for covering and rehabilitation of the South waste stockpile
Eagle	3 ha	<ul style="list-style-type: none"> Temporary surface storage incorporating ARD controls All waste rock mined retained underground in 2022 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 the tailings facility Over 70% of waste rock mined retained underground in 2022

During 2022, almost 32,000 tonnes of non-mineral wastes were generated at our sites, 85% of which were classified as non-hazardous waste. Approximately 78% of non-hazardous wastes and 57% of hazardous wastes were diverted from disposal, being either reused or recycled. The Josemaría Project, currently in the pre-construction phase (i.e., advancing roadworks and expanding the camp facilities), generated 2% of Lundin Mining's total non-hazardous wastes and almost 28% of our hazardous wastes. The remote mountainous location of the Project creates waste management challenges and, as a result, while some non-hazardous wastes were diverted from disposal for recycling, all Josemaría's hazardous wastes were directed to disposal. Waste management planning forms an important part of Josemaría's developing Environmental Management System.

4. There is no surface waste rock storage at Zinkgruvan. Quantities generated are used as a construction material for tailings facility embankments and internal roads, with almost 70% of waste rock mined retained underground in 2022.

Critical Mineral Pathways

Eagle Nickel Tailings for EV Battery & Carbon Research

In November, Eagle Mine and Michigan Technological University (MTU) received an \$8.1 million federal grant to support a research project that, if successful, will advance electric vehicle (EV) battery recycling and reduce the mining industry's carbon footprint.

Funding for the project forms part of the US Government's efforts to advance domestic battery recycling and reuse that will strengthen the country's battery supply chain. The funds will be used to prove new research technologies that develop sustainable processes to supply critical minerals for EV battery manufacturing. As the only nickel mine in the US, Eagle will be able to offer samples from tailings and nickel concentrate, while providing guidance from metallurgists.

Potential project benefits also include:⁵

- Reducing total energy use and total greenhouse gas emissions by at least 25% per nickel unit produced compared to the current state-of-the-art recycling practice.
- Establishing a profitable battery recycling business regardless of the types of cathode chemistry.
- Supplying more nickel and cobalt minerals from unconventional resources such as potentially from Eagle's Humboldt Tailings Disposal Facility.



Eagle Mine, Michigan, USA



Eagle Mine is proud to partner with Michigan Tech and support sustainable technologies that will create critical mineral pathways for future demand. Eagle Mine is the only nickel mine in the United States, and the availability of our experience and use of our resources, waste streams and nickel concentrates are essential to understanding the societal impact of the nation's transportation needs."

**DARBY STACEY,
MANAGING DIRECTOR OF EAGLE MINE**



Our Next Steps

We plan to take the following actions in 2023 to strengthen our tailings and waste management programs:

- Align applicable tailings facilities at Candelaria, Chapada, and Neves-Corvo to the GISTM.
- Integrate preliminary reviews of site compliance to the Global Waste Rock and Ore Stockpile Facility Standard into planned audits of the Global Mining Underground and Surface Geotechnical Standard.
- Support Standards by conducting Geotechnical Review Boards (GRBs) at Candelaria in 2023 and Chapada in 2024 and a Third-Party Review at Neves-Corvo in 2023.
- Develop a Global Mining Hydrogeology Standard.

5. Source: Michigan Tech and Eagle Mine Partner for EV Battery Recycling Innovation and Climate Sustainability | Michigan Tech News (mtu.edu).

Water Stewardship

Water is a precious shared resource, and we recognize our role in responsible water stewardship.

Materiality

Clean water is vital for maintaining healthy natural ecosystems and access to this resource is a basic human right. The responsible use and stewardship of water is material to our business because we use significant amounts of this shared resource for our mining and mineral processing operations, and much of it is returned to the natural environment. Our operations have the potential to affect water quality and availability for other users and ecosystems. At the same time, other users, activities within the watershed, and changing weather patterns related to climate change can impact the availability and quality of water for our operations.

OUR APPROACH

Water is essential for our business and, therefore, careful and responsible water stewardship is a prime focus of our Sustainability Strategy. We work to ensure this resource is managed by balancing our operational requirements with the needs of the surrounding communities and environments where we operate.



We manage water efficiently and strive to steward this resource responsibly by:

- minimizing consumption of freshwater and maximizing reuse;
- using seawater sources at Candelaria;
- treating and returning unused water;
- maintaining site-wide water balance models to track water and as a decision-making tool;
- monitoring water to ensure protection of the resource and early detection of impacts;
- undertaking scientifically rigorous aquatic life and ecosystem assessments to ensure ecosystem health;
- undertaking extensive water and sediment monitoring programs; and
- complying with water abstraction and discharge licence conditions, as well as applicable standards, regulations and permitting processes.



We collaborate with stakeholders on water management issues including:

- identifying and mapping relevant stakeholders;
- evaluating existing stakeholder forums and identifying opportunities for dialogue and collaboration;
- engaging key stakeholders to discuss watershed issues and opportunities;
- integrating routine engagement and formal grievance mechanisms into our assessment of risk; and
- elevating key water issues and risks, as appropriate, for quarterly review by the Executive Risk Committee and the Board.



Shared Resources

Our operations regularly collaborate and develop partnership opportunities to further the research and scientific understanding of their local aquatic habitats. Neves-Corvo partners with several Portuguese universities, and Candelaria works with the National Oceanographic Committee (CONA) and commissions universities to conduct marine monitoring. Opportunities for meaningful engagement with communities on water-related matters are also valued by our operations, with examples including the community monitoring program at Eagle and Candelaria's engagement with fishing communities in the Caldera region.

We report our interactions with water for our operational sites, desalination facility and ports, including water we manage directly from a withdrawal source to the receiving environment, without entering our operational systems, and water that we provide for the benefit of local communities.

Our sites rely on a range of water sources for their 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, located in the arid Atacama region, is sourced from the sea via the operation's desalination facility. We supplement our water sources with process water reclaimed from our tailings facilities and water treatment plants for reuse by our operations.

Risks and Opportunities

We conduct systematic assessments of water-related risks, including through routine stakeholder engagement and formal grievance mechanisms. This 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 as appropriate to the Executive Risk Committee and the Board.

The most significant water risks at our operational sites have been assessed to relate to:

- potential surface water and groundwater quality impacts arising from permitted and passive discharges from our sites which could affect other users and natural ecosystems;
- operational challenges relating to water scarcity for certain sites and excess water to manage at others;
- management of extreme events which may present challenges relating to water availability, flooding and infrastructure integrity;
- potential local aquifer drawdown impacting other users; and
- regulatory and reputational risks.



Lake Vikasjön, Zinkgruvan, Sweden

We help our sites achieve continuous water stewardship improvements through our Corporate Water Management Standard, which requires water management plans, probabilistic modelling of water balances, impact assessments and mitigation planning, and risk and opportunity assessments, among others. The diversity of natural environments in which our operations are located presents unique opportunities as well as challenges. Neves-Corvo provides temporary access for agricultural water use to several communities in its area of influence. At the same time, in 2022, the Company actively worked with municipal authorities to set up permanent networks to supply these communities. Neves-Corvo also supplies treated water to some local villages for potable use. Candelaria, in accordance with permitting requirements, provides water from its desalination facility for agricultural use in Copiapó Valley.

Climate-Related Risks

The potential impacts of altered weather patterns in changing climatic environments are widely acknowledged in the mining sector. As such, it has become increasingly important for the industry to manage risks related to the resilience of operational water management infrastructure, processes and procedures, essential transportation networks, and security of water resources. We continue to work toward integrating these climate-related risks into our broader risk framework and processes, strengthening our approach to water management planning across the Company.

Refining Our Water Data: We believe that water management should be based on robust scientific and technical data. As such, ongoing refinement of our site water balance and hydrogeological models, coupled with detailed evaluation of onsite and environmental water quality and aquatic health data, is an important aspect 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 our areas of focus, such as managing excess water and evaluating alternative treatment options.

OUR PERFORMANCE

Throughout 2022, we advanced water stewardship initiatives, which focus on improving our understanding of key water management challenges and assessing our overall water risk profile.

In August, our global environmental team developed a strategy to further integrate water stewardship into our Sustainability Strategy, incorporating a watershed and multi-stakeholder perspective, and outlining action plans to phase in Company-wide performance indicators and targets. We continued to track water consumption intensity at each operation against our internal key performance indicators, and our operations are working toward internal, site-specific, water-related goals appropriate to their individual circumstances.

Our operating sites continued to align their water stewardship initiatives with our refined Corporate Water Management Standard, aiming for full alignment prior to an RMMS audit planned for 2023. Improvements in 2022 included the creation of cross-functional water management committees at some of our operations and efforts to continuously improve engagement with local stakeholders and regulators.

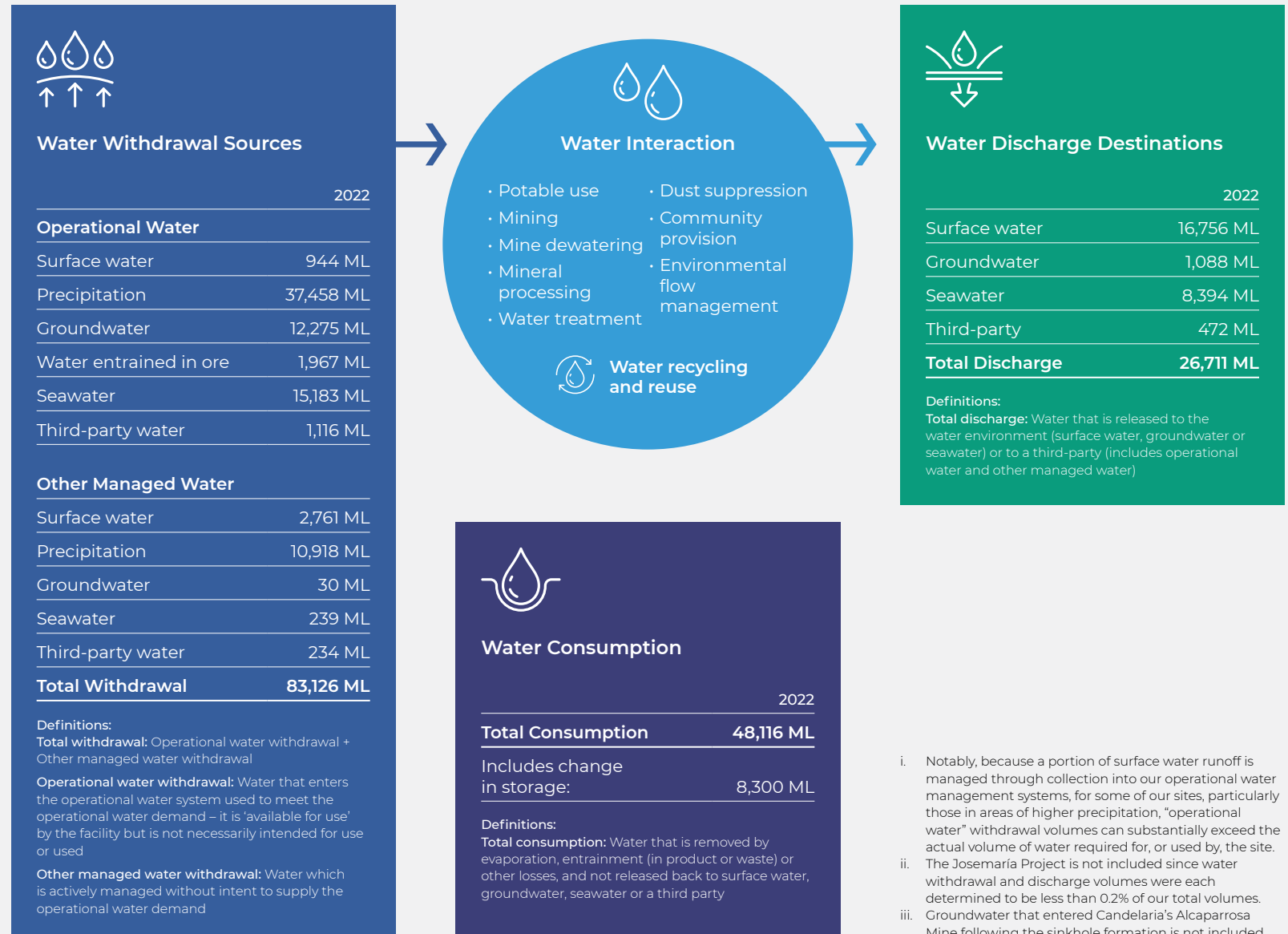
Stewarding Shared Water Resources

- **Neves-Corvo** maintained a zero-discharge operation and continued to reuse and recycle 90% of its operational water to reduce freshwater withdrawal
- **Candelaria Complex** continued to supply 100% of its operational water requirements from its desalination facility, supplemented with water recycled from tailings facilities
- **Chapada** conducted bench-scale tests to assess water treatment options and better manage excess water
- **Eagle** advanced water management studies and planning for closure and post-closure
- **Zinkgruvan** gained approval for the installation of a water treatment plant

We publicly report incidents of non-compliance that result in formal enforcement action. Isolated incidents of non-compliance with limits specified in discharge licences occurred at some of our sites in 2022. Regulatory authorities were notified as required and follow-up investigations and appropriate adjustments were made to minimize the potential for recurrence. *Further details can be found in the [Environmental Compliance](#) section of this report.*

Our Company-wide total water withdrawal, consumption and discharge volumes for 2022 are presented to the right.

Our Interactions with Water 2022^{i, ii, iii}



i. 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.
 ii. The Josemaría Project is not included since water withdrawal and discharge volumes were each determined to be less than 0.2% of our total volumes.
 iii. Groundwater that entered Candelaria's Alcaparrosa Mine following the sinkhole formation is not included in our water accounting for 2022, pending the development of a plan by a multi-disciplinary team from Candelaria and relevant authorities for its removal from the mine.

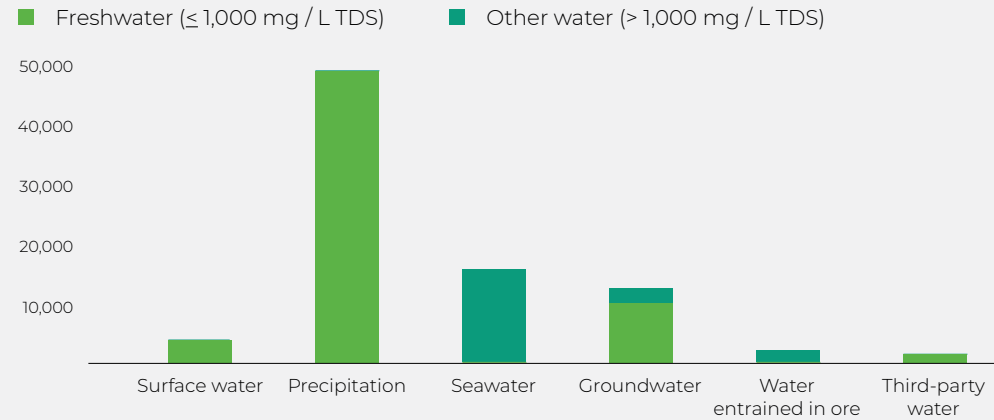
Note: Values may not sum exactly to reported totals due to rounding.



Ekershyttebäcken Creek, Zinkgruvan, Sweden

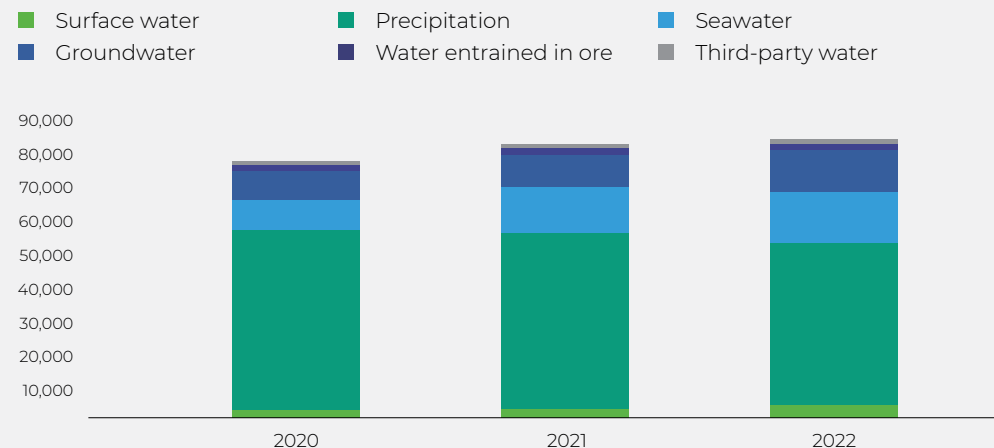
Water Withdrawal by Source and Quality, 2022

(megalitres)



Water Withdrawal, 2020 to 2022

(megalitres)



Our total water withdrawal for 2022 is presented on a source and water quality basis in the accompanying chart with data values provided in our [Interactive ESG Data Tool](#).

Lundin Mining's total 'Freshwater' withdrawal in 2022 was dominated by precipitation and natural groundwater infiltration into our mines, predominantly at Chapada. Some surface water was withdrawn for use at Zinkgruvan, the remainder being managed for environmental purposes such as maintaining water levels in lakes and flow rates in creeks. Third-party water represents a reservoir source used by Neves-Corvo and potable supplies for employees and contractors. Seawater abstraction at Candelaria's desalination facility dominated 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). All our operations maintained a strong focus on water recycling and reuse to minimize withdrawals in 2022, although some volumes that we managed, such as precipitation, natural infiltration into our mines and groundwater entrained in the ore, were beyond our full control.

Total withdrawals show an increasing trend over the last three years due to a combination of variables. Most significantly, Candelaria has withdrawn higher volumes of seawater associated with increased production and smaller volumes of water being available for interception and reclaim from the former Candelaria tailings facility, which was expected as it is no longer operational. Also significant is the increasing size of open pits as mining progresses at Chapada, resulting in higher volumes of groundwater infiltration that need to be managed.

Our Company-wide water discharge / release for 2022, including water managed for environmental purposes and provision to 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](#).

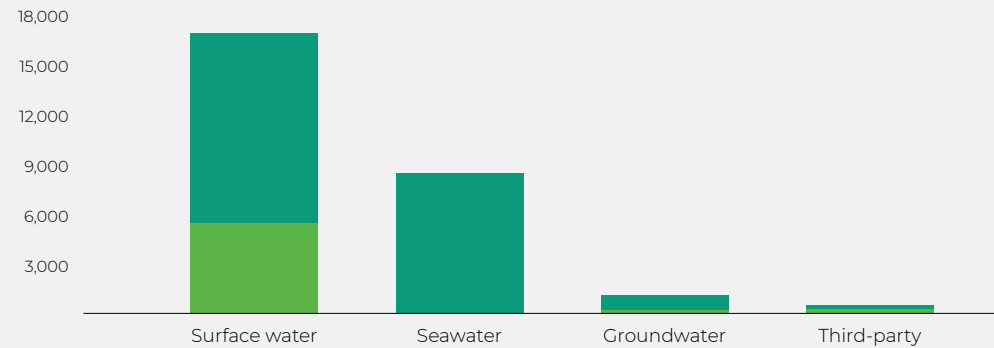
Our 2022 total discharge volume was dominated by the need to manage the relatively high levels of precipitation at Chapada. This contact water can no longer be considered 'Freshwater' quality on entering the receiving surface water environment. Following processing at Candelaria's desalination facility, desalinated seawater is 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. Following chemical treatment of its tailings water, Zinkgruvan's effluent passes through a primary treatment pond before licensed discharge to the local creek; the operation also discharges freshwater to surface water as it manages lake waters for environmental purposes. Neves-Corvo is permitted to discharge treated effluent into the Oeiras River under certain river flow conditions; no discharge took place in 2022. Our discharge totals also include volumes of seepage water that are not intercepted from site facilities.

Our total discharge trend over the last three years is dominated by discharge to surface water and to the sea. Discharge volumes vary according to factors including the quantity of ore milled, precipitation levels and volumes managed for environmental purposes. Discharge to the sea has increased due to the higher seawater volumes withdrawn by Candelaria. Discharge to surface water, which is dominated by runoff and seepage from Chapada's waste rock stockpiles due to the high rainfall and large surface areas involved,

Water Discharge / Release by Destination and Quality, 2022

(megalitres)

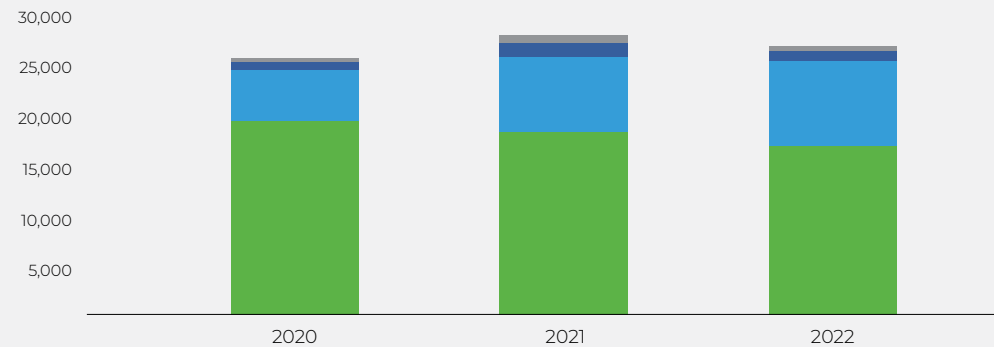
■ Freshwater (≤ 1,000 mg / L TDS) ■ Other water (> 1,000 mg / L TDS)



Water Discharge / Release, 2020 to 2022

(megalitres)

■ Surface water ■ Seawater ■ Groundwater ■ Third-party



Environmental sampling event, Eagle, Michigan

decreased between 2020 and 2022. This can be attributed to a decrease in rainfall over the period and the interception of larger volumes of surface water runoff at the site for management in operational water systems. Although somewhat masked by Chapada’s dominance, Neves-Corvo’s zero discharge also contributed to the 2022 reduction.

Given that catchment baseline water stress contributes to the overall water-risk profile of our operations and our business, each operation undertakes baseline water stress profiling of their withdrawal source and discharge catchments. Due to the arid climate in the Atacama region, water scarcity is an inherent risk that our Candelaria Complex manages, with operational water requirements supplied from its desalination facility. 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 water-stressed catchment. We recognize that there is a risk associated with sustained long-term availability of this resource for operational supply, and the operation is working to reduce reliance on it. *Summary details are provided on the accompanying graphic and detailed data are provided in our [Interactive ESG Data Tool](#).*

Assessment of Impacts

Monitoring and assessment of water-related impacts, including cumulative impact, is a requirement of our Corporate 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.

At Candelaria in July, the formation of the sinkhole near the Alcaparrosa Mine resulted in groundwater from the Copiapó aquifer entering the mine. Candelaria worked with the regulators and local authorities to address the issue and sealed the main areas of water ingress. A multi-disciplinary team from Candelaria is currently working with the authorities to plan the management of the water that remains stored in the mine. Groundwater quality and groundwater levels in the aquifer are being monitored and compared with pre-July data to assist with the assessment of any potential effects on the Copiapó aquifer and to inform the management plan. This work was ongoing at the close of 2022.



Areas with Baseline Water Stress 2022

Withdrawal:

Including seawater, 19,121 ML or 23% of our total water withdrawal was from areas with baseline water stress
 Excluding seawater, 3,699 ML or <5% of our total water withdrawal was from areas with baseline water stress

Consumption:

10,256 ML was from areas with baseline water stress, 66% of which was seawater

BASELINE WATER STRESS DESIGNATION ⁱ	LOCATION	WITHDRAWAL SOURCES	MITIGATIONS	DISCHARGES
Arid and low water use	Chile: Candelaria Mine, Ojos del Salado Mine	Mine infiltration, precipitation, water entrained in ore, third-party potable supply	<ul style="list-style-type: none"> 100% operational water sourced from desalination facility. Operational water recirculation / reuse. Commitment to meet all water requirements from desalination facility by July 2025. No routine abstraction from groundwater well to mitigate for removal of groundwater that infiltrates into mines. 	None.
	Chile: Candelaria desalination facility, Punta Padrones port	Seawater, third-party potable supply	<ul style="list-style-type: none"> Reuse / recycling of operational water to reduce seawater withdrawal. 	<ul style="list-style-type: none"> Regulated discharge to sea. Provision to community for agricultural use.
Extremely high	Portugal: Santa Clara reservoir	Neves-Corvo third-party operational and potable supply	<ul style="list-style-type: none"> Reuse / recycling of operational water beyond current 90% efficacy to reduce freshwater withdrawal. Ongoing evaluation of technologies to increase on site water reuse / recycling capability. Ongoing evaluation of alternative sources for operational and potable water supply. 	None.
	Portugal: Setúbal port	Well water, third-party potable supply	<ul style="list-style-type: none"> Responsible use of well water. 	None.

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.

The Josemaría Project is in an area designated as being of “high” baseline water stress. Surface water, groundwater and some precipitation were withdrawn in 2022 for project-related purposes, amounting to less than 1% of our total withdrawal from catchments with water stress. Whilst these relatively small volumes are not included in our water accounting at this project stage, Lundin Mining recognizes the importance of responsible water stewardship and project design efforts to minimize future impacts and competition for this shared resource. The Company is conducting groundwater investigations focused on securing a suitable water supply for operations once a decision to construct is approved.

i. Source: World Resources Institute (WRI) Aqueduct Water Risk Atlas

Candelaria assesses the potential for impacts associated with the seawater intake and discharge at its desalination facility, undertaking routine marine monitoring programs to enable early detection of any changes to aquatic populations and regularly engaging with community and industry groups. Impacts on the marine populations studied have not been identified during the routine monitoring to date. An additional three-year study, which concluded in December 2022, investigated the effect of access restrictions for tourism and food harvesting since 1995 along a 1.1 km stretch of the coast in the vicinity of the port and desalination facility. Initial findings indicate no negative effects resulting from Candelaria's coastal operations on the populations of aquatic species included in the study, with further work proposed to verify the initial findings. The study findings will be used locally to inform management strategies for species harvested for human consumption.

Chapada manages an excess of precipitation, some of which infiltrates and runs off waste rock stockpiles that contain material classified as potentially acid-generating (PAG), with subsequent release to the environment. With the input of external experts, Lundin Mining is developing an ARD management strategy based on a site-wide water balance model, geochemical characterization studies, water monitoring, and improvement of waste rock and surface water runoff management practices. An ARD monitoring plan was submitted to the authorities in 2022. In addition, a three-year monitoring plan has been developed for soils, sediments and surface water, along with the installation of wells for groundwater monitoring, to assist with impact assessment, and water treatment option studies have continued, in consultation with relevant authorities. The Company recognizes that runoff, localized to the operation and the greater watershed, may have a localized impact on local water courses. Metal concentrations elevated above surface water quality standards have 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 continued to express concern regarding water quality in local water courses and associated impacts on fish in 2022 which is detailed in the *Other Compliance Matters* section of this report. Chapada addresses these concerns through routine monitoring supplemented with focused technical studies, along with engagement with local communities and authorities. The site is working to implement

additional water management initiatives, for example pumping a portion of the run-off water to the tailings facility, with plans to direct run-off into the mine site for treatment through our large-scale water treatment plant.

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 is required to suspend 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.

The Zinkgruvan mineral deposit has been continuously mined for over 160 years by several operators and, typical of many historical mining areas, water quality and aquatic health impacts have been observed locally. 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 recent years, and interim treatment measures which have significantly reduced metal and sulphate concentrations in the operation's licensed discharge, have continued to have a beneficial effect on the aquifer water quality. Guided by the Environmental Court-approved schedule, systematic studies to further the understanding of the relationship between Ekershyttebäcken Creek, which receives the mine's permitted discharge, and the local groundwater systems are progressing. Following pilot-scale test work in recent years, Zinkgruvan gained approval in 2022 for the installation of a water treatment plant, which is currently undergoing detailed design prior to construction commencing in 2023. It is anticipated that final discharge permit limits will be defined by mid-2026. Zinkgruvan hosts quarterly meetings with the Örebro County Administration Board (ÖCAB) and biannual meetings with other authorities and local residents to share information and concerns, with subsequent development of action plans, as required.



Our Next Steps

We plan to take the following actions in 2023 to enhance our responsible use and stewardship of water:

- Develop a comprehensive excess and contact water management strategy, including treatment and discharge at Chapada.
- Advance the detailed design and engineering of the water treatment plant at Zinkgruvan.
- Further develop sinkhole solutions and management of groundwater in the mine at Alcaparroza.
- Improve water treatment capacity and reduce freshwater consumption from Santa Clara at Neves-Corvo.
- Continue advancement of the closure plan and water related studies at Eagle.
- Conduct RMMS audits of Corporate Water Management Standard implementation at all sites.

Decarbonization, Climate Resilience & Energy

Lundin Mining acknowledges our role in the call for action to reduce greenhouse gas (GHG) emissions, commit to low-carbon alternatives, and to develop climate resilience.

As a company in an energy-intensive sector, we recognize the need to urgently work toward meaningful decarbonization commitments for our operations and beyond. While our sites are subject to significant changes in the energy-input requirements associated with their expansion projects and advancing mine age, we maintain a strong focus on operational efficiencies that will support our Corporate GHG emissions reduction targets. Lundin Mining has developed a climate strategy to ensure resilience across our business and adaptation in the face of climate change.

Materiality

GHG emissions are material to Lundin Mining because of the energy-intensive nature of our extractive industry sector, associated carbon footprint, and adaptation and mitigation planning considerations. Extensive global interest is spurring corporate action to reduce GHG emissions, commit to low-carbon alternatives, and develop climate resilience. We acknowledge climate change as an international concern and understand that our climate-related disclosures are of increasing interest to our stakeholders.

OUR APPROACH

Lundin Mining strives to manage and mitigate the impact of our 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 the Company to reducing our GHG emissions and preparing our operations and host communities to respond to climate-related risks. Our RMMS governs how our operations manage energy, GHG emissions and interactions with water. Our Climate Strategy provides the foundation for a Company-wide decarbonization plan to ensure resilience across our business and adaptation in the face of climate change.

Reducing GHG emissions is an important part of our Environmental Stewardship pillar, while working alongside our host communities to respond to climate risks falls under our Thriving Communities pillar.

In July 2022, we committed to reducing our absolute Scope 1 and 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.

In 2022, we significantly enhanced our approach to managing our GHG emissions by publishing our 2030 Company-wide absolute emissions target.

Our management systems guide our operations' approach to responsible use of energy and the development of GHG emissions reduction initiatives. Our largest energy consumer, Candelaria, has certified its 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. Additionally, we host Global Operational Excellence calls to increase awareness of energy management and to share learnings on reductions in energy consumption and decarbonization.

Our structured and transparent approach to energy consumption and Scope 1 and Scope 2 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](#). In 2022, we furthered our approach to understanding our GHG emissions by completing an initial 'screening-level' assessment of our Scope 3 emissions.



Solar panels installed, Rural Development Program, Chapada, Brazil

Comprehensive climate-related information is included in this report and disclosed through CDP⁶, aligned with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations. 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](#).*

Strengthening Climate Governance

Throughout the year, we continued to strengthen our governance of climate matters at both the Board and management level. At the Board level, the SSC is supported in its work by the Audit Committee and the Executive Risk Committee, which also assist the Board in overseeing the Company's management of enterprise risks relating to climate change, among others, as well as the development and implementation of policies, guidelines and frameworks for addressing and mitigating such sustainability risks. Executive leadership oversees the implementation of Lundin Mining's Sustainability Strategy and the effectiveness of the Company's risk assessment and management policies and procedures with respect to safety and sustainability matters, and monitors performance against key safety and sustainability performance objectives, including climate matters. Additionally, the executive leadership monitors performance against key safety and sustainability performance objectives, including climate matters. *More detailed information is available in our [AIE](#).*

Our Climate Strategy – Key Focus Areas



Greenhouse gas reduction

- Established an interim decarbonization target of a 35% reduction of Scope 1 and 2 emissions by 2030
- Identify emissions reductions pathways to meet this target
- Annually report and disclose transparent and externally assured GHG emissions aligned with GHG Protocol



Governance of climate change

- Formalized oversight of sustainability matters, including climate-related risks within the Safety and Sustainability Committee
- Updated our Responsible Mining Policy – our highest level of policy governance – to include our climate commitment
- Continue to strengthen systems and processes for energy management across our operations



TCFD alignment

- Committed to alignment with TCFD recommendations
- Conducted a climate-related risk and opportunity assessment
- Progress action plans to address remaining TCFD alignment gaps



Scope 3 emissions quantification

- Continue to develop inventory of our material Scope 3 emission sources to better understand the full GHG emissions profile and ultimately set a 2050 net-zero target
- Engage with our upstream and downstream value chain to drive sourcing of low-carbon products and services

Aligning Our Climate Strategy

We recognize the growing expectations of our stakeholders to understand 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.

To mitigate impacts to our business, our corporate and operations teams continue to closely track regulatory developments in their respective jurisdictions. Lundin Mining currently does not have a system in place to calculate the financial implications on business revenues or costs resulting from the impact of climate change. In 2022, we completed a gap assessment against the TCFD reporting framework to inform the development of an implementation plan and timeline to support this additional financial analysis.

Managing Our Climate Risks

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 Executive Risk Management Framework ensures effective identification, management and mitigation of enterprise-wide risk in a manner that integrates its consideration into key decision-making processes. The framework requires that our highest-ranking risks be elevated for further analysis. We continue to embed systems to identify, assess and manage the integration of climate-related risks and opportunities.

6. The CDP is a not-for-profit organization that runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impacts.

In 2022, we completed a climate-related risk and opportunity assessment as part of our TCFD implementation plan. We identified transition and physical risks and opportunities, which will be incorporated into the enterprise Risk Management Framework, where material and appropriate, and 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. In Sweden, for example, the mining industry has publicly committed to contribute to the national decarbonization plan which includes a legally binding goal to achieve net-zero GHG emissions by 2045.

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 our 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. Specific examples include the risk of freshwater shortages at Neves-Corvo, as a result of drought conditions in Portugal, or increased operational water management at Chapada, as a result of increased precipitation in Brazil.

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.

These include:

- with increasing demand for the metals we mine, executing on our long-term copper growth strategy by leveraging our copper-focused exploration expertise; for example, the recent additions of the Chapada Mine, Josemaría Project and the discovery of the Saúva copper-gold mineralized system;
- negotiating contracts to increase the use of renewable and lower-carbon energy sources; for example, Candelaria renewed its long-term electricity supply contract such that, as of 2023, 80% of its electricity supply will come from renewable sources;
- investigating fuel-switching, to increase the renewable content; and
- improving energy efficiency through our decarbonization roadmaps.

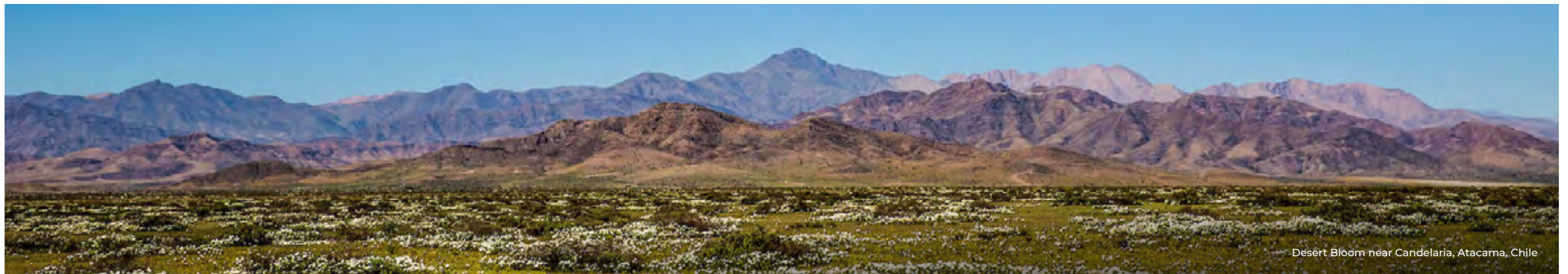
Our operations have also identified climate-related opportunities for the support of local communities. In recent years, some of our operations have assisted local government departments, emergency services and communities during flood and wildfire events. Additional information can be found in our risks and uncertainties section of the AIE.

OUR PERFORMANCE

Climate resilience is a priority focus area of our Sustainability Strategy, guided by our updated RMP. We recognize the need to urgently work toward meaningful decarbonization commitments for our operations and beyond.

GHG Emissions

In 2022, we developed a roadmap for achieving our target based on site-specific decarbonization roadmaps. These site-specific roadmaps identify key actions already underway and future potential projects currently being studied. We launched a data management platform to help us measure performance against our target. Once validated, we aim to provide quarterly reporting to our Board.

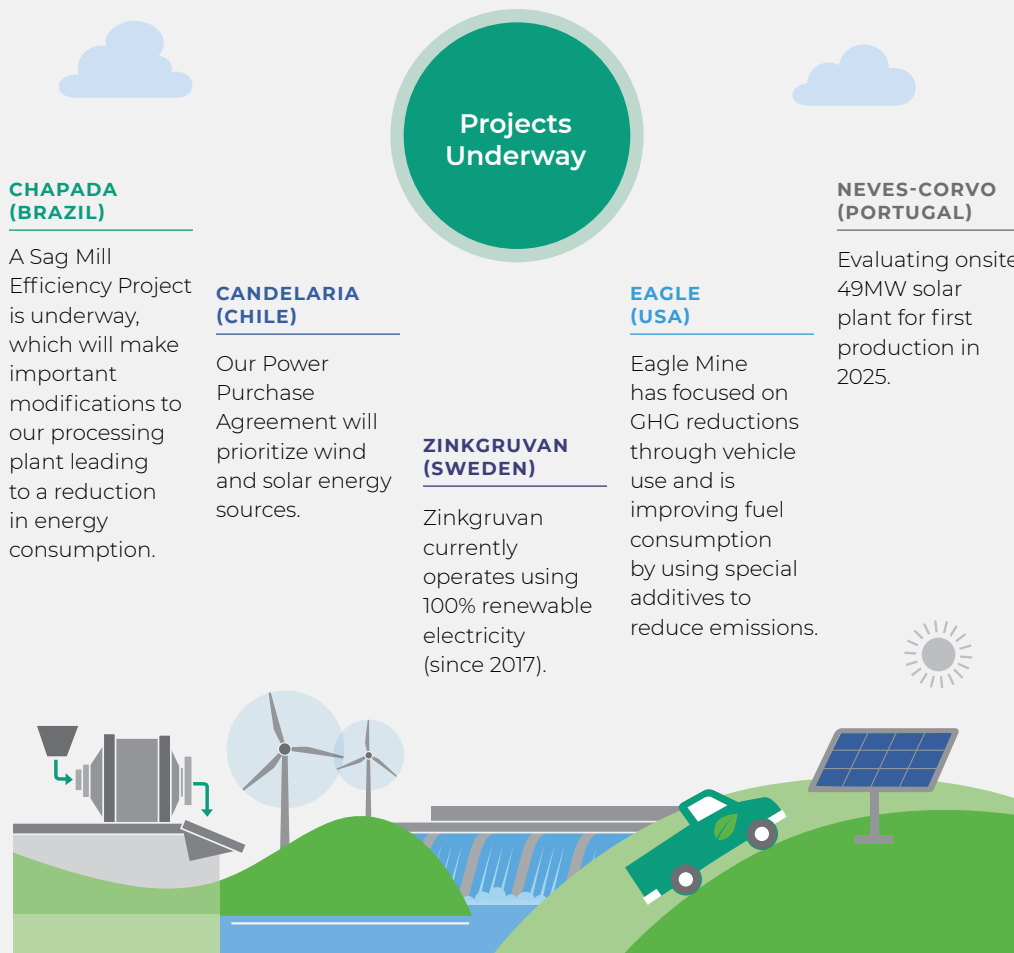


Desert Bloom near Candelaria, Atacama, Chile

Reducing Our Energy-Carbon Footprint

Decarbonization at Work

Many key actions are already underway for each of the core focus areas of our decarbonization roadmap.



In 2022, our Scope 1 and Scope 2 emissions were almost 15% lower than our 2019 adjusted target base year⁷ emissions; this progress toward our target of a 35% reduction by 2030 was primarily attributed to grid-greening. Approximately 31 initiatives were assessed and / or implemented Company-wide during 2022, which contributed to a smaller degree of the Scope 1 and 2 emission reductions at our operations.

STAGE OF INITIATIVE	NUMBER OF INITIATIVES	ELECTRIFICATION	RENEWABLES	EFFICIENCY – ELECTRICITY	EFFICIENCY – FUEL
Under investigation	2	✓			
To be implemented	16	✓	✓	✓	✓
Implementation commenced	12	✓		✓	✓
Implemented	1			✓	

While we continue to refine our procedures for assessing the benefits of our initiatives, those that were fully or partially implemented in 2022 are estimated to result in net annual GHG emissions reductions of approximately 7,500 t CO₂e. In 2023, we expect to 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.

Key factors result in variations between sites and within sites from year to year, including:

- relative scale of each operation;
- quantity of ore mined and 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.



7. Lundin Mining's 2019 GHG emissions inventory included 6 months of data for Chapada, representing the operation's emissions post-acquisition. The 2019 adjusted target base year represents our global emissions after adjustment to annualize Chapada's data.

Our total energy data can be found in the accompanying *Global Energy Consumption* graphic, with site-specific information provided in our [Interactive ESG Data Tool](#). Total energy consumption within Lundin Mining in 2022 was similar to the prior year, continuing to be dominated by consumption of electricity and diesel, with (in decreasing order) propane / LPG, biodiesel, gasoline and natural gas contributing to just 1% of our consumption.

Our consumption of energy from fuel is most influenced by our open pit operations, Candelaria and Chapada, due to the ore and waste haulage distances at these sites. Neves-Corvo is our third-largest energy consumer, reflecting its production levels which have increased further since the commissioning of ZEP, 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.

Our largest energy consumer is the Candelaria Complex with its open pit and underground mines, processing plants, desalination facility and port site. Lundin Mining's total energy consumption is strongly influenced by the scale of Candelaria, with 59% of our total fuel energy and 51% of our total electrical energy consumed by the complex in 2022. Priority was given to mining and haulage of ore over waste rock from the open pit, with an associated 9% decrease in fuel energy consumption in 2022.

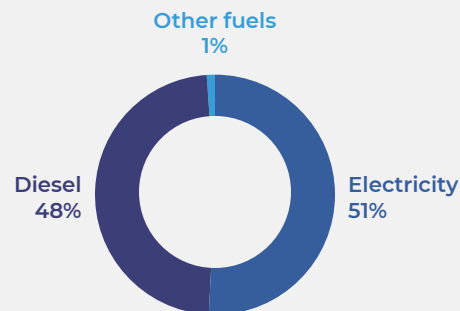
With the exception of Candelaria, total fuel and electrical energy consumption increased at all our operations, a net result of expected annual variations in ore and waste rock mining activity and tonnage of ore processed, as dictated by the individual mine plans. With expanding production and changing operating conditions as our mines age, and approximately 4% of our fuel and 59% of our consumed electricity being derived from renewable sources in 2022, we recognize that a strong focus on decarbonization of our energy sources is imperative for achieving the most significant GHG emissions reductions.

Global Energy Consumption 2022

ENERGY SOURCE	ENERGY CONSUMPTION ⁱ
Fuel from non-renewable sources	5,652 TJ
Fuel from renewable sources	215 TJ
Total energy from fuel	5,867 TJ
Electricity from non-renewable sources	2,460 TJ
Electricity from renewable sources	3,563 TJ
Total energy from electricity	6,023 TJ

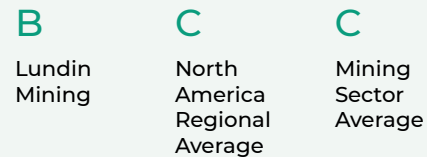
→ **Total Energy Consumption 11,890 TJ**
Energy Intensity 0.083 GJ / tonne mined

Energy Sources

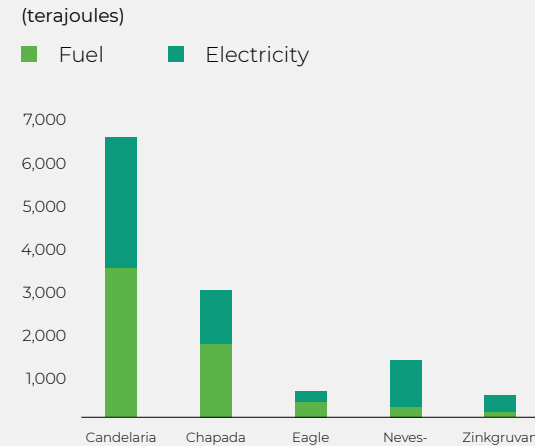


CDP Score 2022

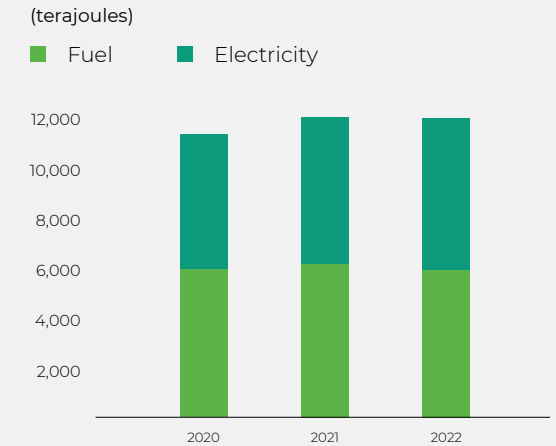
Disclosure / risk & opportunity awareness and management / leadership



Energy Consumption by Operation, 2022
(terajoules)



Lundin Mining Energy Consumption, 2020 to 2022
(terajoules)



Calculation methodology can be found in [Appendix A](#).
 i. Within Lundin Mining.

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 together contribute 89% of our Scope 1 emissions, reflecting the open pit nature of these operations and their current reliance on diesel for ore and waste rock haulage. Candelaria's significant mill throughput rates and the desalination plant operations, with associated pumping of desalinated water to the mine, also contribute to that operation's Scope 2 emissions.

Our overall Scope 1 and Scope 2 GHG emissions have decreased by 13% compared to the prior year, attributed to several factors including grid greening, Candelaria's reduced fuel consumption and emissions reduction initiatives at our operations. Our Scope 2 emissions continue to benefit from Zinkgruvan's investment in a 100%-renewable electricity supply, supported by a Guarantee of Origin.

Energy and GHG Emissions Intensity⁸

At Lundin Mining, we analyze our energy and GHG emissions performance in the context of mining-related activity at our operations using the "per tonne mined" intensity metric and benchmark our global GHG emissions using the production-related metric "per tonne of copper equivalent" (tonne CO₂e / tonne Cu eq)⁹. In 2022, our mining-related energy and GHG emissions intensities

increased primarily because the reduced ore and waste rock haulage activity at Candelaria was not accompanied by an equivalent reduction in energy consumption or GHG emissions. Over the past three years, our production-related GHG emissions intensity has fluctuated due to an increasing trend in commodity prices accompanied by variable GHG emissions.

GREENHOUSE GAS EMISSIONS INTENSITY	2020	2021	2022
tonne CO ₂ e / tonne mined	0.005	0.006	0.006
tonne CO ₂ e / tonne Cu eq	2.22	2.48	2.05

Lundin Mining 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.

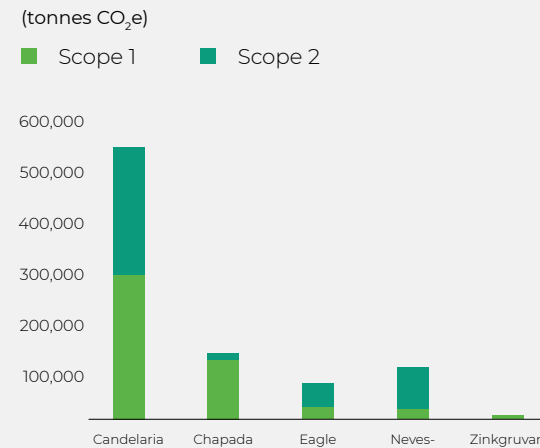
Global GHG Emissions 2022 – Scope 1 and Scope 2ⁱ

GREENHOUSE GAS EMISSIONS	TONNES CO ₂ e
Scope 1	455,142
Scope 2 (market-based) [*]	402,976
Scope 2 (location-based)	374,888

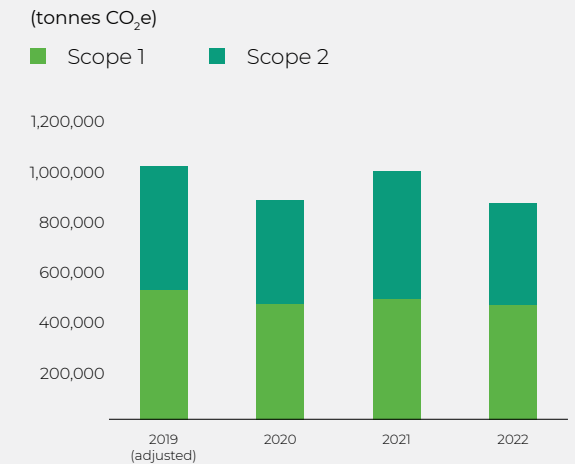
^{*}Market-based Scope 2 emissions are used in data comparisons.

→ **Scope 1 + Scope 2: 858,117 tonnes CO₂e**

Scope 1 and Scope 2 GHG Emissions by Operation, 2022



Lundin Mining GHG Emissions, 2019 to 2022



Biogenic CO₂ emissions: 14,775 tonnes CO₂

Values may not sum exactly to reported totals due to rounding. Calculation methodology can be found in [Appendix A](#).

i. Our global GHG emissions data is supplemented with site-specific information provided in our [Interactive ESG Data Tool](#). 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 are included in Scope 1 emissions, calculated from readily available data and estimated to form a very small portion (approximately 1%) of total Scope 1 emissions.

8. Intensity ratios allow the analysis of energy consumption and GHG emissions data in the context of an organization-specific metric. 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.
 9. Calculation of copper equivalent is based on reporting year annual average market commodity prices.

During 2022, we took a significant step to evaluate our Scope 3 emissions more fully by undertaking an initial 'screening-level' estimate of Scope 3 emissions using the Greenhouse Gas Protocol Quantis web-based tool called the Scope 3 Evaluator. The tool allows users to estimate emissions across all 15 upstream and downstream Scope 3 emissions categories defined in the GHG Protocol's Corporate Value Chain (Scope 3) Standard. Based on the screening exercise,

Scope 3 emissions contribute around 68% of our total emissions, and our top five most emitting categories relate to purchased consumer and capital goods and services, provision of the electricity and fuels we consume, and transport and processing of our concentrate products. The exercise is guiding us in making informed decisions about where we should focus our efforts as we develop the inventory and engage with members of our value chain over the coming years. *Summary details are provided on the graphic below.*

Some of our operations also advanced more specific evaluation of certain Scope 3 GHG emissions and we continued to engage with our customers and logistics providers to collect data and encourage emission reduction activities where possible. *Further details can be found in the Responsible Production and Supply Chain section of this report.* This work will continue in 2023, along with a renewed focus on suppliers.

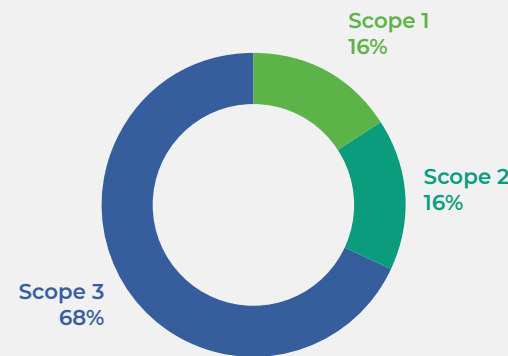
Lundin Mining Scope 3 GHG Emissions 'Screening'

SCOPE 3 GHG EMISSIONS CATEGORY	COMMENT BASED ON 'SCREENING' RESULT	
Category 1	Purchased goods and services	Top 5 most material
Category 2	Capital goods	Top 5 most material
Category 3	Fuel- and energy-related activities	Top 5 most material
Category 4	Upstream transportation & distribution	Top 5 most material
Category 5	Waste generated in operations	Not material
Category 6	Business travel	Not material
Category 7	Employee commuting	Not material
Category 8	Upstream leased assets	Not applicable
Category 9	Downstream transportation & distribution	Not material
Category 10	Processing of sold products	Top 5 most material
Category 11	Use of sold products	Not applicable
Category 12	End-of-life treatment of sold products	Not applicable
Category 13	Downstream leased assets	Not applicable
Category 14	Franchises	Not applicable
Category 15	Investments	Not applicable

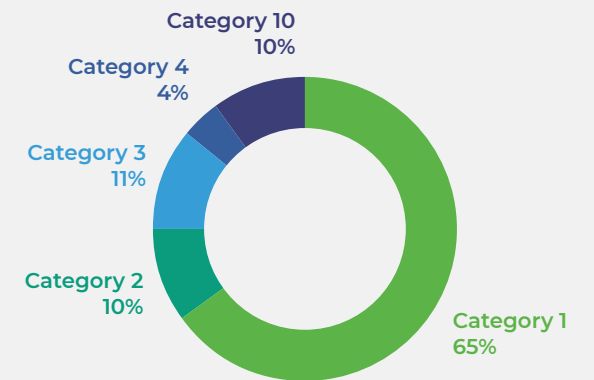
Method: broad 'screening-level' estimate of Scope 3 emissions developed using the GHG Protocol Quantis Scope 3 Evaluator tool. Based on Lundin Mining 2021 spend data.

Purpose: to assist in the identification of our most material Scope 3 emissions categories on which more specific quantification, engagement and reduction efforts may be focused.

Scope 1, Scope 2 and Scope 3 GHG Emissions



Top 5 Most Material Scope 3 Categories



'Screening-level' estimate was based on readily available information and extrapolation of our highest-spend data. The method included some broad assumptions where information was limited. We consider the outcome of the assessment to be suitable for meeting our purpose, namely for determining our most material Scope 3 categories. We fully expect emissions values to change as more specific methodologies are applied to our most material categories in the future.

Supporting Carbon Research & Resilience

Our sites are helping to fund research into carbon sequestration that could contribute to removing carbon from the atmosphere and storing it, and helping to mitigate climate change.

Eagle Mine and its research partner Michigan Technological University have received \$2.5 million from the U.S. Department of Energy’s Advanced Research Project Agency-Energy grant program, to study carbon sequestration in nickel tailings. The University will use the funds to study Eagle’s tailings facility to create new technologies to accelerate carbon mineralization using mine tailings. For Eagle – and the mining industry as a whole – the long-term benefit would be to turn tailings facilities into carbon capture facilities.

Chapada is currently funding a three-year research project to develop and verify the tree inventory of the operation’s nearby forest – part of the Chapada Education Center (CEA) – and quantify its carbon stocks, for potential future carbon offset. The study is being conducted by the Federal University of Goiás Forestry Inventory Laboratory, with a goal to maintain tree density and increase biomass stocks over time. To date, the research indicates the CEA stocks could offset approximately 3%–4% of Chapada’s current annual GHG emissions.

Candelaria continues to participate in a “blue carbon” project in the waters off the Punta Padrones port. Coastal ecosystems, such as seaweed meadows, can sequester and store carbon from the atmosphere (The Blue Carbon Initiative). In 2022, a permit for the installation of an artificial reef to host seaweed in the area adjacent to the pier was submitted to the Fisheries Agency. Received in early 2023, allowing Candelaria to evaluate the restoration of the subtidal ecosystem and the potential for blue carbon sequestration. Installation of the artificial reefs is scheduled for 2023, with preliminary results expected in 2024.



Our Next Steps

We plan to take the following actions in 2023 to strengthen our climate resilience, decarbonize our operations, and manage our energy consumption to reduce our GHG emissions:

- Continue to develop the inventory of material Scope 3 emission sources to better understand our full emissions profile.
- Conduct Scenario Analysis aligned with TCFD recommendations.
- Engage with our value chain to drive sourcing of low-carbon products and services.
- Integrate carbon into our capital management process.



Punta Padrones, Caldera, Chile

Air Quality

Materiality

Air quality is a material topic for Lundin Mining because, 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 goal is to minimize disturbance to our neighbouring communities and the surrounding environment from emissions of air pollutants. Guided by the principles of our 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 RMMS 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.

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.

Controlling Fugitive Emissions

We recognize that the most significant air quality issue associated with mining is the emission of particulates, i.e., dust. Fugitive emissions can result from mining, vehicle movements on unpaved mine roads and onsite haulage routes, ore handling, tailings facilities, blasting in open pits 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 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 workforce training are critical to ensuring 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.

OUR PERFORMANCE

In 2022, we continued to deploy site-specific, integrated solutions to manage particulates having the greatest potential impact. These solutions are based on foundational work carried out in 2020 to better understand each operation's dust emissions, significant sources, conditional requirements, and current mitigation techniques and to determine best practices across the Company.

Our Chapada, Eagle and Zinkgruvan operations are required to monitor point-source emissions from mine shafts, ventilation shafts, boilers, or generators and all were in full compliance with regulatory requirements in 2022. Our annual data are summarized in the accompanying table.

Point-Source Emissions, 2022¹⁰

EMISSIONS	OPERATIONS REQUIRED TO MONITOR IN 2022	TOTAL
NO _x	Eagle	9,034 kg
	Chapada	BDL
SO _x	Eagle	756 kg
	Chapada	BDL
CO	Eagle	26,277 kg
	Chapada	BDL
VOC	Eagle	202 kg
HAP	Chapada	88 kg

BDL – Below detection limit in 2022



Aerial view, Candelaria, Chile

10. 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 onsite or in the community as ambient concentrations in air. Data from 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. Full regulatory compliance was achieved for onsite emissions of particulates in 2022. Our annual data are summarized in the accompanying tables.

Onsite Particulate Emissions, 2022¹¹

OPERATION	EMISSION SOURCES	CALCULATED ANNUAL EMISSIONS
Eagle	Mine: ventilation shaft, generator, ore and aggregate storage buildings, silos and backfill plant, vehicle traffic	PM: 13,098 kg PM ₁₀ : 7,898 kg PM _{2.5} : 1,614 kg
	Mill: crusher building, ore bin, storage building and processing line, concentrate building, roadway	PM ₁₀ : 717 kg
Zinkgruvan	Three mine shafts and two ventilation shafts	PM: 2,937 kg

We recognize that members of some communities in which we operate have concerns regarding dust emissions, proven by grievances received regarding dust in the vicinity of our Candelaria and Chapada open pit operations. In 2022, work continued on evaluating solutions for suppressing dust, including a quantitative review of effectiveness and a suitability assessment at each of our operations, prioritizing first our open pit operations. In addition, we maintained various programs related to impact management, including dust suppression programs for unpaved areas, traffic management to reduce impacts and mitigation of dusting at mineral waste facilities.

Community Monitoring of Ambient Particulates, 2022

OPERATION	COMMUNITY MONITORING STATION	ANNUAL AVERAGE
Candelaria	Tierra Amarilla	PM ₁₀ : 57 µg / m ³ N, PM _{2.5} : 15 µg / m ³
	Nantoco	PM ₁₀ : 28 µg / m ³ N, PM _{2.5} : 8 µg / m ³
	Caldera	PM ₁₀ : 18 µg / m ³ N, PM _{2.5} : 7 µg / m ³
Chapada	Residence	PM ₁₀ : 66 µg / m ³
	Nova Iguaçu	PM ₁₀ : 27 µg / m ³
	Alto Horizonte	PM ₁₀ : 37 µg / m ³
Neves-Corvo	Graça	PM ₁₀ : 20 µg / m ³
	Neves	PM ₁₀ : 18 µg / m ³
	Corvo	PM ₁₀ : 13 µg / m ³

Community monitoring stations represent the cumulative effect of a range of sources of particulates in these regions. Candelaria PM₁₀ data are normalized in accordance with regulatory requirements.

In 2022, Chapada assessed several dust suppressant products and intends to evaluate options for implementation in 2023. In addition, Chapada successfully advanced collective and individual negotiations as part of its initiative to mitigate dust impact on residents adjacent to the waste rock stockpiles through a Resettlement Action Plan.

Candelaria¹² maintains a strong focus on managing particulate emissions from the mine and, in 2022, worked to implement its Emissions Reduction Plan. The plan aims to mitigate emissions in multiple areas of the operation, and interior and exterior road surfaces are closely monitored, maintained and watered to control emissions. The emissions inventory was finalized for all surface and underground sites in October 2022. Dust suppressant products continue to be assessed with a product being selected in 2022 for use on roads and plans to evaluate alternatives for the tailings facility in 2023. Following findings from an air quality modelling exercise, Candelaria has adjusted its practices to minimize particulate emissions associated with blasting. *Further details are available in [Tierra Amarilla Neighbourhood Blasting Training and Monitoring Program](#) section of this report.*

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 operation has since consulted with ÖCAB, local health authorities and impacted residents. It has implemented 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 with water. Zinkgruvan has continued to monitor and assess the benefits as the planted barrier 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. Zinkgruvan submitted proposed terms for permitting in 2022 and anticipates final permit limits to be defined by the authorities during 2023.

11. PM: particulate matter; PM₁₀: inhalable particles with a diameter ≤ 10 microns; PM_{2.5}: inhalable particles with a diameter ≤ 2.5 microns. PM_{2.5} is a subset of PM₁₀ and PM₁₀ is a subset of PM.

12. Our Candelaria operations are in an arid region with limited natural vegetation, which hosts several other industrial and agricultural operations. 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 continues to work alongside other mine operators and smelters in the region, guided by the regional authorities, to develop a decontamination plan to address the “saturated zone”.

Neves-Corvo has a strong focus on nature-based solutions, and was the first Portuguese company to join the global [BeeOdiversity initiative](#). This initiative is based on BeeOmonitoring – also known as biomonitoring – a nature-based tool to measure biodiversity and pollution through the analysis of pollen collected by bees. In 2021, beehives were installed in Neves-Corvo’s industrial area to enable monitoring of air quality indicators and identify the plant species present in the region. Biomonitoring is used to evaluate the positive and / or negative impacts of an activity, assessing air quality and plant diversity compared to other reference areas (industrial, urban, agricultural), through genomic and chemical analysis of pollen. The first cycle of results will be available in 2023.

Since 1994, Neves-Corvo has conducted lichen studies adjacent to the industrial zone and in the surrounding areas. The lichens serve as sensitive bioindicators for atmospheric dust deposition, and the data obtained can be used to determine the metal sources, deposition levels and associated impacts in the vicinity of the operation. Results in five-year intervals, over the 30-year period, continue to show a generalized improvement in the air quality indicators. The most recent data analysis in 2022 indicated increases in the total number of species and lichen diversity values have ranged from 30% to 100%, in addition to further reductions in copper, zinc and iron levels.

Improving Air Quality

- Chapada and Candelaria conducted trial studies of alternative dust suppression solutions, currently being analyzed.
- Eagle applied a new dust suppressant product on an unpaved roadway used for aggregate deliveries, which successfully reduced fugitive emissions at the mine site and eliminated the need for frequent water applications.
- Zinkgruvan successfully implemented a “green barrier” project designed to reduce dust and enhance biodiversity.



Dust control measures, Candelaria, Chile



Our Next Steps

- We plan to take the following actions in 2023 to minimize environmental and social impacts from air emissions:
- Develop comprehensive short-, medium- and long-term dust management plans based on site-specific needs to help define how we can further control our air emissions.
 - Identify potential operational technology solution for dust management and tailings facilities monitoring at selected operations.

Biodiversity & 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. We aim to promote sustainable management of living natural resources through partnerships with communities and research universities that seek to integrate conservation and restoration and mitigation priorities, including community-based knowledge in our planned activities, where available.

Our objectives for biodiversity management include considering biodiversity-related information and management systems 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 publicly disclose to the mining sector CDP Forestry questionnaire annually. Our operational sites prepare and update their biodiversity action plans, and identify biodiversity risks and opportunities, to inform the development of operational plans at each site in alignment with our RMMS. 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. Our finalized soil conservation and management plan procedure ensures effective conservation and management of soil during the life cycle of our operations and projects.

OUR PERFORMANCE

There are no protected or high biodiversity value areas within or adjacent to our Candelaria, Chapada 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. 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, which commenced at the site's reserve in 2019, was resumed in 2022 following a pause in 2020 due to COVID-19 restrictions. *Further details are available in Supporting Carbon Research & Resilience* section of this report.

Neves-Corvo's lands lie in an area rich in biodiversity. The Guadiana Valley Natural Park and its tributary the Oeiras River, which passes through the mine's surface operations, have protected status as part of the European Natura 2000 network. The Castro Verde plains, which overlap the northwest portion of the site boundary, are a UNESCO Biosphere Reserve, a Natura 2000 protected area and a Key Biodiversity Area. Conservation of the Oeiras River and downstream catchment habitat is one of the highest environmental priorities for Neves-Corvo. The site continued 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. The partners also supported the Castro Verde Special Protected Area, promoting the long-term conservation of great bustards and participating in the Portuguese Nocturnal Butterfly Stations Network initiative.

In Sweden, part of our Zinkgruvan operational area lies within the Knalla Nature Reserve. 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 2022, the installation of the 'green barriers' and biodiversity meadows on the operational site, also contributed to the biodiversity in the area. In 2023, a methodology will be selected to track habitat health and biodiversity enhancements.



Cerrado Biome Awareness Day, Chapada, Brazil

Candelaria continued to participate as a member of CONA, working with academic and public institutions to foster international and national sources of information regarding marine monitoring programs. Monitoring results showed that the existence of the exclusion zone, maintained by Candelaria at Punta Padrones, has had a safeguarding effect on protected species (fishing is not permitted in the exclusion zone). Sediment sampling and aquatic monitoring results showed there is no impact on marine biology resulting from port operations.

In 2022, we provided funding to the [Toronto and Region Conservation Authority \(TRCA\)](#) in support of two projects: *The Meadoway*, a project to transform 29 hectares of hydro corridor in Scarborough into a 16-km urban greenspace and meadowland, becoming one of Canada's largest linear urban parks; and the planting of approximately 1,125 native emergent aquatic plants that will enhance and improve wetland biodiversity at Tommy Thompson Park in Toronto as part of the TRCA's ongoing Phragmites Management Strategy.

Eagle is collaborating with the Superior Watershed Partnership to complete a reforestation demonstration area – the Northern Restoration Demonstration area – on property near its mine site. The project aims to determine the plant species that will survive and diversify the habitat on Eagle-owned property that will be reclaimed at mine closure.

Protecting Argentina's Unique Ecosystems

The Josemaría Project is located within the High Andean Ecoregion near the Chile-Argentina border. The site recognizes the importance and uniqueness of the ecosystem it operates in¹³ and has developed a Biodiversity Action Plan including bioaccumulation monitoring, translocation of low-mobility wildlife species, and fauna, flora and limnology monitoring.

Josemaría is more than 90 kms from the San Guillermo National Park, a protected area of strict conservation, and is adjacent to the Provincial Refuge and Ramsar Site Laguna Brava. The Project is within the San Guillermo Biosphere Reserve, which acts as a buffer zone of the San Guillermo National Park and is classified as a Multiple Use Zone, designated for development activities such as mining, subject to conservation requirements and the sustainable use of natural resources in a mutually beneficial way.

Josemaría is working with the Faculty of Exact Physical and Natural Sciences at the University of San Juan to conserve plant biodiversity in fertile areas near the project site. Funding supports the collection, registration and evaluation of plant biodiversity – and enables the creation of a seed / plant tissue bank to be used in restoration activities. The Project will also deepen the biological and ecological knowledge of high Andean species, and allow biology students at the University to enhance their training and knowledge.



High Andean Region near Josemaría Project, Argentina

13. The area is characterized by rocky terrain and scarce vegetation. Faunal diversity is limited by the extreme habitat, with the highest abundance of wildlife occurring at the highly productive wetlands, or Vegas, in the area that serve as oases providing water and food for wildlife and human populations that inhabit the region.

Species of Interest

In 2022, we began working to ensure that we publicly report both flora and fauna species of interest. On this basis, habitats hosting seven critically endangered and twenty-two 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 or projects. The monitoring and protection of all Red List species are addressed in the relevant biodiversity management plans developed and implemented by each site. We will continue to refine our processes to ensure that our reporting approach is aligned across the organization.

Neves-Corvo is funding a five-year project (2019–2024) by the University of Évora to conserve an endangered species of mussel (*Unio tumidiformis*) endemic to the Iberian south rivers. The project includes annual monitoring of bivalves and fish, with the creation of a semi-artificial pond to develop and safeguard individual mussels. The project is aiming to identify a solution that can guarantee the survival and successful propagation of the species in the Oeiras River and other associated waterways.

Land Management

At the beginning of 2022, Lundin Mining managed 9,182 hectares of land that we own or lease and occupy. Most of the land is located at our Candelaria Complex and at Chapada. By year-end, this figure increased to 9,500 hectares with the expansion of mining, waste rock and tailings facilities at Candelaria, Chapada and Neves-Corvo, in accordance with their permits, and the addition of the estimated area for our Josemaría Project, acquired in April 2022.

Neves-Corvo expanded its tailings facility into land mostly occupied by natural woodland and scrub, with three artificial freshwater pools. A forestation project has been approved by the authorities, with plans for the planting of 200 Holm Oak trees in a 22-hectare area of natural forest in 2023, to compensate for the loss of 79 protected Holm Oak trees in the approved tailings facility expansion zone.

Chapada conducted trials to investigate suitable blends of soil and tailings for use as cover materials during rehabilitation of waste rock stockpiles for closure. In-situ rehabilitation trials were conducted on an initial trial area (1,500m²) to determine the best soil blend to remediate the approximate 100-hectare South waste stockpile area.

Land was also cleared with the progression of the Josemaría Project, a trend that will continue in the future.



Lynx, Neves-Corvo, Portugal © José Godinho

An Iberian lynx (*Lynx pardinus*), one of the rarest mammal species in Europe¹⁴, has settled permanently at Neves-Corvo and is frequently seen by employees near the administrative offices onsite and in the Monte Branco area.

14. According to the Red Book of Vertebrates, the Iberian lynx is considered "Critically Endangered".

Environmental Compliance

Our operations are subject to environmental regulations in the various jurisdictions in which we operate. Permitting, approvals and compliance management are important for the effective regulation of mining-related activities to prevent possible adverse impacts on the natural environment, as well as to protect the interests and rights of local communities.

We track emerging environmental legislation in preparation for potentially stricter standards and enforcement, more stringent environmental assessment requirements for proposed projects, and an overall heightened degree of responsibility for our operations.

In 2022:

- Candelaria’s environmental permit application, which supports the extension of its operating life beyond 2040, continued to advance through multiple regulatory reviews, with a determination expected in late 2023 or early 2024.
- Zinkgruvan remained in discussions regarding the renewal of its environmental licence and anticipates receiving final water permit limits by 2026. Its Dalby mining concession finalized noise and vibration licensing conditions and received permission to increase its mining / milling rates.

- Chapada obtained key permits, including an operational permit for its tailings facility expansion project. Additionally, the site was formally accepted into the Unification License process – a legislated corrective process to consolidate historical permits and activities into a single license¹⁵.
- Neves-Corvo’s environmental license was updated, permitting it to expand its production volumes. The site plans to submit its application for an Environmental Unified Permit (TUA), allowing it to operate an expanded tailings facility, in early 2023.
- Eagle received approval from Michigan’s regulatory agency to begin development of the Eagle East Keel Zone in 2023.
- The Josemaría Project obtained Environmental approvals from the provincial authorities in early 2022.

Further details on environmental permits can be found in our [AIE](#).

ENVIRONMENTAL INCIDENTS

Lundin Mining strives to comply with relevant environmental laws and regulations but, unfortunately, incidents do happen. We identify and assess the impact of these incidents through our environmental reporting system. This system classifies incidents 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;
- degree of regulatory non-compliance; and
- level of local community concern.

All incidents are reported to the Board and those that are classified as Level 3 or above are reported in our annual disclosures and tied to executive and operational compensation. On the occasion that sanctions or fines are issued by regulatory authorities, any at \$10,000 or above for infringement of environmental legislation or regulations are disclosed in our annual sustainability report. One Level 4 incident was reported regarding the sinkhole near the Alcaparrosa Mine at Candelaria. As a result, Lundin Mining did not meet our target level performance for Level 3+ environmental incidents. Our target for the 2023 reporting period remains as No Level 3 or above environmental incidents.



Aerial view, Eagle, Michigan

15. Chapada was previously subject to numerous historical permits, some of which had expired or were otherwise subject to certain compliance risks or irregularities.

Other Compliance Matters

In June 2022, the Supreme Court of Chile ruled in favor of the Chilean Environmental Superintendent (Superintendencia de Medio Ambiente, or SMA), ratifying a fine regarding infractions of environmental approvals for water at Candelaria. The charges originate from two inspections carried out in 2013 and 2014 before Lundin Mining acquired the mine. The lengthy case involved hearings, re-hearings, an overturned ruling, a new investigation and a final appeal. It was closed in June 2022.

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.

On July 30, 2022, a sinkhole event occurred near the Alcaparrosa Mine, which is part of the Minera Ojos del Salado operations at our Candelaria Mining Complex. All mining activities were immediately and temporarily suspended by the Company. We worked with regulators and local authorities to quickly address issues of concern and continue to work with authorities on remediation and restart plans. We received infraction notices and fines from the environmental and water authorities, alleging breaches of the environmental permit (including over-extraction of ore), impact to the aquifer (including water quality and availability), and additional allegations related to the mining practices within Alcaparrosa Mine. These fines have not been finalized and are still under administrative processes. A compliance program has been developed and implemented in response to these allegations. This incident is ongoing and is being managed by a cross-functional project team working closely with regulatory authorities.

In July 2022, the community of Campos Verdes, located 50 km downstream of our Chapada operation, filed a lawsuit alleging poor water quality from the mining operation has impacted the community's drinking water and resulted in health issues within the population. The site engaged with state and municipal authorities and, as required, has provided data and conducted additional studies. The case is still pending and is being coordinated by Chapada's legal team.

Our Neves-Corvo operation had two legal matters pending or in process at year-end 2022. One is related to a 2018 allegation from the Lisbon and Tagus Valley Regional Coordination and Development Commission alleging that the operation had failed to notify all stakeholders of work undertaken at our Setúbal port facilities. The other is related to four alleged infringement notifications in 2020, two relating to improper supplier labelling of chemical substances received and two relating to the registering and licensing of medical radiology equipment.

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 short periods in 2022 when some metal concentrations exceeded the guideline levels in the effluent discharge into Ekershyttebäcken Creek. 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. Conceptual design and prefeasibility studies for a water treatment plant were conducted in 2022. Assuming construction approval, detailed design work is anticipated to begin in 2023, and the plant is expected to be operational by 2026.

Thiving Communities



In This Section

2022 Highlights	45
Local Economic Development	46
Community Health & Well-being	55

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.

We believe our success is directly tied to the health, well-being and socio-economic development of our neighbouring communities. To ensure we achieve positive and lasting impacts, we are developing corporate and operational targets for local economic development, and community health and well-being.

Related Material Topics:

- Community Relations and Development
- Local Procurement
- Public Health and Safety

Sustainability Strategy Focus Areas:

- Community Health and Well-being
- Local Economic Development



OUR APPROACH

We strive to achieve our performance objectives by proactively and transparently engaging with our community stakeholders. We believe this approach leads to genuine collaboration and enables us to be responsive to their concerns and any net impacts we may cause. We continuously evolve our approach in order to address emerging social or economic changes within our neighbouring communities.

Thriving Communities is a core pillar of Lundin Mining's Sustainability Strategy. Within this pillar, we have prioritized Local Economic Development and Community Health & Well-being as our areas of focus, and developed associated program areas, which are outlined in the graphic below. This framework – our Social Investment Impact Framework (SIIF) – guides our social programming, our economic development and diversification initiatives, and our community partnership programs. It also supports our management approach to our material topics related to Community Relations and Development, and Public Health and Safety.



Focus Areas	Community health and well-being		Local economic development
Program Areas	Enhancing impact management	Community organizations strengthening	Skills development
	Physical and mental health	Education	Local supplier development
	Climate change adaptation and mitigation	Collaborative regional development	Economic diversification

An enabler of our Thriving Communities pillar is our 5-year Corporate Social Performance Strategy, developed in 2021. The strategy aims to enhance our social performance across the organization by:

- Setting clear expectations on Social Performance Standards and strengthening our internal competencies and skills to comply with them;
- Establishing systems, governance and practices that allow our sites and corporate teams to make strategic decisions using social data;
- Supporting the implementation of key initiatives (Copper Mark™, GISTM) and developing clear targets to advance Lundin Mining's Sustainability Strategy; and,
- Embedding social performance into the Company-wide strategy and day-to-day business operations.

2022 Highlights

In 2022, our operations continued implementing global initiatives aligned with the Corporate Social Performance Strategy. Throughout the year, site Social Performance teams enhanced their internal capacities, increased their overall responsiveness to community concerns, and began implementing more focused and tailored actions to help our neighbouring communities thrive.



2030 Performance Targets

Identified three main goals to guide activities and achieve individual site targets over the next three to five years:

- Develop economic diversification strategies for each jurisdiction
- Improve the level of trust in our Company, relative to the most trusted institution in each jurisdiction
- Improve the perception of environmental impacts in each jurisdiction.



Enhanced Functional Performance

Created Social Performance Skills Development Plans for all sites, launched multi-stakeholder engagement training for site leaders and Grievance Mechanism reviews.



Data-Driven Decision-Making

Incorporated our Social License to Operate (SLO) Index into operational scorecards and Senior Management discussions at Zinkgruvan, Candelaria, and Chapada.



Impact Investing

Strengthened investing approach by launching five pilot projects to measure the impact of flagship community investments at all sites.



Donation of fishing equipment, Caldera, Chile

Local Economic Development

Materiality

Local economic development – which includes community relations and community development – is material to our business because, over the life of the mine, our Company is embedded within our neighbouring communities, becoming a custodian of land, consumer of natural resources, employer, consumer of goods, and user of local services. Our operations are often recognized as one of the most important contributors to the local economy of each jurisdiction.

Our activities can affect these communities in different ways, both positive and negative. A trusting relationship between Lundin Mining and individuals, groups and communities is essential. Our understanding of the needs, expectations and concerns of communities – and our ability to support the development of local economies and enable economic diversification throughout the mine life cycle and beyond – are essential for our collective well-being and success. Community Relations and Community Development are presented separately below for clarity.

Community Relations

OUR APPROACH

We seek to engage, listen, and acknowledge our impacts, building a trust-based environment that enhances our community relationships and supports our management of risks and opportunities associated with community rights

and interests. Guided by our Sustainability Strategy and Social Performance Standards, we believe proactive and transparent stakeholder engagement leads to meaningful collaboration and enables us to be responsive to community interests and concerns. Responding in a professional and timely manner to stakeholder grievances is an important aspect of our approach to managing community relations.

We strive to enhance our insight into community perspectives regarding the impacts and benefits of our operating activities. Our SLO Index, stakeholder engagement process and Simply Stakeholders™ management tool are key to enhancing our internal awareness of the challenges and / or impacts caused by our activities.

All sites also have grievance mechanisms in place to ensure that community members and other stakeholders can voice their concerns about Company activities and impacts, and that these concerns are documented in a transparent, timely and accountable manner. On a quarterly basis, we consolidate and report operational-level grievance data, along with updates on the types of grievances and progress toward resolution, to the SSC of the Board.

Lundin Mining believes a well-functioning grievance mechanism is a sign of a healthy relationship with our stakeholders. We view grievances as an opportunity to improve our performance or enhance community awareness

about issues of concern. As we align our grievance mechanisms to the UN Guiding Principles' (UNGP) Effectiveness Criteria for Non-Judicial Grievance Mechanisms, we anticipate an increase in the number of grievances which, over time, will decrease as we work more closely with our stakeholders to address new issues or enhance their knowledge of mining.

We are pursuing opportunities to establish multi-stakeholder community engagement forums at all sites. We believe this type of engagement helps develop a collective understanding of issues, challenges and opportunities; helps strengthen local capacity; and contributes to better management of expectations. Eagle and Chapada are in the initial stages of establishing multi-stakeholder forums to advance their long-term development programs.

Additionally, some of our activities take place within or in proximity to Indigenous Peoples' territories and we have an agreement in place with Indigenous communities near our Eagle site. As such, these communities are central to our stakeholder mapping and engagement activities. We have formal procedures and processes in place to support Indigenous community engagement and economic inclusion and cultural conservation, while ensuring we meet applicable legislative requirements.



#mujeresenred, Josemaria, Argentina

OUR PERFORMANCE

Social License to Operate (SLO) Index

In 2022, we continued to embed the SLO Index into how our sites make decisions on stakeholder engagement, community investment and operational improvements to reduce impacts. We created a maturity assessment framework to help sites determine how well they had integrated the SLO Index and to define their target level of maturity. This prompted the sites to establish specific governance structures (Zinkgruvan, Chapada), create site-level action plans to address findings from SLO Index surveys (Zinkgruvan, Neves-Corvo, Candelaria), and disclose results externally to their community stakeholders (Zinkgruvan, Eagle, Chapada).

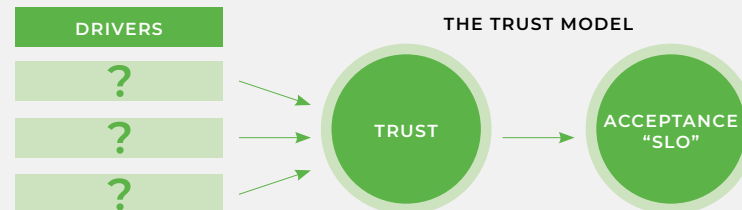
We launched an Anchor SLO Index survey for the Josemaría Project and conducted pulse surveys at Candelaria, Chapada, Zinkgruvan, Eagle and Neves-Corvo. These surveys engaged over 2,700 people across all our operations and gave us clarity on what matters most to our stakeholders to maintain or strengthen their trust in Lundin Mining.

Using the SLO Index, we continued to track material issues important to our stakeholders, including environmental issues. At Candelaria in particular, the Index identified a decrease in the level of *Trust* immediately following the sinkhole event near the Alcaparrosa Mine; and a subsequent improvement in *Trust* that was observed in the community of Tierra Amarilla, resulting from the Company's extensive engagement, communications, investment and operational improvement activities.

Our Journey with the Social License to Operate

What is the SLO Index?

A perception-based surveying methodologyⁱ that models what drives community trust in the Company and measures how it changes over time.



Why implement the SLO Index?

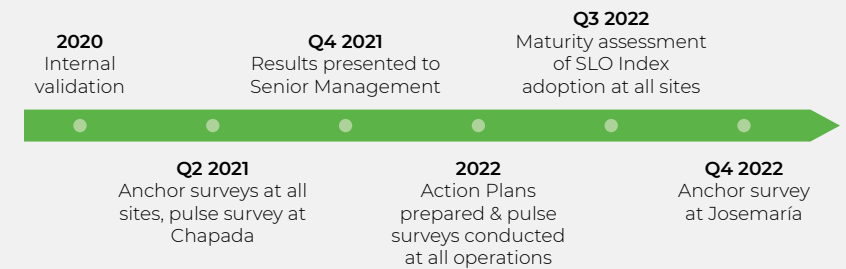
Through the SLO Index we can answer these questions:

- Does the community accept / trust us? (social license)
- Are things getting worse or getting better?
- What are the risks for our operation / communities?
- Where should we focus our efforts? (location, topic, etc.)
- How effective and impactful are our actions?

Key benefits:

- Actionable insights
- Trends analysis
- Effective resource allocation
- Monitoring performance
- Anticipating risks
- Improve internal & external relations

When – Our timeline



What did we find?

- ✓ All sites improved / sustained levels of Trust and Acceptance.
- ✓ Consistent community participation and +2,700 surveys conducted.
- ✓ Several sites established governance structures to review and act on insights.
- ✓ Eagle, Zinkgruvan and Chapada shared SLO Index results externally.

SITE	TRUST INDEX ⁱⁱ	TREND	FINDINGS
Candelaria	2.9	↑	<ul style="list-style-type: none"> • Increasing Trust in Tierra Amarilla and Caldera • Alcaparrosa sinkhole response observed in model
Chapada	3.4	—	<ul style="list-style-type: none"> • Increasing engagement in rural areas resulted in improvements across Trust drivers
Eagle	3.6	↑	<ul style="list-style-type: none"> • Strong, consistent and stable relationship • Eagle working to address road safety concerns
Josemaría	3	n/a	<ul style="list-style-type: none"> • Company amongst most trusted organizations • High expectations on positive economic impacts
Neves-Corvo	3.2	—	<ul style="list-style-type: none"> • Community values investments and jobs • Concerns about water and dust remain relevant
Zinkgruvan	3.8	—	<ul style="list-style-type: none"> • Strong, consistent and stable relationship • Action plans on water and traffic yielded results

i. Voconia's Local Voices Program.

ii. The SLO Index methodology measures Trust (and Acceptance) on a scale between 1 and 5. However, results are not comparable between sites due to the institutional trust gap that exists across jurisdictions. This refers to the fact that societies tend to have higher levels of trust in places where the rule of law and the strength of institutions is higher (i.e. Sweden, USA, Portugal) than in places where they are lower (i.e. Chile, Brazil, Argentina).

Simply Stakeholders™

In 2022, sites continued on their journey to adopt the *Simply Stakeholders™* information management system to better manage their stakeholder engagement activities. This system supports stakeholder mapping, tracking of stakeholder interactions and commitments, and helps measure the sentiment of stakeholder engagement. It has enabled Lundin Mining to enhance documentation of our engagement activities, assess the effectiveness of our engagement, identify emerging issues and topic trends from daily interactions, and improve the level of response from our teams, with special consideration for society's most vulnerable groups. During the year, we reviewed integration of *Simply Stakeholders™* at Candelaria, and launched the system at Josemaría.

Capacity Building of Social Performance Teams

In 2022, we undertook a number of training and team capacity-building exercises to enhance our global social performance. We created Social Performance Skills Development Plans for all sites and launched a template and guidelines for the 5-year Site Social Performance Strategies. We also conducted multi-stakeholder engagement training with site leaders to promote the adoption of this practice at senior levels. At Eagle Mine, for example, site leaders convened stakeholders to advance planning for a sustainable trails network in Marquette, as part of the local campaign to maintain and attract talent to the region. Additionally, our Corporate team has taken a collaborative approach to developing Lundin Mining's Land Acquisition and Resettlement Guideline in order to enhance internal awareness of this important topic and its relationship with Human Rights and social risks management.

In 2022, there were no disputes related to land use, customary rights of local communities and Indigenous Peoples, or incidents of violation of the rights of Indigenous Peoples. As a result, grievance mechanisms were not used to resolve any issues related to Indigenous Peoples.



Blasting Training and Monitoring Program, Tierra Amarilla, Chile

Grievance Management

In 2022, we initiated an in-depth review of our grievance mechanisms to ensure alignment with the UNGP effectiveness criteria, to better understand our impacts, and to develop preventive and mitigating actions. We completed the Eagle and Josemaría reviews and will complete the four remaining reviews in 2023. This approach ensures our responses to social issues and impacts are periodically assessed and updated based on prevailing needs within our communities. In preparation for upcoming Grievance Mechanism reviews, over 20 social performance team members participated in a comprehensive training session on these mechanisms.

Our grievance management system is subject to [external assurance](#) for this report and verified annually. The table below lists the grievances filed at each operation in 2022. It also includes the number of grievances under ongoing management and those that have been resolved. Detailed data are provided in our [Interactive ESG Data Tool](#).

The total number of grievances across mine sites (including Josemaría) in 2022 was 110, of which 94% have been resolved. Excluding data from Josemaría to allow for year-over-year comparisons, there was an increase in the number of grievances received across all sites (85 in 2022 versus 71 in 2021), driven mainly by increases at Candelaria and Chapada. The higher number of grievances at these compared to other sites is due in part to their proximity to local communities and the type of operations (open pit mining). While the increase at Chapada relates to dust, vibration and water, the site has significantly reduced its traffic / transportation grievances following the construction and inauguration of the Alto Horizonte by-pass. Chapada’s grievance mechanism can be accessed through a mobile device app, WhatsApp, making the mechanism more accessible and contributing to higher reporting. The increase observed at Candelaria mainly relates to refinement of the reporting process and criteria.

Deploying these social data measurement tools has enabled Lundin Mining to establish a ‘control room’ for social performance at each of our operations and projects. The SLO Index helped our teams focus on the issues that most affect our stakeholders’ trust in the Company. For example, it enabled our operations to identify stakeholder groups or topics that required additional attention, discussed in the [Community Health & Well-being](#) section of this report. Our grievance dashboard complements the SLO Index data and allows us to identify trends and appropriately manage impacts so we can be responsive to community concerns. Meanwhile, Simply Stakeholders™ has helped us document our engagement and draw insights on its effectiveness and emerging issues for our stakeholders.

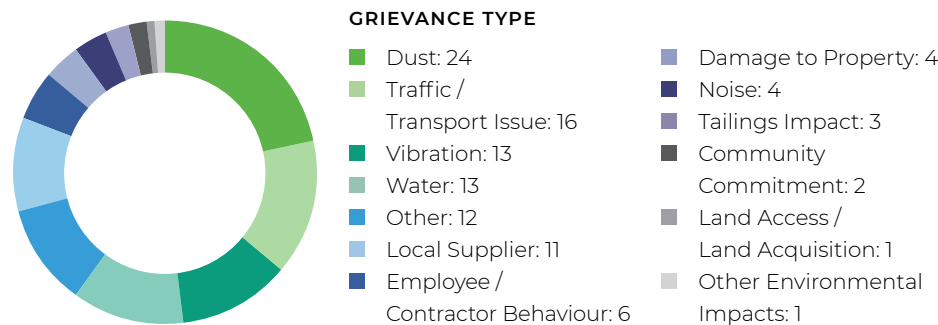
Equally important, this approach to using social data has effectively enhanced our stakeholders’ voice within our operations and enabled more transparency, responsiveness and proactivity to maintain the trust-based relationships we want with our communities and stakeholders.



Our Next Steps

- We plan to take the following actions in 2023 to enhance community relations:
- Support further adoption of the SLO Index and associated governance across our sites.
 - Consolidate adoption of Simply Stakeholders™ for engagement data management.
 - Complete evaluation of the grievance mechanism at four remaining operations against UNGP Effectiveness Criteria for Non-Judicial Grievance Mechanisms.
 - Complete Land Acquisition and Resettlement Guideline.

2022 – Types of Grievances Reported Across All Operations



OPERATION	TOTAL NUMBER OF GRIEVANCES	GRIEVANCES WITH ONGOING MANAGEMENT	GRIEVANCES RESOLVED
Candelaria	24	4	20
Chapada	49	0	49
Eagle	7	1	6
Neves-Corvo	2	0	2
Josemaría Project ¹⁶	25	1	24
Zinkgruvan	3	1	2

16. Josemaría Project data included for the post-acquisition period.

Community Development

OUR APPROACH

We aim to achieve positive social and economic benefits that ensure and contribute to the development of thriving communities. Our investment decisions and development goals are directly informed and driven by community-identified priorities and needs. We seek to inspire economic diversification, so that communities can connect with different value chains and not be economically dependent on mining operations alone.

Economic diversification is one of the key program areas we have prioritized to promote local economic development and incorporate it into all our mine closure plans. We develop our investment goals in collaboration with our host communities and align them with our *Mission* and *Values*. We seek to promote regional sustainable development and economic diversification by implementing site-specific Social Investment Plans and annual action plans.

Our 5-year Site Social Performance Strategies also include local procurement and employment programs. Decisions around local hiring and procurement can have a profound impact on local economies – as well as associated benefits for businesses and communities in advancing socio-economic development, promoting economic diversification, and providing a diverse and skilled workforce.

We make it a priority to draw our workforce from the local communities to ensure 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.

Since 2021, Lundin Mining has advanced efforts to appropriately measure the impact of our social investments, establishing the SIF. Our framework allows us to measure the impact and efficiency of our investments and enables us to make more strategic investment decisions, based on the focus and program areas of our Thriving Communities pillar. The goal is to embed this approach across all our investment strategies, programs and projects. We are working to establish formal and integrated investment planning and management systems to address identified needs in the regions where we operate.

OUR PERFORMANCE

In 2022, we developed Terms of Reference for socio-economic baseline studies to guide the development of 5-year Social Investment Plans and the adoption of the SIF at all sites. Baseline studies were completed at Chapada, and are expected to be undertaken at all other sites in 2023.

We launched five pilot projects to measure the impact of our flagship social investments at our operations. Two of these pilots were completed at Candelaria and Chapada in 2022, with the remaining pilots scheduled for completion in early 2023. Initial results from the pilots validated the positive impact of our social investment projects and the data have provided our site teams with valuable insight to further position our programming during the budget cycle. Sites are developing strategies to share the information in our external engagement with beneficiaries and communities in general.

Two of the pilot projects assessed in 2022, aimed at promoting economic diversification were the Rural Development Program in Brazil and the re:think Program in Sweden.



Rural Development Program, Chapada, Brazil

Pathways to Economic Diversification

Rural Development in Brazil

The Rural Development Program (RDP) was designed to enhance benefit-sharing with Chapada’s closest and most impacted neighbours, farmers and cattle ranchers who live and own property next to the operation.

The program aims to enhance productivity and build capacity through the provision of seed capital, technical assistance and in-kind support. The program is at the core of the engagement strategy with this stakeholder group and often helps identify emerging issues that the operation tries to address before they become grievances.

Enhancing Our Impact

Lundin Mining began the RDP in 2019 and, since then, has purchased goods and services for 92 properties – including the purchase of more productive beef and milk cattle varieties and the construction or rebuilding of bullpens, artisan water wells and fences. Out of these 92 properties, 59 also received technical assistance in relevant agricultural practices.

A 2022 program impact evaluation identified several positive outcomes including:

<p>\$11,300 Invested on average per property</p> <p>Average satisfaction with the quality of good or services acquired: 9.6 (out of 10)</p>	<p>63% of properties with increased production attributed to the RDP.</p> <p>58% of properties with increased productivity attributed to the RDP.</p>	<p>63% of properties with increased sales of agricultural products attributed to the RDP.</p> <p>Average sales increased 50% from \$565 / month to \$850 / month.</p>	<p>Average 17% increase in family income</p> <p>1 permanent worker and 6 temporary workers hired</p>	<p>Conclusion: Overall positive impact in well-being and economic development in the vicinity of Chapada</p>
ACTIVITIES	PRODUCTS	LEVEL 1 RESULTS	LEVEL 2 RESULTS	IMPACT

Overall, the assessment concluded the RDP has made a positive impact on the well-being, economic development and diversification of people living in the vicinity of Chapada. We will explore opportunities to strengthen the program, including broadening technical assistance to the ranchers, engaging rural youth and women in our program, and incorporating more training into the RDP.



“
The water well meant a huge improvement for us. It has made our lives 100 percent better. It has been great.”

BENEFICIARY, RDP

Rethinking Entrepreneurship

Over the past three years, Zinkgruvan has helped over 19 local entrepreneurs from the Askersund area to scale up their business and generate revenue.

The re:think program, which the mine runs in partnership with the Lundin Foundation, supports these entrepreneurs in developing innovative ideas and businesses in the manufacturing, IT, digitization, logistics and agri-food sectors – all to support and benefit the region’s long-term social and economic goals.

Re:think’s main goals include strengthening the entrepreneurial ecosystem in Askersund, maintaining strong relationships between Zinkgruvan and community stakeholders, and building a strong, well-trained and resilient entrepreneurial community that strives to grow and helps create a knowledgeable local workforce.

In 2022, 10 entrepreneurs joined re:think to refine their networking skills and sustain their businesses – which continue to be impacted by COVID-19. They received individual coaching, training on how to access green loans, and attended lectures on agile leadership, eliminating obstacles for growth, and sustainability. Five of the participants earned ALMI, a local municipality accelerator, Future Generation Program mentorships in 2023, and three were granted seed funding to continue scaling up their businesses in tile manufacturing, entertainment and sustainable food production.



#re:think 2019–2022

- 16 out of 19 entrepreneurs increased their revenue
- 11 are led by women; i.e., CEO or Founder
- Over \$20 million in aggregated revenue generated by re:think entrepreneurs
- Over \$20,000 in third-party funding secured
- 98 local jobs supported by re:think entrepreneurs, including permanent and seasonal posts
- Over 50% of local jobs supported are held by women
- Over \$3 million in aggregated wages paid by re:think entrepreneurs
- \$19,000 in seed funding provided through the Lundin Foundation



I feel that I have stepped into my entrepreneurship shoes again where financial sustainability and security has been very important. My value offer has become clearer, and I have found ways in which to package and market this in a better way. I have increased my awareness of my own possibilities to be able to steer in the direction in which I want to be heading now. I have gained back my trust in myself and the pride of my company.”

MARIA EKSTRÖM, KAKELMAKERIET AB

To enhance our capacity to integrate learnings from the SIIF into the 5-year Social Investment Plans, the Corporate team partnered with the Lundin Foundation and Chile's Sustainable Mineral's Institute (SMI), which is affiliated with the University of Queensland, Australia, to create a community investment course for social performance practitioners across our organization. The course is expected to launch in Spring 2023.

Direct Community Investments

Direct community investment expenditures across our corporate and operating sites in 2022 totalled \$4.5 million, compared to \$4.7 million in 2021. These investments supported education, health, culture, community development and small business economic stimulation. The value is lower than in previous years due to limitations in budget execution at some sites. At Candelaria, administrative delays associated with the purchase of the Nantoco land parcel (to support the relocation of the neighbourhood affected by floods in 2015) contributed to the limited budget execution. At other sites, concerns related to inflation and impacts associated with the global supply chain crisis in local markets, as well as procurement practices, explain the lower than planned execution.

Lundin Mining – Direct Community Investments¹⁷

(\$000s)

LOCATION	2020	2021	2022
Candelaria	5,772	2,112	1,871
Chapada	813	1,003	478
Eagle	945	824	1,066
Josemaría Project ¹⁹	n/a	n/a	374
Neves-Corvo	593	295	273
Zinkgruvan	270	135	126
Corporate	502	289	266
Total	8,915¹⁸	4,658	4,454

Contributions to the Lundin Foundation – Indirect Community Investments

Lundin Mining spent \$240,000 through the Lundin Foundation in 2022 to support the development and implementation of social investment programs.

Lundin Mining – Total Community Investments, 2020–2022²⁰

(\$000s)

LOCATION	2020	2021	2022 ²¹
Direct Community Investment	7,952	4,658	4,454
Lundin Foundation	953	206	240
Total Community Investments	8,915	4,864	4,694

Lundin Mining is actively working to enhance and improve our social investment programming to maximize the benefits for our stakeholders. The results from our pilot projects not only validated the impact of our investments, but also informed our decisions to adapt or modify our approach.

Our Connection with the Lundin Foundation

Some of our community development investments are undertaken by 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.



Our Next Steps

We plan to take the following actions in 2023 to enhance local economic development programs and community relations through our 5-year Site Social Performance Strategies:

- Complete socio-economic baseline studies at all sites.
- Measure the impact of our social investment in the remaining three pilot projects.
- Draft our 5-year Social Investment Plans with input from our stakeholders.
- All Social Performance teams to complete the community investment course offered by SMI Chile, the University of Queensland and the Lundin Foundation.

17. Values are rounded to the nearest thousand dollars.
 18. Total Direct Community Investment for 2020 includes \$20,000 to Amauta exploration project divested in 2021.
 19. Josemaría Project data included for the post-acquisition period.
 20. Detailed Total Community Investment data are provided in our [Interactive ESG Data Tool](#).
 21. Josemaría Project data included for the post-acquisition period.

Local Procurement

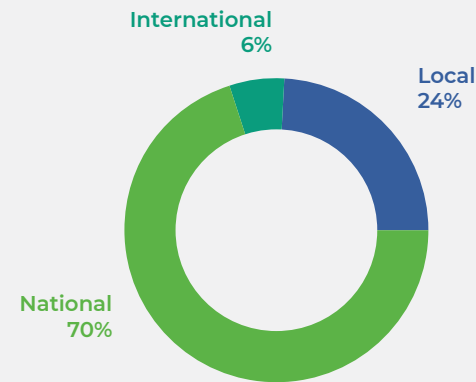
OUR APPROACH

Lundin Mining’s approach is based on local economic procurement decisions and processes that have significant and positive impacts on local economies, with associated benefits to businesses and communities in the regions of our sites.

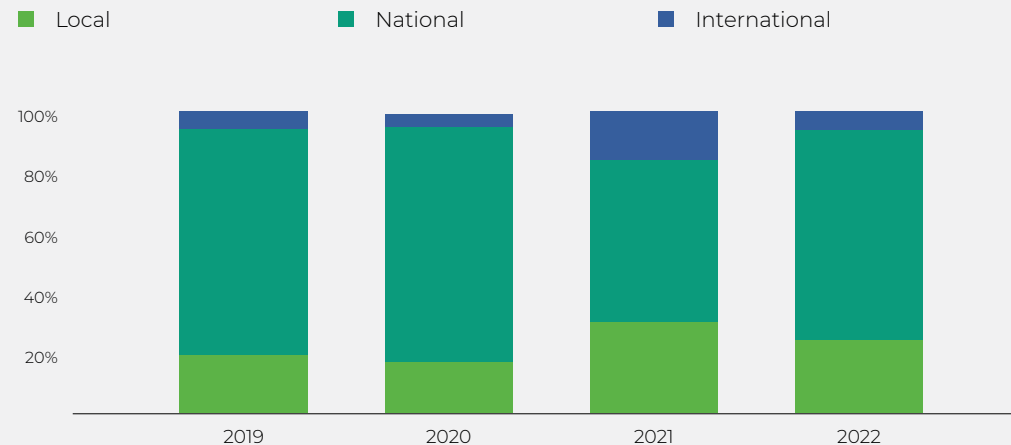
OUR PERFORMANCE

In 2022, approximately \$1.95 billion of our goods and services were procured at the local or country level across Lundin Mining’s operating sites in the United States, South America and Europe.²² This represents 94% of all procurement spending in 2022, up significantly from 84% in 2021. This higher amount was due to a 40% increase in Candelaria’s local and national spend over 2021 levels, as well as a 15% increase in Chapada’s local and national spend. This result also reflects our ongoing efforts to reduce our dependency on international suppliers in order to mitigate the impact of shipping delays related to supply chain constraints and port congestion that have hampered global supply chains over the last few years. On average, between 2019 and 2022, we spent 91% of our procurement dollars at the local and country level.

Total Procurement – 2022



Total Procurement – 2019–2022



In 2022, 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. In 2022, the Josemaría Project established a Local Suppliers Roundtable with the participation of representatives from local business chambers, with a goal to promote direct local purchasing and develop the capacity of local mining suppliers.



Our Next Steps

We plan to take the following actions in 2023 to develop local procurement and positively impact local economies:

- Establish a Supplier Development Strategy at Candelaria.
- Continue implementation of local supplier development at Josemaría.

22. Detailed procurement data are provided in our [Interactive ESG Data Tool](#).

Community Health & Well-being

Our goal is to partner with communities to co-develop and contribute to the implementation of their long-term vision, anchored in improving education, health and social capital.

Materiality

Public health and safety are material because of the importance of minimizing impacts on the safety, health and well-being of members of society beyond our site boundaries. Understanding and proactively managing impacts which could adversely affect the members of our host communities, members of our value chain and wider society is important for our business, our employees, our community and other external stakeholders.

OUR APPROACH

As a responsible miner, we actively work to protect and positively influence the safety, health and well-being of our local communities, our vendors and suppliers, business partners, customers and other stakeholders.

We aim to enhance the health and well-being of our neighbouring communities by collaborating to address our impacts and develop initiatives that achieve positive social and economic benefits that last.

Impact management is part of Lundin Mining's continuous improvement process and core to how we contribute to the health and well-being of our communities. Tools, such as the SLO Index, our grievance mechanisms and participatory monitoring programs, provide insights to enable operational improvements to help reduce actual or perceived impacts. Certain legislative requirements, our operating permits, and our RMMS require that we assess our activities in the context of risk and impact to public safety, health and well-being. The scope is broad²³ and includes environmental hazards associated with tailings and waste rock, noise and vibration, water quality and spread of disease. Controls include safe construction and operation of mining waste management facilities, water quality monitoring, pandemic response planning and crisis response planning.

We believe capacity-building – through training, skills development and education – is pivotal to improving the quality of life and leaving a positive legacy in our neighbouring communities. Our approach to education aims at partnering with relevant stakeholders to enhance childhood education programming, where required, and promoting youth talent development through extra-curricular programming focused on science, entrepreneurship and active recreation.

Lundin Mining also contributes to enhancing the physical and mental health of our neighbouring communities through financial and in-kind

donations of health equipment and infrastructure, and support for local emergency services in the regions where we operate. When appropriate, we partner with specialized organizations to enhance access to, and quality of, health-related services for vulnerable populations.

Through our stakeholder engagement and community investment programs, we foster partnerships with local community organizations to contribute to their current and future viability. We do this by facilitating capacity-building programs, offering technical assistance and providing access to financial resources.

We are also mindful that our communities are grappling with the impacts of the changing climate – including warmer temperatures and uncharacteristic weather patterns. We are actively incorporating strategies in our community projects to mitigate and adapt to the risks of climate change. Our social baseline studies, to be completed in 2023, will provide us with detailed information associated with risks and key actions that we can incorporate into our 5-year Social Investment Plans.

OUR PERFORMANCE

In 2022, Lundin Mining enhanced our impact management efforts, actively engaging with our stakeholders to better understand their concerns.



Josemaria community engagement, Iglesia, Argentina

23. The full scope includes 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, implementation of GISTM, 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 and emergency preparedness referenced throughout this report.

Responding to Community Concerns

In July, a sinkhole event near the Alcaparrosa Mine at our Candelaria Mining Complex triggered uncertainty in the surrounding community. In the first few days after the event, approximately 100 people held a protest with black flags to register their concerns about the Company's mining activities. While our immediate focus was on determining the technical cause of the sinkhole event and monitoring its stability, we quickly assured the community of our commitment to the safety of our workforce and local citizens.

Candelaria's team worked extensively to develop a comprehensive engagement plan designed to re-establish constructive dialogue, keep community members abreast of the latest developments, and address people's concerns about the sinkhole. From August until year-end, the site held approximately 650 meetings with community members – including door-to-door meetings with individuals and major gatherings with community members and leaders – and delivered 3,000 update brochures to the community. In addition, Candelaria launched a website that provided daily updates on the size of the sinkhole and technical and community activities conducted in relation to it.

Candelaria's commitment to being transparent and accessible and to engage in ongoing dialogue helped assure the community of our commitment to responsibly manage the sinkhole event, ultimately paving the way to rebuild trust and strengthen our relationship with Tierra Amarilla. This commitment was clearly reflected in the SLO Index results.

In 2022, Candelaria conducted pulse surveys in April and September. The results from April demonstrated that the extensive on-the-ground engagement and re-launch of our community investment programming in Tierra Amarilla prior to the sinkhole event had a very positive effect on the level of *Trust* in the Company (3.1 versus 2.6 in our Anchor survey in September 2021). The results from our survey in September, post-sinkhole event, showed that the drop in the level of *Trust*, particularly in Tierra Amarilla, was minimal (-0.2 points), which can be in part attributed to the Company's transparent approach to engagement and communication.

“ We are fully committed to working cooperatively with an independent investigation by SERNAGEOMIN, in addition to conducting our own investigation, and to communicating regularly with community members, union representatives and other stakeholders to ensure they are informed of developments.”

PETER ROCKANDEL, CEO

Rebuilding Trust

Tierra Amarilla Neighbourhood Blasting Training and Monitoring Program

Following the sinkhole event near the Alcaparrosa Mine, Candelaria saw an opportunity to rethink and improve the way the operation was handling its communications and engagement around environmental impacts. It established the Tierra Amarilla Neighbourhood Blasting Training and Monitoring Program, a voluntary program, aimed at building trust and enhancing relations between the nearby communities and Candelaria's Operations and Social Performance teams.



In November, Candelaria facilitated training sessions that built local citizens' knowledge and capacity on the technical process behind the blasting that is part of the mineral extraction process. Community members were able to meet and ask questions of Candelaria personnel, monitor the mine's blasting program, and notify personnel of any concerns.

A key aspect of the training program was to install monitoring equipment in their homes, allowing citizens to monitor all blasting in the community. This has helped the community better understand some of the technical aspects of mining, the need for blasting and the impact of blasting activities.

Members of the Tierra Amarilla community have expressed their appreciation for this program, indicating it has helped to enhance their overall trust and relationship with Candelaria.

“ The neighbours convey that they appreciate the enthusiasm, understanding, and respect shown by Candelaria's representatives, as well as the experts who accompany them in each blasting measurement. The neighbours say they feel supported and valued, which makes for positive coexistence between the community and Candelaria.”

TRANSLATED LETTER FROM THE GENERAL MANAGER, SOCIEDAD GRANALLA NORTE DOS

Other sites, including Neves-Corvo and Zinkgruvan, have conducted multiple operational changes to address noise and traffic complaints emerging from both our grievance mechanism and findings from the SLO Index.

Enhancing Educational Opportunities

In 2022, we continued to contribute to enhancing the access and quality of educational opportunities for children and youth in our neighbouring communities.

Our corporate office also formalized a partnership with Pathways to Education, a Canadian non-profit, supporting vulnerable youth in the Greater Toronto Area (GTA) to enhance their access to education. Lundin Mining has committed financial resources and promoted employee engagement in support of the organization.

Improving the Quality of Life Through Education

Project I.D.E.A.

We promote education as a pathway to a better quality of life for our neighbouring communities. Project I.D.E.A.²⁴ takes that one step further by offering high school students in southern Portugal the opportunity to pursue entrepreneurship education.

The program was developed by SOMINCOR in partnership with ADPM²⁵ and the Division for Entrepreneurship and Technology Transfer at the University of Algarve, Portugal. It aims to encourage the entrepreneurial spirit of young students between the ages of 16–18 in the municipalities of Aljustrel, Almodôvar, Castro Verde, Mértola and Ourique, which are near the Neves-Corvo Mine.

I.D.E.A. aims to help these students develop their entrepreneurial skills and careers right in their own region and prevent their migration to urban centres to seek new opportunities. Ideally, through this program, the students will create new local businesses and improve the long-term economic outlook in their community – careers and businesses that are diverse and not necessarily dependent on the mining sector.

Project I.D.E.A is the first fully funded private program that focuses on entrepreneurship for young students in the region. It was launched in 2021 but due to the pandemic, 2022 was its first full year of implementation. In total 197 students participated in I.D.E.A., which offered:

- **Teacher training and certification:** 20 teachers received 25 hours of training devoted to how to teach entrepreneurship education in a high-school context and how to develop entrepreneurial skills. All 20 teachers received an official certificate adding to their general credentials as educators.
- **Entrepreneurship skills training for students:** Students received eight sessions on innovation, how to build an idea into an actual business plan, intellectual property, marketing, communications and social media. Students also visited fairs and entrepreneurial organizations to understand best practices.
- **Bootcamp:** Students were given both practical and experimental experiences that allowed them to consolidate some core entrepreneurial competencies, including team building and problem-solving exercises.
- **Entrepreneurship Fair:** Students attended an Entrepreneurship Fair that showcased the best practices of local companies in the region – practices related to sustainability, innovation and creativity. They also visited schools and presented their experiences and participated in Q&A sessions.

The main goal is to broaden the program to include more students, teachers and supporting organizations, and to ensure it is making a measurable impact in the student population. Additionally, efforts are underway to make it more sustainable by securing long-term funding and support.



I think this initiative is amazing! Thanks to the I.D.E.A. project, we have had the opportunity to get to know other realities besides our own, identify weaknesses, provide ideas, and present solutions to actively participate in the improvement of our school and the community in general. We have been able to share experiences, knowledge, broaden our horizons, and thus becoming more active citizens in the society in which we live.”

**BEATRIZ SOARES,
I.D.E.A. PARTICIPANT,
ALJUSTREL MUNICIPALITY**



24. I.D.E.A. stands for Idealiza (Set an idea) Emprende (Start as in start-up), Atua (Act).
25. Associação de Defesa do Património de Mértola (Mértola Municipality Heritage Defense Association).

Contributing to Community Health Care

We also continued to promote and contribute to various health initiatives, working in partnership with local communities to deliver accessible, professional healthcare services to vulnerable populations:

· **Highlighting Men’s Health Care:**

In late November, Chapada partnered with state and local health officials to support the municipality of Nova Iguaçu’s Movember campaign. Movember is a global movement that highlights the importance of preventing and diagnosing prostate cancer and other typically male diseases, as well as adopting healthy habits. The launch event included the collection of PSA tests, which were donated by Chapada, as well as a haircut, some physical activity, and a health awareness session to stress the importance of health care and to explain how the diagnostic tests are performed.

· **Delivering Quality Dental Care:**

Through a public-private alliance, Candelaria, in partnership with the municipality of Copiapó, established the first-ever Municipal Dental Specialty Center in the Atacama Region. The new centre has five treatment rooms, an X-ray room, a sterilization center, and state-of-the-art equipment, which will allow more than 8,000 consultations a year.

· **Protecting Our Seniors:**

We launched Phase 2 of our project with the Yee Hong Centre for Geriatric Care (YHCGC) and the Coalition for Health Care and Community Infection Reduction (CHAIR) to retrofit high-touch surfaces in a long-term care home in the GTA. Our investment enabled YHCGC to expand on its Phase 1 pilot, which was carried out on one floor in 2021, to the remainder of its facility.



Municipal Dental Specialty Center, Copiapó, Chile

“

This work has important social value, since together with the municipality we are contributing to decent, accessible and quality health care for those who need it most and positively transforming the lives of our neighbours.”

**SÁNCHEZ RODRÍGUEZ,
PRESIDENT AND EXECUTIVE DIRECTOR OF CANDELARIA**



Our Next Steps

We plan to take the following actions in 2023 to enhance the health and well-being of our communities:

- Expand on our participatory monitoring project for blasting at Candelaria and introduce participatory monitoring at Josemaría.
- Develop 5-year Social Investment Plans that incorporate our SIIF at all sites.
- Develop Corporate and site-level social investment impact targets for at least two Thriving Communities Program Areas.
- Further integrate the SLO Index into internal decision-making to enhance impact mitigation and management discussions.



Empowered Workforce



In This Section

2022 Highlights	61
Workplace Health & Safety	62
Industrial Hygiene & Occupational Health	67
Crisis Management Planning & Emergency Preparedness	68
Talent Attraction & Retention	70
Diversity & Inclusion	74

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.

As a global company, we know people are at the heart of our business, and we strive to nurture a safe, inclusive and equitable work environment across our operations.

OUR APPROACH

We are building an interdependent safety culture; one where safety is held as a value across the organization, where everyone makes a personal commitment to go home safe each day and looks out for the safety and well-being of others.

We are investing in our internal talent because it makes good business sense; it not only ensures our talent pipeline, but also empowers our people to further their careers within our global organization.

Related Material Topics:

- Workplace Health & Safety
- Public Health & Safety

Sustainability Strategy Focus Area:

- Zero Harm
- Talent Attraction and Retention



Candelaria Mine, Chile

2022 Highlights

In 2022, we made good progress in providing our employees with a safe, inclusive and equitable work environment.



Accelerated Launch of Fatal Risk Management (FRM)

Launched program designed to prevent serious injuries, eliminate fatalities and reduce repeat events. Advanced program framework and tracking of High Potential incidents.



Visible Felt Leadership

Trained over 350 supervisors and leaders.



Talent Development

Continued empowering local workforces, providing development and investing in the skills and talents of our people, advancing training opportunities and development initiatives at all operations.



Diversity and Inclusion

Females represented 16% of our global employee workforce with significantly higher female representation at our Eagle and Zinkgruvan Mines, Josemaría Project and in our corporate and exploration teams. Efforts at Candelaria, Chapada and Neves-Corvo have steadily increased female representation in recent years.



Mine rescue training, Zinkgruvan, Sweden

Workplace Health & Safety

Our objective is to provide our workforce with a safe, healthy and productive environment everywhere we operate. We believe that every injury is preventable, and our Zero Harm goal is to send everyone home healthy, safe and well each and every day.

Materiality

Health and safety is material to our business and a first *Value* of our Company. We hold safety as our top priority in everything that we do, and our fundamental objective is to protect the health, safety and well-being of our employees and contractors. The recent fatalities, in 2022, reinforce the materiality of Health & Safety to our business and our industry.

OUR APPROACH

Our *Values* of Safety, Respect, Integrity and Excellence are the core of who we are and they act as a foundation for our approach to health and safety. Our “Zero Harm – Work Safe – Home Safe” commitment is to provide our workforce with a safe, healthy and productive work environment while also placing a focus on safety off the job.

We ensure our workers are aware of the channels available to them for reporting and that they will be protected against reprisals through all levels of the organization, supported by our grievance mechanisms and [Whistleblower Policy](#). We continually evaluate our performance and share lessons learned across all Lundin Mining operations.

We work to accomplish this by creating health and safety practices customized to the unique aspects of each of our operations, and the needs of our workforce. We continually evaluate our performance and share lessons learned across all Lundin Mining operations.

In 2022, we began establishing the framework for Fatal Risk Management (FRM), a Company-wide program designed to prevent serious injuries, eliminate fatalities and reduce repeat events. FRM represents an enhanced approach as it focuses on the 18 fatal risks present in mining that have the potential to cause a serious injury or fatality, as well as the critical controls needed to prevent this from happening.

Critical controls are a fundamental aspect of the FRM approach. All employees and contractors will be required to review critical controls prior to starting their task. If a critical control is not in place, work must be stopped until that control can be verified.

The FRM and related critical risk control strategy are part of a multi-year effort to advance Lundin Mining’s health and safety culture and deliver against our Zero Harm objective. As a part of this strategy, we have begun identifying High Potential incidents (HiPOs).

Beginning in 2023, our entire workforce will be participating in this new process through the identification of fatal risks, verification of critical controls in the field, and workplace planning that integrates FRM into everything we do.

Examples of critical controls



Candelaria Mine, Chile

18 Fatal Risks



Visible Felt Leadership

Visible Felt Leadership (VFL) is an approach to leadership emphasizing the importance of engagement, personal connection and purposeful action to demonstrate care and concern for people's safety, enhance productivity and to increase efficiency in achieving organizational and team goals.

In order to accomplish this, we ask our leadership team to:

- be visible to the organization
- behave and lead as you desire others to do
- be relentless about spending time with your people
- recognize your leadership role as a teacher / trainer
- develop your own safety skills and pass them along
- practise active listening – listen to understand
- be enthusiastic about health and safety, set high standards and have a plan for continual improvement.

As required by our RMMS, we employ a risk-based management approach 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. In 2022, we deployed the ICAM²⁶ Investigation Methodology in the investigation of the fatal incident at Neves-Corvo and the sinkhole event near the Alcaparrosa Mine.

Each operation is responsible for establishing a formal process to identify and assess health and safety hazards that have the potential to create a risk exposure, and to conform to our corporate Risk Management Framework. The process must cover a range of sources of risk, including the 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. Risk treatment methods must follow the hierarchy of controls, with priority given to elimination, substitution and engineering

risk reduction strategies over administrative, behavioural and personal protective equipment (PPE) controls. HiPOs require a Root Cause Analysis (RCA); however low potential incidents require a "5 Why Investigation".

Health and Safety Management Systems

Lundin Mining's RMP and RMMS set the context for our health and safety management system and provide a foundation for meeting legal compliance, industry best practices, and voluntary requirements in all jurisdictions where we operate. These requirements apply to all employees and contractors working at all Lundin Mining operations, with biennial third-party assessments to evaluate conformance. At the operations level, Candelaria has undergone a maintenance audit and Chapada has been re-certified under ISO 45001, both of which cover employee and contractor activities.

Fatal Risk Management Process Change



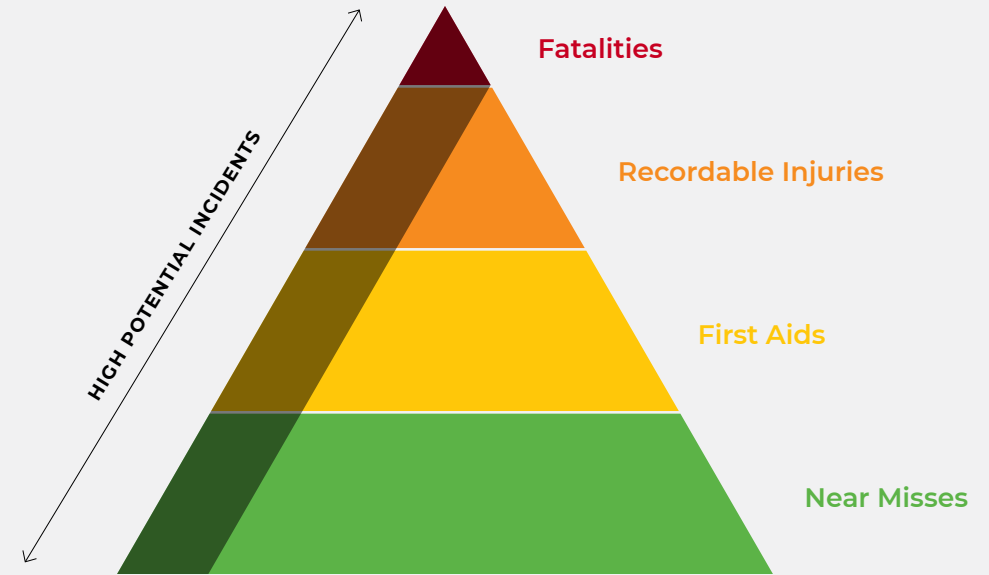
26. Incident Cause Analysis Method (ICAM™) is the leading investigation methodology in the mining sector. ICAM is a holistic systemic safety investigation analysis method. It aims to identify both local factors and failures within the broader organization and productive system that contributed to the incident, such as communication, training, operating procedures, incompatible goals, change management, organizational culture and equipment.

Reducing Workplace Hazards & Near Misses

A key element of FRM is identifying and mitigating HiPOs and significant near-miss events. These events can be an injury or non-injury event that had the potential (energy) to be a fatality. In most cases the event will align with one of the 18 fatal risks included as part of the FRM program. Should such an event happen, we re-educate the workforce on risk tools, such as pre-task hazard assessments, and emphasize the six most common events that have the potential energy to result in a serious injury or fatality:

1. Mobile equipment collision and rollover
2. Underground rock fall (ground control)
3. Underground / surface fires
4. Heavy maintenance work (fixed and mobile equipment)
5. Cranes, lifting and rigging
6. Slips, trips and falls from same level and from heights

New Safety triangle showing emphasis on high potential incidents.



Key aspects of our Health & Safety Management Systems include:

- workplace hazard identification;
- reporting and control requirements;
- qualitative and quantitative risk assessments;
- high potential incidents;
- life-saving rules;
- Fatal Risk Management;
- leadership training;
- safe work procedures and permit systems;
- safety interactions;
- safe work observations;
- incident reporting and investigation;
- root cause analysis; and
- sharing lessons learned and actions taken.

Health & Safety Training

Training is integral to our approach to managing and improving our performance. Each year we:

- hold regular safety meetings to review key hazards;
- conduct training on task familiarization, risk awareness and required safeguards;
- hold new-worker inductions as well as annual safety refresher training;
- conduct emergency response and evacuation drills; and
- facilitate crisis management training at each of our operations.

Health & Safety Committees

Each of our operations has an active Health & 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 & 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 they believe could cause injury or ill-health. All employees have the right and are encouraged to report and stop work if they feel it is unsafe to perform. FRM reinforces this behavior.

Health and safety performance results are reported to the Corporate senior leadership team, shared across our operations via weekly and monthly reports, and reviewed quarterly with the Board's SSC.

Consolidated health and safety performance data is 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 Lundin Mining's intranet site, or when requested. Incidents that result in a reportable injury, as well as all HiPOs, are reported, analyzed and shared across the Company weekly to emphasize key learnings to prevent recurrence. We follow reporting processes aligned with the [International Council on Mining & Metals \(ICMM\)](#) and GRI, detailed in [Appendix B](#).

Measuring Our Performance

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. 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.

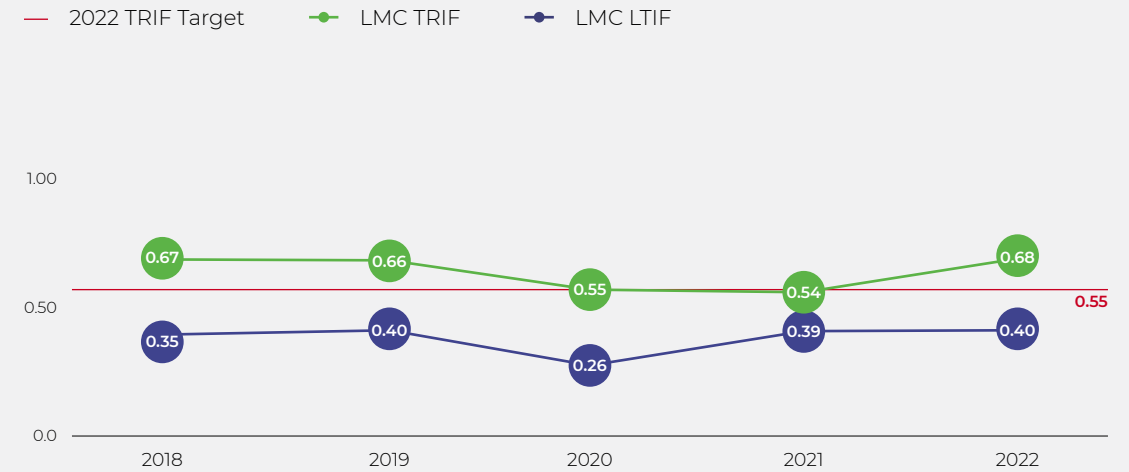
Our primary lagging indicator for measuring health and safety performance and for benchmarking against our peers is the Total Recordable Injury Frequency (TRIF) rate. Detailed methodologies aligned with ICMM and GRI for other lagging indicators including All Injury Frequency (AIF) rate, Lost Time Injury Frequency (LTIF) rate and Lost Time Severity Rate (SR) are available in [Appendix B](#). Our TRIF and LTIF data are subject to [annual external assurance](#) for this report.

OUR PERFORMANCE

We are saddened to report that during 2022, there were two work-related fatalities, one contractor and one employee. All loss of life is unacceptable, and we are determined to eliminate fatalities across our business. Each fatality underwent thorough internal and external investigations, resulting in learnings that were shared across the business.

Lundin Mining's overall safety performance declined during the year with a TRIF rate of 0.68, as compared to our target of 0.55. Although we were able to curb the injury trend during the fourth quarter, with a 27% reduction in recordable injuries compared to the previous quarter, we ended the year with 93 recordables compared to 63 in 2021. Correspondingly, our LTIF and AIF rates for 2022 were 0.40 and 1.95 respectively, both up slightly compared to 2021. We achieved a Severity Rate of 12 (target of 15 and threshold of 18); however, an additional 12,000 lost days will be added to the Severity Rate calculation for 2022 due to the March 30 and September 30 fatalities at Neves-Corvo. This assessment will result in an amended Severity Rate of 101.

TRIF and LTIF Trends



Our workforce remained actively engaged with health and safety activities throughout 2022, contributing to various working groups, conducting workplace inspections, participating in health and safety committee initiatives, and attending ongoing health and safety training.

In 2022, our health and safety efforts focused on 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 further advancing our fatality prevention efforts.

Addressing Safety Gaps

Neves-Corvo increased its safety focus in 2022, introducing its *Leading Safety* training program, which supports and guides site leaders in managing teams to work safely every day. Nearly 200 employees have already participated in the program, which included a number of Visible Felt Leadership visits in the field.

As part of our 2022 Safety Action Plan, an FRM Working Group was established to develop a framework to review the FRM program material and proposed tools, and provide input on the communications strategy and training rollout at each operation. The Group consisted of one member from each operation, as well as representatives from our Corporate Health & Safety and Communication teams.

Working Together to Achieve Zero Harm

Teamwork, good leadership, employee involvement, and a personal commitment to health and safety are critical to achieving Zero Harm. Every three years, we conduct a Company-wide perception survey to measure employee sentiment around our safety culture. We work with DDS+ (formerly DuPont Sustainable Solutions) to conduct these surveys, benchmarking employee perceptions against its well-known Bradley Curve™. The most recent results (2021) indicated that Lundin Mining’s safety culture remains strong, with the overall Relative Culture Strength (RCS) score of 73 unchanged from previous survey results. Learnings from the survey have been used to identify and refine areas for strategic health and safety improvement including recognition programs and development of leadership skills. Our next safety culture perception survey is planned for 2024.



2022 Safety At a Glanceⁱ

Lundin Mining TRIF target 0.55

Reported Near Misses
804

Workplace Safety Observations
15,613

Planned Workplace Inspections
8,689

Workplace Fatalities
2ⁱⁱ

Lost Time Injuries
54

LTIF Rate p / 200,000 hours worked
0.40

Total Recordable Injuries
93

TRIF Rate p / 200,000 hours worked
0.68ⁱⁱⁱ

Lost Work Days
13,742^{iv}

First Aid Cases
173

Lost Time Severity Rate (SR) p / 200,000 hours worked
101^v

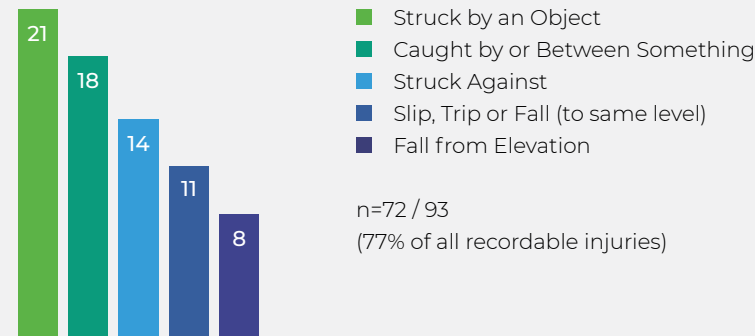
Zero Harm Weeks
10

High Potential Non-Recordable Injury Incidents
76

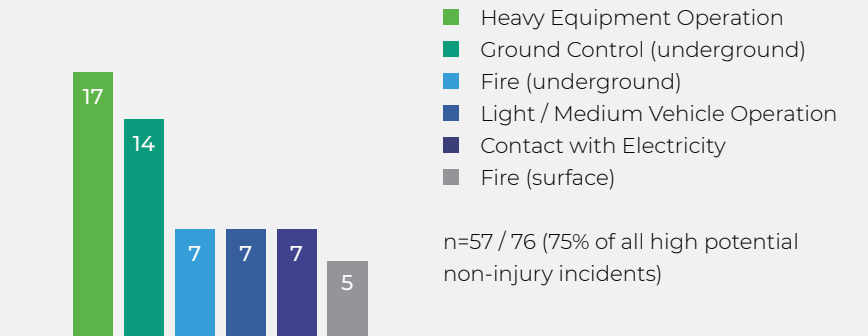
Hours Worked Employees + Contractors
27,207,834^{vi}

Full Time Equivalent (FTE) Workers (Based on reported hours worked)
~13,607^{vi}

Top 5 Mechanisms of Injury Resulting in Recordable Injuries



Top 5 Hazard Categories of High Potential Non-Injury Incidents



i. Data includes both employees and contractors. Additional GRI data are provided for employees and contractors separately in the *Appendix B* and available on [Interactive ESG Tool](#). Josemaría Project data included for the post-acquisition period.
 ii. March 30 and September 30 fatalities at Neves-Corvo.
 iii. Total Recordable Injury Frequency rate (TRIF) is calculated as (total number of recordable injuries [including fatalities, lost-time, restricted work and medical treatment injuries] x 200,000) / total hours worked.
 iv. 12,000 additional lost workdays assessed due to the fatalities.
 v. Lost Time Severity Rate (SR) is calculated as (total workdays x 200,000) / total hours worked, 12,000 workdays penalty applied to SR as an administrative penalty for two fatal events.
 vi. Hours worked and FTE increased 16% in 2022 when compared to 2021, mostly due to the acquisition of the Josemaría Project in April.

Industrial Hygiene & Occupational Health

OUR APPROACH

Our industrial hygiene and occupational health efforts focus 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 employees have access to Employee and Family Assistance Programs and confidential counselling services.

OUR PERFORMANCE

During 2022, the number of planned industrial hygiene samples taken was similar to 2021, with an increased focus on gathering data and identifying high-risk similar exposure groups (SEGs) for agents such as diesel particulate emissions (DPM), in advance of new regulatory limits coming into force in some of our operating jurisdictions. This enhanced emphasis will aid us in bolstering our mitigation efforts aimed at minimizing worker exposures, particularly within high-risk SEGs.

Industrial Hygiene Sampling Plan 2022

Planned Samples	Samples Taken Against Plan	Additional Samples Taken	Total Samples Taken
1,800	1,800	431	2,231



Our 2022 industrial hygiene sampling program and associated monitoring activities focused on 12 different workplace hazards and agents of concern.

2022 Industrial Hygiene Sampling Plan – Issues and Agents of Concern

Diesel Particulate (DPM)	Silica	Respirable Dust / Total Dust
Oxides of Nitrogen	Radon	Lead and Other Heavy Metals
Vibration	Relative Humidity	Workplace Illumination
Noise	Ventilation	Welding Fumes

Medical screenings are completed across our operations based on exposure risk.

Occupational Health – 2022 Medical Screenings²⁷

Candelaria	2,236
Chapada	2,378
Eagle	476
Neves-Corvo	3,568
Zinkgruvan	552
Total	9,210



Industrial Hygiene monitoring, Candelaria, Chile

27. Non-COVID-19 occupational health assessments and fitness-for-work examinations conducted.

Crisis Management Planning & Emergency Preparedness

Materiality

Adequate Crisis Management Planning is not only important internally to protect our business, but externally to ensure public health and safety. Public Health and Safety is a new material topic for Lundin Mining, relating to the importance of minimizing impacts on the safety, health and well-being of members of society beyond our operational site boundaries. Understanding and proactively managing hazards associated with our activities that could affect our operations or the safety or health of members of the communities within which we operate, members of our value chain, and the wider society is important for our business, our employees, our community and other external stakeholders.

OUR APPROACH

We strive to protect the safety and well-being of our neighbouring communities. We maintain a high degree of emergency preparedness across all Lundin Mining sites in order to minimize and mitigate the impact of any unforeseen events.

Our Crisis Management Standard and crisis management plans are supplemented by site-specific emergency response plans. These plans cater to the unique aspects of each operation and guide them in maintaining emergency response capabilities, firefighting and rescue equipment, and specialized PPE that is suited to each working environment and operating jurisdiction.

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 team skills are maintained.

We conduct formal crisis management training and a mix of practice and desktop scenarios across the Company annually, both virtually and in person.

OUR PERFORMANCE

Although we never want to have to use our crisis management training, it is important to stay on top of these skills in the event it is necessary. For example, our crisis management plans were activated in 2022 to deal with the sinkhole event near Alcaparrosa Mine and the fatal incident at Neves-Corvo.

All Lundin Mining sites carried out in-person or virtual crisis management training throughout the year. Specifically, we held a three-day in-person training workshop, which included a scenario exercise and customized training topics to address the needs of each operation.



Underground mine operator, 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.



Crisis Management Training, Eagle, Michigan



Mine Rescue Training, Eagle Mine, Michigan



Emergency Training, Chapada, Brazil



Visible Felt Leadership, Chapada, Brazil



Our Next Steps

We plan to take the following actions in 2023 to achieve our Zero Harm goals and reduce potential public and workplace hazards and exposures:

- Achieve TRIF rate of 0.55.
- Verify FRM is embedded across all operations by year-end.
- Effective shift of focus from TRIF to High Potential Incident management, with HiPOs investigated using root cause analysis and shared Company-wide.
- Develop plans to work toward a reduction in our high-risk SEGs and focus on controls to eliminate over-exposures to noise and carcinogens of concern.
- Continue Crisis Management Training and Emergency planning across the organization.

Surface Emergency Response Teams

15

Trained Surface Emergency Responders

438

Underground Mine-Rescue Teams

6

Trained Underground Mine-Rescue Team Responders

127

Underground Refuge Chambers

123

Underground Mine Refuge Chamber Combined Capacity

1,334

Facilitated Crisis Management Scenario Exercises

6

Underground Emergency Evacuation Drills

21

Surface Facility Emergency Evacuation Drills

58

Talent Attraction & Retention

We aspire to be an employer of choice within the global mining industry. We are building a corporate culture that is open, inclusive and equitable – and one that empowers and invests in our people to ensure our collective success.

OUR APPROACH

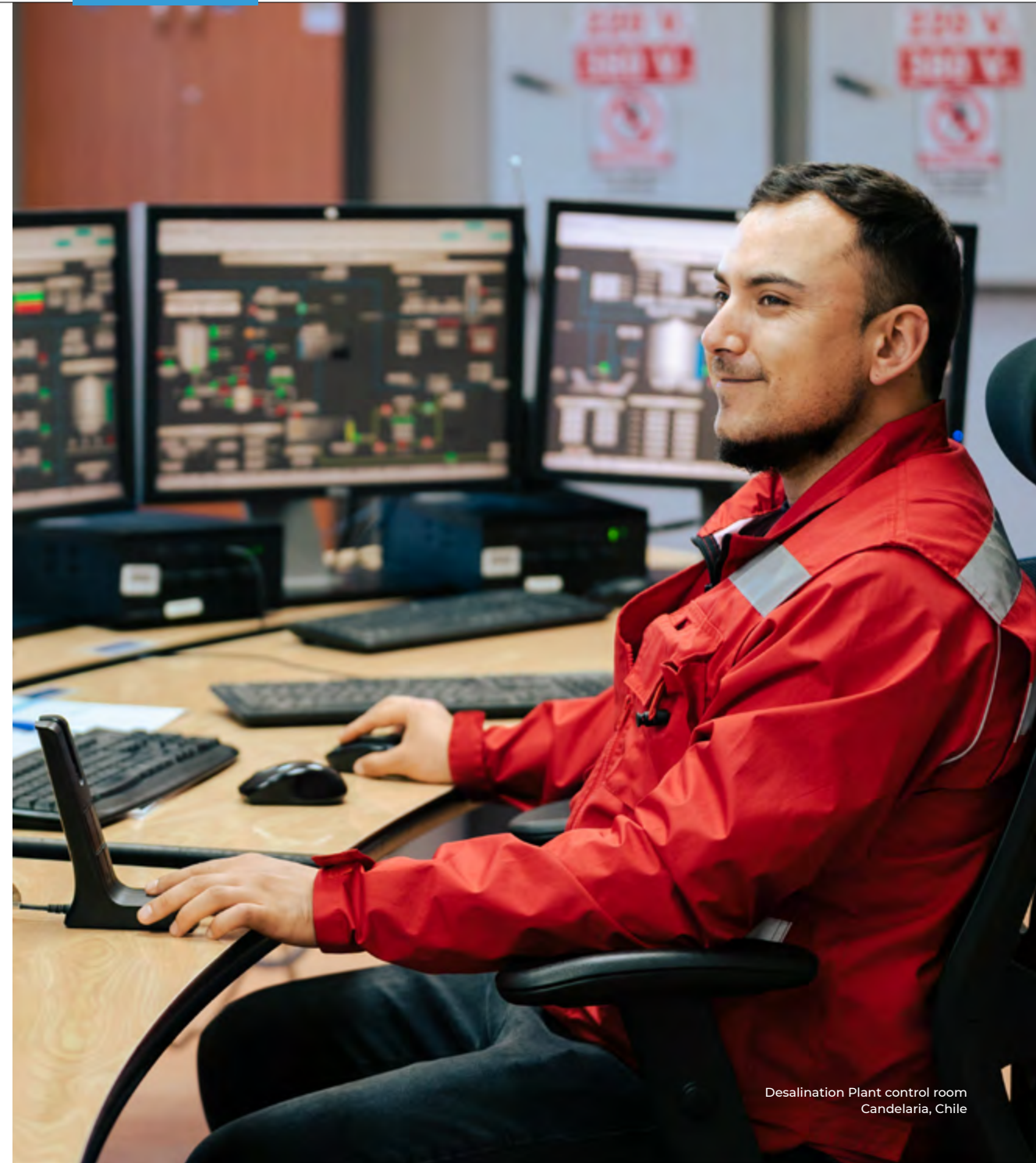
We know that our people and culture are pivotal to the overall success of our business. We continue to invest in our talent pipeline, encouraging our people to further their careers within our global organization. We strive to foster open communication and inclusivity as we build the skills and capabilities of the next generation of Lundin Mining leaders.

We are strengthening 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 foster a meaningful work experience, we believe it is important that our employees have knowledge of Lundin Mining's direction and priorities and appreciate how their efforts and successes contribute to our overall goals.

We embrace diversity and promote the inclusion of different perspectives and ideas, encourage independent thinking, and work to ensure Lundin Mining benefits from all available talent. Our [Diversity and Inclusion Policy](#) reflects our commitment to foster an inclusive culture based on merit and free of conscious or unconscious bias – one that reflects the countries and communities in which we operate, and one 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.



Diversity and Inclusion Campaign, Candelaria, Chile



Desalination Plant control room, Candelaria, Chile

The Power of an Empowered Workforce

We actively encourage employees to take a more active role in their careers, to consider where they want to go, and what development steps they must take to get there, providing ongoing training and development initiatives to engage and motivate our employees. Additionally, we use data obtained from SuccessFactors to create targeted action plans that are relevant and meaningful to each of our local workforces.

We continuously seek ways to improve and expand our employee communication channels to ensure our people are kept up-to-date and informed about our business. We aim to create safe work environments that promote trust and respect, and where our employees honour differences in backgrounds, experiences and perspectives.

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 align our practices with the UNGC Principles on Labour and support 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. Additionally, our [Human](#)

[Rights Policy](#) and [Code of Conduct](#) support the unencumbered right to freedom of association and collective bargaining at all our operations.

Our global human capital management system, SuccessFactors, a SAP-based human capital management system, internally called *mySuccess*, creates a single source of global employee data that allows us to invest in the skills and capabilities of our workforce and identify continuous development and growth opportunities for employees, so we can strategically prepare and promote talent for career advancement within our business. We now have a structured process in place to map critical roles, drive succession planning and enable training, including for our Code of Conduct and cybersecurity. SuccessFactors has also strengthened our people analytics capability and broadened our approach to strategic workforce planning.

As we advance our SuccessFactors management system, we intend to broaden our tracking of other designated groups and invite employees to voluntarily self-identify to help us develop baseline inclusion data based on gender, race / ethnicity and sexual orientation.

OUR PERFORMANCE

As of December 31, 2022, Lundin Mining globally employed 4,979 employees – as compared to 4,607 in 2021 – who are located primarily in Argentina²⁸, Brazil, Canada, Chile, Portugal, Sweden and the United States. Employment contract types, employee gender and regional details are provided in [Appendix B](#) and in detailed data contained in the [Interactive ESG Data Tool](#). A significant number of contractors also work at our sites, totalling approximately 8,233 people globally at

the end of 2022. 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’s permanent employees in 2022 was approximately 8.2%. We successfully advanced our strategic workforce planning by identifying succession plans for 187 critical roles across our organization. With the planned move of the Corporate head office from Toronto to Vancouver in 2023, we will be required to replace a significant number of employees across

certain functions. Identifying a future-state talent pool will be a focus of the Human Resource team’s work in 2023.

In 2022, we continued to implement SuccessFactors, internally called *mySuccess*, which creates a single source of employee data and training across our organization. In 2022, 100% of corporate employees and 96% of key operational site employees completed Code of Conduct training, and 85% of employees successfully completed cybersecurity training.



International Day of Women in Mining at Head Office, Toronto, Canada

28. Josemaría Project data included for the post-acquisition period.

Empowering Local Workforces

Throughout the year, we invested in the skills and talents of our people, advancing a number of training and development initiatives at all operations – from Chapada to Zinkgruvan and from apprentice to leader.



CHAPADA participated in the *Great Places to Work* survey, ranking 36th in the best 100 companies to work for in Brazil. The mine renewed its apprenticeship training program and enrolled 108 skilled professionals – including engineers, analysts and geologists – in an Innovation program, *FRST Falconi*, aimed at helping them identify obstacles and propose innovative solutions to site projects.



The site also launched its *My Future Program* in 2022, which provides employees with the opportunity to advance their careers within Lundin Mining and, if necessary, outside of the Company. By investing in training, educational and language incentives, *My Future* aims to develop an empowered workforce that takes charge of their career. Already, Chapada has seen an increase in employee engagement, additional employee promotions and functional area changes for further career growth. Some staff have even started their own business.

In the community: Chapada developed its Electromechanical program, supported by Senai, a not-for-profit secondary level professional school, with a focus on preparing vulnerable women to return to the labour market. Fifty employees are participating in this initiative. Courses last three months with theoretical and practical classes including mine site visits. Chapada has already hired two women from the program to work onsite.

CANDELARIA advanced targeted development programs during the year:

- *Development & Leadership Program* leading to a Diploma in Management and Leadership in the Mining Industry and / or a customized Supervisor Diploma. To date, almost 50% of Supervisors have participated in the Management and Leadership Diploma, 429 Supervisors and 68 Executives have participated in this web-based *LinkedIn Learning* initiative, which gives access to an e-learning platform with more than 18,000 courses designed to help strengthen technical skills and leverage the professional development of employees. Development & Labour Leadership Program was also offered to 33 union leaders and supervisors to support leadership development, conflict management, legal aspects and Chilean contingency.
- *Role Competency Certification Program* for operators, maintenance and technical staff which identifies their skill level and leads to a certificate and training-development plan for those who qualify. To date, 20% of the 1,248 workers eligible have participated in this certification program.
- The “Training Program for Women Apprentices” continued at Candelaria with 38 new graduates in 2022.

EAGLE offered numerous development programs designed to engage employees, including *Cultural Intelligence Training* for its 45+ person leadership team. This training is designed to provide employees with a deeper understanding of the 10 cultural value dimensions; identify behaviours typically associated with each cultural value preference; and develop awareness of the cultural value preferences of self and others. All participants take a Cultural Values assessment prior to the training and then undergo a Cultural Values mapping session to understand personal preferences that influence their approach to life and work. This awareness and understanding can help facilitate better relationships and communication in the workforce. Highly encouraged and popular, a team-based *Cultural Intelligence Training* session is being offered to all employees in May 2023.

The Mine also offered a *Pay for Progression Program*, which provides a transparent career path for employees to base their own development plans upon. The *Program* brings awareness of cross-training opportunities and the skill sets necessary for future career paths. It also encourages and compensates employees for studying, working and operating in new areas throughout the year. Approximately 70 employees are currently participating in *Pay for Progression*, which has already helped numerous employees advance through the levels of their chosen fields.

Attractive Mining Careers

Our operations continue to focus on attracting new people to a career in the mining industry and developing local talent – while retaining our current skilled workforce – by offering numerous training and development opportunities. In 2022, Neves-Corvo hired 26 new miners, who participated in its *Mining Initial Course*, which teaches newcomers all about working in a mine and the safety rules and procedures associated with the function. Zinkgruvan, which continues to face a competitive talent marketplace, offers its current 466 employees over 20 different training programs and, in 2022, provided a total of 7,608 hours of training overall or 16.9 hours of training per employee. The Josemaría Project offers a *Leadership Program* which aims to reinforce respectful treatment and leadership principles, and the importance of leadership in safety matters.

Creating an Equitable Work Environment

As a responsible miner, we value a fair workplace for all and recognize the right to freedom of association and collective bargaining at all our operations. In 2022, 72% of Lundin Mining’s workforce were covered by a collective bargaining agreement. At the majority of our operations, employees have direct union representation, through various committees and hosting regular meetings with management to discuss issues and resolve workplace matters. Employees at Eagle Mine are not unionized, nor are our Corporate office employees.

We regularly review remuneration frameworks where we operate to ensure employees are provided with fair and competitive compensation that provides a decent standard of living for a worker and their family. Work schedules vary considerably depending on an individual’s role and location, from office jobs, remote work and evening shifts. Operational teams work with employees and management to implement initiatives and practices that support our employees in achieving a healthy balance between work and home life, such as hybrid work from home options, flexible scheduling and personal days. Due to the nature of different mining jobs, accommodations are adapted to the type of work and structure of the operation.

Local Hiring

In 2022, our operational site employees were almost exclusively from in-country, with expatriates accounting for less than 1% of our employees across our operations.



Process Plant, Candelaria, Chile

Diversity & Inclusion

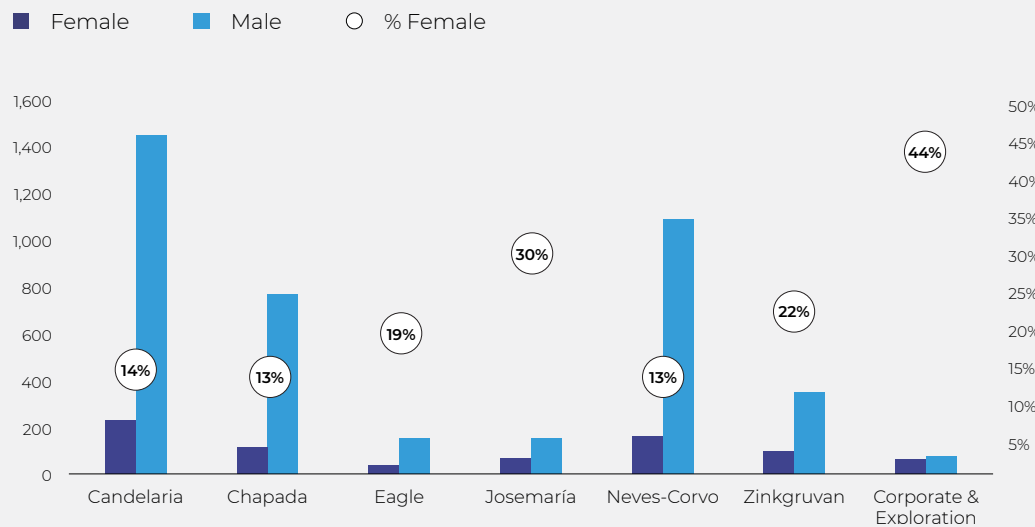
OUR PERFORMANCE

In 2022, we continued to proactively nurture a diverse and inclusive work environment and embrace Diversity, Equity and Inclusion as a business priority. Our initiatives focused primarily on recruiting female²⁹ applicants, promoting opportunities for women, and developing workplaces that address the needs of female workers. We also advanced efforts to bring forward equal eligible applicants (male / female) for recruiting processes and challenged hiring managers on potential biases of applicant evaluations.

Traditionally, the attraction and retention of female employees has been challenging, particularly for operational roles at industrial sites. Regardless, our female representation is improving gradually, and we continue to strive to increase the number of women we employ across our organization. We have developed initiatives to increase female representation in our workforce and set internal key performance indicators to achieve improvements at each of our operations.

As of December 31, 2022, female representation in our global employee workforce was 16%, with significantly higher female representation at our Eagle and Zinkgruvan mines, Josemaría Project and in our Corporate and exploration teams, with efforts at Candelaria, Chapada and Neves-Corvo showing steadily increasing female representation in recent years. Detailed employee and gender data are provided in our [Interactive ESG Data Tool](#).

Employees, by Gender 2022



At the operations level, Zinkgruvan's gender equity figure increased from 20% to 22% and the representation of female leaders in its executive ranks increased to 28%. Chapada's new Diversity and Inclusion Committee received training on human rights and established gender equity goals.

Throughout 2022, our Corporate Diversity, Inclusion, Anti-Racism and Discrimination Committee (DIARD) continued to support Lundin Mining's diversity and inclusion agenda. It provided recommendations to address institutional and systemic inequalities and biases that may exist and promoted resources and forums that enable important and, at times, uncomfortable conversations, recommending concrete actions. The DIARD Committee is tasked with promoting

diversity and inclusion within the framework of our core *Values* of Safety, Respect, Integrity and Excellence, continuing to raise awareness on diversity, inclusion and Indigenous matters.

In February 2022, as part of our diversity and inclusion activities and to celebrate Black History Month, the DIARD Committee hosted a Webinar session, led by Dr. Joseph Smith. In September 2022, and for the second year in a row, Ryan McMahon, an Anishinaabe comedian, writer, media maker and community activator from Couchiching First Nation in Treaty 3 Territory, returned in person to commemorate the National Day for Truth and Reconciliation, providing an in-depth challenging education session and analysis of the Indigenous experience and the truth and reconciliation movement.



Senior Vice President Sustainability, Health & Safety, Kristen Mariuzza

29. We have chosen to focus on the level of representation by women at this time, as they represent approximately half the population in each of the jurisdictions in which we operate and other designated groups do not represent as high a proportion of the population in these jurisdictions.

Deepening Our Community Impact

“Mujeres en Red” #mujeresenred, or The Women’s Network, is Josemaría’s first social performance program incorporating a gender approach to skills development. It is devoted to strengthening and professionalizing women-led enterprises.

To date, 48 women have benefited from this entrepreneurial program, gaining valuable interpersonal and business skills. The Network has helped them create a supportive group beyond family; achieve greater autonomy; increase their self-confidence; speak and make themselves heard; and recognize their ambitions, enabling them to pursue personal growth.

#mujeresenred was designed by Josemaría’s Social Performance team and CRIAR, an NGO which supports Women Entrepreneurs. The program is implemented by local consultant EFISOL, with support from the Lundin Foundation. Launched in 2021, 2022 was its first full year of implementation and the Network is expected to continue until at least 2024.

Participants benefited from a number of programs offered in 2022 including:

- four mentoring and coaching workshops;
- skills-training sessions devoted to public speaking, digital literacy, social media, computer skills and financial spreadsheets;
- targeted support for specific projects such as food handling courses, business branding workshops and logo development; and
- professional technical assistance such as accounting advice to build financial and business acumen.

The social and economic benefits to the community are many. Already 11 new online stores are operating, and are generating new jobs and presenting new business opportunities. The program is also contributing to the sustainability and equality of the region’s entrepreneurial environment. It is also increasing women’s confidence levels and supporting the creation of a more egalitarian and less patriarchal community.



Our Next Steps

We plan to take the following actions in 2023 to empower our people, provide an inclusive and equitable workplace, and become an employer of choice in the global mining industry:

- Advance human resource management and performance implementation and improvements through our global system, SuccessFactors.
- Advance initiatives and targets to increase female representation at our operations.
- Continue to support operations in advancing their training and development programs and achieving talent attraction, retention, development, equity and inclusivity goals.
- Advance DIARD Committee’s agenda to provide recommendations to address institutional and systemic inequalities and biases that may exist.
- Continue to invest in skills and talent development, aiming to fill at least 80% of our critical and leadership roles with internal talent by 2027.



“ I am a retired teacher, and I took up something I inherited from my mother, “weaving on a Creole loom”. The training provided by Josemaría began with a workshop on public speaking. Then, we received training in psychology for women entrepreneurs, a self-knowledge workshop, social networks sessions, a logo design workshop, Excel training, a food handling course for those dedicated to gastronomy, and personalized accounting consultancies. Also, a training course for women entrepreneurs with CRIAR, Josemaría, EFISOL and the Lundin Foundation.”

RAQUEL VARELA, IGLESIA, TEXTILE ENTREPRENEUR

Good Governance

In This Section

2022 Highlights	78
Business Integrity & Transparency	79
Risk Management	83
Human Rights	84
Reclamation & Closure	86

Good Governance

We recognize our reputation as a good corporate citizen is based on the trust we build with all of our stakeholders. We engage in ethical business practices founded on transparency and accountability to enhance trust with our stakeholders throughout the mine life and beyond.

OUR APPROACH

Good governance is the guiding pillar of Lundin Mining's Sustainability Strategy, setting forth the systems and mechanisms we use to ensure our business functions well, and that we are held accountable for our actions.

Governance includes areas such as ethics, risk management and compliance. Our *Values* of Safety, Respect, Integrity and Excellence define our standards for professional and ethical conduct. Our sustainability work is overseen by the highest levels of our organization through the Board of Directors' Safety and Sustainability Committee (SSC).

Diversity at all levels of our business allows for broader perspectives. Reflecting best practices in leadership diversity, we strive to ensure our Board of Directors and executive team are comprised of at least 30% women.



Board and Senior Management 2022

Related Material Topics:

Business Integrity & Transparency
Taxation

Sustainability Strategy

Focus Areas:

Ethical Business
Human Rights



2022 Highlights

We continued to strengthen the structures, policies and programs that help ensure our business functions well and is creating value for all Lundin Mining stakeholders.



Promoting Diversity & Inclusion

Composition of the Board was 37.5% women and the executive team was 30% at year-end.



Ethical Behaviour

Updated Whistleblower Policy approved by the Board of Directors, with training for staff and contractors on core policies, including Code of Conduct. Ongoing supplier and vendor due diligence, ensuring business partners understand expectations and adhere to our RMP.



Human Rights

Continued Human Rights Risk and Impact Assessments, developing Human Rights Action Plans to address identified issues.



Grievance Management and Resolution

Operational grievance management system subject to external assurance and verified annually. Grievance management and resolution mechanisms being reviewed to ensure alignment with UN Guiding Principles' Effectiveness Criteria for Non-Judicial Grievance Mechanisms.



CEO visits Zinkgruvan, Sweden

Business Integrity & Transparency

Materiality

Business integrity and transparency is material for Lundin Mining because not only is it core to our *Mission* and *Values*, it is important that we demonstrate our commitment to high standards of accountability, ethics and honesty in the conduct of our business. We enact robust corporate governance processes and engage in ethical business practices, founded on transparency, to earn the trust and respect of our employees and stakeholders, protect our reputation, achieve our short- and long-term goals, and avoid financial harm.

OUR APPROACH

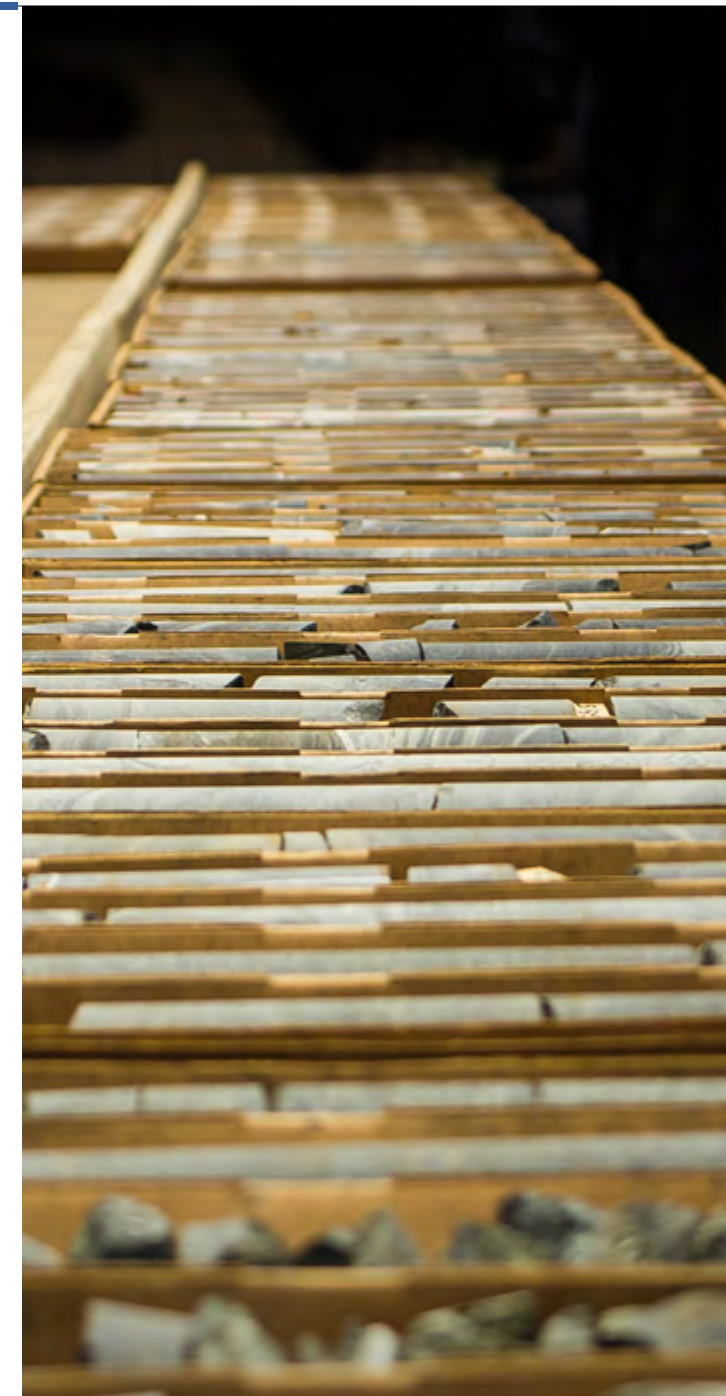
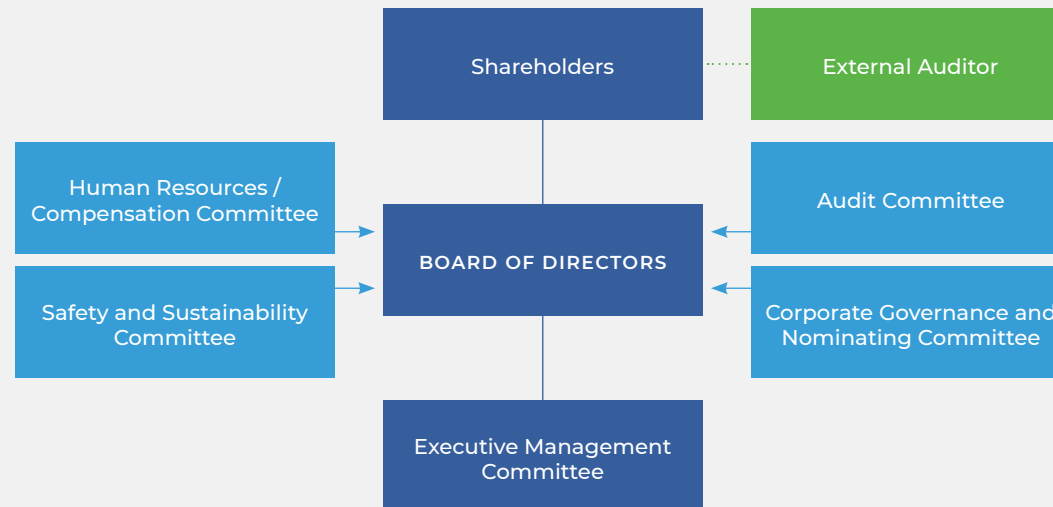
Lundin Mining maintains high standards of accountability, corporate governance, ethics and honesty in all aspects of our business. Our corporate governance processes and practices aim to ensure our employees understand, and consistently meet, the standards formalized by our systems and policies. Policies are regularly reviewed against international standards and approved by the Board. 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](#)).

Our Board of Directors

The Board of Directors (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 (CGNC), Safety and Sustainability (SSC) and Human Resources / Compensation Committee (HRCC) – ensures that appropriate governance mechanisms are in place to monitor Company developments. It also ensures that relevant information and reporting are provided, including progress and continuous improvement efforts concerning Lundin Mining’s

ethical business, human rights, safety and sustainability matters, financial statements, taxation matters, disclosure of material facts, and economic performance.

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. We believe the number of women on the Board and in executive officer positions, as well as members of other designated groups, reflects Lundin Mining’s commitment to, and success in, promoting diversity.



Drill core samples at Eagle, USA



Executive Leadership Team and Analysts visit Candelaria, Chile

The Board, through the CGNC, undertakes formal Board evaluations of itself, its committees and of each individual director’s effectiveness and contribution on an annual basis. Each Board member brings 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 of each member are detailed in the [Management Information Circular](#).*

Board Directors attend various webinars and seminars and receive quarterly updates from management and external advisors on topical matters including corporate governance and regulatory updates, which are detailed in our 2023 [MIC](#).

Business Ethics

Lundin Mining’s [Code of Conduct](#), [Ethical Values](#) and [Anti-Corruption Policy](#) articulates our expectations related to ethical business conduct. We regularly review and update our [Code of Conduct](#), available in all our operational languages, most recently updated in October 2021, to ensure it continues to achieve its purpose, and mechanisms 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. We have developed and issued a Business Partner Code of Conduct to all business partners and suppliers, through our partner onboarding process, which is outlined in the [Business Resilience](#) section of this Report.

Our commitment to ethical business practices is founded on the development of effective 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 confirming their review. In addition to our RMP, Lundin Mining’s other [governance policies](#) that supplement the [Code of Conduct](#) in governing business ethics are summarized in the following sections.

Anti-Corruption and Anti-Bribery

Lundin Mining has a zero-tolerance policy for bribery and corruption. In alignment with UNGC Principle 10: 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.

Internal Controls

The Audit Committee reviews and reports to the Board on the integrity of internal controls to ensure Lundin Mining and our subsidiaries have effective internal financial controls. It also reviews 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.

Whistleblower Policy

Lundin Mining’s [Whistleblower Policy](#) provides individuals with the opportunity to voice any concerns they may have regarding unethical or unlawful behaviour – including 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 area. The Policy establishes a protocol for the receipt, retention and treatment by Lundin Mining and its subsidiaries of concerns reported from directors, officers, employees, consultants and contractors in this regard.

The Board, through the Audit Committee and the CGNC, is responsible for monitoring compliance with the [Code of Conduct](#) and for ensuring proper mechanisms are in place to provide advice and address concerns about ethics. We have a strict non-retaliation policy to ensure that those who report in good faith are protected from reprisal.

Individuals can report 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. 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.

Taxation

Lundin Mining seeks to comply with the letter and spirit of tax laws in all countries where we operate. We are committed to fulfilling our taxation responsibilities and to ensuring transparent payments to governments as outlined in our Code of Conduct.

Lundin Mining is subject to various tax regulations in multiple jurisdictions around the world. The Company’s tax strategy, which supports our

overall business strategy, seeks to comply with the legal provisions of income tax and indirect tax law in all our operating jurisdictions; maintain an open, objective, and ethical relationship with tax authorities; and manage business risk by taking a conservative approach to tax. The Company also complies with all income tax and indirect tax-related compliance reporting in all relevant jurisdictions, including, but not limited to, the filing of corporate income tax returns and informational returns.

Lundin Mining’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 Audit Committee on a regular basis. Our tax disclosures within our [quarterly and annual financial statements](#), and [Management’s Discussion and Analysis](#) are prepared in accordance with International Financial Reporting Standards (IFRS). Payments to governments are reported annually as defined in the *Extractive Sector Transparency Measures Act* legislation (ESTMA).

Our CFO is accountable for compliance with tax laws. Lundin Mining also collaborates with tax advisory firms in all tax jurisdictions, 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 Risk Management Framework, and provides updates to the Board on developments in the jurisdictions where we operate. Tax compliance filings are externally verified through annual financial audits against IFRS, with internal audits conducted to assess and maintain tax governance compliance.



Aerial view Neves-Corvo, Portugal



Diversity and Inclusion Policy

Our Diversity and Inclusion Policy reflects Lundin Mining’s ongoing commitment to promote diversity at the highest levels of our Company, 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.

The CGNC of the Board has oversight of our diversity and inclusion performance, reporting to the Board on a periodic basis. The CGNC reviews and, if necessary, recommends amendments to the Policy on an annual basis.

Reflecting best practices in leadership diversity, our Diversity and Inclusion Policy defines targets across Lundin Mining for the next five years, aspiring to maintain a Board composition in which women comprise at least 30% of all director positions, and at least 30% of executive officer positions, as relevant positions become vacant and appropriately skilled candidates are available.

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. As appropriate, Lundin Mining advocates on tax matters with public policymakers and, where necessary, appeals tax decisions to regulatory authorities.

In line with our commitment to business transparency, we report our tax-related information separately for each jurisdiction in which we operate. Our 2021 data are the most recent available and are included in Appendix B.

OUR PERFORMANCE

We track the annual Corruption Perceptions Index, published by Transparency International, and do not have operations or exploration sites in the lowest 80 of 180 ranking countries. In 2022, there were no known incidents of bribery or corruption. Our goal is to train 100% of key employees on our core policies, including the Code of Conduct and in 2022, 100% of corporate employees and 96% of key operational employees were trained.

Lundin Mining concluded corporate tax audits during the year with zero material adjustments. Additionally, with the acquisition of the Josemaría Project, we enhanced our understanding of Argentinian tax laws and issues, and successfully integrated the Project into our tax processes.

We received 187 reports through our Whistleblower mechanism with 157 reports resolved (84%) in the 2022 reporting period and 30 open or outstanding reports. Code of Conduct violations received included health and safety, human resources, unethical conduct and non-compliance with policies and procedures matters. The increase in reports via the Whistleblower system shows a level of confidence that the system is effective.

In 2022, the Directors attended education sessions on ESG oversight and disclosure, and governance and regulatory updates to Canada’s Modern Slavery Bill (Bill S-211) which, once passed, will require many Canadian corporations and institutions to report on steps taken to prevent and reduce the risk that forced labour or child labour is being used in their supply chains.

At the end of 2022, the Board was composed of three women, representing 37.5% of the directors. At the executive level, three of 10, or 30%, of our executive officers are women. The Board was composed of two members of visible minorities, representing 22% of the directors, and two executive officers self-identified as a visible minority, representing 20% of executive officers.



Our Next Steps

We plan to take the following actions in 2023 to further strengthen the governance of our business:

- Ensure grievance management and resolution mechanisms align with UN Guiding Principles’ Effectiveness Criteria for Non-Judicial Grievance Mechanisms.
- Conduct ongoing due diligence of suppliers and vendors, ensuring partners understand expectations and adhere to our RMP.
- Continue to work with tax authorities to address any outstanding tax matters in our operating jurisdictions.
- Continue training for key staff on core policies, including the Code of Conduct, to achieve our 100% training goal.
- Maintain at least 30% female representation at the Board and executive level.

Risk Management

OUR APPROACH

Lundin Mining believes that an enterprise-wide approach to risk management allows us to successfully assess and mitigate risks.

Our Risk Management Statement outlines our approach and describes the processes we have put in place for risk governance, risk identification, risk management and responsible mining. In managing our risks, we consider a broad spectrum of stakeholders and potential risk exposures, as well as risk-related opportunities.

Our Risk Management Framework helps us identify, manage and mitigate risk in a manner that creates the greatest value and integrates risk considerations into our key decision-making processes. This framework is based on the ISO 31000:2018 Risk Management Standard and supports conformance to UNGC Principle 7: Environment, which states that businesses should support a precautionary approach to environmental challenges.

We conduct risk assessments at the site and Corporate levels 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. A detailed enterprise risk review is also performed annually as part of the Board's approval of our [AIE](#).

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.³⁰ This report is reviewed by the Executive Risk Committee (ERC), which is comprised of members of the senior leadership team, then formalized and submitted to the Board's SSC and Audit Committee for review, 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;
- risk management programs are in place and effective, including internal control frameworks and insurance and loss prevention efforts; and
- policies and standards are implemented for monitoring and managing risks.

OUR PERFORMANCE

In 2022, risk assessments were conducted for tailings management, climate change, and to evaluate risks associated with the implementation of the SAP software for enterprise resource planning.

We also conducted risk assessments of external and non-routine events that impacted our Company including the sinkhole event near Alcaparrosa Mine, Russia-Ukraine war, and the lingering effects of the pandemic. Risk workshops and site visits were conducted at all operating sites and support was provided to the sites for loss prevention audits.

Further details on risk and uncertainties can be found in our [AIE](#), while climate-related risks and opportunities are discussed in the [Environmental Stewardship](#) section of this report.



Our Next Steps

We plan to take the following actions in 2023 to enhance our approach to managing risks:

- Integrate our Fatal Risk Management program into our Risk Management Framework.
- Integrate climate change risk assessments and controls within the Risk Management Framework, as identified in the recent TCFD gap assessment roadmap.
- Continue operational management training on Lundin Mining's Risk Management Framework.
- Update the Company's risk appetite statement and risk tolerance indicators.
- Continue the maturation of Josemaría's risk program.



Sunset, Neves-Corvo, Portugal

30. Commencing January 1, 2023, the quarterly Corporate risk report and listing of material enterprise risks will be prepared under the guidance of the SVP and General Counsel.

Human Rights

OUR APPROACH

We recognize that while our activities can positively impact 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 UNGPs on Business and Human Rights. 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](#) complements and enhances Lundin Mining's [RMP](#), [Code of Conduct](#), [Ethical Values and Anti-Corruption Policy](#), and related principles described in our [Diversity and Inclusion Policy](#).

Our [Human Rights Policy](#) applies to all Lundin Mining employees, senior management and Board of Directors, as well as to our contractors and suppliers. The SSC of the Board is responsible for overseeing our approach to human rights, and the Senior Vice-President of Sustainability and Safety 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 (IFC), World Bank Group, OECD Guidelines for Multinational Enterprises, and the Voluntary Principles on Security and Human Rights.

Our Human Rights Risk and Impact Assessments (HRRRIAs)

Engaging with stakeholders is at the core of our HRRRIA process, with particular attention paid to consulting with affected rights-holders.³¹ Our stakeholder consultations typically also include workers and trade unions (as their representatives), potentially impacted community members, Company representatives, contractors, official government representatives, human rights defenders, civil society organizations and experts. We continue to incorporate stakeholder views regarding our positive and negative impacts.

Labour & Security

Lundin Mining strives to create a safe, fair and respectful working environment for our employees. Our Human Rights Policy and Code of Conduct support the unencumbered right to freedom of association and collective bargaining at all our operations. The relationships between Lundin Mining, 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 are 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 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 our 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.



Candelaria Mine, Chile

31. Rights-holders in the context of HRRRIA are those who are actually or may be potentially impacted by Company activities.

OUR PERFORMANCE

In 2022, we began developing a technical guideline to support the practical implementation of our [Human Rights Policy](#) at both the site and corporate level. The guideline, expected to be completed in 2023, will outline how we govern, implement, ensure, assess, monitor and report on human rights matters. The in-depth processes undertaken in 2022 to implement GISTM and Copper Mark™ Certification have helped us align our practices to current global human rights standards and best practices, and prepare for upcoming international, industry-based and regulatory requirements.



Chief Operating Officer (COO) Juan Andres Morel visits Chapada, Brazil

During 2022, expert third-party consultants completed an HRRIA in Josemaría and initiated the process at Candelaria. The assessments were broad in scope, covering areas that included impacted communities, environmental impacts, security arrangements, labour matters, worker arrangements, procurement and supply chain management, and business relationships; e.g., business partners and host governments.

- **Josemaría:** We undertook a desktop assessment as a scoping exercise to understand the potential impacts of this project. A complete assessment will be conducted during the construction period, including the perspectives of rights-holders. Some aspects that will be explored in depth in the next phase are employee and community grievance mechanisms, health and safety conditions for contractors, and ongoing engagement and feedback with local communities regarding impacts during construction and operation, among others. We also completed a round of training for Josemaría executives, with virtual interactive sessions covering the above-noted assessment areas.
- **Chapada:** We developed and began implementing Human Rights Action Plans (HRAPs) to address areas for improvement that were identified in the 2021 HRRIA. In total, 55 actions were identified for implementation during 2022-2023 in the areas of health and safety, labour contractors, fair and equal treatment, non-discrimination, freedom of association, land acquisition and resettlement, community health and safety, and economic dependency. The Corporate and site teams continued to work to implement these actions in 2022.

- **Candelaria:** We significantly advanced this assessment, establishing a Human Rights Committee and conducting over 50 internal interviews, numerous workshops and various site visits during 2022.

Throughout the year, Candelaria conducted extensive discussions 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. A final public statement was issued by NCP, including recommendations for both parties, referencing the need to implement an ongoing due diligence process.

Lundin Mining operates in accordance with all permits and legal requirements and therefore disputes the allegations. However, Candelaria has advised the NCP that it will complement the site's existing public consultations with an enhanced, comprehensive community and stakeholder engagement process, with a specific focus on the affected community. This process began in 2021 with the launch of the Villa Estadio Citizen Committee and was strengthened in late 2022 with the launch of an enhanced participatory monitoring process for blasting impacts in four neighbourhoods in Tierra Amarilla, including Villa Estadio. Initial stakeholder feedback on the enhanced monitoring has been positive. In 2023, an HRRIA will be completed for the entire district of Candelaria, including elements related to this process as part of the general assessment.



Our Next Steps

We plan to take the following actions in 2023 to further enhance our protection of Human Rights:

- Complete the HRRIA at Candelaria.
- Complete the Human Rights Guideline that outlines our governance, due diligence, monitoring and disclosures related to human rights.
- Develop the scope for a Human Rights Induction Training module to be rolled out in 2024.
- Complete grievance mechanism reviews across all sites, with a focus on benchmarking against UNGPs effectiveness criteria and IFC Performance Standards.
- Prepare for mandatory disclosures on Human Rights, expected in 2024.

Reclamation & Closure

OUR APPROACH

Lundin Mining uses the integrated closure planning approach that considers environmental, social and economic factors from initial project development through full adoption into the mine planning process. This approach ensures we are designing, developing and operating our mines to minimize environmental and social impacts, and that adequate resources for closure activities are 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. Our Mine Closure Planning Standard requires the use of a risk-based approach and defined 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 updated in accordance with legislation or when required, due to operational changes. The standard includes objectives relating to long-term water and land stewardship, post-closure land uses, employee and public safety, social transition, chemical and geotechnical stability, post-closure monitoring and aftercare, post-closure land ownership and tenure, temporary closure and premature closure.

All of our operating mines have closure plans and Josemaría has a conceptual closure plan. Our closure plans are required to meet legal and environmental obligations, corporate commitments and financial provisions, as well as to address community interests and employees' expectations once the mine is closed. Lundin Mining provides regulatory authorities with reclamation financial assurance for mine closure obligations in the various jurisdictions in which we operate and in accordance with applicable laws and regulations. Our financial provisions for mine closure are prepared in accordance with IFRS and our respective corporate policies. *Details of Lundin Mining's total liability for reclamation and other closure provisions are provided in our [annual consolidated financial statements](#).*



Tailings Pond, Neves-Corvo, Portugal

OUR PERFORMANCE

In 2022, we continued our site closure plan review cycle and completed or actioned independent third-party reviews of the mine closure plans at Candelaria and Eagle. The findings from the reviews were used to update site-specific plans and ensure alignment with our Mine Closure Planning Standard.

Site Closure Plans are periodically updated in accordance with legislation or when required due to operational changes. In 2022, Neves-Corvo updated, and submitted to authorities, its closure plan which incorporates changes introduced by the construction of the Zinc Expansion Project (ZEP), and changes to surface and underground facilities and water modeling that have occurred since the plan was last updated. A social transition plan was also added to the current closure plan.

Chapada’s updated closure plan, completed in 2021, was submitted to the mining agency (ANM) in June 2022. At Eagle, operations are currently scheduled to cease in 2027 and therefore the closure plan is routinely refined and integrated with the remaining life-of-mine plan. Eagle is also exploring various alternative uses for mine infrastructure both independently and with third parties.

Our operations continued to enhance and develop their social transition plans to support our communities in managing expected changes during the life cycle of our mines. Eagle published an economic impact report in 2022, which will inform its future stakeholder engagement and social investment strategies. The mine also established a multi-stakeholder forum to develop a long-term sustainability project and retained a specialist to advance planning for the future of the trail system and greenspace in Marquette County.

Neves-Corvo continued to invest in programs focused on education and entrepreneurship in five nearby municipalities. Work is also underway to develop diversification initiatives that increase the self-sufficiency and skills competency of local businesses and social organizations, with a goal to decrease the community’s economic dependency on mining. Zinkgruvan is extensively involved in programs that support small businesses and entrepreneurs and focused on increased economic diversification to decrease dependency on the Company over time. *Further details on local economic diversification can be found in the [Thriving Communities](#) section.*



Our Next Steps

We plan to take the following actions in 2023 to advance our reclamation and closure programs:

- Continue to actively plan for closure of Eagle in 2027, including completion of trade-off studies and increasing the level of detail within the current plan.
- Conduct studies at Eagle, Neves-Corvo and Chapada to advance the technical understanding of site conditions and potential closure solutions.
- Continue progressive restoration of Neves-Corvo’s tailings facility and advance actions cited in its social transition plan.



Executive Team visit to Chapada, Brazil

Business Resilience

In This Section

2022 Highlights	90
Economic Performance	91
Responsible Production & Supply Chain	93
Mining Innovation	95

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.

We mine critical metals that are vital to decarbonizing the economy and to combating climate change. The higher demand for our copper, nickel and zinc reflects the growing demand for low-emissions vehicles, improved energy efficiency, renewable energy generation, energy storage, and carbon capture technology. Lundin Mining will support the global transition to a low-carbon future by being a resilient, responsible and economically sustainable miner – one that not only brings value to our stakeholders but to society at large.

Our Business Resilience pillar of the Sustainability Strategy helps us harness the power of innovation to adapt to changing circumstances and employ sustainable solutions throughout the mine life cycle. Our approach embraces digital technology that helps us unite infrastructure to improve operational performance and enhance safety and sustainability. We will continue to ensure responsible production at our operations and within our upstream and downstream value chain, secure our systems from growing risk of cybersecurity threats, and deliver reliable economic performance and growth.

Sustainability Strategy Focus Areas:

- Economic Performance
- Mining Innovation
- Responsible Production and Supply Chain



Exploration, Candelaria, Chile

2022 Highlights

In 2022, we strengthened Lundin Mining’s business resilience, enhanced our operational performance, and delivered responsible sustainable growth.



Responsible Production and Supply Chain

Supported Candelaria in its effort to gain Copper Mark™ certification in 2023. Advanced Business Partner Onboarding program.



Responsible Sustainable Growth

Actively pursuing growth opportunities, acquiring the Josemaría Project.



Progressed Scope 3 Evaluation

Advanced initiatives towards quantification for Category 4, 9 & 10 in our value chain.



Mining Innovation

- Completed the first phase of our Operational Business Intelligence Program to support accurate, integrated and reliable reporting and analytics across the organization.
- Advanced implementation of the underground mine control program to integrate and centralize data and production reporting, communications, equipment health tracking, dispatch, collision avoidance, remote working, automation and asset location.



Core sample, Eagle Mine, Michigan

Economic Performance

OUR APPROACH

We strive to create meaningful value through the responsible acquisition, development, operation and closure of our mines. We aim to deliver shared value through effective partnerships and innovation while maintaining balance sheet strength and flexibility to act on compelling growth opportunities.

Our economic strategy³² focuses on maximizing value from mine to market. We accomplish this by delivering strong production and cash flow generation, maintaining low production costs and a strong and flexible balance sheet, and by executing improvement and expansionary projects. We enhance productivity and innovation by advancing value-added technology, delivering continuous improvement programs, and by being proactive in our procurement activities.

We remain committed to optimizing sustaining capital expenditures. This strategy positions us to generate leading returns and take advantage of internal and external growth opportunities. We continuously monitor our performance and objectives, conduct opportunity and risk assessments, and integrate our findings into Lundin Mining's economic strategy.

Aligning with TCFD

As part of its work to align reporting with the recommendations of the TCFD, the Finance team collaborated with the Risk Management and Sustainability teams to identify climate-related risks and opportunities across the enterprise. In 2022, the team prioritized the assessment of risks using the Enterprise Risk Management process. In 2023, Lundin Mining's Finance team will collaborate with the Sustainability team to understand the requirement and inputs needed to integrate carbon in capital management processes, systems and approach.

OUR PERFORMANCE

In 2022, we successfully executed against our growth strategy by providing meaningful financing to advance the Josemaría Project, and by commissioning Neves-Corvo's zinc expansion project (ZEP). The Finance team executed a fourth amended and restated credit agreement that increased the Company's revolving credit facility to \$1,750 million (previously \$800 million with a \$200 million accordion option), reduced the cost of borrowing, and extended the term to April 2027 from August 2023. The amendment and

restatement provides Lundin Mining with more favourable covenants and reduced security on assets in support of Josemaría. We are pursuing potential strategic partners for this Project. The ramp-up of Neves-Corvo's ZEP continues and has already achieved a meaningful 25% year-over-year increase in zinc production. Throughout 2023, we will continue to optimize the ZEP underground and plant infrastructure.

For year-end 2022, we substantially achieved our most recent guidance for copper and gold production. Total zinc production was below the guidance range but exceeded prior year results, while total nickel production achieved guidance. Although production costs were higher than the prior year due to inflationary impacts, the Company was still able to generate cash flow from operations of \$877 million and net earnings attributable to shareholders of \$427 million.

In 2022, Lundin Mining's operations continued to 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. *We also measured our economic performance in terms of our community-investment contributions, as described under the [Community Development](#) section of this report.*

Economic Performance

In \$000s	2020	2021	2022
Total economic value generated	2,046,609	3,322,744	3,059,143
Operating costs	795,618	1,099,815	1,385,382
Employee benefits	297,181	335,762	342,285
Payments to providers of capital	100,318	234,911	287,078
Payments to governments	79,906	313,744	184,039
Community investments	9,915	4,864	4,694
Total economic value distributed	1,281,938	1,989,096	2,203,478
Total economic value retained	764,761	1,333,648	855,665

Total revenue and production costs in 2022 were \$3 billion and \$1.7 billion, respectively. As defined by GRI, our total economic value generated³³ was approximately \$3 billion, and total economic value distributed was approximately \$2.2 billion. The Company remains in a strong balance sheet position, maintaining low leverage with ample liquidity available.

32. 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 [2022 AIF, Management's Discussion and Analysis and Consolidated Financial Statements](#), and the [MIC](#).

33. 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.

Mining Critical Minerals for the Low-Carbon Economy

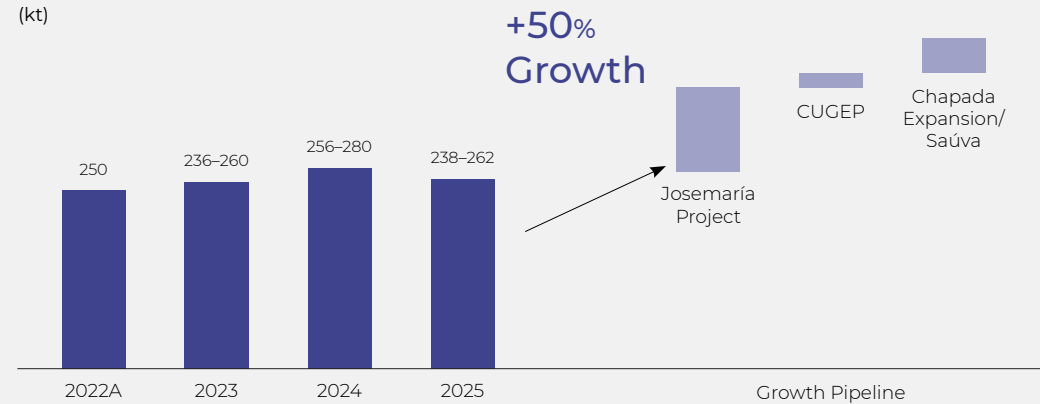
Lundin Mining is actively pursuing growth opportunities in copper and nickel – metals that are considered critical to achieving a low-carbon economy. Not only will these opportunities create significant value for our shareholders, they will create shared mineral pathways for the future.

Lundin Mining's 2022 acquisition of the Josemaría Project provides significant growth opportunities. At Eagle, the only primary nickel mine in the U.S.A., the addition of the Upper Keel zone has extended its mine life into 2027.

At Candelaria, the updated Technical Report extended the life of mine to 2046. The proposed Candelaria Underground Expansion Project (CUGEP) has potential to add 20,000 tpa of copper to our production profile.

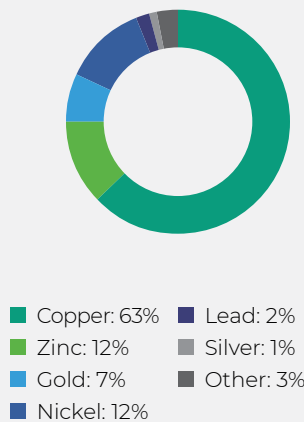
At Chapada, our exploration team has discovered Saúva, a shallow and high-grade copper-gold mineralization which could significantly increase the size and quality of our Mineral Resource base. We issued our inaugural *Mineral Resource* statement for Saúva in 2022. We are currently evaluating the implications this new high-grade mineralized system may have for our on-going expansion studies of Chapada.

Copper Production Profileⁱ

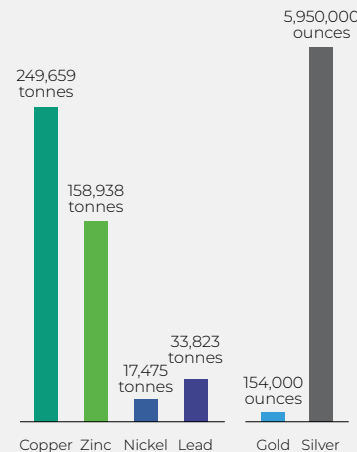


ⁱ Copper production guidance for 2023–2025 is as announced by news release entitled, “Lundin Mining Announces 2022 Production Results & Provides 2023 Guidance” dated January 12, 2023. Copper production guidance for 2023 is as most recently disclosed in Lundin Mining’s MD&A for the year ended December 31, 2022. Growth pipeline potential copper production is illustrative.

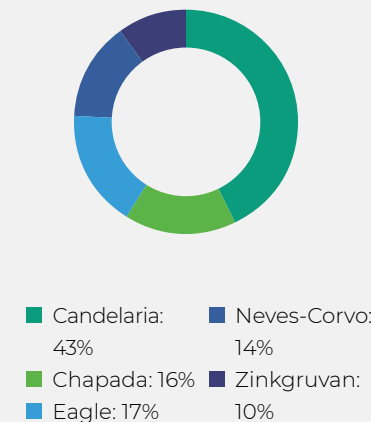
Revenue Breakdown by Metal 2022



Metal Production by Contained Metal 2022



Revenue Breakdown by Mine 2022



Our Next Steps

We plan to take the following actions in 2023 to strengthen our operational and financial performance:

- Advance the Josemaría Project by establishing an updated capital cost estimate, project execution schedule and Technical Report.
- Advance financing for the Josemaría Project, including potential debt sources, joint ventures and off-take partnerships.
- Continue to pursue growth opportunities, advancing studies for expansion opportunities at Candelaria and Chapada, and for the extension of mine life at Eagle.
- Integrate Caserones, the transaction is subject to customary closing conditions and is expected to complete in the third quarter of 2023.
- Develop processes to integrate carbon in capital management approach.

Responsible Production & Supply Chain

OUR APPROACH

Our approach ensures the success of our Sustainability Strategy, integrating Responsible Mining 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. Guided by our [RMP](#), [RMMS](#), [Human Rights Policy](#), [Code of Conduct](#) and [Business Partner Code of Conduct](#), we expect our upstream and downstream value chain and all business partners to adhere to the principles of these policies when operating at our sites or on our behalf.

Our stakeholders are increasingly interested in responsibly sourced and managed goods, understanding how our concentrate products are produced, handled and transported, and the measures 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 by providing sustainably developed, quality products; technical and marketing support; and dependable, on-time delivery. We actively engage with our customers and concentrate distributor contractors on our Scope 1 and 2 decarbonization target and their GHG emissions, as well as our Scope 3 emissions.

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.

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 Global Business Partner Onboarding solution – with multiple checks including embedded world screening and enhanced monitoring – supports the due diligence process of our partners. The onboarding process incorporates our Codes of Conduct, ethical values, and anti-corruption policies and obligations, and includes a requirement to certify they have read and will comply with such policies. Business partners flagged as high risk during the onboarding screening process are reviewed and considered by the Due Diligence Committee.



Chapada, Brazil

OUR PERFORMANCE

In 2022, we continued to implement our Global Business Partner Onboarding program with 4,752 active business partners and 2,109 vendors, comprised of new and existing suppliers, certified through the system.

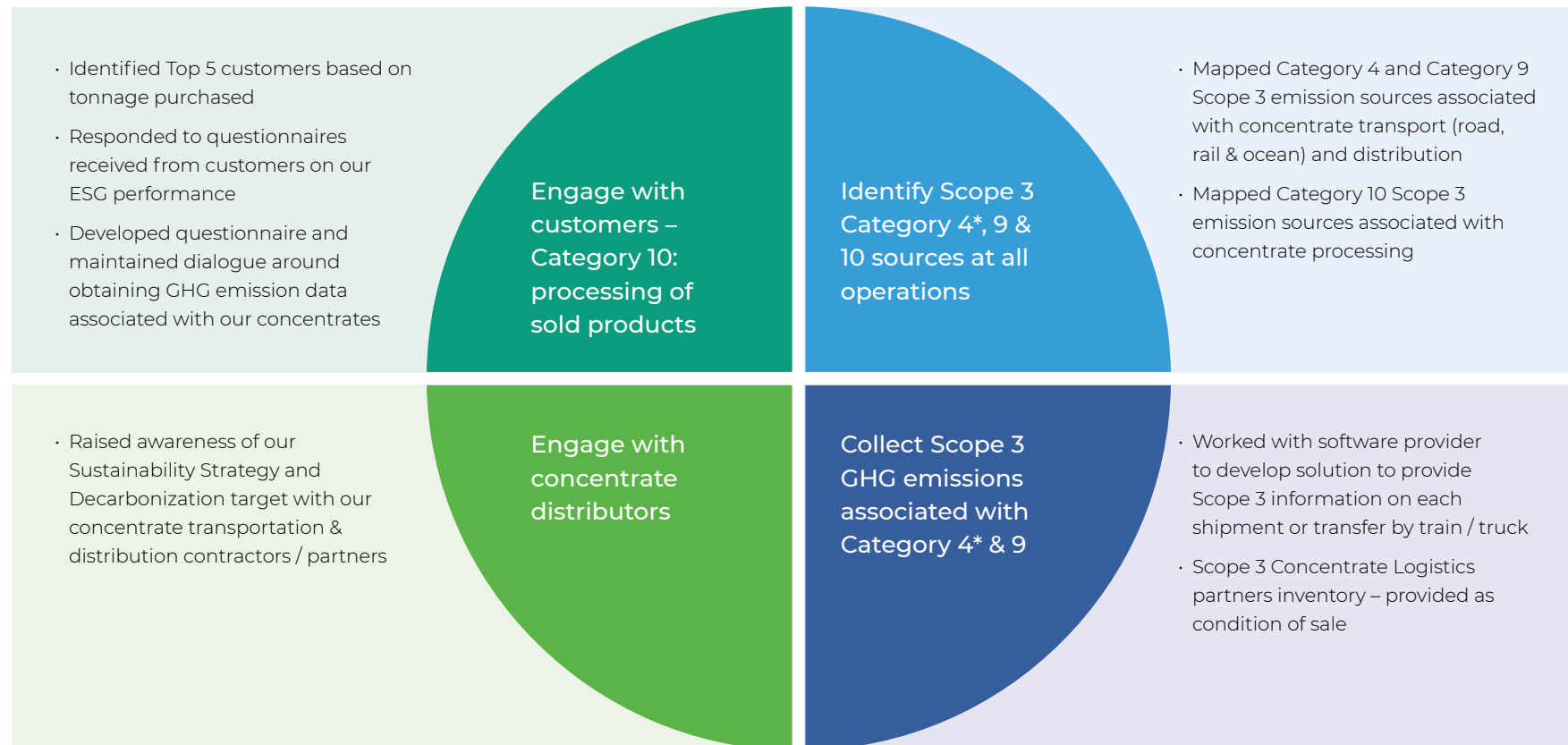
In April 2022, Candelaria submitted a Letter of Commitment to Copper Mark™. Copper Mark™ is a credible voluntary assurance framework

demonstrating the industry's responsible copper production practices and contribution to the United Nations SDGs. It is designed to hold the copper industry accountable to responsible practices in critical areas including the environment, human rights, health and safety, tailings management and stakeholder engagement. A site-assessment was performed in the fourth quarter, and results were received in early 2023, confirming Candelaria's certification to Copper Mark™.

A cross-disciplinary team set out to better define our Scope 3 GHG emissions (Category 4 & 9) related to transportation and distribution of our concentrates – first, by conducting a mapping exercise of Scope 3 GHG emissions sources across all sites; and second, by seeking data from our partners and customers (Category 10).



Scope 3 – Value Chain Approach



Our Next Steps

We plan to take the following actions in 2023 to enhance responsible production and supply chains at our mine sites:

- Support the Copper Mark™ implementation plan at Candelaria.
- Conduct a gap assessment to ensure alignment of our Due Diligence process with the OECD 5-steps Framework.
- Explore gap analysis with Zinkgruvan as a step toward committing to the Zn Mark™.
- Review and analyze data collected on Scope 3 GHG emissions (Category 4 & 9 sources), expand data collection to larger group of customers (Category 10), and integrate findings into decision-making process.
- Expand Scope 3 evaluation of our upstream purchased goods and services (Category 1).

*Category 4 related to upstream distribution of concentrate (from mine site to warehouse)

Mining Innovation

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.

We will continue to implement operational business intelligence and our Operational Technology Roadmap to support Lundin Mining's digital transformation.

OUR APPROACH

Intelligent Mine – Our Digital Journey

We will design, prioritize and implement digital solutions to integrate mine engineering, processing and transportation to monitor and improve operational performance and enhance safety and sustainability.

Operational technology establishes the foundation for redefining the mining landscape and implementing digital strategies to mine responsibly, contributing to a more sustainable world. Our operational technology teams designed a plan – *Intelligent Mine 4.0* – to support this vision,

while ensuring the consistent application of technology across our organization to improve safety by removing people from hazardous conditions, reducing environmental impacts through decarbonization, and increasing efficiencies through automation and process stability.

To that end, we are designing, prioritizing and implementing digital solutions to integrate mining, processing, tailings management and transportation that enable us to monitor and improve operational performance and enhance sustainability. For example, we are implementing the Underground Mine Control Program (UGMCP) – which integrates and centralizes data and production reporting, communications (LTE), equipment health tracking, dispatch, collision avoidance, remote working, automation and asset location – where feasible at each operation.

Intelligent Mine 4.0 guides development of a systematic approach to define guidelines and processes to implement operational technology, identify opportunities to leverage existing technology, and support operational excellence initiatives. We 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.

Operational Business Intelligence

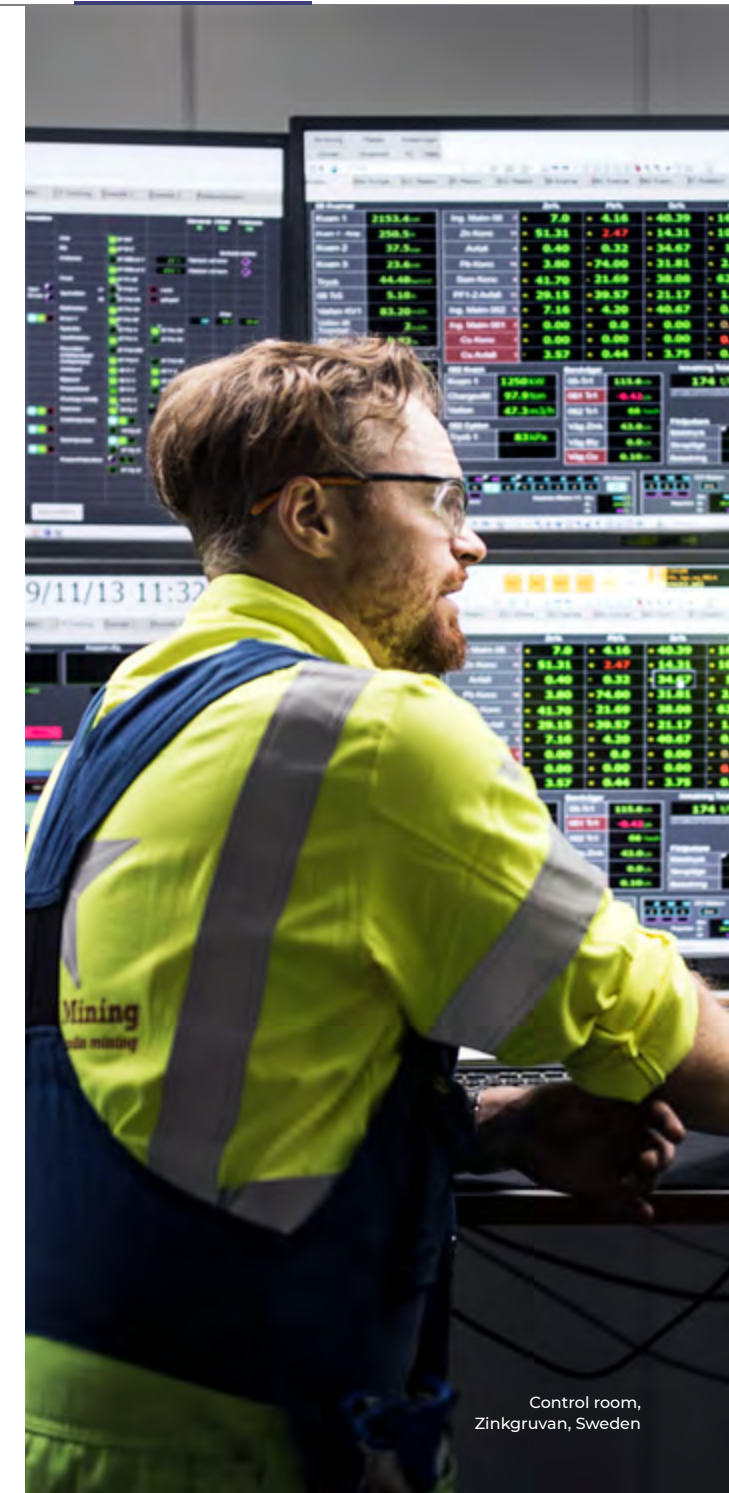
We are implementing operational business intelligence and an information technology roadmap to support Lundin Mining's digital business transformation and enhance our overall data capture, reporting and analytics capabilities.

SmartMine

Our new Operational Intelligence Platform – *SmartMine* – lays the foundation for integrated, accurate and reliable reporting and analytics. It provides real-time monitoring, data management, governance and critical controls reporting, as well as for our sustainability reporting.

Cybersecurity

We recognize 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. The Company's information and operating technology systems and associated cybersecurity program are designed and developed by management and overseen by the Audit Committee. Our systems are subject to external and internal audits, and findings are shared with the Board and fully integrated into our Risk Management Framework.



Control room, Zinkgruvan, Sweden

OUR PERFORMANCE

In 2022, we continued to implement operational business intelligence and our Operational Technology Roadmap to support Lundin Mining's digital transformation – to monitor and improve operational performance and enhance safety and sustainability.

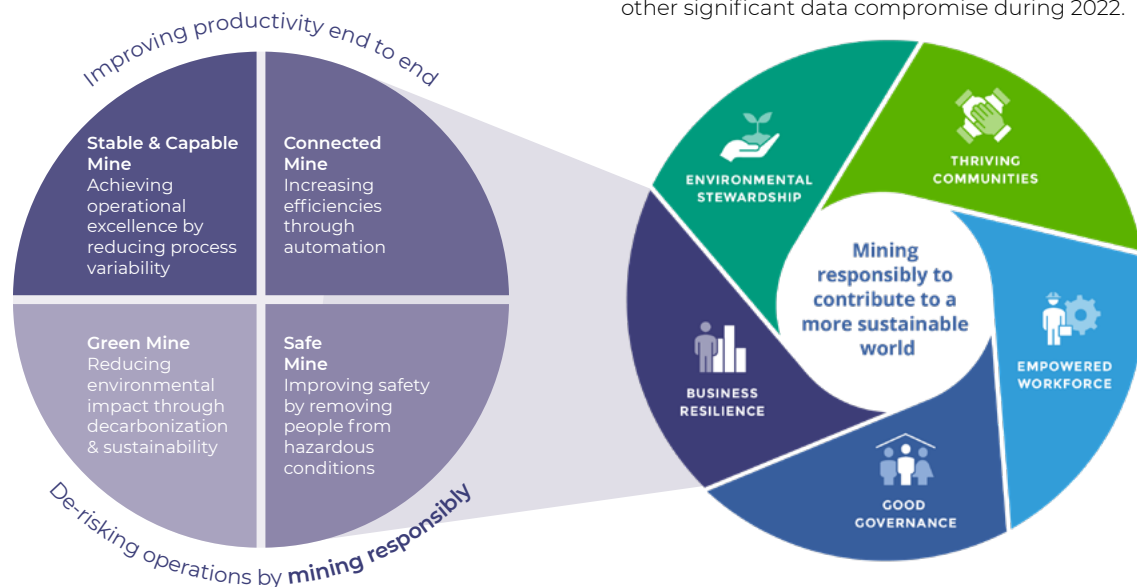
Intelligent Mine 4.0: We implemented 80% of the UGMCP in 2022, deploying the asset location solution at Zinkgruvan and Neves-Corvo, and beginning to deploy this solution at Candelaria. We also began installing the LTE network at Eagle, and expect to implement this asset-tracking solution in 2023. Candelaria was granted licences³⁴ to operate via tele-remote which will allow the use of tele-remote / autonomous mining equipment in open pit and underground settings. We also negotiated a global agreement to implement real-time asset monitoring and downtime tracking solutions across Lundin Mining.

In 2022, we consolidated the Operational Technology Roadmap, which will enable us to secure specialized consultants to help us execute assessments and feasibility studies in 2023.

We also continued to investigate technologies to support Lundin Mining's sustainability initiatives and targets, and deliver focused plans and solutions to support the achievement of the Sustainability Strategy.

Advanced Operational Intelligence Platform – SmartMine: In 2022, we successfully completed the first phase of our Operational Business Intelligence Program (OPS BI), providing an automated reporting solution to Candelaria. Deployment of the second phase was significantly advanced at Chapada, Eagle, Neves-Corvo, and Zinkgruvan. In parallel, we implemented a technical solution to capture data and enhance our sustainability analysis and disclosures.

There were no major instances of data loss or other significant data compromise during 2022.



Our Next Steps

We plan to take the following actions in 2023 to progress our technology roadmaps and advance our digital journey:

- Continue to implement our Intelligent Mine 4.0 plan through completion of the UGMCP project and execution of site feasibility studies, implementing sensors and instrumentation to measure water, fuel, and electricity consumption in real-time.
- Improve productivity by executing against our five-year Operational Technology Roadmap and related maturity assessments.
- Continue implementation of SmartMine at Chapada, Eagle, Neves-Corvo and Zinkgruvan to facilitate Summary Global Reporting Company-wide.
- Continue to advance sustainability metrics data capture focused on energy, fuel and water.
- Integrate operational technology and information technology roadmaps, with plans to identify convergences and opportunities to collaborate.
- Implement cybersecurity-related initiatives to ensure security of the operational and information technology network.

34. Licences granted from SERMAGEOMIN.



Appendices

In This Section

Appendix A: Basis for Water, Energy and Greenhouse Gas Reporting	98
Appendix B: Performance Data Tables	100
Cautionary Statement on Forward-Looking Information	107
Independent Assurance Statement	▶
GRI Content Index	▶



Appendix A

Basis for Lundin Mining Water Reporting 2022

Data Sources	<ul style="list-style-type: none"> • 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)	<ul style="list-style-type: none"> • Total water withdrawals and discharges are sub-divided (after ICMM): <ul style="list-style-type: none"> – ‘Operational water’: Water that enters the operational water system used to meet the operational water demand. This water is <i>theoretically available for use</i> by the site within an operational task or activity. – ‘Other managed water’: Water that is actively managed (e.g., 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 <i>Freshwater</i> ≤ 1,000 mg / L TDS and <i>Other water</i> > 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 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	<ul style="list-style-type: none"> • 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 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	<ul style="list-style-type: none"> • 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’.

Appendix A

Basis for Lundin Mining Energy Reporting 2022

- Energy Within Lundin Mining includes fuel and electricity consumed in our corporate office and onsite by Lundin Mining and contractors for core business activities.
- 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 2022

- 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 Greenhouse Gas Inventory Guidance – Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases, USEPA, December 2020 (Simplified Material Balance Method) and for Candelaria 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 (2022), 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, 2022) 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 1 + Scope 2 GHG emissions intensity (Tonnes CO₂e / Tonne Cu eq) based on Lundin Mining total 2022 production (contained metal in concentrate) and 2022 average metal prices sourced from London Metal Exchange (LME) and London Bullion Market Association (LBMA).
- Calculation approach aligned with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard. Consolidation approach based on operational control. Calculations include carbon dioxide, methane, nitrous oxide, HFCs, reported as carbon dioxide equivalents (CO₂e). Latest Global Warming Potentials (IPCC Sixth Assessment Report – AR6) used to convert to carbon dioxide equivalent values.

Appendix B

Health and Safety Statistics and Methodology

	EMPLOYEES MALE AND FEMALE	CONTRACTORS MALE AND FEMALE	TOTAL
Candelaria	3,701,902	9,488,407	13,190,309
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	4	16	20
Total Recordable Injury Frequency (TRIF)	0.22	0.34	0.30
Occupational Diseases	3	0	3
Occupational Disease Rate	0.16	0.00	0.05
Lost Workdays	165	436	601
Lost Day Severity Rate (SR)	9	9	9
Work Related Fatalities	0	0	0
Chapada	1,747,714	3,403,881	5,151,595
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	7	14	21
Total Recordable Injury Frequency (TRIF)	0.80	0.82	0.82
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	0	287	287
Lost Day Severity Rate (SR)	0	17	11
Work Related Fatalities	0	0	0
Eagle	389,396	545,325	934,721
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	3	8	11
Total Recordable Injury Frequency (TRIF)	1.54	2.93	2.35
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	0	26	26
Lost Day Severity Rate (SR)	0	10	6
Work Related Fatalities	0	0	0

Appendix B

	EMPLOYEES MALE AND FEMALE	CONTRACTORS MALE AND FEMALE	TOTAL
Neves-Corvo	2,125,920	2,480,041	4,605,961
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	16	10	26
Total Recordable Injury Frequency (TRIF)	1.51	0.81	1.13
Occupational Diseases	7	0	7
Occupational Disease Rate	0.66	0.00	0.30
Lost Workdays (w / o fatality)	363	262	625
Lost Day Severity Rate (SR w / o fatality)	34	21	27
Work Related Fatalities	1	1	2
Fatality Rate	0.09	0.08	0.09
Lost Workdays (w / fatality*)	6,363	6,262	6,625
Lost Day Severity Rate (SR w / fatality*)	599	505	288
Zinkgruvan	688,090	294,891	982,981
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	4	5	9
Total Recordable Injury Frequency (TRIF)	1.16	3.39	1.83
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	1	99	100
Lost Day Severity Rate (SR)	0	67	20
Work Related Fatalities	0	0	0
Josemaría	342,288	1,699,152	2,041,440
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	0	5	5
Total Recordable Injury Frequency (TRIF)	0.00	0.59	0.49
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	0	103	103
Lost Day Severity Rate (SR)	0	12	10
Work Related Fatalities	0	0	0

Appendix B

Methodology

Methodologies for lagging indicators including All Injury Frequency (AIF) rate, Lost Time Injury Frequency (LTIF) rate, and Lost Time Severity Rate (SR) are detailed below. All rates are calculated based on a 200,000-hour formula. We follow reporting processes 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.

All Injury Frequency Rate (AIF) = [(First Aid Cases + Medical Treatment Cases + Restricted Duty Cases + Lost Time Cases + Fatality Cases) x 200,000] / hours worked.

Total Recordable Injury Frequency (TRIF) = [(Medical Treatment Cases + Restricted Duty Cases + Lost Time Cases + Fatality Cases) x 200,000] / hours worked. First Aid injuries are not included.

Lost Time Injury Frequency (LTIF) = [(Restricted Duty Cases + Lost Time Cases + Fatality Cases) x 200,000] / hours worked. Medical Aid and First Aid injuries are not included.

Lost Day Severity Rate (SR) = Based on workdays lost after the first day. SR calculation: (lost workdays x 200,000) / hours worked.

* Lost Day Severity Rate (SR w / fatality) includes an additional 12,000 loss-of-life penalty days in the calculation as a result of two fatalities (one employee and one contractor) at Neves-Corvo in 2022.

High-consequence work-related injuries: based on end-of-year site self-reporting and excluding the Neves-Corvo fatalities (2), there were three (3) high-consequence work-related injuries in 2022, all three involving contractors. The employee and contractor high-consequence work-related injury rates for 2022 were 0 and 0.03 respectively, and the overall Lundin Mining high-consequence work-related injury rate for 2022 was 0.02.

	EMPLOYEES MALE AND FEMALE	CONTRACTORS MALE AND FEMALE	TOTAL
Exploration	25,857	14,767	40,624
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	0	0	0
Total Recordable Injury Frequency (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)	0	0	0
Work Related Fatalities	0	0	0
Corporate Offices	258,439	1,765	260,204
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	1	0	1
Total Recordable Injury Frequency (TRIF)	0.77	0.00	0.77
Occupational Diseases	0	0	0
Occupational Disease Rate	0	0	0
Lost Workdays	0	0	0
Lost Day Severity Rate (SR)	0	0	0
Work Related Fatalities	0	0	0
Lundin Mining Total	9,279,606	17,928,229	27,207,834
	Employee Hours	Contractor Hours	Hours Worked
Total Recordable Injuries	35	58	93
Total Recordable Injury Frequency (TRIF)	0.75	0.65	0.68
Occupational Diseases	10	0	10
Occupational Disease Rate	0.22	0.00	0.07
Lost Workdays (w / o fatality)	529	1,213	1,742
Lost Day Severity Rate (SR w / o fatality)	11	14	13
Work Related Fatalities	1	1	2
Fatality Rate	0.02	0.01	0.01
Lost Workdays (w / fatality*)	6,529	7,213	13,742
Lost Day Severity Rate (SR w / fatality*)	141	80	101

Employee and Contractor Hours include female and male hours combined.

Appendix B

Staffing Summary 2022

Methodology

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

Employee turnover includes permanent employees only.

		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	1,515	1,457	58	1,515	0	6.0%	
	Female	241	217	24	241	0	6.9%	
	Total	1,756	1,674	82	1,756	0	6.1%	85%
Chapada	Male	803	803	0	803	0	9.1%	
	Female	120	120	0	120	0	10.4%	
	Total	923	923	0	923	0	9.3%	11%
Eagle	Male	158	158	0	158	0	10.4%	
	Female	38	38	0	38	0	25.4%	
	Total	196	196	0	196	0	13.4%	0%
Neves-Corvo	Male	1,141	973	168	1,141	0	6.7%	
	Female	167	145	22	167	0	13.8%	
	Total	1,308	1,118	190	1,308	0	7.6%	100%
Zinkgruvan	Male	363	344	11	352	0	9.6%	
	Female	103	85	10	90	5	8.7%	
	Total	466	429	21	442	5	9.4%	100%
Exploration	Male	7	7	0	7	0	0.0%	
	Female	7	7	0	7	0	0.0%	
	Total	14	14	0	14	0	0.0%	0%
Corporate	Male	72	70	2	72	0	25.6%	
	Female	56	54	2	56	0	16.1%	
	Total	128	124	4	128	0	21.5%	0%
Josemaría	Male	159	159	NA	159	0	7.4%	NA
	Female	68	68	NA	68	0	13.0%	NA
	Total	227	227	NA	227	0	9.1%	NA
TOTAL	Male	4,218	3,971	239	4,207	0	7.7%	
	Female	800	734	58	787	5	11.2%	
	Total	5,018	4,705	297	4,994	5	8.2%	79%

Appendix B

Non-GAAP Measures Reconciliations¹

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:

	2020	2021	2022
Revenue	2,041,506	3,328,765	3,041,228
<i>Add:</i>			
Interest income	5,985	613	4,211
Loss on disposal of assets	(882)	(6,634)	(5,125)
Gain on disposal of subsidiary	–	–	18,829
Total economic value generated	2,046,609	3,322,744	3,059,143

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:

2022	OPERATING COSTS	EMPLOYEE BENEFITS	PAYMENTS TO GOVERNMENTS	COMMUNITY INVESTMENTS	OTHER COSTS	TOTAL
Production costs	1,322,836	300,408	34,061	4,053	–	1,661,358
Inventory write-down	62,546	–	–	–	–	62,546
General and administrative expenses	–	33,467	–	641	19,771	53,879
General exploration and business development	–	8,410	–	–	135,943	144,353
Current tax expense	–	–	149,978	–	–	149,978
Total	1,385,382	342,285	184,039	4,694	155,714	

2021	OPERATING COSTS	EMPLOYEE BENEFITS	PAYMENTS TO GOVERNMENTS	COMMUNITY INVESTMENTS	OTHER COSTS	TOTAL
Production costs	1,034,790	291,782	40,106	4,575	–	1,371,253
Inventory write-down	65,025	–	–	–	–	65,025
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	

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.

Appendix B

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	

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

	2020	2021	2022
Dividends paid to shareholders	88,002	227,392	275,448
<i>Add:</i>			
Lease liability interest	1,479	1,494	1,434
Interest expense and bank fees	10,837	6,025	10,196
Total payments to providers of capital	100,318	234,911	287,078

Appendix B

Country-by-Country Report

(in USD)

MAIN BUSINESS ACTIVITIES

TAX JURISDICTION	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

(in USD)

REVENUES

TAX JURISDICTION	UNRELATED PARTY	RELATED PARTY	TOTAL	PROFIT (LOSS) BEFORE INCOME TAX ¹	INCOME TAX PAID (ON CASH BASIS)	INCOME TAX ACCRUED – CURRENT YEAR	STATED CAPITAL	ACCUMULATED EARNINGS	NUMBER OF EMPLOYEES	TANGIBLE ASSETS OTHER THAN CASH AND CASH EQUIVALENTS
Brazil	68,674,322	545,876,536	614,550,858	298,352,227	69,640,666	37,105,571	263,991,219	82,470,926	2,331	943,538,930
Chile	1,303,459,464	627,234,260	1,930,693,724	770,776,008	41,672,066	172,146,893	3,308,232,676	2,544,934,268	5,547	2,466,731,188
Portugal	499,902,504	1,069,073	500,971,576	131,341,721	2,806	16,881,181	132,397,437	536,800,223	2,689	922,807,687
Sweden	230,037,189	22,245,772	252,282,961	162,833,013	11,873,217	11,462,344	5,790,550	-35,281,135	523	294,868,583
United States	462,746,372	–	462,746,372	207,157,166	–	–	1,422,841,775	-68,425,888	393	333,673,069
Canada	567,060,696	20,110,674	587,171,370	290,050,483	24,124,990	8,101,000	4,900,144,604	-880,211,259	112	8,305,175

1. 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, 2021 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; expectations and ability to complete the Caserones transaction; the Company’s integration of acquisitions and any anticipated benefits thereof, including the Caserones transaction; 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 labour; 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: global financial conditions, market volatility and inflation, including pricing and availability of key supplies and services; 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; project financing risks, liquidity risks and limited financial resources; volatility and fluctuations in metal and commodity demand and prices; delays or the inability to obtain, retain or comply with permits; significant reliance on a single asset; reputation risks related to negative publicity with respect to the Company or the mining industry in general; health and safety risks; risks relating to the development of the Josemaría Project; inability to attract and retain highly skilled employees; risks associated with climate change; compliance with environmental, health and safety laws and regulations; unavailable or inaccessible infrastructure, infrastructure failures, and risks related to ageing infrastructure; risks inherent in and / or associated with operating in foreign countries and emerging markets, including with respect to foreign exchange and capital controls; economic, political and social instability and mining regime changes in the Company’s operating jurisdictions, including but not limited to those related to permitting and approvals, environmental and tailings management, labour, trade relations, and transportation; risks relating to indebtedness; the inability to effectively compete in the industry; the inability to currently control the Caserones mine and the ability to satisfy the conditions and consummate the Caserones transaction on the proposed terms and expected schedule; 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; changing taxation regimes; risks related to mine closure activities, reclamation obligations, environmental liabilities and closed and historical sites; reliance on key personnel and reporting and oversight systems, as well as third parties and consultants in foreign jurisdictions; information technology and cybersecurity risks; 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; 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; community and stakeholder opposition; financial projections, including estimates of future expenditures and cash costs, and estimates of future production may not be reliable; enforcing legal rights in foreign jurisdictions; environmental and regulatory risks associated with the structural stability of waste rock dumps or tailings storage facilities; activist shareholders and proxy solicitation matters; risks relating to dilution; regulatory investigations, enforcement, sanctions and / or related or other litigation; risks relating to payment of dividends; counterparty and customer concentration risks; the estimation of asset carrying values; risks associated with the use of derivatives; relationships with employees and contractors, and the potential for and effects of labour disputes or other unanticipated difficulties with or shortages of labour or interruptions in production; conflicts of interest; existence of a significant shareholder; exchange rate fluctuations; challenges or defects in title; internal controls; 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; the threat associated with outbreaks of viruses and infectious diseases; risks relating to minor elements contained in concentrate products; and other risks and uncertainties, including but not limited to those described in the “Risk and Uncertainties” section of the Company’s Annual Information Form and the “Managing Risks” section of the Company’s MD&A for the year ended December 31, 2022, 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.

Sustainability Report Feedback

We welcome feedback from stakeholders regarding our 2022 Sustainability Report; please contact:

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