

lundin mining



Responsible Mining Framework

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At LMC we are committed to mining responsibly through the integration of social, environmental and health/safety considerations into our business planning at all stages of the project life cycle.

Introduction

Lundin Mining Corporation (LMC) is a diversified Canadian base metals mining company with operations in Chile, Portugal, Sweden and the United States, primarily producing copper, nickel and zinc. In addition LMC undertakes mineral exploration activities around our existing mines and at green-field sites in various jurisdictions, and manages legacy mine sites in Ireland, Sweden, Spain and Honduras. LMC currently holds a minority (non-operating) equity stake in the Tenke Fungurume copper/cobalt mine in the Democratic Republic of Congo and in the Freeport Cobalt Oy business, which includes a cobalt refinery located in Kokkola, Finland.

LMC's corporate headquarters is located in Toronto, Canada. LMC's shares are listed on the Toronto Stock Exchange ("LUN") and its Swedish Depository Receipts are listed on the OMX Nordic Exchange ("LUMI"). As of 2015, LMC employs approximately 8,000 people, including employees and contractors.

LMC is committed to mining responsibly and to integrating social, environmental, and health/safety considerations in our business planning at all stages of the project life cycle.

This document explains our commitment and approach to Responsible Mining, including:

- 1) LMC corporate mission and guiding principles for Responsible Mining,
- 2) the Responsible Mining Framework, including international guidance we commit to, and the five elements of Responsible Mining at LMC,
- 3) the Management System to ensure the Responsible Mining Framework is implemented and,
- 4) communication with stakeholders.



The health and safety of our employees and contractors is first and foremost in everything that we do.



We foster the provision of lasting benefits to local communities, aligned with their priorities.

Mission & Guiding Principles

Our mission is to develop and continually upgrade a base metals mineral resource and mining portfolio which provides leading returns to shareholders and upholds a strong commitment to Responsible Mining. To achieve this mission LMC's priority business objectives are:

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

Our mission and commitment to Responsible Mining are underpinned by the following Guiding Principles:

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

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

The corporate values that guide us in our daily activities are in the Values Statement in Appendix A.



Under the Responsible Mining Framework LMC commits to develop and implement management systems and operating practices that take into consideration applicable international guidelines.

The Responsible Mining Framework

Under the Responsible Mining Framework LMC commits to develop and implement management systems and operating practices that take into consideration applicable international guidelines, including the following:

- 1) **OECD Guidelines for Multinational Enterprises (MNEs).** The Guidelines are a set of recommendations on responsible business conduct for MNEs operating in or from adhering countries (Canada, where LMC is headquartered, is an adhering country). The Guidelines were first developed in 1976 and have been regularly updated since then, most recently in 2011 with the addition of chapters on human rights and due diligence, topics pertinent to the mining sector.
- 2) **UN Global Compact.** The UN Global Compact's Ten Principles are derived from: the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.
- 3) **UN Guiding Principles on Business and Human Rights (GPs).** The GPs identify the responsibilities of companies and governments regarding human rights, resting on three pillars: a) the duty of the state to protect against human rights abuses by third parties, including business; b) the responsibility of corporations to respect human rights through due diligence; and c) ensuring access to effective remedies for victims.
- 4) **Voluntary Principles on Security and Human Rights (VPs).** Established in 2000, the VPs are a set of principles designed to guide companies in assessing and mitigating risks related to the deployment of public and private security, such that their operations can be protected without excessive force or human rights abuses.
- 5) **International Finance Corporation (IFC) Performance Standards on Social and Environmental Sustainability.** The eight Performance Standards of the IFC establish expectations for environmental and social conduct that companies are to meet throughout the life cycle of a project, if they are to receive financing from the IFC or financial institutions that are signatories to the Equator Principles (EPs). The Performance Standards have evolved into a de facto international benchmark for environmental and social risk assessment.
- 6) **Global Reporting Initiative (GRI).** GRI provides an internationally recognized standard for sustainability reporting including reporting principles, guidance and indicators for organizations of all sizes and sectors. LMC prepares its annual Sustainability Report according to the GRI G4 Guidelines.
- 7) **Prospectors and Developers Association of Canada (PDAC).** The PDAC encourages leading practices in technical, environmental, safety and social performance in Canada and internationally. They have developed "e3 Plus", a framework for responsible exploration to which LMC commits to align its exploration practices.



To ensure robust corporate governance processes underpin corporate responsibility commitments while maintaining high standards of ethics in all aspects of our business.

THE FIVE ELEMENTS

The Framework and supporting documentation are structured around five key Elements of Responsible Mining. Table 1 provides a brief description of the five Elements.

TABLE 1: RESPONSIBLE MINING FRAMEWORK ELEMENTS, THEIR SCOPE AND INTENT

ELEMENT	SCOPE AND INTENT
Health and Safety	To ensure that formal systems, processes and controls are designed to achieve a safe, productive and healthy work environment for all employees and contractors
Social	To ensure formal systems are in place to avoid or manage social impacts to communities, to uphold fundamental human rights and respect cultures, customs, and values while engaging in open and inclusive dialogue with communities, employees, and others who are affected by our activities
Economic	To generate shared value through our projects, providing tangible support to local communities and host regions by working with communities, local governments and other organizations to promote sustainable development
Environmental Stewardship	To avoid, minimize or mitigate environmental impacts of operations and ensure appropriate management and monitoring systems are in place at all times
Governance	To ensure robust corporate governance processes underpin corporate responsibility commitments while maintaining high standards of ethics in all aspects of our business



The Responsible Mining Framework defines the way we manage the economic, social, and environmental challenges of our business and is important to fulfilling our commitment to sustainable development.

RESPONSIBLE MINING FRAMEWORK AT A GLANCE

The Responsible Mining Framework defines the way we manage the economic, social, and environmental challenges of our business and is important to fulfilling our commitment to sustainable development. We believe that our business can generate shared value for local communities. We understand that relationships based on trust and transparency are important to our success. We strive to avoid negative environmental and social impacts. Where impacts are unavoidable they should be minimized and mitigated and these costs should be part of our business value determination.

The five elements along with the strategic areas of focus identified in Figure 1 are the foundation of our commitment to strengthen corporate accountability, keep our employees and local communities safe, respect and preserve the natural environment, understand and mitigate social and community impacts, and enhance stakeholder engagement and communications.

FIGURE 1: VISUAL SUMMARY OF OUR RESPONSIBLE MINING FRAMEWORK





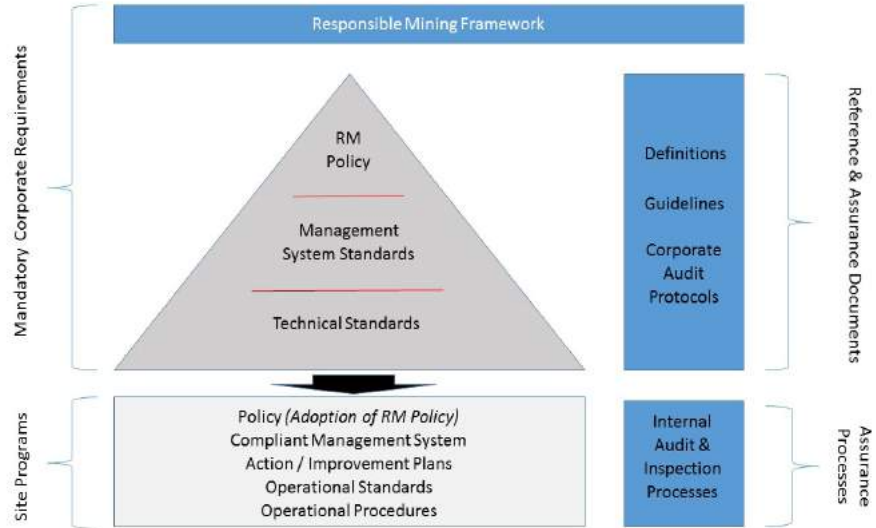
The Responsible Mining Policy demonstrates top management’s leadership and commitment for the successful implementation of the management system.

MANAGEMENT SYSTEM

LMC has established a Responsible Mining Policy (Appendix B) and a Responsible Mining Management System (RMMS) Standard, which sets forth specific corporate level system requirements for implementation at the site level. The Policy describes our specific management commitments related to the five elements of the RM Framework. It also establishes an overall sense of direction, and it is the driver for implementing and improving the RMMS. The RMMS Standard constitutes auditable requirements for management system(s) to be implemented at all sites where LMC is in operational control, to ensure operational alignment with the Policy commitments. The Standard specifies the scope and intent of the Policy and integrates a broader range of management requirements related to the health, safety, environment, and socio-economic aspects of our business.

Underlying the Policy and Management System Standard and requirements are actionable corporate level mandatory Standards. Operating sites may establish their own site-specific plans, procedures, and work instruction in accordance with corporate requirements. (Figure 2).

FIGURE 2: HIERARCHY OF RMMS DOCUMENTS



LMC reports on its Responsible Mining performance annually in its Sustainability Report, prepared in accordance with Global Reporting Initiative (GRI) standards.

Closing Statement

LMC's Responsible Mining Framework reflects the company's commitment to conducting business with integrity and confirms we are on the right path to improved performance and to earning and maintaining a Social License. It plays a central role in corporate risk reduction and ensures we deliver on our commitments.

We understand the importance of keeping social and environmental thinking at the center of our decision-making. Our success requires integrating responsible mining into all facets of our business. We believe our Responsible Mining Framework is not only the right thing for our business and society but it can provide a competitive advantage in the long term.

We welcome your input. This document is available for download at www.lundinmining.com. Comments, questions and requests for further information may be submitted by e-mail to csr@lundinmining.com.





APPENDIX A – Values Statement

WHAT WE BELIEVE IN AND HOW WE OPERATE		
STEWARDSHIP	VALUE CREATION	CULTURE
<p>Safety and well-being of our people, communities, contractors, and the environment, leading to increasing stakeholder support.</p>	<p>Delivery of strong returns on invested capital. Growth through strategic exploration, value added projects and acquisitions.</p>	<p>Our Style is entrepreneurial. Our people are motivated to achieve superior results, aligning interests with shareholders.</p>
<p>Our Reputation is built and maintained through transparency, ethical behavior, consistency, and integrity.</p>	<p>High Performance is achieved through superior execution of our exploration, projects, and operations. A continuous cost/benefit focus in everything we do.</p>	<p>Trust is demonstrated through mutual respect and teamwork, embracing our diverse workforce and the communities where we operate.</p>

APPENDIX B

Responsible Mining Policy

Lundin Mining Corporation (LMC) is committed to Responsible Mining. We view transparent and sustainable practices as central to being a successful base metals-focused producer. Our reputation as a good corporate citizen is vital to the long-term success of the business, and we seek to create enduring relationships and shared value with our local communities and our stakeholders. We conduct our business responsibly by adhering to the following principles:

- 1 We are resolute in our effort to achieve zero harm. We strive to ensure the health and safety of our employees and contractors is first and foremost in everything we do. As a leader in health and safety we promote the well-being of people in our host communities.
- 2 We conduct our business activities ethically and transparently, in accordance with the company's Code of Conduct and Ethical Values Policy.
- 3 We strive to meet or exceed legal requirements in fulfilling the commitments of this policy.
- 4 We aim to design, develop and operate our facilities to minimize their overall environmental impact and take into account their eventual closure. We efficiently use water, energy and other resources, and responsibly manage wastes. We contribute to the conservation of biodiversity by promoting research, partnerships and responsible land management practices.
- 5 We assess the risks and impacts of our operations and integrate these considerations into our planning and operational decision-making processes. We strive for continuous improvement in our health, safety, environmental and community performance.
- 6 We are accountable to our stakeholders. We engage with host communities early and throughout the life cycle of projects to understand their expectations and to develop relationships based on mutual trust.
- 7 We provide training to assist with meeting our Responsible Mining objectives. We empower our employees and contractors to do the right thing, and we expect everyone to act responsibly.
- 8 We work closely with host communities and our partners to provide lasting benefits in the form of self-sustaining programs and other initiatives that enhance the quality of life where we operate.
- 9 We treat people with dignity and we respect human rights as set forth in the United Nations Universal Declaration of Human Rights.
- 10 We respect and take into consideration the rights, interests, concerns, traditional land uses and cultural activities of Indigenous peoples within our sphere of influence.
- 11 We develop and implement corporate governance processes to underwrite our Responsible Mining commitments.
- 12 We monitor and measure our performance against the principles of this policy, and we publicly report our progress.

For more detail on how we implement the commitments of this Policy, see Lundin's Responsible Mining Framework, available on our website at www.lundinmining.com.



Paul Conibear
President and CEO
For and on behalf of the Board
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