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# Boliden Rönnskär Refiner's Report: LBMA Responsible Gold and Silver Guidance 2020

The *LBMA Responsible Gold and Silver Guidance's* has been established for Good Delivery Refiners to adopt high standards of due diligence in order to combat systematic or widespread abuses of human rights, to avoid contributing to conflict, to comply with high standards of anti-money laundering and combating terrorist financing practice.

This report summarizes how Boliden have complied with the requirements of the *LBMA Responsible Gold and Silver Guidance*. The report includes copper raw materials as well.

## REFINER'S DETAILS

Responsible Company	Boliden Commercial AB, with its office located at Klarabergsviadukten 90A, SE-101 35 Stockholm Sweden.
Refiner's name	Boliden Rönnskär with registered name Boliden Mineral AB
Refiner's location	Skelleftehamn, Sweden
Reporting year-end	2020
Date of Report	2021-03-26
Senior management responsible for this report	Daniel Peltonen, President Boliden Smelters & Boliden Commercial AB

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## **Boliden Smelters**

Boliden Smelter's consist of five operational smelters, one central trading organisation and one central staff organisation. The sourcing and sales of minerals is done by the central trading organisation: Boliden Commercial AB. Boliden Commercial AB remains the owner of the metals while the smelters are treating and refining the metals.

For the purpose of responsible sourcing of copper, gold and silver containing raw materials, the main activities related to the process is conducted by Boliden Commercial AB, while the copper smelters; Boliden Rönnskär & Boliden Harjavalta ensure the right quality of the refined and sold metals. The central staff organisation, ensures an independent line of assurance and quality review of the responsible sourcing process, herein named the *ESG evaluation of business partner*.

During 2020, the main focus for Boliden in its continuous improvements for the responsible sourcing of minerals has been directed towards clarification of risk in the initial screening of the business partner and to clarify the roles and responsibilities within Smelters ESG program<sup>1</sup>.

## **Boliden Rönnskär**

The Rönnskär plant in Skelleftehamn is a world-class copper smelter in terms of efficiency. The plant receives deliveries of mined concentrates from Boliden own mines and from external suppliers. The smelter is also one of the world's largest receiver and recycler of electronic scrap. The plant is primarily extracting copper, gold and silver from these materials. During 2020, total copper production at Rönnskär was 226 tons, gold production was 14 tons and silver production 524 tons. The main raw material sources of copper, gold and silver are lead and copper concentrates. The gold and silver content in the concentrates is in the order of grams per ton. The minerals may also originate from electronic scrap with a higher copper, gold and silver content. Concentrates and scrap are processed in three steps. First, they enter the copper smelter. Secondly, the molten metals enter the tank-house. In the tank-house, gold and other precious metals are separated from the copper and copper cathodes (<99.995% Cu, LME Grade A) are produced. Finally, the precious metals ends up in the precious metals plant, where gold bars (<99.99%), silver bars & granules (<99.99%) and other precious metals are produced.

A portion of the gold and silver raw material consists of metallic scrap such as alloys from incineration plants, coins or jewelry from Swedish suppliers, or gold concentrates from mines in Sweden with higher gold content.

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<sup>1</sup> ESG: Environmental, Social & Governance

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All deliveries to Rönnskär are registered with country of origin by a lot receipts process. The system automatically detects whether the advised delivery comes from a sanctioned, or conflict affected and high-risk area (CAHRA). Any such delivery follows a well-functioning process to ensure only material that has been subject to, and approved in, the ESG Evaluation Process enters the smelter. For all gold and silver containing raw materials received, as gold concentrates and low value gold Cu-concentrates, the country of origin is well known. During 2020, no gold- or silver containing raw materials have been sourced from a CAHRA.

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## STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

### Compliance Statement:

*Boliden comply with Step 1: to establish strong company management systems.*

### 1.A. Has the refiner adopted a supply chain policy regarding due diligence for supply chains of gold and/or silver?

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#### Mineral Supply Chain Policy: Boliden Business Partner Code of Conduct

Boliden has a governance model comprising Group-wide policies, with instructions, guidelines and tools in a global management system that corresponds to the challenges the company faces. The risks related to responsible sourcing are captured in the Boliden Business Partner Code of Conduct. The Code has been approved by CEO and published at Boliden external webpage<sup>2</sup>.

Boliden management system is third-party certified in accordance to a multisite certification in ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001.

Boliden's sources raw materials from various suppliers around the world. Operating in a global market with varied legislation, labor and environmental standards and business ethics requires a comprehensive approach to risk management throughout the value chain. Boliden is aware of the importance of its suppliers and customers working as responsibly as its own organization. Therefore, Boliden's Business Partner Code of Conduct reflects the same high standards required by its own organization. The Business Partner Code of Conduct specifically addresses human rights, labor rights, environment, anti-corruption, anti-money laundering and conflict minerals. The Code has been developed from the principles laid out in the UN Global Compact, the ILO fundamental conventions, the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, as well as other international industry standards and best practices.

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### 1.B. Has the refiner set up an internal management structure to support supply chain due diligence?

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#### Boliden Smelter's ESG Program

Roles and responsibilities, continuous improvements and operational activities to identify, manage and mitigate risks in the mineral value chain, are captured under the Boliden Commercial ESG Program. The ESG program's mission is to drive Boliden smelters work and continuous

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<sup>2</sup> <https://www.boliden.com/operations/about-boliden/business-partner-code-of-conduct>

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improvements with ESG in the Value Chain and secure compliance to Boliden Business Partner Code of Conduct. The ESG program chairman has been mandated with the responsibility to implement and develop the supply chain due diligence process and ensure an independent line of accountability that is separated from the line organisation. The chairman reports on red flags, on-going risk management plans with high to critical risk business partners, and progress of improvement activities on a quarterly basis to the Boliden Smelters Management team, and annually to the Smelters Business Board. The Smelters business boards holds the ultimate accountability for the mineral supply chain. In order to ensure independency from the commercial organisation, the ESG Program chairman is working closely to the Group Ethics & Compliance Officer and has a direct link of reporting to Smelters Director for Corporate Responsibility who is a member of Boliden Compliance Council. The Compliance Council was established at Boliden during 2020, and is chaired by the Group Ethics & Compliance Officer. The governance structure is visualized in Figure 1.

### **Stakeholders and communication**

It is essential that the Business Partner Code of Conduct is communicated to relevant counterparties, such as suppliers of raw materials to the smelters. The main point of contact to the suppliers is the commercial organisation who is responsible to ensure that the principles in the code is understood by the counterpart. A prerequisite to achieve this, is internal trainings of the commercial staff. Additionally, the ESG Program chairman holds continuous meetings with the commercial staff about prospective and existing business partners where the policy and process is communicated on a needs basis.

#### **During 2020:**

The commercial staff received formal trainings in the Business Partner Code of Conduct, and specifically in human rights due diligence and the implications of sourcing from a conflict affected or high-risk area (CAHRA).

All employees involved in the risk screening phase of the due diligence process has been trained in the Business Partner Code of Conduct during 2020.

All employees involved in receiving material to the copper smelters has been trained in the implications of sourcing from a CAHRA during 2020.

In practice, the Business Partner Code of Conduct is communicated to the counterpart in various ways. If the counterpart has not been introduced to the code from its main Boliden contact, it will be introduced to the code when responding to the self-assessment questionnaire. Adverse impacts related to the Business partner Code of Conduct or equivalent standards is always at minimum included in the commercial contract, which includes adverse impacts equal to those listed in the

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Annex II of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

In the Boliden Annual and Sustainability report and Sustainability index, the policy and supply chain due diligence process is presented<sup>3</sup>.

At the **end of 2020**, a project aiming to create an e-learning tool with focus on the OECD Due Diligence Guidance for less mature suppliers was initiated. This is projected is planned to be finalized and launched **during 2021**.

### Escalation of high to critical cases

The supply chain due diligence process for responsible sourcing of minerals, internally named the ESG Evaluation of Business Partners, is part of the ESG program umbrella. The ESG Evaluation of Business Partners process is designed to identify, manage and mitigate risks that may jeopardize the standards in the Boliden Business Partner Code of Conduct.

During 2020, the ESG program has been formalized and approved by Smelters management team. The ESG program adds a more detailed definition of risk and defines the level of authorization for such risks in the organization. The highest level of risk, *critical risk*, is defined as a business partner for which a red flag(s) has been confirmed. A red flag is at minimum, a red flag as defined in the OECD DDG Supplement on Gold, but may also be an identified risk of a serious human rights breach or serious environmental harm. If any such red flag is identified, the ultimate decision to approve a business partners can only be authorized by Boliden Group Management. An approved critical risk business partner must have a risk management plan, which outlines the adverse risks and mitigating activities. The business relation shall also be subject to continuous dialogue, where the adverse risks and other compliance and ESG matters are discussed and the business partner may present results to any corrective action.

The escalation process follows an internal process to assess and mitigate risks, review risk and suggested measures and finally to approve or reject the counterparty as a business partner. This process is set up to ensure an independent line of accountability, separated from the line organisation. In practice, the initial steps of risk identification is performed by the line organisation. If a risk or a red flag is identified, the case is escalated to the ESG Team. The chairman of the ESG program is qualified in assessing and mitigating risks. Where needed, internal or external expertise is appointed. The escalated case is summarized in a report, which is first reviewed by other competence members in the CR department, which follows by a review by a remittance team. The composition of the remittance team and the competent members differ depending on the level of risk. For critical risks, the remittance team consists of CFO, Senior Vice President Corporate Responsibility, General Counsel Legal Affairs, Director Group Sustainability,

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<sup>3</sup> <https://www.boliden.com/investor-relations/reports-and-presentations/annual-reports>

Chief Ethics and Compliance Officer. The remittance team may suggest additional mitigating activities. Ultimately, the case is presented to the authorizing body who may approve or reject the counterpart as a business partner.

In Figure 1, the governance structure, including level of authorization and remittance, for cases subject to the ESG evaluation of business partner process, is visualized.

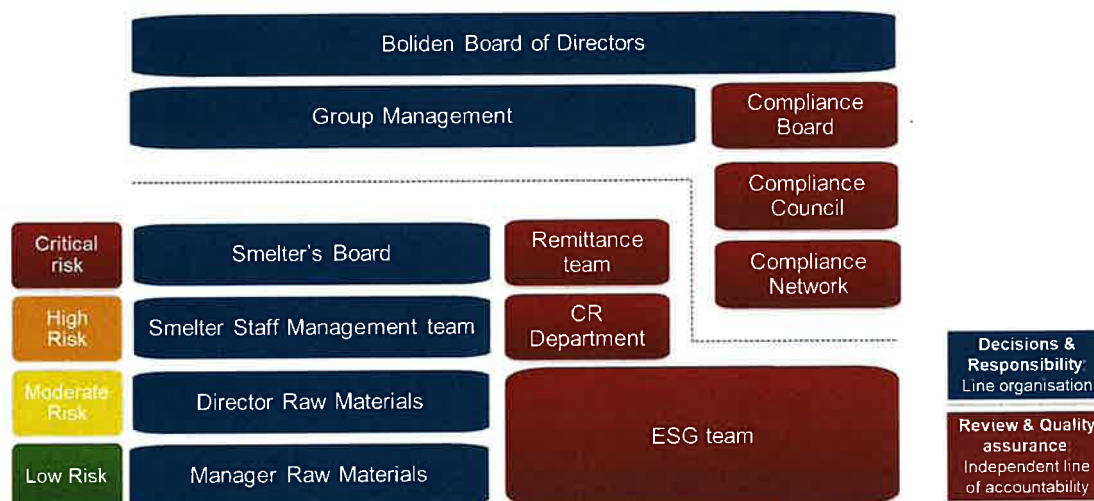


Figure 1. Governance structure of Boliden Smelters ESG program and process.

**1.C. Has the refiner established a strong internal system of due diligence, controls and transparency over gold and/or silver supply chains, including traceability and identification of other supply chain actors?**

**Due Diligence Control System**

Prior to signing a contract with a counterpart, the counterpart is subject to the ESG evaluation of Business Partner process before it can be approved as a business partner.

The process is managed in an online based tool, named Evaluate, allowing the responsible purchasing manager to schedule and follow up on the assessment of each counterpart, that shall be subject for this evaluation minimum once every 5 year.

The first step of the process is a risk screening and risk management phase, which sets out a number of indicators for risk regarding environmental, social and governance aspects. Boliden has a list of countries indicating higher risk for breach of these aspects, the list differs between CAHRAs

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and high-risk countries. Deliveries from CAHRA's is deemed as a high to critical risk, while deliveries from high-risk countries may indicate a moderate to a high risk depending on the nature of the contract.

The steps included in the first phase of the evaluation is at minimum a compliance screening and a self-assessment questionnaire. The compliance screening is conducted in the Dow Jones Risk & Compliance system, where sanctions and other governance related compliance risks are assessed. In case of uncertainties or if a heightened risk is identified, the case is subject for an escalation before approval can be granted. The process is described in detail with flow sheet and instructions in Boliden's management system (BMS).

Boliden have a robust 'lot' receipts process and supporting system, named EKA. Each delivery of copper, gold- and silver containing material are recorded with information about country of origin and country of loading, raw material quality, weights, assay details and date of arrival. All deliveries of raw material to Boliden's smelters and refineries must register country of origin and the country of loading. This information must be present on an Advise note that the counterpart must send to the smelter prior to delivery. The system has been designed with an automatic red flag alert if the country of origin or loading is listed in Boliden Smelter's list of Conflict affected and/or high risk countries. The system user is prevented from registering the delivery without approval from authorized level. The suppliers are prevented to deliver any material before the delivery is registered in the system.

In Figure 2, Boliden Smelters process to identify and manage risks, aligned to the Business Partner Code of Conduct is visualized. In the top the main standards that shapes the Business Partner Code of Conduct is shown. Connected below the Business Partner Code of Conduct, is different indicators addressing risks, ability to manage risk and mitigation of risk. In the bottom, each activity taken place in the process is connected to the indicators. The first activities, risk assessment and compliance screening, aims to identify the level of risk based upon a number of risk indicators. A red flag-checklist is followed, which shall ensure, no important risk indicators is missed. The SAQ and CR interview bring in the counterpart's ability to manage risk. This is followed by a re-risk assessment, which shall serve as a guide if an enhanced audit should take place or not. The business partner audit, shall provide evidence to any gaps found in the previous activities, and assess the counterpart's level of implementation of the management system and actual events of breaches to the business partner code of conduct. The final step of the risk assessment, is the start of the risk mitigation, which is initiated with on-boarding activities, such as implementing mitigating contract clauses and acceptance of recommendations for improvement. This is followed by continuous monitoring, to ensure continuous development and actual improvement.

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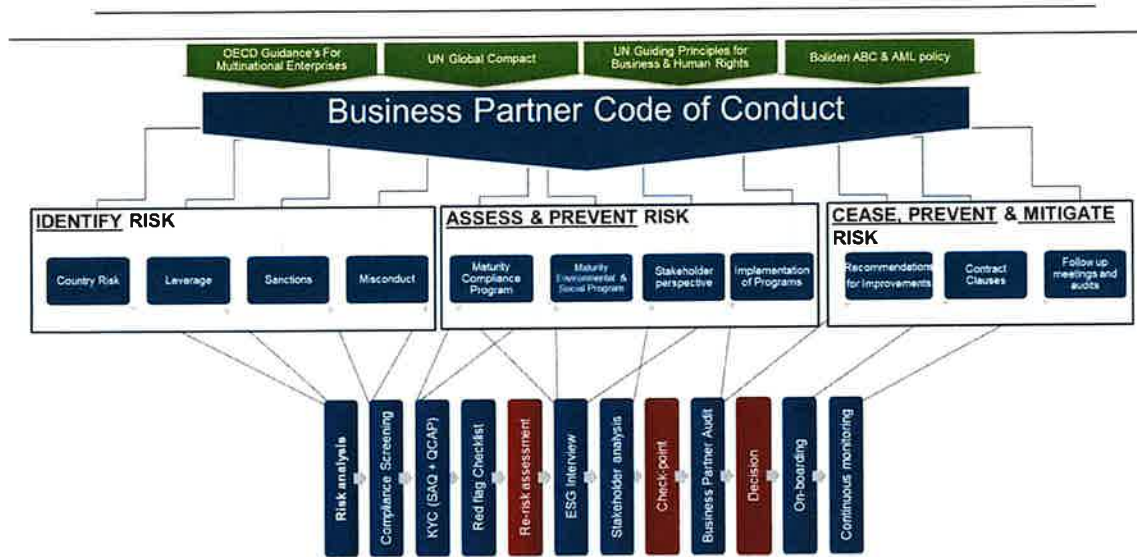


Figure 2. Boliden Smelters ESG process based on Boliden Business Partner Code of Conduct

**During 2020:**

Boliden has formalized the governance and authorization levels for different levels of risk, succeeding the ESG Evaluation of business partner.

Focused sessions with Boliden’s users of EKA has taken place in order to further strengthen the organizations understanding of: (i) what to do when a alerts appears in the system, and (ii) what risks it entails, specifically related to CAHRAs.

Evaluate has been introduced to the organisation, which is an improvement to the prior system. The upgraded and improved system allows the users to schedule follow-ups, which was not possible to the same extent before. Trainings in the updated system has taken place during the autumn of 2020.

For secondary raw material that is delivered, a limit value of 500 gram gold per ton has been set. This indicator shall trigger an assessment to ensure no conflict minerals are mixed into the recycled raw material. Evidence of that could be type of secondary raw material, pictures of the raw material and enhanced assessment of the origin. Instructions for this will be clarified during 2021.

One incident related to a delivery to Boliden Rönnskär of a not approved delivery from a high-risk country has been registered during 2020 in Boliden Smelters internal deviation handling system. The delivery was approved after internal dialogue, since the material it regarded was recycled and the quantity and value was deemed low. The business partner, who is a trading company, was informed that future deliveries from this region will be stopped, before the

business partner can show prove of conducting due diligence on the counterpart delivering the raw material.

The dialogue on compliance matters has been strengthened with business partners during the year. An interview guide has been developed, with the purpose of both assessing but also communicating good practice in terms of anti-bribery and corruption and anti-money laundering.

The dialogue with traders has had an increased take during the year. The main focus in the dialogue has revolved responsible sourcing matters.

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**1.D. Has the refiner strengthened company engagement with gold and/or silver supplying counterparties, and where possible, assisted gold and/or silver supplying counterparties in building due diligence capabilities?**

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**Company engagement with Business Partners on ESG**

For business partners indicating an increased risk, a formalized dialogue in the expectations from the due diligence process and Boliden Business Partner Code of Conduct is set up during the ESG Evaluation. This process is part of the process to understand the business partner's ability to manage risks, a platform to communicate good practice, and an opportunity to establish the ESG aspects as an essential part of the relation with the business partner. In these dialogues, both commercial staff and relevant subject matter expertise participates. These dialogues, are also set up as a risk mitigating activity for ongoing partnerships.

**During 2020:**

Boliden has had at least multiple dialogues on ESG with business partners. At least 3 out of 5 of Boliden's high-risk suppliers of gold and copper containing raw materials to Boliden Rönnskär has been subject for such dialogues.

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**1.E. Has the refiner established a company-wide communication mechanism to promote broad-based employee participation and risk identification to management?**

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**Grievance mechanism: Boliden whistleblower system**

Boliden is committed to the highest standards of ethical business conduct. Boliden's whistleblower system is provided by an external partner, to ensure anonymity and confidentiality. The

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whistleblower system is available for both internal and external stakeholders on Boliden's webpage<sup>4</sup>

Whistleblowing can be used to inform about a concern about serious wrongdoings within the Boliden group regarding accounting, internal accounting controls, auditing matters, bribery and corruption, other banking- and financial crime, or other serious improprieties concerning the company's or the group's vital interests or the life or health of individual persons, as for instance serious environmental crimes, major deficiencies as regards the safety at the place of work and very serious forms of discrimination or harassments.

**During 2020**

No grievance related to the mineral supply chain has been filed.

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<sup>4</sup> <https://report.whistleb.com/en/boliden>

## STEP 2: RISK IDENTIFICATION AND ASSESSMENT

**Compliance statement:**

*Boliden complies with step 2: risk identification and assessment.*

**2.A. Does the refiner have a process to identify risks in the supply chain?**

**Risk identification and assessment**

The first phase of the ESG evaluation of business partners aims to identify risk. Risk is identified in a number of different indicators, visualized in Figure 2. These indicators are related to country, compliance, sanctioned entities and persons, politically exposed persons, state owned entities, ownership, adverse media hits and the business partners own management systems. The activity related to identifying the risk indicators is visualized in picture

The risks in the metal’s supply chain is mainly related to deliveries from high-risk countries. The methodology used for assessing a CAHRA for the copper, silver and gold value chain during 2020 is based upon a provided list by TDI Sustainability<sup>5</sup> for members of the International Copper Association (ICA). The Boliden CAHRA list will during 2021 be complemented with the list of CAHRAs provided by the European Union to be valid for the EU Conflict Minerals Legislation.

Depending on the nature and severity of risk, subject matter expertise are commissioned. This expertise could be either internal or external. For environmental issues related to mining activities, internal expertise from the Boliden mines are used. For human rights issues, Boliden regularly appoints Enact for expert review. For governance and compliance issues, Boliden has regularly appointed Mayer Brown.

**During 2020:**

Boliden had no deliveries of mined raw material to the copper smelters from, or transited through, a CAHRA.

There has been no red flags or any indication, referring to a suspicion of an actual or risk of an OECD Annex II breach that has been lifted for the copper, gold and silver supply chain.

The highest priority of risk in the mineral value chain has been related to due diligence practices by traders and counterparts of recycled raw materials. As a mitigating activity, Boliden has initiated a project that aims to create an e-learning platform for business partners with a less mature management system to respond to risks in the value chain, specifically

<sup>5</sup> <https://tdi-sustainability.com/>

targeted towards suppliers of electronic scrap. This platform is projected to be launched and used by the first suppliers during 2021.

## **2.B. Does the refiner assess risks in light of the standards of their due diligence system?**

The sources of information used to identify risks are mainly Dow Jones Risk & Compliance, generic web searches and information collected from the supplier with the self-assessment questionnaire (SAQ).

The responsibility for the trade sanctions compliance program lies on Group Ethics & Compliance with support from Group Legal Affairs. Sanctions controls must be performed before entering into any contractual arrangements with any third party. Sanctions controls are also repeated on a monthly basis in respect of existing counterparties (batch screening), and any changes are monitored by Group Legal Affairs, supported by third party *Norton Rose Fulbright*. In the raw materials department, the sanctions controls are conducted by one designated administrator. Support is provided by and identified concerns are escalated to Smelters Sustainability & EHSQ department or Group Legal Affairs.

The SAQ covers questions related to the Business Partner Code of Conduct, in order to find risks of breaches. Each SAQ are evaluated with the basis of a SAQ guide, which ensures consistency in the interpretation of the results.

### **During 2020:**

The SAQ questions were updated to a new version. The new version is customized for the type of business partners. The relevant categories for the mineral value chain are traders, miners and secondary raw material providers.

Based on the risk assessment and the responses in the SAQ, business partners subject for an escalation are identified. The escalation may include additional desktop assessments, dialogue with the business partner and on-site audits. The purpose of escalation activities is to gather evidence of the business partner's performance to the extent necessary. An on-site audit is not an ordinary visit or contact between the commercial representatives. Results from an escalation are summarized in an ESG Risk Assessment Report.

All steering and guiding documentations concerning the ESG Evaluation of Business Partners are stored and made available internally to relevant personnel in the Boliden Management System (BMS). Documentation related to each case under evaluation, shall be available in the Evaluate system.

**During 2020:**

One new business partner, a trader, of copper and gold bearing material was subject for an escalation. The escalation was triggered by sources of raw material in the contract are originating from high risk countries and one CAHRA. Further, the business partner is known to source from CAHRAs. The escalating activities undertaken included several digital interviews focusing on the business partner's compliance program and responsible sourcing program. Specific evidence of due diligence was requested for the deliveries from mines that indicated either a CAHRA or a higher value, such as larger quantities and higher value per ton of concentrate. External expertise were appointed to provide consultation in the counterpart's compliance program. The business partner was approved by Smelters Board, subject to a number of listed sources of raw materials in the proposed contract being eliminated, in light of insufficient due diligence practices conducted by the business partner and approval of the activities listed in a risk management plan. The risk management plan required, that for the remaining sources of raw material from CAHRA and high-risk in the contract, the business partner must accept: (i) to conduct specific due diligence activities, and (ii) possibility eliminate the specific mine quality in case of a material breach of the principles listed in the UN Global Compact, including those listed in the OECD Annex II. One of the sources of raw materials originates from what is defined as a CAHRA in Boliden's internal definition, for this quality Boliden required the supplier to show prove of evidence that due diligence was conducted. The Boliden assessed the governance of that particular mine to be low risk. No deliveries under the contract has been received during 2020. The business partner shall report on progress on the due diligence activities on a regular basis during the contractual period.

One on-site audit was conducted during the year. The auditee was a trader of copper and gold containing recycled raw materials, who supplies raw materials to Boliden Harjavalta. The trader is located in a low risk country but is sourcing from the next tier from all over the world. Tier two suppliers operating in CAHRAs has been identified in the risk assessment. The risk indicator that triggered an on-site audit was unsatisfactory evidence of sufficient supply chain due diligence practices. The audit was performed by an independent third party. The main findings from the audit concluded that the business partner did not have a sufficient responsible sourcing policy nor a risk management system. As a consequent Boliden restricted the business partner from delivering material from a CAHRA and set out corrective actions in a risk management plan. The business partner, has during 2020, been able to show sufficient evidence of an updated supplier code of conduct and that they have implemented a risk management system.

At least two on-site audits at mine plants were planned, but had to be postponed due to the current pandemic. These audits were targeting one existing business partner who supplies raw materials to Boliden Harjavalta, and one prospective business partner for supply to Boliden Harjavalta. Both business partners are located in high risk countries. For the existing business

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partner, a digital interview was completed instead. There were no reason to raise any concern regarding the business partner's performance towards the Boliden Business Partner Code of Conduct. The audits will be re-scheduled as soon as it will be possible due to the status of the pandemic.

No on-site audits no specific Rönnskär suppliers has been conducted during 2020.

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## STEP 3: RISK MANAGEMENT

**Compliance statement:**

*Boliden complies with step 3: risk management.*

**Has the refiner reported supply chain risks to senior management and devised a strategy for risk management of an identified risk by either (i) mitigation of the risk while continuing to trade, (ii) mitigation of the risk while suspending trade or (iii) disengagement from the risk?**

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### Risk management

For all new high to critical risk business partner, a risk management plan must be established. The risk management plan sets out corrective actions and other activities that aims to mitigate risk. As a minimum, the risk management plan must include (i) corrective actions to the most important risks, (ii) regular dialogues with the business partner to follow-up on the most important risks and the business partner performance to manage these risks, and (iii) contract clauses with possibility to eliminate materials in a contract in case of a serious OECD Annex II breach.

**During 2020:**

Risk management plans has been established for two business partners providing copper, gold and silver containing raw materials to the copper smelters.

Boliden has had no disengagement with a business partner, but have restricted two business partners to deliver from specific countries (both high risk and CAHRA) in light of insufficient due diligence practices conducted by the counterparty. These disengagements are not related to a specific OECD Annex II risk, but related to all listed risks since there is an absence of due diligence conducted. One of the cases relates to deliveries to Rönnskär and the other to Harjavalta.

Boliden has had no deliveries from business partner located in a CAHRA.

Any non-compliance to the ESG Evaluation of Business Partners, in line with LBMA and OECD requirements, shall be reported in Boliden's internal deviation management system MIA, depending on the nature of the non-compliance or via the whistleblower reporting system. The Director of Raw Material is responsible for assembling non-compliances to the standard in MIA and report them to Smelters Management Team.



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## STEP 4: INDEPENDENT THIRD-PARTY AUDIT

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### Compliance statement:

*Boliden complies with step 4: independent third-party audit.*

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The Boliden Refiners Compliance Report, for the reporting year 2020, has been independently assured by KPMG for the eighth consecutive year. KPMG is a LBMA approved assurance provider. The limited assurance report based on the ISAE 3000 standard is found attached to this Compliance Report.

## STEP 5: REPORT ON SUPPLY CHAIN DUE DILIGENCE

Further information and specific details of how Boliden's systems, procedures, processes and controls have been implemented to align to the specific requirements in the *LBMA Responsible Gold and Silver Guidance* have been set out in our ESG Evaluation of Business Partners process.

<http://www.boliden.com/Investor-Relations/Reports-and-Presentations/Annual-reports/>

### Management conclusion statement on compliance with this guide:

In conclusion, Boliden implemented effective management systems, procedures, processes and practices to conform to the requirements of the *LBMA Responsible Gold and Silver Guidance*, as explained above in Table 2, for the reporting year ended 31 December 2020

Boliden is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. The ESG Program and related policies and processes will be further developed together with internal and external expertise on the ESG issues.

Signature: 

Daniel Peltonen

*President BA Smelters*



## Auditor's Limited Assurance Report on the Boliden Rönnskär Refiner's report 2020.

*To Boliden Commercial AB*

We were engaged by Boliden Commercial AB (Boliden) to provide limited assurance on its Refiner's Report for the year ended on December 31, 2020. The assurance scope consists of Boliden Rönnskär Refiner's Report for year 2020.

*Boliden Commercial AB's responsibility for the Refiner's Report*

The senior management of Boliden Commercial AB are responsible for the preparation and presentation of the Refiner's Report in accordance with the LBMA Responsible Gold Guidance and the LBMA Responsible Silver Guidance. This responsibility also includes establishing appropriate risk management and internal controls relevant to the preparation of a Refiner's Report that is free from material misstatements, whether due to fraud or error. The criteria identified by the senior management as relevant for demonstrating compliance with the Guidance are the activities described within the Refiner's Report.

*Our Responsibility*

Our responsibility is to express a conclusion on Boliden Refiner's Report based on the limited assurance procedures we have performed. Our assignment is limited to the historical information that is presented and does not cover future-oriented information.

We conducted our assurance engagement in accordance with ISAE 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) and the Audit guidance set out in the LBMA Third Party Audit Guidance for Gold and for Silver (The Audit Guidance's). A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Refiner's Report and applying analytical and other limited assurance procedures. A limited assurance engagement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC 1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Boliden Commercial AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The procedures performed in a limited assurance engagement vary in nature from, and are less in scope than for, a reasonable assurance engagement conducted in accordance with IAASB's Standards on Auditing and other generally accepted auditing standards. In conducting our engagement, we confirm that we meet the criteria for assurance providers as set out in the Audit Guidance to carry out the assurance engagement. Consequently, the procedures performed in a limited assurance engagement do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance conclusion.

The criteria on which our assurance is based are the relevant parts of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance. We consider these criteria suitable for the preparation of the Boliden Refiner's Report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion below.

*Conclusion*

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Boliden Commercial AB's Refiner's Report for the year that ended on December 31, 2020 is not prepared, in all material respects, in accordance with the requirements of the LBMA Responsible Gold Guidance and LBMA Responsible Silver Guidance.

Stockholm, March 26, 2021

KPMG AB

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Gunnar Karlsson  
Authorized Public Accountant

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Karin Sivertsson  
LBMA Recommended Service Provider