
To Bolden Commercial AB

We were engaged by Bolden Commercial AB (Bolden) to provide limited assurance on its Refiner’s Report for the year ended on December 31, 2019. The assurance scope consists of Bolden Refiner’s Report for year 2019.

Bolden Commercial AB’s responsibility for the Refiner’s Report

The senior management of Bolden 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 Bolden 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 guidance set out in the LBMA Third Party Audit Guidance for LBMA Responsible Gold Programme and LBMA Responsible Silver Programme (The Audit Guidance’s). 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.

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 Bolden 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 Bolden 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 Bolden Commercial AB’s Refiner’s Report for the year that ended on December 31, 2019 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 27, 2020

KPMG AB

Gunnar Karlsson
Authorized Public Accountant

Karin Sivertsson
LBMA Recommended Service Provider
Refiners report, LBMA responsible Gold and Silver Guidance

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.

<table>
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<th>Table 1: Refiner's details</th>
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<tr>
<td><strong>Refiner's name</strong></td>
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Boliden’s ESG Evaluation of Business Partners

The main activities of 2019 within the scope of Boliden Smelters ESG Evaluation of Business Partners process has been to establish the development plan concept, implement the developed Sanction Compliance Program, to introduce a new Ethics & Compliance Officer role at Boliden Group and publish an extended Whistleblower system.

➢ The Development Plan concept aims at formalizing the partnership between Boliden and its business partners deemed as higher risk to have continuous dialogue on the ESG area and to follow up on corrective actions.

➢ The Sanction Compliance Program has been implemented, and training in sanctions awareness, sanctions screening, sanctions analysis and advanced sanctions trainings has been performed for relevant roles.

➢ A new Ethics and Compliance Function has been established at group level and a new improved system for whistleblowing was implemented.

Rönnskär’s evaluation

Gold production at Rönnskär was 12 tons, and silver production to 384 tons during 2019. The main sources of gold and silver are lead and copper concentrates originating from mined ore with a gold and silver content in the order of grams per ton and scrap with a higher gold and silver content. Concentrate and scrap are treated in the copper smelter and the precious metals finally ends up in the precious metal plant where high-grade gold and silver 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.

All deliveries to Rönnskär are registered with country of origin by the lot receipts process. The system automatically detects whether the advised delivery comes from a sanctioned or high-risk country. Such deliveries are stopped immediately to ensure no deliveries from any listed conflict affected areas1 are accepted or processed. 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 2019, no gold- or silver containing raw materials have been sourced from conflict-affected areas1.

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1 As defined under Section 1502 of the United States’ Dodd-Frank Wall Street Reform and Consumer Protection Act.
Table 2: Summary of activities undertaken to demonstrate compliance

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<th>Step 1: Establish strong company management systems</th>
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**Compliance Statement with Requirement:**

We comply with Step 1: Establish strong management systems.

We have a third party certified management system in accordance to our multisite certification in ISO 9001, ISO 14001, OHSAS 18001 and ISO 50001. Under the management system, we have a process in place for responsible business practice. The process for evaluation of Boliden business partners is performed based on the requirements set out in the Business Partner Code of Conduct.

We have a process in place, which instructs us how to evaluate business partners, based on the Business Partner Code of Conduct, called ESG Evaluation of Business Partners. This process is included in our management system. The ESG Evaluation of Business Partners defines roles and responsibilities, activities and frequency. The main activities outlined under the ESG Evaluation of Business Partners process are sanctions screening, business partner self-assessment (SAQ) and a risk-based escalation process for high-risk business partners. The process helps to define the scope if an enhanced ESG evaluation of the business partner should be carried out. This is input to potential on-site audits, desktop assessments and when consulting external expertise in the matter. High-risk business partners are defined in Boliden Group Instruction for High-Risk Business Partners. Such cases must be escalated to Boliden Group Management Team for decision.

The effectiveness of the system is evaluated through internal and external audits performed regularly. All business partners, including suppliers of gold- and silver containing raw materials, must go through the ESG Evaluation of Business Partner process both before entering into any business relationship and recurrently during the contract period.

During 2019, an external consultant conducted a GAP analysis on the ESG Evaluation of Business partners. The identified GAPs will serve as basis for continuous improvements on the process going forward, beyond 2020.

**Has the Refiner adopted a company policy regarding due diligence for supply chains of gold and silver?**

**Comments and Demonstration of Compliance:**

Boliden’s steering documents regarding due diligence of business partners are the Sanctions Policy, Business Partner Code of Conduct and High Risk Business Partner Instruction, which applies to all business partners including all suppliers and customers of gold and silver. The Business Partner Code of Conduct is based on international standards, such as UN Global Compact, ISO- and ILO requirements. It requires Boliden’s business partners to comply with applicable international
and national laws, regulations and conventions. The Code also lays down principles and norms for responsible business, covering governance, human right, labour rights, environment and anti-corruption to which Boliden requires the business partners to comply. The Business Partner Code of Conduct has been communicated with our business partners and is published on Boliden external webpage: https://www.boliden.com/sustainability/our-responsibilities/Business_partner_Code_of_Conduct

Has the Refiner set up an internal management structure to support supply chain due diligence?

Comments and Demonstration of Compliance:
Boliden has a documented process for responsible business practice, which defines governance, roles and responsibilities, activities and frequency (ESG Evaluation of Business Partners).

The Director Raw Materials holds the ultimate responsibility for the gold and silver supply chain. The position is a member of BA Smelters Management Team and reports to the President of Boliden Smelters. Boliden’s High Risk Business Partner Instruction sets out pre-requisites for either continuing or initiating the business relation, or escalating the decision to the group management team. 2 It is the responsibility of the purchasing managers to plan and initiate the ESG evaluation of business partners. The process clarifies how risks are detected, and how a red flag is identified. In order to support the Purchase manager in this process of identifying red flags, a Sustainability advisor are available to support and advise. If a red flag is identified, it must be communicated to the Director Raw Materials:

During 2019, Boliden assigned a new Chief Ethics & Compliance Officer. The function is responsible for developing compliance programs, reviewing company policies and advising management on potential risks in relation to anti-corruption, antitrust, trade sanctions, data privacy, human rights, whistleblowing, and business partner due diligence. The Chief Ethics & Compliance Officer reports to Senior Vice President Corporate Responsibility who is part of the Group Management Team, and reports on a regular basis to the group management team and the Audit Committee of the Board.

Has the Refiner established a strong internal system of due diligence, controls and transparency over gold and silver supply chain, including traceability and identification of other supply chain actors?

Comments and Demonstration of Compliance:
Boliden have a robust ‘lot’ receipts process, and specific documents must be received and transactional details entered before acceptance of incoming raw materials including, gold- and silver containing material. The process is described in detail with flow sheet and instructions in Boliden’s certified ISO 9001:2015 management system (BMS).

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2 The Director Raw Materials maintains the role as Compliance Officer as defined in the Responsible Gold Guidance v.7.
Each delivery of gold- and silver containing material are recorded with information about country of origin, quality, weights, assay details, date of arrival.

All deliveries of raw material to Boliden's refineries including Rönnskär, must register country of origin. In case the country is listed as a sanction or conflict affected country, an automatic red flag alert appears and prevent the user from registering the delivery without approval. Suppliers cannot deliver any material until the delivery is registered in the system.

Has the Refiner strengthened company engagement with gold and silver supplying counterparties, and where possible, assisted gold and silver supplying counterparties in building due diligence capabilities?

Comments and Demonstration of Compliance:
Boliden communicated the meaning of the Business Partner Code of Conduct regularly in dialogue with business partners, including suppliers of gold- and silver containing raw materials.

During 2019, after a red flag appeared on one of the suppliers of gold- and silver containing raw materials, a close cooperation with the supplier took place after an enhanced ESG evaluation on the business partner was performed. The enhanced ESG evaluation showed no breaches to Boliden Business Partner Code of Conduct, but a development plan was developed for areas which appeared as a higher risk. After the development plan was set, a continuous follow up is carried out by the responsible purchase manager to follow the improvement towards performance to Boliden Business Partner Code of Conduct.

Has the Refiner established a confidential grievance mechanism / (company-wide communication mechanism) to promote broad-based employee participation and risk identification to management?

Comments and Demonstration of Compliance:
Boliden is committed to the highest standards of ethical business conduct. During 2019, Boliden implemented a new improved system for whistleblower reporting, allowing employees and external stakeholders to report suspicions of serious misconduct within the Boliden group. The system is provided by an external partner, to ensure anonymity and confidentiality. The whistleblower function is managed by Group Ethics & Compliance with support from a cross-functional team of senior staff.

The Whistleblower reporting system is available at our external webpage: https://www.boliden.com/sustainability/our-responsibilities/whistleblower

Step 2: Identify and assess risks in the supply chain

Compliance Statement with Requirement: We comply with Step 2: Identify and assess risks in the supply chain. We identify and assess risks within the supply chain.

Does the Refiner have a process to identify risks in the supply chain?

Comments and Demonstration of Compliance:
The ESG Evaluation of Business Partners process starts with two mandatory steps for all business partners, which identifies risks for breaches of the Business Partner Code of Conduct or other internal policies.

The first step in the ESG Evaluation of Business Partners process is to perform a sanctions control on the business partner, to protect Boliden from sanctions-related risks. Since mid-2019, 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. Alongside with the sanction screening, risks related to adverse media, politically exposed persons, state-owned companies, other official and exclusion lists, enhanced country risks and special interest persons are reviewed.

The second step, in which risks are identified, is to send out a Self-Assessment Questionnaire (SAQ) to the business partner. 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.

Based on the risk assessment and the responses in the SAQ, business partners to be audited are identified. The purpose of an audit is to gather evidence of the business partner’s performance. An audit is not an ordinary visit or contact between the sales/purchase representatives. Audits include site visit and interviews with employees.

All documentation concerning the ESG Evaluation of Business Partners are stored and made available internally to relevant personnel in the Boliden Management System (BMS).

**Does the Refiner assess risks in light of the standards of their due diligence system?**

**Comments and Demonstration of Compliance:**

Boliden supply chain due diligence follows a risk-based approach before entering into business relationship with any business partner. One of the main risks that is assessed is the country of origin of the raw material, including gold and silver containing material. The ESG Risk Evaluation of Business Partners process is designed with basis in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and additional requirements connected to other guiding principles relevant to Boliden’s business.

If purchasing of raw material, including gold and silver, would originate from or transits via a conflict-affected or human rights abuse high-risk area, the due diligence process requires an enhanced due diligence. In addition, appropriate monitoring of transactions undertaken through
the course of the relationship are conducted. There has been no sourcing of mined gold or silver outside Scandinavia during 2019.

Within the scope of the ESG Evaluation of Business Partners, a trade sanctions compliance program is in place to mitigate sanctions risks. Among other things, this programme comprises a policy and procedure in which all Boliden Group entities and its employees must comply. Boliden uses the Dow Jones Risk tool to screen prospective and existing business partners for sanctions and compliance-related issues. 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. Boliden’s contracted business partners are regularly monitored and subject to monthly re-screening within the Dow Jones Risk tool to identify any changes to their sanctions risk profile. Sanctions controls were a prioritized focus area during 2019 and Boliden’s sanctions control program was reviewed and improved. Policies, procedures and contract terms were updated and an extensive training program was carried out. Awareness training was given to the top 100 managers, held by both internal and external specialists. Several targeted training courses were given to specific risk groups and functions such as the legal, purchasing and sales departments and administrators.

An enhanced due diligence process is performed for cases identified as potential high-risk business partners. This is described in the Instruction for High-Risk Business Partners. Depending on risk assessment carried out as part of the ESG Evaluation of Business Partners, on-site audits are performed on the business partner with internal or external ESG specialists. The results from the On-site audits are summarized in a standard audit report together with an agreed correction action plan. The on-site audit reports are used as input in the risk assessment report and when making decision on whether to continue with the negotiations or not. No on-site audits has been carried out at suppliers of gold- or silver bearing material during 2019.

**Does the Refiner report risk assessment to the designated manager?**

**Comments and Demonstration of Compliance:**

All risk-assessments are performed as is described in the ESG Evaluation of Business Partners and Instruction for High-risk business partners.

It is the Director for Raw Materials responsibility to escalate suppliers classified as high risk to the ESG remittance group, and further on to the Management team in accordance with the High Risk Business Partner Instruction. The ESG remittance group consists of the President for Boliden Smelters, the Senior Vice President Corporate Responsibility, the General Counsel and the Director for Raw Material, who is convening and the Sustainability advisor is rapporteur in the group. The purpose of the ESG remittance group is to review the documented ESG risk assessment and send it for final decision to Boliden Group Management. Group management can approve or deny to
initiate or continue a business relations with high-risk business partners in the supply chain, including gold and silver bearing material.

Any non-compliance to the ESG Evaluation of Business Partners, in line with LBMA and OECD requirements, shall be reported in our 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 the non-compliances in MIA and report them to Smelters Management Team.

**Step 3: Design and implement a management system to respond to identified risks**

**Compliance Statement with Requirement:** We comply with Step 3

A management system that responds to identified risks is in place with internal and external audits to verify the effectiveness of the system.

The ESG Evaluation of Business Partners process is supported with system and templates to ensure an efficient evaluation process in practice. The management system responds to risks with built in functions prohibiting high-risk sources to deliver without including designated managers in the decision process. The ESG evaluation of business partner process is configured so that the four-eyes principle always must apply in case of any uncertainty as to whether the business partner are in breach to the Business Partner Code of Conduct. The process is complemented with supporting tools in the risk evaluation.

During 2019, formalizing the format for a development plan concept for higher risk business partners has been in focus. The development plan should be established for business partners that comes out as higher risk but are still approved as a contractual party. The development plan sets out a road-map for the business partner to mitigate the risks identified in the ESG Evaluation of business Partners.

The development plan has during 2019, been used as a basis for having a dialogue on mitigating ESG risks.

**Does the Refiner report findings to designated Senior Management?**

**Comments and Demonstration of Compliance:**

Any indicator of high risks, such as a red flag is reported to the Director Raw Materials, who reports directly to President, BA Smelters.

**Has the Refiner 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?**
Comments and Demonstration of Compliance:

Business Partners identified as high risk are escalated to an internal ESG analysis team. The ESG analysis team consists at minimum of the responsible purchase manager, the sustainability advisor and the Director Raw Materials.

High risks are defined in the Group Instruction for High-Risk Business Partners. These risks are identified in the process in the SAQ with support from the SAQ guide. The SAQ is the Self-Assessment Questionnaire all supplier must submit and the SAQ guide explains how to view the response of the SAQ. The SAQ is formed on the basis of Boliden Business Partner Code of Conduct and the Group Instruction for High-Risk Business Partners.

When a red flag is identified in the SAQ, it is send to the Sustainability advisor who brings the findings to the internal ESG analysis team for further analysis. If the internal ESG analysis team perceive the supplier as high-risk, they prepare documentation, which is sent to a remittance group. The remittance group reviews the documentation and analyses compliance to group policies and instructions. The remittance group advises on recommendations and decides if risk assessment should be extended or if case is ready for final decision by Boliden Group Management team.

For Business Partner perceived as high risk in the ESG Evaluation of Business Partners, a development plan shall be established. The development plan sets out activities for the business partners to mitigate the identified risks.

Boliden Group Management Team retains the ultimate decision to approve a high-risk business partner. Thus, the group management remains the final decision to approve the development plan as well.

Where a management strategy of risk mitigation is undertaken, it should include measureable steps to be taken and achieved, monitoring of performance, periodic reassessment of risk and regular reporting to designated senior management.

Comments and Demonstration of Compliance:

The development plan includes, above corrective actions to mitigate the identified risks, roles & responsibilities and time line. It is the responsible purchaser who are responsible to monitor the business partner during the contractual period. The responsible purchaser shall report the progress to the Director for Raw Materials who holds the ultimate responsibility for the business partner.

Undertake additional fact and risk assessments for risk requiring mitigation, or after a change of circumstances
Comments and Demonstration of Compliance:

The due diligence process is continuously repeated for existing business partners at least every 5th years. The Sanctions screening is updated monthly for all existing business partners. If any relevant risk of breach on Boliden Business Partner Code of Conduct is acknowledged before the 5 year time period has ended, the ESG Evaluation of Business Partners Process shall be repeated directly. Such acknowledgement could be adverse media findings, new ownership, sanctions related risks or any other indication of changes that may affect the compliance to Boliden Business Partner Code of Conduct.

**Step 4: Arrange for an independent third-party audit of the supply chain due diligence**

**Compliance Statement with Requirement:** We have complied with Step 4: Arrange for an independent third-party audit of the supply chain due diligence.

**Comments and Demonstration of Compliance:**
The Boliden Refiners Compliance Report has been independently assured by KPMG for the seventh time, an LBMA approved assurance provider. The limited assurance report based on the ISAE 3000 standard is found in the same document as this Compliance Report.

**Step 5: Report on supply chain due diligence**

**Compliance Statement with Requirement:** We have complied with Step 5: Report on supply chain due diligence

With this Refiners Compliance Report we have complied with 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/

**Table 3: Management conclusion**

Is the Refiner in compliance with the requirements of the LBMA Responsible Gold and Silver Guidance for the reporting period? **Yes**

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 2019.
Boliden is committed to continuous improvement, and any corrective actions identified will be monitored internally on a regular basis. The ESG Evaluation of Business Partners process will be further developed together with and external expertise knowledge in the ESG area.

Table 4: Other report comments

If users of this report wish to provide any feedback to Boliden Commercial AB with respect to this report, they can contact corporate relations on sustainability@boliden.com.

Signature: ___________________________

Daniel Peltonen

President BA Smelters