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# OECD due diligence report

The scope entails the Mineral Supply Chain of Boliden smelters, Rönnskär, Kokkola, Harjavalta and Odda, in accordance with the Joint Due Diligence Standards for Copper, Lead, Nickel and Zinc.

## IMPACT-DRIVEN DUE DILIGENCE

Boliden is committed to maintain an impact driven responsible sourcing program. Responsible sourcing is our commitment to consider the impact of our business activities and supply chains on people, the planet and society as part of our core business strategy. We aim for long-term cooperation within the value chain. To achieve this, we work closely with suppliers to build due diligence capacity along the full value chain. Further to this, Boliden engages in various industry associations, networks and with third-party experts as well as an important measure, with local stakeholders and workers' representatives as part of site-visits and during corrective action plans, as appropriate.

## BOLIDEN MANAGEMENT SYSTEM

Our vision is to be the most climate friendly and respected metals provider in the world. To achieve this, we must ensure that our value chain is responsible. Boliden expects everyone we conducts business with to comply with all applicable laws, regulations and internationally recognized standards and to act in accordance with high ethical integrity.

To ensure responsible sourcing to our smelters, potential risks are identified in line with Boliden's Business Partner Code of Conduct and the fundamental framework referenced therein. The Business Partner Code of Conduct is approved by Boliden's CEO. Read more on the Business Partner Code of Conduct in the Business conduct chapter on pages 120–124 or access the code at Boliden's website, together with the company's Joint Due Diligence compliance reports as well as Compliance reports from LBMA. The Business Partner Code of Conduct is communicated to all prospective business partners, either through the main Boliden contact or through the self-assessment questionnaire, and business partners are expected to commit to its requirements.

To ensure our Business Partner Code of Conduct is translated into action in our organization, we use a process for ESG due diligence and evaluation of business partners. Roles and responsibilities together with a governance structure for escalation have been determined, as seen in the illustration on page 115.

### GOVERNANCE STRUCTURE

Business Partner Risk Level	Review and Recommendation	Decision and Accountability: Line Organization	Advisory
Critical Risk	Group Remittance Committee	BA Smelters Board	All topic Boards
High Risk	Smelters Remittance Committee	BA Smelters President	All topic Councils
Non-Critical Risk	ESG Team	Sales- or RMA Director	

Once a year, the ESG Program Lead reports on supply chain due diligence performance to the Business Area Board. In 2024, one presentation was delivered in addition to one dedicated follow-up presentation on conflict-affected and high-risk area methodology. Senior management is involved in the review and decision-making for all high and critical-risk business partners, and remains informed of the full supply chain on a continuous basis.

All Boliden employees that are involved in the risk screening phase undergo training in the process. During 2024, the following trainings were performed:

- OECD due diligence framework, steps 1–3 – one half-day in-person training
- Training on countries of origin – one two-hour online training
- Training on the Stratsys tool for ESG process management – a three-part online training series, 45 minutes each
- Awareness raising session with Smelters sustainability network on value chain due diligence– one-hour session

All prospective business partners with whom Boliden wishes to enter or renew/renegotiate contractual agreements with, undergo a risk assessment to determine the appropriate level of due diligence and risk mitigation activities. To check the supply chain, control systems are in place in the form of:

- 1) Country risk analysis using established conflict-affected and high-risk area (CAHRA) methodology in line with EU Conflict Minerals Act
- 2) Compliance screening, consisting of sanctions screening and analysis as well as adverse media screening
- 3) A Know your customer (KYC) process with questionnaires sent out to business partners with built-in red flag alerts

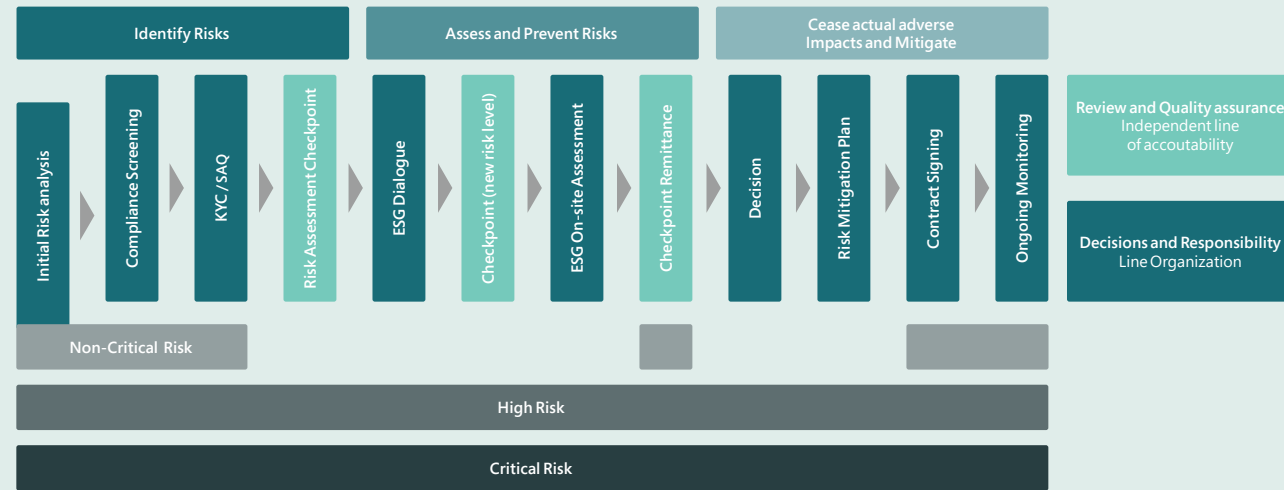
All three steps are collectively designed to identify country, industry and/or supplier related red flags in the areas of anti-bribery and corruption, anti-money laundering, business ethics, ownership structure, environment, human rights, labor rights, occupational health and safety, licensing, payment of taxes and the payment of other applicable funds.

The follow-up work of the ESG due diligence process is determined on the basis of risks found in the first three steps. Enhanced due diligence will involve ESG dialogue between Boliden and suppliers' specialists on identified risk areas and/or ESG on-site assessments. In addition to internal experts, free of commercial considerations, involved in the ESG due diligence process, Boliden further engages third-party subject matter experts on a need basis.

Identified and assessed risks requiring mitigation will be incorporated in a business partner's ESG risk management plan that is communicated to and accepted by the business partner. All information documented throughout the process is used to decide on how to proceed with the business partner. The illustration on page #116# clarifies the steps a case goes through based on the risk level.

The supplier's risk level is determined by parameters such as the size of the business partner and what countries the business is connected to. Beyond this, Boliden undertakes a broad and holistic assessment on risks in line with Boliden's Business Partner Code of Conduct, going beyond OECD Annex II risks. High-risk determination involves findings of risk that can reasonably be mitigated with an action-oriented and time-bound risk mitigation plan while a critical risk rating concerns suppliers for whom significant risks have been identified that can partially be mitigated within a risk mitigation plan. Boliden aims to adopt a tailored set of measures per supplier in order to target our internal resources effectively and efficiently and apply preventive measures that are reasonable and proportionate to the nature of risks identified.

**BOLIDEN BUSINESS PARTNER EVALUATION PROCESS**



All steering documents connected to the ESG Due diligence process at Boliden Smelters are documented in the Boliden Management System, which is available to all employees. The process is managed in the online Stratsys due diligence tool, which documents the compliance screenings and self-assessment questionnaires sent out to suppliers and customers. Preparatory frameworks for site visits are available in the system as well as a deviation handling step, where requests for corrective actions can be sent out and the supplier or customer can reply in the tool. There is also a module for the documentation of risk management plans to support with planning, documentation and follow-up.

Boliden is annually press releasing its report of payments to government agencies in accordance with Swedish Law (2015:812) on the reporting of payments to government agencies. The report encompasses payments made to government agencies in Sweden, Finland and Ireland that pertain to extractive industry operations.

**Performance activity – annual update of Business Partner Code of Conduct**

The Business Partner Code of Conduct is aligned with the requirements of the UN Guiding Principles on Business and Human Rights and ensures that OECD Due Diligence Guidance (DDG) requirements cover all minerals sourced to Boliden's operations. The Business Partner Code of Conduct was last updated in December 2023.

**Performance improvements in 2024**

- Performance indicators – number of employees who received training in the process and understanding of risks related to the sourcing of minerals: 53
- Performance activity – improvement activities during the year:
- Update to Boliden's Human Rights Commitment elaborating in more detail the company's commitment to effective and accessible remedy
- Update to Boliden's list of conflict-affected and high-risk countries and risk thresholds per each pillar

**RISK IDENTIFICATION AND ASSESSMENT**

To identify risks, we first look at indicators related to country, compliance, sanctions ownership, previous wrongdoings, the business partners' awareness of relevant standards and their own management systems.

Information received from suppliers is as much as possible verified against publicly available information. The risks in our supply chain are mainly related to deliveries from high risk countries.

The identified risks are then assessed. Internal Boliden experts, free of commercial considerations, assess the risks. We also regularly appoint external expertise for further assessment. We have a risk-based approach where existing red flags necessitate further evaluation steps, which cumulatively lead to the final risk determination on basis of severity and likelihood of risks. This assessment takes into account risks to people, communities and environment, and to what degree the business partner is able to prevent, mitigate and/or avoid such risks.

**Performance activity - third-party engagement in risk identification and assessment**

- A local environmental expert undertook one site visit in a high-risk country
- Third-party compliance and human rights experts engaged in one ESG evaluation in a complex market
- A satellite company engaged in one ESG evaluation in a complex market
- Contribution towards the launch of a report on risk assessment in the metals recycling value chain a
- Ongoing consultation with external due diligence experts on the identification and assessment of supplier risks

**Performance activity – improvements during the year**

- Inclusion of direct engagement pillar as part of site-visit protocol, see chapter Workers in the value chain on pages 111–114
- Launch of a pilot risk assessment methodology for all enhanced due diligence assessments
- Update to the governance structure, process flow and key instructions in order to strengthen the management system

The procedure for the on-site assessments includes the specification of triggers for an assessment to be made. For example, Boliden shall conduct ESG on-site assessments where possible and/or found data gaps result in a lack of sufficient and credible information available to us in order to determine the presence of Business Partner

Code of Conduct risks and adherence to national laws and other relevant legal instruments. It also states that the on-site assessment must be performed before any transactions occur or a maximum of six months after the business relationship commencement. The instruction addresses the need for the collected data to be verified and up to date. The on-site assessment instruction also demands competence for the assessment team, who collectively need to have knowledge of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas as well as audit/assessment principles, procedures and techniques.

- Performance activity – number of business partners with ESG dialogues and enhanced engagement: 12

ESG dialogue is considered an important tool both for the identification and mitigation of risk. During 2024, dialogue meetings were held with both new and active suppliers – including both primary and secondary raw material suppliers. We also saw positive developments from our engagement with suppliers during the year. As an example, following a series of ESG dialogues, one business partner began implementing an OECD-framework aligned management system to support its raw material supply chain due diligence.

#### RISK MANAGEMENT

For high and critical risk business partners, a risk management plan is typically established. This includes corrective actions to mitigate risks, regular dialogues with the business partner, capacity building support by Boliden to business partners as well as engagement of third-parties on a needs basis. Appropriate contract clauses requiring action in the event of a serious breach of the Business Partner Code of Conduct are also established as well as additional contractual clauses to support risk mitigation actions as necessary.

- Performance activity – Number of on-site assessments of raw material suppliers: 4
- Performance activity – Cases of risk management plans during the year: 6

On-site assessments are conducted with new suppliers deemed as high or critical risk and during 2024 several visits were completed. This included on-site assessments to zinc, copper and, precious metals suppliers in South America and Africa. Boliden further visited 2 ports, within its supply chain.

Risks were identified as part of the visits in various sub-areas, including human rights, occupational health and safety, labor rights, environment and governance. For one prospect supplier, serious risks were identified, requiring corrective action prior to potential contract signing. In all instances, Boliden has, or will upon completing the full evaluation, set up risk mitigation plans, with time-bound plan to take corrective actions, with an objective of meaningful and impact-driven progress.

Several good examples of progress have been identified following site-visits and the establishment of risk mitigation plans. This includes one supplier, who has set up an engagement framework with local Unions, a second supplier whom now receives long-term ESG capacity building on-site support from an independent third-party

upon Boliden's engagement and a third prospective business partner whom has began the establishment of a compensation framework for local stakeholders impacted by mine project activities. To continue to learn from each other and to effectively monitor any changes and progress; regular meetings are held with suppliers throughout a contractual relationship. Full re-evaluations are undertaken every 1, 3 or 5 years depending on the risk level and follow up site assessments are undertaken on a needs basis.

#### INDEPENDENT THIRD-PARTY AUDIT

An independent third-party audit found that Boliden has implemented an effective management system. The latest assessment reports for Boliden's assurance against the Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc can be found on the Copper Mark website.