

## Sustainability policy

Terrafame Ltd. ("Terrafame") is a multi-metal company producing nickel, zinc, cobalt and copper using a bioheap leaching process at its production site located in Sotkamo, Finland. We are currently building a battery chemicals plant to process our main product, nickel-cobalt sulphide, into nickel and cobalt sulphates, which will be used in electric vehicle batteries. From 2021 on we will be producing traceable and responsible battery chemicals. The carbon footprint of our production process is low and our mineral reserves enable deliveries for decades to come. We have formulated this value proposition into our purpose statement: **"Enhancing low-carbon mobility with responsible battery chemicals"**

Our core values; are safety, commitment and efficiency; these can be seen in all our operations. We are committed to the delivery of safe, sustainable and high-quality products to our customers

### Application of the policy

All Terrafame employees and all partners and subcontractors operating in the Terrafame's production and support areas must act in compliance with the Company's sustainable development principles. The practical application of the policy is supported by our environment and safety management system and the more specific instructions concerning safety, environment and quality. Regarding environmental effects, policy covers all surrounding areas where Terrafame's impact can be seen.

Terrafame is a member of the Finnish Network Association and is committed to developing its activities in accordance with the Finnish Sustainability Standards for Mining.

The Terrafame sustainability policy has been approved by the Board of Directors.

### Safety responsibility

Our operations must be safe for our employees and our partners and subcontractors in all conditions and situations. Work at the site involves working with chemical process, metal ores, heavy machinery and equipment. We must pay particular attention to as part of our efforts to ensure safety.

The unconditional goal of all safety efforts is to ensure a safe and healthy working environment and safe working methods. Our permanent goal is zero accidents.

Our operations are guided by the following principles:

- We review safety matters already at the planning stage and before starting the actual work. Only tasks that can be done safely will be carried out.
- We take care of our own safety as well as that of our colleagues.
- We immediately take measures if we notice any unsafe activities or somebody not following instructions.
- We investigate the underlying causes of all hazards and non-conformity reports and continue to develop the best possible safety practices based on the observations made.
- The safety principles and instructions we require for our own operations also extend to our partners.

## Environmental responsibility

We take environmental matters into account in all our operations. Our operations must be environmentally sustainable and in strict compliance with the currently valid environmental permits. We are committed to constantly improving our environmental performance, managing the risks related to our operations and reducing our environmental impacts.

We strive to use natural resources efficiently and to minimise environmental impacts to areas in use. We strive to mitigate our emissions by selecting the best possible and energy-efficient technological solutions.

We use the best available techniques (BAT) in our operations; in addition, we are committed to investigating possibilities in adopting methods exceeding the BAT-level in order to reduce emissions.

Our operations are guided by the following principles:

- We work in compliance with all regulatory requirements with the goal of outperforming the minimum requirements.
- We are committed to constantly improving our environmental performance, managing the risks related to our operations and reducing our environmental impacts.
- We monitor our environmental impacts through reliable indicators.
- The environmental principles we require from our own operations also extend to our partners, subcontractors and to our supply chain.

## Social responsibility

Our operations must always be conducted in a responsible and transparent manner. We inform our employees, partners, neighbours and stakeholders openly and honestly regarding our mining and production activities and their impacts.

Our operations are guided by the following principles:

- We respect our employees, their families and their living environment.
- We respect the environment and do our best to meet the expectations of our stakeholders. All communications concerning the environmental impacts of our operations are open and honest.
- We meet with our close neighbours at regular intervals and take into account their views on the impacts of mining and production activities.
- We issue annual reports of our key sustainability figures in accordance with the GRI (Global Reporting Initiative) guidelines.
- Terrafame is a member of the Finnish Network Association and is committed to conducting its activities in accordance with the Finnish Sustainability Standards for Mining.

## Financial responsibility

In our operations, we aim at good profitability and productivity for the benefit of shareholders. We also strive to increase the well-being of our partners and subcontractors in our operations.

The ore reserves and mineral resources in the mine allow an operating period of several decades. Profitable, efficient operations allow us to offer long-term industrial employment in Kainuu, thereby improving the well-being in our area of influence.

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Our goal is to ensure that the products we make are as clean and usable as possible. Compared with many traditional methods, the production methods we use during the entire production chain offer verifiably significant advantages in terms of energy consumption and carbon dioxide and nutrient emissions. We are continuously trying to develop our production methods to make them more efficient, thus improving financial performance and minimising energy consumption and emission volumes.

Our operations are guided by the following principles:

- We aim at an annual profit that is sufficient for maintaining and improving planned operations, and managing the risks related to the operations. We follow good corporate governance principles which enables our various stakeholders to monitor and evaluate our operations.

## Approval and interpretation

This Sustainability Policy was approved by Terrafame's Board of Directors on 18 December, 2019. Terrafame's CEO and Chief Sustainability Officer are responsible for monitoring and interpreting the policy and for issuing additional instructions on its practical implementation where appropriate.