BOLIDEN

Green Finance Framework

April 2025

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1 The 2025 Framework update

Rationale for Green funding and key updates

Since the launch of Boliden's inaugural Green Finance Framework (the "Framework") in May 2022, Boliden has raised its climate ambition throughout the value chain. For example, being one of the first mining and metals companies in the world, to have its climate targets validated and approved by the SBTi. The roadmap to 2030 which primarily focuses on initiatives related to electrification, transition to renewables, process improvements and an enhanced energy mix has been incorporated into the long-term financial plan. In addition, dedicated efforts to expand the portfolio of Green Transition Metals includes the launch of new low-carbon products where the climate impact is significantly lower than global averages.

A Global Industry Standard on Tailings Management (GISTM) has been issued on the initiative of the International Council on Mining and Metals (ICMM), the United Nations Environmental Program (UNEP) and the UN Principles for Responsible Investment (PRI). The standard strives to achieve the goal of zero harm to people and the environment. It also focuses on tailings management and contributes to greater global transparency and uniformity. We are committed to the GISTM standard and are in the process of implementing its 77 requirements.

With this Framework Boliden aims to raise funds from investors to support green investment projects that enables Boliden to achieve its vision to become the most climate friendly and respected metal provider in the world.

Key updates in this Framework version includes:

- ICMA's GBP categories now serve as the starting point for mapping eligible Green Projects. Furthermore, eligible Green Projects are grouped and mapped to the single most core ICMA GBP category (instead of several). That is:
  - "Energy efficiency" is deemed core as it reflects the main activities to achieve Boliden's climate targets by 2030 – main investment going forward is expected to be in ODDA smelter for Low-Carbon Zinc production
  - Former category for "Pollution prevention & control" has been broadened and clarified and thus include two-categories; i) pollution prevention; ii) waste management;
- New category for renewable energy production have been added

Co-workers at Boliden Odda

2 Strategy for sustainable operations

2.1 This is Boliden

Boliden AB (publ) ("Boliden" or the "Company" of the "Group") is a metal producer active in exploration, mining, smelting and recycling. Boliden mines and processes non-ferrous base and precious metals, mainly zinc, copper, lead, nickel, gold and silver, with yearly production of 0.9Mt base metal and 600 tonnes precious metal. That is, Boliden is the European leader in producing copper and nickel and are one of the world's largest zinc producers. The Company operates five mines and five smelters in Sweden, Finland, Norway and Ireland. The Company has approximately 6,000 employees and with the industrial customer base in Northern Europe.

Boliden's vision is to be the most climate friendly and respected metal provider in the world. The Company's value chain begins in exploration and through its mines, concentrators and smelters, the Company creates the metals that enable the climate transition. Copper and nickel are crucial for increased electrification. Lead is used in the storage of electricity, and zinc is necessary for improving corrosion protection, thereby reducing resource utilization. Metal circularity is an important aspect and Boliden recycles a wide range of metals and electronic materials including copper, zinc and lead from electronics, steel mill dust and batteries. The Company has also created value from waste for a number of years. That is, a circular approach creates value from residual products, whether they come from our own operations or other industries. This means that Boliden can offer a wide range of by-products which, in turn, fulfill important functions in society. Boliden's by-products come primarily from the Rönnskär and Harjavalta smelters. At Rönnskär the Company extracts copper sulfate, zinc clinker, and iron sand from slag from copper production. At Harjavalta Boliden extracts copper sulfate and copper telluride. These are just a few examples of the further processing of materials at the Company's smelters.

The Company is further working with the development of proactive risk management and increased involvement in occupational health and safety issues to improve safety for employees and contractors alike. The Company is also an active member of the leading industry organizations whose aim is to improve occupational health and safety in the mining and smelting industries.

Boliden strives to be an industry benchmark in sustainability matters. In global terms, the Company have among the lowest carbon footprints through innovative solutions and good access to fossil-free energy.

Underground electric trolley trial at the Kristineberg mine in the Boliden Area

2.2 Environmental performance

Green Transition Metals

Green Transition Metals is Boliden's portfolio of low-carbon and recycled products. It contains some of the most sustainable offerings on the global market and helps Boliden's customers and customers' customers reduce their Scope 3 emissions.. The recycled products consist of 100% recycled metal from Boliden's smelters. Currently, Boliden's Green Transition Metals portfolio includes:

- Low-Carbon Copper and Recycled Copper
- Low-Carbon Zinc and Recycled Zinc
- Low-Carbon Lead and Recycled Lead
- Low-Carbon Sulphuric Acid
- Low carbon Nickel

Boliden's Low-Carbon products compared to global averages[1]:

- Low-Carbon Copper emit <1.5kg CO_2e/kg vs. global average of 4.0 kg
- Low-Carbon Zinc emit <1.0 kg CO_2e/kg vs. global average of 3.6 kg
- Low-Carbon Lead emit <1.0 kg CO_2e/kg vs. global average of 1.87 kg
- Low-Carbon Sulphuric Acid emit <0.025 kg CO_2e/kg vs. global average of 0.157 kg
- Low-Carbon Nickel emit <5 kg CO_2e/kg vs. global average of over 34 kg

Further, expanding the low-carbon product portfolio includes focus on Low-Carbon SCM (Supplementary Cementitious Metals). This is an example of a product possible to produce from all iron containing residues that come as a waste stream from the metal production at Boliden's smelters. Boliden has made a significant technical breakthrough where slag from existing metal production in smelters can be converted into supplementary cementitious material. Compared to traditional cement production, this new technology means that the climate impact from cement production can be immensely reduced. The technology also means that additional metal can be extracted and a potential to reduce large amounts of iron containing residues that come as a waste stream with the metal production at our smelters are being sent to landfill.


Sunrise at Boliden Odda

Climate

Climate change is one of the most strategically important topics for Boliden as greenhouse gas (GHG) emissions from Boliden's own operations and value chain contribute to increasing negative climate change impacts, and, as Boliden also contributes to a positive impact as climate change mitigation relies on metals for green technologies.

Boliden climate targets were developed internally in collaboration with a third-party and were approved by Boliden's Board of Directors in 2022. In 2023, Boliden´s Scope 1-3 targets for 2030 were validated by the Science Based Targets initiative (SBTi). This third-party validation confirmed that the Scope 1-2 targets align with the Paris Agreement's aim to restrict global warming to 1.5°C compared to pre-industrial levels.

Boliden's GHG emissions are calculated in accordance with the procedures laid down in the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol Standards (GHG Corporate Accounting and Reporting Standard, the GHG Protocol Scope 2 Guidance and the Corporate Value Chain Scope 3 Accounting and Reporting Standard) together with additional guidelines from the EU and/or national authorities.

Near-term GHG emission reduction targets:

- By 2030, reduce absolute Scope 1 and 2 GHG emissions by 42% from a 2021 base year[2]
- By 2030, reduce absolute Scope 3 GHG emissions by 30% from a 2021 base year

Net-zero GHG emission target:

- Scope 1-22: Net-zero absolute emissions in 2050
- Product footprint targets:
- By 2030, 100% of copper production with an average of 1.5kg CO_2e emissions per produced kg
- By 2030, 100% of zinc production with an average of 1.0kg CO_2e emissions per produced kg

The intensity values for our copper and zinc products are derived from third party verified cradle-to-gate life cycle assessments, covering our own operations and upstream value chain, and are in accordance with the international standard ISO 14040.

Decarbonization levers

Boliden has developed decarbonization levers that will enable it to reach its climate targets. Boliden monitor and promote technological developments that can help achieve its targets.

Main decarbonization levers set for Scope 1–2 :

- *Process and investment optimization:* Optimizing production processes, including optimization of coal usage and decreasing the amount of waste rock handled.
- *Electrification:* Transitioning away from fossil fuels, such as diesel, natural gas and heavy fuel oil to electricity for applications such as trucking, mine ventilation and shipping.
- *Energy efficiency:* Reducing emissions by decreasing energy use per unit of production, including more efficient heat use in smelting and optimized mine design.

1) The emissions of Boliden's products are calculated from cradle to gate in Scope 1, 2 and 3 according to the Greenhouse Gas Protocol.
2) The target includes biogenic land-related emissions and removals from bioenergy feedstock.

- *Fuel switching:* Replacing fuels with less carbon-intensive sources, such as hydrogen-based explosives.
- *Use of renewables:* Substituting coal with biomaterials as reduction agents and using hydrotreated vegetable oil (HVO) as fuel.
- *Heat and steam reduction:* Collaborating with local power companies to lower GHG emissions in steam and heat production.
- *Grid decarbonization and other external factors:* Supporting the reduction of the emissions intensity of electricity production in our countries of operation.

Main decarbonization levers set for Scope 3:
- *Process and investment optimization:* Aiming for optimizing production processes, increased emissions due to expansions resulting in more procured material.
- *Indirect effects of Scope 1-2 decarbonization levers:* Listed decarbonization levers for Scope 1-2 also have an indirect impact on Scope 3. For example, switching fuel also result in lower fuel production emissions.
- *Supplier selection:* We aim to closely follow market developments and favor a change of suppliers to purchase products with lower carbon footprints.

- *Internal technology developments*
  - *Reduction of materials:* We aim for internal improvements that will lead to increased overall equipment efficiency, in turn reducing the amount of shotcrete and other materials used.
  - *Change of materials:* We aim to replace purchased materials with internally obtained materials to lower dependency on external suppliers. Examples include cement with a lower carbon footprint.

- *Stakeholder engagement*
  - *Supplier targets, supplier engagement and collaboration:* Boliden engages with two supplier segments, those with GHG reduction commitments and those without. For committed suppliers, we support and monitors activities to enhance data quality and collaboration. For non-committed suppliers, we communicate its commitments, collaborates and supports them in setting targets. Boliden prioritizes low-carbon suppliers and works closely with them to reduce product carbon footprints.
  - *Customer engagement:* By actively encouraging our customers to adopt sustainable practices and innovative solutions, we aim to support them in lowering their emissions, which in turn contributes to reducing our downstream climate impact.

Prototype of supplementary cementitious material made from residue material at Boliden Rönnskär.

Pollution

All of Boliden's operations work systematically to reduce particulate matter emissions to air, for example by the enclosure of dust-generating processes and by salting and watering roads and surfaces. The Company's efforts to reduce emissions are based on an overall analysis of the environmental impact. The impact and risk assessments are revised on a regular basis, as are the measures to be taken.

In comparison with the global industry, Boliden has very low emission levels when it comes to both air emissions and water discharges. The internal target is to secure no increase of current levels and, if needed and possible, work with continuous improvements to prepare for the sharpening of renewed permits.

Metals to air and SO_2 emissions are related to the efficiency of Smelters operations and the quality of the materials used in the smelting processes.

Metals are discharged to water from dams and tailings ponds at mines and from water treatment plants and the collection of surface water (rainwater) at both mines and smelters. The Group's nitrogen discharges are mainly resulting from mines operations and the handling and use of explosives. The internal target is to secure no increase of current levels and, if needed and possible, work with continuous improvements to prepare for the sharpening of renewed permits.

Water management

All Boliden's units (active and closed operations) have water management plans in place to conduct water quantity and quality in a proactive way and to reduce potential socio- and environmental impacts. Boliden regularly conducts water risk assessments to evaluate potential impact on the business. The volume of discharged water and emissions are monitored frequently according to approved monitoring programs. Compliance with limit values and permit conditions is controlled by local authorities and internally by compliance reporting procedures. To promote good ecological and chemical water conditions close to operations, the status of aquatic environments is monitored regularly at several sampling points in areas where water is discharged. Aquatic environments that receive water discharges are monitored to assess their status compared with local, national and/or European environmental quality standards. The quality of water, sediment and biota in marine and freshwater environments is monitored according to monitoring programs approved by the relevant authorities.

Biodiversity

Target:
- By 2030, contribute to increased biodiversity in all regions where we operate (baseline 2020).

During 2024, Boliden assessed and identified its impacts, dependencies, risks, and opportunities related to biodiversity and ecosystems through the Taskforce on Nature-related Financial Disclosures (TNFD). The "Boliden biodiversity management" instruction provides internal guidance for planning and following up on activities, as well as communication with external stakeholders. The guidelines are aligned with the Global Biodiversity Framework, the EU biodiversity strategy as well as national biodiversity targets. It also aims to align with the member commitments of the International Council on Mining and Metals (ICMM) and the Swedish Association of Mines, Mineral and Metal Producers (SveMin).

One core principle for achieving increased biodiversity is to operate in accordance with a mitigation hierarchy: avoid any impact if possible, minimize impact that cannot be avoided, restore impacts through rehabilitation and ecological restoration and compensate for any residual impacts. Biodiversity management plans at all operations are the main tool to ensure implementation of biodiversity in line with the mitigation hierarchy and Boliden guidelines.

Expansions or new mining and smelting projects are subject to an environmental permitting process. Ecological surveys are always carried out early in the project to enable the development of the project according to the mitigation hierarchy. Also, Environmental Impact Assessments (EIAs) are carried out related to permitting processes. Measures for ecological compensation are developed during the permitting process of new operations that risk causing biodiversity loss.

When an operation is closed, the area is rehabilitated with the objective of re-establishing nature that delivers ecosystem services and enhances biodiversity. Closure and rehabilitation plans, including ecological rehabilitation, are developed according to Boliden's standards for every operational site that is to be closed.

Resource use/circular economy

Appropriate management and exchange of waste and by-products is material for Boliden and can benefit society by increasing overall resource efficiency and by contributing to a more circular economy. Boliden has committed to implement Global Industry Standard for Tailings Management (GISTM) at all tailings facilities, located at both active and closed operations.

Boliden's waste streams are managed in accordance with the EU Directive on the Landfill of Waste and the Extractive Waste Directive and handled in accordance with environmental permits. Progressive reclamation is applied where suitable, for example waste rock facilities are covered and re-vegetated progressively to minimize weathering and leaching. At its smelters, the quality of landfilled waste is analyzed according to a monitoring program.

Boliden's operations also generate waste through water and gas purification processes. For other hazardous waste streams containing elements such as mercury, arsenic or cadmium, the Company stores the waste in safe repositories underground or in mountain caverns, while performing research and development targeted at finding use cases for it.

Safe and responsible management of tailings storage facilities is of high importance to Boliden. Boliden has set up a tailings and dam safety management system that administers all facilities Boliden is responsible for. Boliden manages the risks continuously in a systematic way to ensure that the function and abilities of the structure meet international standards. Every tailings storage facility has its own dam safety organization to ensure compliance with laws, requirements, standards and obligations. Monitoring takes place in the form of regular inspections. In the event of a deviation from a limit value, there are established emergency procedures and action plans. Boliden also uses independent auditors at regular intervals to continuously improve and ensure compliance with best international standards.

Circularity is a key strategic focus in the planning process for Boliden's smelters and the Company is working according to a circular economy roadmap, which includes several initiatives aimed at achieving the following objectives: extracting value from waste, increasing the utilization of waste fractions that are currently being discarded, reducing the volume of waste deposited, ensuring safe and responsible waste deposition, and developing sustainable solutions within the circular economy framework.

Open pit electric trolley at Boliden Kevitsa

2.3 Social performance

Boliden is committed to providing a safe, healthy, diverse, and inclusive workplace. It focuses on proactive measures to foster a culture of care, courage, and responsibility, enhancing employee engagement. Also, with approximately 5,000 suppliers and 250 customers worldwide, Boliden recognizes the significant direct or indirect impact it may have on workers in the value chain. Boliden aims to actively contribute towards a responsible and just working environment within its entire value chain.

Strategic social targets

- Lost Time Injury Frequency: No harm to people should occur in Boliden's operations. The Lost Time Injury Frequency (LTIF) should thus be zero.
- Proactivity: Five or more proactivity reports should be filed per reactive safety deviation.
- Diversity and inclusion: Promote greater diversity, gender equality and inclusion within Boliden's operations.

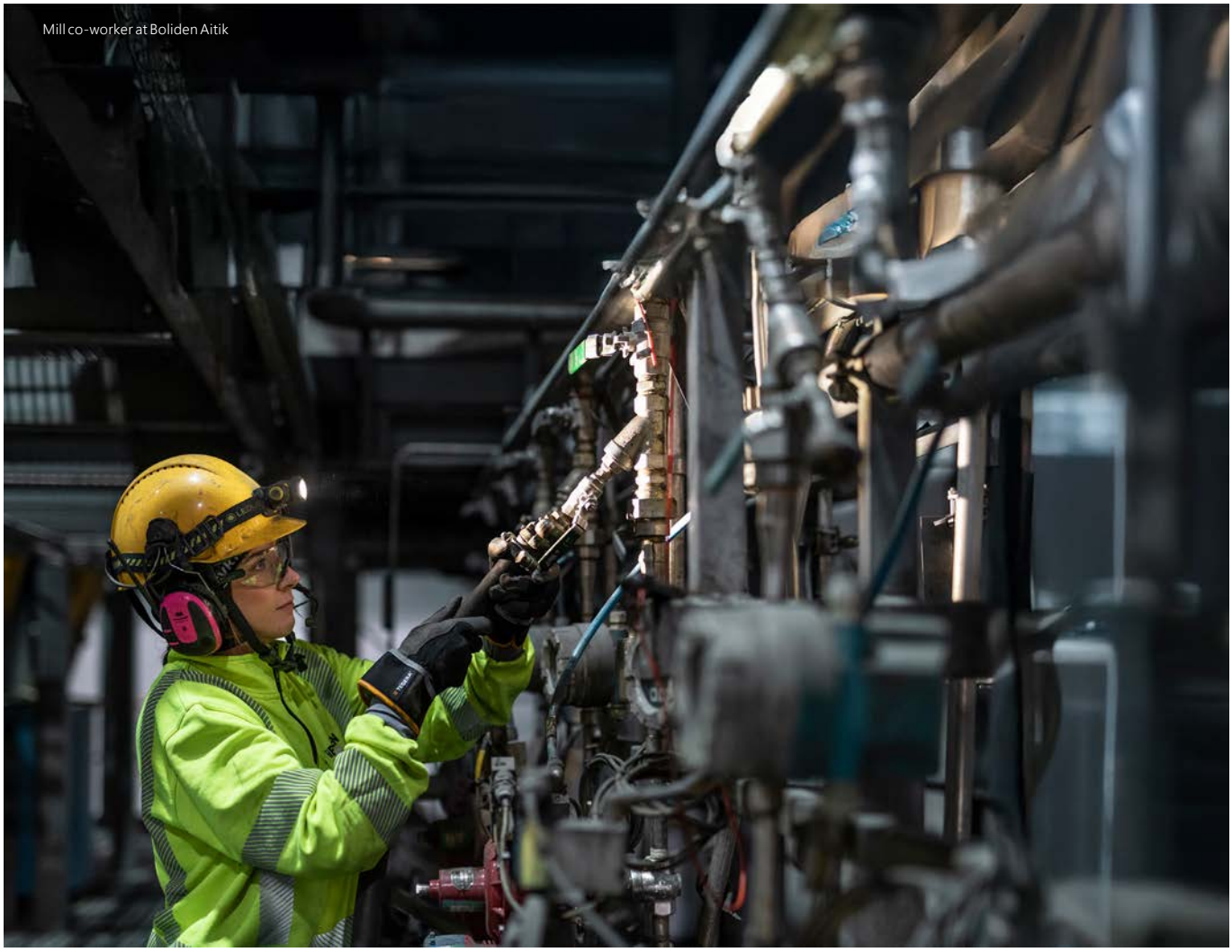
Health and safety

Occupational health and safety are the most important focus area as it involves the well-being and, ultimately, the lives of the employees and contractors. Boliden has a zero-harm philosophy with regard to accidents and harm at work. Risk assessment is a requirement of ISO 45001:2018, which all Boliden units are certified to, and involves internal and external audits on their risk assessment processes and performance.

Boliden recognizes its responsibility to create structures, procedures and other conditions for a safe work environment. Equipment, instructions, risk assessments, incident reporting, safety inspections all help safeguard an individual's safety. Boliden continuously invest in automation and new technology to improve safety and productivity.

Diversity

Boliden's commitment to diversity is clearly stated in its Code of Conduct and in its Diversity Policy. The Code of Conduct has been approved by the Board of Directors. Boliden want to take the lead as a role model in the industry for gender equality to help advance the position of women and provide better conditions for their professional development. Impacts on diversity and inclusion are identified and monitored through our employee engagement survey, which is carried out annually.



Mill co-worker at Boliden Aitik

2.4 Good governance

Responsible business conduct

Boliden's *Code of Conduct* provides a framework for corporate responsibility based on the Company's values and ethical principles. Boliden has also rolled out a Code of Conduct handbook to the whole organization. The handbook elaborates on the Code of Conduct policy and other Group policies and serves as a practical guideline for ethical behavior within our organization. In addition, there is mandatory training in the content of the Code of Conduct handbook for all employees.

Business partners must approve the Business Partner Code of Conduct as well as ESG and sanctions clauses as part of the agreement. The Business Partner Code of Conduct specifically addresses requirements within human rights, labor rights, health and safety, environment, responsible value chain, business ethics and anti-corruption, and it prohibits the use of conflict minerals. The Business Partner Code of Conduct also aligns with the Organisation for Economic Co-operation and Development (OECD) guidelines and with the United Nations Guiding Principles on Business and Human Rights standards, as well as internal commitments to comply with various international standards, such as the International Council on Mining and Metals (ICMM).

Further, Boliden has a human rights commitment and several other human rights-related policies and commitments regarding, for example, indigenous people and diversity. Boliden has also embedded human rights due diligence into the management systems by integrating it into several different business processes, including global and local human rights impact assessments, business partner evaluations and audits, business partner contracting and the annual risk process.

See appendix in this Framework for further details on Boliden's policies and governance.

With regards to proactive climate governance. Boliden's Board of Directors has the ultimate responsibility for the Company's climate strategy and targets. The responsibility to manage the Group's climate related matters has been delegated to the Group Management team. The Board of Directors and Group Management evaluate the Company's GHG emission trends every quarter and Boliden's Business Units evaluate their climate impact every month to identify possible improvements and efficiency measures. The Environmental Council oversees Boliden's environmental work including climate change mitigation. The Climate Change Committee, which is a sub-group of the Environmental Council, focuses on implementing the climate change standard part of the new CSRD requirements.

Supply chain management
Boliden works closely with suppliers to ensure they fulfill requirements in areas such as quality, human rights, occupational health and safety, and sustainability performance.

Before signing contracts with suppliers, Boliden performs sanctions controls and checks that the supplier complies with Boliden's blacklists, Boliden Business Partner Code of Conduct and Boliden's requirements regarding quality and occupational health and safety. After signing contracts with suppliers, Boliden continuously follow up on its suppliers' performance, maintain dialogues and continuously inform them about Boliden's own development.

UN Sustainable Development Goals
Boliden's most relevant and prioritized UN SDGs are:
- SDG 8 – Decent work and economic growth
- SDG 12 – Responsible consumption and production
- SDG 13 – Climate action

Exploration work at Boliden Kevitsa

3 The Green Finance Framework

The Green bond market continues to evolve with new and updated standards and regulations, including updated versions of the Green Bond Principles ("GBP") published by the International Capital Market Association ("ICMA") and the EU Taxonomy Regulation.

This Framework, Boliden's second version, is aligned with the latest available version of ICMA GBP from 2021 (with June 2022 Appendix I) as well the APLMA, LMA and the LSTA Green Loan Principles ("GLP") 2023 and follow the four core components including key recommendation of external review:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

The Framework is applicable for arrangement of green instruments such as bonds and term loans (collectively referred to as "Green Finance Instruments").

The terms and conditions of the underlying documentation for each Green Finance Instrument arranged by Boliden shall provide a reference to this Framework. This Framework may over time be updated, however new versions shall have no implications for the Green Finance Instruments that have been arranged under this Framework.

Swedbank has acted as Sustainability Coordinator to Boliden in the establishment of this Framework.

EU Taxonomy

Boliden acknowledges the importance of the EU Taxonomy as a common definition of sustainable activities. However, as Boliden's core business i.e. mines and smelters are not yet EU Taxonomy eligible, only a small share is reflected in the EU Taxonomy. Several initiatives have been taken to include non-ferrous mining and/or smelting in the EU Taxonomy and to develop technical screening criteria to evaluate the sustainability of such activities. So far, none of these initiatives have resulted in legislation.

Given the increasing recognition of the importance of a sustainable metal production – both for the green transition and for EU's strategic autonomy – mining and smelting is likely to be included in the EU Taxonomy in the near future although the timing is uncertain. For this reason, the eligible green project categories under this Framework still aims to make a significant contribution to at least one of the EU's six environmental objectives to the extent feasible and reasonable.

Energy infrastructure at Boliden Odda

3.1 Use of Proceeds

Allocation of net proceeds

An amount equivalent to the net proceeds from Boliden's Green Finance instruments shall be used to finance or re-finance, in whole or in part, a portfolio of investments ("Green Projects"). Green Projects aims to support sustainable metal production and comply with the Eligibility Criteria detailed on the following pages.

Eligible Projects are both capital expenditures ("CapEx") (could either be reported directly in the income statement or capitalized on the balance sheet) and/or operational expenditures ("OpEx"). CapEx does not have any requirement for look-back period, while OpEx has a requirement of maximum three-year look-back period from the time of issuance. Refinancing refers to Green Projects that have been financed prior the reporting year. New financing refers to Green Projects that have been financed during the reporting year.

Exclusion criteria
The amount equivalent to the net proceeds of Boliden's Green Finance Instruments will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defense, potentially environmentally negative resource extraction (such as rare-earth elements and fossil fuels), gambling or tobacco.

Green Project categories	Eligibility Criteria	Investment examples	UN SDGs
ICMA GBP: Energy efficiency **EU Environmental Objective:** Pollution prevention and control **UN SDG**: 7 – Affordable and clean energy and 9 – Industry, innovation and infrastructure	Costs related to energy efficiency improvements in Boliden's operations: • Energy efficient activities, equipment, systems and related infrastructure in line with Boliden's roadmap to achieve its climate targets[1] by 2030	• Main investment is expected to be in Odda smelter– to increase production of Low-Carbon Zinc. The increased production capacity, together with improved energy efficiency and a new long-term contract for the supply of fossil-free electricity, means a further reduction in the already low carbon dioxide intensity. The investment includes several new facilities at Boliden Odda, including a new roaster, a new sulphuric acid plant, expansion and modernization of the leaching and the purification plant, a new cellhouse and expansion of the foundry and quay infrastructure.	 
ICMA GBP: Pollution prevention & control incl. waste **EU Environmental Objective:** Pollution prevention & control **UN SDG:** 11 – Sustainable cities and communities and 12 – Responsible consumption and production	Costs related to waste and tailings management and pollution prevention: • Pollution prevention: facilities, and systems supporting pollution prevention such as discharges of pollutants into water and/or emissions to air • Waste management: facilities, and systems, contributing to a resource efficient management of waste, including reduction recycling, recovery and reuse of waste	• Investment in new systems and technologies to minimize emissions and reduce amount of dust, e.g. sulphuric acid plants, new filter systems etc. • Investment in new technologies to turn waste into a material resource	 
ICMA GBP: Renewable energy **EU Environmental Objective:** Climate change mitigation **UN SDG:** 7– Affordable & clean energy	Costs related to installation, maintenance, operation, storage from: • Solar power • Wind power • Bioenergy[2]	• Boliden's first industrial-scale solar power production plants were installed at Harjavalta and Bergsöe with a combined production capacity 3.6 GWh	
ICMA GBP: Clean transportation **EU Environmental Objective:** Climate change mitigation **UN SDG:** 11 – Sustainable cities and communities	Costs related to clean transportation: • Road transport and construction equipment with zero direct (tailpipe) CO_2 emissions • Supported infrastructure for zero direct (tailpipe) CO_2 emissions e.g. charging stations	• Boliden's pilot project at Aitik which aims to examine the possibility of replacing elements of Aitik's transport system with electrified trucks	

1) By 2030, reduce absolute Scope 1 and 2 GHG emissions by 42% and absolute Scope 3 GHG emissions by 30% from a 2021 base year. Targets are validated by SBTi.
2) Inputs are sustainably sourced biomaterials that are in compliance with the EU Renewable Energy Directive (RED) but excluding feedstock related to palm oil.

3.2 Process for Project Evaluation and Selection

Selection of Green Projects

Boliden has established a decision-making process to determine the eligibility of the Green Projects, in accordance with the Eligibility Criteria outlined in the Use of Proceeds section of this Framework.

Green Projects will be selected by a dedicated Sustainable Finance Committee (the "Committee") set up across departments within Boliden. The Committee consist of Director Group Treasury, Director Group Business Strategy & Development, Director Mines Sustainability, Director Mines Technology, Director Group Control, Director Group Climate & Sustainability Control, Director Smelters Sustainability, Technology and Strategy and Director Group Environment and Quality.

The Committee will meet at least on a semi-annual basis.

The evaluation and selection process includes the following steps:
- Business Area Mines and Smelters reviews suitable investments on an ongoing basis and includes potential Green Projects to Boliden internal tracker ahead of a Sustainable Finance Committee meeting.
- In addition to Business Area Mines and Smelters, any Committee member or relevant department at Boliden may propose potential Green Projects to be evaluated in line with the Eligibility Criteria as set out in the Framework.
- The Committee decides which potential Green Projects to be prioritized and further evaluated by the relevant Business Area to make sure that the proposed Green Projects are in line with the Eligibility Criteria as set out in the Framework. In addition. the Committee will assess and exclude any projects deemed to lock-in the use of fossil fuels
- The Sustainable Finance Committee then approves or reject the proposed Green Project based on the outcome of the Eligibility Criteria as set out in the Framework.
- Approved Green Projects will be inserted to an internal tracking spreadsheet of approved Green Projects.

Boliden's risk management process
In addition to the process for project evaluation and selection described above, any Green Project needs to comply with Boliden's risk management procedure, internal governance and policies (see appendix for more details) as well as official environmental and social permits, standards, local laws and regulations to which Boliden conducts internal compliance reporting. These laws are also monitored and enforced by the local authorities, among others, as part of obtaining the necessary site-specific environmental permits.

With regards to Boliden's risk management process. Work is performed continuously to reduce and monitor risks through effective risk management where all business units have implemented processes to identify risks. As part of the risk work, a consolidated risk scenario is performed on an annual basis to identify and evaluate risks within the Company. Risk management areas includes for example:
- *Environmental impact and biodiversity:* Boliden owns large land areas, which gives an opportunity to utilize the land areas to compensate for the impact on the use of land and related nature values. Hazardous waste streams are stored in safe repositories underground or in mountain caverns to minimize harm on the environment. For other waste streams Boliden is looking at opportunities to produce products from current waste streams. Compliance with emissions targets is closely monitored, and emissions generated by the operations are managed using the Best Available Technology and according to environmental permits. Emergencies are prevented through continuous monitoring and systematic maintenance.
- *Water management and dam safety:* The Global Industry Standard for Tailings Management is being implemented for all of Boliden's tailings storage facilities. The system will ensure that the Company comply with its Tailings Governance Commitments in the following areas; roles, responsibilities and competences, planning and resources, risk management, change management, emergency preparedness and response, audit and review. As a member of The International Council on Mining and Metals (ICMM) Boliden always implement the latest international guidelines regarding tailings management and dam safety.
- *Climate change:* Boliden has ambitious targets and roadmaps integrated in budgets and long-term planning to further reduce Boliden's absolute greenhouse gas emissions. Boliden fully integrates climate considerations into decision-making processes and engages with stakeholders to communicate their commitment to climate resilience. The units evaluate their own weather-related operational risks and are responsible for conducting scenario analyses on the effects of the changing climate conditions in the relevant areas.
- *Health and safety:* In order to achieve target of accident-free operations and healthy workplaces, Boliden focuses on pro-active risk reporting and learning from best practices both internally and externally, and Boliden continues to work on strengthening its value-based behaviour and culture.
- *Business partners:* Boliden conducts business partner ESG assessments before signing agreements. After onboarding, business partners are monitored throughout the business relationship and due diligence is performed regularly
- *Expansions or new mining and smelting projects:* The projects are subject to an environmental permitting process. Ecological surveys are always carried out early in the project to enable the development of the project according to the mitigation hierarchy. Environmental Impact Assessment (EIAs) are also carried out related to permitting processes. Measures for ecological compensation are developed during the permitting process of new operations that risk causing biodiversity loss. Extensive monitoring programs are set up during operations, both according to permits as well as voluntary programs. The programs ensure that pollution and risks are limited and under control. Monitoring is related to: air quality, water and sediment quality for sea, lakes and rivers, soil and groundwater quality, dust deposition, biological impacts related to air and water emissions

Additional responsibilities of the Committee:
- The Treasury Department, on behalf of the Committee, reviews and update the internal tracking spreadsheet of Green Projects at least annually
- Overseeing, approving and publishing the report on sustainable financing. Boliden may rely on external consultants and their data sources, in addition to its own assessments
- Reviewing the Framework and updating it to reflect changes in sustainability strategy, or regulatory developments on a best-effort basis
- Updating external documents such as the Second Party Opinion (SPO) and related documents from external consultants and accountants in connection with material updates to this Framework

3.3 Management of Proceeds

Tracking of net proceeds

An amount equivalent to net proceeds from Boliden's Green Finance Instruments will be tracked by using an internal spreadsheet where all amounts of arranged Green Finance Instruments will be inserted.

All Green Finance Instruments arranged by Boliden will be managed on a portfolio level. This means that a Green Finance Instrument will not be linked directly to one (or more) pre-determined Green Projects. The list of Green Projects will be monitored at least annually by the Sustainable Finance Committee to ensure there are sufficient volume of Green Projects in the internal tracking spreadsheet. If a Green Project already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, Boliden will replace such project with another qualifying Green Project. The Treasury Department is responsible for management of proceeds.

Allocation period
Boliden will commit to, on a best-effort basis, allocate the net proceeds from the Green Finance Instruments to Green Projects within 12 months[1] from the issuance date.

Temporary holdings
Any unallocated proceeds will be temporary managed according to Boliden's Group Finance Policy and held as cash.

1) Note that actual payments related to Green Projects may exceed the above mentioned 12 months period.


Zinc products at Boliden Odda

3.4 Reporting

Boliden will annually, until full allocation and in the case of any material changes to the allocation, as long as there are Green Finance Instruments outstanding, provide investors with available reporting on the allocation and impact of proceeds from Green Finance Instruments to Green Projects. The report on sustainable financing will be available on Boliden's website.

Allocation reporting
The allocation reporting will include the following information:
- Total amount of Green Finance Instruments outstanding
- Distribution between new financing and refinancing
- Breakdown by Green Project category
- List of Green Projects if not of confidential nature
- The amount of unallocated proceeds (if any)

Impact reporting
The impact reporting will, to some extent, be aggregated and provide information on the expected (ex-ante) environmental impact of the Green Projects. The selection of qualitative and quantitative indicators used in the impact report depends on the availability of appropriate information and data. The impact assessment may, if applicable, be based on the impact indicators detailed below:

Green Project categories	Example of impact indicators
Energy efficiency	• Annual energy reduced/avoided (MWh) • Annual GHG emissions reduced/avoided (tCO_2e) and/or (tCO_2e/ton produced metal)
Pollution prevention & control incl. waste	• Pollution prevention & control: absolute or % reduction in pollutants to air and/or water • Waste management: total quantity of waste made into new products (metric tons/year)
Renewable energy	• Capacity of energy generation of plant (MW) • Annual renewable energy generation (MWh) • Annual GHG emissions reduced/avoided (tCO_2e)
Clean transportation	• Number of vehicles, construction equipment and/or charging infrastructure • Annual GHG emissions reduced/avoided (tCO_2e)

3.5 External Review

Second Party Opinion (pre-issuance)

S&P Global Ratings reviewed the alignment of the Framework with the ICMA GBP 2021 (with June 2022 Appendix I) and the APLMA, LMA and the LSTA GLP 2023. The Second Party Opinion will be published on Boliden's website.

Verification (post-issuance)
Boliden will request annually until full allocation and in the case of any material changes to the allocation as long as there are Green Finance Instruments outstanding, a limited assurance report of the allocation of the Green Finance Instruments to the Green Projects, provided by its auditor or other independent external party. The limited assurance report will be published on Boliden's website.

Sulphuric acid quay at Boliden Odda

4 Appendix

4.1 Governance, policies and third-party standards and initiatives

Policies and commitments[1]

- Anti-Corruption Policy
- Biodiversity Management Plans
- Business Partner Code of Conduct
- Code of Conduct
- Competition Law Policy
- Data Privacy Policy
- Environmental Policy
- Group Tax Policy
- Health and Safety Policy
- Human Rights Commitment
- Indigenous People Commitment
- Quality Policy
- Tailings Governance Commitment
- Whistleblower Policy

Third-party standards and initiatives Boliden commits to

- Extractive Industries Transparency Initiative
- Global Industry Standard on Tailings Management (GISTM)
- Global Reporting Initiative (GRI)
- Standards International Council for Mining and Metals (ICMM) Mining Principles
- ICMM Health and Safety Guidelines
- ICMM Nature Commitment
- ILO Declaration on Fundamental Principles and Rights at Work
- ISO 9001, 14001, 45001 and 50001 standards
- Joint Due Diligence Standard for Copper, Lead, Nickel and Zinc
- Mining With Nature by Svemin
- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas
- OECD Guidelines for Multinational Enterprises
- Science Based Targets initiative (SBTi)
- Svemin Position Statement
- Task Force on Climate-related Financial Disclosures (TCFD)
- The Copper Mark, Nickel Mark and Zinc Mark
- United Nations Global Compact
- United Nations Guiding Principles on Business and Human Rights
- United Nations Sustainable Development Goals (SDGs)
- Universal Declaration of Human Rights Voluntary Principles on Security and Human Rights

Boliden has several certificates according to third-party and ISO standards accessible via www.boliden.com

1) An updated list of policies and commitments is available on Boliden's homepage and in the latest annual report.