

Boliden Sustainability-Linked Finance Framework

December 2024

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About Boliden

Boliden is a metal producer with mining, smelting, and metals recycling operations in northern Europe and a clear focus on sustainable development.

We are the European leader in producing copper and nickel and are one of the world's largest zinc producers. Boliden also plays an important role in the recycling of electronic waste. The metals we produce are the building blocks of our modern society.

Boliden operates five mining units and five smelters in Sweden, Finland, Norway, and Ireland. Its shares are listed on NASDAQ Stockholm in the Large Cap segment.

Boliden mines and processes both base metals and precious metals. Our principal products are zinc, copper, lead, nickel, gold and silver.

Base metals are essential for the transition to a sustainable society. Demand is not only driven by increasing prosperity and urbanization, but also by electrification, energy storage requirements and increasing demands for product lifespans and recyclability. Sustainable production processes are essential to continue to be a competitive mining and metal company. Boliden enjoys a strong position in tomorrow's metal markets.

Taking responsibility for the effects of our operations is a given. Our goal is to use resources as efficiently as possible and limit environmental impact at every level. We achieve this by investing in modern technology and developing stable, environmentally sound methods for the entire work process.

Around
6,000
employees

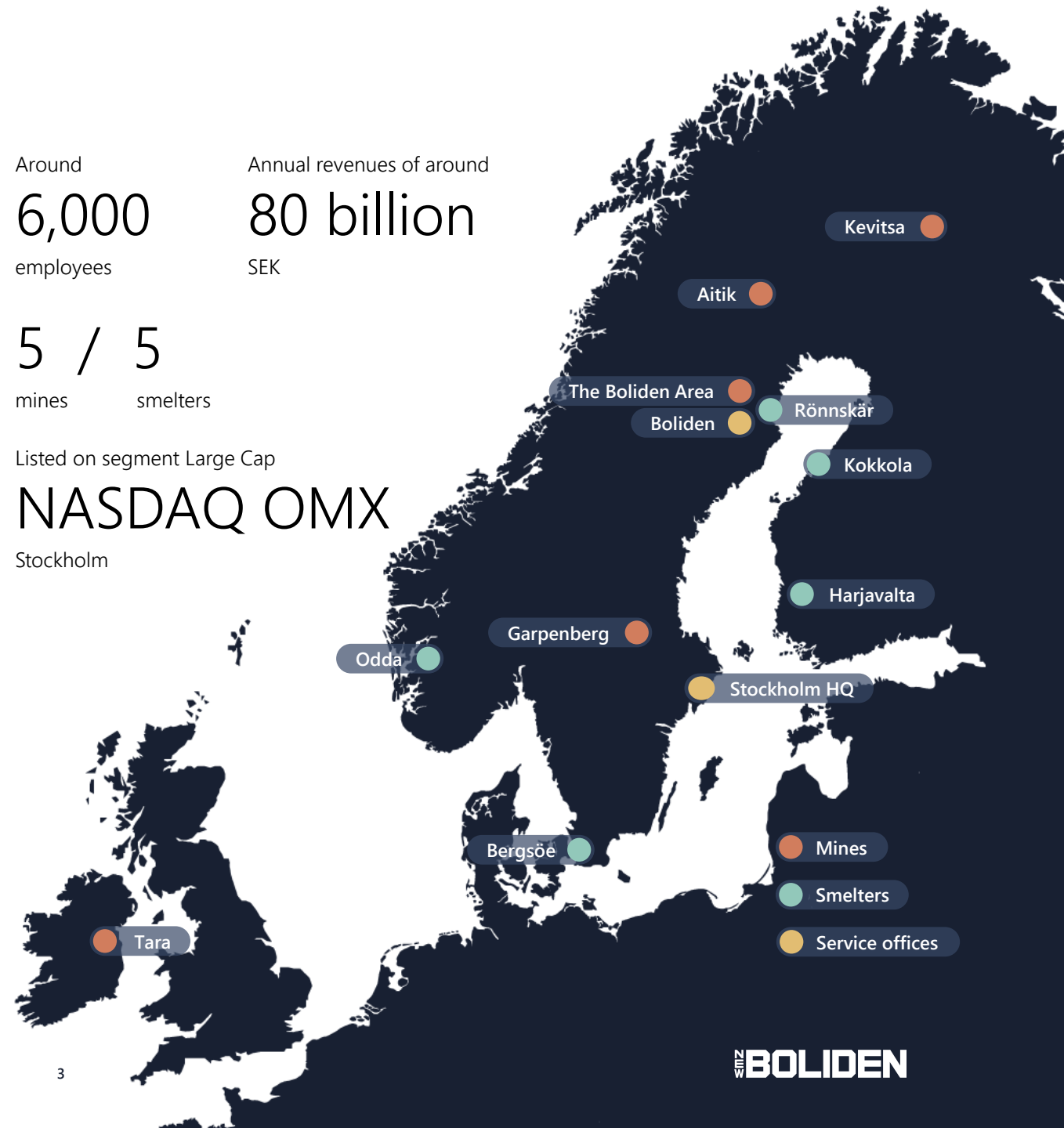
Annual revenues of around
80 billion
SEK

5 / 5
mines smelters

Listed on segment Large Cap

NASDAQ OMX

Stockholm



Our approach to sustainability

Boliden's Board of Directors is responsible for the stewardship of the company and for ensuring that the appropriate corporate governance structures and systems are in place. Sustainability is addressed at each Board and Group Management meeting as well as Business Area and local management meetings. However, the day-to-day responsibility for sustainability work is decentralized to each of our Business Units.

Sustainable vision for metals and mining

Boliden's vision is to be the most climate friendly and respected metal provider in the world. We support the Paris Agreement and in 2023 our near-term company-wide greenhouse gas emission absolute reduction targets were validated and approved by the Science Based Targets initiative.

Our operations are characterized by care for people, the environment and society. Boliden's sustainability work is based on its own norms and values, as well as on international guidelines and targets, such as the UN Global Compact and the UN Sustainable Development Goals. Dialogue with internal and external stakeholders ensures that different perspectives are considered.

Sustainability disclosures and assurance

Boliden uses a risk-based sustainability approach to disclose environmental, social and governance information to its stakeholders and is periodically assessed on sustainability criteria by responsible investment organizations and analysts.

We strive to be as transparent as possible by participating in external rating schemes and by openly sharing information about our business. Boliden Group is validated according to the ICMM Mining Principles and is an approved International Council on Mining and Metals ("ICMM") member. Membership requires a third-party validation of each of our operative units every three years.

Boliden's disclosures

The Global Reporting Initiative (GRI)

This report adheres to the globally recognized GRI Standards 2021. In alignment with Boliden's operations, we have voluntarily incorporated pertinent disclosures from the former GRI G4 Mining and Minerals sector supplement. This supplement, although no longer part of the current GRI standards, enriches our reporting with sector-specific insights.

The ten principles of the UN Global Compact

Boliden is a signatory to the UN Global Compact, which is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labor rights, environment and anti-corruption. We report on our Communication on Progress according to their requirements.

The Task Force on Climate-related Financial Disclosures (TCFD)

We disclose our performance to date in alignment with the TCFD, a framework developed to enhance and standardize the disclosure of climate related financial risks and opportunities by companies, established by the Financial Stability Board.

The International Council on Mining and Metals (ICMM) Mining Principles

ICMM is an international organization that brings together mining and metals companies and associations with the aim to improve sustainable development performance in the industry. As a member, we disclose our performance related to their requirements and their Mining Principles.

The Sustainability Accounting Standards Board (SASB)

As a nonprofit organization, SASB focuses on developing industry-specific sustainability accounting standards to provide a framework for companies to disclose material information about their environment, social and governance (ESG) performance to investors. Boliden reports according to the SASB Metals & Mining Standard.

The Organisation for Economic Co-operation and Development (OECD)

Due Diligence Guidance Boliden reports in accordance with the OECD guidelines, which provides recommendations to companies to prevent and address adverse impacts related to human rights, labor, the environment, and corruption in their global supply chains.

Boliden's management system

Our management system is based on our purpose, vision and values, which shape our Group-wide policies and commitments. Informed by external and internal stakeholder needs, we assess impacts, risks and opportunities, which constitute the foundation in our strategic direction. Our management system is thus integrated into our business and includes the ICMM Mining Principles as well as the quality, environmental, occupational health and safety, and energy management systems that Boliden's operations have adopted.

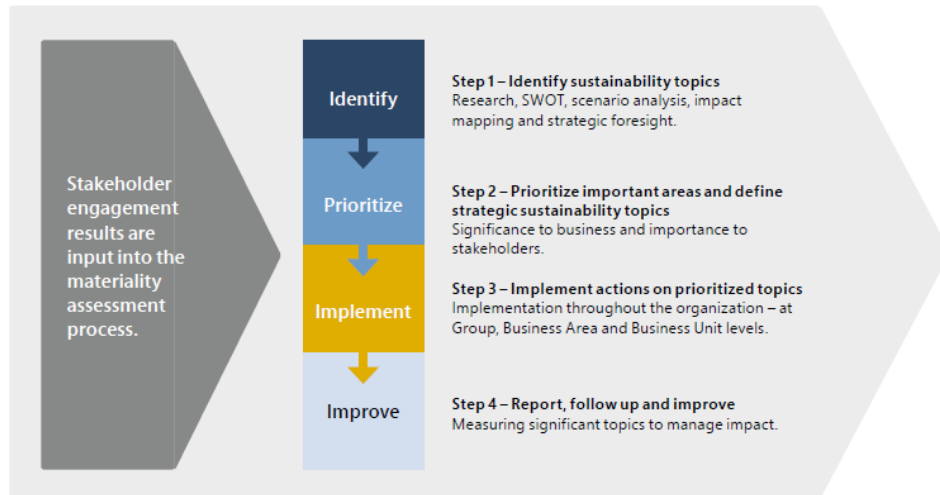
All site management systems shall be aligned with the ISO 9001 and 50001 standards for quality and energy management. We aim to ensure all operational sites are 3rd party certified in accordance with the ISO 14001 environmental management system, the ISO 45001 occupational health and safety management system. In addition, the Group's five smelters' certificates also includes ISO 9001 and ISO 50001.

Responsibility and monitoring progress

Boliden's Group Management has ultimate responsibility for the Group's sustainability work. Identifying, prioritizing, and selecting the most relevant sustainability issues is an ongoing process involving all units within the Boliden Group. The Group Management includes the Executive Vice President People & Sustainability, who ensures that sustainability issues are continuously addressed.

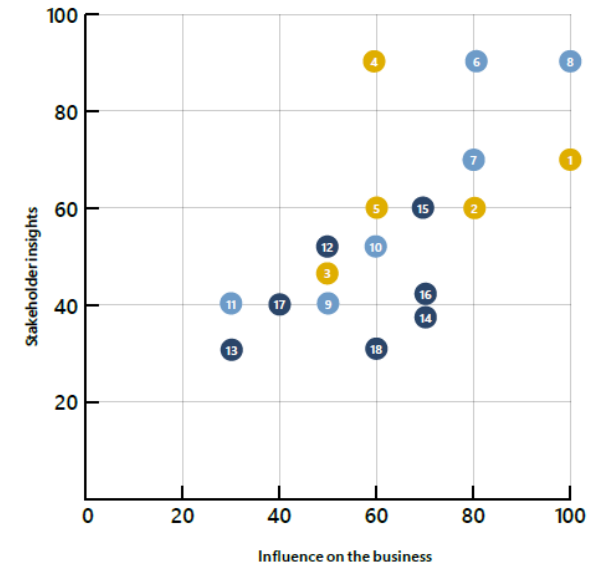
We regularly consult prioritized stakeholder groups on our sustainability performance from a broader perspective. These stakeholders are asked to comment on Boliden's impacts, risks and opportunities to drive further improvement. The sustainability topics are integrated throughout the organization and are approved by Group Management. Our sustainability topics are based on our business model and take into consideration the risks and opportunities identified by business intelligence and risk mapping, as well as applicable requirements and expectations.

Materiality assessment process



Matrix of strategic topics that are important to achieve our vision

- Governance**
 - 1. Financial responsibility
 - 2. Capital markets
 - 3. Responsible business conduct
 - 4. Business partner Environmental, Social and Governance (ESG) assessment
 - 5. Strategic partnership
- Environment**
 - 6. Circular economy & resource usage
 - 7. Extractive waste & slag
 - 8. Climate & energy
 - 9. Water
 - 10. Biodiversity
 - 11. Air pollution emissions
- Social**
 - 12. Occupational health & safety
 - 13. Non-discrimination
 - 14. Talent attraction & retention
 - 15. Sustainable business growth & stakeholder relations
 - 16. Resettlement & closure planning
 - 17. Socio-economic impacts
 - 18. Rights of indigenous peoples





Boliden and the UN Sustainable Development Goals (SDGs)

The UN SDGs are a collection of 17 interconnected global goals that are designed to promote peace and prosperity for people and the planet – both now and in the future. Many of Boliden’s sustainability topics are related to specific SDGs.

We support all of the SDGs but have identified the most important goals to our business to show how we contribute to cross-sector international efforts to help solve global development issues. Our work toward these goals has a positive impact on our ability to become a worldclass metals company and a sustainable first link in metal value chains.

While SDG 5 (Gender equality) and SDG 14 (Life below water) are considered relevant for our business, Boliden’s most relevant and prioritized SDGs are 8, 12, 13 and 15.



SDG 8 – Decent work and economic growth

Boliden promotes sustained, inclusive, and sustainable economic growth, productive employment, and decent work for all, including in rural communities where most of our mines are located.



SDG 12 – Responsible consumption and production

Boliden’s operations produce metals efficiently and with a comparatively low-carbon footprint. Some processes create value from societal waste and secondary materials to contribute toward the circular economy.



SDG 13 – Climate action

Boliden work to reduce its climate impact and to constantly maintain and improve the low-carbon footprint of its metals.



SDG 15 – Life on land

Contribute to a nature positive future through increased biodiversity in all regions where we operate by 2030.

Boliden’s Business Conduct

Code of Conduct

Boliden’s Code of Conduct provides a non-exhaustive framework for responsible conduct at work. It is based on our values – Care, Courage and Responsibility – which should guide Boliden employees in their everyday decisions. The code covers topics such as health and safety, diversity and inclusion, the environment, conflicts of interest, fair competition, anti-bribery and corruption, insider information and market abuse. The Code of Conduct has been approved by Boliden’s Board of Directors and applies to all Boliden employees (with mandatory training), including temporary personnel, as well as to members of the Boards of Directors of Boliden AB and its subsidiaries.

Business Partner Code of Conduct

The Code of Conduct is supplemented by the Business Partner Code of Conduct, which must be adhered to by all business partners including customers, suppliers, subcontractors, consultants and agents. It is included in agreements with these parties and outlines our minimum expectations on them regarding ethics and compliance. The Business Partner Code of Conduct covers topics such as human rights, labor rights, health and safety, environment, responsible value chain and business ethics.

This includes providing fair remuneration and an adequate living wage, respecting the right of workers to form and join trade unions, and a zero tolerance to forced, compulsory and child labor. Any business partner may be subject to visits or third-party audits at their sites to verify compliance.

Human rights

We recognize that we have an impact on human rights throughout our operations and beyond. We conduct business in complex markets, are the largest private sector employer in some regions, and we sometimes operate in areas that are important to indigenous peoples. We know that the way we do business affects our employees, contractors, affected communities and workers in the value chain, as well as others affected by Boliden’s activities and business relationships. Respecting and promoting human rights has been a natural part of how we do business for many years, which is why human rights are embedded in several of our internal policy documents.

A sustainable work environment

Our goal is to create an accident-free and healthy operation that is characterized by safety and well-being. We are constantly implementing new technologies and innovations to create sustainable work environments. Our automation processes make it possible for our employees to not be present in areas judged to be of higher risk. Ultimately, this has positive effects on safety, as well as productivity and profitability. We regularly follow up our broad social performance through a range of performance indicators that include our engagement with stakeholders and our local impact in the communities we operate in. Our systematic approach to health, safety and work environment management ensures that the effects last over time.

Our approach to the rights of indigenous people

A significant number of the geographical areas where Boliden operates, from exploration and project development to operational units, are located in areas where the Sami and reindeer husbandry have special rights. Access to land is of crucial importance for both mining and reindeer herding.

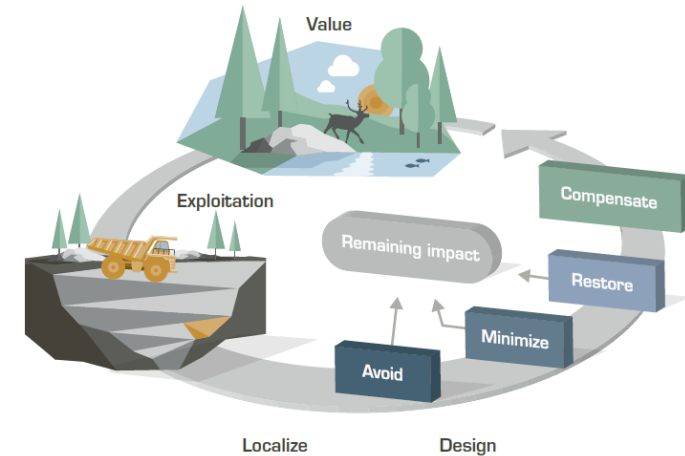
Boliden has made a commitment in line with ICMC's principles and works to involve potentially affected indigenous people early on with the goal of promoting respect for the rights, interests, ambitions, culture and natural resource-based livelihoods of indigenous people.

Our approach to water

As an ICMC member, all Boliden's units aim to implement a Water Management Plan by the end of 2025 that considers water scarcity, pollution and flooding. Water risk assessments are regularly undertaken to evaluate potential impact on the business, operations, revenue and expenditure. Our operations are situated in areas with little water scarcity, and no water sources are significantly affected by water withdrawal caused by Boliden's operations. None of Boliden's operations are located within an area of high or extremely high-water stress as defined by the World Resource Institute. We aim, nonetheless, to have a good understanding of current and future water use and reduce our withdrawal and consumption of freshwater and limit the impact of our discharged water.

Our approach to biodiversity

Boliden has made a commitment to increase biodiversity in all regions where it operates by 2030. The "Boliden transition plan for increased biodiversity by 2030" provides internal guidance for planning and following up on activities, as well as communication with external stakeholders. The plan is 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 ICMC and the Swedish Association of Mines, Mineral and Metal Producers (SveMin).



Climate and energy

Producing metal is energy intensive, both in the mining phase and in refining processes, and has a significant climate impact. As a sustainability leader in the metals and mining sector, we are developing energy efficient operations that use renewable sources of energy – to achieve our vision to be the most climate friendly and respected metal provider in the world.

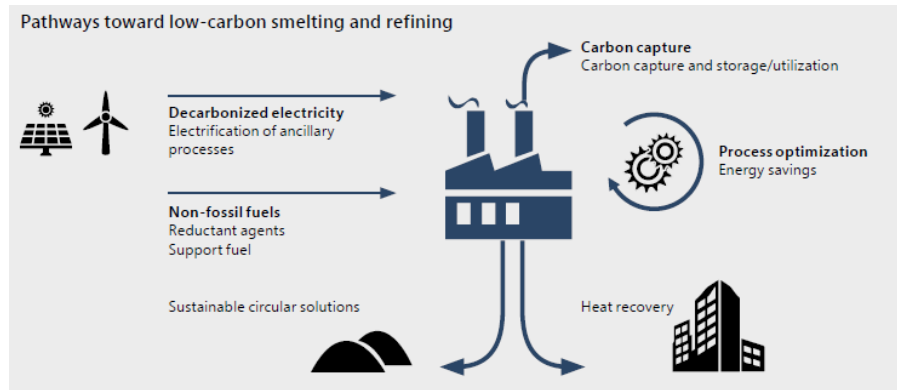
We work to reduce the climate impact of our mining and smelting operations as well as upstream and downstream activities in the metals value chain. We seek to contribute toward global initiatives to drive climate action and the Paris Agreement. Using the best available technical capabilities, resource efficiency and replacing fossil fuels with renewables, are important components of our efforts to reduce GHG emissions.

Climate strategy program

Boliden’s climate strategy program summarizes how we manage climate-related risks and opportunities. It describes our approach and the steps we are taking towards decarbonization. Decarbonization reduces the risks associated with climate change.

At the same time, it strengthens our competitiveness and long-term profitability. The climate strategy program includes:

- Management – how climate-related risks and opportunities are managed.
- Strategy – the actual and potential impacts of climate-related risks and opportunities on Boliden’s operations, strategy and financial planning.
- Risk management – how climate-related risks are identified, analyzed and managed.
- Metrics and goals – the metrics and goals used to assess and manage relevant climate-related risks and opportunities.
- Performance – Boliden’s current performance and progress towards its climate goals.



Climate targets

We have set carbon dioxide equivalents (CO₂e) absolute targets to raise our climate ambition throughout our value chain and align our climate work with the Paris Agreement. As a member of ICMM, our long-term target is to achieve net-zero scope 1 and 2 greenhouse gas emissions by 2050.

Our absolute CO₂e emission targets were developed by a third party to align with the Science Based Targets initiative (SBTi) requirements and are approved by the Boliden Board.

Our absolute climate targets for 2030 are:

- 42% reduction in scope 1 and 2 emissions.
- 30% reduction in scope 3 emissions.

The base year for the absolute CO₂e targets is 2021.

During 2023, our absolute climate targets were reviewed and validated by the SBTi. This third-party validation confirms that our Scope 1 and 2 target aligns with the Paris Agreement’s aim to restrict global warming to 1.5 °C, compared to pre-industrial levels.



We have also set CO₂e intensity targets for the material we produce. By 2030, we aim for:

- Boliden copper to emit less than 1.5 kg CO₂e/kg Cu on average
- Boliden zinc to emit less than 1.0 kg CO₂e/kg Zn on average

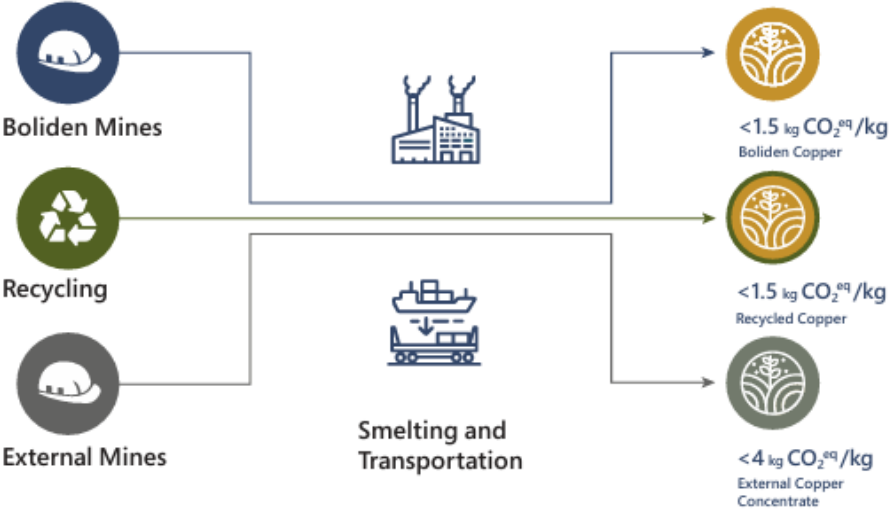
Our approach to materials and circularity

In a circular economy the value of materials and resources is maintained as long as possible, and waste and pollution are minimized. Metals can be recycled endlessly without a deterioration in their quality and as a metal producer with mining, smelting and metals recycling, Boliden plays an important role in the transition to a more circular society. In a circular economy, the recycling of electronic materials and scrap metals is essential. Several of Boliden’s smelters are specially equipped to process complex waste metals into “pure metals” that can then be used to create new components and products. We also use resource-efficient industrial synergies to continuously find new methods of creating value from our own waste materials.

Circularity is a key strategic focus in the planning process for Boliden’s smelters. We are 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.

Ongoing projects include developing a CO₂-free supplementary cementitious material product from iron containing residues from Odda, Rönnskär, Harjavalta and Kokkola. In addition, the process increases the recovery of valuable metals and can significantly reduce waste currently deposited in landfill.

At the Rönnskär smelter, the granulated copper slag is sold as a by-product for the construction of local roads and similar applications. Boliden’s Rönnskär smelter in northern Sweden is one of the largest recyclers of scrapped electronic equipment in the world. The smelter has an annual feed of secondary copper of around 150,000 metric tons, which consists of recycled waste material from electrical equipment, including circuit boards from computers and mobile phones. The waste material is sourced primarily from within Europe. Rönnskär has also processed waste steel mill dust since the 1980s to annually produce around 30,000 metric tons of zinc clinker, which accounts for 15–20% of Rönnskär’s total production.



Green Transition Metals portfolio

Our portfolio of recycled and low-carbon metals has a decisive role to play in the climate transition. Green Transition Metals (GTM) are a portfolio of recycled and low-carbon metals. The portfolio has some of the most sustainable alternatives on the global market and have the potential to contribute to a more sustainable metals industry. Our low-carbon products come from Boliden’s own mines. Our recycled products consist of 100% recycled metal from Boliden’s smelters.

Boliden’s Low-Carbon Copper¹ is produced either from copper mined in our own mines in the north of Sweden, or from 100% recycled material. Both mines and smelters are using a low-carbon electricity grid mix, which contributes to a low-carbon footprint of <1.5 kg CO₂ e/kg Cu, which should be compared with global averages of 4.1 for copper.

The main sources of raw materials for Boliden’s recycled copper are electronics, typically circuit boards, and incinerated bottom ashes (IBA) typically from combusted household waste. The recycling of copper that has been circulating in society is important for an increased copper supply, which is vital to meet the strong copper demand for the green transition.

Boliden’s low-carbon special high grade (SPG) zinc is produced from zinc concentrates mined from Boliden’s mines in Ireland and Sweden. The Boliden Low-Carbon Zinc has a footprint of <1.0 kg CO₂e/kg Zn, which should be compared with global averages of 3.6 for zinc.

During 2023, this lineup was complemented with Low-Carbon Lead and Low-Carbon Sulphuric Acid, with emission levels of 1.0 and 0.025 kg CO₂e/kg produced. Corresponding global average emissions amount to 1.87 kg for lead and 0.157 kg for sulphuric acid.

In the production of our Green Transition Metals, we constantly challenge ourselves to find new ways of reducing our emissions, which in turn supports our customers’ efforts to reduce total emissions for the products containing our metals.

By sharing our know-how in this respect, we contribute to the green transition in the entire mining and metals industry.



¹ Boliden’s copper carbon footprint has been assured by Intertek, in accordance with the Greenhouse Gas Protocol – the Product Life Cycle Accounting and Reporting Standard – and reviewed in accordance with the principles of ISO 14064-3. Boliden’s carbon footprint has a comprehensive scope and uses a conservative approach when calculating the footprint. This includes the full supply chain of raw materials, transportation and auxiliary bulk goods and chemicals, such as explosives, from cradle-to-Boliden gate, and excludes credits from energy and by-products.

Sustainability Linked Finance Framework

To ensure our continued access to sustainable debt markets, it is vital that we continuously develop our sustainability strategy and contribution to a more sustainable society. We strive to be aligned with the Paris Agreement and the EU climate goals. By closely cooperating across functions such as Finance and Sustainability, we aim to show potential investors and lenders how Boliden's sustainability strategy, goals and track record can provide opportunities for sustainable financing.

As part of its strategy, Boliden has a Green Finance Framework to finance investments in energy efficiency, pollution prevention and control, R&D and clean transportation. With this Sustainability-Linked Finance Framework, Boliden further integrates sustainability commitments into its financing activities. The Green Finance Framework and the Sustainability-Linked Finance Framework provide investors with transparency on how they contribute to our vision to be the most climate friendly and respected metal provider in the world.

The Framework is developed to align with the Sustainability-Linked Bond Principles (SLBP) published in 2024 by ICMA and the Sustainability-Linked Loan Principles (SLLP) published in 2023 by LMA, APLMA and LSTA. The five core components of the Principles form the basis of the Framework, including:

1. Selection of Key Performance Indicators (KPIs)
2. Calibration of Sustainability Performance Targets (SPTs)
3. Financial characteristics
4. Reporting
5. Verification

The Framework allows Boliden to raise capital through sustainability-linked bonds and loans (Sustainability-Linked Debt Instrument). The terms and conditions of the underlying documentation for each Sustainability-Linked Debt Instrument shall provide a reference to this Framework.

The purpose of the Framework is to define the Key Performance Indicators, Sustainability Performance Targets, financial characteristics, reporting and verification related to Boliden's Sustainability-Linked Debt Instruments.

Selection of Key Performance Indicators (KPIs)

The selection of Key Performance indicators in this Framework has been made in accordance with Boliden's materiality assessment, where the highest climate-related priority is to further reduce Boliden's climate footprint. Recognizing decarbonization as the industry's main challenge, we work to reduce the climate impact of our mining and smelting operations as well as upstream and downstream activities in the metals value chain.

Even if our operational emissions are a key focus area for Boliden, our value chain play a crucial role in achieving the reduction needed to be aligned with the Paris Agreement. Of our total emissions, the majority is related to our value chain (scope 3), primarily from upstream activities.

Ensuring that suppliers and input materials are aligning with Boliden's high climate ambitions are therefore a key focus for Boliden.

Emissions is a strategic area where Boliden has the ambitious targets of reducing scope 1 and 2, and scope 3 absolute carbon dioxide emissions by 42% and 30% respectively by 2030, with 2021 as the base year. The roadmap to meet the 2030 targets has been incorporated into the long-term financial plan, fully accounting for the required investments and other commercial decisions. Moreover, Boliden has committed to science-based targets, which creates value by improving our risk profile, strengthening the possibility for social and legal license to operate, improving access to different sources of capital and strengthening the ability to attract and retain talent in the future.

The KPIs refers to the United Nations Sustainable Development Goal 13 "Climate Action" and the EU environmental objective "Climate Change Mitigation".

Boliden contributes to a sustainable future by extracting, producing and recycling metals that are essential for the development of society. By caring for people, the environment and society, and by using our extensive experience, high-level skills and leading technology, we can offer highly competitive metals with low climate impact.

KPI 1: Scope 1 & 2 absolute GHG emissions (ktonnes CO₂e)

Definition and scope

Scope 1 direct CO₂e emissions occur from sources that are owned or controlled by Boliden, such as emissions from its own boilers, furnaces and vehicles. We use the operational control approach to consolidate and report our direct CO₂e emissions. Direct CO₂e emissions arise from carbonaceous raw materials, from fossil fuels in metal extraction processes and fuels for heating, and from the use of fuels for mining operations and road transportation.

Scope 2 indirect CO₂e emissions are produced from the generation of purchased electricity, heat and steam consumed by Boliden units. Boliden report purchased electricity, heat and steam for all units that we have operational control of, and only include production-related indirect emissions.

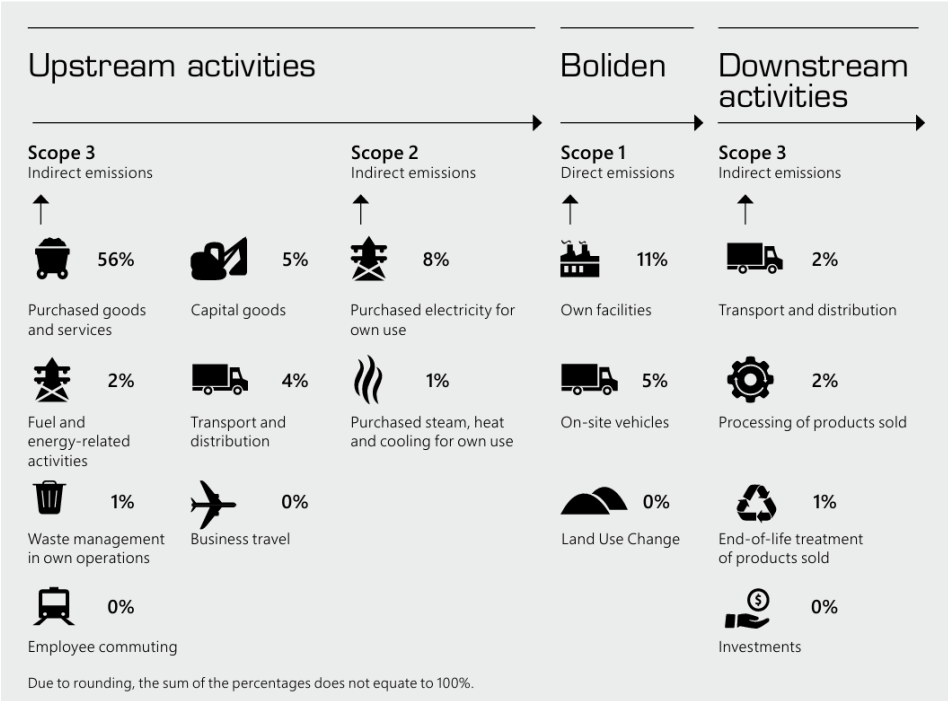
In 2023, some 25% out of Boliden’s total emissions was related to Scope 1 and 2.

Calculation methodology

- Boliden’s direct emissions are calculated in accordance with the procedures laid down in the World Business Council for Sustainable Development (WBCSD) Greenhouse Gas Protocol, together with additional guidelines from the EU and/or national authorities.
- Boliden report this indicator for units under our operational control and utilize emission factors to calculate the figures derived from suppliers for the respective fuel or material.
- Location-based emission factors are used to calculate Scope 2. The calculation involves multiplying the energy used by the production mix for the specific region. The production mix should be as current as possible, and we use emission factors published by the International Energy Agency.

- Our 2030 SBTi target includes direct land use emissions, but in this framework we have decided to exclude direct land use change emissions from our Scope 1 calculations. This is a discrepancy between our SBTi target and this framework. As better guidance for the calculation of direct land use change emissions

becomes available, we might include under this framework. However, we believe the direct land use change emissions to have a very limited impact to our total Scope 1 emissions. Historically the direct land use emission impact has been 0% of our total scope 1.



KPI 2: Scope 3 absolute GHG emissions (ktonnes CO₂e)

Definition and scope

Scope 3 indirect CO₂e emissions arise from both upstream and downstream business activities within Boliden. They are emitted indirectly from Boliden’s activities and originate from sources not owned or controlled by the company. For Boliden, Scope 3 includes the emissions from its supply chain as well as downstream transport, processing and end-of-life.

In 2021, approximately 74% out of Boliden’s total emissions was related to the value chain (Scope 3). A significant portion of Boliden’s Scope 3 emissions in 2023 were attributed to upstream activities involving the procurement of goods and services, which includes the purchase of concentrates, recyclates, and others (e.g. auxiliaries). In 2021, the procurement of goods and services accounted for 70% of our total Scope 3 emissions.

Calculation methodology

- Boliden assesses Scope 3 GHG emissions across fifteen value chain categories, which is in alignment with the recommendations outlined in the Greenhouse Gas Protocol.
- Procurement-related emissions are accounted for using the spend method or material use multiplied with the emission factor. We use supplier-specific emission factors when possible. Other sources include Exiobase, which is an approved reference according to the GHG Protocol, and the Swedish procurement authority. When possible, actual consumption data in k metric tonnes is used, multiplied by a metric ton-based emission factor. This has been applied for the main emission categories of e.g. explosives, as well as some smaller bulk goods categories.
- To calculate emissions associated with transportation (sea, rail and road) knowledge of distance, the weight of the transport and emission factors are necessary. The emission factors are derived from NTM or the UK Government GHG Conversion Factors for Company Reporting, while information regarding distance and weight is obtained from suppliers.

Calibration of Sustainability Performance

Targets

SPT 1	Reduce absolute scope 1 and 2 GHG emissions 28% by 2028 from a 2021 base year	Reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.
Target observation date	31 December 2028	31 December 2030

Historical performance

Scope 1 and 2 GHG emissions

Boliden Group	2021	2022	2023
Scope 1, tonnes	616,000	629,000	627,000
Scope 2, tonnes	375,000	286,000	215,000
Total	990,000	915,000	842,000

Benchmarking

Boliden conducted a benchmarking exercise of the SPTs against peers in conjunction with the target setting approach. The result showed that Boliden’s Scope 1 and 2 GHG emissions reduction target is in line with, or in many cases surpass, similar targets adopted by peers. The target trajectory also represents a material improvement compared to Boliden’s past years of historical performance and has been validated by the Science-based targets initiative for the 1.5°C scenario.

Strategy to achieve the target

Boliden is well-positioned to achieve its ambitious decarbonization targets by adhering to its emissions reduction roadmap. The roadmap primarily comprises initiatives related to electrification, transition to renewables, process improvements and an enhanced energy mix as well as other smaller decarbonization activities.

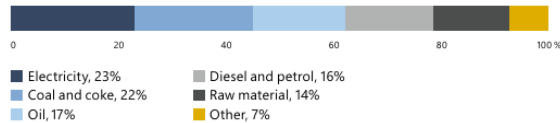
Boliden Mines’ reduction roadmap is mainly driven by electrification and grid decarbonization, with additional impact from switching to renewable sources. Renewable electricity is estimated to account for 59% of the reduction potential for mining by 2030.

Replacing the open pit diesel truck fleet with electric trucks powered by batteries or electric trolley trucks is also expected to significantly reduce emissions. Electrification initiatives will reduce the consumption of diesel and fuel oil for transportation and is estimated to account for 39% of the total emission reduction roadmap for mining.

Carbon dioxide emissions

(scope 1 + scope 2), 2023 per source

The total reported CO₂ emissions amounted to 842 (915) k metric tons for the year.



Grid decarbonization constitutes a substantial factor in achieving emission reductions for Boliden Smelters that is estimated to account for 34% of the overall reduction potential for their operations. The smelters have formulated plans to substitute coal with bio coal, which comprises approximately 32% of their reduction roadmap. Additionally, efforts to optimize material utilization, with the aim of reducing the consumption of Zn feed, will potentially realize an 11% decrease in emissions.

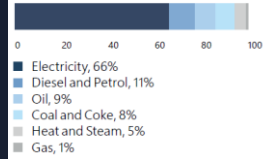
Ongoing activities aimed at reducing Scope 1 and 2 emissions include:

- Grid decarbonization: reduction of emissions from local electricity production in countries where we operate.
- Electrification: switching from fossil fuel use of for example diesel, coke, natural gas and heavy fuel oil, to electricity.
- Energy efficiency: reduction of energy use per amount produced, for example through more efficient heat use in smelting or optimized mine layouts.
- Fuel switching: where electrification is not a viable option, heavy fuels will be replaced by less carbon-intensive energy sources such as gas.
- Use of renewable energy sources: for example, replacing coal-based reduction agents with biomaterial and diesel with Hydrotreated Vegetable Oil.
- Heat and steam decarbonization: reduction of emissions in the production of steam and heat of local power companies. This includes guarantees of origin for Finnish operations.

Agreements for fossil-free electricity

Boliden has long-term electricity supply agreements for fossil-free energy from two wind power companies that amount to the supply of 1,400 GWh combined for Sweden and Finland. We also have agreements for 1,600 GWh of wind and hydro power in Norway, and 500 GWh of hydro and nuclear in Finland annually. During 2023, our first industrial-scale solar power production plants were installed at Harjavalta and Bergsöe with a combined production capacity 3.6 GWh. All Boliden’s renewable energy suppliers generate electricity close to Boliden’s operations.

Energy input for group, 2023 per source



The Odda expansion

We are investing EUR 1050 million in our Odda Smelter in Norway. The investment will mean an increase in the annual production capacity of zinc from 200,000 to 350,000 metric tons per year and will substantially improve productivity with a state-of-the-art level of automation and digitalization. In addition to zinc, it will also be possible to extract lead, gold and silver. The increased production capacity together with improved energy efficiency and a new, long-term contract for the supply of fossil-free electricity will result in a further increases in the volume of low-carbon zinc produced as well as lower waste intensity.

Key factors that could affect the ability to meet SPT 1

- That governments in countries where we operate do not deliver on the communicated reduction of emissions in electricity production.
- Increased production levels e.g., higher absolute emissions in 2024 and 2025 as we expand production (mainly Odde expansion)
- The production figures which are updated annually in our business plan and budget could differ a lot from year to year due to mainly grades in our mines. 'On top of that, the need to prolong the life of mine of existing assets could require increased levels of mine development for some years, normally leading to higher energy use than expected as of today.
- Amendment to the Swedish Act on the Reduction of Greenhouse Gas Emissions means that the blend of biofuels in diesel moved from 30.5% to 6% for the period 2024 to 2026 and is abolished for the period 2027 to 2030.

SPT 2	Reduce absolute scope 3 GHG emissions 23% by 2028 from a 2021 base year	Reduce absolute scope 3 GHG emissions 30% by 2030 from a 2021 base year.
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Target observation date	31 December 2028	31 December 2030
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Historical performance

Scope 3 GHG emissions – base year calculation

Scope 3, ktonnes	2021
Purchased goods and services	1,996
Capital goods	199
Fuel & energy-related activities	114
Upstream transportation and distribution	233
Waste generated in operations	8
Business travel	1
Employee commuting	7
Downstream transportation and distribution	68
Downstream processing	169
End-of-life treatment of sold products	42
Total	2,836

The result showed that Boliden's Scope 3 GHG emissions reduction target is in line with other ambitious peers.

Boliden's Scope 3 targets has been validated by the SBTi. However, currently, the temperature alignments are only for scope 1 and 2 emissions. This is because the methods to assess scope 3 alignment are not robust enough to provide a benchmark for temperature classification.

Strategy to achieve the target

To reduce our scope 3 emissions, we work with a supplier engagement program, which aims to help our vendors lower their own scope 1 and 2 emissions. This has the estimated potential to reduce Boliden's scope 3 emissions by 30%. To improve the sustainability of the goods and services we buy, we provide training sessions for our suppliers and contractors. In addition, we will continuously improve the monitoring of our emission reduction efforts to ensure they are consistent with our roadmap.

Benchmarking

Boliden conducted a benchmarking exercise of the SPTs against peers in conjunction with the target setting approach.

Ongoing activities aimed at reducing Scope 3 emissions include:

- **Supplier engagement:** communicate, support, educate and follow-up on supplier climate performance.
 - Influencing our suppliers to commit to initiatives such as SBTi or ensure they are on track with their own targets.
 - Inspire our suppliers to increase data quality by having as much third party verified data as possible.
 - Knowledge sharing (expertise on life-cycle assessment calculations, decarbonization efforts at our mines, the benefits of committing to initiatives such as SBTi etc.).
- **Partnership for innovation:** engage with selected suppliers to ensure a long-term partnership where innovative solutions are the key to CO2 reduction.
- **Reduction insights and informed decision-making:** incorporation of climate requirements in sourcing activities to ensure informed decisions are made and that our spending is directed towards more sustainable solutions. Enabling selection of suppliers with low carbon emissions and promoting sustainable practices in our supply chain. This includes electrification and other sustainable options in transportation.
- **Securing supply of critical products:** engaging with suppliers long term to secure the supply of climate-friendly solutions and products for Boliden.
- **Data collection and reporting:** enhance data quality by collecting supplier data and ensure correct and transparent reporting.
- **Explosives:** Nitrate free and low CO2 emissions explosives.
- **Significant reduction of external purchased cement:**
 - backfilling cement; using internal slags/tailings instead.
 - Shotcrete cement; replace with shotcrete scanner/netter.
- **Chemicals:** replacing externally purchased processing chemicals with inhouse production.

Key factors that could affect the ability to meet the SPT:

- Long contracts with raw material suppliers (as long as up to 10-year contracts) making it difficult to do any swift reductions in our Scope 3 emissions.
- Production increase is expected, for example our smelter in Odda will increase production from 200 ktonnes to 350 ktonnes Zinc). Hence, increasing the need for externally purchased raw material.
- Uncertainty in data (assumption based), quality expected to improve over time.

Financial characteristics

Characteristics outlined in this Framework apply to all Sustainability-Linked Debt Instruments issued under it. The proceeds from Sustainability-Linked Debt Instruments will be used for general corporate purposes.

For any Sustainability-Linked Debt Instrument issued under this Framework, the characteristics may change and lead to a financial impact in the form of either a premium payment, coupon step-up or margin adjustment in the event that a trigger event occurs. Regardless of financial characteristic selected, the scale of the impact aims at being meaningful and commensurate.

A trigger event occurs if:

- The KPI have not achieved the respective SPT on the target observation date, or
- the reporting does not meet the requirements as set out in the related transaction specific documentation, or
- the verification has not been provided as set out in the related transaction specific documentation.

The financial characteristic selected for each Sustainability-Linked Debt Instrument including specification of financial impact, target observation date, fallback mechanisms

and reporting end date will be stated in the relevant transaction specific documentation.

Fallback mechanisms applicable to any Sustainability-Linked Debt Instrument issued under this framework include a potential recalculation of the baseline figures if there is a significant change of at least five per cent to the baseline due to changes in Boliden' organizational structure, the calculation methodology or data quality.

For the avoidance of doubt, the KPIs and SPTs set out in this Framework will remain applicable throughout the tenor of any bond issued under the Framework, regardless of any changes to the baseline, overarching sustainability strategy or potential framework updates. This includes any changes relating to the company's general sustainability targets and ambitions.

Reporting

To ensure investors and other stakeholders have updated and adequate information about Boliden' sustainability strategy and the progress of the KPIs in relation to the respective SPTs, Boliden will report the progress of the SPT as part of its Sustainability Report publicly available on Boliden webpage, on an annual basis for as long as there are Sustainability-Linked Debt Instruments outstanding.

The Sustainability Report will contain the relevant information for assessing whether the applicable SPT has been met for the applicable Target Observation Date.

The Sustainability Report will include the following reporting points;

- Up-to-date information on the performance of the KPIs,
- Information about recalculations of the level of carbon emissions in the base year, if any,
- Information on any relevant updates to Boliden's sustainability strategy and/or governance with a potential impact on the KPIs and SPTs.

Where feasible and possible the Sustainability Report will also include;

- Qualitative and/or quantitative explanations of the contribution of the main factors, including M&A and/or other restructuring activities, behind the evolution of the performance of the SPT on an annual basis,
- Illustration of the positive sustainability impacts of the performance improvement,
- Updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs.

In the case Boliden would have financial instruments other than bonds outstanding, the company may choose to provide the reporting in relation to debt instruments other than bonds, directly and non-publicly, to the lenders or counterparties.

Verification

Post issuance verification

Boliden will annually seek an external and independent verification of its performance of the KPI, by a qualified external reviewer with relevant expertise. The external reviewer will be chosen in accordance with the Voluntary Guidelines for External Reviews developed by ICMA and may at the discretion of Boliden be changed subject to fulfilling the requirements set out herein.

Second party opinion

Boliden has engaged Sustainalytics to provide a second party opinion to this Framework assessing the relevance, robustness, reliability, and ambition level of the selected KPIs and SPTs and confirming its alignment with the Sustainability-Linked Bond Principles.

Publicly available documents

The Framework and the second party opinion will be made publicly available on Boliden website together with the annual reporting and verification, once published.