Sustainability report 2023

















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PROSPERITY

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We look forward to continuing our journey towards sustainability

It is with great pleasure and pride that I present our sustainability report for 2023. Our commitment to sustainability permeates every aspect of our business and we have taken important steps to ensure a responsible and long-term future.

New standard for sustainability reporting

We are determined to be ready in time to meet the requirements of the CSRD. We also have a strong focus on GHG with a clear goal to integrate Scope 3 into our reports. This means that we take responsibility for the entire value chain and ensure that the EU's ambitious targets also reach our suppliers outside the EU. We welcome the fact that sustainability will now have the same status as financial reporting - a company's success is no longer solely financial, but also linked to balanced sustainability.

Important events in 2023

The year of 2023 was not without challenges and important circumstances that affected our business.

The war in Ukraine resulted in limited access to fossil-free fuels, forcing us to temporarily return to mineral oil at our facility in Sandarne.

Our application for a continued operating permit in Gåsgruvan was rejected. The court chose to apply a limit value despite the fact that experts brought in by the court were of a different opinion. MMD has granted leave to appeal for that judgement.



At the same time, our partner SaltX completed the ECRC, its test facility in Hofors, and SSAB placed their first order for ZEQL-produced lime, which showed very good results in Swerim's test facility.

Work on the first full-scale ZEOL factory is in full swing, where we are investing in advanced plasma equipment from Scanarc with control from ABB. We have also established contact with companies to convert the produced CO₂ into fuel. The first production line for ZEQL will be completed in 2025. Simultaniously, we are constantly evaluating ideas and opportunities to convert existing factories to CO₂-neutral production.

Working on several fronts

Our focus in sustainability is to rapidly reduce the large amount of CO, we release into the atmosphere. Technical solutions are being developed and tested intensively, but challenges remain. Unclear rules on CO₂ classification and difficulties in obtaining the necessary permits require our attention. We are determined to contribute to a positive change, but decision-making and permits are key factors.

Lime - a necessity despite challenges

The mining of lime brings environmental challenges but there is currently no adequate alternative in the processes where lime is used. Lime is necessary for the production of e.g. steel, paper, asphalt, cement, plastics and in everything from water purification to the improvement of arable land, animal feed etc. We are aware of the negative effects, but our society is highly dependent on the versatility of lime and we are at the forefront of the industry to switch to as sustainable production as physically possible.

We look forward to continuing our journey towards sustainability and thank you for your continued support. Svante Fielding, CEO SMA Mineral



Important events 2023

2023 has been an eventful year. A lot has happened that in various ways is connected to our long-term sustainability work.

SMA Mineral and SaltX launch ZEQL

Since spring 2022, SMA Mineral and SaltX have cooperated to create an electrified process for the production of climate-neutral lime on an industrial scale. On June 7, 2023, the parties launched the joint factory concept and the ZEQL (Zero Emission Quicklime) brand.



CO2-Hub Nordland

SMA has participated in a unique *Carbon Capture Pilot Project* in Mo i Rana. The project, which ran from 2022-2023, is the first of its kind in Europe. With a CC pilot installed between *Elkem* and *SMA Minerals'* plants, the project aims to capture carbon dioxide from the flue gases of both companies to investigate how it is possible to mix flue gases that differ in composition and carbon dioxide content. The project has been completed and the results show good capture capability.

SaltX inaugurates test facility for the production of climate-neutral lime

On November 16, a significant step was taken on the road to a fossil-free production of lime. In gray-cold November weather, more than 100 guests gathered to participate in the inauguration of SaltX's new test facility in Hofors. SMA Mineral was there.



Downtime in Gåsgruvan

For many years SMA Mineral has carefully prepared the application of a new environmental permit for the operation in *Gåsgruvan*, Filipstad.

The main hearing was held at the end of March 2023. Before the verdict came, the existing permit expired and the operation had to close at the end of April. In mid-May it was announced that the Land and Environment Court rejected the application.

SMA Mineral appealed the decision to the Svea Court of Appeal in mid-June and leave to appeal was granted at the end of October. It is SMA Mineral's hope that the case will be resumed during the first quarter of 2024 and that a decision will be made during the second quarter at the latest.



The dialog with our employees continues

The *Winningtemp* tool has proved very valuable in collecting views on important issues from our employees. This is a step towards achieving our strategic goal of committed employees.



Letter of intent with SSAB and Ovako

SMA Mineral signed letters of intent with both SSAB and Ovako regarding studies for the use of lime from the ZEQL process.

SMA Mineral already has a similar cooperation agreement with Celsa.



Quicklime mixed with fly ash from the paper industry

The steel manufacturer *Outokumpu*, together with the metal research institute Swerim, has conducted tests where fly ash from the paper industry is mixed with lime for use as a slag former in steel production. SMA Mineral has been responsible for mixing and briquetting.

As the fly ash partly replaces burnt lime, carbon dioxide emissions to the atmosphere are reduced.

Test delivery to SSAB

At the end of November, only a few weeks after SaltX inauguration of the ECRC (Electric Calciner Research Center) test facility in Hofors, the first test delivery was made to SSAB.



Sustainability certified according to Fair Transport

SMA Mineral AB has been certified according to **Fair Transport,** the Swedish hauliers' sustainability certification for road freight transport.

The certification verifies that we follow and respect the haulage companies' work and development in terms of *climate and environment, road safety* and *social responsibility*.



Description of the company and the corporate governance

SMA Mineral is one of the leading producers of lime products in northern Europe. By combining efficient lime extraction with knowledge-driven refinement, we offer high-quality products for a range of different applications.

Business idea

SMA Mineral, together with its subsidiaries, operates in Sweden, Finland, Norway and Estonia. Our mission is to add value to stone materials, primarily but not exclusively carbonate stone, for all stakeholders. This includes owners, employees, employee families, customers, suppliers, local communities impacted by our operations, associations and society at large.

Refinement of stone raw materials involves rock extraction, crushing, sieving, and, when appropriate, burning carbonate stone to produce guicklime and dolomite. We also produce hydrated lime and mine and refine silica-rich minerals.

Our products are transported by truck, rail and boat, and are used in industries such as steel, pulp and paper, construction and civil engineering.

Additionally, our products have a positive impact on air and water environments in several applications, as they are used to purify flue gases and water or to counteract acidification of soil, lakes, and waterways.

Governance

Representatives from management, along with a broad representation of employees, participate in annual workplace meetings where local operations are analyzed based on factors such as economics, facility performance, occupational health and safety risks, social conditions, environment, and technology. The impact of these factors on customer relations and results is also analyzed.

Action plans are prioritized and established in workgroups, with representatives from senior management participating. Revisions and business analyses are documented in writing.

The group's senior executives are thus involved in ongoing operations and report back to the rest of the management team on local conditions and any deviations. The management team also conducts annual reviews of performance indicators relating to economics, consumption, environmental performance, and occupational health and safety goals.

Financial reporting and reporting on the group's greenhouse gas emissions are audited by external auditors.

SUSTAINABILITY GOVERNANCE

The responsibility for sustainability work within SMA Mineral is divided among various parts of the company.

THE TECHNICAL SUSTAINABILITY WORK is focused on development and forward-looking through the roadmap towards a fossil-free process for lime burning and carbon capture. Much of this development work will be carried out in separate projects. **RESPONSIBILITY: Sustainability and Development** Manager.

THE ADMINISTRATIVE PART of sustainability work is carried out through reporting to authorities, responding to customer inquiries, and so on. SMA Mineral is also subject to sustainability reporting requirements under the Annual Accounts Act.

RESPONSIBILITY: HSEQ Department with support from other functions within the company.

The company's management is responsible for establishing sustainability goals and prioritizing and following up on significant sustainability issues.





MARKET COUNTRIES

SMA MINERAL NORTHERN EUROPE

SMA Mineral Northern Europe includes the part of the group's operations that is present in the Nordics and the Baltics. We currently operate at around 20 locations in Sweden, Norway, Finland and Estonia.

Our market is in industry, infrastructure, environment and agriculture across Northern

Our head office is located in Persberg, in Värmland's largest mining area, dating back several hundred years.

SMA Minerals headquarter in Persberg

Lime - a natural but unknown part of our daily lives

Limestone and dolomite are the foundation for a wide range of products with different properties and uses. In fact, much of what we take for granted in our daily lives wouldn't work without lime.

Lime is needed to purify the water we drink and the air from harmful fumes. It is also necessary to enrich the soil we cultivate and prevent our waterways from becoming acidic. In some form, lime is also present in or around many of the foods we consume.

In the iron and steel industry, lime is required to remove impurities and protect the steel from oxidation. It is also used in paper production and mining. In a green shift, lime is necessary for the production of green steel and green cellulose.

SOIL IMPROVEMENT

Lime is also an important ingredient in a functioning infrastructure. Our roads are covered with asphalt where lime is used as a filler material and as an adhesive to bind bitumen to the aggregate material.

Lime-based stabilizing materials are also used for soil stabilization, making it possible to build houses and roads even in difficult soil conditions. The construction industry uses lime products in cement and concrete, as well as for the production of roofing felt.

SEA LIMING

ANIMAL FEED

WATER PURIFICATION

CONSTRUCTION

MINING INDUSTRY

PACKAGING

FOOD

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STEEL INDUSTRY

PAPER & CELLULOSE

BRIDGES & TUNNELS

SOIL STABILIZATION

Our products and their environmental challenges

SMA Mineral's product range mainly consists of products based on the carbonate minerals limestone and dolomite. The operations also include a deposit for quartz mining, as well as several other minerals and rocks that can be considered by-products. The carbonate stone is crushed, sieved, and ground into fractions tailored to customer specifications or further processed through calcination and hydration. The environment is a key issue throughout our value chain, from mining and transportation to the control and regulation of processes at our facilities.

Mining of raw stone materials impacts the environment by irreversibly altering the landscape as the raw materials are extracted from nature. During mining, the surroundings are affected by noise from machinery and vibrations associated with blasting. The operations can also impact the biological diversity, in both positive and negative ways, around the facilities. We strive for minimizing our impact on biodiversity and, in some cases, we take compensatory measures.

When limestone and dolomite are processed into burnt lime and burnt dolomite, carbon dioxide is emitted into the atmosphere from the raw stone materials as well as from the fuels used in the process.

Categories	Products	Processes	Burning	ENVIRC
ROCK AND CARBONATES	LIMESTONE UMEST	The stone is quarried, crushed, sifted and can sometimes be ground to the right fraction.		$\begin{array}{c} \rightarrow & \text{Change} \\ \rightarrow & \text{Noise, d} \\ \rightarrow & \text{Electrici} \\ \rightarrow & \text{Impact d} \\ \rightarrow & \text{Impact d} \\ \rightarrow & \text{Waste d} \\ \rightarrow & \text{Internal} \end{array}$
BURNT PRODUCTS	Image: Second system Image: Second system Image: Second system Image: Second system Image: Second system Image: Second system	The stone is quarried, crushed and sifted.	The crushed fractions are fired in a furnace and sieved. In some cases, briquetting and grinding takes place.	 → Climate → Emissio → Fossil ei → Fossil ei → Electrici → Impact → Waste ci → Internal
LIME MUD	Lime mud comes from customers in the paper industry and is deliv- ered – in a circular flow – back to the customer in burnt form.	A really	Like other products, the lime mud is fired in an oven, normally at around 1,000 degrees C.	The bur enges fo

- Lime calcination also results in air pollution emissions, such as sulfur dioxide, nitrogen oxides, carbon monoxide, hydrocarbons, heavy metals, and dioxins.
- All operations are carried out in accordance with conditions specified in obtained permits. Based on the conditions set in the environmental permit, a control program is drawn up that describes the sampling and measurements to be carried out at each facility. The results are reported in the annual sustainability report. and are followed up by the supervisory authority and checked during supervisory visits.
- In the future, we will need to develop new technologies to minimize emissions and pollution. We will also need to reduce the use of virgin raw materials by finding circular flows and managing waste products. To find the best solutions, we will also enhance cooperation with customers and other companies.

ONMENTAL CHALLENGES

- ed landscape
- dust and vibrations affect the environment
- city dependent
- t on ground and surface water
- t on biodiversity
- disposal
- al transport
- e impact
- ons to air
- emissions from raw materials
- emissions from fuels
- city dependent
- t on ground and surface water
- t on biodiversity
- disposal
- al transport and road transport

Irning of the lime mud presents the same challfor the environment as other kiln operations.

Dialogue with our stakeholders

In 2022 we began to develop and deepen the stakeholder dialogue, which continued in 2023. In 2024, the work will proceed and new stakeholder interviews with a sustainability focus are planned to be carried out.

The purpose of the dialogue is to ensure ongoing understanding of the demands, preferences, and key sustainability issues in the areas of environment, quality, occupational health and safety, and business ethics from our customers and suppliers. It also aims to follow up on compliance with our code of conduct.

STAKEHOLDER DIALOGUE

Stakeholder group	Key sustainability issues
Employees Continuous issue in Winningtemp.	 Safe and secure working environment. SMA Mineral's social responsibility. Profitability. Reduced environmental impact (resource consumption, waste, chemicals). Emissions reduction.
Customers Interviews conducted in spring 2022. (Interviews are planned to be conducted at least every three years).	 Emissions reduction. Sustainable supply chain. Occupational health and safety.
Suppliers Interviews conducted in autumn 2022. (Interviews are planned to be conducted at least every three years).	 Reduced environmental impact (resource consumption, waste, chemicals). Emissions reduction. Reduced emissions from transportation. Occupational health and human rights. Social sustainability. Circular economy. Sustainable energy (including energy efficiency). Delivery reliability.



Our risks

All operations within SMA Mineral are monitored and governed based on principles of sustainable development. Emissions and other environmental impacts are reviewed through specific monitoring programs. Continuous improvement is ensured, among other things, through a certified management system that encompasses SMA Mineral Northern Europe, as well as the sustainability report.

Regular control

Risks related to the environment, social conditions and corruption are assessed and monitored through internal and external audits linked to the ISO 9001 (quality) and ISO 14001 (environment) management systems.

Environmental risk assessments and permits

Environmental risk assessments are an integral part of the statutory permit processes for the company's various operations. The dominant environmental impact of the group's operations is the emission of greenhouse gases in the form of carbon dioxide. The group participates in the European Union Emissions Trading System. Carbon dioxide emissions are measured and audited by an external party and reported to authorities.

Other environmental risks, such as noise, dust emissions to the air, or emissions to water, are regulated through environmental permits. Compliance with permit conditions is evaluated through self-monitoring and annually followed up by supervisory authorities.

Corruption and bribery

All employees at SMA Mineral must refuse gifts from suppliers, partners, customers, etc. that can be perceived as bribes according to our policy against giving and taking bribes. We follow national laws and regulations regarding tax-free gifts in the countries in which we operate.

In 2023, no cases of corruption were reported or detected. In our industry, we consider the risk that our employees do not comply with these rules to be low. In 2024, we plan to complement the introduction of new employees with more information on corruption.







RISKS AND HOW WE MANAGE THEM

RISK/OPPORTUNITY	MANAGEMENT
More complex, unpredictable, and time-consuming permit management can jeopardize ongoing operations.	Managed by findir tion in societal de The risk is also ma accuracy in the do means increasing
Increased energy and emission permit prices pose a risk to the competitiveness of our products in the global market.	The risks are mitig to explore new ca ging a larger porti
Limited access to energy, primarily green energy.	Collaborations wit Localization of pro Technological adv energy recycling.
Risks in the technological development towards green energy.	Significant investr with customers to
Risk of difficulties in recruiting the right expertise due to our dispersed presence in many remotely located places where specialized skills can be hard to find.	Continue to be an a healthy workload Meeting the mark Increased focus o
Availability and quality of recycled pro- ducts to increase circularity in produc- tion (including lime mud and oil).	Improved logistics Enhanced process reduced energy co We are also worki
Risk of serious harm to personnel (collapse/fall hazards, workplace accidents).	We work systemat We assess our wo employees to repo We assess risks a dents and accided investigated, mea of incidents. We encourage em collaboration
	Extra focus is give drivers unloading

OF RISK

- ng alternative routes (raw material delivery routes). Limited participabates with limited influence.
- anaged by being proactive in planning with a long-term perspective, by ocumentation and by economizing on resources and our risks. This g the utilization rate of extracted rock and cleared materials.
- gated through significant investments in technological development Ilcination techniques, new energy sources and methods for manaion of the extracted materials.
- th other stakeholders, customers, and energy producers.
- oduction based on green energy availability.
- vancements for reduced energy consumption and ongoing work in

ment in the ZEQL concept, investing in testing, and collaborating o evaluate and minimize risks.

- attractive employer by offering a good working environment, d and a good leadership.
- et's demands for hybrid work and flexibility.
- on HR initiatives and opportunities to offer thesis projects.
- s have increased SMA Minerals' access to lime mud.
- as control and operational filters have led to increased capacity and consumption.
- ing on finding alternative international deliveries and routes for oil.
- ically to improve the work environment and safety of our employees.
- orking environment through regular safety rounds and encourage our ort risk observations in order to proactively address potential risks.
- at our facilities and in our job assignments. We investigate inciints and develop preventive measures. Accidents and incidents are asures are decided and implemented to minimize the recurrence
- nployees to take on the role of safety representatives to enhance
- Extra focus is given to high-risk tasks or particularly high-risk employees, such as drivers unloading/loading lime products, where a safety data sheet has been produced and become part of the driver's handbook.

RISKS AND HOW WE MANAGE THEM

RISK/OPPORTUNITY	MANAGEMENT OF RISK
Risk of IT intrusion.	The IT department works continuously on IT security, risk classification and busi- ness continuity planning as our environment is constantly changing.
	The level of awareness among employees is measured and has increased during the year, which is a necessity for good IT security.
	In 2023, 697 micro-trainings were carried out.
Risk of non-compliance with internal and supply chain policies.	Training and follow-up internally and externally of understanding and compliance with policies. Developed work on supplier evaluations and audits.
Risk of sabotage of operations by interest groups.	Improved communication on climate and environmental initiatives. Risk assessment of certain contracts.
Risk of emissions in case of accidents and malfunctions.	A new water treatment plant was built in Västerås in 2023. Risk analyses and contingency plans are produced at each plant. Environmental impact analysis are carried out in connection with permit issues.

RISKS AND OPPORTUNITIES WITH CLIMATE CHANGES

RISK/OPPORTUNITY	DESCRIPTION
Future risks for climate refugees at in- creased temperatures. Risk of extreme population changes, community plan- ning unavailable, infrastructure.	Plan to reduce CO ₂ emissions. Follow up and adapt our roadmap to the changes that take place.
Extreme weather.	Plan to reduce CO ₂ emissions. Follow up and adapt our roadmap to the changes that take place.
Opportunities linked to political initiatives and directives around emissions trading and circular economy.	There is potential in creating new products from Carbon Capture and from waste products.

Materiality analysis

The issues we have identified as most essential for SMA Mineral are a synthesis of input gathered from several different analyses and sources.

The work began in 2021 with an analysis of our *risks, value chain, external environment,* as well as our *customers* and *competitors*. We also conducted a review of our goals and key performance indicators. The data was processed in multiple workshops with the management team, where all significant issues were thoroughly examined. In 2022, we continued with an updated vision process and the initiation of a more comprehensive and systematic stakeholder dialogue.

Our most important stakeholders are our *owners, employees, customers,* and *suppliers*. In the materiality analysis, we also considered important international agreements such as the Paris Agreement and relevant legislation. Our material sustainability issues are prioritized on a scale from important to very important for our stakeholders and sustainable development.

In 2024, an update and extension of the materiality analysis with a focus on *dual materiality/dual materiality* analysis will be carried out.



Economy (Prosperity)

- ightarrow Stable and efficient production
- ightarrow Satisfied customers
- ightarrow Ethical business practices
- \rightarrow Profitable operations \rightarrow G









OUR GOALS



Sustainability focus and objectives

Our vision is for SMA Mineral to be the natural choice for development and value creation - both locally and globally. Our long-term plans revolve around both saving the climate and surviving as a company. Our customers are at the forefront of their respective industries, and in order to remain competitive, we must do the same.

SMA Mineral's prioritized sustainability issues lay the foundation for our priorities and efforts. The work to deepen our commitment and responsibility began in 2021 and is ongoing in our roadmap.

Our chosen focus areas are based on our *materiality analysis*, which includes our most significant areas of impact and risk, as well as the issues that are most important to our stakeholders. The production of our products should be carried out with the utmost consideration for the environment, health, and safety.

Responsibility for our part in achieving the Paris Agreement

As a business with relatively large emissions in our processes, we have a significant responsibility to do our part in achieving the goals of the Paris Agreement. The determination of our customers to transform their production processes inspires us to do the same.

To be able to do so, new expertise is required. Therefore, SMA Mineral needs to be an attractive employer with fair conditions and values. All of this is reflected in our overall chosen focus areas for sustainability work.



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MATERIAL ISSUES	GOALS
Stable and efficient production.	2 billion in value-creating turnover > 20% EBITDA.
Live up to permits and requirements.	Minimized local impact.
Satisfied customers.	NPS and CSI must exceed 78 = the limit of <i>Very good.</i>
Combating corruption.	Our CoC should be signed by 100% of selected strategic/ critical suppliers.

MATERIAL ISSUES	GOALS	
Safe working environment. Employee interviews and individual skills development plan.	LTI <7. 100% completed and produced.	
Attract and retain the industry's best employees.	Higher results for committed	
Good leadership leads to engaged employees.	rence group in Winningtemp.	
Minimize local impact (noise and dust).	In accordance with the current permit.	

MATERIAL ISSUES	GOALS
Reduce the amount of emissions from the business.	50% CO2 reduction/ton of burnt product by the year 2027 with 2020 as base year.
Material efficiency.	
Energy efficiency.	
CCU - carbon capture and productization.	In accordance with the road- map 2020-2027.
Industrial symbiosis – use of residual products.	
Protection of threatened spe- cies and provision for land restoration.	Work to maintain or increase biodiversity in the places where we operate.

ZEQL - our path to halving **CO**₂ emissions

The biggest, most important, but perhaps also most difficult part of SMA Minerals' sustainability responsibility is to significantly reduce CO_2 emissions. With our and SaltX Technology's concept ZEQL - Zero Emission Quicklime - we make it possible to achieve this goal.

Fossil-free electricity reduces the environmental footprint

The decision to reduce carbon dioxide emissions from our calcined lime products by 50% is made possible by SMA Minerals and SaltX's *ZEQL* concept. The project is the first step towards a completely carbon neutral production. Facilities within the ZEQL framework are operated with green electricity - electricity produced without the use of fossil fuels.

Replacing fossil fuels with fossil-free electricity results in a significant reduction in CO_2 emissions. Compared to traditional kiln technology, we will also be able to use more of the quarried limestone and dolomite in the process. However, to achieve our long-term zero vision, we must also address the CO_2 released from the limestone during the heating process in the lime kiln.

The advantage of using electricity as fuel is that the emissions will consist of nearly 100% carbon dioxide. This means that we can avoid the costly and energy-intensive process of separating CO_2 from emissions of a conventional lime kiln.

Consequently, the captured carbon dioxide can be used in processes for the production of electric fuels or other products. Another possibility is to store CO_2 in the seabed or in products that prevent its release into the atmosphere.

Furthermore, factories designed in a new and modern way will significantly improve the working environment, especially with regards to dust.

Current situation within ZEQL

The ZEQL project is moving forward at a fast pace. We are well advanced in the design of a new factory in *Mo I Rana, Norway,* which is planned to be the first plant with the new technology.

During 2023, we have worked on the design and layout of the plant and had intensive discussions with various stakeholders in the project.

A key factor for success is collaboration. The collaboration between SMA Mineral and SaltX must work, as must the dialog with other parties such as Mo I Rana Industrial Park, potential suppliers to the factory construction and products needed after commissioning and, not least, with customers who will use the product in their process.





In addition, there are preparations for the permit process and questions about how we can best utilize and use the highly concentrated carbon dioxide from the process. There is great interest from several companies and we have high hopes of being able to conclude an agreement in the near future.

SMA Mineral has not yet made a formal decision on investment in the plant, but much is being done to ensure that such a decision can be made in the first half of 2024 so that production can start as early as 2025. SMA Minerals' goal of halving carbon dioxide emissions by the end of 2027 remains.

The planning of SMA Mineral's factory in Mo I Rana has been carried out in parallel with SaltX's investment in a test facility in Hofors. This was built in about ten months in 2023 and was inaugurated in November.

ZEQL

The roadmap 2020-2027

The management has decided on the strategic goal of reducing carbon dioxide emissions from our lime production by 50% by 2027.

The base year is set to 2020 when the total emission was 487 kton. In order to achieve a fifty percent reduction in emissions by 2027, carbon dioxide emissions must be reduced to 243 ktons. The production of burnt products (BRP) corresponded to 463 kton in 2020.

In order to manage the varying production volume of BRP per year, the carbon dioxide emission is calculated at tons of CO_2 /ton of BRP, which corresponds to 1.05 tons of CO_2 /ton of BRP based on 2020 production.

A 50% reduction in carbon dioxide corresponds to an emission of 0.53 tonnes of CO,/ton of BRP in 2027.

Our roadmap

Year	Measure	CO ₂ kton	CO ₂ emission- reduction	CO ₂ / ton BRP
Base ye 2020	ar	487	100	1,05
2022	Sandarne Fuel change	-17	-3	1,05
2023	Actions according to plan	+/-0	+/-0	1,06
2025	3 factories 2 Fuel change 1 ZEQL	-137	-28	0,72
2026	1 st fabrik 1 ZEQL	-67	-14	0,57
2027	1 st fabrik 1 ZEQL	-69	-14	<0,53
Total		-290	-59 (<50)	<0,53 (0,43)

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+/-0

1,06 ton CO_2 /ton BRP

In 2023, fossil oil was temporarily used as the availability of bio-oil – due to the Ukraine war and storms in North America – has been limited during the year. Efforts to secure volumes of bio-oil are ongoing.

Base year 1,05 ton CO₂/ton BRP Total emission: 487 kton Strategic target: 243 kton (50% reduction of carbon dioxide until 2027)

2020

24



2026

$0,57 \operatorname{ton} \mathrm{CO}_{2}/\operatorname{ton} \mathrm{BRP}$

1 new factory based on the ZEQL concept has been built.



2025



$0,72 \operatorname{ton} \mathrm{CO}_2/\operatorname{ton} \mathrm{BRP}$

3 factories have been addressed. 2 factories have switched to biofuel and 1 new factory based on the ZEQL concept has been built.





PROSPERITY

OUR FINANCIAL RESPONSIBILITY AND CORPORATE GOVERNANCE

For over fifty years, SMA Mineral has developed a long-term stable business built on quality products, satisfied customers, and sustainable business relationships. We have clear and strong core values and approach our customers with expertise, reliability, and good business ethics throughout the value chain.

Focus areas	Significant issues	Q Goals / KPIs	Activities in 2023
	Stable and efficient production	EBITDA target in %. Refer to the saved documents/charts (p. 34).	Efforts to offset cost increases through our own price adjustments and stream ning of our processes.
Profitable business	Compliance with all permits and require- ments	Minimized local impact (noise and dust).	Annual emission measurements of dus from all burnt lime/dolomite production facilities. Sampling according to established con trol programs. Follow-up of the results reported to the supervisory authority in the annual Environmental Report. Installation of a new water treatment plant, Svensk Oljeåtervinning.
	Satisfied customers	Complaints 2023: 1. Customer survey 2023. SMA Mineral: LKI: 82/100. NKI: 77/100. Swedish oil recovery: 4,4/5.	Customer surveys conducted in 2022. Renewed customer satisfaction survey conducted at least every three years.
Ethical business	Anti-corruption	Goal: 100% of selected critical or stra- tegic suppliers will have accepted SMA Mineral's Code of Conduct. Whistleblower function (number of repor- ted cases/number of resolved cases): Results in 2023: 2/2.	Updated Code of Conduct based on the Global Compact, which sets higher requirements for suppliers. Whistle blower function in operation, tested and working well.
practices	IT security	Risk assessment, deviations. IT security training for all staff.	697 micro-trainings carried out. Awareness rate: 72%. IT intro planned to be introduced in 20



Our financial responsibility and corporate governance

SMA Mineral's business concept is based on customer satisfaction, financial stability and good business ethics. We obey laws and regulations and clearly communicate our own values both internally and in our contacts with the outside world.

Legal compliance

Legal monitoring

The company has a law enforcement service that monitors selected legislation, which is acknowledged and communicated within the organization. All employees have access to current legislation via the law monitoring service, where it is also described how the company is affected and how we meet the requirements. In addition to monitoring legislation, requirements from other stakeholders are also monitored.

Binding requirements, environment and occupational health and safety

When regulations and other binding requirements change, the manager is responsible for communicating information about the changes to staff, and implementing changes in relevant procedures in the operations and, if necessary, conducting training. The list of relevant laws and regulations is updated continuously and/or during compliance audits conducted annually internally and every three years together with an external consultant.

Follow-up of compliance with laws and mandatory requirements takes place, according to the management calendar, during the management review.

Customer satisfaction

During 2022, customer surveys were conducted among both SMA Mineral's and Svensk Oljeåtervinnings' customers. Renewed customer satisfaction surveys will be carried out at least every three years.

Results:

SMA Mineral



lex) 77/100

(Net Promoter Score) 82/100

CSI (*Customer Satisfaction Index*) for SMA Mineral was measured at 77, while the **NPS** (*Net Promoter Score*) gave a value of 82. According to the measurement standards, both values are considered good.

Svensk Oljeåtervinning

Regarding Svensk Oljeåtervinning, an overall rating is given based on how customers and drivers perceive the performance.

The rating for the 2022 survey was 4.4 (out of a possible 5), which compares with the corresponding values from previous years' surveys of 4.5 (2017) and 4.6 (2007). A new survey is planned for 2024.

The results are high and show that respondents are satisfied or very satisfied (40% each) with the services provided.

The survey also provides information about the requirements regarding certifications.

76% require ISO 9001 in procurement processes.

68% require ISO 14001 in procurement processes.







Code of Conduct and anti-corruption efforts

In June 2022, we updated our two codes of conduct: one code of conduct that clarifies SMA Mineral's perspective on sustainability issues, and one code of conduct that is directed towards suppliers, outlining our expectations for sustainability practices. The definition of sustainability encompasses a broader perspective, including social responsibility, ethics, human rights, working conditions, environment etc.

Our codes of conduct are based on the UN Global Compact and its ten principles in the areas of human rights; labor, environment, and anti-corruption. They also declare that SMA Mineral aims to be a competitive, fair, reliable, and responsible partner to our employees, customers, suppliers, stakeholders, authorities, and the wider community that interacts with our company.

To achieve this, we actively work on climate and environmental measures. We value ethical business practices and strive for long-term and trustworthy relationships. The code of conduct guides us by describing our values and the expectations we have for employees and business partners. The foundation of the code of conduct is SMA Mineral's core values, which guide us in everything we do.



64% of our suppliers have confirmed compliance with our code of conduct concerning environment, quality, occupational health and safety, and business ethics.

Active measures agaist corruption is part of our Code of Conduct. In 2023, we have improved our purchasing procedures to prevent corruption.

Plan for 2024

Planned educational initiatives on the Code of Conduct for all staff and Anti-Corruption for relevant staff. Planned development of supplier assessments and evaluations with a focus on critical and strategic suppliers based on risk assessments.

POLICY ON BRIBERY

Area	Policy
Anti-corruption measures	Policy against giving and receiving bribes

Activities/Follow-up/Results

- Follow-up of the purchasing procedures put in place to counteract corruption.
- Planned educational initiatives:
- · Code of Conduct
- Anti-corruption
- Planned development of supplier assessments and evaluations.

Supplier follow-up

Work on supplier follow-up began in 2022. Through regular surveys of our suppliers, we hope to influence them to improve in the areas we consider important.

The results of the survey will contribute to creating a supplier strategy and an internal assessment framework. It will also serve as a basis for providing feedback to the suppliers. A fundamental requirement to be an approved supplier for us is to comply with our supplier code of conduct or to demonstrate a code of conduct that is at least as comprehensive as our own.

Based on the overall results of the supplier assessment, it will be clear how well a supplier functions for our operations. The survey will also provide guidance on any necessary actions that may need to be taken. However, these actions will be evaluated on a case-by-case basis, considering the type of supplier, relevant areas for the respective company, company size, and available alternatives.

In the survey, suppliers were asked whether they comply with the code of conduct applicable to SMA Mineral and Svensk Oljeåtervinning, which was sent separately earlier in the year.

The overall result shows that 72 out of 113 suppliers (64%) have confirmed compliance with our code covering environment, quality, occupational health and safety, and business ethics.

Generally, our suppliers are rated as good or very good in their work on sustainability, including environment, quality, occupational health and safety, and business ethics. The suppliers' key performance indicators are often related to emissions and fuels, personnel, and the code of conduct.

The suppliers have identified several important sustainability issues related to the environment, including:

- → Reduced environmental impact (resource consumption, waste, chemicals)
- \rightarrow Reduced greenhouse gas emissions
- → Reduced emissions from transportation (fuels, load capacity)
- → Circular economy
- \rightarrow Sustainable energy (including efficiency)

45% of our suppliers have environmental certifications. 95% have an environmental policy, but only 12% have documented plans to achieve 100% fossil-free transportation. 81% have reported that 0-20% of their transportation has been fossil-free. The companies have set multiple goals related to transportation, which can be attributed to the question regarding fossil-free transportation. None of the evaluated suppliers were rejected based on environmental requirements.

Quantity	Rating	General assessment
4	<45%	Evaluated
9	45-59%	ОК
31	60-84%	Good
14	85-100%	Very good

The rating is based on the number of responses out of a total score of 47 (maximum number of "yes" responses in the survey) as a percentage.

Plan for 2024

In 2024, the work with supplier follow-up will be intensified towards SMA's most strategic and important suppliers. The focus will be on reviewing and approving SMA's Code of Conduct and promoting the launch of Sustainability Initiatives with our suppliers (Sustainability Initiatives refer to any form of improvement of the supplier's product/ service that contributes to increased sustainability/environmental improvement).

The goal for 2024 is to have 100% signed Code of Conduct and to have started Sustainability Initiatives with 20% of our 30 most important suppliers.



Whistleblower system

SMA Mineral's whistleblower system was put into operation in the fall of 2022. The system is aimed at both internal and external stakeholders and all types of irregularities can be reported anonymously. Incoming cases are handled by a designated group and feedback to the reporter is an important part. A policy and procedures for working with whistleblowing have been developed.

In 2023, 2 cases were received, one of which was assessed to be an incident and was handled as such. The whistleblower was informed of the measures taken and accepted them. The investigation of the second case revealed no indication that any responsible person within the company had acted incorrectly and, after feedback to the whistleblower, could be closed as completed.

2021	2022	2023	General Assessment
N/A	0/0	0/0	Number of reported cases divided by resolved cases
N/A	0/0	0/0	Number of reported cases divided by resolved cases
N/A	0/0	2/2	Number of reported cases divided by resolved cases
N/A	0/0	0/0	Number of reported cases divided by resolved cases
N/A	0/0	0/0	Number of reported cases divided by resolved cases
	2021 N/A N/A N/A N/A	2021 2022 N/A 0/0 N/A 0/0 N/A 0/0 N/A 0/0 N/A 0/0 N/A 0/0	2021 2022 2023 N/A 0/0 0/0 N/A 0/0 0/0 N/A 0/0 2/2 N/A 0/0 0/0 N/A 0/0 0/0 N/A 0/0 0/0 N/A 0/0 0/0

The key performance indicator (KPI) for whistleblowing is the number of reported cases divided by the number of resolved cases.



Profitable business

Long-term profitability is a crucial factor in being a secure employer and fulfilling our responsibility to the environment, local communities, and important climate solutions.

	2018	2019	2020	2021	2022	2023	25% - 20% -	
EBITDA %	5%	8,1%	13,2%	11,2%	10%	13%	15% -	
Strategic goal >20%	20%	20%	20%	20%	20%	20%	10% - 5% - 0% -	5%



IT and information security

During the year, we have continued to work with our micro-training courses to improve our awareness of IT security.

We currently have an awareness level of 72% according to our measurement tool. In the up-coming year, through continued work with training and simulations, we intend to try to raise awareness further with a focus on increasing the minimum level. We will work more with system ownership and risk assessment of our systems.

In 2024, we have planned to work with an increased focus on information security, risk assessment of our data/information and shared responsibility for both data and system ownership to ensure both quality/accuracy, level of protection and archiving routines to a greater extent than today.

EBITDA in % for the financial years 2018-2023.



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PEOPLE

OUR SOCIAL RESPONSIBILITY

SMA Mineral strives for a secure, safe, and stimulating work environment where competent and engaged employees thrive and continue to develop. We achieve these goals by analyzing the risks in our workplaces and understanding how our employees value their work with us. With knowledge about these issues, we can prevent accidents and unhealthy conditions and create a pleasant work environment with sound values.

Focus areas	Key issues	Goals / KPIs	Activities in 2023
	Safe work environment	LTI <7. LWR (measurement).	The company's encouragement of employees to take on the role of Safety representative resulted in 4 newly registered Safety representatives, 2 of which were in workplaces with fewer than 5 employees. Information to drivers to clarify the risks they may be exposed to.
Engaged employees	Attracting and retaining the industry's best employees	Outperforming the reference group in Winningtemp.	During the year, Winningtemp was implemented in the company. Logging of training hours/employee started for Swedish employees. Already existed for Norway and Finland. Online training + training CoC (2024). Improved onboarding and introduction of new employees (2024). Introduction of a personnel administra- tion system (2024).
	Good leadership leads to engaged employees	Outperforming the reference group in Winningtemp.	Reinforcement of the HR department.



Our social responsibility

Sustainable work environment is to offer a workplace where employees enjoy going to work. The workplace should be characterized by a healthy and pleasant atmosphere where the work tasks is considered motivating, which means that occupational injuries and workrelated accidents are rare.

Collaboration with Bergsskolan in Filipstad

Bergsskolan in Filipstad trains college engineers and college technicians in mining and metal and has worked in direct collaboration with the business community since its foundation in 1830. For Bergsskolan, the collaboration enables enhanced efforts to reach out to students in the region's high schools and in other ways promote interest in technical education. SMA Mineral is one of the companies collaborating with Bergsskolan.

The collaboration also provides good opportunities for students to come into close contact with companies in the industries targeted by Bergsskolan's programs. The companies meet the students by accepting study visits, giving industrial lectures and through theses and summer jobs. Several of SMA Mineral's employees have studied at Bergsskolan and are now in various positions within the company.

Physical risks

Most of our employees work in a physical environment that exposes them to various risks. The most significant risks, based on reported accidents and incidents, are:

- \rightarrow Contact with harmful substances (including inhalation)
- ightarrow Fall on the same level (trip, slip)
- ightarrow Contact with sharp objects

These can be compared to the most significant potential risks based on reported risk observations:

- \rightarrow Contact with harmful substances (including inhalation)
- \rightarrow Fall on the same level (trip, slip)
- ightarrow Contact with electricity

We need to constantly improve our proactive safety work and one step in this is to encourage employees to report risk observations so that we can prevent risks before they happen.

Chemical health risks occur as we work with products and chemicals that – if handled incorrectly – can cause poor health. Each product used is risk-assessed annually and instructions on how the product can be handled safely are produced. We use an external consultant to monitor particularly dangerous chemicals so that they can be phased out and replaced with less dangerous alternatives. Recurrent training of staff on chemical health risks, allergenic substances and thermosetting plastics is part of the awareness-raising process.

We protect the health of our carriers and customers by communicating how our products should be handled to minimize the risk of poor health. Updated safety data sheets (SDS) for active products are available on our website. General comprehensive risk assessments for the facilities are regularly reviewed or updated when changes that may affect safety occur. Job tasks are risk assessed based on needs. Work permits that include risk assessment are often used for work carried out by contractors as they may be unfamiliar with the workplace and the possible risks they may be exposed to.

The IA system is used to report and manage health and safety incidents. Reported incidents are investigated and measures are taken to prevent them from happening again. All employees have an obligation to report accidents and incidents that occur.

To increase everyone's involvement in our safety work, the company encourages employees to report risk observations. This allows us to proactively address actual and/or potential risks.

Organizational and social risks

The organizational work environment refers to the conditions and factors affected by management and governance, communication, participation, autonomy, demands, resources, and responsibilities. *The social work environment* refers to the conditions and factors that encompass social interaction, collaboration, and social support from managers and colleagues.

Shortcomings in the organizational and social work environment can increase the risk of health issues such as *sleep disorders, cardiovascular diseases, back problems,* and *depression*. The risk of stress reactions also increases, negatively impacting employees' concentration, memory, problem-solving, and decision-making abilities, leading to reduced work efficiency. Deficiencies in the work environment are thus not only detrimental to the individuals affected but also to the organization and society as a whole.

To counteract these issues, the group has several policies and procedures in place that describe how we handle matters such as *harassment and bullying*, *gender equality*, *discrimination*, and *personnel issues*. We also have a *Code of Conduct* for employees and suppliers, outlining how we should interact with internal and external stakeholders.



Completed employee interviews



2021	2022	2023	Goals 2023
94,2%	90,0%	60,0%	100%

Ongoing feedback lays the foundation for engaged employees

Engaged employees are one of our key strategic goals. We believe that engagement is the key to success and the path to the other strategic goals. Measuring our employees' well-being and health and gathering opinions on important issues is the basis for this. In 2022, SMA Mineral introduced the new tool Winningtemp, an Al-assisted employee survey that was rolled out across the group in 2023. The tool gives us a basis for a good dialog and the opportunity for continuous feedback between managers and employees.

The survey, which is anonymous, consists of an employee questionnaire where employees answer questions at regular intervals. The questions are designed to gather information about what the respondent considers important and the values attributed to variables such as leadership, job satisfaction, meaningfulness, autonomy, work situation, participation, personal development, team spirit, and engagement. The answers also generate a key value that summarizes the overall picture (page 41).

By indexing the results, we can compare them with the rest of the industry, where a value >1.0 indicates a position better than the industry as a whole.

To capture the issues that are important to employees from a sustainability perspective, the survey has been supplemented with such questions. The answers are given and interpreted on a scale of 1-10 (page 40). The weighted value for the sustainability issues in 2023 ends up at 8.2. The fact that the value has fallen from the previous survey's 9.0 can be seen as a marginal decrease as the 2022 survey was only based on one month and Winningtemp had not had time to become available for the entire group.

How important is sustainability?

Question	Rating	
How important is it for you that SMA Mineral reduces its CO_2 emissions?	7,9	2022
How important is it for you that SMA Mineral reduces waste and the amount of waste gen	8,2 erated?	2023
How important is it for you that SMA Mineral focuses on good profitability?	8,0	8,2
How important is it for you that SMA Mineral takes social responsibility?	8,3	
How important is it for you that SMA Mineral towards a safe and secure working environm	works 8,8 ent?	

the industry.



Reported values from Winningtemp: January 1 - December 31, 2023.

Human and labor rights

It is obvious for us at SMA Mineral that all activities contributing to our products should be carried out with respect for human rights, and that all employees should have reasonable conditions and a safe working environment. Therefore, our codes of conduct are based on international agreements that safeguard individual fundamental rights and equal treatment.

SMA Mineral uphold the right for employees to join trade unions and several collective agreements are in place. 98.4% of all employees are covered by collective agreements. All permanent employees are legally entitled to paid vacation and compensation for overtime and work at inconvenient times.

We expect our suppliers, contractors and partners to have the same respect for human and labor rights as we do.

WE DO NOT ACCEPT FORCED **OR BONDED LABOR...**

...but work should be conducted on a voluntary basis. Personal documents and belongings must not be seized. Workers should be free to leave the workplace after completing their shift. The use of illegal labor is prohibited.

WE UPHOLD HUMAN **RIGHTS...**

...where internationally recognized rights are protected and respected. Personal data is handled with care in accordance with laws and regulations such as GDPR.

WE PROMOTE EQUAL TREATMENT AND DIVERSITY...

...and the equal value of all individuals is self-evident. Everyone should be entitled to the same rights and opportunities regardless of gender, gender identity or expression, ethnicity, religion or belief, disability, sexual orientation, or age.



 \mathcal{L} **KPI**

* Number of work-related accidents with sick leave per 1,000,000 hours worked. ** Number of lost workdays per 200.000 hours worked.

*** In addition, >1000 hours have been spent on training for the implementation of a new business system.

WE UPHOLD FREEDOM OF ASSOCIATION....

...and do not accept any limitations on employees' right to freedom of association or collective bargaining.

WE DO NOT TOLERATE HARASSMENT

There is zero tolerance for any form of abusive behavior, bullying, or discrimination. We have a responsibility to prevent, address, and take action. All employees and business partners who witness or suspect violations are obligated to report them.



WE DO NOT ACCEPT CHILD LABOR

All forms of violence, coercion, or exploitation of children are unacceptable. Workers under 18 years of age should be specifically protected from hazardous tasks that pose risks to their health and safety, such as night work.

2021	2022	2023	Goals 2023
0/0	0/0	0/0	0
0/0	0/0	0/0	0
0/0	0/0	0/0	0
0/0	0/0	0/0	0
0/0	0/0	0/0	0
0/0	0/0	0/0	0
6,24	9,62	11,87	<7
3,12	26,66	11,28	-
N/A	N/A	18,5	
0/0	0/0	0/0	0

For all metrics (excluding Safe working environment and health), the KPI is the Number of reported cases divided by resolved cases.

WE PRIORITIZE A SAFE WORKING ENVIRONMENT...

...and prioritize the health and safety of our employees. At our workplaces, everyone is involved in occupational health and safety and takes responsibility for following guidelines and workplace rules.



WE UPHOLD REASONABLE **EMPLOYMENT CONDITIONS...**

...and do not accept conditions that fall below national and local legislation or ILO core conventions. Signed collective agreements must be respected and adhered to. Working hours and minimum wages should comply with national laws in the country where the product is manufactured or the service is provided.

Safe workplace

Preventive work environment measures

A safe workplace with a good working environment affects the well-being of employees, and feeling good at work increases commitment. Work environment and safety are important pieces of the puzzle to achieve the company's strategic goal of committed employees. In order to move forward, we need structure and we have the help of ISO 45001, which we follow even though we are not yet certified. The foundation is based on systematic work environment management.

Investigation

We investigate our workplaces through regular safety inspections, employee surveys (Winningtemp), workplace meetings and employee interviews. The company also encourages employees to report risk observations, which can be done through a mobile application or computer to the IA system used for risk management and incident reporting. Detecting risks before they happen allows us to take proactive measures before someone gets hurt.

Risk assessment

Risk assessments are carried out in various forms, from overall for the entire facility to assessments for specific tasks. With the assistance of external parties, annual risk assessments are also conducted for all products/chemicals we handle, as well as potential chemical risk sources. Hazardous substances are monitored so that we can systematically phase them out and find replacements. Particular emphasis is placed on risk assessment of work tasks performed by external contractors, as they do not have the same knowledge of the risks they may be exposed to at our workplaces. The work permits issued include a simple risk assessment that is carried out together with the contractor.

Measures

Based on the results of inspections and reports, actions are prioritized to address the most serious risks and those measures that can be easily implemented. In this way, we will gradually achieve safer workplaces.

Follow up

Once the planned measures have been implemented, we need to follow up to ensure that the results are as good as we had hoped. The responsibility for follow up lies with the person in charge of the facility. Finally, the safety representative carries out his or her inspection, where the entire operation is followed up and finally approved. To evaluate the effectiveness of our systematic work environment measures, an annual follow up is conducted using a questionnaire where managers and employees assess various aspects of the work environment measures. Each part of the questionnaire is weighted to make it measurable. Each facility can see how their own work environment measures, both overall and in each area, have developed over time and receive suggestions for areas of improvement. Comparisons can also be made with the rest of the Group.

₩ WDI		2021	2022	2023	
NPI	Reported risk observations	397	350	200	

Safety committees

The SMA Group has two safety committees, one in Finland that handles national occupational health and safety issues, and one in Sweden that handels both national and Group-wide health and safety issues. In this way, we can work broadly and harmonize the work environment in all countries so that no one has to be injured or feel bad at work.

The safety committees are composed so that all existing activities are represented, and the Swedish safety committee has members representing Norway and Finland. Safety representatives play an important role in the safety committee as they are usually closer to the company's risks and can capture the opinions of other employees. In 2023, half of the Swedish safety committee consisted of safety representatives.



The technology department

SMA Mineral's *Technology Department*, a group of project engineers with various specialist areas, has the task of providing competent technical service to the company's various operations, mainly in *projects, production development, maintenance, electricity* and *automation*. The activities are governed by the investments, renovations and development projects carried out at the company's production units and customers' facilities.

The task of the project engineers is to lead and/or participate in a customer-oriented way in *development, planning, investigations, cost calculations* and, where appropriate, as *project managers* in the implementation of projects. The Engineering Department sees itself as an ambassador for the company's commitment to safe workplaces, setting a very good example in terms of the use of personal protective equipment and compliance with safety regulations, which it also requires from contractors in the projects.

The investment projects that the Technology Department carries out together with clients are characterized by systematic work environment management through the preparation of work environment plans, risk assessments, regular safety inspections and reported risk observations. To some extent, the Technology Department also carries out CE marking, which also guarantees compliance with EU standards for *health, safety* and *environmental protection*, which is a very important part of creating safe workplaces.

Occupational health care

All of the group's operations in northern Europe are connected to occupational health care. Regular health checks are carried out and, for those employees who are exposed to special risks, medical checks are also carried out at suggested or statutory intervals. Via occupational health care, we also have access to expertise in areas that we may lack internally.



Minimizing the number of accidents

SMA Mineral strives to eliminate as many risks as possible, which is a challenge as we operate ih high-risk industries and have many production facilities.

Personal protective equipment

Primarily, we aim to eliminate or limit risks, but personal protective equipment is still a must in many cases. Depending on the position and task, the need varies, but the company pays for and provides both employees and contractors with the personal protective and/or safety equipment necessary to perform the task safely.

Knowledge is a key question

For new employees, health and safety is a natural part of the induction process. Understanding the risks that employees are exposed to and how to protect themselves against these risks is essential to working safely. No one under the age of 18 is allowed to work in a production environment or where they can be exposed to risks.

To ensure a basic level of competence in health and safety for contractors and our own staff, we use the SSG, Standard Solution Group's basic course, which is valid for three years. At some of our facilities we also require local courses. SMA Mineral is a demand-setting company with SSG, which means that contractors working with us must be able to show valid SSG courses that comply with our requirements. Special procedures regarding coordination and safety regulations for contractors are available for use when, for example, purchasing services and/or projects. In addition, there are local safety regulations that must also be reviewed.

The drivers who transport our products to customers is an important group of employees. The company has developed a driver's handbook that describes risks and how drivers should act in case of emergencies. In 2023, several driver meetings were held with a strong focus on the risks associated with handling our own products.

The health and safety of our customers is equally important. That's why regularly updated safety data sheets are available in several languages, describing the potential risks of our products, what personal protective equipment to use, and what to do in case of a spill or fire.

European Lime Association

To learn from the industry, SMA Mineral has a position in the Safety Task Force, a working group within EuLA, *European Lime Association,* where the major European companies in our industry are represented. Within EuLA, there is transparency between the companies regarding accidents and incidents, as well as preventive measures and innovative safety improvements.

The Safety Task Force, which meets approximately 4 times a year, organizes an annual safety seminar somewhere in Europe where, among other things, various tools and information materials developed to minimize the risk of accidents are presented. Opportunities are also provided for site visits to a production facility. Employees from member companies are welcome to attend the seminar.

Important to measure

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The company monitors the development of accidents and compares itself with European industry counterparts in terms of *FR-LTI (the frequency of accidents with sick leave per 1,000,000 hours worked). The group's target is FR-LTI <7, which is a significant challenge considering the many smaller facilities with high-risk operations. With relatively few hours worked in the group (about 300,000 per year), each accident with sick leave has a significant impact on our FR-LTI. Having more than 2 accidents with sick leave exceeds the threshold. Naturally, our goal is to have no accidents with sick leave at all.

We also measure **LWR (the frequency of lost workdays per 200,000 hours worked) due to accidents. There is no explicit target for this, but the value still provides an indication of the severity of the accidents that have occurred. In 2023, the FR-LTI was 11.87, which corresponds to 4 accidents with sick leave, giving an LWR of 11,28, which corresponds to a total of 19 (5+8+3+3) days of sick leave.

The total number of accidents in 2023 (employees and contractors) was 26 (19+7). No accident was of such a nature that it needed to be reported to the Swedish Work Environment Authority. The number of near misses, where no one was injured but could have been, reached 32, of which 2 were considered serious and reported to the Swedish Work Environment Authority.

	2019	2020	2021	2022	2023	Goal 2023
Fatalities	0	0	0	0	0	0
*FR-LTI	6,87	9,76	6.24	9,62	11,87	<7
**LWR	1.37	6,51	3.12	25,66	11,28	-
Number of accidents with sick leave	2	3	0	3	4	-
Total number of accidents	28	30	14	18	26	-
of which accidents reported to the Swedish Work Environment Authorit	0 ty	0	1	2	0	-
Total number of near misses	35	39	31	13	32	-
of which near misses reported to the Swedish Work Environment Authorit	0 ty	0	2	2	1	-

Education

At our production sites, we can be exposed to a variety of risks. Training of employees and contractors is therefore extremely important.

In Sweden, we are affiliated with SSG, the *Standard Solutions Group*, as a demanding company. This means that we can require suppliers/contractors working at our facilities to complete an approved web-based course that provides basic knowledge of occupational health and safety laws, regulations, and rules. If we require this from our contractors, we must also ensure that our own staff in production facilities, logistics and management are at least as competent.

Many of our employees have tasks that require them to complete certain mandatory training courses. Examples include training in chemical health hazards, thermosetting plastics and allergenic substances. The training courses highlight existing risks and how, for example with the help of personal protective equipment, you can be able to handle products/chemicals in a safe way.

Each year, an individual competence development plan is created for all employees using a competence matrix. This captures the needs for all types of skills that an employee must have to perform their job duties safely. Examples of training include *Driver Certification for wheel loaders/forklifts/other machinery, Hot Work, Mobile Work Platforms, Fall Protection Training, ADR, Safe Lifting, D-HLR, ATEX and Flammable/Explosive Substances.* Of course, training can also involve teaching employees new tasks or work methods.

We do not only see internal/external specific courses as training. It can of course also be teaching employees new tasks or working methods. The individual competence development planning is measured because our goal is to reach 100% implementation.

In 2024, we want to develop the way we work with skills development to ensure that employees have the skills required in their roles and that repetitive training can be done according to plan.

		2021	2022	2023	Goals 2023
NPI	Individual competence development plan	87,0%	87,6%	42,0%	100%

Responsibility to the local community

At SMA Mineral, we are supportive of sponsorship to sports teams or other nonprofit organizations to a reasonable extent. We prefer to be visible primarily in locations where we or our customers are present. We prioritize sponsorship for youth activities and associations that have a policy and values that align with SMA Mineral's own. Every year the company donates a sum of money to charity. In 2023 the money went to SOS Children's Villages.

The group's wellness policy aims to have a healthier and more motivated workforce, benefiting both the employees and the employer. Wellness should be part of the holistic view of the workplace and all aspects of the working environment. Positive personnel measures and active wellness efforts should be implemented to prevent work-related illnesses and long-term sick leave.

Freedom of choice, voluntary participation, and privacy, as well as motivation, stimulation, and encouragement, are crucial for promoting health. It is therefore essential for wellness initiatives to involve measures that encourage individuals and groups to make their own active contributions for the promotion of health. The goal is to achieve and maintain physical, mental, and social well-being – to thrive – at work and during leisure time.

The company has a generous annual wellness allowance that employees can use for activities that promote their own well-being and health. In 2024, we plan to measure how much of the wellness allowance is used to identify any need for action to encourage employees to use this opportunity.

OUR POLICYS

Area Policys Social conditions and personnel Non-discrimination policy Drug policy Drug policy Wellness policy Gender equality policy	
Social conditions and personnel Non-discrimination policy Drug policy Wellness policy Gender equality policy	
Drug policy Wellness policy	
Wellness policy	
Salary policy	
Personnel policy	
Policy against bribery and corruption	1
Whistleblower policy	
Employee care	
Respect for Policy against harassment human rights and bullying	ıt
Supplier Code of Conduct	

Activites/follow-up 2023

Use of tools such as Winningtemp to detect what is perceived as discriminatory.
Employee appraisals are a good forum to bring up something that feels discriminatory as it is a confidential conversation between manager and employee.
Recurring tests on employees in case of suspicion. Tests can also be carried out randomly. Generous wellness allowance with various local solutions.
The Group and our employees are committed to gender equality, ethnic diversity and the equal value of all people. Managing the impact of male-dominated workplaces.
Ensure that women's workwear is offered. Description of what is done, management of breaches.
Regular internal reviews and salary analysis. Ensuring that there are no unfair pay differentials.
Regular health tests for all employees and medical checks for employees who may be exposed to specific risks. The manager's handbook and staff handbook were launched in 2023 to increase HR competence within the group. Regular performance reviews and individual competence development plans
The taking of a bribe is an improper reward of any kind that may influence the recipient to make decisions that are favorable to the giver. Neither giving nor taking of bribes can occur within the company.
Whistleblowing is open to both internal and external stakeholders and can relate to any irregularity. A team has been set up to investigate and manage any whistleblowing.
In the summer of 2022, barbecues for all staff were initiated. The events were highly appreciated and continued in 2023. Fruit baskets are displayed in some workplaces. In December, employees were given the opportunity to meet and have a joint Christmas meal.
There is zero tolerance and victimization and harass- ment are discussed at employee appraisals. Matters can also be picked up via Winningtemp and/or the whistleblowing system.
Ensure that the Code of Conduct links, follows and refers to the Global Compact. Follow-up through distribution to suppliers. Planning of internal training.

Equality, diversity, and the equal value of all individuals

SMA Mineral's values are based on competence, reliability, flexibility, and innovation. These values form the foundation for our brand but also for policies such as personnel policy, policy against harassment and discrimination, occupational health and safety policy, and procurement policy. These documents emphasize the importance of complying with laws, regulations, and good business ethics, and prohibit any forms of anti-competitive practices and corruption.

The group and our employees should also promote gender equality, ethnic diversity, and the equal value of all individuals. This is evident, for example, through the use of our updated code of conduct for all employees. When recruiting new employees, diversity in terms of age, gender, and ethnicity should be prioritized when competence is equal. The company provides opportunities for parental and childcare leave and encourages equal sharing of parental leave.

As our operations span multiple countries, it is important to be consistent and ensure that we adhere to applicable legislation and culture regardless of the country. We must never participate in actions that violate human rights or contribute to child labor or corruption.

We also work to ensure that our suppliers and subcontractors meet these requirements.



GENDER DISTRIBUTION - BY COUNTRY

Employees	2021	ĥ	Д	2022	ĥ	Д	2023	ĥ	Д
Total	190	85%	15%	186	84%	16%	194	88%	12%
Sweden	141	86%	14%	140	86%	14%	147	88%	12%
Finland	35	80%	20%	32	78%	22%	30	87%	13%
Norway	11	100%	0%	11	100%	0%	14	100%	0%
Estonia	3	67%	33%	3	67%	33%	3	67%	33%

GENDER DISTRIBUTION - BY POSITION

Distribution	2021	ĥ	Д	2022	ĥ	Å	2023	ĥ	<u>ڳ</u>
Senior management positions	t 7	57%	43%	7	57%	43%	6	83%	17%
Board of directors	4	75%	25%	4	75%	25%	6	67%	33%



Azam ensures the quality of our products

When Azam Valipour arrived in Sweden in May 2021, she had no idea that two years later she would be working in a laboratory in Persberg in Värmland. Today, Azam is an important part of the team that ensures the quality of SMA Minerals' lime products.

Azam Valipour is originally from Iran where she studied for many years at the Tehran University of Medical Sciences.

How did you end up in Persberg?

DIVERSITY

- After completing my studies, and with several academic degrees, I worked for 15 years with various development programs within the framework of the UN, says Azam. In 2021, I moved to Sweden and two years later, in May 2023, I was employed as a laboratory technician at SMA Mineral.

What does a day in the lab look like?

The central laboratory here in Persberg receives samples from all our facilities of the materials that will ultimately be delivered to the customer. The samples are processed and analyzed by us here in the lab.

The analyses follow a well thought-out chain, from arrival control and registration to the lab report that is returned to the sampler at the end of the testing. Some materials are *titrated*, others are tested by Leco/LSC testing. We also use XRF (X-Ray Spectroscopy) technology to measure certain elements. I am involved in several





AZAM VALIPOUR AT THE CENTRAL LABORATORY

steps of the analysis. At the moment I am also involved in a project where we are developing a guide to simplify routine analysis. I am also involved in the 5S project, which aims to create a systematic and long-term way to achieve safe and efficient workplaces.

What is the best thing about your job? That every day is exciting! Working in industry is new to me as I previously worked in the medical field.

I always strive to develop and I definitely have that opportunity here at SMA Mineral. I enjoy working here, both with the tasks and the colleagues.

And what are the biggest challenges? Actually, the same that make my job so enjoyable. The industry is a new field for me, which makes every new working day a fun challenge.

Experience from my other jobs together with my own patience means that the trials I face are still manageable.

I always try to see challenges as opportunities for development!

PLANET

OUR RESPONSIBILITY FOR THE ENVIRONMENT AND CLIMATE

Environment is a key issue that runs through our entire value chain, from extraction and transportation to the control and management of processes at our facilities. The most significant environmental impact in our facilities that produce burnt products is CO_2 emissions. Therefore, ambitious goals have been set within the framework of our concept ZEQL to halve these emissions by 2027.

Focus areas	Significant issues	Q Goals / KPIs	Activities 2024
	Reduce the climate footprint of operations	50% reduction of emissions from the production of burnt products by 2027 (tonnes of CO_2 /tonne of burnt product - base year 2020). Reduced emissions from transportation. Reduced emissions - company vehicles/fuel consumption. Consumption/mileage of company vehicles.	Presentation of the roadmap for ZEQL. Commenced replace- ment of work vehicles and company cars with electric vehicles.
Climate impact	Increased resource efficiency	 CO₂/tonne + Energy/tonne of product (joules/tonne of burnt product). Fossil: Proportion of recycled oil vs total amount. Energy: Proportion of renewable vs fossil energy of total amount/burnt product. Amount of stone for landfill (side stone). Energy efficiency linked to ZEQL. 	Key figures and follow-up will be worked out in 2024.
	Material efficiency	Tonnes of stone extracted vs amount that creates value (extracted vs sold).	
	Create utilization from all residual products	Utilization rate of stone/finished product/residual pro- duct. Amount deposited vs amount extracted. Utilization of residual gas vs total energy amount: recyc- led/bio oil.	SMA is participating in a research project to find new outlets for side streams.
Circular economy	CCU	According to the roadmap for ZEQL.	Carbon Capture pilot project, CO_2 Hub Nord in Mo i Rana, is completed with good results in terms of capturing CO_2 .
	Consideration for and responsibility towards the environment and biodiversity	Participate in biodiversity-related collaborations and research projects. Work to maintain or increase biodiversity in the places where we operate. Meet the requirements of the environmental permit. Legal requirements on restoration costs.	Marl spreading in the Baltic Sea. Sampling has been carried out in 2023 Evaluation will take place in spring 2024.

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Our responsibility for the environment and climate

SMA Minerals' products are necessary and have a positive impact on the environment. At the same time, we consume nature's resources, leave a footprint on land and biodiversity, and emit environmentally harmful gases from our processes. To reduce our climate footprint, we work hard and resolutely to optimize our use of materials and energy. Additionally, we have set an ambitious roadmap to halve emissions from the production of burnt products.

Our environmental work is governed by an overarching operational policy that includes environment, quality, health, and safety. SMA Minerals is certified according to the ISO 14001 environmental standard. We continuously work to prevent environmental risks and minimize our impact on the environment and climate by employing best available techniques (BAT) and methods within the cement and calcium industry. We also strive to phase out products that are hazardous to the environment and health, enhance resource efficiency, and minimize our carbon dioxide emissions.

The scope and methods of extraction and lime burning are assessed for their environmental impact. Local sites where raw materials are processed through various processes such as crushing, grinding, burning, and quenching are also tested and assessed in the same manner. The risk assessments are regularly evaluated and updated in the event of significant changes.

Assessment according to EcoVadis

For seveeral years, we have used EcoVadis, the world's largest provider of sustainability ratings, to measure our sustainability work.

SMA Mineral's long-term sustainability work has been recognized with the EcoVadis bronze medal. According to the award, our position is among the top 30 percent in our industry, worldwide.

The evaluation from EcoVadis helps us to understand which parts of our sustainability work are good and which parts we need to improve and the ambition is of course to further improve at the next evaluation. The EcoVadis methodology is based on various criteria in international sustainability standards, including the Global Reporting Initiative, the UN Global Compact and ISO 26000.



Environmental permits

Activities are governed and regulated by environmental permits issued by national environmental authorities. The new permit processes always include a review process and an assessment process.

The examination process includes the preparation of an Environmental Impact Assessment (EIA), which is approved by the County Administrative Board after stakeholders have been given the opportunity to comment. Prior to the preparation of the EIA, a consultation document is prepared in which the planned activity is described. Property owners, stakeholders and other interested parties (e.g. local residents, minority groups and indigenous people) are invited to consultations where the planned activities are described. Consultations are also held with local associations, municipalities, authorities and interest groups. They may also read the document and submit their views in writing. The results of the consultations are summarized and taken into account in the preparation of the environmental impact statement.

The environmental permit contains a description of the activity, conditions that must be fulfilled and measurements. sampling and monitoring provisions that the production facilities must comply with. Measurements and monitoring may include, for example, sampling of groundwater and surface water and measurement of emissions to air.



Control program

Based on the conditions in the environmental permit, a control program is drawn up which describes the measurements and sampling to be carried out. How the company meets the conditions is reported annually to the supervisory authority, and they are also followed up in connection with supervisory visits. Two of our facilities are also SEVESO facilities of the lower degree, which means that the facility must be reported to the County Administrative Board. This places particularly high demands on knowledge, risk assessments and an adapted emergency preparedness that is described in an action program for the facility. At Seveso plants, special inspection visits are made based on the requirements of the Seveso Act.

Deviation from environmental permits

Our operations require permits, and we have established limit values that are determined by authorities. Any disruptions are typically local and short-lived, posing no risk to humans or the environment. Therefore, they should be considered minor. Any emissions that occur are measured and compared to reference documents regarding best available techniques (BAT) conclusions for the cement and lime industry. Deviations that occur are followed up and corrected with relevant countermeasures as soon as possible, even when limit values cannot be met temporarily. All deviations that occur and when limiting values cannot be temporarily maintained are reported to the supervisory authority and reported in the annual environmental report. In 2023, the following violations occurred in relation to our permits:

VIOLATIONS/ACTIONS

Location	Violation	Action
Luleå	Corrosion problem on filter plate resulted in dust emission via furnace filter. Elevated value. Repair not possible.	The entire filter replaced with a new one.
Svensk Oljeåtervinning	New BAT conditions meant that the conditions could not be met. Requirement from supervisory authority from 2022 to install new treatment plant for process wastewater.	Installation of a new water treatment plant to meet the new BAT conditions carried out in 2023.
Röyttä	Does not meet the quality requirement for raw material control of parameters such as TOC, CI and S for all imported raw materials.	The case is managed in the company's deviation management system.



Greenhouse gas emissions

When carbonate minerals such as limestone and dolomite are processed into quicklime and burnt dolomite, significant amounts of carbon dioxide are released into the atmosphere from both the raw materials and the fuels used in the process. SMA Mineral is one of the largest carbon dioxide emitters in Sweden. This entails a significant responsibility to find new solutions that reduce our emissions.

The majority of CO_2 emissions in our operations come from the production of quicklime, which involves the decomposition of carbonates and fuel combustion in the kiln. Lesser CO_2 emissions also come from vehicles and machinery used at our facilities.

The production of quicklime accounts for approximately 95% of our emissions. Therefore, we are focusing on reducing specific emissions from this particular production process. Emission reductions will be achieved through new technologies, such as the ZEQL concept, the CCU project, and by switching to bio-based fuels with lower emissions.

SMA Minerals' management team has set a strategic goal to reduce carbon dioxide emissions by 50% by 2027. In the base year of 2020, the total CO_2 emissions amounted to 487,000 tons per year. A reduction of 50% equates to 243,000 tons less CO_2 emissions in 2027. The production of burnt products (BRP) corresponded to 463,000 tons in 2020. As the produced volume of burnt product varies annually, the carbon dioxide emissions are calculated as tons of CO_2 per ton of BRP. Based on the 2020 production, it corresponds to 1,05 tons of CO_2 per ton of BRP. A 50% reduction in CO_2 emissions corresponds to an emission level of 0,53 tons of CO_2 per ton of BRP in 2027.

SMA Mineral operates within the EU Emissions Trading System, and the local facilities are allocated emission allowances based on regulations built upon historical production levels, expansion investments, etc. SMA Mineral Northern Europe released a total of 493,000 tons of fossil carbon dioxide during 2023 in the production of burnt products, of which 310,000 tons originated from raw materials. The proportion of biofuels used during the year is 2%. CO₂ emissions are verified through external audits before final reporting to the relevant authorities in the countries where the group operates.

	2021	2022	2023		2021	2022	2023			2021	2022	2023
Direct total CO ² emission (ktonne)	532 Is	552	524	Biogenic CO₂ emissions (ktonne)	34	53	29	CO2 inte	emission ensity nes of CO ₂	1,18 /tonne	1,16 of burn	1,13 t product)
Note: GRI305-1. Includes direct fossil and bio-		Note: GRI305-1. Inc emissions from fuel	ludes o	lirect biog w materia	genic CO_2	Note: direct	GRI305-4. R fossil and bi	epresen ogenic (ts the int	ensity of ions rela-		

production of burnt products (quicklime and

burnt dolomite

tive to the total production of burnt products

(quicklime and burnt dolomite).

The transportation and delivery of products are carried out internally using vehicles that have the highest environmental classification at the time of purchase. Recently acquired vehicles have EURO 6 environmental classification and can be fueled with HVO100, a biofuel. New additions to the fleet will be more efficient and have a capacity for weights up to 70-74 tons. These vehicles are permitted to operate on BK4 roads.

Energy from various fuels

Significant amounts of energy in the form of various fuels are used within the company. In 2022, these primarily consisted of residual gases (49%) from neighboring operations, as well as heating oil and recycled residual oils (39%), and coal (15%).

Significant amounts of electricity are also required to power the processes. In Sweden and Norway, only green electricity is purchased and used, resulting in zero emissions of fossil CO₂. As SMA Mineral is subject to *the Energy Audit Act*, data on historical energy consumption and summary reports on energy-saving opportunities in the operations are reported to *the Swedish Energy Agency*.

Energy audit

An energy audit performed for all ETS-related sites within SMA Mineral and a representative sample of the other sites (in Sweden, Norway and Finland) will be finalized in Q1 2024.

The energy crisis has led to significantly increased production costs and challenges in the supply of biofuels for our green quicklime. Efforts to secure biofuels with various stakeholders are underway.

Regarding recycled fuels, the availability has slightly decreased. SMA Mineral has explored various potential alternatives to replace fossil fuels with biobased fuels, such as different types of bio-oil, gasification of residual forest materials into *pyrolysis gas* or *syngas*, *hydrogen*, *pellets*, *wood powder*, *biochar based on orange peels*, *sewage sludge*, *lignin*, *biogas*, and *pyrolysis oil*.

SMA Mineral is investigating the possibility of utilizing new technology for electric calcination via plasma based on green electricity.

	2021	2022	2023
Internal energy consumption from <u>non</u> -renewable fuels (TJ)	1900	1811	2030

Note: GRI302-1. Includes energy from non-renewable fuels in the production of burnt products (burnt lime and burnt dolomite), as well as energy for internal transportation, product delivery, and internal yellow vehicles, including electricity.

in the production of burnt products (quicklime

transportation of sold products and CO, from

Yellow vehicles.

and burnt dolomite), as well as CO, from internal

	2021	2022	2023	
Internal energy consump- tion from <u>renewable</u> fuels (<i>TJ</i>)	217	399	155	

Note: GRI305-4. Includes energy from renewable fuels in the production of burnt products (burnt lime and burnt dolomite), as well as renewable energy in the form of electricity.



Other activities to reduce CO_2 emissions in 2023

SMA Mineral has an overarching goal to halve carbon dioxide emissions by 2027. This entails numerous significant investments at our facilities in the coming years. In addition to the activities related to our overall roadmap and the ZEQL concept, we are also exploring other ways to indirectly reduce our emissions.

Electric work vehicles

Work on the replacement of work vehicles with electrified work vehicles has started in 2023 and will gradually continue in 2024. The length of time it will take to replace the work vehicles will depend on when adequate variants are available on the market.

Electric passenger cars

In 2023, the company has started the transition to electric power for company cars and small service vehicles. Work will continue in 2024. When replacing the existing fleet, electric models will be prioritized where economically and practically feasible.

Charging points for electric cars

In 2023, work has started on providing charging points for production units and headquarters. The work will be completed in 2024.

4 Fair Transport

In 2023, SMA Mineral AB has been certified according to Fair Transport, which is Sweden's sustainability certification for road freight transport. The certification covers the basis for the haulage company's work and development in terms of climate and environment, road safety and social responsibility.

All certified companies openly report their work and account for their development in the specified areas. Certified companies are regularly audited by independent third-party auditors, which ensures that the sustainability work is carried out in accordance with the set requirements and criteria. Each certified company can also increase its competitiveness by achieving different levels of added value.

Fair Transport supports both buyers and sellers of transport. Thanks to the certification, both parties can ensure that the work in the joint transport chain is carried out in a traffic-safe, climate-smart manner and with good conditions for employees. This is how we create sustainable development over time.

SUSTAINABILITY GOALS IN TRANSPORT

Sustainability goals achieved by 2023

- 100% of SMA Mineral's transport vehicles are Euro 6.
- The company offers fossil-free transportation with HVO and has new trucks with 17% higher load capacity.
- · We apply intermodal transportation by train.

Set sustainability goals 2024

- To have one electrified work vehicle in operation.
- · To have two SMA sites with DC Super Chargers.
- That the use of fuel should consist of 20% HVO diesel.

SMA MINERAL CERTIFIED ACCORDING TO FAIR TRANSPORT

Certification confirms that we know transport

Fair Transport, the transport industry's own sustainability certification, supports both buyers and sellers of transport. Thanks to the certification, both buyers and sellers can ensure that the work in the common transport chain is carried out roadworthy, climate-smart and with good conditions for the employees. SMA Mineral is proud to now be able to call itself Fair Transport certified.

Transportation is one of the cornerstones of SMA Mineral's operations. Functioning logistics and well-planned freight is a prerequisite for fulfilling promises regarding availability and delivery precision.

Our own haulage business gives us control of the logistics chain. We also have a network of contracted hauliers and freight forwarders across Europe and can offer transportation by road, rail and sea.

Impact on the environment

Transport, especially road transport, also has an impact on the environment. Work is ongoing to reduce the climate footprint and act sustainably in terms of, for example, the choice of vehicles and fuel.

Certification shows that we are on the right track

Fair Transport is the transport industry's own certification of road freight transport. Companies approved under the certification meet set requirements and are continuously monitored through an independent third-party audit. The certification ensures that the transports are carried out responsi-

SMA Mineral underwent Fair Transport's assessment during the summer and the certification was completed on August 4, 2023.

bly, safely and climate-smart.







CRITERIA FOR CERTIFICATION

Fair Transport certification requires that the applicant can explain and present documentation in the areas of *environment, responsibility* and *road safety.*

ENVIRONMENT & CLIMATE

- Environmental and climate policy.
- Has instructions on how the company lives up to the purpose and objectives of the certification and what the plan is to develop positively with the certification levels for environmental and climate criteria.

RESPONSIBILITY

- Professional traffic permit.
- Work environment policy.
- Collective agreement.
- · Alcohol & drug policy.
- Policy for abusive treatment.
- Has procedures to ensure employees' approved authorizations and takes action if authorization is missing/disappeared.
- Procedure for crisis management.
- Documented systematic work environment management.
- Has procedures for handling deviations regarding environmental, traffic and work environment incidents.

ROAD SAFETY

- Road safety policy.
- Checklists for safety checks on vehicles, drivers and load securing.
- Follow-up of driving and rest periods and the Road Work Hours Act and speeds.
- Procedures for checking that inspections and servicing are carried out.

Increased resource management

Preserving the resources we utilize for our production is a significant responsibility for SMA Mineral. Throughout 2024, we will continue to develop goals that challenge us to take further steps, particularly in relation to the ZEQL concept.

Factors

Tons of fossil CO, per ton of BRP:

2021:	1,10	
2022:	1,05	
2023:	1,06	

Energy GJ per ton of BRP:

- **2021:** 4.0
- 2022: 3,8 (Energy includes only fossil fuels for furnaces)
- 2023: 4.2

Fossil fuel usage: Percentage of recycled oil vs. total amount: 2021: 98,5%, 2022: 98,3% and 2023: 86%.



Material efficiency and circular economy

SMA Mineral aims to utilize the material from the natural resources we extract as efficiently as possible. Topsoil, side stones, and other byproducts are maximally utilized. The material from extraction is integrated into environmental processes and specified in monitoring programs specific to each quarry. The monitoring plan also includes extraction waste, which we strive to minimize by using it for purposes such as road and site construction and embankments around the mining area to prevent noise and dust.

SMA Mineral is participating in a research project through MinFo to find new outlets for side streams.

Side stones can also be sold as ballast for construction or other purposes, such as soil improvement and fill material for dam core construction, among others. We also enhance the usability of side stones by segregating them into separate piles based on their geotechnical properties and rock type.

Any remaining stones will be used for landscaping and backfilling the excavation area when operations conclude. Since the side stones do not contain soluble metals or hazardous substances, they pose no risk and are inert to the environment. Each facility has a restoration plan that outlines how the reclamation will be carried out to return the mining area to its natural state. Regulatory authorities regularly monitor compliance with control plans and permit conditions.

RAW MATERIAL OWN DEPOSITS

	2021	2022	2023
Extracted own raw materials (ktonne)	1391	1399	1141

Note: GRI301-1. Excludes externally purchased raw materials.



Waste

The waste generated in the lime factory and quarries must not cause harm or pose a danger to human health or the environment. Therefore, our storage facilities for chemicals and environmentally harmful waste are designed to prevent the release of these substances into the environment, even in the event of an accident.

such as oil waste, aerosol waste, old paint cans, lead-acid batteries and battery cells.

The used oil is stored in containers, such as the original packaging for oils (barrels, drums), and IBC containers. The used oil storage containers are regularly emptied, and the oil waste is collected by a waste management company that delivers different fractions of oil waste for appropriate processing.

waste containers, and the waste management company delivers them for suitable treatment. As per the contract, the subcontractor handles explosives and waste containing explosive residues.

Each facility reports annually the amount of waste divided into fractions in the annual Environmental Report submitted to the supervisory authority. A summary of the total amount divided into different fractions during the years 2021-2023 is shown in the diagrams.

The diagram does not include 282 tons of oil from SMA Mineral's plant, Svensk Oljeåtervinning, containing PCBs. Oil containing PCBs cannot be reused as it is classified as hazardous waste. Therefore, a sample is taken from each oil delivery. If a delivery is found to contain PCBs, all oil that has come into contact with the delivery must be collected by a waste management company for disposal.

AMOUNT OF WASTE



- Furthermore, our operations generate both municipal waste and hazardous waste. Hazardous waste includes items
- Scrap metal, paper and cardboard are collected and sent for recycling. All waste fractions are collected in separate



Air emissions - minimizing harmful air pollutants

In addition to carbon dioxide emissions, the burning of limestone and dolomite also results in the release of air pollutants such as sulfur dioxide, nitrogen oxides, carbon monoxide, hydrocarbons, heavy metals, and dioxins. Our facilities operate around the clock, 330 to 365 days per year.

Each facility holds an environmental permit in which air emissions have been assessed for risk and compared against air quality standards, best available techniques according to BAT conclusions for the cement and lime industry, and, where applicable, for waste incineration plants.

In 2023, we complied with the conditions set for each production unit.

The company's goal is for all facilities to meet BAT conclusions regarding emissions and energy consumption during normal operations as stipulated by the Industrial Emissions Directive. The number of operational disruptions in the purification plants resulting in temporary exceedances of limit values, that entail a reporting obligation to the Swedish Environmental Protection Agency should, according to the overall objective of the group, be fewer than 3 incidents per year (this applies to all facilities within the group).

All facilities meet BAT conclusions regarding specific energy consumption and emissions. A scrubber in the lime slaker at Rättvik Lime Works has a dispensation from particle emission requirements with a new limit of 50 mg/Nm3 starting from July 1, 2019, until further notice or until new BAT conclusions are established.

The status is that the dispensation is still in effect.

User of and emissions to water

In our mining guarries, water inflow occurs, which can be considered as water extraction in the operations, even though it is not the primary intention. The water is pumped out and released into nearby ponds. The environmental impacts are usually covered within the framework of the environmental permit processes.

SMA Mineral uses water for irrigation or washing of stone, as well as for slaking burnt lime. This water is sourced from our own wells, nearby watercourses, or the municipal water supply network. As all water reacts intensely with calcium oxide, no wastewater is generated in the slaking process, only water vapor.

The management and handling of water are defined by site-specific environmental permits and approved monitoring plans by the national environmental authority. The monitoring plan includes measurements of quantity and quality from outlets, groundwater, and surface water. Parameters regularly monitored include the amount of discharged water, pH levels, groundwater levels, and concentrations of metals, minerals, and other hazardous substances such as hydrocarbons.

After the guarries have been closed, they often become filled with water over time. The environmental permit and site-specific closure plan define how the filled water is monitored after the mine's closure.

The operations also generate domestic wastewater (sludge from septic tanks), which is directed to the sewage network or, in some cases, to an underground sealed well. The waste management company regularly empties the wells and delivers domestic wastewater for appropriate treatment.



Biodiversity - active projects and initiatives

SMA Mineral currently operates in areas adjacent to natural habitats, areas belonging to nature conservation programs and/or private nature reserves. The company aims to ensure the survival of rare and endangered species in and around these mining areas.

The protected areas and species are taken into account in the production planning process by site managers, who strive to avoid activities in the sensitive areas. In some locations, the protected species are considered to migrate to more favorable habitats. To enhance the survival of these species, in accordance with regional monitoring, observation, and management plans, we collaborate with professionals and environmental authorities.

During mining operations, surface and groundwater are pumped into ditches in the surrounding drainage system. This pumping can have a drying effect on the surrounding environment, which may affect the presence of protected plant species near the quarries.

The impact of dust from mining activities is monitored through various air emissions measurements and vegetation monitoring. Negative effects may also manifest, such as environmental eutrophication caused by increased nutrient loading and, to a lesser extent, impacts on linkages due to plant shoots being covered by dust. Some plants have been found to benefit from calcareous conditions, such as different types of orchids. There is also examples showing that certain rare butterflies benefit from calcareous conditions. In order to monitor fish population in water bodies adjacent to the limestone quarries, electrofishing is carried out,

ALGAL BLOOMING

Lakes and rivers are limed to

SMA Mineral is participating in a research project to investigate the possibilities of using lime to deal with algal blooms in the Baltic Sea. Sampling has taken place in 2023 and will continue in 2024. An evaluation of the project will be carried out in the spring of 2024.



SEA LIMING

restore a natural pH value. Raising the pH allows sensitive species to survive and reproduce.

Thanks to liming, most species can quickly return to normal populations and spread in water bodies that were previously acidified.



STRUCTURAL LIMING

In modern agriculture, lime is used to balance soil pH and improve the conditions for good harvests.

Structural liming improves the soil structure of clay soils and thus the ability of the soil to absorb nutrients and water.



Membership, partnerships and research projects

Sustainability is a complex area that requires knowledge and continuous exchange of experience. SMA Mineral is a member of several different industry and cooperation bodies both nationally and internationally. We also actively participate in several cooperation and development projects in the sustainability area.

Membership

SMA Mineral is a member of the following cooperation bodies:

- → Minfo Swedish Mineral Processing Research Association SMA Mineral contributes with financial and human resources to industry-wide research.
- → Svenska Kalkföreningen Swedish Lime Association The members of the Swedish Lime Association are the lime producers in Sweden. SMA Mineral is a member and holds board positions.
- → ILA International Lime Association The purpose of the ILA is the exchange of information and experience in all subjects of interest to the lime industry worldwide. SMA Mineral is a member of ILA via the Swedish Lime Association.
- EuLA European Lime Association European trade association for lime producers. The organization monitors and informs members' interests and informs the EU Commission about the needs of the lime industry.
 SMA Mineral is a member of EuLA via the Swedish Lime Association.
- → Svemin Svemin is the trade association for Sweden's mining companies. SMA Mineral is one of the members and participates in joint activities and projects.
- Finnmin Finnish Mining Association A lobby organization for companies operating in the mining industry in Finland, working towards sustainable mining.
- → CHECK Center for sustainable production of cement and burnt lime at Umeå University The center conducts research on the production of lime without fossil fuels. SMA Mineral participates in research projects.
- ACT-artic cluster team (industrial companies in Northern Norway) ACT aims to be a driving force for a sustainable transition of Norway. Through increased innovation and competitiveness in the industry, ACT will contribute to fulfilling Norway's commitments in the Paris Agreement.
- → Swerim Research organization that is largely owned by, and works for, the Swedish and Nordic steel industry. SMA Mineral is a member and active in several of Swerim's projects.

Partnerships/development projects

SMA Mineral participates in several collaborations/development projects:

- CO2 hub Nordland in Norway, which conducts development work on Carbon Capture and Storage (CCS). A pilot plant is installed, it was inaugurated in 2023. The pilot plant will be tested for two years and then evaluated to start up a full-scale plant.
- → SaltX SMA Mineral is a co-owner and works closely with SaltX Technology. The collaboration includes the development and establishment of lime factories according to the ZEQL concept described on pages 22-23.
- → Outokumpu/Swerim Conducted tests where fly ash from the paper industry is mixed with lime and used as a slag former in steel production. SMA Mineral is responsible for mixing and briquetting. Since fly ash partly replaces burnt lime, carbon dioxide emissions to the atmosphere are reduced.





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