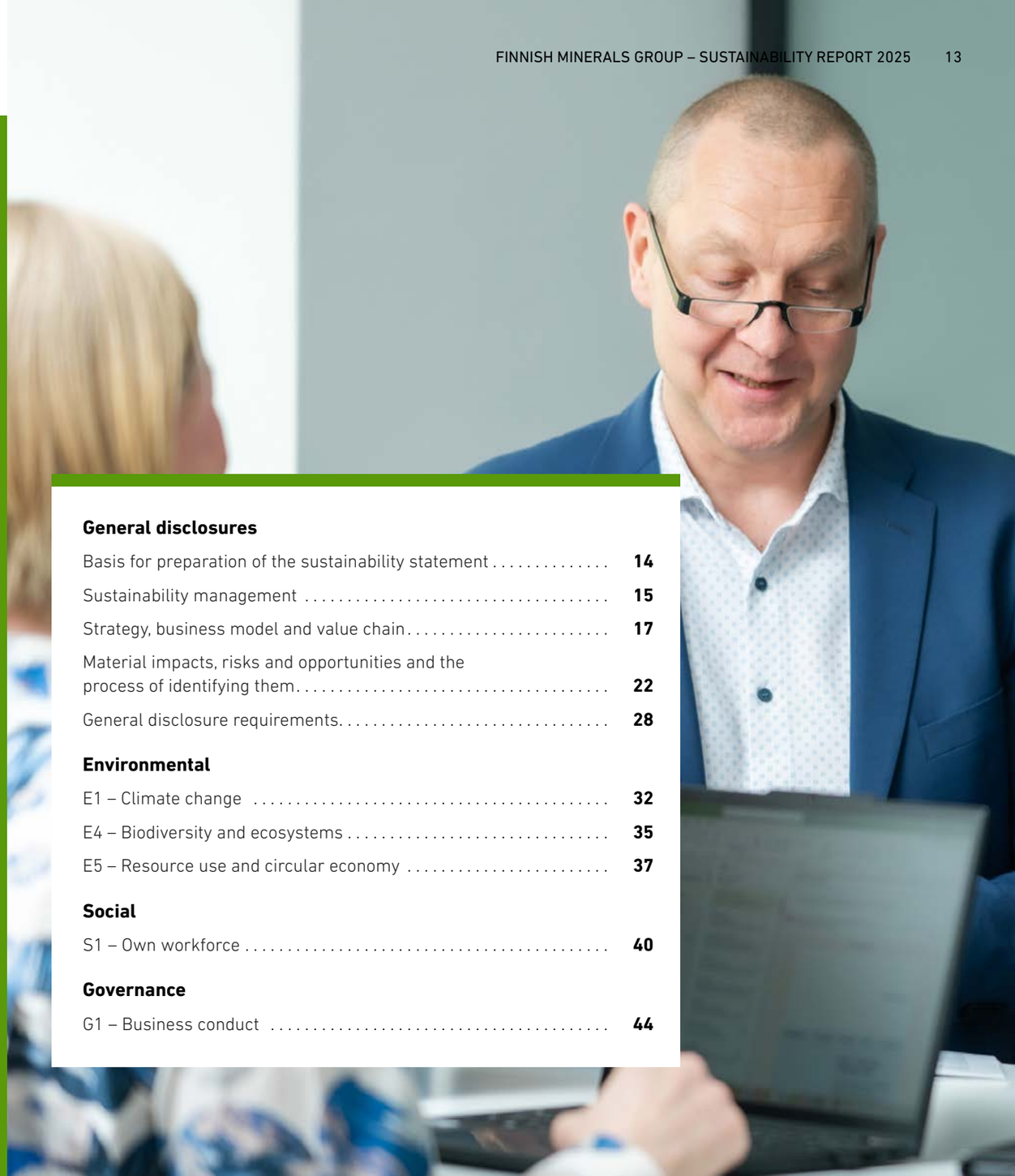
Finnish Minerals Group

The Sustainability Report forms part of Finnish Minerals Group's Annual Report. The pagination of the separately published report is aligned with that of the Annual Report.

YEAR 2025

SUSTAINABILITY REPORT



ESRS 2 General disclosures

BP-1
Basis for preparation of the sustainability statement

In the 2025 reporting year, Finnish Minerals Group (FMG) consisted of the Group's parent company Finnish Minerals Group Oy, Terrafame Oy (incl. Terrafame Alueverkko Oy), Sokli Holding Oy (incl. Sokli Oy), Finnish Battery Chemicals Oy, and Finnish Battery Chemicals pCAM Oy. The parent company's basic task is to develop the mining and battery value chain in Finland, and its mission is to responsibly maximise the value of minerals. The company's vision is to provide the materials required to achieve climate neutrality. Our endeavours help to electrify transport and minimise emissions.

The Group did not fall within the scope of the EU sustainability reporting legislation in 2025. However, this report has been prepared with reference to the principles of the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) published by the European Financial Reporting Advisory Group (EFRAG), which have guided the structure and content of the report.

This is the Group's second sustainability report applying the ESRS framework. The report has been prepared on a voluntary basis and separately from the Annual Review. It has not been verified, and has no been approved by the the parent company's Board of Directors. The report has been approved for publication by the company's executive management.

The reporting period is the financial period 1 January 2025–31 December 2025, that is, the same as for FMG's financial reporting. Unless otherwise stated in conjunction with reported data, our sustainability reporting covers the entire Group.

2024 was the first year in which the Group's material sustainability themes were identified using a CSRD-compliant double materiality analysis. The analysis was then used to identify and approve our key disclosure topics with respect to the company's operating environment, business operations and stakeholders. This report's topics and key sustainability indicators are based on an updated analysis carried out in 2025. Terrafame has conducted its own materiality analysis, the results of which have been cross-referenced with the parent company's analysis. For more information on the materiality analysis and its results, see **IRO-1 Description of the process to identify and assess material impacts, risks and opportunities and material information to be reported** and **IRO-2 Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement**.

BP-2
Specific information if the undertaking uses phasing-in options

The 2025 reporting has taken into account the simplified version of the ESRS set published by EFRAG (Simplification Omnibus Package), which replaces the original ESRS standards issued in 2023. We have identified material impacts, risks and opportunities in the value chain. However, we are currently unable to report comprehensive metrics for the entire value chain. We report on the data that is available to us, and have taken steps to expand and improve our data collection.

Information about the general bases for preparation will be given separately for each topic to the extent that they differ from the aforementioned. Associated companies have been taken into account in accordance with operational decision-making power and the double materiality analysis.

Use of indirect sources in the calculation of Scope 3 greenhouse gas emissions

The Group's most material greenhouse gas emissions are generated in the operations of its subsidiary Terrafame. Terrafame uses a hybrid formula to calculate the greenhouse gas emissions from its value chain and procurement. This formula uses some actual quantities, some emissions data obtained directly from suppliers, and some background data from purchase invoices (spend-based methodology).

General emission factors are used to convert actual quantities into greenhouse gas emissions. In calculations based on purchase invoices, emissions are estimated by multiplying the monetary value of the activity in the purchase invoice by the general emission factor. We recognise that there is uncertainty in the accuracy of results based on purchase invoices, as the invoices do not itemise all of the items required to calculate greenhouse gas emissions. The Scope 3 emission figures calculated on the basis of purchase invoices may therefore be somewhat distorted.

In 2025, the majority of Terrafame's greenhouse gas emissions – 59 per cent – consisted of Scope 3 emissions. Of these, 72 per cent relate to category 1 (purchased goods and services). Of this share, 64 per cent is calculated based on the actual volumes of chemicals used in production and partly on emission factors obtained directly from suppliers. The remaining 36 per cent of category 1 emissions is calculated using an invoice-based method. In total, 22 per cent of all Scope 3 greenhouse gas emissions are calculated on the basis of purchase invoices.

Sustainability management

The following sections will examine governance from the perspective of sustainability.

GOV-1
The role of the administrative, management and supervisory bodies in relation to sustainability

The Group's parent company is a limited liability company in which the highest decision-making power is exercised by the general meeting. The Board of Directors is responsible for organising corporate governance. The CEO is in charge of the company's operational management. Our corporate governance and decision-making models comply with the Articles of Association, the Limited Liability Companies Act, and other current legislation. We are also guided by the Government Resolution on State Ownership Policy and the internal policies, guidelines and commitments adopted by the company's Board of Directors. Our ownership steering body for 2025 was the Prime Minister's Office, which issued our corporate governance code. Sokli Oy was part of the parent company's line organisation in 2025, and was therefore subject to the legislation, policies and guidelines governing the parent company without the need for a separate decision.

Terrafame is an unlisted company registered in Finland. The company's business conduct takes into account the applicable requirements of the Securities Market Association's Finnish Corporate Governance Code for Listed Companies. The Finnish Corporate Governance Code can be read in full at www.cgfinland.fi.

Board of Directors

The general meetings, Boards of Directors and CEOs of Finnish Minerals Group (the Group's parent company) and Terrafame (a subsidiary) are responsible for their companies' corporate governance and business operations. The highest decision-making bodies with regard to sustainability are the companies' Boards of Directors, which are responsible for both the company's administration and management, and the appropriate organisation of its business operations. The Boards of Directors comply with rules of procedure, which determine the key tasks and policies of the Board and its committees. The Boards of Group companies approve policies and guidelines for their own business operations. The parent company's principles for sustainable business have been defined in both the Code of Ethics and the following policies and procedures, which are approved by the Boards of Directors and updated to reflect any changes in the company's operations:

- sustainability policy
- human rights policy
- personnel and remuneration policy
- risk management policy
- corporate financing rule
- related-party policy
- communication policy

On 31 December 2025, the parent company's Board of Directors consisted of eight (8) members, of which 62.5 per cent were men (five) and 37.5 per cent were women (three). Board members are elected by the Annual General Meeting for a one-year term of office ending at the next Annual General Meeting. The AGM also elects the Chair and Vice Chair of the Board of Directors. The Board of Directors does not include any employee representatives or members of the company's executive management. All Board members are independent of the company. One member is not independent of the shareholder.

More detailed information about the parent company's Board of Directors, along with their CVs, can be found on our website (mineralsgroup.fi) under Company – Board of Directors.

Member of the Board of Directors	Year of birth	Citizenship	Education	Main occupation in 2025	Member since
Jan Lång, Chair	1957	Finnish	MSc (Econ)	Board professional	2024
Olavi Huhtala, Vice Chair	1962	Finnish	BSc (Eng)	Board professional	2022
Ilpo Korhonen	1964	Finnish	BSc (Eng), eMBA	Board professional	2019
Riku Kytömäki	1971	Finnish	MSc (Tech)	CEO, Oilon Group Oy	2024
Ilona Lundström	1976	Finnish	DSc (Admin)	Board professional	2024
Jukka Ohtola	1967	Finnish	MSc (Econ), CEFA	Senior Ministerial Adviser, Prime Minister's Office	2021
Minna Smedsten	1976	Finnish	MSc (Econ)	Group CFO, Folkhälsan	2024
Taru Uotila	1970	Finnish	LL.M	SVP, Legal, HR and Sustainability, Aspo Plc	2024

Information about meetings of the parent company's Board of Directors and its committees, including members' attendance and fees in 2025, can be found in the Annual Review section of the Group's Annual Report.

Information about Terrafame's governance and the composition of its administrative bodies is available on the subsidiary's website (terrafame.fi) under Company > Governance, where you can also find this subsidiary's latest Corporate Governance Statement.

Diversity

The Boards of Directors of the Group's parent company and Terrafame consist of members with diverse and multidisciplinary experience in both national and international business, management and good governance in

a variety of industries, such as steel, metals, forestry and engineering. Their diverse educational backgrounds also support the achievement of the Group's business objectives.

Committees

The Boards of Directors have appointed a number of committees from among their members. The Audit Committees handle tasks such as financial reporting, investments, financing and risk management. The Personnel and Remuneration Committees prepare remuneration systems and appoint senior executives. The parent company's Sustainability Committee is responsible for preparing and supporting the implementation of the company's sustainability policy, regularly assessing its up-to-dateness, and preparing any necessary amendments for the Board to review. During the 2025 financial year, the parent company's committees handled the following sustainability-related topics:

- sustainability reporting and double materiality analysis
- performance-based bonus schemes and the performance bonuses paid
- sustainability issues for projects
- risk management
- policies
- whistleblowing reports

CEO and Executive Leadership Team

The parent company's Board of Directors approves the Group's strategic sustainability targets, and the CEO is responsible for implementing these targets. Progress towards these targets is reported in the Annual Report. Either the Executive Leadership Team or one of its members will consider sustainability matters before topical matters are presented to the Board of Directors. The minister for ownership steering, representatives of the Government Ownership Steering Department, and the Chair of the parent company's Board of Directors regularly discuss the implementation of FMG's strategy and other matters related to its projects. The material is presented by the company's CEO.

During the 2025 financial year, Executive Leadership Team meetings discussed the following sustainability-related topics during presentations by senior management and sustainability experts::

- sustainability reporting and double materiality analysis
- sustainability targets
- developing the workplace community
- equity and equality
- performance-based bonus schemes
- risk management
- policies

CEO and Executive Leadership Team of FMG's parent company

Sustainability expertise available to the Board of Directors and CEO

FMG's executive management and Board of Directors regularly assess the company's organisational structure, competencies and capabilities. This includes resources and skills relating to sustainability matters. The Board of Directors and CEO draw on the company's own corporate social responsibility and sustainability expertise, and the company also utilises external ESG experts as necessary.

In 2025, a cross-organisational ESG expert team was established to develop the company's sustainability work. This team consists of ESG officers from a variety of projects, and seeks to provide ESG expertise to projects, monitor progress towards sustainability targets and support sustainability reporting. The ESG team meets about once per quarter. During the year, sustainability training was provided to both members of this team and certain members of the Executive Leadership Team with the aid of an external expert. Our personnel's competence in sustainability matters was also enhanced through participation in other sustainability and responsibility seminars and training.

GOV-2
Integration of sustainability-related performance in incentive schemes

When creating incentive schemes, Group companies comply with the Government Resolution on State Ownership policy. The company's state-owner requires corporate responsibility targets to be included in management incentives. The creation of incentive schemes is the responsibility of each company's Board of Directors, and the preparatory work is done by the Board's Personnel and Remuneration Committees. Incentives may consist of short-term and long-term incentive schemes.

As FMG is a state-owned special-purpose company, any renumeration paid in connection with achieving its management targets may be a maximum of 15 per cent of the recipient's fixed annual salary. If the company's or the recipient's performance is exceptional, the bonus may be a maximum of 30 per cent. In accordance with the state-owner's guidelines, Group companies' incentive schemes focus on achieving material sustainability targets that are critical to competitiveness. The 2025 sustainability targets for the parent company's management incentives were also linked to climate change, occupational safety and environmental permit processes in particular, and had a 38 per cent weighting with regard to company-level performance.

In 2025, Terrafame's company-level sustainability targets for senior management were linked to occupational safety, and had a 10 per cent weighting. With respect to long-term company-level targets, environmental targets had a 20 per cent weighting for Terrafame's senior management. Terrafame can also utilise sustainability targets in its personal targets for management personnel.

Remuneration for the Boards of Directors of Group companies consists of fixed fees and meeting fees. There are no separate incentive systems in place.

GOV-3
Statement on due diligence

The Group employs a variety of due diligence processes to assess potential risks related to its business activities, such as the environmental impact of projects, material human rights issues, compliance with legislation and regulations, and sustainable business operations. Our general development of due diligence processes continued in 2025.

FMG integrates due diligence into its governance and strategy by complying with the applicable sections of the Corporate Governance Code for unlisted companies, and by integrating sustainability into operations. The continuous identification and assessment of impacts, risks and opportunities has been integrated into the company's processes and policies, which helps to ensure that due diligence is carried out.

The Group's sustainability-related due diligence processes are described in this sustainability report under section **G1 Business conduct.**

GOV-4
Risk management and internal controls over sustainability reporting

Our sustainability reporting complies with FMG's policies and processes for statutory reporting, risk management and internal control. The Board of Directors and CEO of each Group company are responsible for organising internal control, risk management and internal auditing within their company. The Board of Directors of FMG's parent company approves the Group's risk management policy, which is reviewed annually and updated as required.

The parent company has an internal audit policy that is approved by the company's Board of Directors. Internal auditing is an integral part of the Group's risk management, and it complies with the IIA's (Institute of Internal Auditors) standards and ethical guidelines. The Group's risk policy is updated annually. Sustainability reporting is carried out by experts who are familiar with sustainability reporting and standards.

In their own operations, Group companies comply with their internal guidelines and any applicable environmental, chemical and other permits. In its ownership role, FMG ensures that its subsidiaries have appropriate EHS organisations, monitoring models and operating models. FMG also endeavours to ensure that these practices are implemented in its associated companies.

Material risks and their management are described in more detail in this sustainability report under section **IRO-2 Sustainability material impacts, risks and opportunities, and their management**.

Strategy

SBM-1
Strategy, business model and value chain

The Finnish State has given the Group's parent company a socially significant mandate: to develop the mining and battery value chain in Finland. Our mission is to responsibly maximise the value of Finnish minerals, and our vision is to produce the materials needed to achieve climate neutrality. Our endeavours help to electrify transport and minimise emissions.

Our investments are geared towards making societal impacts. We contribute to making the value chain increasingly sustainable, and are taking responsibility for the environment and climate through our R&D and investments.

As a state-owned development company, we act in accordance with our strategy:

1. We create value through active ownership.
2. We boost value addition by building a Finnish battery value chain.
3. We develop sustainable businesses.
4. We pave the way for success in the Finnish mining and battery industry.

Both the battery chemicals that are currently produced by our subsidiary Terrafame and the battery materials that will be produced by the parent company's associated companies will play a key role in mitigating climate change, as they will enable a reduction in the use of fossil fuels.

In sustainability matters, the Group's operating environment is affected by factors such as regulatory amendments (particularly with regard to environmental issues); the role played by the battery value chain

in mitigating climate change; Europe's pursuit of self-sufficiency in strategic and critical raw materials; and geopolitical changes. Group-level sustainability targets are set by the parent company. Achieving these targets is closely linked to the realisation of investments, cooperation between a variety of operators in the value chain, and harnessing the best available knowledge and technology.

Finnish Minerals Group's sustainability targets

Theme	Target
Climate Climate change mitigation and energy	Climate change mitigation is being integrated into companies' strategies and business plans.
Biodiversity Direct drivers of biodiversity loss and impacts on the condition and extent of ecosystems	Portfolio mining companies are developing action plans to preserve biodiversity.
Resource use and circular economy	Portfolio companies' business operations include the use of recycled materials.
Working conditions	Occupational safety remains at a high level in portfolio companies, including construction projects.
Own theme New jobs	The Group's new industrial projects will create jobs in Finland.
Communities	Portfolio companies engage in structured dialogue with stakeholders in their industrial projects and operations.
Business conduct Management of relationships with suppliers	FMG uses the process described by the company to assess its technology partners before signing any binding contracts.

Business model and value chain

The Group's parent company, Finnish Minerals Group Oy, is a special-purpose company that is wholly owned by the Finnish State. The company's task is to manage the State's mining holdings and develop the Finnish battery value chain. In cooperation with partner companies, the parent company acts as an investment and development company for industrial projects in the mining and battery sector.

Our value chain includes both upstream operators (such as energy providers and raw material suppliers) and downstream operators (such as battery manufacturers and battery recycling companies). The Group operates within the value chain as a developer of mining and battery material projects as well as an operator in mining and refining operations.

In addition to the parent company, the Group consisted of the following companies in 2025:

- Terrafame Oy (56.1% holding) – produces battery chemicals and metals in Sotkamo
- Sokli Holding Oy and its subsidiaries (100.0% holding) – is developing a mining project in Savukoski
- Finnish Battery Chemicals Oy (100.0% holding) – a project company that is preparing investments in the battery value chain
- Finnish Battery Chemicals pCAM Oy (100.0% holding) – a project company that is exploring the potential of precursor production

Our associated companies were:

- Easpring Finland New Materials Oy (30% holding) – is aiming to produce cathode material in Kotka
- Keliber Oy (20.0% holding) – is preparing to produce lithium hydroxide in Kokkola, Kaustinen and Kruunupyy
- Adven-FMG Sodium Sulphate Solutions Oy (49.0% holding) – is aiming to develop a plant that recycles sodium sulphate from discharge waters into industrial commodities.

Our approach is to create value through active ownership. The Board members that we appoint to portfolio companies guide strategic decision-making in our associated companies' Boards of Directors and board committees. We bring financial and operational support to the partnership. We assess the performance and development of our associated companies using metrics for areas such as production and occupational safety. We bring a range of expertise to projects, such as competence in EU and national sustainability requirements. Our associated companies operate in accordance with Finnish law.

FMG's industrial projects have economic impacts by, for example, generating employment and export revenue, and creating new value chains and ecosystems. The most significant events of the reporting year are described in the Group's Annual Review in the section **Finnish Minerals Group Oy's operations**. Financial developments are described in the **Consolidated Financial Statements.**

FMG's value chain and key operations from a sustainability perspective

UPSTREAM VALUE CHAIN

Procurement and resources

- Energy and raw material procurements
- Equipment and technologies
- Consulting
- Quality systems and certifications

FMG'S OWN OPERATIONS

Preparing mining and battery material projects

- Location and logistics surveys
- Technical and economic planning
- Stakeholders
- Environmental Impact Assessments
- Zoning and permit processes
- Funding and partners

Mining and refinery

- Drilling, mining and enrichment
- Material refining
- Consumption of raw materials, energy and water
- Environmental protection and waste treatment
- Workplaces and safety
- Stakeholders
- Logistics
- Battery passport and carbon footprint
- Closure of mining areas

DOWNSTREAM VALUE CHAIN

Production and use of batteries

- Consumption of battery materials, energy and water
- The environment, waste management, and safety
- Logistics
- Battery passport and carbon footprint

Recycling and reuse

- Logistics relating to used batteries
- Consumption of energy and water in the treatment and disposal of batteries
- Material recovery and waste management
- Safety and the environment

SBM-2
Interests and views of stakeholders

FMG companies regularly interact with their key stakeholders, and develop their operations on the basis of stakeholder feedback. During the year, we were actively involved in discussions with stakeholders, and particularly in areas where the Group has its own existing operations or planned projects. Our stakeholder relations work seeks to provide up-to-date information about our operations and plans, increase the social acceptability of our projects among locals, and gather different parties' views to support project planning and decision-making. The interests and views of key stakeholders are discussed at meetings of the parent company's Executive Leadership Team and Board of Directors, as well as in regular meetings with our state-owner.

The interests and views of key stakeholders on our strategy, business model and material impacts have been taken into account in the following ways:

- by conducting environmental and social impact assessments of projects and taking the results into account during planning
- by carrying out nature surveys and continuously monitoring the state of the environment in the affected areas
- by working with educational institutions to develop learning paths that will meet the battery sector's competence requirements
- by organising local briefings and discussion events to listen to the views of local people and neighbours
- by organising one-on-one and group meetings with organisations and businesses
- by participating in events and activities relating to battery value chain projects
- by assessing the suitability of potential partners from a sustainability perspective
- by providing our personnel with sustainability-related training and development opportunities at work
- by using the results of personnel surveys to develop our operations

The tables summarise FMG's key stakeholders, their key themes, and inclusion and engagement.

Stakeholder	Key themes for stakeholders	Inclusion and engagement 2025
Policymakers, influencers, government and administration	Progress in industrial projects Climate change mitigation Biodiversity Financial wellbeing Jobs Local livelihoods Selection of business partners Social licence to operate Legislative developments	Meetings and negotiations Events, seminars and panels Websites Visits to municipalities in which FMG has projects Public hearings
Expert and research organisations	Business development New innovations	Research and project collaboration Websites Visits
Industrial and battery value chain companies	Legislative developments Profitability and sustainability in the production of raw materials and battery materials Pioneership in a new industrial sector Climate change mitigation Workplaces and safety	Bilateral meetings Compiling reports Websites
Financiers and investors	Climate change mitigation Selection of business partners Profitability and sustainability in the production of raw materials and battery materials	Bilateral meetings Compiling reports Websites

Stakeholder	Key themes for stakeholders	Inclusion and engagement 2025
Organisations, networks and the media	Progress in industrial projects Climate change mitigation Safeguarding biodiversity Local jobs and livelihoods	Meetings and visits Interviews and statements Websites Newsletters
Group and associated companies	Profitability and sustainability in the production of raw materials and battery materials Skills and jobs A broad range of environmental issues	Meetings and visits Board work Negotiations
Local people and companies related to projects	Climate change mitigation Local environmental issues Jobs and assignments Local livelihoods Occupational health and safety Progress in projects	Open discussions Visits Public hearings Jobs, thesis positions and internships Newsletters Websites Feedback forms and contact details
Personnel and management	Project funding and progress Work organisation Competence development Working conditions and wellbeing at work Equitable treatment and equal opportunities for all Other work-related rights Safety	Events for personnel Employee surveys Collaboration with employee representatives Occupational health and safety, and safety observations Double materiality analysis Intranet and other internal channels Whistleblowing channels

SBM-3
Interaction of material impacts risks and opportunities with strategy and business model, and financial effects

FMG's business is based on the responsible and sustainable use of Finnish minerals in a way that maximises their value and mitigates climate change. Our strategy is built on partnerships. When seeking partners for our industrial projects, we look for companies that have already established themselves in the global market and are able to bring profound technological and business expertise to the partnership. Our aim is to work with business partners who are committed to long-term sustainability.

The Group's material environmental impacts are largely related to climate change mitigation and energy consumption, biodiversity, and resource use and the circular economy. Our social impacts relate to our own workforce's working conditions, safety and jobs, while our governance impacts concern political influence, lobbying and partnerships.

Material financial risks that may affect our strategy, business and investment decisions include: potential delays in the decarbonisation of our operations; the emergence of alternative battery technologies; availability issues or price increases relating to green energy; waste treatment and disposal costs; the impact of biodiversity targets on investment opportunities; workforce availability; risks connected with partnerships, and regulatory amendments.

Financial opportunities that will support the development and competitiveness of our business include: the low-carbon battery chemicals and materials produced by the Group; the growing importance of the circular economy in the battery sector; the EU's circular economy and raw material self-sufficiency targets; regulatory changes that are favourable for the company's operations; and our partners' technological and market expertise.

FMG has responded to these factors with the aid of its continuous risk assessments and due diligence processes, and by strengthening cooperation with partners in the value chain. Actions related to impacts, risks and opportunities are described in more detail under each theme.

We have also set Group-level sustainability targets that will guide both our business operations and strategic decisions over the coming years. These sustainability targets are described in this sustainability report under section **SBM-1 Strategy, business model and value chain.**

FMG's subsidiary Terrafame was the Group's largest asset during the reporting period. Terrafame's operations therefore have the most significant impacts on the entire Group's financial position, result and cash flow.

The following outlines the Group's risks and opportunities, impact areas and time horizons, and their connection to financial planning.

Risks and opportunities

- Carbon pricing and tighter regulation may increase costs in the medium term.
- Price volatility and disruptions in the supply chain may affect procurement costs in the short and medium term.
- New low-emission solutions will offer opportunities to increase net sales and profit in the long term.

Scope

- Financial position: Investments in new technologies can increase non-current balance sheet assets that are expected to be profitable in the future.
- Financial result: Changes in the price of energy or other production components may increase or decrease operational costs in the medium term.
- Cash flows: Investing in green technology can increase cash flow needs in the short term, but improve competitiveness in the long term.

Time frames

- Short term (< 3 years): Costs may be affected by fluctuations in raw material prices, changes in exchange rates, and disruptions in supply chains.
- Medium term (3–5 years): Carbon pricing and rising energy prices may affect profitability.
- Long term (5+ years): Technological innovations and green investments can create new business opportunities.

Risks and opportunities have been taken into account in both strategic planning and our investment programme. The annual plan has made provisions for short-term increases in energy prices and disruptions in the supply chain. Long-term plans include investments in low-emission technologies.

At present, no risks have been identified that would result in material adjustments to the carrying amounts of assets or liabilities during the next financial year.

IRO-1
Description of the processes to identify and assess material impacts, risks and opportunities

The Group carried out its first double materiality analysis in 2024 with the assistance of a consultant. The analysis was updated in 2025. The Group's sustainability-related impacts, financial opportunities and risks were assessed in accordance with the ESRS 1 standard and its list of sustainability themes (ESRS 1, Appendix A, AR 16) and EFRAG's Materiality Assessment Implementation Guidance.

The analysis began with background work, which involved an initial review of generally applicable and sector-specific standards and requirements for the mining industry and battery material production, as well as standards and requirements for sustainability reporting. These included the Initiative for Responsible Mining

Assurance (IRMA); the OECD's guidelines on mining and minerals from conflict-affected and high-risk areas; the EU Taxonomy as applicable to the production of battery materials; and a draft of the forthcoming Battery Passport. The materiality analysis conducted by FMG's subsidiary Terrafame was also examined.

When this work began in 2024, a value chain review was also conducted in order to identify the most significant industrial operations in different sections of the value chain. The key stakeholders affected by the Group's impacts were also identified, and this assessment was deepened through interviews with key external stakeholders.

Positive impacts were identified and assessed on a five-tier scale (1–5) in accordance with their magnitude and probability. Negative impacts were identified and assessed on a five-tier scale in accordance with their severity (magnitude, scope, and repairability) and probability. The threshold of materiality was chosen so that the most significant impacts would be categorised as material impacts (threshold > 3.0).

The impact assessment took the entire value chain into account. Financial impacts and opportunities were identified and assessed from three perspectives: sales and costs, investments, and financing. Risks and opportunities were assessed on a five-tier scale in terms of their magnitude and probability. The monetary scale (EUR) used in the company's risk management was also used for assessing the magnitude of risks.

The parent company's financial risks are regularly assessed in accordance with the company's risk policy. Our financial risks relate to investment activities, the battery value chain business, competitiveness, financing, and currency and interest rate risks. The assessments use a set of criteria that concern probability and degree of impact. These risk assessments primarily focus on the current situation and project-specific risks, while the double materiality analysis has been used to identify longer-term risks.

We prioritise risks in accordance with their significance, and assessments prioritise businesses or projects that have been identified as being of strategic importance to the company. Prioritisation is not, therefore, based on the type of risk. Sustainability risks are taken into account in the same way as other risks. Many impacts are linked to financial risks or opportunities. These include waste volumes, environmental risks, waste disposal costs, and the potential for harnessing waste in the circular economy.

2025 materiality analysis update

The Group's double materiality analysis was reviewed with a sustainability reporting consultant in 2025, and then updated to reflect the current situation in workshops held with representatives of our business areas. The updated analysis was presented to the parent company's Executive Leadership Team. It was also discussed by the parent company's Audit and Sustainability Committees on 26 September 2025.

In autumn 2025, the parent company's Board of Directors approved the Group's sustainability targets, which are linked to its material sustainability themes. The targets are presented in section **SBM-1 Strategy, business model and value chain.** From now on, sustainability targets will be reviewed as part of Finnish Minerals Group's strategy update process. In 2025, we also began work on a Group-wide sustainability reporting tool and started to develop the traceability of the data behind data points. In 2025, the Board of Directors' Audit Committee and the parent company's Management Team regularly reviewed the risk matrix. A number of due diligence measures were also taken on a project-by-project basis.

Stakeholder and expert consultations during the materiality process

The Group's actual impacts are identified, assessed and tracked with the aid of regular monitoring. Emission and environmental impact monitoring procedures are also implemented in the Group's subsidiaries.

External experts assess the potential impacts of projects through environmental impact assessment procedures, environmental permit processes, and chemical safety permit processes. We also commission external studies to assess the positive impacts of our business on, for example, employment. These are local estimates that focus on geographic locations and sensitive sites that may be impacted or in which the impact will be greatest.

Information about impacts is also gathered at regular meetings with local communities and residents, and also through complaints. We hold open meetings with stakeholders and residents in addition to the statutory meetings associated with permit processes.

IRO-2
Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement

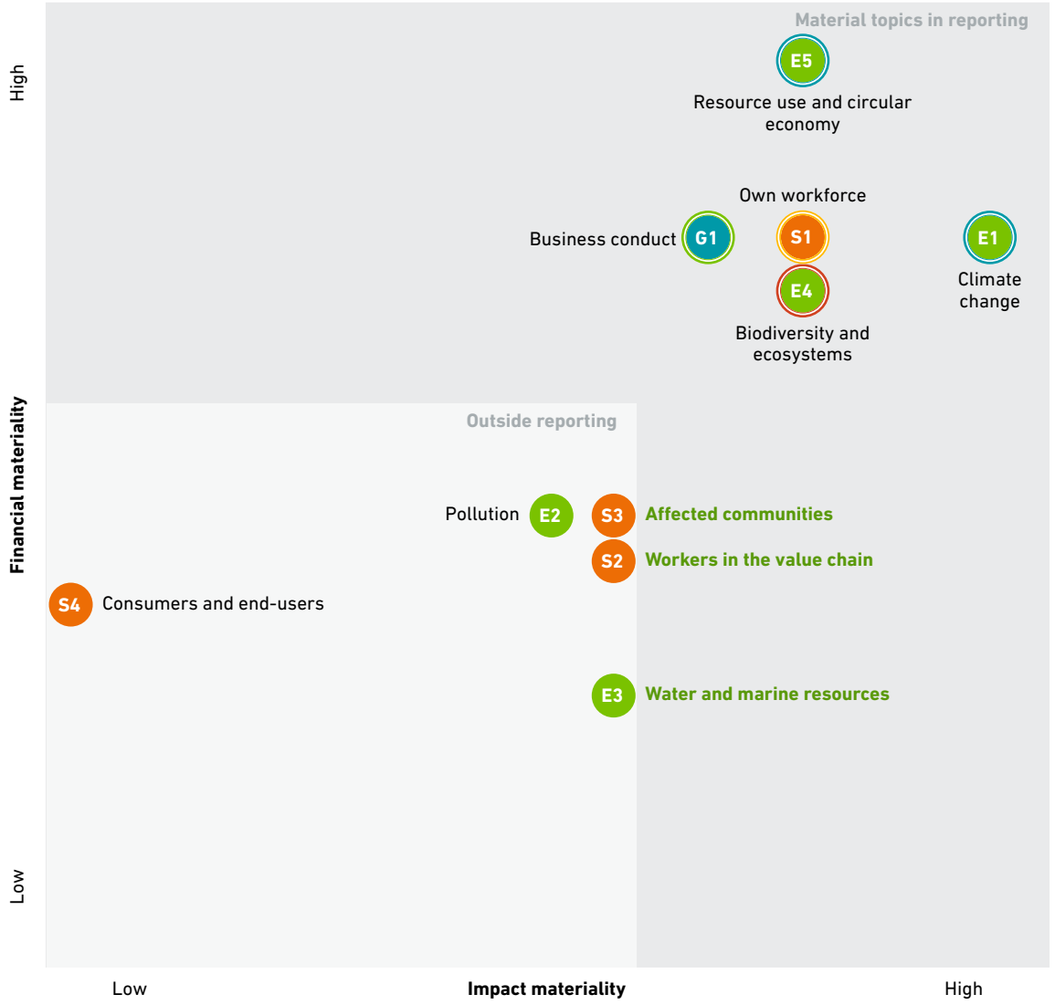
As a result of our 2025 review of the double materiality assessment, we identified material impacts in five ESRS standards and their topics. The identified material impacts are either actual or potential, and either positive or negative.

Financial risks were identified in five standards and financial opportunities in three standards.

Positive impacts and/or financial opportunities were identified in the following topics:
- E1 Climate change
- E5 Resource use and circular economy
- S1 Own workforce
- G1 Business conduct

Negative impacts and/or financial risks were identified in the following topics:
- E1 Climate change
- E4 Biodiversity and ecosystems
- E5 Resource use and circular economy
- S1 Own workforce
- G1 Business conduct

FMG's double materiality matrix 2025



Actual impacts focused on the Group's existing business operations, while potential impacts revolved around the future growth of our operations. See the theme-specific sections for a more detailed description of the topics and their sub-topics.

The sustainability themes that are material to the Group in 2025 are shown in the diagram.

Assumptions and limitations

Assumptions were made when the double materiality analysis was carried out. Greenhouse gas emissions have always been assumed to be global in terms of their impact. In the value chain, any potential impacts related to procurement have been recognised as global due to the length of supply chains in the industry. The parent company's holding in associated companies has been taken into account when assessing any financial risks that the parent company is exposed to via associated companies (including through net sales and costs). IONCOR Oy's business is not included in this double materiality analysis, as it only became a Group company in January 2026.

Time horizons

The time horizon used for the assessment is the same as the time horizon used for the implementation of projects:

- short = < 1 year, 2025–2026
- medium = 1–5 years, 2027–2029
- long = > 5 years, 2029–2050.

Material positive and negative impacts
Material risks and opportunities

Material negative impacts
Material risks

Material positive and negative impacts
Material risks

Material positive impacts
Material risks and opportunities

Material impacts

The table shows the Group's positive and negative material impacts, their location in the value chain and their time horizon.

ESRS standard	Material topic	Impact	Classification	Section of the value chain	Time horizon
E1 Climate change	E1.2 Climate change mitigation	+ The Group's projects help to electrify transport and cut greenhouse gas emissions.	Potential	Downstream	Medium, long
	E1.2 Climate change mitigation	+ Terrafame produces low-carbon battery chemicals for electrifying transport. This will reduce GHG emissions from transport.	Actual	Downstream	Short, medium, long
	E1.3 Energy	+ Terrafame produces uranium as a raw material for fossil-free energy.	Actual	Own operations	Short, medium, long
	E1.3 Energy	– Mining and battery material production consume a considerable amount of energy.	Actual	Own operations	Short, medium, long
E4 Biodiversity and ecosystems	E4.1 Direct drivers of biodiversity loss	– Mining requires large areas of land, which has an impact on species and ecosystems.	Actual	Own operations, upstream	Short, medium, long
	E4.3 Impacts on the extent and status of ecosystems	– Earthworks and construction cause soil degradation during mining activities.	Actual	Own operations	Medium, long
	E4.3 Impacts on the extent and status of ecosystems	– Mining leads to permanent changes when new land is used for industrial purposes. Land areas will be closed off.	Actual	Own operations	Medium, long
E5 Resource use and circular economy	E5.1 Resource inflows, including resource use	– Mining depends on primary raw materials.	Actual	Own operations	Short, medium, long
		+ The internal recycling of process side streams has a significant impact on waste prevention at Terrafame. Fewer purchases of materials, such as sulphuric acid, are required.	Actual	Own operations	Short, medium, long
	E5.2 Resource outflows related to products and services	+ A circular-economy solution for sodium sulphate is currently under development and has a high potential impact on the circular economy.	Potential	Entire value chain	Medium, long
	E5.3 Waste	– Mining produces a considerable quantity of waste rock. These quantities are local.	Actual	Own operations	Short, medium, long
S1 Own workforce	S1.1 Working conditions	+ The Group maintains a high level of occupational health and safety, which contributes to employee satisfaction and wellbeing.	Actual	Own operations	Short, medium, long
	OWN S1 New jobs	+ New jobs have been created in the Finnish value chain at Terrafame's battery chemicals plant and uranium recovery plant, and during Keliber and Easpring Finland's construction phases. New jobs have also been created in development projects.	Actual	Own operations	Short, medium, long
	OWN S1 New jobs	+ Mining and battery projects will create a significant number of new jobs, both directly and indirectly.	Potential	Own operations	Short, medium, long
G1 Business conduct		+ Political actors will receive information about developments in mining and the battery value chain, which will support the implementation of FMG's special mandate.	Actual	Own operations	Short, medium, long

Material financial risks and opportunities

The table shows the Group's material financial risks and opportunities, their location in the value chain and their time horizon.

ESRS standard	Theme	Risk/opportunity	Classification	Section of the value chain	Time horizon
E1 Climate change	E1.2 Climate change mitigation	+ Both existing and planned battery chemicals and materials are low-carbon, which will have a positive impact on the company's business.	Opportunity	Own operations	Medium, long
	E1.2 Climate change mitigation	+ Rising global temperatures will require the electrification of transport (and renewable energy solutions). The EU's self-sufficiency targets for raw materials are expected to have a positive impact on sales.	Opportunity	Entire value chain	Short, medium, long
	E1.2 Climate change mitigation	– The decarbonisation of the Group's operations may be delayed, as it requires significant investments	Risk	Own operations	Medium, long
	E1.2 Climate change mitigation	– The long-term profitability of some of the Group's investments may be weakened if nickel-based lithium-ion batteries were to be widely replaced by other technologies.	Risk	Own operations	Long
	E1.3 Energy	– If the price of green energy increases, or there are issues with its availability, the carbon footprint of our products may increase and emissions may have to be offset.	Risk	Own operations	Long
E4 Biodiversity and ecosystems	E4.1 Direct drivers of biodiversity loss	– Preserving biodiversity can reduce investment opportunities, which would affect the scale of our business.	Risk	Own operations	Long
E5 Resource use and circular economy	E5.1 Resource inflows, including resource use	+ Car manufacturers are likely to value products that use recycled materials in line with EU requirements, and this could boost sales.	Opportunity	Own operations	Medium, long
	E5.1 Resource inflows, including resource use	– Waste treatment costs may increase.	Risk	Own operations	Short, medium, long
S1 Own workforce	OWN S1 New jobs	– It may be more challenging to find a suitable workforce in the future, and particularly in small communities, which may have an impact on business.	Risk	Own operations	Medium, long
G1 Business conduct	G1.4 Political influence and lobbying activities	+ Policy decisions can help to create good financial conditions for value chain development	Opportunity	Entire value chain	Short, medium, long
		– Political decisions may have a significant negative impact on the Group's ability to conduct its business.	Risk	Own operations	Medium, long
	OWN G1 Partnerships	+ Our partners have market knowledge and customer relationships that can benefit our business.	Opportunity	Entire value chain	Short, medium, long
	OWN G1 Partnerships	– If our partners' financial performance is not adequately assessed, a Group company may be exposed to a counterparty risk.	Risk	Own operations, downstream	Short, medium, long

All material impacts are closely related to the Group's business operations. They primarily arise from our subsidiaries' and associated companies' industrial production, and in their associated global value chains. Negative impacts on biodiversity have a detrimental or transformative impact on the environment. They also have indirect impacts on people, which will mainly be felt in personnel's working conditions. Safety at work is essential in an industrial environment.

Positive impacts on our own workforce primarily arise from the regional economic impacts of industrial operations: projects generate new tax revenues and jobs, can increase and improve training opportunities and services, and help to develop the region's infrastructure.

Negative impacts may arise through environmental impacts and land use. These impacts may include changes in the surrounding environment, noise, heavy traffic, and changes in land use as new areas are used for industrial purposes. Most of the negative impacts relate to existing operations.

Climate change mitigation improves the state of the environment, as it reduces greenhouse gas emissions. It also has indirect impacts on humans and biodiversity. Many of these impacts have already been realised, but the impact and significance of battery material projects will grow in the future when they reach their operational phases. The same applies to the extent to which these impacts will affect the value chain outside our own operations.

List of additional data points derived from other EU legislation, as listed in ESRS 2 Appendix B.

Disclosure requirement and data point		Location in the sustainability report / non-material data points
ESRS 2 GOV-1	Percentage of board members who are independent	15
ESRS 2 GOV-4	Statement on due diligence	17
ESRS 2 SBM-1	Involvement in activities related to fossil fuels	Non-material
ESRS 2 SBM-1	Involvement in activities related to the production of chemicals	Non-material
ESRS 2 SBM-1	Involvement in activities related to controversial weapons	Non-material
ESRS 2 SBM-1	Involvement in activities related to the cultivation and production of tobacco	Non-material
ESRS E1-1	Transition plan for achieving climate neutrality by 2050	32
ESRS E1-6	Targets related to climate change	33
ESRS E1-7	Energy consumption from fossil fuels disaggregated by sources (high climate impact sectors only)	34
ESRS E1-7	Energy consumption and mix	34
ESRS E1-8	Gross Scopes 1, 2, 3 and Total GHG emissions	34
ESRS E1-9	GHG removals and carbon credits	34
ESRS E1-11	Exposure of the benchmark portfolio to climate-related physical risks	Non-material
ESRS E1-11	Location of significant assets at material physical risk	Non-material
ESRS E1-11	Breakdown of the carrying value of the undertaking's real estate assets by energy efficiency classes	Non-material
ESRS E1-11	Degree of exposure of the portfolio to climate-related opportunities	Non-material
ESRS E2-4	Amount of pollutants emitted into air, water and soil	Non-material
ESRS E3-1	Water-related policies	Non-material
ESRS E3-1	Policy covering areas with water stress	Non-material

Disclosure requirement and data point		Location in the sustainability report / non-material data points
ESRS E3-4	Total amount of water recycled and reused	Non-material
ESRS E4-5	Activities negatively affecting biodiversity-sensitive areas	36
ESRS E4-2	Policy covering sites in or near biodiversity-sensitive areas	35
ESRS E5-5	Hazardous waste and radioactive waste	39
ESRS 2 IRO-2	Risk of incidents of forced labour	Non-material
ESRS 2 IRO-2	Risk of incidents of child labour	Non-material
ESRS 2 GDR-P	Human rights policy commitments	31
ESRS S1-1	Processes and measures for preventing trafficking in human beings	40
ESRS S1-1	Occupational risk prevention policy or management system	40
ESRS S1-2	Grievance mechanism, including employee-related matters	41
ESRS S1-13	Number of work-related accidents	43
ESRS S1-13	Number of days lost due to injuries, accidents, fatalities or illness	43
ESRS S1-15	Unadjusted gender pay gap	Non-material
ESRS S1-15	Annual total remuneration ratio	Non-material
ESRS S1-16	Incidents of discrimination	Non-material
ESRS S1-16	Human rights incidents	Non-material
ESRS S2-1	Processes and measures for preventing trafficking in human beings	Non-material
ESRS S2-1	Code of Conduct	Non-material
ESRS S3-2	Grievance mechanism	Non-material
ESRS S2-3	Human rights incidents	Non-material

Disclosure requirement and data point		Location in the sustainability report / non-material data points
ESRS G1-1	Policies that are consistent with the United Nations Convention against Corruption	44
ESRS G1-1	Protection of whistleblowers	44
ESRS G1-4	Fines for violations of anti-corruption and anti-bribery laws	Non-material
ESRS G1-4	Actions to address breaches of standards of anti-corruption and anti-bribery	Non-material
ESRS 2 GOV-1	Board's gender diversity	15
ESRS E4-5	Land degradation, desertification, soil sealing	36
ESRS E4-5	Natural species and protected areas	36
ESRS E4-2	Sustainable land/agriculture practices or policies	35
ESRS E4-2	Sustainable ocean/sea practices or policies	35
ESRS E4-2	Policies to address deforestation	35

List of ESRS disclosure requirements applied in the sustainability report

GENERAL DISCLOSURES

Standard	Subsection	Disclosure requirement	Page
ESRS 2	BP-1	Basis for preparation of the sustainability statement	14
ESRS 2	BP-2	Disclosures in relation to specific circumstances	14
ESRS 2	GOV-1	The role of the administrative, management and supervisory bodies in relation to sustainability	15
ESRS 2	GOV-2	Integration of sustainability-related performance in incentive schemes	16
ESRS 2	GOV-3	Statement on due diligence	17
ESRS 2	GOV-4	Risk management and internal controls over sustainability reporting	17
ESRS 2	SBM-1	Strategy, business model and value chain	17
ESRS 2	SBM-2	Interests and views of stakeholders	19
ESRS 2	SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	21
ESRS 2	IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	21
ESRS 2	IRO-2	Material impacts, risks and opportunities and disclosure requirements included in the sustainability statement	22
ESRS 2	GDR-P	General Disclosure Requirement for policies	31
ESRS 2	GDR-A	General Disclosure Requirement for actions and resources	31
ESRS 2	GDR-M	General Disclosure Requirement for metrics	31
ESRS 2	GDR-T	General Disclosure Requirement for targets	31

CLIMATE CHANGE

Standard	Subsection	Disclosure requirement	Page
E1	E1-1	Transition plan for climate change mitigation	32
E1	E1-2	Identification of climate-related risks and scenario analysis	32
E1	E1-3	Resilience in relation to climate change	33
E1	E1-4	Policies related to climate change mitigation and adaptation	33
E1	E1-5	Actions and resources in relation to climate change	33
E1	E1-6	Targets related to climate change	33
E1	E1-7	Energy consumption and mix	33
E1	E1-8	Greenhouse gas emissions	34
E1	E1-9	GHG removals and GHG mitigation projects financed through carbon credits	Not applied
E1	E1-10	Internal carbon pricing	Not applied

BIODIVERSITY AND ECOSYSTEMS

Standard	Subsection	Disclosure requirement	Page
E4	E4-1	Biodiversity and ecosystems transition plan	35
E4	E4-2	Policies related to biodiversity and ecosystems	35
E4	E4-3	Actions and resources related to biodiversity and ecosystems	36
E4	E4-4	Targets related to biodiversity and ecosystems	36
E4	E4-5	Impact metrics related to biodiversity and ecosystems change	36
E4	E4-6	Potential financial effects from biodiversity and ecosystem-related risks and opportunities	Not applied

RESOURCE USE AND CIRCULAR ECONOMY

Standard	Subsection	Disclosure requirement	Page
E5	E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	37
E5	E5-1	Policies related to resource use and circular economy	37
E5	E5-2	Actions and resources in relation to resource use and circular economy	37
E5	E5-3	Targets related to resource use and circular economy	38
E5	E5-4	Resource inflows	38
E5	E5-5	Resource outflows	39

OWN WORKFORCE

Standard	Subsection	Disclosure requirement	Page
S1	S1-1	Policies related to own workforce	40
S1	S1-2	Engagement with own workforce and workers' representatives, existence of channels for own workforce to raise concerns or needs and approaches to remedy	41
S1	S1-3	Actions and resources related to own workforce	41
S1	S1-4	Targets related to own workforce	42
S1	S1-5	Characteristics of the undertaking's employees	43
S1	S1-6	Characteristics of the undertaking's employees	Not applied
S1	S1-7	Collective bargaining coverage and social dialogue	Not applied
S1	S1-8	Diversity metrics	Not applied
S1	S1-9	Adequate wages	Not applied
S1	S1-10	Social protection	Not applied
S1	S1-11	Persons with disabilities	Not applied
S1	S1-12	Training and skills development metrics	Not applied
S1	S1-13	Health and safety metrics	43
S1	S1-14	Work-life balance metrics	Not applied
S1	S1-15	Remuneration metrics (pay gap and total earnings)	Not applied
S1	S1-16	Incidents of discrimination and other human rights incidents	Not applied

BUSINESS CONDUCT

Standard	Subsection	Disclosure requirement	Page
G1	G1-1	Policies related to business conduct	44
G1	G1-2	Actions related to business conduct	44
G1	G1-3	Targets related to business conduct	Not applied
G1	G1-4	Metrics related to incidents of corruption or bribery	Not applied
G1	G1-5	Metrics related to political influence and lobbying activities	44
G1	G1-6	Metrics in relation to payment practices	Not applied
G1	OWN	Management of relationships with suppliers	45

GDR-P
General disclosure requirement for policies

The responsibility manual used by the Group's parent company is the ISO 26000 standard, which requires compliance with the rule of law, ethical practices and corporate social responsibility. Our guidelines are rooted in a comprehensive approach at the core of which is the governance of our organisation. We develop also our social responsibility on the basis of the Government Resolution on State Ownership Policy, and our work is linked to the UN Sustainable Development Goals. Our aim is to determine our responsibility in various situations, and to identify stakeholders that are affected by the Group's operations.

Two Group companies, Terrafame and Sokli, adhere to a Finnish sustainability system based on Towards Sustainable Mining standards (TSM Finland). Sustainability systems based on TSM standards provide sustainability assessment tools for mines, ore exploration, and companies in the project phase. FMG's subsidiary Terrafame is also part of the chemical industry's global sustainability programme, Responsible Care, and integrates the UN Global Compact's core values into its operations.

Fully owned subsidiaries must also comply with the Code of Conduct of Finnish Minerals Group's parent company and the policies and guidelines adopted by the company's Board of Directors. The Boards of Directors of these companies are responsible for organising the operations of companies in our investment portfolio.

In addition to our own work, the parent company's Code of Conduct applies to our cooperation with suppliers of services and goods. We require companies in our investment portfolio to commit to ethical business practices. We have drawn up a CSR policy for service providers and suppliers as well.

Sustainability is also addressed in the following policies and guidelines, which have been approved by the Board of Directors:

- sustainability policy
- human rights policy
- personnel and remuneration policy
- risk management policy
- corporate financing rule
- related-party policy
- communication policy

GDR-A
General disclosure requirement for actions and resources

We are not currently reporting on operating and/or capital expenditure related to actions and action plans. Our assessment of the costs is still ongoing.

GDR-M
General disclosure requirement for metrics

Sustainability metrics are presented in the thematic sections whenever possible. Our work in this area is still ongoing.

GDR-T
General disclosure requirement for targets

The Group set strategic sustainability targets for 2025, which are described in **ESRS 2 General Disclosures.** The setting of theme-specific targets is still ongoing, and work on this will continue over the coming years. The thematic sections of this report describe the priorities that have been identified to date, along with any planned measures.

+ E1 – Climate change

Climate change plays a significant role in the Group's activities. Our strategy is based on promoting the clean transition and mitigating climate change by influencing the emissions of transportation. We take climate change seriously and aim to reduce our own emissions. Mitigating climate change involves environmental impacts, economic opportunities, and risks, which are presented in the accompanying table. Regarding energy, we have identified both positive and negative impacts as well as financial risks. Climate change adaptation did not emerge as a material topic, but related aspects are also addressed in this section of the report. The materiality analysis process is described in section **ESRS 2 General disclosures.**

Material topics	Impacts	Risks	Opportunities
Climate change mitigation	+ The Group's production and projects contribute to the electrification of transport and the reduction of greenhouse gas emissions.	The decarbonisation of the Group's operations may be delayed as it requires significant investments. The profitability of some of the Group's investments could weaken in the long term if nickel-based lithium-ion batteries were widely replaced by another technology.	Existing and planned battery chemicals and materials are low-carbon, which has a positive impact on business. Rising global temperatures require the electrification of transport (and renewable energy solutions). The EU's self-sufficiency targets for raw materials are expected to have a positive effect on sales.
Energy	+ Terrafame produces uranium as a raw material for fossil-free energy. – Mining and battery material production require significant energy use.	If the availability of green energy decreases and prices increase, the carbon footprint of products may increase, and emissions may need to be compensated for.	–

E1-1
Transition plan for climate change mitigation

The Group's strategy and business model largely align with international climate change objectives. Our companies take into account the Finnish Government's carbon neutrality target in their decision-making and operations. The parent company, Finnish Minerals Group (FMG), began preliminary work on a transition plan for climate change mitigation in 2024, and this preparation continues. In 2025, the Group's sustainability targets were updated, as detailed in section **E1-6**. Neither the Group nor its associated companies engage in oil, gas, or coal production. The Group is not excluded from the EU benchmarks under the Paris Agreement.

E1-2
Identification of climate-related risks and scenario analysis

Climate-related impacts, risks, and opportunities have been assessed during the materiality analysis and in a preliminary TCFD analysis (Task Force on Climate-Related Financial Disclosures) conducted in 2024. These analyses will continue. The materiality analysis considered both the Group's current business and future projects. The assessment was carried out at a relatively high level and did not include detailed project-specific reviews. The value chain was considered to the extent possible.

The accuracy of the materiality and the TCFD assessments is reviewed regularly. Climate-related impacts, risks, and opportunities are discussed by the Executive Leadership Team and the Board of Directors, particularly during updates to the materiality analysis. Project-specific impacts, risks, and opportunities are addressed as needed.

The Group contributes to climate change mitigation by producing materials required for transport electrification, thereby reducing greenhouse gas emissions. Climate impacts have been assessed through the calculation of greenhouse gas emissions at Group level (scope 1–3) since 2023. Emissions for 2025 are presented in section **E1-8 Greenhouse Gas Emissions**.

In the preliminary TCFD analysis, physical climate risks were assessed using available scenarios. The assessment focused on our own operations, with the value chain considered at a general level. Domestic forecasts were primarily used, as international forecasts are less accurate. The analysis concluded that physical climate risks are not significant in the long term. However, acute risks such as increased rainfall could cause production disruptions. For projects under development, potential risks can be addressed during the planning phase. Chronic climate changes are expected to have minor impacts. Indirect risks were identified at the overall business level, not at project or operational level. Transition risks were mainly linked to regulation, markets, and new technologies. Preliminary assessments of transition risks have been made, but their financial implications require further analysis. This analysis will be refined.

E1-3
Resilience in relation to climate change

The Group initiated a resilience analysis in 2024. Based on preliminary review, climate adaptation was not identified as a material risk, as adaptation measures can be incorporated during project planning. We monitor developments in adaptation methods and integrate them into our operations as needed.

E1-4
Policies related to climate change mitigation and adaptation

The parent company's sustainability policy outlines principles that include climate change mitigation. Our subsidiaries minimise greenhouse gas emissions, invest in energy-efficient and low-impact technologies, and increase the use of fossil-free energy in operations. The sustainability targets described in section **E1-6** and the forthcoming transition plan support this policy and provide more detailed guidance. We also promote climate mitigation objectives within our value chain and monitor adaptation measures.

E1-5
Actions and resources in relation to climate change mitigation and adaptation

In 2025, we focused on calculating our greenhouse gas emissions and setting the sustainability targets described in section **E1-6**.

Construction of Easpring Finland New Materials Oy's battery materials plant began in spring 2025. Once operational, the plant will be Finland's first cathode active material (CAM) production facility. This powdered material is essential for lithium-ion batteries, and demand will grow significantly in the coming years due to transport electrification. The material produced at the Kotka plant will be used by battery manufacturers in Europe and globally. The plant will operate using fossil-free electricity, supporting our goal of achieving carbon neutrality in projects. The changes in plans have not required significant operating or capital expenditure.

In 2024, Terrafame launched a uranium recovery plant to extract small quantities of uranium from mined ore as a by-product. The uranium is delivered to international markets for further processing and subsequently used as fuel in nuclear energy production. With this operation, Finland is the only EU member state producing uranium.

E1-6
Targets related to climate change

We support Finland's carbon neutrality target by 2035. We expect our portfolio companies to integrate climate change mitigation into the strategies and business plans of portfolio companies. In 2025, the Group set strategic sustainability targets. Operating companies report to FMG on greenhouse gas emissions and emission reductions. The goal is to reduce Group-level scope 1 and 2 emissions annually. Targets are not yet science-based. Updates will be considered annually as needed.

E1-7
Energy consumption and mix

Most of the Group's energy consumption comes from production. The table shows the combined energy consumption and energy mix of the parent company, Sokli, and Terrafame. Terrafame uses partly fossil-free electricity. Production also uses various fuels, such as diesel. The Group operates in sectors with significant climate impacts, such as mining and industrial chemical production. The Group does not produce renewable or non-renewable energy.

Energy consumption and mix	Group 2024	Group 2025
Total energy consumption, MWh	748,458	758,417
Fossil sources, MWh	431,250	460,486
Coal and coal products	0	0
Crude oil and petroleum products	161,910	200,452
Natural gas	0	0
Other fossil sources	0	0
Purchased or acquired electricity, heat, steam, or cooling from fossil sources	269,340	260,067
Nuclear, MWh	128,214	246,705
Renewable sources, MWh	188,994	51,194

E1-8
Gross scope 1, 2, 3 GHG emissions

The Group's emissions have been calculated in accordance with the principles of the GHG Protocol. The emission figures for the calendar year 2025 includes all Group companies listed in section **SBM-1**. The emission calculations have not been verified by any external party. As the parent company does not have control over its associated companies, their emissions will in future be reported under Scope 3, category "Investments".

Direct emissions, i.e. Scope 1 emissions, are based on the volumes of fuels and chemicals used. Purchased energy emissions (Scope 2) are indirect emissions. Their calculation is based either on energy consumption data obtained directly from suppliers or on estimates derived from euro-denominated cost data using the average electricity price.

All remaining indirect greenhouse gas emissions are reported as Scope 3 emissions. Terrafame calculates greenhouse gas emissions arising from its value chain and procurement by using actual quantities, supplier-specific emission data, and information derived from purchase invoices. For the other companies, indirect emissions have been calculated using fuel consumption volumes and energy consumption data based on Department for Environment, Food & Rural Affairs (DEFRA) and Intergovernmental Panel on Climate Change (IPCC) information, and euro-denominated cost data using either operator-specific emission factors or, where these are unavailable, general cost-based factors.

	Group 2024	Group 2025
Scope 1 emissions, t CO_2e	126,929	135,298
Share of Scope 1 GHG emissions from the EU Emission Trading System (EU ETS)	32	31
Scope 2 emissions, market-based, t CO_2e	148,911	100,405
Scope 2 emissions, location-based, t CO_2e	27,907	18,568
Scope 3 emissions, t CO_2e	354,756	339,723
Total scope 1–3, t CO_2e (market-based)	630,597	575,426
Total scope 1–3, t CO_2e (location-based)	509,592	493,589
Emissions intensity, tCO_2e/mEUR (market-based)	1,158	1,034
Emissions intensity, tCO_2e/mEUR (location-based)	936	887

E1-9
GHG removals and GHG mitigation projects financed through carbon credits

The company has no greenhouse gas removal or offsetting projects.

E1-10
Internal carbon pricing

The Group does not apply internal carbon pricing.

+ E4 – Biodiversity and ecosystems

Alongside climate change, biodiversity is one of our most important sustainability themes. We recognise that our operations can have significant negative impacts, and we strive to minimise them. The process for identifying material impacts, risks, and opportunities is described in section **ESRS 2 General disclosures.**

In addition, we have identified and assessed impacts on biodiversity and ecosystems at our sites, related to location and land use, as well as existing and potential environmental impacts. These sites include the Sokli mining project in Savukoski and Terrafame's operations and mine expansion in Sotkamo. The assessment has focused particularly on direct impacts and financial risks to business operations. Financial assessments will be refined as plans for Sokli and Terrafame's Kolmisoppi deposit progress.

We have identified negative impacts on biodiversity linked to both our own operations and mining activities within our value chain. These impacts and risks relate to existing and planned mining operations. Impacts occur especially when new mining areas are developed and new mines are established. We did not identify any material positive impacts on biodiversity within our operations or value chain. Mining reduces biodiversity in areas where natural environments are removed due to land-use changes. Impacts also occur in the value chain when raw materials for battery production originate from global mining operations.

In mining projects, we have identified financial risks related to the costs of ecological compensation and the potential reduction of business opportunities if certain areas cannot be developed for mining due to nature conservation reasons. We did not identify material financial opportunities.

E4-1
Biodiversity and ecosystems transition plan

Our goal is to develop the mining industry. We recognize that maintaining business opportunities means that some impacts on biodiversity cannot be completely avoided. Although the Group has not yet prepared a transition plan, the operations and decision-making processes of Group companies take into consideration the minimisation of environmental impact. The parent company's strategy takes into account halting biodiversity loss. The Group is in the process of preparing an action plan in 2026.

Land use for mining can particularly affect biodiversity negatively. Establishing a mine or expanding a mining area typically transforms a natural area into an industrial one. This applies especially to the Sokli mining project and Terrafame's mine expansion. The Sokli project area includes various habitat types and protected plant species. Within Terrafame's current mining concession, individual habitats of endangered species have been identified. Establishing a mine has significant negative impacts, and impact assessments will be further refined. Minimisation and compensation measures are still under development. A more detailed resilience analysis will be carried out in the coming years.

Material topics	Impacts	Risks	Opportunities
Biodiversity **Direct drivers of biodiversity loss** **Impacts on the extent and status of ecosystems**	– Mining activities require extensive land areas, which affects species and ecosystems. – In mining operations, soil preparation and construction degrade soil quality. – The conversion of production areas for industrial use is a permanent change. These land areas will be closed.	Preserving biodiversity can reduce investment opportunities, which in turn affects the scale of business operations.	–

E4-2
Policies related to biodiversity and ecosystems

The parent company's sustainability policy outlines our principles regarding biodiversity. Our Group companies consider, in their decision-making and operations, the minimisation of environmental impacts and halting biodiversity loss. We anticipate environmental impacts through environmental assessments, nature surveys, emission modelling, and calculations. We monitor the impacts of our operational activities through measurements, analyses, and studies. Our principles are general and do not specifically address sensitive areas, agricultural practices, or practices related to oceans or deforestation. They also do not cover the value chain.

E4-3
Actions and resources related to biodiversity and ecosystems

As part of the materiality analysis, we have examined impacts based on project-specific environmental impact assessments, evaluations conducted during environmental permitting, and nature surveys carried out in connection with permitting and zoning. The Sokli mining project and Terrafame's Kolmisoppi project fall under the Environmental Impact Assessment Act (EIA Act). The EIA for Kolmisoppi has already been completed. The EIA process for Sokli has not yet started.

A detailed review of the value chain has not yet been conducted, but we have acknowledged that raw materials for battery plants also come from global mining operations. Scenario analysis has not been used in these reviews.

In examining ecosystem services, we identified that the Sokli mining area is located within a reindeer herding area, whereas Terrafame's operations are not. Reindeer husbandry depends on natural ecosystems in grazing areas. However, ecosystem services have not emerged as material in the assessment.

We do not currently report operating or capital expenditures related to actions and plans. Our cost assessment is still ongoing. The scope of compensation, related measures, and costs will be assessed in more detail as project implementation scope, land-use requirements, exact locations, and current natural conditions become clearer.

Currently, only research activities are being carried out in the Sokli project area, and a base camp has been established. These activities have not been found to have harmful effects on protected species or biodiversity. Research in the mining area complies with the Nature Conservation Act and environmental authority requirements. Research plans are submitted to authorities for information. Protected plant species have been identified in the project area. The area is currently largely natural, with no significant biodiversity impacts from industrial activity. Minimisation and compensation measures are still under development.

Additional nature surveys have been conducted in Sokli for several years, providing more information on the natural values of Sokli and its surroundings. These values are considered in planning, with the aim of reducing impacts on local water bodies and habitats of protected plant species. Data on fish stocks and spawning in local waters have been collected through electrofishing and fish cameras, and water levels have been monitored in both surface and groundwater. Sokli Oy has been granted an exemption permit for a transplanting trial of the directive species Yellow Marsh Saxifrage (Saxifraga hirculus), which began in 2025. The mining project includes plans for pilot operations, during which nature and species surveys were conducted in 2025.

Terrafame has carried out biodiversity monitoring and nature surveys associated with permitting. Based on these surveys, some areas have been excluded from production zones. Current activities do not include biodiversity offsets. Terrafame's biodiversity-related measures include compensating for operational impacts, such as supporting habitats of vulnerable or endangered species in nearby areas and transplanting endangered species on a case-by-case basis, as well as revegetation after closure of production and waste areas, with species selection aimed at supporting biodiversity where possible.

Our associated company Keliber Oy's lithium refinery is located in the Kokkola industrial area, and a significant part of the Kaustinen mining and processing operations is on former peat production land, so landscape and biodiversity values are low. Keliber has implemented conservation measures to protect endangered species living in and near operational areas, such as creating compensatory habitats and providing food for animals.

Our associated company Easpring Finland New Materials Oy has assessed the natural values of the site for its cathode active material plant and evaluated impacts. The plant's operations do not cause significant environmental impacts, and an environmental permit has been granted.

E4-4
Targets related to biodiversity and ecosystems

In line with sustainability targets set in 2025, our mining companies will prepare an action plan to preserve biodiversity and minimise risks if biodiversity-related risks have been identified. At this point, detailed nature impacts of mining projects are partly under review. Biodiversity offsets are not currently used as part of target-setting.

E4-5
Metrics related to biodiversity and ecosystems change

We are still developing biodiversity management, targets, and actions at Group level. Currently, we monitor the achievement of the target described in section **E4-4** and land-use changes, i.e., the area taken annually for industrial use or pre-construction and the size of areas removed from use. We will develop biodiversity impact metrics in the coming years. The greatest land-use impacts are from mining.

	Land use, ha		Use of new land, ha		Closed area, ha	
	2024	2025	2024	2025	2024	2025
Sokli	3	3	0	0	0	0
Terrafame	2,970	3,030	104	53.9	9	31

+ E5 – Resource use and circular economy

The significance of the circular economy in our industry will grow in the future, and promoting circularity offers us economic opportunities. In our current operations, we aim to improve the efficient utilisation of waste as well as our own and third-party by-products. In projects, we plan for resource efficiency and assess the potential of recycling activities. In addition, we have mapped existing and planned recycling processes and secondary materials. The materiality analysis process of the Group's parent company is described in section **ESRS 2 General disclosures.**

Mining production relies on primary raw materials. The mining industry generates a significant amount of extractive waste, which requires land for disposal. The volumes of by-products can be substantial, so their potential must be examined and further use developed. We have identified that internal process recycling has a significant impact on preventing waste generation and helps reduce the need for purchasing input materials.

Mining production largely uses non-renewable natural resources, which makes the assessment of recycling opportunities particularly important. The EU has set ambitious future recycling targets for the battery materials industry. The aim is that valuable battery raw materials will be recycled within Europe. In identifying risks and opportunities related to resource use and circular economy, we utilised the EU's recycling targets for critical raw materials, as set out in the Critical Raw Materials Act (CRMA). According to the regulation, 25% of the material used should be recycled by 2030. This target is expected to create new opportunities for the production of recycled raw materials and increase their demand.

E5-1
Policies related to resource use and circular economy

In the parent company's sustainability policy, we commit to promoting circular economy and seeking business opportunities within it. We engage in technological cooperation at Finnish and EU level to improve resource efficiency and advance circularity. Our goal is to use natural resources as sustainably as possible.

These principles apply only to our own operations and those of associated companies; they do not extend to the entire value chain. In our view, it is important that guidelines on resource use and waste management are site-specific to adequately consider the nature of operations, technologies used and the local environment. Terrafame has its own principles and guidelines covering recycling, by-products, waste hierarchy and waste management.

Material topics	Impacts	Risks	Opportunities
Circular economy Resource inflows, including resource use Resource outflows related to products Waste	− Mining production relies on primary raw materials. − The amount of waste rock generated by mining activities is significant. The mass quantities are local. + At Terrafame, the internal recycling of process side streams plays an important role in waste prevention. In addition, it helps reduce the need to purchase input materials such as sulphuric acid. + The circular economy solution for sodium sulphate, currently under development, has considerable potential to enhance circularity.	Waste treatment costs may increase	Car manufacturers are likely to value products that utilise recycled materials in line with EU requirements, which may increase sales.

E5-2
Actions and resources related to resource use and circular Economy

We promote efficient resource use through various means, such as production planning, by-product management and design-phase solutions.

Our subsidiary Terrafame's most significant raw material resource is black schist ore reserves. The company is committed to, among others, the TSM Finland mining responsibility system, based on the international Towards Sustainable Mining standard (TSM). Terrafame's production is based on nickel ore reserves within its mining concession, which are the largest in Europe. Section E5-4 addresses these resource inflows. Production generates significant amounts of waste rock, which is discussed in section **E5-5**.

Currently, Terrafame's production relies on the Kuusilampi deposit. Kolmisoppi is the company's second, yet unexploited ore body in Sotkamo. In 2025, the European Commission granted Terrafame's Kolmisoppi project strategic project status under the CRMA regulation. The aim of the regulation is to strengthen the EU's self-sufficiency in critical raw materials essential for Europe's economy and clean transition. Terrafame's new strategy for the years 2026-2030 aims to start mining at Kolmisoppi in 2028.

Waste rock and topsoil generated during Terrafame's mining are utilised within the industrial area where possible. Other waste rock is deposited as hazardous waste. Waste volumes are reduced by preventing their formation: ore and waste rock are carefully separated, waste rock volumes are minimised in mine planning, ore is leached sufficiently in bioleaching, and waste generation in other processes is minimised by optimising operations.

Terrafame seeks to recycle process-related side streams as efficiently as possible, reducing waste generation and the need for disposal. At the same time, metals contained in side streams are recovered for production. The uranium recovery plant started in 2024 enables the recovering of natural uranium occurring in small concentrations in the mined ore as a by-product. The company also explores opportunities to recover other raw materials present in the ore body.

Terrafame's end products – metal intermediates and battery chemicals – are raw materials for customer industries' processes. Due to the long and multi-stage value chain, Terrafame has limited opportunities to influence the recycling of its own products. However, the company has conducted pilot research in which nickel and cobalt recovered from black mass of used electric vehicle batteries at a partner's recycling facility are supplied for use as raw materials for battery chemicals.

Our subsidiary Sokli Oy is in the project development phase. Sokli's mineral reserves in Savukoski are globally unique. They could strengthen Europe's self-sufficiency in critical raw materials. We are exploring the area's mineral reserves and the overall feasibility of mining, as previous studies have focused on phosphate and iron production. Our goal is to maximise the utilisation of raw materials and by-products to minimise waste. We have piloted rare earth element recovery through various trials and are testing and developing production methods to make mining operations as efficient and sustainable as possible.

Sokli is also committed to the principles of the TSM Finland mining responsibility system. Accordingly, it adheres to sustainable principles for nature, people and the economy throughout the project lifecycle, from exploration to mine closure and post-monitoring. Designing closed or circular processes is an integral part of project planning, and related investments form part of the overall investment.

Our associated company Easpring Finland New Materials Oy's Kotka CAM plant, which entered the construction phase in 2025, will include process water recycling and energy efficiency measures during production phase.

Our associated company Adven-FMG Sodium Sulphate Solutions Oy is developing treatment technology for sodium sulphate-containing discharge waters generated in mining and battery material production. Sodium sulphate produced in operations could be recovered and converted into commodities for use in industrial processes. Pilot testing of the recovery technology began in 2025 with a partner.

E5-3
Targets Related to Resource Use and Circular Economy

Our goal is to optimise circular economy solutions and resource efficiency, which means increasing circular economy solutions and the use of recycled material in the operations of the Group and its associates. This may include, for example, the utilisation of mining waste, by-products, sodium sulphate and black mass. In 2025, we set a target that our portfolio companies producing sulphides, chemicals or battery chemicals should in the future use recycled material in their production and increase its share.

E5-4
Resource Inflows

In the Group's operations, raw materials are obtained from Terrafame's own production, i.e., black schist ore mining. Ore volumes are monitored in mine planning, where quantities are reported both as mined and transported. The Sokli project is still in the development phase and does not generate inflows, outflows or significant waste volumes.

The European Commission conducts a comprehensive criticality assessment of raw materials at EU level every three years. Critical raw materials are economically very important to the EU and carry a high risk of supply disruption. Battery-grade nickel and copper do not meet the threshold criteria for critical raw materials but are included on the critical raw materials list as strategic raw materials under the CRMA regulation. Cobalt is classified as a critical raw material. Terrafame's ore body contains for example nickel, cobalt and copper. Their approximate concentrations in the ore are presented in the table.

Resource inflow	2024	2025
Primary raw material, t	14,238,257	14,862,662
Primary raw material, %	100	100
Nickel concentration in primary raw material, %	0.23	0.23
Cobalt concentration in primary raw material, %	0.02	0.02
Copper concentration in primary raw material, %	0.13	0.13

E5-5
Resource outflows

The volumes of extractive waste generated in the Group are presented in the following table. The figures include only data related to waste rock generated in Terrafame's operations. Information on waste volumes is collected as part of production monitoring. Some waste rock can be utilised, for example, as infrastructure construction material at the mine.

Waste rock volumes are monitored based on tonnes mined and transported. The timing of leach residue formation is defined so that a block becomes waste when active leaching ends and the chemical quality of the residue has been analysed. The volumes of fines and other wastes are monitored using flow measurements and/or weighing. Moisture, dry matter and solids content of fines are analysed periodically, and the data is used to estimate waste volumes.

Waste	2024	2025
Total quantity, t	**29,934,830**	**32,258,513**
Recovered waste, t	**1,613,923**	**4,876,309**
Non-hazardous	1,613,923	4,876,309
Preparation for reuse	0	0
Recycling	0	0
Other recovery operations	1,613,923	4,876,309
Hazardous waste	0	0
Preparation for reuse	0	0
Recycling	0	0
Other recovery operations	0	0
Treated waste, t	**28,320,907**	**27,052,204**
Non-hazardous waste	0	0
Incineration	0	0
Landfilling	0	0
Other disposal operations	0	0
Hazardous waste	28,320,907	27,052,204
Incineration	0	0
Landfilling	0	0
Other disposal operations	28,320,907	27,052,204
Percentage of non-recycled waste, %	**95**	**84**

+ S1 – Own workforce

Finnish Minerals Group (FMG) companies are creating employment by building a Finnish battery value chain. In accordance with the parent company's strategy, it is important for us to develop a new kind of industry for battery production in Finland sustainably.

While techno-economic feasibility studies are being carried out in projects, the need for labour is quite low and most of the workforce will typically be engaged in design and planning work. The need for labour increases as mining sites and plants are built. Working conditions, occupational safety and workforce availability will then become increasingly important.

The material impacts, risks and opportunities that relate to the Group's own workforce were identified in the double materiality analysis, which is described in the section **ESRS 2 General disclosures**.

S1-1 Policies related to own workforce

The Group companies comply with local legislation, and in addition, have their own principles, policies and plans concerning the use of workforce. At Group level, we are committed to the ILO Declaration on Fundamental Principles and Rights at Work, the UN Guiding Principles on Business and Human Rights, and the Universal Declaration of Human Rights. Furthermore, we are committed to the OECD Due Diligence Guidance for Responsible Business Conduct. These principles apply to our own workforce as a whole.

Working conditions and safety

Our Group follows legislation and official guidelines concerning occupational safety. In our Codes of Ethics, we also address matters related to the wellbeing of our employees at work. In accordance with our human rights policy, we reject human trafficking and the use of forced or child labour. Group companies also engage in dialogue with employees or their chosen representatives regarding working conditions and safety. For mining and chemical industry roles within the Group, technology and chemical industry collective agreements are applied.

Occupational safety and health are essential human rights issues also according to our human rights policy. We guide the development of occupational safety by analysing risks and drawing up action plans. We also monitor accidents and investigate their causes in order to improve our operations. Our goal is to prevent accidents and safeguard health by maintaining a high level of occupational hygiene.

Material topics	Impacts	Risks	Opportunities
Working conditions and safety Occupational health and safety	+ Our good, modern working conditions help to maintain working capacity and ensure wellbeing.	–	–
New jobs	+ New jobs have been created in the value chain, for example at Terrafame's battery chemicals plant and uranium recovery facility, as well as during the construction phases of Keliber and Easpring Finland. + We expect our mining and battery projects will continue to create a significant number of new direct and indirect jobs.	In the future, finding suitable workforce may become challenging, especially in smaller localities, which could impact business operations.	–

Among our Group companies, Terrafame also has a certified ISO 45001 occupational health and safety management system that helps to prevent workplace injuries.

We communicate our principles by publishing key policies on our public websites and internal communication channels, such as the intranet. In practice, occupational health and safety principles are addressed in various meetings, including projects meetings.

New jobs

Among the current Group companies, Sokli in particular, is expected to create a significant number of new jobs if the mining project progresses to the production phase. In the future, finding suitable workforce may be challenging, which in some situations may create a financial risk.

We can minimize the risk related to workforce availability by ensuring occupational safety, which also supports a positive employer image, and by collaborating with local educational institutions to develop training programmes. For example, Terrafame already has experience in organizing apprenticeship training in the work environment, which in turn advances workforce availability.

S1-2
Engagement with own workforce and workers' representatives, existence of channels to raise concerns or needs and approaches to remedy

Group companies regularly hold staff, team and project meetings to discuss current and future issues related to their work. In meetings, topics may be presented by managers or employees, depending on the subject being discussed. Everyone can present their own views and have their say in how we develop our operations. Meeting materials or memos will typically be sent to invitees. We also make use of the intranet and newsletters in our communications, for example.

We utilise performance and development discussions, which take place between the team member and their team leader at least once a year. Target setting is linked to performance at work, such as project progress and occupational safety. When company-level targets are set, they are defined by management. Employees can influence project-level and personal targets. Targets are recorded and stored according to agreed procedures.

Employee satisfaction is monitored through a variety of surveys. Methods include barometers and more extensive personnel surveys. The results serve as background information for a number of plans, such as workplace community development plans and equality and non-discrimination plans, which are prepared in cooperation with employee representatives.

Our Group companies also engage in regular dialogue with personnel or their chosen representatives. Regular dialogue promotes the exchange of information in both directions and provides opportunities to influence operations. Topics include the company's development prospects, financial situation, and competence requirements.

In Group companies with at least 10 employees, there is a designated occupational safety representative. In companies with at least 20 employees, there is also an occupational safety committee, which includes the occupational safety manager as the company's representative, as well as the representative and deputy representatives chosen by the personnel. Cooperation in occupational safety promotes health and safety at work.

Employees can also raise their development ideas and concerns in discussions, for instance, with their own supervisor. If needed, confidential support for raising issues is available from their supervisor, HR, employee representatives, or occupational healthcare.

For raising issues of particular concern, the companies have third-party maintained whistleblowing channels on their websites, through which reports can also be made anonymously. The operating principles of these channels are described in the same context. Information about the whistleblowing channels and related principles is included, for example, in the onboarding process and is also reminded about in personnel meetings, for example.

The effectiveness of the channels described above is assessed as part of daily operations and in discussions with employee representatives.

Negative impacts are addressed, for example, through teamwork and by using various workplace community development plans. The implementation of these plans is monitored and assessed by management and with personnel representatives.

Possible negative impacts of operations are reviewed both by management and with employees or their representatives, unless otherwise required by, for example, whistleblower protection legislation or if the person raising the issue requests limited handling. Our goal is to find a common solution to any issues through negotiation. For example, if the matter concerns occupational safety, the occupational safety committee could be used as a negotiation forum.

S1-3
Actions and resources related to own workforce

Key actions related to our own workforce are primarily based on HR and occupational health and safety processes. We use modern information systems to support these processes, as they help us to ensure, for example, competence development and health checks. The most important action plans are personnel and training plans, workplace community development plans, and equality and non-discrimination plans, which typically identify measures to be followed for a one- or two-year period.

When implementing these action plans, our resources consist of human resources and financial resources. HR and occupational health and safety matters are steered and managed by specialists, such as HR and safety managers. The Group companies also have dedicated occupational health and safety representatives. Financial resources are allocated during annual planning.

The most significant risks related to our own workforce are associated with maintenance and construction work, various types of machinery, and the use of chemicals. These risks are mitigated by providing employees with occupational health and safety training and by ensuring that personnel have the opportunity for sufficient recovery from work.

We monitor and assess the effectiveness of the actions described below as part of our ongoing evaluation and improvement of operations, based on feedback from the management of Group companies and their employee representatives. For example, occupational health and safety is monitored in cooperation with occupational healthcare and by measuring accidents.

Working conditions and safety

- In our Group, written employment contracts are made with employees and signed by both parties. Employment contracts specify the employee's working time.
- Group companies have arranged occupational healthcare, which is also used proactively, for example, by performing health checks for specific age groups. The early support model can address challenges related to issues such as coping at work or substance abuse.
- We organise occupational safety training for employees and use safety audits to take corrective action. We also improve our operations on the basis of safety observations and deviations.
- Companies and employee representatives collaborate on occupational safety activities to improve working conditions.
- Our subsidiary Terrafame has a certified safety management system. The company regularly arranges work-hygienic measurements, inspections and consultations, and makes improvements based on the results.
- We support recovery from work with flexible working hours and adjustment periods used in industrial roles.
- To advance wellbeing at work, we support our employees' cultural and sports activities.

New jobs

- We cooperate with some local educational institutes to develop workforce skills.
- We train our own personnel to grow into new roles as operations develop.

S1-4
Targets related to own workforce

In accordance with the ethical principles of FMG, we aim to ensure a safe and healthy working environment for our personnel. Furthermore, in our materiality analysis, we have assessed health and safety as a material issue for us, which we measure at Group level using LTIFR (Lost-Time Injury Frequency Rate). This is calculated by dividing the number of accidents leading to at least one day of absence by the number of hours worked and multiplying by one million.

The target and result presented in the following table have been reviewed with the parent company's occupational safety representative, who also monitors the occupational safety of the subsidiaries. In addition, Group companies may have their own, more specific workforce-related targets.

Theme	The Group's annual objective	2024	2025
Occupational safety (own personnel)	LTIFR below 5 and descending	4.9	2.0

S1-5
Characteristics of the undertaking's employees

In 2025, the Group had own workforce only in Finland. The reasons for temporary employment included project-based work, apprenticeship training, and substitution. The figures are expressed as full-time equivalent numbers.

	2024	2025
Permanent employees	**789**	**881**
Male	686	752
Female	100	126
Other	3	3
Not reported	0	0
Temporary employees	**52**	**62**
Male	35	44
Female	17	18
Other	0	0
Not reported	0	0
Non-guaranteed hours employees	**1**	**0**
Turnover[1], %	**10.7**	**7.3**

[1] Employee turnover rate describes the entire reporting period and is calculated as follows:
Number of leavers / ((number of employees on 31.12.2024 + 31.12.2025)/2) × 100.
The leavers include situations required by the standard, such as personnel reductions by the employer, resignations, and retirements.

S1-13
Health and safety metrics

The following information is reported based on headcount, not converted to full-time equivalents.

	2024	2025
Employees covered by health and safety management system [1], %	**94.3**	**94.1**
Fatalities as a result of work-related injuries and ill health		
Employees	0	0
Other workers at our sites	0	0
Recordable work-related accidents [2]		
Employees	LTIFR 4.9	2.0
Other workers at our sites	LTIFR 5.5	1.6
Work-related ill health		
Employees	0	0
Days lost to work-related injuries, recordable work-related accidents and work-related ill health		
Employees	–	338

[1] The percentage of own workforce personnel covered by an occupational health and safety management system that is based on legal requirements and/or recognized standards or guidelines. The figures are adjusted according to the information presented in the table concerning the characteristics of employees.

[2] LTIFR (Lost-Time Injury Frequency Rate) is calculated by dividing the number of accidents leading to least one day of absence by the number of hours worked and multiplying by one million.

+ G1 – Business conduct

G1-1
Policies related to business conduct

The business operations of our Group and associated companies' involve mining and the battery value chain in Finland. In 2025, Terrafame engaged in industrial production-based business, selling, among other things, metal intermediates and battery chemicals. The CAM plant to be established in Kotka entered the construction phase in May. Other projects were at the development phase.

The parent company, Finnish Minerals Group (FMG), and its wholly owned subsidiaries are directly steered by the parent company. Terrafame, a subsidiary, and the associated companies have their own boards of directors, which steer their operations. The positive and negative material impacts on the Group's business conduct, and their associated financial risks and opportunities, were identified in the Group's double materiality analysis, which is described in the section **ESRS 2 General disclosures.** According to the analysis, the material topics for us are partnerships and political engagement.

G1-2
Actions related to business conduct

The Boards of Directors of our parent company and its subsidiary Terrafame are responsible for organizing the company's internal policies and procedures. The companies' ethical principles address, among other things, good governance and anti-corruption. The Boards of Directors of FMG and its companies have expertise in international business, finance and legal affairs, and corporate responsibility. In operational activities, the Executive Leadership Team members responsible for organizing financial and other administration ensure compliance with legislation and internal policies. They utilise both in-house and external lawyers, in-house expertise and other external competencies as necessary.

G1-5
Political influence, including lobbying activities

In 2025, we participated in social dialogue and advocacy at both the national and EU levels. Group companies supported the advocacy activities of the Chemical Industry Federation of Finland, the Finnish Mining Association, and the Finnish Battery Industry Association. We also participated in EU advocacy, represented by the parent company FMG.

Material topics	Impacts	Risks	Opportunities
Partnerships	–	If our partners' financial performance is not adequately assessed, a Group company may be exposed to a counterparty risk.	Partners have market and technical knowledge, and customer relationships that can benefit our business. Long-term collaboration with good business partners supports business development and competitiveness.
Political engagement	+ Through political engagement, political actors will receive information about developments in mining and the battery value chain, which will support the implementation of the Finnish Minerals Group's mandate.	Political decisions may have significant negative financial impacts on business.	Political decisions can improve the economic conditions for the development of the value chain.

We were involved in the umbrella organization of national mining industry interest groups, Euromines, whose task is to define the positions of the mining industry at the European level and to build dialogue between the mining industry, EU institutions, and member states. Through the ReSourceEU plan, we participated in reducing the EU's dependence on China for the import and processing of critical materials by proposing the inclusion of price mechanisms and support for expanding production of nickel and lithium.

Regarding the Industrial Acceleration Act, we submitted a written proposal on EU-sourced raw materials. Concerning the Carbon Border Adjustment Mechanism (CBAM), we sought to influence mechanisms to ensure fair competition conditions for low-carbon products.

Regarding the European Competitiveness Fund, we influence the allocation of the EU's financial framework to promote sustainable industry and raw material supply. For G7+EU standards-based markets, we cooperated with various actors from G7 countries and the EU to define standards and promote their adoption.

FMG was also in contact with individual political influencers on matters concerning the Group, both by invitation and on its own initiative. Disclosures regarding the company's advocacy activities in Finland can be found in the Transparency Register of the National Audit Office of Finland (NAOF). NAOF has been collecting lobbying disclosures since April 2024. The company can be found in the register by name and by business ID 274050-9.

During the period 1.1.–31.12.2025, the main topic of advocacy was the reform of the mining mineral tax. In our view, state aid should be sufficiently close to the practices of key competitor countries to ensure that new mining and battery industry projects located in Finland are cost competitive. In developing the regulatory environment, it is important to ensure that permit decisions are predictable, consistent, and appropriate in content. During the preparation of the Group's materiality analysis, it was noted that the mining and battery sector is in a rapid development phase, which means that legislation is also developing extensively from the EU level and is reflected in domestic policy.

The CEO of FMG is responsible for monitoring political engagement within the parent company, and is assisted by the CFO, who is a member of the Executive Leadership Team responsible for administration and compliance.

Group companies do not support political activities financially or for benefits in kind. The state-owner has appointed, as of 1 June 2024, to the Board of Directors of the parent company FMG a person who served as Director General at the Ministry of Economic Affairs and Employment until the end of January 2024.

G1 Partnerships (own)

The strategy of the parent company FMG is built on partnerships. For our industrial projects, we seek partners that have already established in the global market and can bring strong technological and business expertise to the collaboration. Long-term cooperation with good, responsible business partners supports project development and enables their success.

We evaluate our co-investment partners from the perspectives of corporate responsibility and financial performance, both at the early negotiation stage and of the cooperation projects. Assessments typically examine the partner's values, corporate structure, ultimate beneficiaries, possible sanctions, reputation, as well as sustainability goals and related risks and disruptions.

The Group companies also review the basic information about supplier partners, their entries in a variety of registers, fulfillment of tax and employer obligations, and the ability to comply with work and environmental safety requirements.

Associated companies that are not part of the FMG Group are responsible for assessing their own business partners and suppliers.

FINNISH MINERALS GROUP

Finnish Minerals Group
Keskuskatu 5 B
00100 Helsinki
www.mineralsgroup.fi