

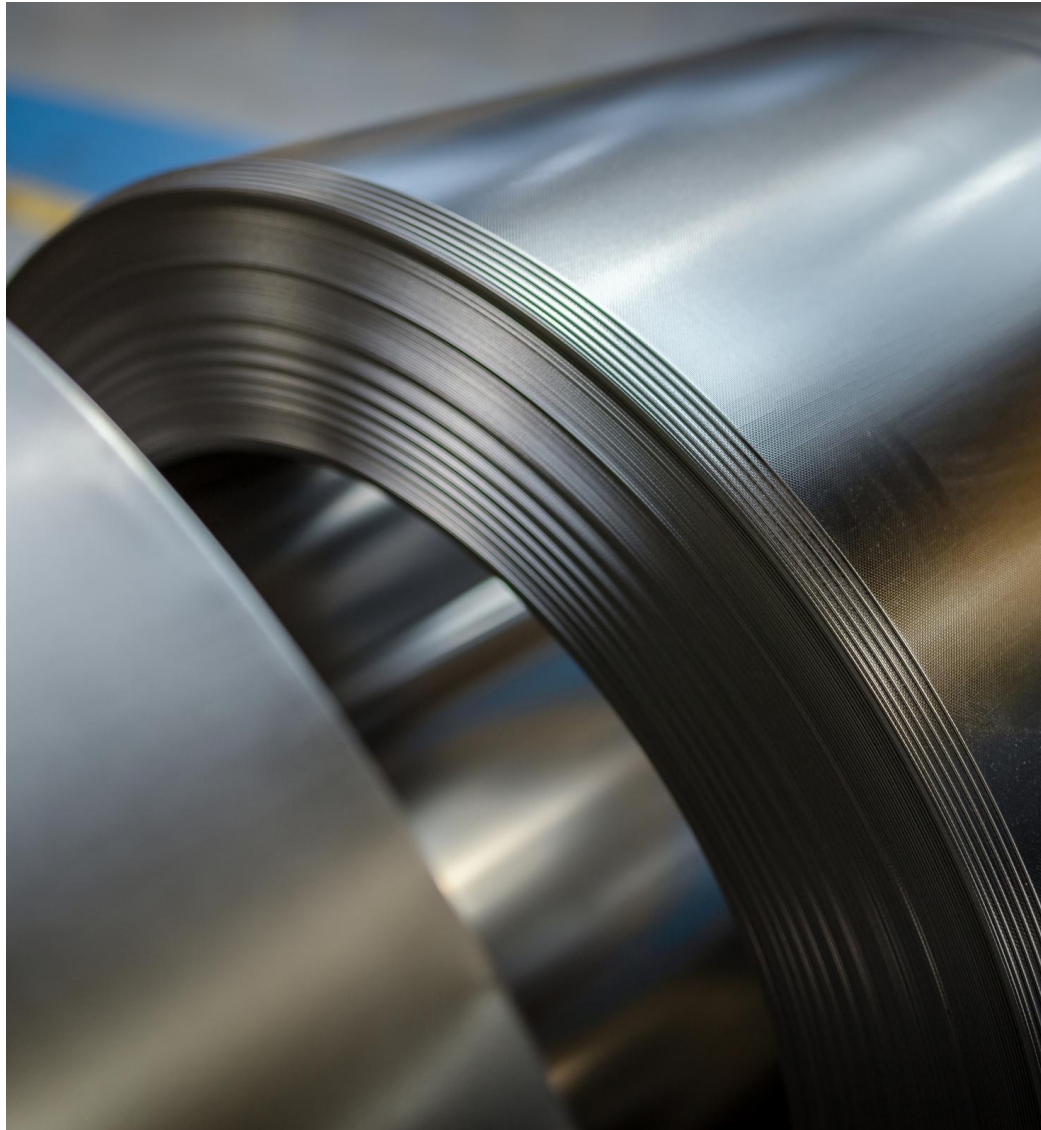


Governance and Internal Collaboration Case Outokumpu

FIBS BHR session 1/2025

11 February 2025

Anna Vainikainen, Group Sustainability



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- Outokumpu approach on sustainability due diligence
- Outokumpu's human rights journey

2. Cross-organizational approach

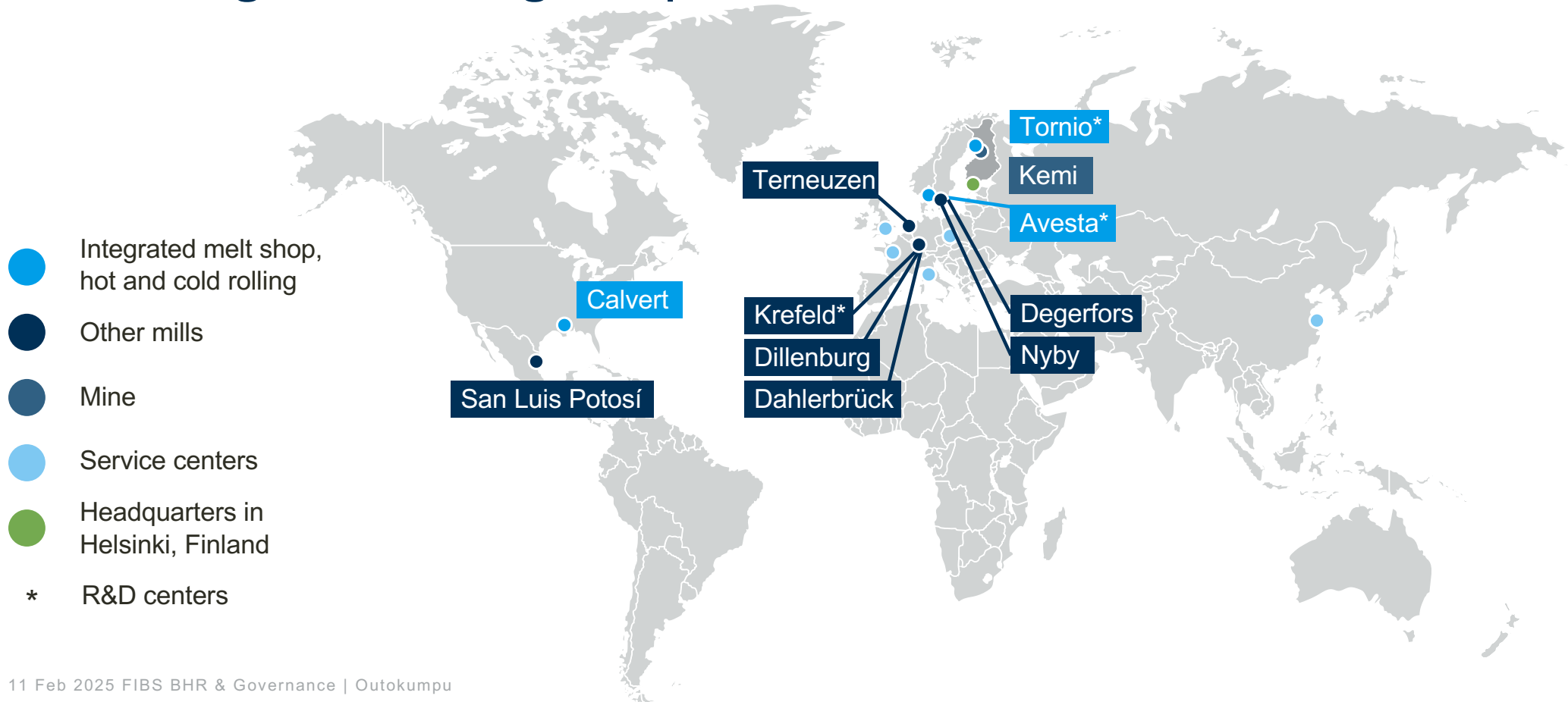
- Sustainability due diligence action plan
- Governance structure
- Policies

3. Key learnings and next steps

4. Questions & comments

Our own operations and value chains

- a wide range of human rights aspects to consider



Outokumpu approach: Our impacts on people and planet

Our actual and potential adverse impacts on:

- Human Rights
- Environment

Covering our:

- Value chain upstream
- Own operations
- (Value chain downstream)
- Local communities throughout the value chain

Voluntary frameworks:

- SDGs and UNGPs
- OECD Guidelines
- Various international declarations and conventions
- Towards Sustainable Mining Finland
- ResponsibleSteel
- Ecovadis & other ESG ratings and platforms

Emerging and existing regulatory frameworks:

- Corporate Sustainability Reporting Directive (CSRD)
- German Act on Corporate Due Diligence (LkSG)
- Corporate Sustainability Due Diligence Directive (CSDDD)
- Other EU level and national legislation on Due Diligence

Outokumpu's human rights journey

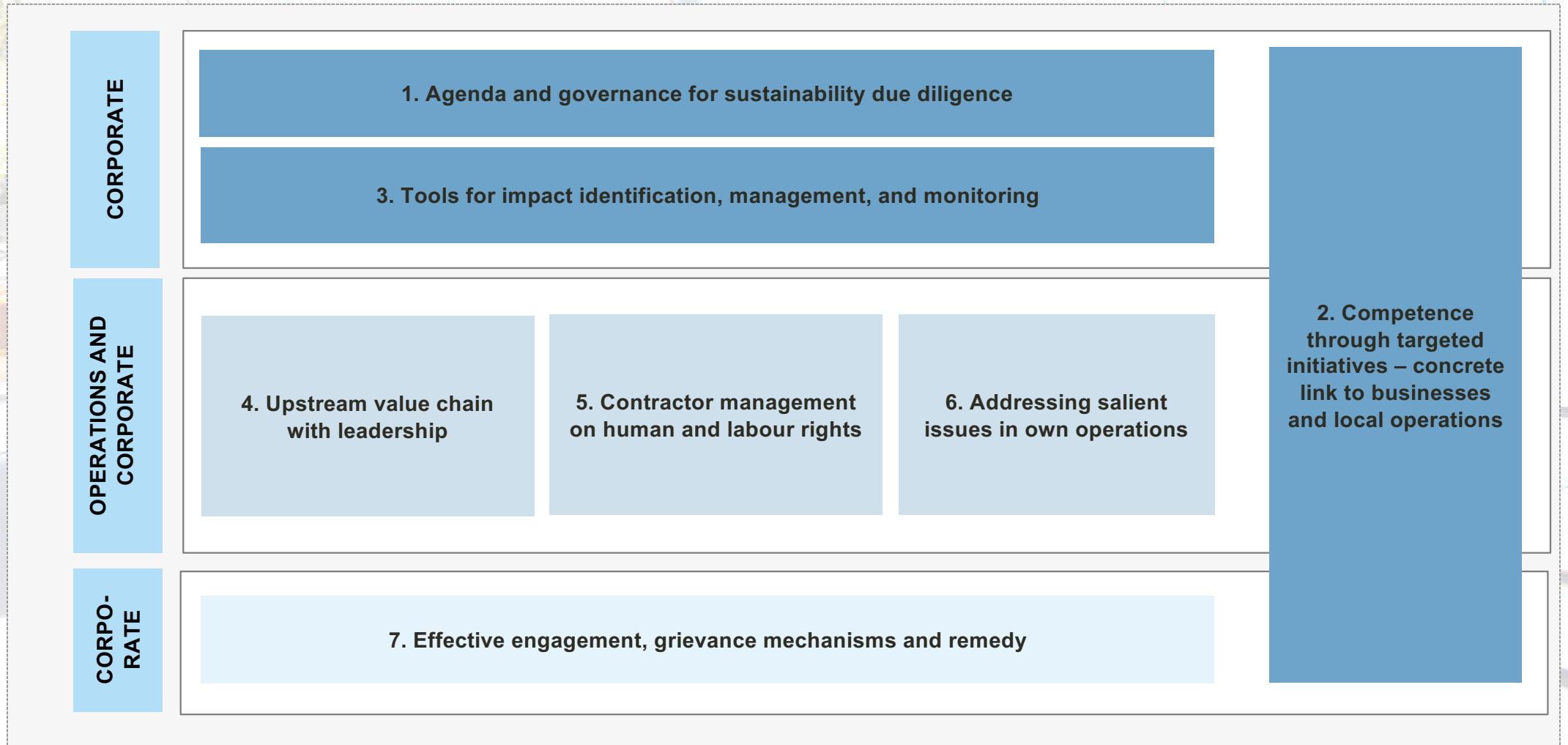
Jump start in 2021: Finnwatch & case Vale

- UNGP commitment and framework implementation
- Initial focus on raw material supply chains, gradually widened scope

Current status

- Identification of critical raw material value chains with updated salient impacts
- Further focus on general procurement
- Human rights impact assessment for own operations
- Group-wide impact evaluation method
- Action plan for sustainability due diligence process development

Cross-organizational approach: Outokumpu's sustainability due diligence actions



Cross-organizational approach: Governance

Board of Directors
CEO and Leadership Team



ESG Steering Committee
Sustainability Due Diligence Working Group
Group Sustainability Team
Existing internal networks



Business Line / Business Area
Management Teams



Local operations

Cross-organizational approach: Group-level policies

Group Sustainability

- Sustainability Policy
- Human Rights Policy

Procurement

- Supplier Code of Conduct
- Raw Material Supplier Requirements
- General Procurement Supplier Requirements

Other key policies

- Outokumpu Code of Conduct
- Health and Safety Policy
- Data Protection Policy
- ...
- Various instructions at Group level
- Various local policies at operations

Policy hierarchy and linkage review

- Sustainability Policy, Human Rights Policy and Global Procurement Policy review
- Sustainability Due Diligence Policy development
- Identification and development of other policies against regulatory requirements and practical needs

Key learnings & next steps

Creating cross-organisational engagement

- Identifying key internal stakeholders
- Understanding the linkage between due diligence and their responsibilities

Ensuring shared understanding on the concept

- Our negative impacts on people and planet vs. business risk approach
- Due diligence as a concept and an ongoing process vs. one-off exercise
- Identified salient impacts vs. measured corporate performance



Key learnings & next steps

Moving forward

- SDD Action Plan implementation with cross-organizational approach
- From theoretical compliance check to concrete actions and business benefits
- Linkage to CSRD: Evaluation criteria for DMA update and IROs, closing datapoint gaps on sustainability due diligence
- Preparing for further legislation while working towards existing voluntary commitments



An aerial photograph of a modern urban park, likely the 'DEPOT' area in Helsinki. The image is overlaid with a dark blue grid pattern. A semi-transparent dark blue rectangle is positioned in the lower-left quadrant, containing the text 'Questions & comments'. The park features paved walkways, green spaces with trees, and a building with a glass facade reflecting the surrounding environment. People are visible walking and sitting on benches in the park.

Questions & comments



Anna Vainikainen, Head of Human Rights

+358 50 583 0478

anna.vainikainen@outokumpu.com