



GUIDELINES FOR LAND USE

LKAB GROUP



LAND USE BY LKAB

Mining operations make use of land through exploration, mining extraction, processing and transportation. To minimise our impact on the environment for people, the environment, society and other businesses, ongoing work is carried out that focuses on responsibility.

This guideline clarifies the LKAB approach to land use from several aspects, such as collaboration with other businesses, biodiversity and social transformation in the communities affected by LKAB operations. It is a commitment and governs LKAB projects and activities in a comprehensive way. The guideline supports the LKAB Code of Conduct, environmental policy and sustainability strategy.

SHARED VISION AND VOLUNTARY AGREEMENTS

LKAB will contribute to an attractive society with good living environments for residents and visitors and in which other enterprises and stakeholders can develop. The strategy for conducting mining operations in parallel with other industries is characterised by early, proactive and ongoing dialogues, as well as voluntary and business-related agreements. LKAB strives for this through good collaboration based on respect and understanding of other industries and stakeholders. In all dialogue, LKAB endeavours to be transparent with plans and impacts.

MINIMISE/MANAGE CONSEQUENCES

LKAB has a responsibility to manage ore deposits in a resource-efficient, sustainable manner with regard to the fact that the presence of mineralisation governs both the location of mining operations and the choice of extraction method.

LKAB manages and minimises both direct and indirect negative effects from the business from both a short and long-term perspective and we evaluate the impact and risks continuously from an environmental, social and economic perspective in line with our sustainability strategy. We create values for the local communities and the owner - the Swedish people - by being an efficient and profitable company.

NATURAL CAPITAL AND ECOSYSTEM SERVICES

When land is utilised by LKAB operations, natural capital and ecosystem services are impacted. LKAB takes responsibility for the impact from our operations and works proactively against the loss of biodiversity and ecosystem services in all activities. This is done firstly minimising the impact and secondly, adding to and creating new values. LKAB's ambition is that our activities will not mean a net loss of biodiversity when natural land is used, irrespective of where in the landscape or in which type of habitat it occurs. LKAB is building on the work on the four steps of the so-called mitigation hierarchy; avoiding, minimising, restoring and compensating for damage to natural values. The focus is on landscape and habitat type level. This approach requires a great deal of knowledge about habitat types, species and well-documented environmental values, both on land and in water that need to be incorporated in the planning stage of projects. Consultation and dialogue with relevant stakeholders also need to be conducted before starting.

THE MITIGATION HIERARCHY MEANS THAT WE:

Design facilities so as to minimise the impact on sensitive areas.

Take all reasonable significant measures to alleviate damage in order to minimise the impact on soil and water.

Plan for ecological restoration of mining environments that have been closed.

Strive to compensate for residual damage to biodiversity after measures to alleviate damage have been taken.



“LKAB takes responsibility for the impact from our operations and work proactively against the loss of biodiversity and ecosystems”

EXPLORATION, ONGOING MINING OPERATIONS AND SOCIAL TRANSFORMATION

LKAB operations include finding new ore deposits and increasing knowledge about already known deposits, which is done through exploration. Exploration is the building of knowledge and in most cases, short-term operations with little impact on the environment and any other ongoing land use. LKAB conducts a risk assessment of potential consequences and following measures in the event an ore deposit is found and developed. The risk assessment takes into account both environmental and social impacts throughout the entire life cycle of a mining project, from exploration and extraction to decommissioning and remediation.

The above measures are based on an assessment of what is environmentally justified, technically feasible and financially reasonable.

Natura 2000 sites and other protected areas may be considered for exploration if and when exploration can be granted on the basis of the legislative framework. In these areas, special consideration is given, and measures taken to further minimise intrusions and damage. LKAB holds active dialogue and gives extra consideration to the general interests of authorities, landowners, rightsholders and occupants and ensures that disturbances from the exploration activities are minimised.

Decisions are made by LKAB Group management on going from exploration to sample extraction after analysis of the consequences for the environment, other industries and society as a whole. Sample extraction requires an environmental permit with the establishment of an environmental impact statement of all considerations required in such a process.

ONGOING MINING OPERATIONS

Ongoing mining operations including landfill are carried out in accordance with environmental permits with detailed conditions as to how the activities are to be run. These are followed up by specific checking programmes.

URBAN TRANSFORMATION

With urban transformation, that is to say the changes that are being made in connection with the expansion of LKAB mines adjacent to existing communities, the starting point is that LKAB replaces current functions. LKAB endeavours to manage the removal of housing and other businesses in a considerate and responsible manner based on clear dialogue and early information.

When LKAB's activities have an impact on residents and businesses or in the case of urban transformation change the conditions for society, LKAB works to find voluntary, long-term business-related solutions together with partners and the parties affected. When the removal of housing and other businesses is deemed necessary, various measures are taken to address the effects of the impact on human rights, society and the environment. Requirements and requests from those affected by the urban transformation are taken into account as far as possible and LKAB endeavours to ensure voluntary agreements based on the company principles for compensation, which are based on current legislation.

A yellow and black front loader is shown from a high-angle perspective, operating on a dark, textured surface. The loader is positioned on the left side of the frame, facing towards the right. Its large front bucket is lowered and appears to be dumping or spreading material. The background is a vast, dark, and uneven terrain, likely a landfill or a mining site, with some lighter patches of material. The overall scene is dimly lit, with a blueish tint, suggesting an overcast day or a specific lighting condition.

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REMEDIATION/ URBAN TRANSFORMATION CONT.

Along with relevant stakeholders, LKAB works to safeguard opportunities for improvement when functions in the urban areas are to be replaced. Along with the municipalities, LKAB works under the principle that decommissioning should be preceded by development. For example, this means that LKAB will build replacement housing and through different development activities work to enable industries and businesses affected by urban transformation to continue to operate, despite changes in land use and localisation.

LKAB manages the conversion of residential areas into mining areas in a flexible, transparent and accommodating way to reduce the negative impact on those affected. One step in this is the creation of mine city parks. These are flexible environmental zones that act as a buffer between industrial and residential areas. With the development of new residential areas, LKAB also tries to meet basic needs and create conditions for forms of housing that are appropriate for different social and financial needs. LKAB aims to contribute to attractive communities through various initiatives and diversity work, as well as through the preservation and development of cultural and social values in the cityscapes.

The LKAB commitment to social transformation is very comprehensive and is governed by laws and regulations but there are also issues that have not been foreseen in the existing legislative frameworks. In the latter cases, LKAB seeks solutions that are based on the purpose of the provisions. LKAB ensures that there is financing for the measures required to be implemented.

REMEDIATION OF ACTIVITIES

LKAB conducts early consultations with stakeholders, as well as strategic planning and assessment of the current status of different areas that are to be remediated.

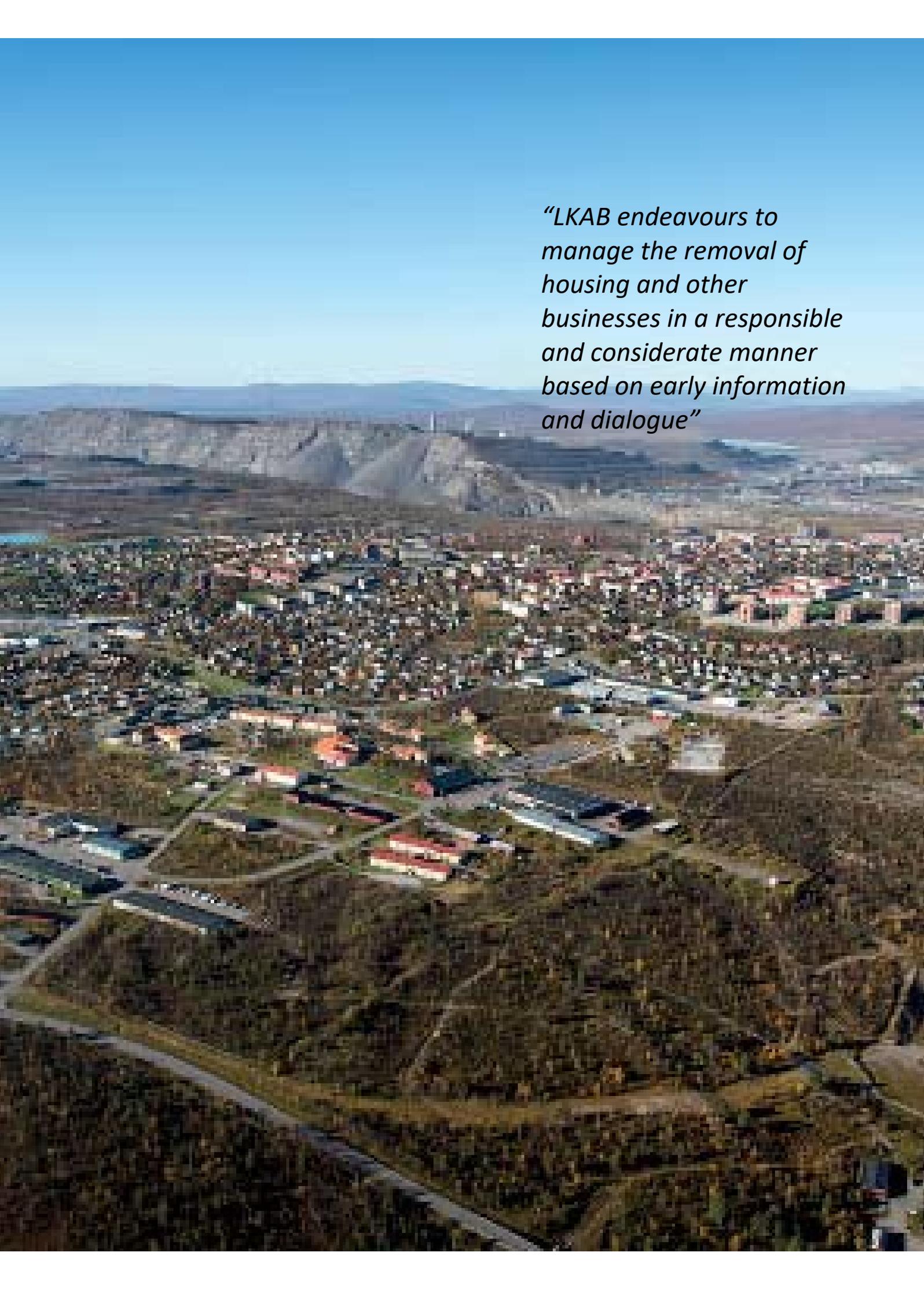
According to legislation, plans for remediation must already be included in the permit application for an activity. Therefore, remediation plans for our mining sites are already included in the planning process for the mines. This plan can be updated throughout the life of a mine due to new remediation practices. In Sweden financial guarantees for remediation are handed over to third parties before the activities can be started. This means that there is a timeplan and financing to address long-term environmental impacts in the decommissioning of mines.

The purpose of the LKAB remediation plans, which are governed by laws and regulatory requirements is to remediate landscapes so that they can once again function as natural areas and ensure that areas that do not constitute safety risks can be reused following the cessation of the mining activities.

ECOLOGICAL REMEDIATION

As a result of LKAB working in accordance with the mitigation hierarchy for biodiversity and ecosystem services, land and environmental values will be restored after use. In addition to the statutory remediation measures, LKAB endeavours to implement so-called ecological remediation, which for us means that we re-create the environmental values on land used for industrial purposes.

We start with the possibilities for biodiversity at the site by either emulating the surrounding landscapes or adding new conditions. We create benefits for the environment, businesses, social values, accessibility and aesthetics. A remediation plan is an integral part of mining activities and before new projects, LKAB documents the value of the site with respect to the areas mentioned above and plans for ecological remediation in the early planning stages. Remediation work is carried out on an ongoing basis during the operational period as the operations end.

An aerial photograph of a city, likely in South Africa, showing a dense residential area with colorful roofs. In the foreground, there is a large, fenced-in industrial or mining site with several large piles of material. The background features a valley with a river and distant hills under a clear blue sky.

“LKAB endeavours to manage the removal of housing and other businesses in a responsible and considerate manner based on early information and dialogue”



LKAB, Box 952, SE-971 28 Luleå, Sweden | phone 0771 760 000 | www.lkab.com