



**Nordkalk**

# **SUSTAINABILITY REPORT 2019**

# VISION

Leading limestone player focused on sustainable solutions.

# MISSION

We deliver limestone-based products and solutions which are essential for agricultural productivity as well as for cleaning air and water.

# STRATEGY

- Develop limestone offering and new circular products
- Drive growth in Agriculture, Construction and Chemical industry
- Expand presence with acquisitions and partnerships
- Develop limestone reserves

# OUR VALUES

Openness, Fairness, Courage, Trust and respect.



# VIEW OF OUR CEO

Nordkalk's renewed vision is to become the leading limestone player focused on sustainable solutions. For us, sustainable business is good business and is a prerequisite for a better tomorrow.

Environmental and climate sustainability lies at the very core of our company and its existence, since limestone is essential for agricultural productivity as well as for cleaning air and water. With our solutions, our customers can reduce their environmental impact by replacing chemicals, cleaning process or waste waters, neutralising flue gases or preventing nutrient emissions into waterways.

At the same time, we are aware of the natural resources we are consuming and the emissions we are releasing. We are working hard to make the best possible use of all the materials we extract and minimise our emissions.

Based on our more than hundred years of limestone expertise, we are in the perfect position to seize the opportunities of the circular economy and are actively seeking new solutions to reuse our own and our customers' side streams.

We have committed ourselves to lower our emissions and take decisive steps towards fossil-free operations. The opportunities we see in front of us at this stage are related to replacing fossil fuels with biofuels and continuing to electrify our production processes.

In many locations we operate in the middle of local communities. Some of the communities have actually been built around the limestone

quarry, which has provided jobs and income for generations of local families. Our goal is to be a good neighbour and initiate dialogue with people whose lives are affected by our operations.

Our company dates back to 1898. We have been profitable throughout the years, despite several wars, deep financial recessions and many business cycle ups and downs. This wouldn't have been possible without committed and skilful employees working in challenging surroundings and doing their best for the success of the company.

Since starting as CEO of Nordkalk in May 2019 I have been truly impressed with the loyalty and dedication of our people. I am also well aware that our

future success lies in the continuing commitment of our people. This commitment, however, was tested during 2019 when we went through a major performance improvement programme resulting in extensive savings and lay-offs. The actions have been hard and to some extent painful, but the results we see are strong and will give us a competitive cost base for the future.

Thanks to our employees and their great efforts during intense year 2019 – we are entering 2020 from a strong position and have solid ground to build on.

Paul Gustavsson, CEO, Nordkalk Corporation



## CONTENTS

### MANAGEMENT STATEMENT

Mission, vision, values, strategy	2
View of our CEO	3

### ORGANISATIONAL PROFILE

Our locations	4
Company in brief	5
Lime is everywhere	6
Limestone products	7
Market situation	9
Governance	10

### SUSTAINABILITY PROGRAMME

Nordkalk's Sustainability Programme	12
Sustainability to us	13
Our stakeholders	15
Materiality	16
UN Sustainable Development Goals	17
SDGs prioritised by Nordkalk	18
Circular solutions	20

### NINE SUSTAINABILITY FOCUS AREAS

Climate impact	23
Responsibility for land, water and biodiversity	25
Resource consciousness and circular solutions	27
Society engagement and community development	29
Ethical behaviour	31
Good place to work	33
Safe place to work	35
Economic stability and profitable growth	37
Quality of all activities	39

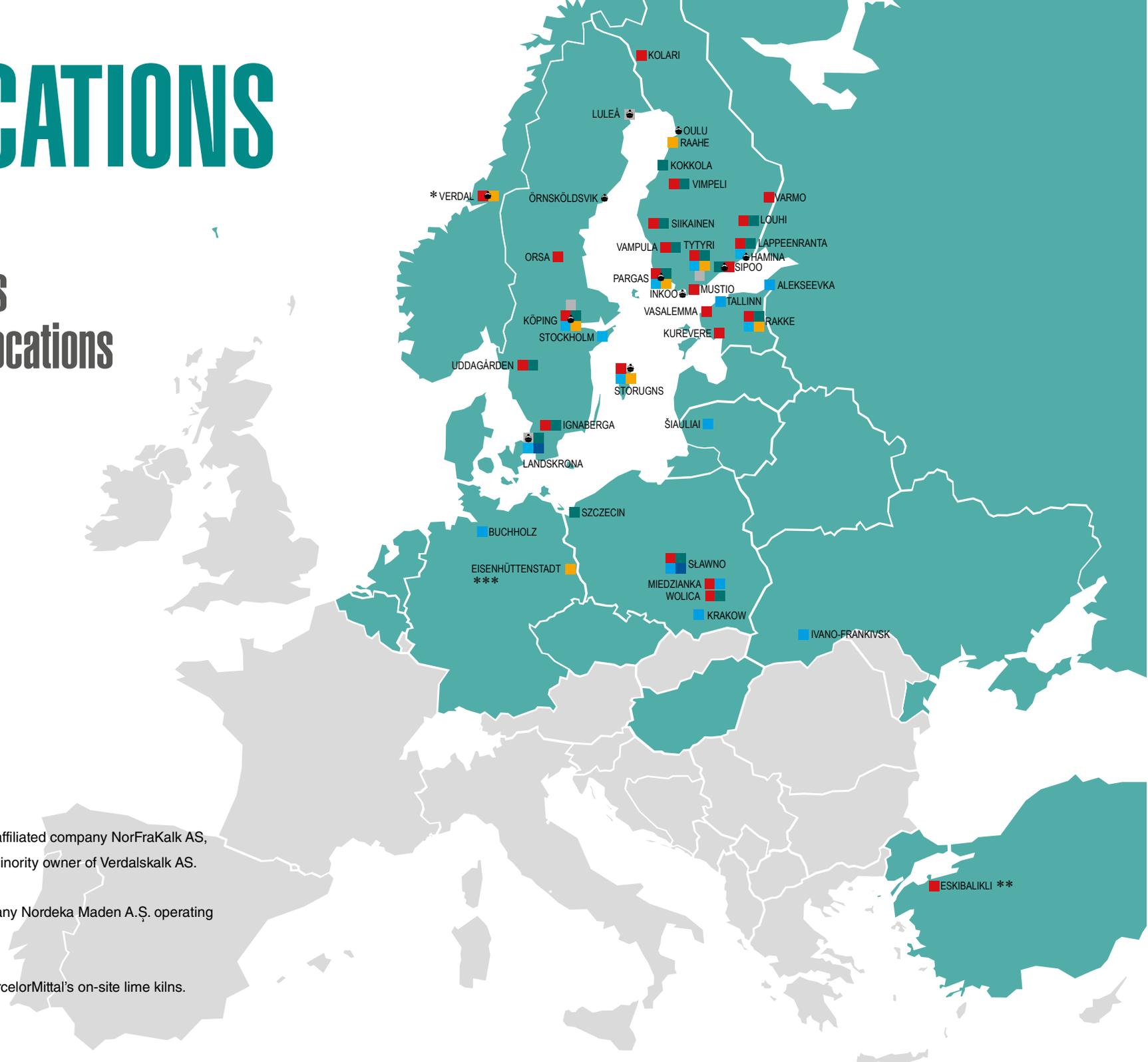
### DATA

Social acceptance must be earned	40
Key Performance Indicator table	42
GRI content index	44
Reporting practice	45
Contacts	46

# OUR LOCATIONS

Nordkalk operates  
in more than 30 locations

- Mine/quarry
- Grinding plant
- Lime kiln
- Hydration plant
- Sales/office
- Granulation plant
- Own harbour/depot



\* In Norway, Nordkalk is a co-owner of the affiliated company NorFraKalk AS, operating a lime kiln. Nordkalk is also a minority owner of Verdalskalk AS.

\*\* In Turkey, Nordkalk has an affiliated company Nordeka Maden A.Ş. operating the Eskibalikli limestone quarry.

\*\*\* In Eisenhüttenstadt, Nordkalk operates ArcelorMittal's on-site lime kilns.

# COMPANY IN BRIEF

Nordkalk is a leading company providing limestone-based products and solutions in Northern Europe, with a strong position in Poland. Our limestone contributes to clean air and water as well as the productivity of agricultural land. We deliver essential raw materials for construction and numerous industries such as the pulp, paper, metals, mining, and chemical industry.

Nordkalk operates in 10 countries at more than 30 locations around the Baltic Sea and in Central Europe. Operations are divided into three regions: Northern Europe, NE (Estonia, Finland, Lithuania, Norway, Russia, Sweden), Central Europe, CE (Germany and Poland) and New Business (Turkey and Ukraine). Company headquarters are located in Pargas, Finland.

At the beginning of 2019, Nordkalk implemented a thorough performance improvement programme. As a major step in the programme, a new operating model was adopted on 1 November 2019. At the same time, the previous regions, North East Europe (NEE) and Scandinavia (SCD), were combined to make Northern Europe.

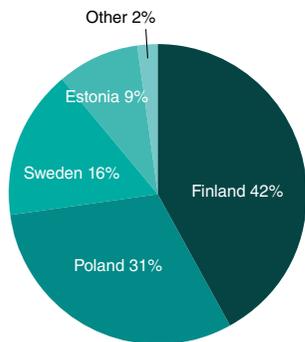
At the end of 2019, Nordkalk had 870 employees, of which 81.2% male, 18.8% female, with 66.0% blue collar jobs and 34.0% white collar jobs. 98.7% of all employees work full time and the other 1.3% work part time. The turnover for 2019 amounted to EUR 290 million and EBITDA to EUR 58 million.

Nordkalk is one of the private core investments of

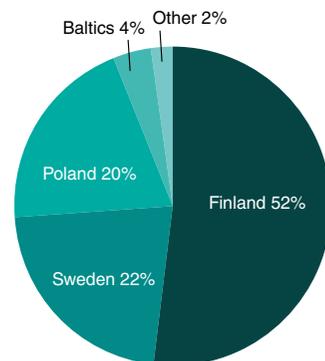
Rettig Group, a Finnish family-owned investment company that creates value for generations through active and responsible ownership.

Rettig Group Ltd acquired full ownership of Nordkalk in 2010. Since summer 2018, Rettig Group Ltd has been the majority owner of Nordkalk, whilst members of the Nordkalk Management Team and external board members are minority shareholders.

## EMPLOYEES PER COUNTRY 2019



## TURNOVER PER COUNTRY



## TURNOVER AND EBITDA 2017-2019, M€



10  
COUNTRIES



30+  
LOCATIONS



24  
MINING SITES



870  
EMPLOYEES



290 M€  
TURNOVER

# CUSTOMER SEGMENTS

## CONSTRUCTION

Soil stabilisation, road construction, infrastructure, concrete and other building materials

## AGRICULTURE

Soil improvement lime, structure lime and granules for agriculture and garden, fodder

## ENVIRONMENT

Water treatment, flue gas cleaning, precipitation of phosphorus and metals

## CHEMICAL INDUSTRY

Chemical products, plastic & rubber, paints & coatings, fertilizers, adhesives, glass & ceramics, sugar

## METALS & MINING

Various processes in metals, mining and steel industries

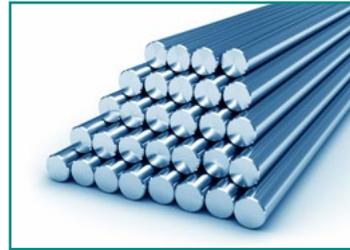
## PULP & PAPER

Pulp industry's causticising cycle; paper pigments PCC and GCC

# LIME IS EVERYWHERE



Pulp and paper



Steel and mining



Aggregates



Plastic and rubber



Coatings and adhesives



Chemical industry



Sugar



Flue gas treatment



Water treatment



Soil stabilisation



Concrete



Agriculture



Feed



Glass



Asphalt



Garden

# LIMESTONE PRODUCTS

## LIMESTONE PRODUCTS

Nordkalk's main products are limestone, crushed and ground limestone, concentrated calcite, quicklime and hydrated lime. The products also include dolomite and a rare mineral called wollastonite, which is found together with limestone.

Originally, limestone is a sedimentary carbonate rock consisting mainly of calcite mineral i.e. calcium carbonate ( $\text{CaCO}_3$ ). Pure limestone contains 95% to 100% calcium carbonate. Limestone is one of the most common rock types, except in Nordic bedrock areas, where limestone deposits are limited.

Limestone is a pure natural product, which can be used unrefined, either crushed or ground. When refined into calcium oxide ( $\text{CaO}$ , quicklime) or calcium hydroxide ( $\text{Ca(OH)}_2$ , hydrated lime), the reactivity of lime increases as does its ability to absorb impurities. Limestone-based products are used to remove impurities in different processes and as neutralisation agents.

## USE OF LIMESTONE IN SOCIETY

Limestone is a versatile and mainly irreplaceable raw material that plays a role in the production of many essential products that are necessary for maintaining our current standard of living. Every day we use products that can't be made without limestone-based products. Several of our base industries are dependent on limestone in their production i.e. construction and the steel and paper industries.

Limestone is the most widely used building material in the world. It is used as a raw material in building materials, e.g. bricks, plaster and cement. Lime is used for ground stabilisation, aggregates in road construction and limestone fillers in asphalt. In Chemical industry, limestone is used in chemical products, plastic, rubber, paints and coatings, fertilizers, adhesives, glass and ceramics, and sugar.

Soil improvement lime is ground limestone, needed in agriculture and horticulture to adjust the pH value of the soil and making it optimal for growing plants. Limestone is also included in fodder for poultry and livestock.

The function of lime is to purify, neutralise, fill and stabilise, and the products are often used for improving environmental performance.

## LIMESTONE FOR THE ENVIRONMENT

Increased environmental demands require more advanced technology and purification of emissions to air, water and soil. Limestone is used for all of these processes.

**WATER:** Preparation of drinking water, cleaning of process and waste water; treatment of natural waters

**AIR:** Cleaning of flue gases from power plants and waste incineration plants

**SOIL:** Neutralising acidic soils and thus increasing crops and preventing nutrients leaking into the waterways. Upgrading clay soils to usable infrastructure construction land.

Nordkalk extracts limestone at 24 different sites. The deposits represent different stages of geological evolution and vary in age between 70 and 1900 million years. The different types of limestone differ considerably in both their physical and chemical properties, and they behave in different ways during extraction and processing - and in the customers' processes.

Thanks to the wide variety of qualities, Nordkalk is able to offer the most suitable limestone for each process. The photos from down left are limestone from Wolica and Pargas, dolomite from Kurevere, limestone from Gotland.



**INNOVATION**

**NORDKALK ENRICH**

Ultrafine PCC powder  
Creating value for paint, adhesive and plastic industry

**NORDKALK ENRICH C**  
SAVINGS BY  
SUBSTITUTING  
**TiO<sub>2</sub>**



7-5

# MARKET SITUATION

## MARKET DEVELOPMENT

During 2019, Nordkalk's sales developed positively in the regions Scandinavia (SCD) and Central Europe (CE), with growth in almost all customer segments. In the region North East Europe (NEE), the market situation was challenging and the turnover decreased in comparison with last year.

Limestone is a critical raw material in several processes and applications. Nordkalk has many customer segments, which evens out cyclical fluctuations. In 2019, sales to the Pulp & Paper segment increased, especially in Sweden, where demand from the Pulp industry was at a high level. Sales to Agriculture increased as well, mostly as a result of good development in Poland. The big customer segments Metals & Mining and Construction were affected negatively by the uncertainty on global markets and by increased competition in the Nordic quicklime market. In the segments Chemical industry and Environment, sales were close to the same level as in the previous year.

Nordkalk Group's turnover decreased in comparison to 2018, but the trend improved clearly towards the end of the year. EBITDA increased significantly in comparison with 2018, as a result of the performance improvement programme that was started at the beginning of 2019.

## RESEARCH & DEVELOPMENT, NEW PRODUCTS

Nordkalk's R&D creates new products and solutions to help customers reduce their environmental

footprint with cleaner processes and circular products. R&D personnel works together with Sales and in close cooperation with customers to ensure understanding of their needs.

During 2019, R&D continued to expand the customer base for Nordkalk E-Series. In the coating and adhesive market, dry product Nordkalk Enrich C was launched at the European Coatings Show in spring. With the assistance of Nordkalk Enrich®, the need for titanium dioxide (TiO<sub>2</sub>) and binder is partially eliminated, which contributes to lower raw material costs and a smaller carbon footprint.

Another E-Series product, Nordkalk Enrich P, was launched for plastic and rubber applications in the K2019 fair in October. Nordkalk's wollastonite products were also presented at this fair in Düsseldorf in Germany, as wollastonite is a popular raw material for plastics. Nordkalk is the only European company producing high-quality wollastonite.

In Poland, preparations were made to expand the Nordkalk AtriGran® product family. The granulated limestone powder for agriculture and gardening was launched in 2016. A new dolomite-based product, Nordkalk AtriGran Mg, will be launched during 2020.

An energy-storage process developed by Swedish SaltX Technology AB is being tested at Vattenfall's heat and power plant in Berlin, Germany. A large-scale pilot plant was brought on stream in April. The technology is based on nano-coated, limestone-based salt (NCS), which is patented by SaltX and exclusively produced by Nordkalk. The process enables storage of renewable energy, such as solar and wind power.

Nordkalk has several ongoing actions in circular economy, from using our own and customers' side streams to R&D projects with research institutes and industrial cooperation partners. Some of these projects are presented on pages 20-21.

## OUTLOOK FOR 2020

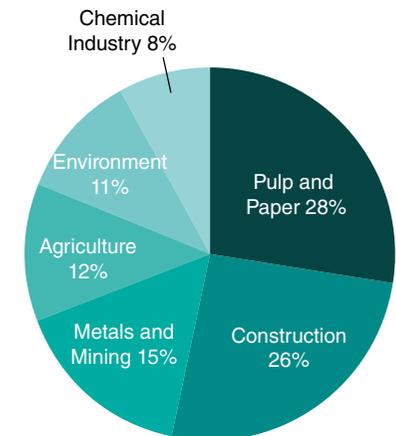
Nordkalk's sales development is forecasted to be moderate, whilst profitability is expected to display the positive impact of the performance improvement measures implemented in 2019. The performance improvement programme will continue throughout 2020.

## INVESTMENTS

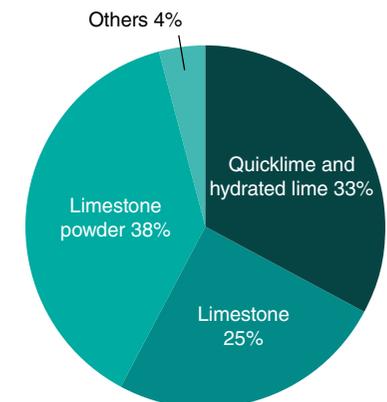
Securing limestone reserves is a strategic priority and a yearly investment item at many sites. In 2019, the main investment item related to the ongoing expansion in Lappeenranta quarry, where an overburden removal project was finalised.

Steps for further automation and digitalisation were taken during 2019, as the IoT (Internet of Things) project continued and the renewal of the vehicle weighing system was started. The scales at the Finnish and Estonian sites were upgraded, and the remaining Swedish sites will be connected to the system during the second quarter in 2020. In Uddagarden, Sweden, a new packaging line is ready. See page 36 for further information.

## TURNOVER PER SEGMENT



## TURNOVER PER PRODUCT



# GOVERNANCE



## CORPORATE GOVERNANCE

The constitutional bodies required by the Finnish Limited Liability Companies Act are responsible for Nordkalk's management and business operations. These bodies comprise the General Meeting of Shareholders, the Board of Directors elected by the shareholders and the CEO, who is appointed by the Board of Directors.

The company's supreme decision-making body is the General Meeting of Shareholders where shareholders exercise their decision-making power.

The Board of Directors is responsible for the company's management and its appropriate organisation and the CEO is responsible for the day-to-day operations of the company in accordance with the applicable legislation and the guidelines and instructions provided by the Board of Directors.

The CEO is supported by the Nordkalk Management Team (NKMT) and is the immediate supervisor of its members.

## RISK MANAGEMENT

The purpose of risk management is to identify, evaluate and mitigate the potential risks that could impact Nordkalk's business and the implementation of its strategy and to ensure that risks are proportional to the company's risk-bearing capacity.

The NKMT ensures that Nordkalk's risk management is handled in an appropriate manner; its members are in charge of managing risks in their respective responsibility areas.

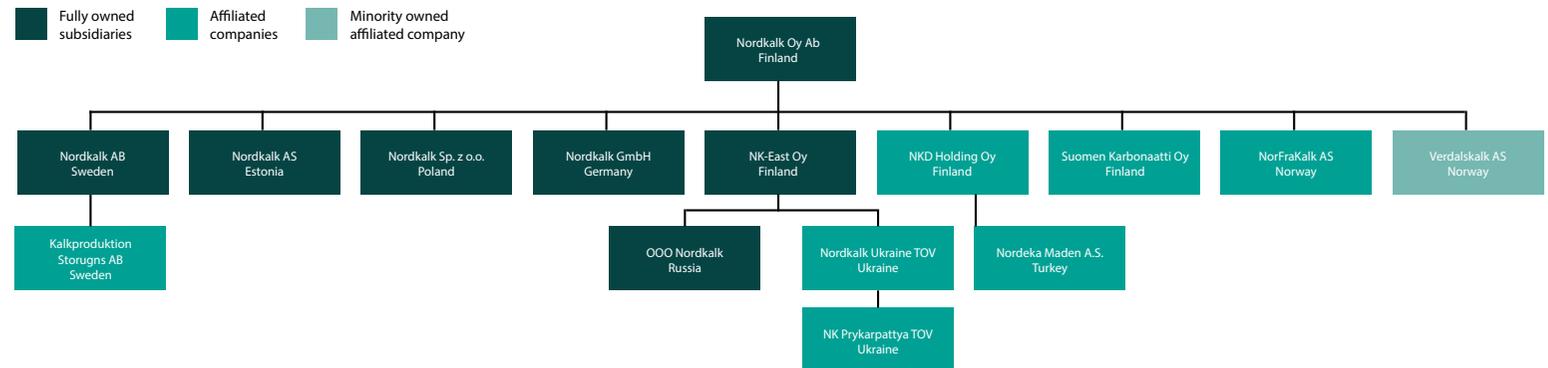
During late 2019, Nordkalk carried out an enterprise risk assessment and is currently in the process of aligning the risk mitigation activities with the findings of the assessment.

## CORPORATE STRATEGY AND TARGETS

The NKMT prepared a refined strategy proposal during 2019, which was approved by the Board of Directors at the end of 2019.

The corporate targets are the basis for regions to set their own targets. The outcome of the corporate targets is followed up monthly and the results are shared quarterly.

## LEGAL STRUCTURE CHART



Nordkalk's consolidated financial statements include the entities shown in the chart, except the two companies in Norway. In this report, the financial, personnel and health and safety data covers the consolidated entities. The rest of the data covers the entities included in the Management System. Any exceptions to this are mentioned in the KPI table on page 42-43.

Nordkalk's Management System includes the fully-owned subsidiaries and the affiliated company in Sweden. The affiliated companies Suomen Karbonaatti Oy and Nordeka Maden A.S. both have their own management systems with certifications in quality, environment and health and safety.

The affiliated companies are managed through their Boards of Directors, where Nordkalk Management Team members are represented.

## PRECAUTIONARY PRINCIPLE

Nordkalk's aim is to continuously improve its operations, products and processes. The company and the management firmly believe that this aim is best achieved while the social, economic and environmental aspects of our operations are at the heart of decision-making. Natural resources such as stone, water and energy are used in our production and inevitably affect the environment. We endeavour to limit the negative impacts of our activities by using the best available methods and techniques and applying the precautionary principle regarding people and the environment.

## CONCERNS ABOUT ETHICS

Nordkalk views compliance with laws and regulations as a precondition for sustainable business. It is clear and obvious to everyone at Nordkalk that applicable laws and legal requirements are complied with.

Nordkalk's Code of Conduct, which was updated at the end of 2019, and Rettig's Management Policies and Procedures, apply to everyone at Nordkalk and describe in a clear and practical way how each individual is expected to behave.

A whistle-blowing procedure, which enables personnel to expose any kind of information or activity deemed illegal, unethical or not acceptable within the organisation, has been in place since 2017.

## MANAGEMENT SYSTEM

Nordkalk's Management System is a tool for good leadership and for directing actions towards strategic targets with the aim of continuously improving our performance. It ensures customer satisfaction and steers our financial performance in the right direction.

Apart from the strategy process, the requirements set by the three standards ISO 9001 (Quality), ISO 14001 (Environment) and OHSAS 18001 (Health & Safety) guide the content of the Management System. Nordkalk's Management System is certified, which means that a third-party audit (currently DQS) is performed in order to assess the compliance of our activities with the standards .

Both internal and external audits of the Management System are performed annually, and findings are reported and handled in a quality assurance system. Besides assuring compliance with the standards, they help us identify development opportunities for continuous improvement.

A management review of our performance is carried out at least once a year to ensure the effectiveness of our Management System and the use of objectives and targets to manage our processes in order to fulfil our strategy and meet the needs and requirements of our customers and interested parties.

[Nordkalk Operating Policy lists the guiding principles of the management system.](#)  
It is available on our Internet site:  
[www.nordkalk.com/sustainability/](http://www.nordkalk.com/sustainability/)



## MANAGING SUSTAINABILITY

Sustainability is one of the key elements in Nordkalk's new strategy and among the key criteria when the organisation is considering and evaluating investment opportunities.

The NKMT makes all significant decisions regarding sustainability (economic, environmental and social issues) at Nordkalk. It also approves the Sustainability Programme, including management commitments, long-term goals and Key Performance Indicators related to the most material sustainability aspects. Each sustainability focus area has a dedicated supervisor in the NKMT.

The NKMT monitors the progress of the Sustainability Programme quarterly and updates the targets, if necessary. The Board of Directors reviews the progress of Nordkalk's sustainability yearly.

Implementing the Sustainability Programme is part of the daily management of our business operations.

A sustainability team, consisting of experts responsible for each sustainability focus area, has been formed to facilitate sustainability development and to support NKMT in implementing the Sustainability Programme.

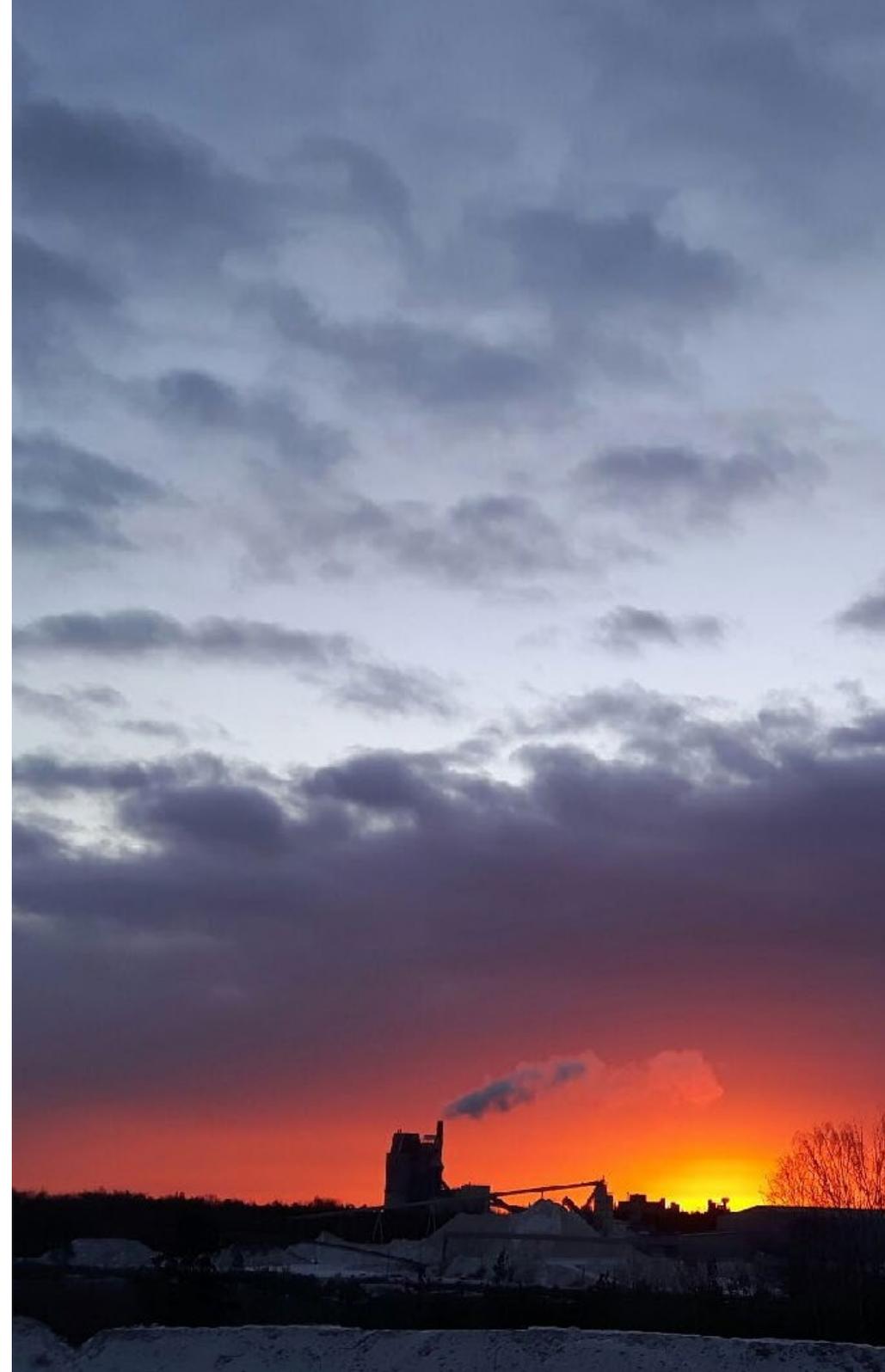
The Corporate risk management process includes the most important sustainability related risks, regarding the environment, social conditions, personnel, respect for human rights, business ethics and corruption. The Management System is responsible for environmental and health and safety risk evaluations.

## MOST IMPORTANT SUSTAINABILITY RISKS AND OPPORTUNITIES

Risk/opportunity	Risk management actions
Climate crisis and increasing price of emission rights pose a risk for quicklime and hydrated lime competitiveness.	Continued efforts in replacing fossil fuels by biofuels
	Electrifying processes where possible
	Focus on limestone products and solutions
More complicated and time consuming permit processes may put continued operations at risk.	Opportunities in circular solutions
	Initiate active stakeholder dialogue during the permit processes and throughout the active extraction period.
Circular economy expands and the demand for secondary products increases. This provides us with an opportunity to grow our circular business.	Minimise the harmful impacts of our operations after the active extraction time.
	Utilise our extensive knowledge in limestone and limestone-based side streams and residues, which gives us a unique position amongst the circular economy players.
Failure to attract or retain top talent and competence is a risk for future growth.	Develop our product offering and find new applications for limestone and developing new products, for example, from side streams.
	Establish a good leadership culture based on our values, follow up personnel satisfaction on a yearly basis and build a sustainable (employer) brand.
Risk of a serious accident of personnel.	Establish a positive safety culture, in which all employees and subcontractors are engaged in safety thinking and committed to safe behaviour and an accident free working environment.
	Develop our personnel's competence in safety issues and have a reporting system in place for reporting, assessing and analysing all accidents, near misses and risk observations.
Compliance, corruption and money laundering risks related to business operations on new markets (Turkey, Ukraine)	Limits and rules for invoice and payment approvals (based on four-eyes and grandparent principles).
	Approval processes for invoices and payments.
	CDD (Customer Due Diligence) and KYC (Know Your Customer) processes and supplier audits.

# NORDKALK'S SUSTAINABILITY PROGRAMME

	Nine focus areas	27 material aspects		
<b>FOR THE PLANET</b> 	Climate impact	Energy efficiency Emissions Transports		
	Responsibility for land, water and biodiversity	Land use and quarry restoration Water management and effluents Biodiversity		
	Resource consciousness and circular solutions	Material efficiency Circular solutions (UPDATED)		
<b>FOR THE PEOPLE</b> 	Society engagement and community development	Local dialogue and support External water projects Partnerships Industrial relations and public affairs		
		Ethical behaviour	Compliance with laws, regulations and rules (NEW) Business ethics and anti-corruption Human rights Responsible supply chain	
			Good place to work	Employee engagement and development Labour practice, diversity & equality Sustainable leadership culture (UPDATED)
				Safe place to work
	<b>FOR PROFIT</b> 	Economic stability and profitable growth	Economic performance and growth Secure limestone reserves Customer satisfaction	
			Quality of all activities	Corporate Governance Continuous improvements Capacity utilisation Transparency in reporting



# SUSTAINABILITY TO US

Sustainability is at the very core of Nordkalk's new strategy, which was launched in the beginning of 2020. Our vision is to become the leading limestone player focused on sustainable solutions.

In practice, this means that we undertake to do the following:

- 1) actively develop new products and solutions that support our customers in their sustainability efforts, i.e. focus on limestone-based solutions that help our customers reduce their environmental impact,
- 2) increase our engagement in circular solutions and strive for total utilisation of all extracted material with a 100% material efficiency target,
- 3) focus on reducing our carbon emissions and the other harmful impacts of our operations.

Our mission is to deliver limestone-based solutions that contribute to agricultural productivity as well as clean water, air and soil. This positive environmental impact can also be referred to as our environmental handprint, which we aim to increase in the coming years.

We want to minimise the harmful impacts of our own operations, i.e. our environmental footprint. The most significant impacts of our operations are emissions caused by processing limestone to quicklime and hydrated lime products as well as the extraction of minerals from the ground.

Our future success lies in the continuing commitment of our people – we want to take good care of our personnel and make sure that they can do their work safely every day. Safety is our first priority and our ultimate target is zero accidents.

To ensure the profitable growth of our business, we need to secure limestone reserves for the future and continue with the operational excellence programme.

## OUR SUSTAINABILITY PROGRAMME

Our sustainability work is guided by the Sustainability Programme, focusing on the impacts of our operations and based on company strategy and stakeholder expectations from environmental, social and economic perspectives.

Our Sustainability Programme is structured into nine focus areas consisting of 27 material aspects. Each area contains dedicated management commitments, long-term goals and Key Performance Indicators (KPI's) that can be found on pages 42-43.

Sustainability Programme and management commitments were reviewed by the Management Team against the renewed strategy at the beginning of 2020. The minor changes can be found at the table on page 12.

## SUSTAINABILITY REPORTING

Environmental reports have been published by Nordkalk for more than 20 years, evolving into the more comprehensive sustainability report of today.

The aim of this year's GRI\*-inspired sustainability report is to present our sustainability work to our internal and external stakeholders in more detail and give relevant examples to provide clarity and transparency. Although it is still not in full accordance with the GRI Standards, it is a step in the right direction. We intend for our reporting to comply fully with the GRI Standards within the coming years.

Nordkalk's sustainability team is responsible for annual sustainability reporting. NKMT reviews the Sustainability Report and ensures that all the material aspects are covered. The Board of Directors approves the Sustainability Report.

Read more about our reporting practice on page 45.

\* Global Reporting Initiative

# EUROPEAN MINERALS DAY OPENED THE GATES OF NORDKALK IN ESTONIA AND POLAND

The 2019 edition of European Minerals Day opened Nordkalk's gates in Estonia and Poland, as the operations in Miedzianka, Poland, and Rakke and Karinu, Estonia, had organised a day of activities for their neighbours and those interested in the world of minerals.

In Miedzianka, people were invited to participate in quarry tours and visit a mining museum. Many families, including our own employees from other Nordkalk locations in Poland, took the opportunity to spend a day learning about limestone.

In Estonia, the invited representatives from local parishes, universities, schools and cooperation partners as well as customers learned about the geological time scale in Estonia and which minerals can be extracted in the country, the history of lime production in the Rakke area and the significance thereof for the local community as well as where the products are used in society.



# OUR STAKEHOLDERS

We want to be an excellent employer to our people, a long-term loyal partner and a reliable supplier to our customers, a value-creating investment for the owner, a good co-operation partner to our suppliers and subcontractors, a good neighbour in the local communities in which we operate and a sustainable corporate citizen to the society at large. Therefore, hearing and listening to our stakeholders' views is an important part of our sustainability and its development.

Stakeholder dialogue is conducted for many purposes, with several stakeholder groups and through various channels. The main channels and issues for our stakeholder dialogue are listed in the table on the right.

A close relationship and good discussions with our customers, partners and suppliers are essential for developing products and solutions that meet the extensive requirements of sustainable development. Our products often help our customers conduct more sustainable business.

Customer and supplier audits have become an increasingly important part of stakeholder dialogue in recent years, especially concerning sustainability issues. Our customers carry out sustainability audits through self-evaluation forms or by visiting our facilities and taking part in on-site operations.

During permit processes for our operations, extensive consultations and stakeholder dialogues are held in order to meet all the environmental and social requirements. The stakeholders involved are authorities, NGOs, neighbours, local communities and politicians.

## STAKEHOLDER ENGAGEMENT

Stakeholder group	Main channels	Main issues
Employees	Personnel surveys, development discussions, union meetings, personnel meetings, internal communications channels (intranet, info-TVs)	Health and safety, personnel wellbeing, operations, rules and regulations
Customers	Customer meetings, customer support, customer satisfaction surveys, customer and supplier audits, customer events and fairs, procurement, newsletters, Internet and social media	Products and solutions, customer support, agreements
Owner	Board meetings, Capital Market Days	Business development, strategy, finance
Suppliers and subcontractors	Supplier audits, supplier Code of Conduct	Respecting the valid contracts. Giving value to local sourcing.
Local communities	Open houses (European Mineral Day events), neighbour meetings, regular municipality contact, Internet and social media	Permits, local impacts, community support initiatives
Media, general public	Press releases and articles, media meetings, exhibitions and seminars, Internet and social media	Necessity of limestone in society, products and solutions, sustainability issues
Authorities, NGOs, politicians	Consultations with authorities, dialogue and supervisory meetings, regular environmental control visits, notifications, press releases, referrals, networks, permit processes	Rules, regulations and compliance, operating environment, permit processes, environmental monitoring

## MAIN MEMBERSHIPS IN INDUSTRY ASSOCIATIONS

International	Estonia	Finland	Poland	Sweden
IMA Europe - Industrial Minerals Association Europe	Estonian Association of Mining Enterprises (EMTEL)	FinnMin - Finnish Mining Association	Polish Lime Association	Swedish Lime Association
EuLa - European Lime Association	Association of Construction Material Producers of Estonia (EETL)	CFCI - The Confederation of Finnish Construction Industries RT (including INFRA - Infra Contractors Association)	Polish Association of Aggregates Producers	SweMin - Swedish Association of Mines, Mineral and Metal Producers
CCA - European Calcium Carbonate Association		VVY - Finnish Water Utilities Associationterprises (EMTEL)	Polish Asphalt Pavement Association	MinFo - Swedish Mineral Processing Research Association
ILA - International Lime Association		Association of Construction Material Producers of Estonia (EETL)	VVY - Finnish Water Utilities Associationterprises (EMTEL)	Swedish Concrete Association (Svensk betong)
			Association of Construction Material Producers of Estonia (EETL)	SLU - Swedish University of Agricultural Sciences
				VFK - Association for Safe Feed
				Association of Construction Material Producers of Estonia (EETL)

## MEMBERSHIPS IN ASSOCIATIONS

Nordkalk participates in and contributes to the industry as a member of relevant industry associations. Networks for issues such as energy, environment, labour, quality, health and safety and communication play an important role in the development of self-regulation in the business. Co-operation with local trade unions is also important, not only for our employees and their working conditions, but to discuss important issues in the local communities in which we operate.

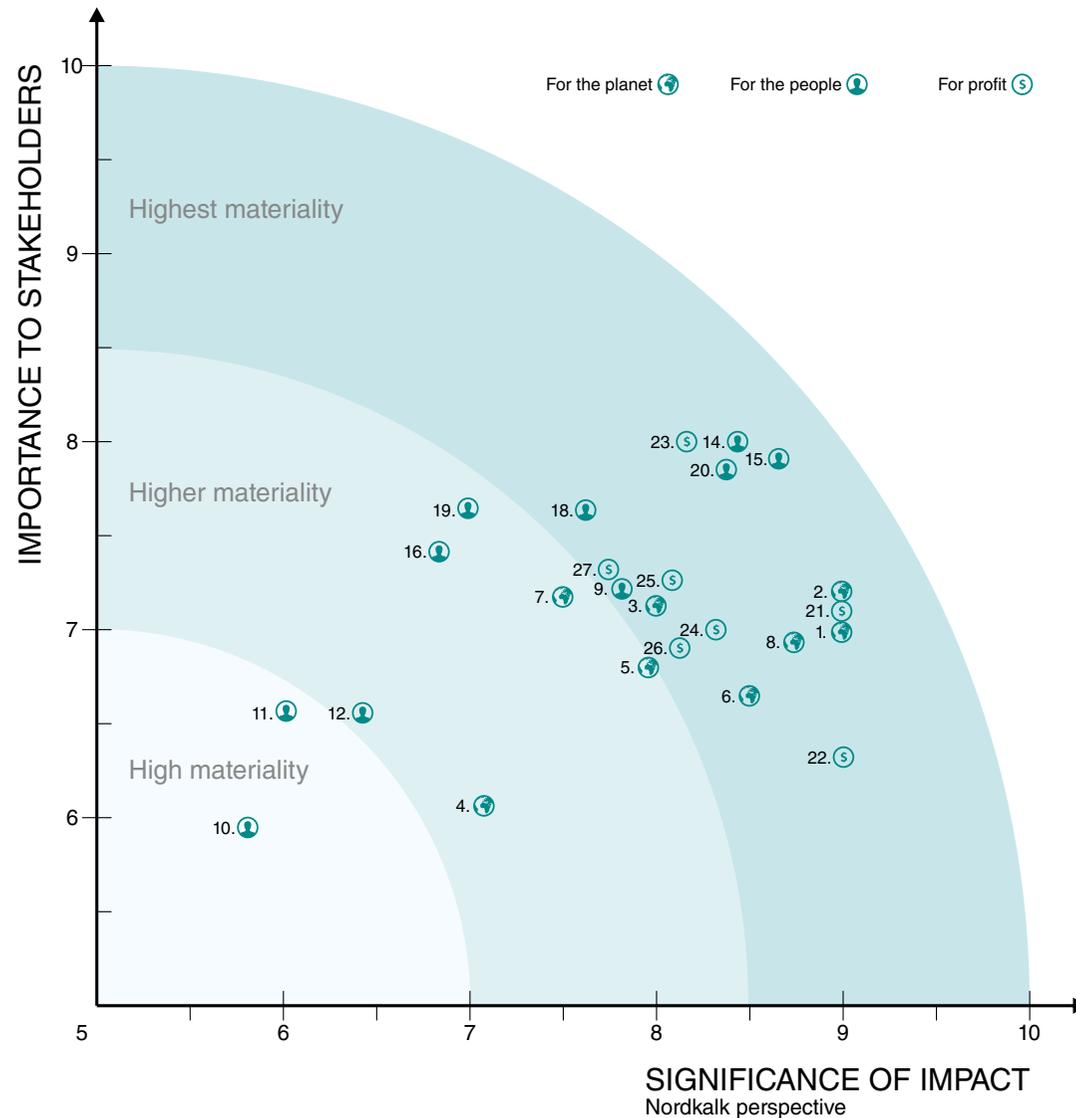
# MATERIALITY

Our Sustainability Programme is based on the materiality analysis which takes into account the views of our stakeholders as well as the company strategy.

During 2017, an extensive assessment was carried out to identify our material issues, i.e. the most important sustainability issues. The specification of material aspects of our operations included desktop research, consultations and benchmarking. The most relevant requirements and structure provided by codes and frameworks were analysed, including the Global Compact, the OECD guidelines for multinational companies, ISO 26000, the Global Reporting Initiative, the UN Sustainable Development Goals and applicable legislation.

To engage our stakeholders in our sustainability work and make improvements for the future, a sustainability survey was conducted among our stakeholders at the end of 2018. The survey was distributed to a selection of our key stakeholders in the four countries in which we do the most business: Finland, Sweden, Poland and Estonia. Among the participants were customers, suppliers, authorities, NGOs, local communities, employees and owners.

Stakeholder survey results and other stakeholder dialogue were used to form the stakeholder perspective on materiality, and a Management Team workshop provided the basis for the business perspective and impact assessment. In February 2020, we updated the management view against the new strategy and updated the analysis accordingly. A new stakeholder survey will be carried out during 2020, after which we will update the stakeholder perspective.



## FOR THE PLANET



1. Energy efficiency
2. Emissions
3. Transports
4. Land use and quarry restoration
5. Water management and effluents
6. Biodiversity
7. Material efficiency
8. Circular solutions

## FOR THE PEOPLE



9. Local dialogue and support
10. External water projects
11. Partnerships
12. Industrial relations and public affairs
13. Compliance with laws, regulations and rules
14. Business ethics and anti-corruption
15. Human rights
16. Responsible supply chain
17. Employee engagement and development
18. Labour practice, diversity & equality
19. Sustainable leadership culture
20. Occupational health and safety

## FOR PROFIT



21. Economic performance and growth
22. Secure limestone reserves
23. Customer satisfaction
24. Corporate Governance
25. Continuous improvements
26. Capacity utilization
27. Transparency in reporting

# UN SUSTAINABLE DEVELOPMENT GOALS



Nordkalk supports all 17 UN Sustainable Development Goals (SDGs), which provide us with a long-term perspective on our sustainability development. At the same time, we understand that many of them have a global policy approach that is not directly applicable in a company context. By projecting the SDGs onto our business and material issues, we have gained a good understanding of which of our efforts have the biggest impact and best contribute to the goals.

In this report, we have chosen to highlight the five SDGs and long-time goals with which we can make the biggest difference, either through our products and solutions or by developing our own operations in a more sustainable direction. This analysis will guide us in developing our sustainability agenda further in the coming years.



# SDGS PRIORITISED BY NORDKALK



**Goal 2 Zero hunger:** End hunger, achieve food security and improved nutrition and promote sustainable agriculture.

With our agricultural liming products, we can impact agricultural productivity and improve land and soil quality. On well-limed arable land, nutrients circulate efficiently from the soil to the crop and the crops grow substantially bigger. Liming also improves the soil structure and minimises nutrient load in waterways.



**Goal 6 Clean water and sanitation:** Ensure availability and sustainable management of water and sanitation for all.

There are numerous opportunities in fresh water supply and treatment related to limestone extraction. Limestone is an environmental mineral and clean as such. Limestone based products are used in water purification in municipalities, industry as well as natural water bodies. A quarry or a mine is also a natural freshwater reservoir which may be used as a source for water supply in the community.

The impact of mineral extraction on the water resource varies depending on the ground water conditions, the rock characteristics and the design of the quarry or mine. At our quarry sites, we

monitor the water levels in the neighbourhood and analyse the water quality according to existing control programmes. At Nordkalk, we have documented Water Management Plans in which we have consolidated the essential water-based issues in addition to our permit documentations and more detailed reports.



**Goal 9 Industry, Innovation and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

Industrial operations have some degree of impact on the surrounding environment. Such impacts may be minimised and this is the objective of the continuous improvement efforts, also at Nordkalk. Emissions control and limitations are constantly in focus. At Nordkalk, we follow the Best Available Technique (BAT) principles set out in the Industrial Emission Directive. Climate change is presenting a major challenge in the lime industry. This challenge is recognised and we have started the journey to phase out fossil-based emissions. However, we are realistic, and we know that this will take some time.

Infrastructure is one of the key market segments for us at Nordkalk. We provide significant volumes of rock as aggregates to road construction and within civil engineering. Limestone powder is used

as a filler in asphalt concrete, and clay soils are upgraded using lime stabilisation techniques in order to enable construction on low-grade soils.



**Goal 12 Responsible consumption and production:** Ensure sustainable consumption and production patterns.

Our business model at Nordkalk is based on the extraction of natural resources and we are well aware of the impact related to this. Therefore, we are putting in a lot of effort to be as efficient as possible in the management of this resource. Our clear objective is to utilise all of the mineral resource extracted. The material efficiency and utilisation grade is one of our key indicators. Energy utilisation is another key parameter and energy efficiency is another important indicator for us.

In parallel with the efforts to utilise all our internal resources as efficiently as possible, we are focusing on opportunities in circular solutions. There are material streams available, sometimes in our customers' processes, which provide opportunities to replace or supplement the natural resources.



**Goal 15 Life on land:** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification,

halt and reverse land degradation and halt biodiversity loss.

Extractive activity has a visible impact on the site where it is carried out. The particular area which is extracted is changed but not destroyed. The area may be used in a number of useful ways once extraction comes to an end. Biodiversity values are affected at the extraction spot, but they can be protected or developed in an adjacent area. Plant and animal populations are studied in the permitting phase and measures are taken to protect or develop endangered species.

Water Management Plans are also connected to the living conditions of wildlife. Re-cultivation Plans have been made at Nordkalk in order to prepare for the necessary and proper actions in the post-mining phase. Biodiversity values are documented in Biodiversity Plans, and Nordkalk is making every effort to develop biodiversity in focused projects in several geographical regions.



## FROGS FIND A DREAM PLACE



When applying for permits for new operations, Nordkalk must meet all environmental requirements, which include protecting plants and animals in future areas of operation. Therefore, in Poland in 2019, a very interesting project of transferring protected species to a new location took place.

Nordkalk is going to re-launch operations at the Ołowianka deposit, where exploitation ended in the 1970s. In order to proceed with the plans, the reptiles and amphibians living there had to find another home. All Polish amphibians and reptiles are subject to legal protection and their capture and transfer or the destruction of their habitats requires special permits and must be carried out under environmental supervision.

The whole project took three months and began with obtaining the permit for catching and transferring protected species. A 520-metre-long drift fence was assembled to facilitate the trapping and collection of all individuals. In total, almost 200 reptiles and amphibians were caught and transported by a herpetologist; mainly frogs, but also toads and newts. Naturally, the project, which ended in June, had to be carried out at the right time of year due to their life cycle.

The new location, Żabiniec, which translates to 'the land of frogs', is a very picturesque protected peat bog with several water reservoirs. It seems like a dream place for 'our' frogs!

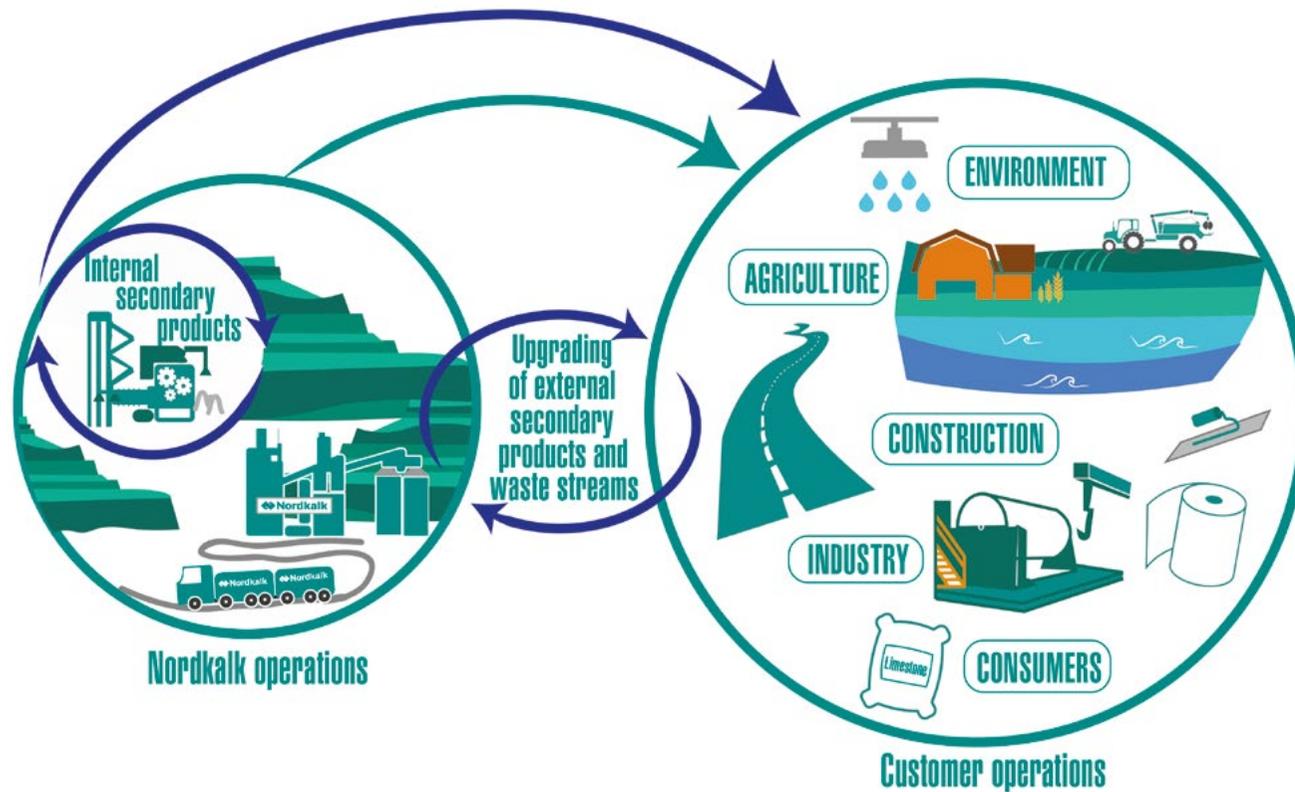
## MARL FOR THE GOOD OF THE BALTIC SEA



As Nordkalk operates by the Baltic Sea in Sweden and Finland, protecting our common sea is a natural choice. We wanted to take part in a concrete action for promoting the wellbeing of the sea by donating marl (calcareous clay) to the SEABASED project to pilot a measure that could permanently bind excess amounts of eutrophying phosphorus to the sediments of the seabed in selected areas. The marl used for the project originates from Nordkalk's quarry in Gotland. If the pilot project is successful, enough marl exists to treat several anoxic seabed areas in the Baltic Sea. In addition to marl donation, we have offered our expertise during the project. The SEABASED project is led by the John Nurminen Foundation, and the total budget for the project is approximately EUR 2.8 million. As part of the project, two pilot measures involving marl application to phosphorus-rich bottom sediments were implemented in 2019 in coastal bays in Sweden (Östergötland and Stockholm), and a third one is planned to take place in Finland (Archipelago Sea) in 2020.

# CIRCULAR SOLUTIONS

## USING INDUSTRIAL SIDE STREAMS IN CITIES' INFRASTRUCTURE



Circular economy challenges companies to change their processes so that materials can be kept in productive use for as long as possible and nothing is wasted. Besides saving virgin raw materials and natural resources, circular economy is increasingly seen as critical in climate change mitigation, since reuse and recycling is more energy efficient than virgin production.

At Nordkalk, circular economy has been one of the driving factors for decades and now, with the

new company strategy, the importance of circular solutions is becoming even more important. For us, circular economy means that we aim to use all the materials we have quarried and all the side streams generated in our processes. We also utilise the residual heat from our lime kilns and the water discharged from the mines and we recycle the water from the flotation process.

We actively develop new customer solutions to utilise our own and our customers' side streams: Wall rock is used mainly for road construction

purposes; lime kiln dust (LKD) and side streams from the pulp and paper and metal and mining industries are mostly used in agriculture, industrial water treatment and soil stabilisation; and flotation sand has big potential in several geopolymers recipes (CO<sub>2</sub>-free concrete). In addition, we participate in development projects aimed at nutrient and phosphorus recovery.

Please find examples of our efforts in circular solutions on these two pages and on pages 26-27.

Nordkalk is part of the CircVol project that promotes the circular economy and sustainable earthworks with the objective of enhancing the utilisation of large-volume soil masses and industrial side streams in cities' infrastructure construction and earthworks. The project involves several cities as well as a number of companies, universities and research organisations.

In the Turku area, the project focusses on studying the possibilities for the stabilisation and treatment of dredged masses and clay soils. Companies with expertise in the stabilisation of dredged masses and/or that have side streams suitable for stabilisation have been invited to join.

One of the side streams studied in the project is the lime kiln dust (LKD) from Nordkalk's process in Pargas, which contains both active and inert lime. The suitability of LKD for the stabilisation of dredged masses and clay soils has been tested in a laboratory, and the plan is to start field tests with the most promising product in spring 2020 in Matalahti, Naantali.

In addition to the new stabilisation product studied within the project, Nordkalk has other product development projects underway, related to the utilisation of lime kiln dust in soil stabilisation.

The utilisation of the dust from the quicklime production process would significantly reduce the CO<sub>2</sub> emissions from the manufacture of the stabilisation product.

## TESTING PHOSPHORUS RECOVERY FROM WATER

Nordkalk is involved in several water-related research projects. In 2019, these projects were on-going, with aim of managing nutrient leakage and recovering valuable phosphorus in different processes and circumstances.

### MOVABLE WASTE WATER CLEANING PLANT

One of the projects is a co-innovation project, with a start in 2018, together with the Finnish state research organisation VTT and several companies to develop a waste water cleaning plant operating in a movable shipping container. The first part of the project was completed in 2019.

The study shows that all the studied calcium products from Nordkalk worked well and that the experiments gave adequate phosphorous recovery results. Nordkalk will continue on the project as it goes into phase two.

### SUCCESSFUL RESTORATION PROJECT AT LAKE KYMIJÄRVI IN FINLAND

Nordkalk partnered up with the University of Helsinki and Lahti Environment Services in a lake restoration project at Lake Kymijärvi in Finland

in 2018. The two-year long project studying a new restoration method to remove the nutrients accumulated in lake sediment and use them as soil conditioners ended in 2019.

The goal of the hypolimnetic withdrawal and purification method used in the project was to purify the deep, nutrient rich water and improve lake water quality, but also to test the potential for phosphorus recovery and circular economy. The restoration method involved pumping hypolimnetic water from the profundal zone of the lake and filtering it to remove impurities. Nordkalk supplied the nutrient filtering system to be used in the project.

The study showed that over 80% of the phosphorus was removed during purification and the water was visibly clearer downstream of the filters.

### NPHARVEST AND SULFA II

NPharvest is a project with Aalto University researching nutrient recovery and its technologies from different kind of liquid waste. The Sulfa II project, with for example the Finnish Environment Institute, studies the management of sulfide-induced acidity in peat harvesting. Both projects were completed during 2019.

## DEVELOPING MATERIAL TO REPLACE CONCRETE

In Lappeenranta, South-Eastern Finland, a new sustainable material to replace concrete in the construction industry is being developed by a local consortium of educational institutes and companies, including Nordkalk.

The project, led by the city of Lappeenranta, aims to use local forest and mining industry side streams, such as Nordkalk's tailings, as raw material for a new circular product that would replace CO<sub>2</sub> emission intensive concrete. At the same time, the project aims to develop an entirely new way of building: pilot products are being produced by way of 3D printing.

The new target product being developed is a geopolymer composite material that can be reinforced, for example, with biofibres. The benefits of composite products are that they have a long life cycle and can be safely recycled. By combining concrete with the 3D-printed new material, it may also be possible to create curved and other functional shapes. The new material could be used to manufacture more aesthetically pleasing noise barriers, park benches or skateboard ramps.

Launched in 2017, the three-year project Urban Innovation Action (UIA) initiative is partly financed by the European Regional development fund. In the best case scenario, the material and methods developed during the project will also be suitable for introducing new urban architecture to other cities around the world.

Tailings, or flotation sand, are the byproducts of the wollastonite and calcite flotation processes at Nordkalk's Lappeenranta production plant. Of the annual 140,000 tonnes of tailings generated, around half is arenaceous (sand like) and suitable for practical applications. Previously, tailings have been utilised in soil construction, soil improvement and liming arable land.

# INCREASED ENERGY EFFICIENCY AND REDUCED EMISSIONS

During 2019, the majority of Nordkalk's improvement activities lie under the NICO improvement programme umbrella. This includes actions aiming for increased energy efficiency and reduced emissions.

While many initiatives are scheduled for implementation in 2020, some improvements were introduced during 2019. The Köping kiln was equipped with lifters which reduce the energy consumption and therefore contribute to lower emissions. General productivity and OEE improvements in Miedzianka also contributed considerable savings to electricity and fuels. Increasing the amount of renewable fuels, such as the project in Köping, is included on the NICO agenda.

Upcoming improvements include increased utilisation of excess heat from flue gases, improved automation systems and better moisture and air flow control.

Read about Nordkalk's journey towards fossil-free operations:



# CLIMATE IMPACT

The lime industry is an energy intensive industry. While certain physical and chemical restrictions limit the level of improvement it is theoretically possible to achieve, Nordkalk continues to actively work on issues concerning energy efficiency and climate impact.

Producing quicklime will always require a lot of energy due to the endothermic nature of the process, and CO<sub>2</sub> will always be released from the limestone during calcination due to the chemical reaction formula. Still, we see good possibilities to continuously improve our performance when it comes to both energy efficiency and emissions.

In Finland, Nordkalk has a long history of participating in Energy Efficiency Agreements and is currently participating in the latest agreement covering the years 2017-2025.

All Nordkalk lime kilns are covered by the EU Emission Trading System, which ensures that the CO<sub>2</sub> emissions are monitored rigorously.

Nordkalk also has many years' experience in capturing secondary heat from our lime kilns and either using it on-site or delivering it to the local communities' district heating networks. All rotary kilns in Nordkalk are equipped with heat recovery set-ups. In 2019, Nordkalk delivered a total of 72,000 MWh of district heat to the local communities in Köping, Lohja and Pargas. This is equivalent to the amount of energy found in 7.2 million litres of heating oil.

During recent years, Nordkalk has decreased emissions into the air by investing in new abatement technology at many of its production plants. The investments have reduced both the gaseous and particulate emissions of our operations.

During 2019, new flue gas cleaning equipment was installed in Köping. A new scrubber will further reduce the SO<sub>x</sub>- and HCl-emissions of the lime kiln.

## INCREASED USE OF BIOFUELS

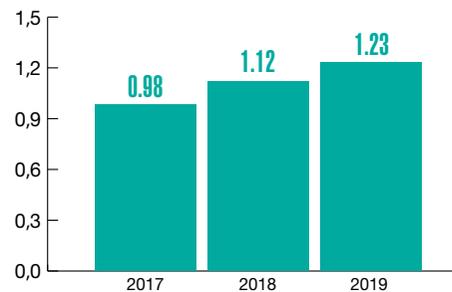
Our aim is to increase the share of biofuels used at Nordkalk year by year. Nordkalk's plant in Ignaberga, Sweden, has now been using biofuel for a few years. The fuel consists of side streams from the feed production.

In Vampula, Finland, we have been using locally produced biogas since 2011. The biogas is supplied to the plant via a 1.5 km long pipeline, so in addition to decreasing the CO<sub>2</sub> emissions of the plant, the amount of transports is also reduced.

In Köping, the work to introduce renewable fuels to the lime kiln continues. During 2019, full scale testing was carried out and the aim is to introduce biofuels as a continuous solution during 2020.

For 2020 we are also aiming to further increase the amount of biofuels used in our quarry vehicles. Tests with several solutions will start at Nordkalk locations in 2020. Nordkalk has also decided to switch to renewable fuels in other company vehicles.

## IMPROVED ENERGY EFFICIENCY %



The target for 2019 was 0.75%.

## JOINED FORCES

Nordkalk is participating in research projects that focus on reducing the carbon footprint of the industry.

In Sweden, Nordkalk is working with Umeå University and several other industrial partners. The Centre for Sustainable Cement and Quicklime Production brings together the industry in Sweden in a joint effort to decrease CO<sub>2</sub> emissions.

In Finland, Nordkalk has joined a research project led by the VTT Technical Research Centre of Finland. The project focuses on the capture and utilisation of CO<sub>2</sub> from various industrial processes and the development of commercial scale solutions for this. The lime and cement industries play a very central role in the project.

# 1

## MATERIAL ISSUES

- Energy
- Emissions
- Transports

## WE COMMIT TO

lowering emissions to air by

- improving our energy efficiency and monitoring our completed energy efficiency actions against an annual target
- taking decisive steps towards fossil-free operations
- investing a minimum of 10% of our investment budget (3-year rolling average) into better environmental technologies and increasing the automated monitoring of emissions
- choosing low-emission alternatives for logistics: transport by sea or rail, where possible, aiming for a higher payload and alternative fuels in truck transport
- approving one new carbon reduction action each quarter.

# RECOVERY OF THE GHOST ORCHID

Next to Lappeenranta quarry, there is an exceptional population of chlorophyll-free white 'ghost orchids' (*Epipactis helleborine*). The rare white 'ghost' form of helleborine was first spotted there in 1969, and in the 1990 calculations of 2000 helleborines, altogether 350 rare specimens were found.

The number of ghost orchids seems to have decreased in the 2000s, possibly due to the improved mining processes and reduced lime dust from the Ihalainen industrial area. In 2019, a biodiversity project was launched to recover the ghost orchid population and implement a long-term basis for monitoring and maintenance so that the orchid population is preserved in the future.

In summer 2019, test areas were established, soil samples taken and the population counted. Several test areas were treated with different lime-based products while some were left untreated for benchmarking purposes. The new soil fertility analysis shows no major changes in the soil conditions since the 1980s.

The project will continue in 2020 with new soil samples and lime treatments. The aim is to monitor the rare orchid species for at least five years.



Photo by Terhi Anttila

# RESPONSIBILITY FOR LAND, WATER AND BIODIVERSITY

In line with our Operating Policy we take actions in order to reduce the impact of our extraction activity, especially in the water and recultivation issues. A systematic approach to recultivation, water management and biodiversity values is the way we take precautions to manage and plan for these issues. The UN Sustainable Development Goal number 15 is giving us guidance to pay attention to the biodiversity aspects.

## BIODIVERSITY

Mining operations take up areas of land and alter the landscape. This issue is one of Nordkalk's main environmental aspects. At the same time new environments are created as a result of a mining operation.

Mostly new and valuable preconditions for biodiversity values are also created. Environmental values and biodiversity issues are considered during the entire life cycle of mining operations.

When a new environmental permit is prepared, environmental values are one of the main focuses during the investigations. Recultivation work usually includes actions aimed at restoring suitable environments for the local species. The aspects that are important for biodiversity must also be known and respected during the active operations phase.

Biodiversity issues are documented in a systematic way for all Nordkalk mining sites.

Several biodiversity projects are underway in different geographical regions. The projects are focusing on diverse aspects and they include improving the environment of birds' habitats in Estonia, a lime loving plant in Finland, bats in Sweden, butterflies on Gotland island and frogs in Poland. We are very confident that we can guarantee a variety of species a good place to live alongside our modern mining operations.

## QUARRY RESTORATION AND WATER MANAGEMENT

Recultivation plans are now updated to the best knowledge available. The challenge in most cases is that the real actions are still far in the future, and that's why it is premature to involve the stakeholders in the planning process. So far the plans predominantly focus on ensuring safety around the sites.

There is potential to provide public recreation possibilities at those of our sites which are entering the recultivation phase. For example, both swimming spots and bird watching are of interest. At this point we must ensure safety and prioritise production.

Water management issues are documented in separate plans for all sites. The water quality is controlled by following frequent sampling according to control programmes. There is a great potential in our fresh water sources to provide water to the close by communities, as is done at Lohja in Finland and planned on Gotland.

Most of the plans were reviewed in December 2018 or after, and their content is valid. The biodiversity base line documentations date back to August 2018. Regarding the site in Turkey, the plans are still under work. The reporting in the KPI table relates to the total number of quarry sites within Nordkalk Group.

During 2019, Nordkalk did not have any significant spills from the operations. However, there was a challenge with providing water from the well at the Miedzianka mine, which is described on page 40.

# 2

## MATERIAL ISSUES

- Land use and quarry restoration
- Water management and effluents
- Biodiversity

## WE COMMIT TO

- long-term planning in land and water use, covering the entire lifespan of a mine: when the extraction phase is over, the site is developed into a natural or otherwise usable state
- developing comprehensive plans for water management and extractive waste handling
- describing the ideas of the post-mining phase and the related financial measures in recultivation plans
- recognising protective actions for the endangered species at our quarry and keeping biodiversity records.

# STRUCTURE LIME KEEPS NUTRIENTS IN THE SOIL

The Baltic Sea's most severe problem is eutrophication caused by excessive nutrient loading especially from diffuse sources like agriculture. All coastal countries are to reduce their nutrient loading by 2021.

Nordkalk's product, Fostop® Structure Lime, cuts down the phosphorus runoff from fields to watercourses up to 50 percent while increasing the crop. In the unusual warm summer of 2018, the problems of the Baltic Sea become obvious through abundance of blue-green algae in the water, leading to strong demand for actions. In Finland, the Ministry of the Environment put together a programme (Vesiensuojelun tehostamishjelma) for making the protection of waterways more efficient. The government allocated a total of EUR 69 million for the programme during 2019-2023.

One of the main targets of the programme is to reduce the amount of nutrients from agriculture ending up in watercourses. In 2019, a comprehensive study on structure liming was started in Finland in the frame of the water protection programme.

Nordkalk Fostop is a circular product, in which LKD (lime kiln dust) plays an important part.



# RESOURCE CONSCIOUSNESS AND CIRCULAR SOLUTIONS

Resource consciousness has already some years ago become a clear focus area in all Nordkalk operations. The need to utilise quarried raw materials as efficiently as possible has been clearly understood and accepted. We aim to use all the materials we extract and all the side streams generated in our processes. We have gradually succeeded in improving the material efficiency to a very good level. The efforts are often also supported by direct cost savings when less material needs to be transported to landfill. In 2019, we managed to exceed the long-term goal of 100% material efficiency, because stone from heaps was used in large quantities.

During the past years, resource consciousness and material efficiency have been supported by intense efforts to increase the productization and use of different internal, as well as customer-related, side streams. In 2019, such products comprised 14.9% of the total sales volume, replacing the need for virgin raw materials. Further product development in this area creates a huge opportunity for Nordkalk in the coming years, as the circular economy is a growing driver on the market.

Besides the calcium-rich circular solutions, Nordkalk also delivers residual heat from three lime kilns to be used in district heating networks, and clean groundwater from a mine to be utilised as drinking water by the surrounding municipality.

Raw material availability, quality control and legal approval processes are challenges to be controlled as the business cases are based on side streams and the utilisation of waste as raw material.

Legally binding directives (EU and national levels) will be the most important factor in setting boundaries for the future development of recycling and reuse of side streams and waste materials. Efforts to maximise the use of such raw materials for circular solutions are restricted by the need to secure the cleanness of circulated products on a precautionary basis.

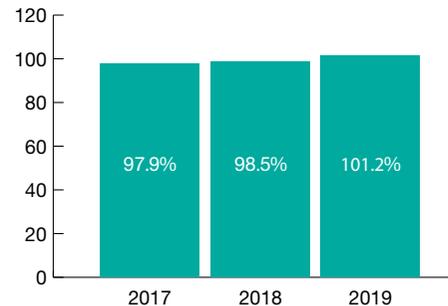
Additional limitations are caused by the unpredictable availability of useful side streams as raw material sources for circular products. Such side streams are not produced for a specific need, but instead generated as an unwanted secondary material (or even waste) from the main production process.

## SIDE STREAMS INTO NEW PRODUCTS

Nordkalk strives to use the side streams of its own production and helps its customers to do the same. In 2019 Nordkalk had several ongoing R&D projects focusing on adding value to sustainable use of side streams.

The pulp industry uses lime in its processes, and one of the resulting side streams is electrofilter dust from the lime mud kilns. This fine and reactive

## MATERIAL EFFICIENCY 2019



*The target for 2019 was 96%. It was exceeded because large quantities of stone from heaps were used.*

material has mostly been used for adjusting the pH level of industrial waste waters. Nordkalk has also introduced an agricultural product, Nordkalk Aito Plus, based on lime mud kiln dust. The product has strengthened Nordkalk's agri portfolio by offering a rapidly reacting alternative for farmers.

Lime kiln dust (LKD) is a side stream from quicklime production. It is particularly reactive, which makes it suitable to be used as it is or as an ingredient in structure lime, Nordkalk Fostop®. LKD has for a couple of years also been tested in a new recipe for Nordkalk Terra® soil stabilisation. The reactivity of LKD works well in stabilisation, to create strong and durable foundations with all soil types. LKD can also be used in asphalt production as an adhesive additive.

# 3

## MATERIAL ISSUES

- Material efficiency
- Circular solutions

## WE COMMIT TO

- improving material efficiency in our operations, thus extending the lifetime of our valuable natural limestone resources and reducing waste with a 100% material efficiency target
- maximising the utilisation of all internal side streams, whether limestone-based, wall rock, energy or water
- improving the utilisation of customer-related side streams, where possible
- supporting and developing lime-catalysed solutions for efficient reuse of organic residues and nutrients
- developing circular solutions to improve the fertility of arable land and reduce the eutrophication of water courses
- developing products with zero or low carbon footprint.

# HOW NORDKALK LIMESTONE QUARRY IN SŁAWNO BECAME A PALAEOLOGICAL TREASURE-HOUSE?

In the beginning of summer 2019, the opening ceremony of the Geopark in Sławno, Poland, took place, meaning that Polish science has uncovered another spot for those interested in the history of the earth.

A few years earlier, within the area of Nordkalk quarry in Sławno, the great records of the primeval world dating back 148 million years were discovered by scientists from the Polish Academy of Sciences in Warsaw and the Geoscience Friends Association PHACOPS.

Sławno has quickly become famous for its exceptionally well-preserved Upper Jurassic fossils. So far, at Nordkalk quarry, palaeontologists have discovered the remains of Poland's first known flying reptile pterosaur, a new species of marine reptile, an ichthyosaur and many other creatures that used to live within the area of the current limestone

quarry 148 million years ago. Nordkalk strongly cooperated with Sławno Community Council and scientists in the Geopark construction project by lending land plots for a terrace with a view over Nordkalk quarry and plant as well as by allowing palaeontological searches at the quarry.

The project is vital not only for palaeontology as a science and its popularisation in Poland, but also for the development of the region and its inhabitants. The Geopark became a great tourist attraction where you can spend a day visiting the exhibition centre with its fossilised treasures and reconstructed models of creatures and enjoying the sport infrastructure nearby: playgrounds, a skatepark, an open gym and picturesque bike paths. Nordkalk supports school trips to the Geopark so that the discovered Jurassic treasures can be properly admired.



# SOCIETY ENGAGEMENT AND COMMUNITY DEVELOPMENT

Nordkalk wants to be a good neighbour and engage in various actions for the benefit of the local community. Open and transparent communication with our closest neighbours and local communities is a must in order to ensure social acceptance of our operations.

We strive to minimise the negative impacts of our operations, such as dust, noise and vibration. However, it is not possible to prevent them fully in all circumstances. Our value Openness is our guiding principle when something out of the ordinary happens. We do our best to keep the affected stakeholders informed, and thanks to digital tools, this can be done quickly.

We welcome feedback and questions, which we receive via digital channels, by phone and face-to-face. All findings are recorded in our quality assurance system, and the issues are followed up with the necessary actions. In 2019 we received a total of 41 contacts (excluding customer claims) regarding our activities in Northern Europe region (Finland, Sweden and Estonia) from our external stakeholders. Most of these handled dusting, noise and vibrations caused by our quarrying activities and a few had to do with ongoing permit processes. By the end of the year, 80% of these had been solved. In 2020, our aim is to expand our reporting to cover also Central Europe region (Poland).

Hearings with neighbours are common in connection with permit processes. In addition to the legally required consultations, we organise meetings and open house events at the sites to present our operations. These face-to-face encounters are also a good way to increase awareness of the value of limestone in society.

One of the biggest open house events is the biannual European Minerals Day. In 2019, the event opened Nordkalk's gates in Estonia and Poland, as the operations in Miedzianka and in Rakke and Karinu organised a day of activities for their neighbours and those interested in the world of minerals.

In 2018, we started to develop the Social Acceptance Plans to identify the main stakeholders at our locations and countries and plan activities involving them.

In the coming years, Social Acceptance Plans will be created in connection to major permit processes and other operation changes which could have a bearing on our neighbours and other stakeholders.

## SUPPORT AND PROJECTS

Nordkalk provides the society with essential limestone-based products and the surrounding communities with employment opportunities. The company also engages in various local events and projects to create useful added value for the local society. We sponsor cultural events, museums, schools, sports and other entities. Whether the sponsoring takes the form of financial support, products or other things, we strive to share the benefit among many groups of people. Please see the examples presented on pages 40-41.

Another area of societal engagement is our cooperation in research and development programmes, using limestone for a variety of environmental purposes to achieve cleaner air, water and soil. Some of these are presented on other pages in this report.

In Nokia, Finland, Nordkalk keeps lake Alinenjärvi's water course in good condition by liming it as needed. Nordkalk's previous owner Partek made a commitment in 1998, as part of the company's 100 anniversary celebrations, to take care of the quality of the Alinenjärvi water course for 100 years. Another external water project relates to the Archipelago Sea in Southwestern Finland. Nordkalk joined the network in late 2019, with the aim of improving the condition of the Sea.

# 4

## MATERIAL ISSUES

- Local dialogue and support
- External water projects
- Partnerships and projects beyond current business
- Industrial relations and public affairs

## WE COMMIT TO

- being a good neighbour and corporate citizen, engaging in efforts that benefit local communities and society at large
- acting in an open, transparent and responsible manner
- providing jobs and services to local communities, such as district heat and clean water, and supporting local activities
- engaging in environmental projects that contribute to clean air and water and the productivity of agricultural land at a local, national and global level
- constantly developing our communication with various stakeholders to facilitate dialogue.

## RESPONSIBLE SUPPLY CHAIN

Nordkalk has a wide variety of suppliers, of which logistics, energy, equipment and subcontractors are the most common. A list has been made of the suppliers that have been identified as critical to Nordkalk, emphasising the importance of their operations' sustainability. Energy, shipping and equipment are usually global, while land transports and subcontractors are hired by local companies.

All purchasing for Nordkalk Group is performed in compliance with Nordkalk's purchasing process. New suppliers are evaluated on reliability and ethical and financial performance before the tender process can begin. All strategic suppliers and suppliers that Nordkalk has agreements with must comply with and agree to follow Nordkalk's Supplier Code of Conduct as part of the purchase agreement.

The target for 2020 will be set after the critical supplier list has been updated. Focus will mainly be on the ones from which we see potential risk for Nordkalk's production and brand.

Our logistics chain is effective, fast and reliable and our products are transported by ships, trucks and trains. For approximately 60% of our total volume, we handle the transport solutions by ourselves. We use many industrial harbours and our terminal network covers our entire area of operations in Northern Europe. We have many contract transport companies offering the best possible equipment for transporting lime and we take care of both trailer and container transports around Europe.

Regarding ethics in Nordkalk's supply chain, Nordkalk expects its suppliers to follow the Supplier Code of Conduct in order to ensure that suppliers also adhere to a high level of business ethics. It is important to know the suppliers, and thus the instruction on how to gather information for risk evaluation purposes, from suppliers originating from high risk countries and countries included in sanctions list, was prepared and taken into use in late Autumn 2019.



# ETHICAL BEHAVIOUR

Nordkalk views compliance with laws and regulations as a precondition for ethical business. Furthermore, Nordkalk is committed to enhancing ethical business culture in all of its countries of operation. It is also recognised that some of Nordkalk's countries of operation or joint-venture undertakings may carry exposure to risks related to corruption or competition law breaches.

The policies of Nordkalk's owner, Rettig Group, apply to Nordkalk as a majority-owned subsidiary of Rettig Group. These policies guide the actions of employees and directors. The Business Ethics Policy is one of the Rettig Management Policies and Procedures, which must be followed by everyone working at Nordkalk. The Business Ethics Policy stresses, among other things, that ethical conduct is characterised by honesty, integrity and freedom from deception.

In addition to the Rettig Group policies, Nordkalk has its own Code of Conduct and Supplier Code of Conduct and some internal policies and instructions to give guidance on acting in an ethical way. Nordkalk's own Code of Conduct was updated during 2019 and the renewed Code of Conduct will be implemented in 2020. Following on from this, the Supplier Code of Conduct will also be subject to renewal actions during 2020.

Nordkalk rejects corruption in all forms. Anti-corruption instructions are addressed in the renewed Code of Conduct. In addition, a specific anti-corruption policy will be created in 2020.

To ensure compliance with the applicable antitrust and competition rules, during the first quarter of

2019, Nordkalk organised a classroom training session regarding competition compliance for the Nordkalk Management Team. Preparations for a competition compliance programme targeted at a larger audience commenced in Autumn.

During 2019, Nordkalk has not had any legal actions pending relating to anti-competitive behaviour or violations of anti-trust and monopoly legislation. Either there has been no confirmed incidents of corruption or confirmed incidents in which employees were dismissed or disciplined for corruption or public legal cases related to the previous ones. Further, Nordkalk has not had any confirmed incidents in which contracts with business partners were terminated or not renewed due to corruption violations.

Nordkalk has made a commitment to respect human rights in its Code of Conduct. Nordkalk mainly operates in low-risk countries regarding human rights, with some exceptions such as Ukraine and Turkey. Nordkalk has identified human rights as one of the key focus areas under sustainability. Consequently, Nordkalk will work towards full compliance with the UN Guiding Principles on Business and Human Rights.

Nordkalk expects that all of its employees and managers report any suspected cases of misconduct regarding human rights, corruption, breach of laws or other unethical behaviour. Employees are encouraged to contact their supervisors, but a confidential whistleblowing procedure has been available since March 2017. Renewed instructions were published internally in the form of a Whistleblowing Policy at the beginning

of 2019. Simultaneously, whistleblowing reporting was made possible to external stakeholders via e-mail or post. Information about this is available on Nordkalk's website under 'Report violations'.

All whistleblowing complaints are handled with absolute discretion and confidentiality and are investigated by Nordkalk's Chief Legal Officer, reporting to the Chairperson of the Audit Committee. Nordkalk will not retaliate against any employee or manager who in good faith reports a suspected violation or concern regarding compliance.

During 2019, there were two reported cases of misconduct, both of which were investigated but one remained unresolved at the end of 2019. Of these cases, the first one resulted in internal process improvements and the investigation process of the second one is ongoing.

The Code of Conduct is available on our Internet site: [www.nordkalk.com/sustainability/](http://www.nordkalk.com/sustainability/)



## NUMBER OF COMPLAINTS FROM THE WHISTLE-BLOWING SYSTEM

(TOTAL/RESOLVED)



# 5

## MATERIAL ISSUES

- Compliance with laws, regulations and rules
- Business ethics and anti-corruption
- Human rights
- Responsible supply chain

## WE COMMIT TO

- conducting our business in accordance with laws and regulations, the Rettig Group policies and the Nordkalk Code of Conduct
- a high standard of business ethics and integrity
- treating people with respect and providing them with equal opportunities; we value human rights
- only cooperating with business partners that commit to a high level of responsible and ethical behaviour.

# NORDKALK FUTURE PROGRAMME

A development programme called Nordkalk Future was executed in cooperation with Estonian TalTech University. This was the fourth time when Nordkalk arranged a similar training event. The purpose of the programme is to support the personal development of Nordkalk's potential managers and gain an understanding of general management and Nordkalk's way of doing business in particular.

The programme was a 12-day intensive training course consisting of four modules, focusing on topics such as team leadership, project/change management, business thinking, data analysis, emotional intelligence and communication skills.

The training sessions took place in four countries, where participants were able to combine classroom studies with visits to some of Nordkalk's production sites.



# GOOD PLACE TO WORK

At Nordkalk, our future success lies in the continuing commitment and competence of our people. Our goal is to be an excellent place to work, with satisfied and engaged personnel. We want to support a good work-life balance and offer our people opportunities for development.

2019 was an exceptional year at Nordkalk. In order to secure cost competitiveness for future growth, the company started a performance improvement programme, which led to major changes in the organisation and requires new ways of working throughout the company.

## NEW OPERATING MODEL

Nordkalk adopted a new, region-based operating model on 1 November 2019. The regions bear full responsibility for sales and marketing, operations, purchasing and logistics in order to increase Nordkalk's focus on customers, with accountability for actions closer to the local operation. This means clearer responsibilities, less bureaucracy and faster decision-making.

The new model resulted in a reduction of about 16 per cent of the personnel. In addition to people leaving after codetermination negotiations, the reductions included retirements, ending temporary work agreements and resignations which had not led to replacements. The company provided external support to all employees during and after the changes, such as outplacement assistance and conversational support.

## LABOUR PRACTICE

Nordkalk complies with international labour standards and 98,3% of our employees are covered by collective agreements. These agreements also specify the notice periods and provisions for consultation and negotiation in connection with the implementation of significant operational changes.

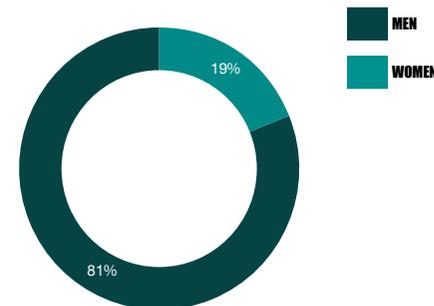
## PERSONNEL ENGAGEMENT

For the third year in a row, a personnel survey was carried out in March using the same cooperation partner and questionnaire as in previous years, enabling us to compare the results and development between years. The survey is an important tool for Nordkalk's management to measure the employees' wellbeing and plan necessary actions.

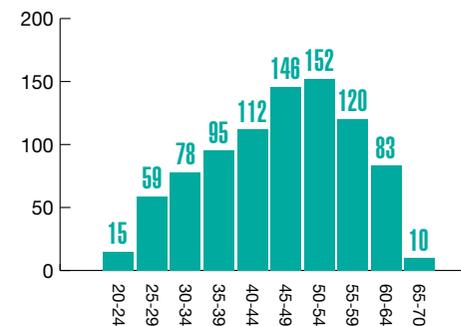
The survey measured work, unit and company level topics and covered the following themes: job motivation, empowerment, prerequisites, communication & involvement, managerial work, agility & effectiveness, employer image, leadership culture and operative culture. One key indicator in the survey is the PeoplePower index, which shows the overall result compared with the benchmark and reflects employees' engagement in the company.

The response rate was 85.5% compared with 86.9% 2018. In previous years, when looking at the PeoplePower index, Nordkalk has been on level A (Satisfactory). In 2019 we reached the level of A+ (Satisfactory+). Results vary among countries, but the overall trend is the same.

## PERSONNEL BY GENDER IN 2019



## PERSONNEL BY AGE IN 2019



## EMPLOYEE TURNOVER



# 6

## MATERIAL ISSUES

- Employee engagement and development
- Labour practice, diversity & equality
- Sustainable leadership culture based on values

## WE COMMIT TO

- being an excellent place to work, engaging personnel and supporting a good work-life balance
- developing the competence of our personnel
- establishing a good leadership culture based on our values Openness, Fairness, Courage and Trust and respect
- following up on personnel satisfaction on a yearly basis



## MOTIVATIONAL AND ENGAGING TRAINING AT SAFETY UNIVERSITY

A big part of our health and safety (H&S) work in 2019 was a corporate-wide training for our personnel at the Safety University.

The training started in 2018 with the management and upper level personnel and was continued in 2019 to include all Nordkalk employees. The training was carried out in small groups where everybody could take part in conversations more deeply than in big groups.

The intensive one-day training programme consisted of examples and root causes of real life accidents, various H&S statistics and how to ensure that everyone can read them in an easy and understandable way, what the two kinds of H&S inspection rounds (5S and Serious7) consist of and why they are important to execute and learning the Take Five method: take a pause and think before acting to reduce risks.

A large part of the training focused on people's behaviour and attitude towards safety issues and whether something should be changed. By the end of 2019, 85% of all our personnel had completed the Safety University training, the target being to train our entire workforce.



# A SAFE PLACE TO WORK

A good and safe workplace is one of Nordkalk's focus areas. Our commitment to health and safety (H&S) is our highest priority and an integral part of all our activities, which applies to both our employees and our subcontractors.

Nordkalk has been OHSAS 18001 certified since 2012, covering the entire company. We have zero tolerance for drugs and alcohol and a no-smoking policy applies to all our premises. Our long-term H&S target is zero accidents for everybody on our premises. Our gradual improvement in H&S is a result of continuous and long-term work towards zero accidents.

We believe that all risks arising from work can be managed through foresight and careful behaviour. We therefore demand a commitment from everyone working on our premises to actively contribute to safe behaviour.

Our employees are active in safety issues and open to improvements. Some examples of our activities and processes for sharing information and

learning from others include monthly H&S reports, annual Safety Week, safety committees for H&S discussions between management and personnel representatives, safety alerts to inform employees of accidents or serious near misses, an H&S guide, campaigns, a tool for chemical registration and related data sheets.

We participate in the European Lime Association's Safety Task and in regional industry organisations' H&S activities. The structure of our organisation includes Nordkalk Management/Work Committees at corporate and regional levels and Safety Committees at the unit level.

In 2019, we implemented a new type of observation: safety behaviour in the GRIA programme. Almost a sixth of all observations made were safety behaviour observations. We used unified H&S risk management processes in GRIA and incorporated unified checklists for risk analysis and inspections. We work in close cooperation with our contractors on safety issues. Contractors receive safety information/training and we encourage them to

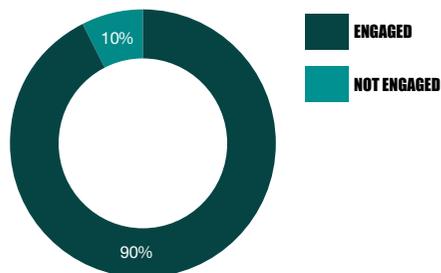
report observations, including positive comments, near misses and accidents, in GRIA.

The GRIA programme has many advantages: good options for data analysis, a common account for all employees which makes it possible to monitor reported occurrences, an easy and logical way to obtain periodical reports and other necessary information. Via GRIA, we can share information and learn from other companies' experiences. The system is user-friendly and easy to learn; all our languages are supported and available online and in the mobile app.

In 2019, an e-learning platform named Lime Learning was implemented at Nordkalk. To start with, various courses on safety, introduction, company, law and software are available to all our employees in five languages. The online courses can be completed easily using a computer or mobile device.

During 2019, there were no work-related fatalities at Nordkalk.

## EMPLOYEES ENGAGED IN SAFETY WORK %



## ACCIDENT RATE AND SAFETY OBSERVATIONS



## LOST WORKING DAYS DUE ACCIDENT



The work-related accident rate (LTA1) improved to 6.9 (8.9 in 2018). The target of 5.0 was not reached, even though the number of accidents was 4 less than in 2018. LTA1 is the definition for an accident leading to absence for at least one day. The overall work-related accident rate (LTAO + LTA1) was 10.6 (16.0 in 2018) and did meet the 2019 target of max 12.

Number of lost working days reduced by 57%, from 233 days in 2018 to 100 days in 2019. In 2019, 90% of all employees made observations during the year. The calculated average number of observations per employee (safety observation rate) was 7.4 (6.6 in 2018). It shows the right attitude and a high level of awareness of safety issues. All statistics are based on our own employees including affiliated companies (with the exception of the companies in Norway).

# 7

## MATERIAL ISSUES

- Occupational health and safety

## WE COMMIT TO

- being a safe place to work, aiming to zero accidents for personnel and others on our premises
- establishing positive safety culture, where all employees are engaged in safety thinking and committed to safe behaviour and an accident-free working environment
- developing personnel competence in safety issues
- ensuring contractors' compliance with health and safety regulations
- prioritising health and safety in all decisions and situations.

# INVESTMENTS

## NEW PACKAGING LINE MORE SUSTAINABLE FROM THE SHOP FLOOR TO THE CUSTOMER

In 2019, Nordkalk purchased a packaging line in Uddagården, Sweden, for packing all of Nordkalk's bag products.

With the new line, packing is dust free and requires less manual lifting, both of which improve the working environment considerably. The packaging line will be used for the products from Uddagården, Landskrona and Ignaberga, Sweden, and for slaked lime products from Tytyri, Finland.

The new line also introduces new bags with a new design and new sizes. At least 50% of the new bags are made of recycled plastic. The packing density of packaged powder products is higher, resulting in less transportation and saving both the environment and the customer's expenses. The well-designed smaller bags and the comprehensive information on them better serve the customers, whilst packaged goods means cleaner transport vehicles and storage facilities.

### READY FOR LAUNCH IN EARLY 2020

The construction of silos and other preparations started in spring 2019. The preassembly phase of the line took place at the supplier's, and it was delivered for assembly in Uddagården in September. Autumn 2019 was reserved for finishing touches and the training of the operators and maintenance personnel. The line has been designed to be operated by one person. The packaging line will be taken into use in early 2020.



# ECONOMIC STABILITY AND PROFITABLE GROWTH

In order to secure future growth and sustainable development, Nordkalk's strategy was revised at the end of 2019. The strategy work was based on the analyses of Nordkalk's operating environment, activities and business opportunities that were performed as part of the performance improvement programme started in the beginning of 2019.

The revised strategy drives growth in the limestone business and has a strong focus on sustainability, promoting activities in circular economy and taking steps towards fossil-free operations. The strategic priorities are increased limestone offering and new circular products; driving growth in the customer segments Agriculture, Construction and Chemical Industry; expanding our market and geographical presence through acquisitions and partnerships; and developing limestone reserves. The performance improvement programme will continue to strive for operational excellence.

## SECURING LIMESTONE RESERVES

Securing access to limestone is fundamental to Nordkalk's business. In 2019, we extracted 13 million tonnes of limestone. This represents less than 5% of the company's total reserves, which we aim to secure for a minimum of 20 years per site.

Nordkalk has adopted the United Nations Framework Classification (UNFC) methodology to evaluate the availability of our mineral reserves and resources. There is a bridging system between the UNFC classification and the widely used CRIRSCO-based mineral reserves standards.

The advantage of the UNFC classification, and the reason it suits Nordkalk, is its three-dimensional approach: The mineral assets are evaluated based on i) the environmental and socio-economic status, ii) the technical feasibility dimension and iii) the geological level of confidence. The parameter of access to land and the permit issues are often crucial and ruling in Nordkalk's case. The main classes of mineral assets are called Commercial (reserves) and Potential Commercial (resources).

On 1 April 2019, the Swedish Supreme Court rejected Nordkalk's application for a leave of appeal for Bunge Quarry, which meant that the negative decision by the Land and Environment Court of Appeal on 11 September 2018 gained legal force. Nordkalk's legal opportunities to obtain a permit for Bunge Quarry were thus exhausted. Nordkalk has decided not to pursue the legal process regarding the Natura 2000 designation in Bunge at the European Court of Human Rights in Strasbourg.

In accordance with the terms of the permit, the two small open pits in Bunge, dating from 2006, will now be re-cultivated. This will be done in mutual understanding with the County Board as prescribed in the permit. A joint case review was carried out by Nordkalk and the County Board in November 2019.

Exploration drilling projects and permit processes aiming at securing the reserves are run on a continuous basis. In 2019, such active development projects were ongoing in Miedzianka and Slawno, Poland, in Ukraine, on Gotland island, in Karinu, Estonia, and in Lappeenranta, Finland.

In Ignaberga, Sweden, and in Klinthagen on Gotland island, new environmental permits enabling extraction were granted, though the latter is subject to an appeal process. In Mustio, Finland, there is an active permit, but the environmental permit for an extension has been appealed. In Orsa, Sweden, an updated permit application was submitted.

## CUSTOMER SATISFACTION

In the customer survey made in 2017 the customer satisfaction index showed a good level. As a result of the reorganisation effective from 1 November 2019, Nordkalk has put more focus on Key Account Management. During 2020 the Nordkalk sales team will carry out in-depth analyses, including interviews, of selected customers, in order to even better understand our customers' future needs and how we can generate long-term value for our customers.

Effective and prompt corrections to reasons for customer claims often require thorough work and the cooperation of several departments. Each department needs to make customer claims a high priority so that we can take rapid action. The percentage of claims closed within two months, improved from 17% to 15% in 2019. Nordkalk participates regularly in audits conducted by our customers. A list of questions asked by our customers has been drawn up with the purpose of improving and better meeting customer requirements. These audits are sometimes critical for winning customer tenders.

# 8

## MATERIAL ISSUES

- Economic performance and growth
- Secure limestone reserves
- Customer satisfaction

## WE COMMIT TO

- long-term profitable growth, thus creating value for generations of stakeholders
- securing limestone reserves well into the future
- being a long-term, loyal partner to our customers
- providing local jobs and taxes
- being transparent in our reporting practices
- emphasising sustainability in all decisions and actions.

# ENERGY SAVINGS IN MIEDZIANKA

Organising operations in a place like Miedzianka plant, where ca 6 million tons of limestone is excavated and processed annually, is a huge challenge. An even greater challenge is reducing the energy consumption of operations not only to minimise costs, but to minimise emissions and use the resources in a sustainable way.

As part of the NICO programme implemented in 2019, all processes and working methods in Miedzianka were thoroughly traced and analysed in order to optimize them.

Production and logistics dumpers and wheel loaders have been equipped with sensors that send information on the location of the machine, the time it spends in a specific place, e.g. during loading, to determine where idle times occur and where machines are not used efficiently enough.

The next step was to improve the traffic of 16 dump trucks and eliminate situations where vehicles drive in groups to the quarry and then to the hopper on the crushing line, wasting time in queues. Andon type signalling was installed to indicate whether there is still room for stone in the hopper or whether

it is full and the material should be dumped in the designated buffer place, without wasting time on vehicle manoeuvres.

The improvement included the loading of trains. 40% of the transport from Miedzianka plant is carried out by rail. After the analysis, the arranging of the stacking yards for rail transport was reorganised to fill the wagons more efficiently in a shorter time.

Other changes concerned the break system and shift work arrangements. The breaks are now staggered and have been merged with refuelling. For example, when the machine operators working in the quarry spend their breaks in their fully equipped camper van, the foreman refuels the vehicles. Again, it has helped to decrease the amount of break time as well as oil and energy consumption, whilst increasing the efficiency and reducing emissions.



# QUALITY OF ALL ACTIVITIES

During 2019, Nordkalk started a major transformation programme called NICO, with the aim of improving Nordkalk's performance and profitability in the long run. As part of the programme, all main activities including Production, Commerce, Procurement, Administration (SG&A) and Net Working Capital were analysed, leading to more than 300 improvement initiatives.

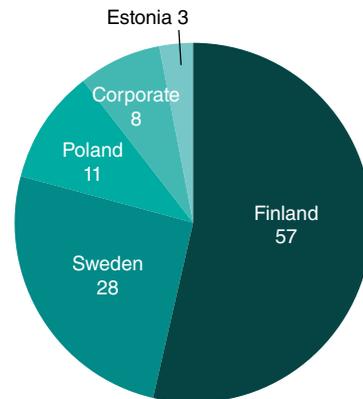
All major improvement activities in 2019 were carried out under the NICO umbrella, including the Continuous Improvement Process (CIP). We continued the Lean Six Sigma trainings in the first half of the year and trained a total of 22 new candidates for the Yellow Belt level. The NICO programme generated a total of 101 projects, 328 initiatives and 2298 milestones. Most of the projects will continue into 2020, providing us with improved efficiency in all our main activities.

The 5S method for a clean, organised and safe workplace was successfully continued, and the number of 5S audits performed was 995 during 2019. Each audit is automatically recorded in the health and safety data collection system, which helps us monitor progress in an efficient way. The high number of audits reflects the overall situation in 5S, which has been improved significantly compared with 2018.

## CONTINUOUS IMPROVEMENT PROCESS

The new CI process (CIP) has now been in use for a year. In 2019, the total number of CIP suggestions was 107.

## NUMBER OF CIP SUGGESTIONS PER COUNTRY



## ICT

Nordkalk's ICT considers different IT design, architecture, and hardware options to achieve computing and network availability, reliability and performance that enables us to achieve our business objectives with less energy. One action towards energy saving is constant harmonising and simplifying of the IT landscape.

Workstation lifecycle management at Nordkalk enables the lifecycle of our computers to be prolonged. Computers are recycled and given a new purpose, which decreases CO<sub>2</sub> emissions, energy consumption and waste. Workstation lifecycle management is certified by ISO 9001, ISO 14001 and ISO 27001 through Nordkalk's leasing partner.

## CERTIFIED IN QUALITY, ENVIRONMENT AND HEALTH AND SAFETY

Nordkalk's Management System is based on the principle of continuous improvement. It is presented on page 11.



# 9

## MATERIAL ISSUES

- Corporate governance
- Continuous improvements
- Capacity utilisation
- Transparency in reporting

## WE COMMIT TO

- continuously improving efficiency and reducing unnecessary work, mistakes and costs
- applying the Continuous Improvement Process
- harmonising and unifying our business processes, where applicable
- implementing modern technology such as digital solutions

# SOCIAL ACCEPTANCE MUST BE EARNED

The approval of the surrounding community is important for any industry, particularly for the mining industry, since the extraction of natural resources leaves a visible mark on the environment.

Mineral extraction is only possible in places where the deposits are located. In the case of limestone, it is often near inhabited areas because lime-rich soil means lush vegetation and good conditions for farming.

Limestone is a safe, environmentally friendly mineral to extract. It does not cause harmful leakage; on the contrary, limestone-based products are used to neutralise process waters in metal mines. Limestone is used in municipal water treatment, both for drinking water and waste water. Natural waterways with a low pH value can be revived with lime.

When quarry operations are expanded or a completely new mine is planned, it naturally raises questions in the communities nearby.

In order to earn social acceptance, the mining companies need to be transparent in their operations and act in a responsible way in all situations. This is a prerequisite for successful operations.

It is good to remember that companies bring financial wellbeing to their local communities through jobs and taxes and by contributing to a variety of local activities. On these two pages, we give some examples of how Nordkalk acts in its locations. More examples can be found throughout this report.

## WATER ISSUE IN MIEDZIANKA SOLVED QUICKLY

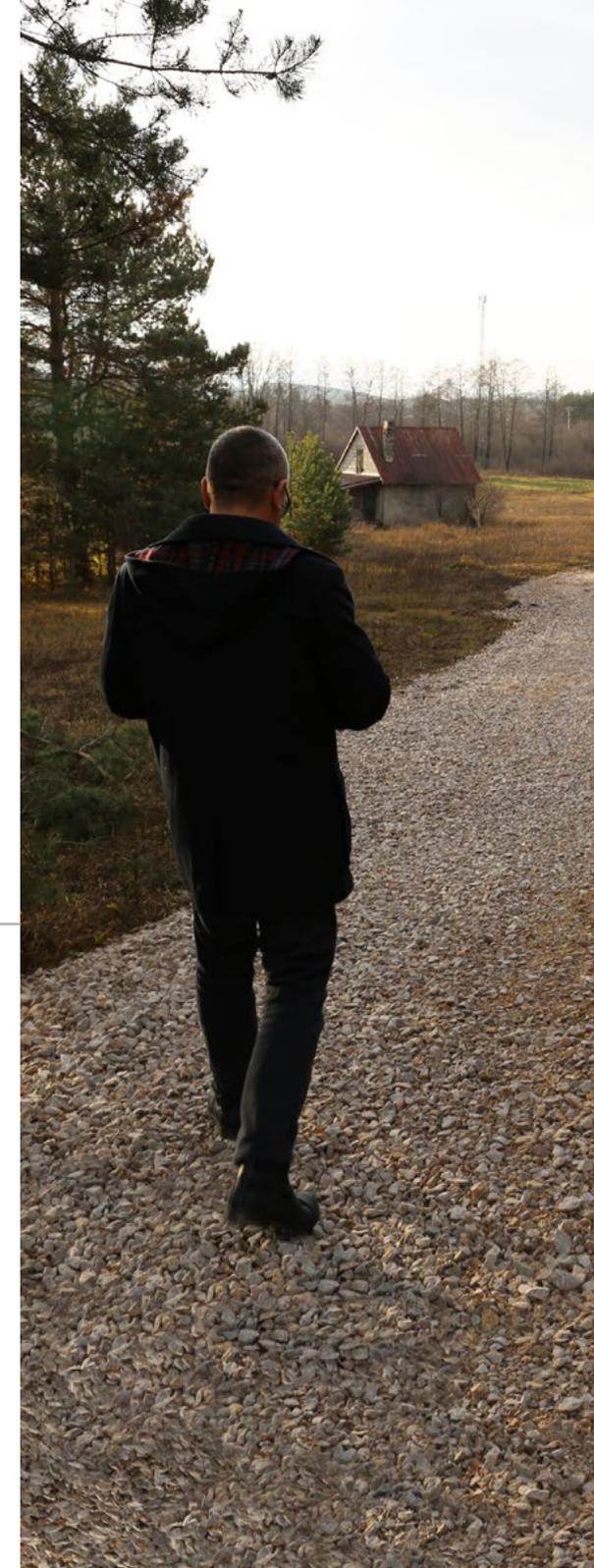
In mid-June 2019, Nordkalk in Miedzianka faced a very serious crisis. The well at the mine, from which water was supplied to several nearby villages, had been contaminated with clay. The water showed very high levels of manganese and iron and was not suitable for consumption or household use. Upon Nordkalk's order, drinking

water was constantly provided by tankers to every house affected by the contamination, and firefighters from the Piekoszów Commune delivered water for household purposes. The situation was even more difficult because of the exceptionally hot weather.

The pumping of the well recommended by the hydrogeology expert did not produce the expected results; therefore, in cooperation with the Commune of Piekoszów and the Municipal Services, Nordkalk was exhaustively looking for a solution on how to switch the water supply network from the intake at the Miedzianka mine to a new municipal well in Lesica, which was launched in autumn 2018.

For technical reasons, this turned out to be very complicated, but every party put in maximum effort to provide the inhabitants with good quality water as soon as possible. Residents also expected a laundry service to be organised for them during the water problems. And in fact, within two days, Nordkalk opened a laundry point where clothes could be washed.

It was only thanks to the close cooperation of the Municipal Services in Piekoszów and Nordkalk that the unfortunate situation was managed quickly by connecting to the water intake in Lesica. The construction of a new municipal water supply network is now a priority for the near future.





## NORDKALK SUPPORTS WITH AGGREGATES

Nordkalk is willing to help local communities, which often takes the simple form of donating the aggregates produced by the Miedzianka Plant to reinforce neighbouring roads or areas of public use. In 2019, Nordkalk donated 1500 tons of aggregates of various fractions.

Many roads in the vicinity of the Miedzianka Plant are dirt roads, which become difficult to use after rain. Reinforcing them with aggregates from Miedzianka definitely improves their condition and makes residents' lives much easier. This is the case in Gałęzice village, where one of the roads runs around the quarry and needs to be repaired every few months. Zajączków village needed gravel for the square at the fire station, which is the location for many public events, such as the Harvest Festival last August. The Family Centre "With a Smile" in Józefina supports people with various disabilities. Many of their patients use wheelchairs, so it was essential to make a carpark for them with a proper surface. In Skalka village, Nordkalk helped extend the road to a single house at the edge of the village where an elderly person lives alone. It was not possible to reach the house by car or ambulance and thanks to Nordkalk the situation has improved. Skalka village also received 10 tons of sand for the sandpit in the playground. Nordkalk provided aggregates for decorating the area around the building of the Commune Office as well as the building of the Municipal Services in Piekoszów, which had recently undergone a major renovation.

This kind of support seems to be the most appreciated by the locals.

## YOUNG FOOTBALLERS' FOREST PLANTING PROJECT

In 2019, when choosing sponsorships in Finland, the emphasis was on the environmental aspect. We wanted to sponsor environmental undertakings, such as cleaning beachfronts or city environments, planting trees, cleaning water ways, or any other activity to improve the wellbeing of our environment.

Nordkalk agreed to sponsor the boys and girls (born 2010-2011) of FC Saukkolan Pallo in Lohja,

Finland, who planted spruce seedlings in June 2019. Altogether, 25 children and 23 adults took part in the planting project.

Tree planting was an interesting and fun activity for the children. It is also an excellent environmental deed that helps to expand the forest carbon sink and improve the wellbeing of our environment.

## AFTERCARE OF ORSA PLANT STARTED

Nordkalk's production plant in Orsa, Sweden, dating from 1902, had fallen in bad condition during the decades, making it an eventual health & safety risk. In 2017, a decision was made to discontinue operations, demolish the 46 buildings in the production area and commence aftercare actions.

Planning and preparations began in 2018 and the demolition work lasted from May to November in 2019. A weight bridge and a weight house were left

in place for further use. The demolition work was carried out with no environmental or H&S incidents, and no notable contaminated soil was detected under the demolished buildings. The clean-up and preparations for re-cultivation of the area were initiated in 2019 and are ongoing. The concrete sorted from the demolished buildings was recycled and used to landscape a steep slope in the area as part of re-cultivation preparations. The total budget for the demolition and landscaping work is EUR 2 million.

## WORKSHOPS FOR SCHOOLCHILDREN

Nordkalk strives to build awareness among the youngest generation of how important it is to mitigate climate change and how to treat nature with respect.

Read more:



# KEY PERFORMANCE INDICATOR TABLE

FOCUS AREA/KPI	ACTUAL 2017	ACTUAL 2018	ACTUAL 2019	GOAL 2019	GOAL 2020	KPI CALCULATION
<b>CLIMATE IMPACT</b>						
Improved energy efficiency, %	0.98	1.12	1.23	0.75 % / a	0.75 % / a	Annual energy saving impact from energy efficiency actions implemented during subject year.
Specific CO <sub>2</sub> emissions for kiln processes	1.1 tonne	1.1 tonne	1.1 tonne	Decrease in the long term	Decrease in the long term	CO <sub>2</sub> emissions / tonne quicklime
<b>RESPONSIBILITY FOR LAND, WATER AND BIODIVERSITY</b>						
Number of updated recultivation plans	7/23	22/23	22/26	100 % review and update of all the plants	100 % review and update of all the plants	Number of up to date plans as share of total sites. Turkey included.
Number of updated water management plans	13/23	21/23	22/26	100 % review and update of all the plants	100 % review and update of all the plants	Number of up to date plans as share of total sites. Turkey included.
Number of baseline records of biodiversity values (sitewise)		22/23	25/26	100 % review and update of all the plants	100 % review and update of all the plants	Number of up to date plans as share of total sites. Turkey included.
Number of active biodiversity projects		5/5	5/5	One active project per Region/Country. NEE/FI, NEE/EE, SCD/Mainland, SCD/Gotland, CE	One active project in FI, EE, SE, Gotland and PL	One active project per region
<b>RESOURCE CONSCIOUSNESS AND CIRCULAR SOLUTIONS</b>						
Material efficiency (%)	97.9	98.5	101.2	> 96 %	> 97 %	Total raw material quarried - all volumes put to heap / Total raw material quarried. Material utilised from heap explain the outcome exceeding 100%. KPAB and Turkey included in the utilisation rate.
Volume of circular products (tonnes)	2 210 028	2 163 849	2 349 058	No goal but report the actual numbers	No goal but report the actual numbers	Including internal and external side streams. Turkey included
<b>SOCIETY ENGAGEMENT AND COMMUNITY DEVELOPEMENT</b>						
Social acceptance plan for each NK region and plant		3/3	3/4	1 plan/region, 4/4, add Turkey	Plan made in connection to operation expansions and other changes in which plan is estimated useful.	Number of social acceptance plans. Turkey included
Memberships in associations		17	18	Update list of critical memberships. Improve engagement.	Update list of critical memberships. Improve engagement.	Number of business critical memberships.
<b>ETHICAL BEHAVIOR</b>						
Supplier audits	21	24	18	50% audited from critical suppliers list (143 suppliers)	Target definition under review to improve and make more specific	Number/percentage audited critical suppliers. Critical suppliers updated yearly. Audit all critical suppliers within two years (yearly target 50%).
Number of complaints from the Whistle Blowing System	0	2	1 / 2 (2 reported cases 2019, of them 1 was resolved in 2019)	Zero complaints.	All reported misconduct cases are investigated and resolved within a reasonable time from when the case was first reported	Number of complaints from the Whistle Blowing System

# KEY PERFORMANCE INDICATOR TABLE

FOCUS AREA/KPI	ACTUAL 2017	ACTUAL 2018	ACTUAL 2019	GOAL 2019	GOAL 2020	KPI CALCULATION
<b>GOOD PLACE TO WORK</b>						
Personnel Survey/people Power Index	Satisfactory	Satisfactory	Satisfactory +	Satisfactory +	Satisfactory +	Result in survey compared to People Power Index from Survey company,
Employee turnover	8.64%	8.39%	14.12%	No increase in employee turnover	No increase in employee turnover	Number of new employees and employees leaving the company yearly.
Percentage male/female employees	80/20	81/19	81/19	No goal but report the actual numbers	No goal but report the actual numbers	Percentage male/female of total number of employees
Percentage blue collar/white collar	64.7%/35.7%	65.2%/34.8%	66.0/34.0	No goal but report the actual numbers	No goal but report the actual numbers	Percentage blue collar/white collar of total number of employees
Percentage fulltime/parttime employees	98.2%/1.8%	98.6%/1.4%	98.7/1.3	No goal but report the actual numbers	No goal but report the actual numbers	Percentage full-time/part-time of total number of employees
<b>SAFE PLACE TO WORK</b>						
Safety first, reduced work related accident rate, LTA1	7.7	8.9	6.9	≤5	≤5	Number of accidents (LTA1, own personnel) / million working hours per year.
Safety first, reduced Total work related accident rate, LTA0 +LTA1	10.6	16	10.6	≤12	≤12	Number of accidents (LTA0+LTA1, own personnel) / million working hours per year.
Employees engaged in safety work %	84%	92%	90%	100 %	100%	% of employees that have made 1 or more observations, per country
Safety observations rate	5.5	6.6	7.4	4	4	Number of safety observations per employee
<b>ECONOMIC STABILITY AND LONG TERM GROWTH</b>						
EBITDA, %	17.9%	17.8%	20.0%	profitable growth (report actual)	profitable growth (report actual)	EBITDA %:Result before interest, taxes, depreciation and amortization / Turnover.
Turnover	304m€	300 m€	290m€	profitable growth (report actual)	profitable growth (report actual)	
Number of reported customer claims	63	83	96	Less than last year	Less than last year	
Improve customer claims closing within 2 months	27 %	17%	15%	< 15 %	< 10 %	Percentual part (%) of the reported claims, which are not closed within 2 months, time period previous 12 months
Share of annual consumed reserve	3.2%	4.1%	4.7%	< 5 %	< 5 %	Consumed annual share of available reserve (permitted and accessible)
<b>QUALITY IN ALL ACTIVITIES</b>						
Number of initiatives in Continuous Improvement Process	126	176	107	Number of initiatives in CIP bigger than last year	Number of initiatives in CIP bigger than last year	Target is to increase the number of initiatives in Continuous Improvement Process yearly
Number of employees trained in Len Six sigma		58	22	50-60 additional trained persons in LSS	10-20 persons in LSS trainings	

GRI Content Index		Pages	Compliance
<b>Organizational profile</b>			
102-1	Name of the organization	5	■
102-2	Activities, brands, products, and services	6-7	■
102-3	Location of headquarters	5	■
102-4	Location of operations	4	■
102-5	Ownership and legal form	5	■
102-6	Markets served	4-5, 6-7, 9	■
102-7	Scale of the organization	5	■
102-8	Information on employees and other workers	5, 33, 42-43	■
102-9	Supply chain	30-31	■
102-10	Significant changes to the organization and its supply chain	5, 33, 37	■
102-11	Precautionary Principle or approach	10	■
102-12	External initiatives	17-19, 28-29, 40-41	■
102-13	Membership of associations	15	■
<b>Strategy</b>			
102-14	Statement from senior decision-maker	3	■
102-15	Key impacts, risks, and opportunities	10-11, 12-13, 15-16	■
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	2, 10-11, 31, 33, 35, 39	■
102-17	Mechanisms for advice and concerns about ethics	10-11, 31	■
<b>Governance structure</b>			
102-18	Governance structure	10-11	■
102-20	Executive-level responsibility for economic, environmental, and social topics	10-11	■
102-26	Role of highest governance body in setting purpose, values, and strategy	10-11, 37	■
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	15-16	■
102-41	Collective bargaining agreements	33	■
102-42	Identifying and selecting stakeholders	15-16	■
102-43	Approach to stakeholder engagement	15-16	■
102-44	Key topics and concerns raised	15-16	■
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	10-11, 45	■
102-46	Defining report content and topic boundaries	12-13, 15-16, 45	■
102-47	List of material topics	12-13, 16	■
102-48	Restatements of information	45	■
102-49	Changes in reporting	12-13	■
102-50	Reporting period	45	■
102-51	Date of most recent report	45	■
102-52	Reporting cycle	45	■
102-53	Contact point for questions regarding the report	47	■
102-54	Claims of reporting in accordance with the GRI Standards	13, 45	■
102-55	GRI content index	44	■
102-56	External assurance	45	■

GRI Content Index		Pages	Compliance
<b>GRI 103: Management approach</b>			
103-1	Explanation of the material topic and its Boundary	12-13, 16, 23, 25, 27, 29, 31, 33, 35, 37, 39, 42-43	■
103-2	The management approach and its components	12-13, 16, 23, 25, 27, 29, 31, 33, 35, 37, 39, 42-43	■
103-3	Evaluation of the management approach	12-13, 16, 23, 25, 27, 29, 31, 33, 35, 37, 39, 42-43	■
<b>ECONOMIC STANDARDS</b>			
<b>GRI 201: Economic performance</b>			
201-1	Direct economic value generated and distributed	5, 9, 37, 42-43	■
<b>GRI 203: Indirect economic impacts</b>			
203-1	Infrastructure investments and services supported	9, 29, 37, 40-41	■
<b>GRI 205: Anti-corruption</b>			
205-1	Operations assessed for risks related to corruption	11, 31	■
205-2	Communication and training about anti-corruption policies and procedures	31	■
205-3	Confirmed incidents of corruption and actions taken	31	■
<b>GRI 206: Anti-competitive behavior</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	31	■
<b>ENVIRONMENTAL STANDARDS</b>			
<b>GRI 301: Materials</b>			
NK1:Own indicator	Material efficiency	27, 42-43	■
301-2	Recycled input materials used	27, 42-43	■
<b>GRI 302: Energy</b>			
302-4	Reduction of energy consumption	23, 42-43	■
<b>GRI 304: Biodiversity</b>			
304-3	Habitats protected or restored	24-25, 42-43	■
<b>GRI 305: Emissions</b>			
305-1	Direct (Scope 1) GHG emissions	23, 42-43	■
<b>GRI 306: Effluents and waste</b>			
306-3	Significant spills	25	■
<b>SOCIAL STANDARDS</b>			
<b>GRI 403: Occupational health and safety</b>			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	35, 42-43	■
403-4	Health and safety topics covered in formal agreements with trade unions	35	■
<b>GRI 413: Local communities</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	29, 42-43	■

■ Full compliance ■ Partly compliance

# REPORTING PRACTISE

The Nordkalk 2019 Sustainability Report covers Nordkalk Corporation, its fully owned subsidiaries and the affiliated company in Sweden. In regard to financial, personnel and health and safety data, all consolidated affiliated companies are included in the information reported. Any exceptions to this are mentioned in the KPI table on pages 42-43. The Sustainability Report is a separate report from the Annual Report. Nordkalk Corporation is included in the Annual Report of our owner Rettig Group.

This report is based on the GRI Standards, but does not fully comply with them. The reporting period is 1 January 2019 - 31 December 2019 and reporting takes place annually. The previous report for 2018 was published on our website [www.nordkalk.com/sustainability](http://www.nordkalk.com/sustainability) on 13 March 2019. The information provided in previous reports does not need to be restated. The ten reporting principles have been used as far as possible.

The Nordkalk 2019 Sustainability Report is available as a digital version (pdf), which can be downloaded from our website: [www.nordkalk.com/sustainability](http://www.nordkalk.com/sustainability), and some of the information has been published on the website. Any questions regarding the report should be made to the contacts for each focus area found at the end of this report. The report has been reviewed in its entirety by KPMG.



KPMG Oy Ab  
Tuoloniitienkatu 3 A  
PO Box 1037  
00101 Helsinki  
FINLAND

Telephone +358 20 760 3000  
[www.kpmg.fi](http://www.kpmg.fi)

## Independent Assurance Report to the Management of Nordkalk Corporation

We were engaged by the Management of Nordkalk Corporation (hereafter "Nordkalk") to provide limited assurance on Nordkalk's corporate sustainability data presented in Nordkalk's Sustainability Report 2019 for the year ended Dec 31, 2019 (hereafter "Sustainability Data").

### Management's responsibilities

The Management of Nordkalk is responsible for the preparation and presentation of the Sustainability Data in accordance with the reporting criteria, i.e. *GRI Sustainability Reporting Standards*, and the information and assertions contained within it; for determining Nordkalk's objectives in respect of sustainable development performance and reporting, including the identification of stakeholders and material issues; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

### Our responsibilities

Our responsibility is to carry out a limited assurance engagement and to express a conclusion based on the work performed. We conducted our assurance engagement on Sustainability Data in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board IAASB. That Standard requires that we plan and perform the engagement to obtain limited assurance about whether the Sustainability Data is free from material misstatement.

KPMG Oy Ab applies International Standard on Quality Control ISQC 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants IESBA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

### Procedures performed

A limited assurance engagement on Sustainability Data consists of making inquiries, primarily of persons responsible for the preparation of information presented in the Sustainability Data, and applying analytical and other evidence gathering procedures, as appropriate. These procedures included for example:

- Interviews with a member of Nordkalk's senior management, and relevant staff responsible for providing the information in the Sustainability Data;
- An assessment of the Sustainability Data's conformity with the principles of the *GRI Sustainability Reporting Standards* for defining content and reporting quality;
- An assessment of data management processes, information systems and working methods used to gather and consolidate the presented Sustainability Data, and a review of related internal documents;
- Testing of Sustainability Data accuracy and completeness through samples from original documents and information systems;
- A site visit conducted to one of Nordkalk's sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Inherent limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. Therefore, fraud, error or non-compliance may occur and not be detected. Additionally, non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating and estimating such data.

### Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the data subject to the assurance engagement is not presented, in all material respects, in accordance with the reporting criteria *GRI Sustainability Reporting Standards*.

Helsinki, 5 March 2020

KPMG Oy Ab

Tomas Otterström  
Partner, Advisory

KPMG Oy Ab, a Finnish limited liability company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.  
Document Classification: KPMG Confidential

Y-tunnus 1805485-9  
Kolipaikka Helsinki

# INTRODUCING OURSELVES TO THE SURROUNDING SOCIETY ON SOCIAL MEDIA

Nordkalk is present on several social media channels since some years ago. We are present on social media to keep information updated and transparent with multiple Facebook pages, Instagram, LinkedIn, Youtube and Twitter besides our webpages in local languages. One main attraction of social media is that it is a platform where people meet and get to know one another. When you know someone, it makes interacting and understanding each other that much easier. A big industrial company in one's hometown can remain distant and unfamiliar. The purpose of our presence on social media is to be easily reachable for our communities and to tell our story to our hometown and beyond; who we are, what we do and why our product, limestone, is essential for the society.

## PEOPLE AND MACHINES TOP CHARTS

From the engagements and reactions on our social media channels, we can tell that the most popular contents in 2019 were on one hand glimpses into the everyday lives and work of our people and on the other hand, the big machines we operate in the quarries and mines. Dancing in the quarry may not exactly count as a part of our everyday life, but videos on us doing just that on Gotland Sweden topped the charts:



# COUNTRY

## FINLAND

Nordkalk Oy Ab  
Skräbbölevägen 18  
FI-21600 Pargas  
Phone + 358 (0)20 753 7000

## SWEDEN

Nordkalk AB  
Kungsgatan 56, 2 tr  
SE-111 22 Stockholm  
Phone + 46 (0)10 476 2500

## ESTONIA

Nordkalk AS  
Faehlmanni 11a  
Rakke  
EE-46301 Lääne-Virumaa  
Phone +372 326 0720

## POLAND

Nordkalk Sp. z o.o.  
pl. Na Groblach 21  
PL-31-101 Kraków  
Phone +48 12 428 6580

## GERMANY

Nordkalk GmbH  
Innungsstraße 7  
21244, Buchholz  
Phone +49 171 529 6601

## RUSSIA

Nordkalk LLC  
Russian Federation  
188457 Leningrad Region  
Kingisepp district  
Village of Alekseevka  
Phone +7 921 9361 641

## LITHUANIA

Nordkalk Corporation  
Vasario 16-osios 46  
LT-76291, Šiauliai  
Phone +370 41 521 786

## NORWAY

NorFraKalk AS  
Kometvegen 1  
NO-7652 Verdal  
Phone +47 99 01 73 05

## TURKEY

Nordeka Maden AS  
Eskibalıklı köyü No:147  
TR-17200 A Biga-ÇANAKKALE  
Phone +90 850 360 1 286

## UKRAINE

Nordkalk Ukraine TOV  
Galytska st. 10  
UA-76018 Ivano-Frankivsk  
Phone +380 673 444 020

## SUSTAINABILITY CONTACTS

Questions regarding this sustainability report or our sustainability work, please contact responsible for respective focus area below:

### Climate impact

Markus Fagervik, Energy, Environment and Quality Director  
Phone: +358 (0)20 7537333,  
E-mail: markus.fagervik@nordkalk.com

### Responsibility for land, water and biodiversity

Håkan Pihl, Director of Sustainability  
Phone:+358 (0)20 7537169  
E-mail: hakan.pihl@nordkalk.com

### Resource consciousness and circular solutions

Annica Lindfors, Senior Sales Manager  
Phone: +358 (0)20 7537335  
E-mail: annica.lindfors@nordkalk.com

### Society engagement and community development

Hanne Mäkelä, Chief Communications and Brand Officer  
Phone: +358 (0)20 753 7109  
E-mail: hanne.makela@nordkalk.com

### Ethical behavior

Riikka Rantanen, Legal Counsel  
Phone: +358 (0)20 7537138  
E-mail: riikka.rantanen@nordkalk.com

### Good place to work

Helena Björkqvist, HR, Travel Coordination  
Phone: +46 (0)10 4762660  
E-mail: helena.bjorkqvist@nordkalk.com

### Safe place to work

Juha Virolainen, Health and Safety Manager  
Phone: +358 (0)20 7537622  
E-mail: juha.virolainen@nordkalk.com

### Economic stability and profitable growth

Miikka Länsimies, Group Controller  
Phone: +358 (0)20 7537127  
E-mail: miikka.lansimies@nordkalk.com

### Quality of all activities

Kalle Josefsson, Chief Development Officer  
Phone: +358 (0)20 7537716  
E-mail: kalle.josefsson@nordkalk.com



**Nordkalk is a leading company providing limestone-based products and solutions in Northern Europe, with a strong position in Poland. Our limestone contributes to clean air and water as well as the productivity of agricultural land. We deliver essential raw materials for construction and to numerous industries.**

Follow us:



[www.nordkalk.com](http://www.nordkalk.com)

