



# LKAB Modern Slavery Act Transparency Statement 2021

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes the LKAB Group's slavery and human trafficking statement for the financial year ending 31 December 2021.

Approved by the Board of Directors of  
Luossavaara-Kiirunavaara AB (publ)  
on 14 February 2022



## **Introduction**

LKAB's commitment to human rights includes those principles recognised in international human rights standards such as the Universal Declaration of Human Rights (UDHR) and the ILO core conventions of labour standards.

LKAB is committed to operating responsibly and establishing high ethical standards across our company. We will not tolerate any forms of modern slavery or human trafficking in our business.

The UK Modern Slavery Act of 2015 requires certain companies carrying on a business in the U.K. to publish a statement each year describing the steps taken to ensure that modern forms of slavery and human trafficking are not taking place in the company's business operations and supply chains.

In this Modern Slavery Act Transparency Statement, we describe our business and our policies and practices on human rights including human trafficking, in relation to our operations and supply chains.

## **Our business**

Luossavaara-Kiirunavaara AB (publ), which is abbreviated LKAB, is an international high-tech mining and minerals group that mines and upgrades the unique iron ore of northern Sweden for the global steel industry and a growing supplier of industrial minerals for other industrial sectors. Other group business includes drilling systems, rail transport, rockwork services and property management. We are one of Sweden's oldest industrial companies and are wholly owned by the Swedish state. Sustainability is core to our business and our ambition is to be one of the industry's most innovative, resource-efficient and responsible companies.

The majority of our iron ore products are sold to European steelworks. Other important markets are the Middle East, North Africa, Asia and the USA. The Group employs about 4,800 people in 12 countries.

## **Our structure**

LKAB is structured into two business areas. The Iron Ore Business Area includes mining and processing of iron ore products in Kiruna, Malmberget and Svappavaara in Northern Sweden. The Special Products Business Area is active in 11 countries within the areas of industrial minerals, and mining and construction products and services.



LKAB Minerals Ltd in the UK is part of the Special Products Business Area and has business across eight sites and employs around 250 people. The main operations are processing and marketing of minerals, primarily for the building, construction, polymer, coating, agriculture, refractory and foundry industries. [www.lkabminerals.com](http://www.lkabminerals.com)

### **Our policies**

One of LKAB's governing documents is our Code of Conduct which reflects our commitment to the highest ethical standards. The Code of Conduct applies to all employees and describes how we at LKAB are to conduct ourselves – towards each other, towards our business partners and towards the community around us, but also what those around us can expect of us as a company. It is based on international guidelines and is reinforced by our values - Committed, Innovative and Responsible and on our wish to set an example both in business and in the community. We strive for long-term business relationships founded on trust and the mutual creation of value. Acting ethically creates trust, which in turn paves the way for successful business operations.

The Code covers a wide range of topics relevant to the protection of human rights, including harassment and discrimination, workplace violence, protecting employee privacy and anti-bribery and anti-corruption.

LKAB offers an interactive training on the Code of Conduct. The training is available in Swedish, Norwegian and English and as instructor-led training in other languages. In addition, supervisors and managers are encouraged each year to raise issues concerning sustainability, ethics, follow-up on the Code of Conduct, policies and other steering documents at meetings with their co-workers.

Besides the Code of Conduct, LKAB has other formal policies and governing documents intended to promote ethical and legally compliant business conduct. Policies and governing documents contributing to our commitment to prevent violations of human rights in our business include:

- Sustainability Policy
- Risk Management Policy
- Human Rights guideline
- Routine regarding handling victimisation, harassment and bullying
- Personnel guideline
- Purchasing instruction
- Whistleblower system, SpeakUp
- Supplier Code of Conduct

In accordance with our Sustainability Policy and Human Rights guideline, LKAB shall take responsibility for preventing and minimising any negative impact on human rights. To ensure awareness and progress in this work,



each management team have received an introduction of human rights and have participated in workshops to map the risks within their organisation. The results of all workshops and risk analysis indicate that LKAB is already working on the areas where the greatest identified risks are found.

LKAB continues to monitor relevant legal developments throughout the world relating to human rights and will also focus on modern slavery to maintain LKAB's commitment to operating responsibly and maintaining our high ethical standards across the company. Respect for human rights is non-negotiable.

We support Agenda 2030 and the UN's Sustainable Development Goals and conduct various activities to contribute to achieving the 17 goals. As a signatory member of UN Global Compact, we are committed and continue to support the ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

We strive not to buy any material containing conflict minerals that directly or indirectly favour the armed groups that contribute to significant human rights violations, e.g. in the Democratic Republic of Congo and neighbouring countries.

### **Our supply chains**

LKAB is committed to ensuring modern forms of slavery and human trafficking are not present in our supply chains. We expect businesses, companies, and other entities that provide, or seek to provide, any kind of product or service to LKAB, including our suppliers and contractors to respect human rights and promote similar principles in their own supply chains. LKAB is a significant buyer with about 4,800 suppliers in various sectors. Just over half of purchasing consists of contract work, transport and logistics. A further significant part consists of purchases of equipment, raw materials, minerals and chemicals, as well as various types of services. LKAB's suppliers can be found in 35 different countries; mostly in Sweden and Norway, but also in other parts of Europe, USA and Asia.

Our ambition is to work with suppliers that are exemplary within sustainable business and that value chains are run efficiently with resources focused on increased responsibility towards Agenda 2030.

LKAB Supplier Code of Conduct outlines that we condemn all forms of corruption and fraud, and demand openness, integrity and honesty in all parts of our business operation in every country. In the same way, we clearly repudiate child labour, forced labour and working conditions that can be viewed as harmful, abusive or directly hazardous.



LKAB has continuous dialogue with suppliers and conducts audits and due diligence as well as providing trainings on selected suppliers that are considered to have a higher risk based on, among others, geography, industry, sanctions and business-critical risk. Suppliers with a higher risk level also complete a self-assessment based on our Supplier Code of Conduct, before an audit and due diligence is carried out.

Our review is tailored to the type of supplier and the activities the supplier will be performing for LKAB, and may include background screening, sanctions screening, or review of anti-bribery controls, for example.

### **Our sourcing team**

Purchasing activities are coordinated across entities and follow a common process where cost-efficiency and sustainability are the guiding principles. The process contains of different steps: source, procure, evaluate and develop suppliers. In the sourcing phase we identify, qualify and approve new suppliers based on the LKAB Supplier Code of Conduct and risk analysis. If we decide to move on with the supplier, we ask them to take part of the LKAB Supplier Code of Conduct and complete a self-assessment before we conduct an audit and due diligence. Our process includes continuous follow-up to evaluate and monitor supplier performance. It also includes to develop suppliers who does not comply fully with LKAB's requirements but still is considered to add value and show ambitions to improve.

Through cooperation we develop a sustainable supply chain. The way we work with our suppliers to uphold human rights is set in our Supplier Code of Conduct. We expect our suppliers to adhere to our Supplier Code of Conduct and to conduct their business in accordance with the law and ethical manner, which includes adopting business practices that prevent modern slavery and human trafficking from taking place within their supply chain.

In cases where the audit results are not according to our standards, we have formed joint development programmes together with our suppliers, such as trainings within health and safety and working conditions. If objectives have not been met and no good reason is given, the relationship has been cancelled, or the supplier has been suspended until improvements are shown.

The status today is that all suppliers of LKAB have to approve our basic requirements in order to be able to supply products and services to us. The basic requirements are part of the Supplier Code of Conduct and consists of the requirements where we have zero tolerance. Furthermore, our mineral suppliers in high-risk areas have signed LKAB's Supplier Code of Conduct, as well as most of our mineral suppliers in mid or low-risk areas.



All high-risk mineral suppliers and key logistic suppliers have also been audited and trained.

### **In line with the UK Modern Slavery Act**

#### Carried out actions during 2021

- Implemented a new supplier management system and supplier assessment tool
- New strategic group objectives, aiming 2030
- Sustainability roadmap 2030
- Supplier days carried out
- Participated in ICC business and human rights forum
- Global Compact communication on progress reporting

#### Planned actions for 2022

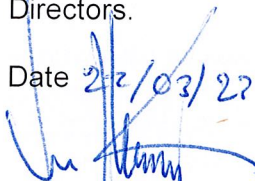
- From our risk mapping identify which further suppliers that will take part of our information and training regarding modern slavery
- Continue to carry out training of all relevant decision-makers within the company on risks, policies and standards of human rights including modern slavery, human trafficking and forced labour
- From previously conducted internal risk assessments on human rights, develop action plans to manage the identified risks
- An updated anti-corruption program based on the 2020 inventory of risks will be developed and implemented
- Improve our due diligence process with regards to human rights, with focus on the supply chain
- Update our Code of Conduct and e-learning

### **Reporting**

LKAB is committed to transparency in our approach to respecting human rights. We report publicly on our progress, including through this annual Modern Slavery Act Transparency Statement.

This statement was approved on 14<sup>th</sup> of February 2022, by the Board of Directors.

Date 22/03/22

  
Jan Moström  
President and CEO