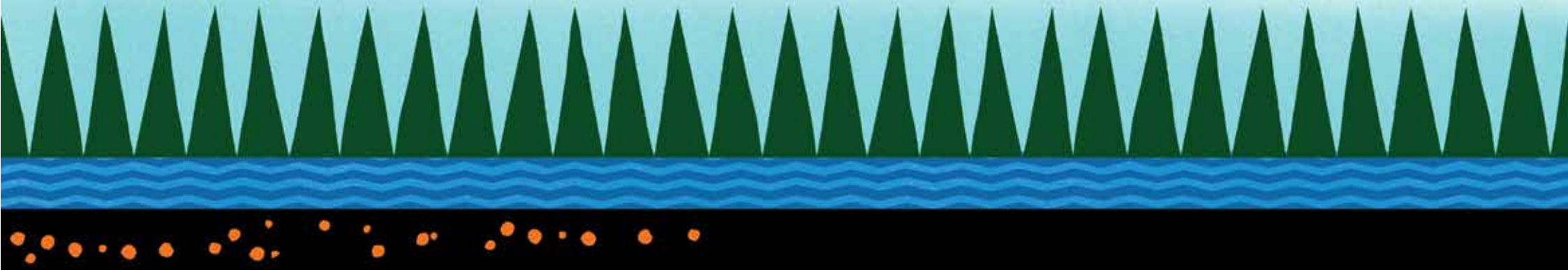


# ENDOMINES

## Sustainability Report 2023



# Sustainability Report 2023

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# Endomines in brief

Our mining operations focus on gold production in Pampalo in the Ilomantsi region and on exploration along the Karelian Gold Line in Eastern Finland. We also hold rights to seven gold deposits in the United States: five in Idaho and two in Montana.

Endomines produces gold concentrate by means of flotation and grinding. Gold concentrate is delivered from the Endomines processing plant to Boliden in Harjavalta, where it undergoes further processing.

The Endomines Pampalo mine started operating in 2010. The production was suspended from the end of 2018 until the beginning of 2022. After operations continued, the

production has been increased in stages and exploration has been continued in Pampalo and other locations along the Karelian Gold Line.

## **A growing mining company that embraces new ways of thinking**

We are building our growth and competitiveness sustainably. As a forerunner in sustainable mining, we take responsibility for the impacts of our business operations on the environment and people. It is important for us to ensure the safety and wellbeing of our personnel, address environmental issues, and see to the good and ethical governance of our company.

## **Our sustainability vision**

We work to be one of the leading companies in responsible and sustainable mining operations and continuous development. We want to be a profitable investment for our shareholders. For our employees we want to be an attractive employer. Market trends are increasingly guiding the use of metals towards sustainable production, driven by the growing demand for sustainably produced gold. We want to respond to this demand by leading the way in the mining industry, which is why we are constantly developing our operations towards more sustainable mining, with sustainability being at the core of our operations and an integral part of the Endomines business strategy.





## From the CEO

I firmly believe that the development of operations through a good sustainability programme is the best way to develop Endomines as a company. We started our sustainability activities in 2022 by conducting a materiality analysis. Based on feedback given by our stakeholders, we prepared our first sustainability programme. Now after two years, we can say that, while we have developed successfully, we have to do much more.

Our operations focus on the Karelian Gold Line in North Karelia, Finland. We also operate in Idaho and Montana in the US. What all of these regions have in common is beautiful nature and people who love it. By giving priority to local workforce, we can also integrate love for nature into our corporate culture. As a fairly small growth company, we can make rapid decisions and, in the field of sustainability, achieve something that a larger company cannot. We seek to be among the leading companies in terms of sustainability, and want others to come to learn from us, even from farther away.

Openness and a continuous dialogue are important in our operations. Close cooperation with local residents and companies is part of openness. We can only earn others' trust in our operations by operating openly and appropriately. Trust changes cooperation into partnerships in which operating policies for sustainable production are defined and created together.

We are committed to complying with the following principles in our daily decision making:

- Guaranteeing a safe and enjoyable workplace for our employees and partners.
- Ensuring a good living environment for future generations.
- Providing an active partnership for local communities and supporting local companies.
- Showing respect to our partners and stakeholders.
- Ensuring financially sustainable business.

I hope that the goals set in our sustainability programme are conveyed through our operations and we are seen as a reliable local partner in the eyes of our various stakeholders. Our journey to becoming one of the most sustainable companies has begun. However, we still have a long way to go, and we will carry out various measures to achieve our goals.

Kind regards,

**Kari Vyhtinen**  
CEO, Endomines Finland Plc

## Endomines values and Code of Conduct

The Code of Conduct defines the principles of good business for Endomines. It guides the daily activities of the organisation's managers and employees, and includes guidelines for safety, the use of narcotic substances, human and labour rights, diversity and the right to equal opportunities, discrimination and intervening in it, legitimate business, as well as corruption and bribery. The Endomines Code of Conduct is available on the company's website at <https://endomines.com/en/for-investors/governance/code-of-conduct/>





# Sustainability management

Sustainability management is guided by the company's values and Code of Conduct, as well as the sustainability programme approved by the Board of Directors. The CEO of Endomines is responsible for the practical implementation of the sustainability programme and reporting its progress to the Board of Directors. At Endomines, measures to develop sustainable operations are planned and taken throughout the organisation.

## Board committees support the Board of Directors in sustainability management

The Board of Directors has established two committees for sustainability: the ESG Committee, and the Technology and Safety Committee. The ESG Committee provides the Board of Directors with assistance and guidance in

matters related to sustainability and the remuneration of the management. It supports the company's management in implementing sustainability-related policies and assesses any needs to change these policies at regular intervals. In 2023, the committee convened four times. Eeva Ruokonen, D.Sc. (Tech.), was the Chair of the ESG Committee and Jukka-Pekka Joensuu, Chair of the Board of Directors, was its other member in 2023. The Technology and Safety Committee discusses matters related to occupational safety. In 2023, it convened twice. Markus Ekberg, member of the Board of Directors, is the Chair of the committee and Jukka Jokela, member of the Board of Directors, is its other member.

The Board of Directors uses an annual calendar for the management and monitoring of the sustainability

programme, according to which it monitors the achievement of goals and the progress of the sustainability programme, as well as the implementation and results of measures.

## The company invests in the practical implementation of sustainability measures

In 2023, Endomines recruited a HR manager, environmental manager and safety specialist. With the assistance and guidance provided by responsible persons, sustainable operations are guided in accordance with the values and goals of Endomines, while ensuring the implementation of sustainability themes in operations.





# Goals, focus areas and results of the sustainability programme





## In 2023

We updated the waste management plan.

We improved transparency in our communication.

We introduced an ESG programme management model.

Carbon dioxide emissions per ounce of gold produced decreased by 31%.

We decided to launch a safety programme in spring 2024.

We maintained a 100% closed loop for water used in the process.





# Goals, focus areas and results of the sustainability programme

## 2023 sustainability programme

In 2022, Endomines defined the materiality of sustainability matters for the first time by interviewing its stakeholders, and based on the assessment, planned a sustainability programme for 2023. The interviews raised the need to invest in the personnel and the environment, and ensure the implementation of sustainability themes significant for business in operations. In addition, the stakeholder interviews highlighted the significance of occupational safety for the wellbeing of the personnel. With regard to the environment, the interviews emphasised reduced emissions, the efficient use of water, and the significance of nature values in conjunction with the remediation of areas.

## Goals set in the 2023 sustainability programme

- zero occupational accidents;
- reducing CO<sub>2</sub> intensity (GHG intensity), or gold production per calculated greenhouse gas emissions (CO<sub>2</sub>te per Au oz), by 5% each year. This ratio is an efficiency factor used commonly by gold producers;
- circulating water in a closed loop in production;
- maintaining an up-to-date management plan for the lifecycle of mines; and
- developing wellbeing at work, stakeholder cooperation, openness and good corporate governance.

## Results in 2023

In 2023, carbon dioxide emissions per ounce of gold produced decreased by roughly 31% to 0.49, while it was 0.71 in the previous year.

The goal set for recirculated process water was achieved, with all water being recirculated (100%). Communication and interaction with investors and local community increased significantly, and the company opened a whistleblowing channel. Unfortunately, 2023 was not a successful year in terms of safety, as seven accidents leading to absences took place during the year.

## Sustainability Roadmap

### 2024

- Development of essential practices, processes and indicators on the basis of materiality assessment.
- Development of occupational safety.

### 2025









- Developing action plans and policies in line with the sustainability programme.

### 2026

- Starting audited reporting under the EU CSRD-Directive.
- Updating the Sustainability Programme.

# We support the UN's Sustainable Development Goals

Sustainable development in all countries in the world is guided by the global Sustainable Development Agenda agreed within the UN in 2015, which consists of 17 goals that should be achieved by 2030. Endomines supports the UN's Sustainable Development Goals (SDGs) and has defined the focus areas on which it seeks to have the most significant impact in its operations – to support the common goal of solving global development problems.

	Focus areas	Results in line with ESG goals in 2023
<b>Environment</b>    	Reduced emissions	Carbon dioxide emissions per ounce of gold produced decreased by roughly 31% to 0.49 tonnes per ounce of gold produced.
	Cleanliness in nearby waterbodies	The 100% water recirculation goal was achieved.
	Nature values and biodiversity	Closure plans were updated.
<b>People and local communities</b>   	Employee safety and wellbeing	LTIFR increased to 34.1. The personnel survey and the management's 360 assessment were conducted.
	Active local cooperation and stakeholders	Meetings and cooperation with local stakeholders Meetings with other stakeholders (customers, investors, the authorities)
<b>Good governance</b> 	Transparency and openness	Operating results were added to the website and operational reports are published regularly. The first separate annual ESG report will be published for 2023.
	Compliance	A whistleblowing channel was opened.  The assessment of operational risks was started in Q4/2023 and will be completed during Q2/2024.



# Environment

## Climate change

The greenhouse gas emissions of Endomines are associated with direct CO<sub>2</sub> emissions from operations (Scope 1), emissions from the consumption of purchased electricity and heat (Scope 2), and indirect emissions from the value chain (Scope 3). The most significant direct CO<sub>2</sub> emissions come from the use of machinery, while the most significant emissions from the consumption of electricity are related to ventilation and heating in the underground

mine, water pumping, ore crushing and grinding. In 2023, the greenhouse gas emissions of Endomines totalled 22,932 tCO<sub>2</sub>, of which direct emissions accounted for 77% and indirect emissions for 23%.

Production at Endomines will grow in the near future, due to which greenhouse gas emissions will also increase.

During 2022, Endomines assigned a thesis on greenhouse gas emissions related to its production. It has helped

identify emissions reduction options and forms the basis of operational planning and development to reduce greenhouse gas emissions.

As Finland has worked to increase carbon-neutral electricity generation, Endomines has good opportunities for low-carbon gold production. Carbon neutrality is the company's long-term goal, which can be achieved by replacing fossil fuels with renewable solutions in production. This plan has not yet been made.





## Waste

### Mining waste

Mining waste is regulated by the EU directive on the management of waste from extractive industries, which defines measures, procedures and guidelines for the processing of mining waste. In Finland, the directive is enforced in various national acts, especially the Environmental Protection Act and the Land Extraction Act. Other key acts on mining waste include the Waste

Act and the Rescue Act, as well as Government decrees on environmental protection, regular and mining waste, and land extraction. The construction and monitoring of mining waste areas are governed by the fire safety legislation in addition to the acts and decrees above.

### Waste management plan

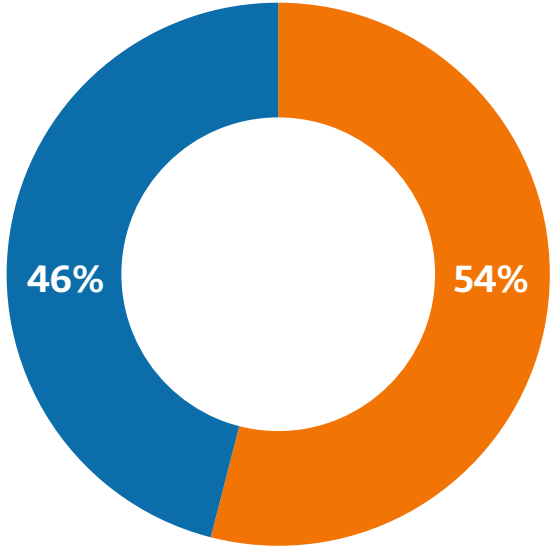
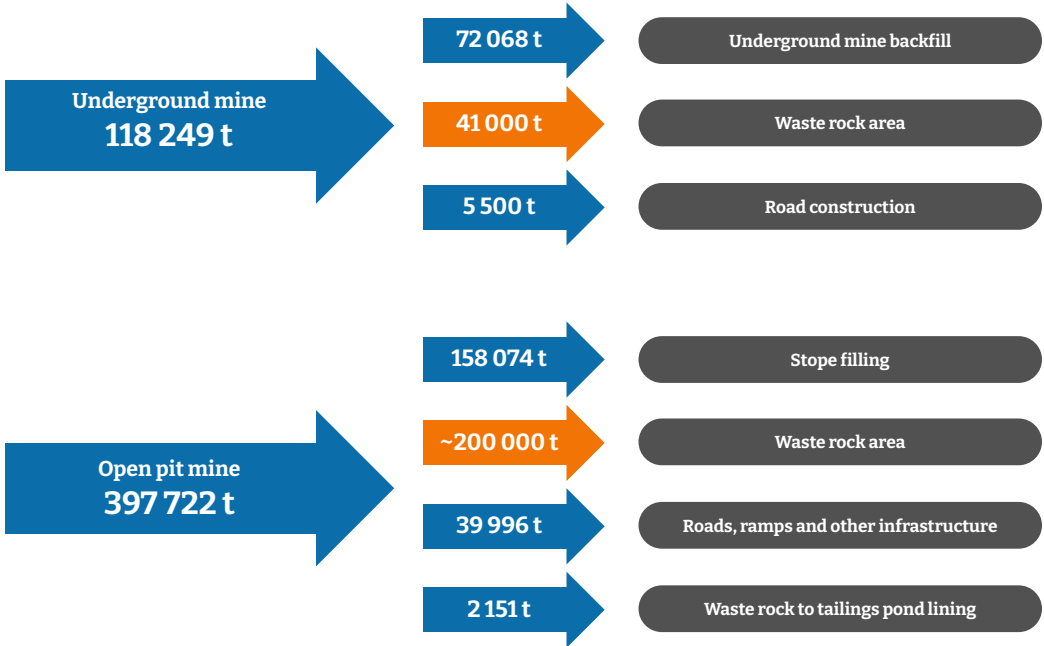
Endomines updated the waste management plan for mining waste at the Pampalo mine in accordance with the mining waste decree (190/2013) in 2022, and no changes were made to it in 2023.

At the Pampalo open-pit and underground mines, a total of 516,000 tonnes of waste rock was produced, of which 278,000 tonnes were used in mine backfilling and structures. Some 238,000 tonnes were stored in the waste rock area. No waste rock was extracted from Hosko or Rämepuro in 2023.



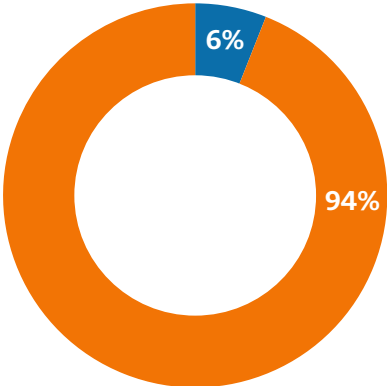
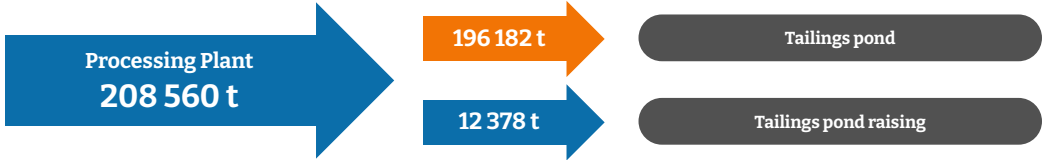


## Waste Rock Utilization, Pampalo



- Utilization in structures
- Disposal to wasterock area

## Tailings Utilization, Pampalo



- To tailings pond
- Utilization to pond raising

## Water

We seek to actively minimise the adverse impact of our operations on the environment. Our goal is to recirculate the water consumed in our production process so that no water is pumped into the process from outside the mining area. By increasing the internal water recirculation rate and reducing the intake of raw water, we can reduce our emissions to water. Our water recirculation rate was 100% in 2023, and no raw water was taken from Hattujärvi or Lietoja.

The water consumed in the mining area consists of water removed from the underground mine and excavation areas, as well as seepage water, rainwater and runoff in the dumping and operating areas. Water is used in operations as process water at the processing plant (grinding and separation in a water mixture), in drilling, in pump seals, in the production of chemicals, in flushing and washing, and as tap water. At the processing plant, we used 597,000 m<sup>3</sup> of process water in 2023. The water used in mine drilling mainly consists of runoff.

### Water monitoring

Water discharged from the area is monitored at several points. The physical and chemical quality of water is monitored in accordance with a monitoring programme approved by the environmental authorities. Samples are taken by an external certified body, mainly on a quarterly basis, which are then analysed in a certified laboratory. In addition, we take water samples monthly and send them to an external laboratory for analysis. We also take our weekly water samples ourselves and analyse them in our own laboratory.

### Water emissions

#### Pampalo

Target levels for water acidity and the content of solids, nickel and arsenic have been set in the environmental permit for the processing of water discharged from tailings ponds and mining water. The threshold values set for arsenic and nickel emissions, as well as for pH, were not exceeded in any sample in 2023, while those set for

solids were exceeded due to two irregular situations. The excesses did not cause the annual threshold limit to be exceeded at the discharge point. Emissions of solids to Lietoja during the second and third quarters also exceeded the annual threshold value set for solids. The incidents resulted from irregular situations, including spring flooding and heavy rainfall, not from intentional releases.

#### Hosko

The test mine was drained in November. Our operations were in compliance with the environmental permit conditions, and no threshold values were exceeded.

#### Rämepuro

With regard to water discharged from the area, the concentrations of arsenic, nickel, total nitrogen, sulphates and solids were not exceeded in 2023, and our operations were in compliance with the environmental permit conditions.





## Energy consumption

### Electricity

Total consumption was 19,703,087 kWh in 2023, of which 54% was used in mining operations and 46% at the processing plant. In mining operations, electricity is consumed by machinery, ventilation, heating and pumping. At the processing plant, electricity is mostly required for crushing, grinding and sludge pumping.

Three measures were carried out in 2023 to support energy efficiency. The control of mine air heating was automated to reduce the need for heating. A new main blower was acquired at the mine, the power consumption of which can be regulated according to each situation. In addition, a significant focus in mining operations was on storing waste rock underground and, therefore, reduce transport and emissions. Of the waste rock generated at the underground mine, 60.9% was stored underground. During 2023, the production level changed significantly,

with mine production proceeding to deeper levels, as a result of which the direct impact of the measures taken on total emissions cannot have been determined.

### Fuel consumption

Diesel consumption totalled 40,662 litres and fuel oil consumption 671,450 litres (Pampalo + Hosko).

### Biodiversity

No specific measures related to biodiversity were carried out in 2023. A larger biodiversity study will be conducted during 2024 to define future measures for biodiversity.

### Environmental monitoring

The environment was monitored in accordance with obligatory monitoring programmes. In addition, voluntary and additional monitoring activities were carried out, including the monitoring of seepage water in Rämepuro.

### Closure plans

In Finland, mine closures are regulated by the mining and environmental legislation and EU guidelines. They define detailed mine closure guidelines regarding, for example, the best available techniques to be applied during closure. In addition, mine closures are regulated by good practices, experiences obtained from studies and tests, as well as control and management systems based on companies' quality and environmental standards. Globally, a single goal has been set as a mine closure standard: restoring the area in as stable a physical, chemical and biological state as possible so that it does not present any hazards to the environment or human health.

The Endomines closure plans for Pampalo, Rämepuro and Hosko were last updated in 2020 and will next be updated in 2024.



## Exploration

The purpose of exploration is to identify financially feasible mineral deposits in bedrock. Exploration is supported by geological surveys to understand what parts of bedrock have a mineral potential. The first phase consists of planning and selecting the survey area based on available information. During the planning phase, we review available geological information, analyse the characteristics of the area, other operators and conservation sites, and conduct a general study of the area's geology and mineral potential. Initial exploration

methods include geochemical sampling, as well as geological, bedrock and geophysical surveys.

Geological modelling, geochemical surveys and drone measurements are new exploration methods that help us increase the accuracy of exploration and reduce the need for expensive drilling.

### Environmental impact of exploration

Exploration is carried out with care and respect for nature. During exploration, vegetation may suffer and trees

may have to be felled to make room for the drill. If our geologists identify threatened plant species in the area, we will modify the drilling plan.

The approximately 10 cm long drill tube is usually left in place in the 10-centimetre drill hole required for exploration for any later drilling needs and geophysical measurements. After exploration, we restore the area, fill holes and seal drill tubes. Drilling has no impact on the quality of groundwater.

In 2023, no oil leaks took place during exploration.





# People

## Occupational safety

Employee safety is the number one priority in our business operations, and the goal is zero accidents. Endomines has defined safety rules that set requirements for safe working. These rules are an integral part of induction provided for new employees.

We investigate all accidents and near-miss situations, identify their root causes and ensure preventive measures. To prevent accidents, the personnel make

safety observations and the company's managers carry out safety walks. Key performance indicators (KPIs) have been set for safety as part of the development of safety management. The most significant occupational safety risks are related to maintenance, the bedrock mechanics of the mine, transport, as well as the use and storage of chemicals.

In 2023, the lost time injury frequency rate (LTIFR) was 34.1, including our operations in Pampalo, Hosko, Rämepuro, the head office and the US. The corresponding

figure in Pampalo (including Hosko and Rämepuro) was 13.7 for Endomines, 58.8 for contractors and 39.2 for Pampalo operations as a whole.

There were seven accidents leading to an absence: one involved an Endomines employee and six contractors' employees. The accidents were related to maintenance and operations. There were six minor finger injuries, sprains and falling accidents. One accident occurred during charging when rocks fell into the lift cage.



Several measures were taken in 2023 to improve safety: for example, we acquired electric masks for processing plant employees, modified extraction operations to be safer and more efficient, and invested in chemical safety by acquiring a new chemical container. Even through our focus is on preventive safety, we have also prepared for accidents and incidents in our production area. Safety containers were acquired for the underground mine, and their equipment levels were improved. We enhanced our preparedness for irregular situations by updating our crisis management systems and guidelines, as well as the practices of the rescue team. We conducted a drill with the local rescue department and developed our activities based on the identified development needs.

Endomines is committed to improving its safety culture actively and systematically. We understand that changing the safety culture is a long journey, which calls for the input of all employees and contractors, as well as their commitment to joint safety activities. A change in the safety culture starts from each of us, and we are ready to take a step towards a safer tomorrow with our stakeholders, which is why the company has responded actively to any negative development shown by the safety KPIs at all levels. Significant development decisions include the development project for a safety culture for 2024 with the consulting company dss+. In addition, the company recruited a safety specialist to support the organisation.

#### Development of safety in 2024

We have defined focus areas for safety development in 2024 to clarify the company's management operating system, improve contractors' safety and develop the management's work. We will develop operational indicators, reporting and monitoring, as well as the implementation of measures. We will update safety instructions and risk assessments, as well as increase inspections and training related to occupational safety. We will work in closer cooperation with contractors to

improve safety.

In addition, we will replace our safety management tool by a new more diverse system which enables the interactive and smooth processing of safety observations and the monitoring of corrective and development measures. In 2024, the management's safety measures will be defined, and individual training will be provided to improve safety walks, for example. Responsibilities will also be clarified at different organisational levels.

#### Contractor safety and performance programme

- clarifying expectations and responsibilities between Endomines and partners,
- defining a requirement level, e.g. equipment safety, protective equipment, cleanliness and training,
- engaging in closer cooperation with our personnel and contractors to develop safety.

#### Developing the management's work

- clarifying expectations and responsibilities at different organisational levels,
- defining the management's safety measures and providing individual training to improve safety walks, for example,
- planning and deploying basic tools,
- providing joint safety management training with contractors.

#### Personnel

As a Finnish company, our operations have a positive employment impact in Finland, where we also pay our taxes. Through our business operations, we are building and maintaining Finnish society and vitalising the regions in which we operate. As a result, our operations are also reflected in the local community.

#### Wellbeing at work and occupational healthcare

Endomines is a workplace free of discrimination, harassment and bullying. We are committed to providing a working environment free of harassment, discrimination and bullying. The company uses a whistleblowing channel for reporting any abuse. In 2023, the company received one report through the channel which, after investigations, was found not to fall within its scope.

Our personnel are covered by private occupational healthcare and health insurance. Occupational healthcare services include regular health check-ups and the monitoring required. Occupational health insurance provide our employees with direct access to appointments with general practitioners and specialists at private healthcare clinics across Finland. It also covers examinations, treatments and surgery in the private sector.

Endomines encourages all its employees to take care of their physical health and well-being by providing exercise and cultural benefits.

#### Annual wellbeing surveys

We conduct an annual wellbeing survey, and it was conducted for the entire personnel in 2023, as in the previous year. According to the survey, the majority of the Endomines personnel felt that the overall situation is very good, and that motivation, work ability and coping are at a high level. Areas requiring most development included internal communication and change management.

The following themes were raised in our 2023 wellbeing survey:

- Our supervisors are easy to talk to.
- Our employees feel that communication with supervisors is easy. This is facilitated by the low



hierarchy and an uncomplicated organisation with a strong team spirit and a laid-back approach.

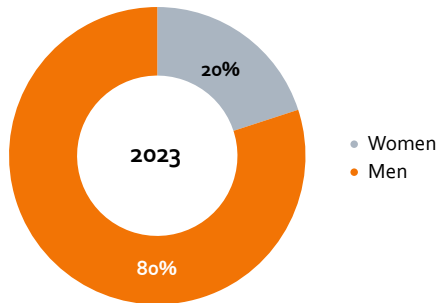
- We have highly committed employees.

Employee engagement is important to us, and our corporate culture focuses on what our employees value.

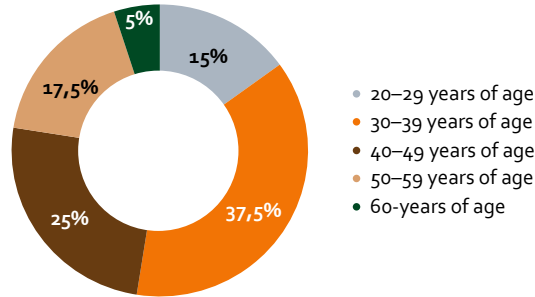
### Personnel diversity

- The group's total number of employees was 45 at the end of 2023.
- The average number of employees in the group was 45 in 2023.
- The average number of full-time employees (including employees who left the group during the year) was 55 in 2023 (44 on 31 December 2023).
- There were five fixed-term employees in 2023 (one on 31 December 2023).
- The personnel turnover rate was 16% in 2023.

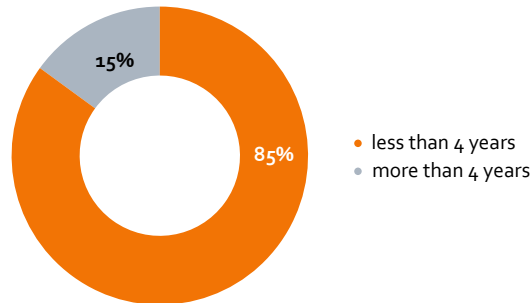
### Personnel gender distribution (Finland)



### Personnel age distribution



### The personnel's years of employment with Endomines



### Personnel, Endomines Idaho LLC

- The total number of employees was five at the end of 2023.
- The average number of employees was seven in 2023.

### Local cooperation

Endomines production units are located in Ilomantsi, and we want to be a visible member of the local community, as we are also one of the few large private employers in the region. We understand that our decisions can have a significant impact on local communities, as well as our

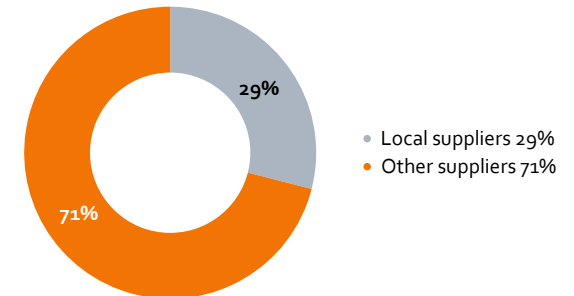
personnel and service providers, which is why cooperation with our stakeholders is important.

The purpose of stakeholder cooperation is to build trust and openness between Endomines and our stakeholders. We work to have a positive impact on communities and the residents of our nearby areas, among whom we engage in business operations and with whom we cooperate and interact. Cooperation and dialogue with the operators in the mining area, the authorities and the residents of the nearby areas helps us operate transparently and take the needs and wishes of our stakeholders into account proactively. In the area where we operate, sustainability in communities is critical to the success of our business operations.

In maintaining local cooperation, our goal is to engage in a reciprocal dialogue with various local stakeholders, cooperate with local partners and organisations, support local communities, and build local vitality.

We seek to use local partners and subcontractors where possible. In 2023, 131 of our 447 suppliers were local companies in the North Karelia region.

### Endomines suppliers and subcontractors:



In 2023, an average of 40-50 contractor's employees worked in the area per working day.

## Local events and visits

To achieve and develop effective cooperation, we hold local events to provide information for the neighbours of our mine area at least once a year and whenever required. In 2023, an event was held in Ilomantsi on 29 June. In addition, we host visits for various stakeholders. For example, the board of the association of entrepreneurs in North Karelia, the municipal council of Ilomantsi and students from Aalto University visited the Pampalo gold mine during the year.

We developed our communication and disclosure practices during 2023 and introduced investor news, latest updates on our website, and our LinkedIn channel alongside stock exchange releases.

## Part of local life

We seek to be actively present and enable positive experiences in our local community. We support children and young people living in the area in various ways, encouraging them to learn and adopt the skills required later in life and follow a healthy lifestyle.

Our activities in 2023 included:

- We sponsored FC Pogosta, a local sports club, to help it provide children and young people living in the area with easy access to sports through participation in football and floorball teams.
- We supported local pupils and students in learning useful skills. At the end of the 2023 spring semester,

we distributed student scholarships for excellence in friendship, financial and chemistry skills.

- We helped a local comprehensive school in providing traffic education by sponsoring a traffic study book and handing out reflectors to children.
- We sponsored various local events, helping enable their organisation to the extent they are today.
- We support low-income families through the Joulupuu (Christmas tree) campaign in Ilomantsi.

More information about our sponsorships is available on our website at

<https://endomines.com/en/latest-updates/>.



# Corporate governance

## Endomines governance

Exploration and mining are governed by the legislation, including the Mining Act, the Environmental Protection Act, the Land Use and Building Act, and the Water Act. In addition, the EU's sustainable development directives guide the sustainable operations of companies. Endomines complies with good corporate governance in accordance with the legislation concerning Finnish listed companies, its Articles of Association and the Corporate Governance Code. Endomines complies with these principles and policies to ensure that it operates effectively, transparently and sustainably, taking the needs and rights of its stakeholders into account.

Governance at Endomines is divided between the Annual General Meeting, the Board of Directors and the CEO. The highest decision-making power is exercised by the

shareholders at the Annual General Meeting, where the members of the Board of Directors and the auditor are elected. The Board of Directors confirms the Endomines strategy and monitors its implementation.

To improve the efficiency of its work, the Board of Directors has established an Audit Committee, an ESG Committee and a Technology and Safety Committee.

The Board of Directors assesses its activities and ways of working through an annual self-assessment. It also assesses its members' independence of the company and significant shareholders annually and as required.

The company's business operations and the implementation of its strategic and operational goals are managed by the CEO of Endomines, assisted by the company's Management Team. The CEO is thereby

responsible for implementing the goals, plans, guidelines and objectives determined by the Board in the company. The CEO is also responsible for ensuring that the company's accounting complies with law and that its asset management is reliably organised.

The company's Board of Directors has straightforward roles and responsibilities to supervise the company's management, make strategic decisions and ensure the company's ethical and legitimate practices. Based on the ESG Committee's proposals, the Board of Directors monitors the measures defined in the company's sustainability programme, the achievement and reporting of goals, and makes the decisions and guidelines required as prepared by committees.

The company maintains an up-to-date risk management policy and ensures that it identifies, prevents and manages





risks effectively. At Endomines, risk management and internal control are based on the Limited Liability Companies Act, its Articles of Association, the Corporate Governance Code of the Securities Market Association, and the company's internal plan. The purpose of the group's risk management is to ensure that the financial reports published by the company provide relevant and accurate information about the company's finances. More information about risk management is available on the company's website at <https://endomines.com/en/for-investors/governance/risk-management/>.

In addition, personnel management in accordance with the company's values is part of the company's policies. More information about the company's values is available on our website at <https://endomines.com/en/endomines-as-an-employer/culture-and-values/>.

## Endomines policies

Endomines has various policies in place to guide its operations, helping us ensure compliance with requirements, as well as standard rules and operations.

1. Governance policy
2. Disclosure policy
3. Diversity principles
4. Risk management and internal control
5. Approval policy
6. Related party principles
7. Remuneration policy for the organisation's bodies
8. Insider guidelines

9. Rules of procedure for committees
10. Code of Conduct
11. Supplier Code of Conduct

The Board of Directors reviews the company's policies once a year and assesses any changes required in them as proposed by the ESG Committee. The Board of Directors reviewed and updated the company's policies at the end of 2023.



# Hosko mine opened in spring 2024





## Hosko mine opened in spring 2024

In 2023, Endomines prepared plans to open a new satellite mine in Hosko. Earth moving work started at the beginning of October 2023. By the end of the year, the waste rock area and water processing ponds had been built in the area. No ore or waste rock extraction was carried out in the mine, but some 150 tonnes of ore from previous extraction trials were delivered to the Pampalo processing plant for separation.

The first round of observations under the Hosko monitoring obligation was carried out in August before the start of operations, and the quality of water in the old test mine and the state of waters in and around the mining area were examined in roughly 20 locations in August and October. During the draining of the test mine, a water sample was taken, and its results clearly met the environmental permit conditions.

The Centre for Economic Development, Transport and the Environment (ELY) for North Karelia approved the mine's

fish monitoring plan in September 2023. As fish samples in accordance with the fish monitoring plan could not be taken safely in autumn 2023 due to strong currents in Haapajoki, they were postponed to 2024 with the environmental authority's permission.

Environmental monitoring will continue under obligatory and operational monitoring in 2024. An external consultant will take the water samples required by the monitoring obligation four times a year (February, May, August and October–November) from nearby waterbodies. In addition, Endomines will carry out intensified operational monitoring at least for the first operating year by taking water samples every week, month or two months in accordance with permit conditions. Sampling conditions, depths and any other observations will be recorded. In 2023, we automated monitoring through an automatic measuring weir, for example.

The Regional State Administrative Agency for Eastern Finland conducted an occupational safety inspection at the construction site while earth moving work was in progress without finding any shortcomings at the worksite.

Building the foundation structures for the waste rock area was a specific focus area in quality control during the construction of the site.

The mine was opened in February 2024. It is estimated to account for 10–20% of the company's total production in 2024. During the first phase, extraction will focus on areas with high gold concentrations. Hosko's deposits have been measured to be roughly 35,000 tonnes with a concentration of 4.1 g of gold per tonne. Hosko's total mineral deposits are estimated at some 950,000 tonnes with a concentration of 1.2 g of gold per tonne, totalling roughly 36,300 ounces of gold.



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