

# STAKEHOLDER MANAGEMENT

## Keliber Lithium Project

### Abstract

Process description of Keliber Stakeholder Management

Owner: Hannu Hautala

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## Purpose and Scope

This process covers Keliber's stakeholder activities. A stakeholder is someone who has possibility to affect our operations and who is affected by our operations.

## Process description

<b>Process owner</b>	Keliber CEO
<b>Main objectives</b>	To ensure that stakeholders and their needs and expectations are identified a systematical manner and managed effectively. We have open discussion and mainly positive feedback

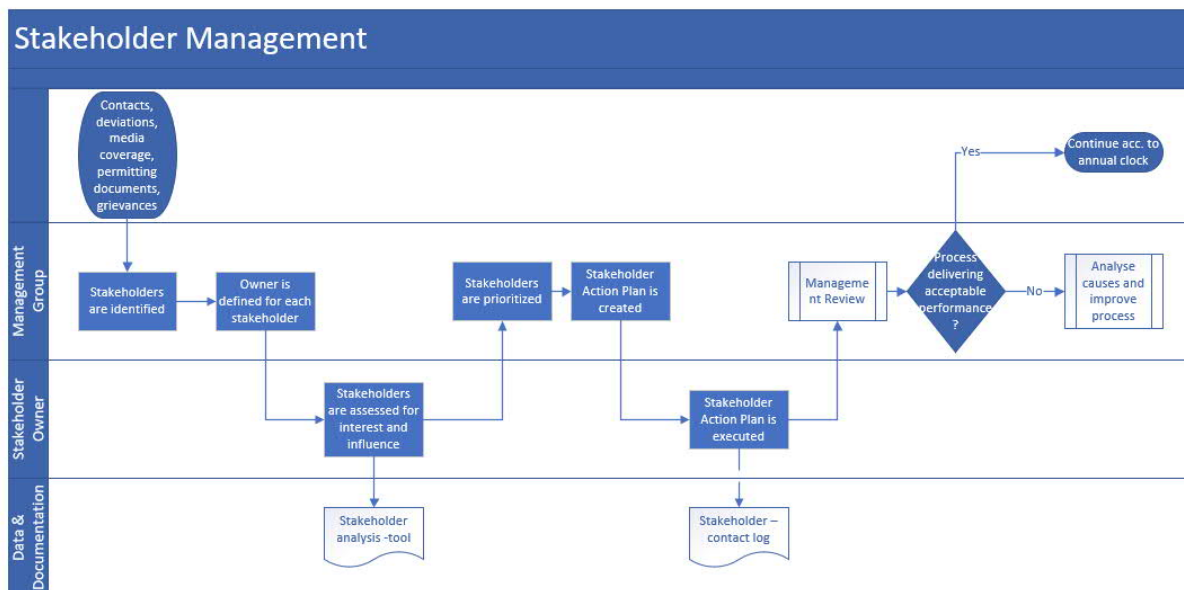


Figure 1 Stakeholder Management Process

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## Documentation and Reports

Stakeholder analysis is conducted annually as part of strategy update process and updated when significant changes occur.

Stakeholder communication is recorded on document [Stakeholder-tapaamiset \(Desktop, Web, Mobile\)](#)

Grievances are documented and managed in company Grievance System - [Keliber Grievance Mechanism \(Desktop, Web, Mobile\)](#)

Stakeholder activities are reported as part of CSR reporting.

## Regulatory and Other Framework

### National Legislation

- 252/2017 Environmental Impact Assessment Act: EIA programmes must include “a plan for the EIA procedure and arrangements for the related participation, an estimated schedule for the planning and implementation of the project and estimates for the dates when the EIA report and other reports will be completed”.
- 132/1999 Land Use and Building Act: “Plans must be prepared in interaction with such persons and bodies on whose circumstances or benefits the plan may have substantial impact, as prescribed below in this Act”

### ISO standards and Best Practices

ISO14001 states that the organization must determine the interested parties that are relevant to its management system, their relevant needs and expectations and which of these become its compliance obligations.

The IFC Stakeholder Engagement: A Good Practice for Companies Doing Business in Emerging Markets (2007) provides an outline of the core principles to be applied to achieve effective stakeholder engagement.

# Stakeholder Identification and Classification

Stakeholders were identified using the following steps:

1. Using information from Keliber, the project locations and key activities (such as road transport) were reviewed to map the geographical areas that may be directly or indirectly affected. The geographical areas identified collectively reflects the Project's area of influence (AOI).
2. Existing secondary data on environmental and social conditions within the project AOI was reviewed, to identify the presence of environmental and social sensitivities. Information sources used include latest satellite imagery from Google Earth, data presented in the EIAs and other relevant permitting documentation, publicly available information, and knowledge from Keliber staff who have extensive experience and an understanding of local land use conditions.
3. Stakeholders were identified based upon the following:
  - Their regulatory and industry influence over different aspects of the project
  - Predicted changes in environmental conditions
  - Changes in the socio-economic status of households, settlements and businesses
  - Potential impacts to landowners and land users
  - Community health and safety risks associated with emissions of air, noise, vibration and an increase in road transport on the public road network.

Stakeholder classification is presented in Table 1 Stakeholder Categories

**Table 1 Stakeholder Categories**

Stakeholder group	Description
Government regulators, municipalities and industry groups	Government environmental regulators, government departments involved in overseeing the permitting process for the project, regional/local government representatives, and industry groups.
Port owners and port users	Management of the port of Kokkola.
Landowners, land users and their representatives	Families, businesses who own or use land that will be impacted by the project. This includes groups of people who are involved in livelihoods, such as fishing within lakes and the Perhonjoki River, hunters targeting animals that live in forest, and people who gather products from the forest for household consumption or cash sale.
Affected communities and residents of the Central Ostrobothnia Province	The residents of communities who are located within the project AOI. These include settlements along the road route to be used by the project, owners/users of holiday homes within the noise footprint of the concentrator, residential dwellings located inside the noise footprint, people who enjoy the visual and landscape amenity of the forest and surrounding area.
Environmental organizations	Non-governmental organizations who have an interest in the protection of the environment.

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Workforce and project suppliers	Representatives of the future workforce. Third-party businesses who will be used to provide goods and services.
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The project AOI was defined for relevant environmental and social ‘topic areas’ to reflect the geographical area that may be influenced, directly or indirectly, during construction and operations. The Project AOI is described below for each topic area.

**Land required for Outovesi, Syväjärvi, Rapasaari, Länttä open pit mines, Emmes underground mine and the concentrator plant in Päiväneva**

Construction: the physical footprint of project facilities, marked by the installation of a fence surrounding each of the sites. This includes the workforce camp and all temporary construction laydown areas.

Operation: defined as the land footprint that will be used during operation plus land that will be indirectly impacted through a change in regional use planning surrounding the open pit mine sites. After the mine has been permitted, the surrounding area of each open pit site will be subject to a change in land use zoning, from forestry to industrial land use. The implication of this change is that the existing landowners surrounding the mine located outside of the direct footprint, will no longer be eligible for government subsidies that are paid to landowners to assist them in managing forested areas. This will result in a potential loss of livelihood and household income.

**Land required for the hydrometallurgical plant in Kokkola and use of the Port**

Construction: not relevant the land required for the hydrometallurgical plant has already been acquired.

Operation: defined as the port and coastal area required for the export of processed lithium and the navigation of export vessels.

**Air quality**

Construction: defined as 100m either side of the road transport routes to reflect the generation of air emissions and dust (including snow during the winter) from Project vehicles.

Operation: defined as an approximate radial area of 2km surrounding air emissions point sources.

**Noise**

Construction: defined as an approximate area of 1km surrounding the physical footprint of the construction area to reflect the presence of the construction crew and generation of noise from the use of heavy machinery.

Operations: defined as an approximate radial area of 2km surrounding the main sources of noise during operation of Project facilities.

**Visual and landscape impact**

Construction: defined as the predicted visibility of the construction equipment and key components of the project that will be erected during construction and visual impact of artificial lighting. This was assumed to be an approximate radial area of 2km surrounding each project facility.

Operations: an approximate radial area of 2km was used to reflect the visual impact of Project structures and artificial light.

**Community health and safety from road transport movements**

Construction and operation: defined as the selected route that will be used during the construction and operational phases of the project.

**Socio-Economic**

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Construction and operation: defined as the regional area within which socio-economic change is expected to occur as a result of the generation of employment positions, use of regional/local suppliers, increases in local capital flows, and the potential for people to migrate towards the region seeking employment and other types of economic opportunities. This was defined as the entire Central Ostrobothnia Province which includes the future operations site municipalities i.e. Kokkola, Kruunupy and Kaustinen.

## Stakeholder profile and engagement program

Stakeholder engagement activities will be ongoing during construction and operation of the mine.

All engagement activities will be recorded and carefully analyzed with the aim of ensuring that grievances do not re-occur, and that the environmental and social performance of the project is improved over time. Stakeholder feedback will be recorded, analyzed and discussed at senior management level to ensure that stakeholders are provided with a direct mechanism to improve the way in which the project is being implemented.

### Consultation and disclosure methods

The methods used to disclose project information to stakeholders comprise:

- **Periodic meetings** - to discuss aspects of the project that are of concern to specific types of stakeholders.
- **Public open days and workshops** – to discuss the project in a transparent and open manner.
- **A grievance leaflet** – that can be provided to stakeholders during engagement activities.
- **Websites** – including the Keliber website to provide relevant information on the management of environmental and social aspects, and job advertisements.

Table 2 Stakeholder interface matrix, expectations, analysis and questions presents a list and description of Project stakeholders.

**Table 2 Stakeholder interface matrix, expectations, analysis and questions**

Stakeholder name	Profile	Potential interactions and impacts	Level of project interaction (high, medium, low)	Intensity of engagement	Format to be used for ongoing consultation and disclosure
<i>Stakeholder category: Government regulators, municipalities and industry groups</i>					
Centre for Economic Development, Transport and	The Centre for Economic Development, Transport and the Environment (ELY) is	<ul style="list-style-type: none"> <li>• Approval of EIA reports</li> <li>• Development and maintenance of the public road network</li> </ul>	High – the approval of EIA Reports	High	<ul style="list-style-type: none"> <li>• Periodic meetings to discuss the project and</li> </ul>

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<b>the Environment</b>	responsible for the regional implementation and development tasks of the central government. The ELY has three areas of responsibility: (1) business and industry, labor force, competence and cultural activities; (2) transport and infrastructure; (3) environment and natural resources.	<ul style="list-style-type: none"> <li>Provides public funding for technical workforce training</li> <li>Provides a platform to advertise job employment opportunities</li> </ul>			<ul style="list-style-type: none"> <li>associated legal requirements</li> <li>Annual Stakeholder Report</li> </ul>
<b>The Regional State Administrative Agency for Western and Inland Finland</b>	The Regional State Administrative Agencies (AVIs) are a set of top-level regional entities that are in charge of public services and legal permits.	<ul style="list-style-type: none"> <li>Approval of Environmental permit applications</li> <li>Provision of emergency response resources, including the police</li> </ul>	High – the approval of environmental permit applications	High	<ul style="list-style-type: none"> <li>Periodic meetings to discuss the project and legal permitting requirements</li> <li>Annual Stakeholder Report</li> </ul>
<b>The municipalities of Kokkola, Kruunupyy and Kaustinen</b>	Municipality authorities that have regional responsibility for the provision of public services.	<ul style="list-style-type: none"> <li>Receipt of complaints from residents associated with the use of the public road network, and from landowners/users impacted by the project</li> <li>Higher workforce resulting in increased regional employment and capital flows</li> </ul>	High – the municipalities have important local influence	Low	<ul style="list-style-type: none"> <li>Periodic meetings to discuss the project with a specific focus on road movements</li> <li>Annual Stakeholder Report</li> </ul>
<b>Zoning, Ministry of the Environment</b>	Ministry of the Environment at a national and regional level has the responsibility for land use planning. The regional office will be responsible for the change in land use designation from forestry to industrial.	<ul style="list-style-type: none"> <li>Change in land use designation for the areas surrounding the open pit mines from forestry to industrial.</li> </ul>	High – the stakeholder is involved in land use planning	High	<ul style="list-style-type: none"> <li>Periodic meetings to discuss land-related impacts associated with the change in land use designation.</li> <li>Annual Stakeholder Report</li> </ul>
<b>Mining Association of Finland</b>	A industry-wide association that provides a platform to the general public and potential investors associated with the mining sector. The website provides a general suite of information on mining activities, company profiles and advertisers	<ul style="list-style-type: none"> <li>No direct, adverse impacts</li> <li>The platform may be used in the future to provide general information about the project</li> </ul>	Low – the association has no regulatory influence	Low	<ul style="list-style-type: none"> <li>Updates to the association's website periodically, to provide updates on the project and schedule</li> </ul>



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	the services of specialist companies that support the sector.				
<b>Stakeholder category: Port owners and port users</b>					
<b>Port Authority of Kokkola</b>	The Port Authority of Kokkola is a municipal enterprise responsible for maintaining port infrastructure, developing and maintaining port facilities, operating cargo-handling activities, and providing warehouse and terminal space. The Port of Kokkola has 70 thousand square meters of covered warehouse area.	<ul style="list-style-type: none"> <li>• Generation of revenue from the use of the port's infrastructure for the export of lithium</li> <li>• Potential competition with other users of the port over access to vessels, berthing space and other services</li> </ul>	High – the port is critical to the success of the project as this is the only export route for the product	High	<ul style="list-style-type: none"> <li>• Periodic meetings to discuss the project and provide schedule updates</li> <li>• Annual Stakeholder Report</li> </ul>
<b>Kokkola Industrial Park</b>	Kokkola Industrial Park (KIP) is Northern Europe's largest concentration of inorganic chemical industry, where several companies leading in the chemical and metal industries operate. In the Park, there are 15 production companies (factories) and nearly 60 service companies, which support the core functions of production companies. Companies employ 2,250 people directly.	<ul style="list-style-type: none"> <li>• Generation of revenue from land leased within KIP for the hydrometallurgical plant</li> <li>• Emergency response resources, including fire and excavation</li> <li>• Increase in traffic movements within KIP that may interfere with the activities of other park users</li> <li>• Higher workforce resulting in increased regional employment and capital flows</li> </ul>	High – use of KIP is critical to the success of the project as this is the only export route for the product	High	<ul style="list-style-type: none"> <li>• Periodic meetings to discuss the project and provide schedule updates</li> <li>• Annual Stakeholder Report</li> </ul>
<b>Stakeholder category: Landowners, land users and their representatives</b>					
<b>Family-based landowners and land users</b>	Families who own land within the mining footprint, or within the area that will be subject to a change in land use zoning.	<ul style="list-style-type: none"> <li>• Loss of land resources</li> <li>• Loss of livelihood and household income</li> <li>• Loss of access to government subsidies as a result of the change in land use classification for landowners who have all, or part of their land, inside the newly designated 'industrial' land use zone.</li> </ul>	High – land required for the land will be obtained through ongoing purchase agreements or by expropriation	High	<ul style="list-style-type: none"> <li>• Periodic meetings with individuals and representative groups</li> <li>• Public open days and workshop</li> <li>• Annual Stakeholder Report</li> </ul>

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<b>Local fishing group</b>	Users of the lakes which is to be drained to provide land required for the project.	<ul style="list-style-type: none"> <li>Loss of recreational activity associated with use of the lake</li> <li>Loss of fish stock within the lake as this will be drained and the fish removed for household consumption, market sale or disposal</li> </ul>	High – draining of the lake is a potentially significant, adverse impact	High	<ul style="list-style-type: none"> <li>Periodic meetings with individuals and representative groups</li> <li>Public open days and workshop</li> <li>Annual Stakeholder Report</li> </ul>
<b>Stakeholder category: Affected communities and residents of the Central Ostrobothnia Province</b>					
<b>Affected communities and residents of the Central Ostrobothnia Province</b>	The residents of communities who are located within the project AOI. These include settlements along the road route to be used by the project, owners/users of holiday homes within the noise footprint of the concentrator, residential dwellings located inside the noise footprint, people who enjoy the visual and landscape amenity of the forest and surrounding area.	<ul style="list-style-type: none"> <li>Increased risks to community health and safety associated with road traffic movements</li> <li>Increased availability of regional job opportunities</li> <li>Increase in regional economic capital flows</li> <li>Increased demand for social welfare services from the presence of the workforce</li> </ul>	High – local people will be subject to the residual environmental and social impacts arising from the project	High	<ul style="list-style-type: none"> <li>Periodic meetings with individuals and representative groups</li> <li>Public open days and workshop</li> <li>Annual Stakeholder Report</li> </ul>
<b>Stakeholder category: Environmental organizations</b>					
<b>The Finnish Association for Nature Conservation</b>	The Finnish Association for Nature Conservation (FANC) is the largest non-governmental organization for environmental protection and nature conservation in Finland. The purpose of the Finnish Association for Nature Conservation is to protect the environment, promote nature conservation, preserve cultural heritage, and promote active citizenship and environmental awareness.	<ul style="list-style-type: none"> <li>Adverse, environmental impacts to forestry resources, water quality, biodiversity.</li> <li>The organisation may seek to represent the collective interests of family-based landowners/users</li> <li>Influence during the EIA and permitting process by making comments associated with environmental protection</li> </ul>	High – the NGO is highly influential at a local level and have a range of technical specialists covering a variety of environmental topic areas	High	<ul style="list-style-type: none"> <li>Periodic meetings to discuss environmental impacts arising from the project</li> <li>Annual Stakeholder Report</li> </ul>
<b>Stakeholder category: Workforce and project suppliers</b>					
Federation of Finnish Technology Industries	The Federation of Finnish Technology Industries represents employers and negotiates and signs	<ul style="list-style-type: none"> <li>Labour management and working conditions</li> </ul>	High – the stakeholder may be able to represent the collective	High	<ul style="list-style-type: none"> <li>Ongoing meetings to discuss the process to be used for</li> </ul>

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	<p>collective agreements for the electronics and electrotechnical industry, mechanical engineering industry, metals industry and information technology. There is an active collective agreement currently in force entitled: <i>Collective Agreement between Technology Industries of Finland and Industrial Union 8 Nov 2017 - 31 Oct 2020</i>. A significant proportion of the future construction and operational workforce is likely to be covered by this agreement.</p>	<ul style="list-style-type: none"> <li>• Signatory of collective bargaining agreements</li> </ul>	<p>interests of a significant proportion of the future workforce</p>		<p>recruitment and the management of the workforce</p> <ul style="list-style-type: none"> <li>• Annual Stakeholder Report</li> </ul>
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