



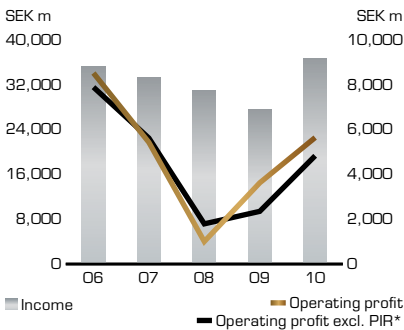
BOLIDEN IN BRIEF

Boliden is a leading European metals company whose core competence is in the fields of exploration, mining, smelting and recycling. Our business concept is to extract minerals and produce high-quality metals in a cost-effective and environmentally adapted way in order to meet the market's long-term demand for metals, and thereby to create value for Boliden's shareholders.

Boliden's main metals are zinc and copper. The production of lead, gold, silver and other products is also of considerable importance for our profitability. Boliden has four mining areas and five smelters. The Group has approximately 4,600 employees. Revenues in 2010 totalled SEK 36,716 million (SEK 27,635 m).

INCOME AND OPERATING PROFIT

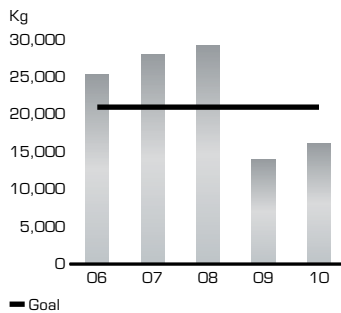
Higher prices and production levels increased the operating profit, ex. PIR*, by over 100%.



* Process Inventory Revaluation

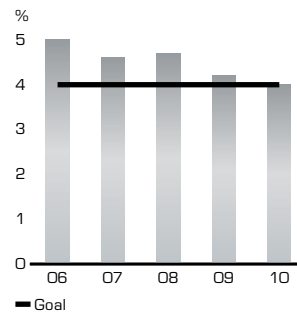
DISCHARGES OF METALS TO WATER

Discharges to water fell as a result of new water treatment plants at Odda and Harjavalta, smaller amounts of precipitation, and few disruptions to production.



ABSENCE DUE TO SICKNESS

Low absence due to sickness rates and accident frequencies can generally be linked to high productivity and motivation levels among employees. The absence due to sickness rate was 4.0% in 2010.



The Group's goal is to achieve a combined maximum absence due to sickness rate of 4.0% by the end of 2013.

BOLIDEN'S METALS

Zn

SEK 8,650 m*

Boliden is the world's sixth biggest producer of zinc metal from smelters and the eighth biggest producer of zinc concentrate from mines. Boliden mainly sells zinc to the European market. Zinc is primarily used to galvanise sheet metal and to protect piece goods against corrosion. The main end-users of zinc are the automotive and construction industries.

Cu

SEK 16,500 m*

Boliden is a medium-sized producer of copper from smelters and a small producer of copper from mines, but with an important position in Europe. Boliden's customers manufacture semi-finished goods for processing into wire, tubing, sheet metal and finished copper products. Copper, which has good conductivity, is primarily used in the construction, electronics and transport industries.

Pb

SEK 1,200 m*

Boliden is a medium-sized producer of lead from smelters and mines. Recycled batteries account for 75 per cent of the raw materials used in Boliden's production. The majority of the lead produced is sold to the batteries industry, with a smaller percentage going to the construction industry. Primary lead in the mined raw material comes from Boliden's zinc mines, where lead is often a by-product. The majority of the world's lead is used in vehicle batteries and other industrial applications.

Au

SEK 4,000 m*

Gold is an important metal in Boliden's mines and smelters. The gold comes from the recycling of electronic scrap and as a subsidiary metal from copper concentrate. Gold is used by the jewellery industry and, to a lesser extent, in the electronics industry. The importance of gold as an asset class for financial players has also increased.

Ag

SEK 2,100 m*

Several of Boliden's mines contain substantial amounts of silver. Silver is used in the jewellery, photographic, electrical and electronics industries, although the photographic industry's share of demand has declined. The importance of the metal has, in common with that of gold, increased as an asset class for financial players, who hold substantial stocks of the metal.

Other: Boliden also produces and sells other products, such as sulphuric acid, aluminium fluoride and tellurium.

* A simplified estimate of the market value of Boliden's metal production in 2010. The value is calculated as tonnage times the average price during the year and does not constitute an exact sale value.

BOLIDEN LOCATIONS



• AITIK
627 employees

The open pit mine outside Gällivare is one of Europe's largest copper mines. Aitik mines and concentrates copper ore to produce copper concentrate with some precious metal content.

Approximately 28 million tonnes of ore were mined in 2010.



• BOLIDEN AREA
409 employees

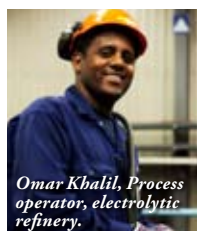
Comprises the Kristineberg, Renström, Maurliden and Maurliden Östra mines. The mining area extracts complex ores to produce concentrates containing zinc, copper, lead, gold

and silver. Approximately 1.4 million tonnes were mined in 2010.



• KOKKOLA
541 employees

The smelter smelts and refines zinc concentrate, both from Boliden's own mines and external mines. The main products are pure zinc and zinc alloys. Kokkola produced 307,000 tonnes of zinc in 2010.



• RÖNNSKÄR
827 employees

Rönskär smelts and refines copper and lead concentrates from Boliden's own mines and external mines. The main products are copper, lead, zinc clinker, gold and silver. The plant

also extracts metals from sources such as electronic scrap. Rönskär produced 190,000 tonnes of copper in 2010.



• GARPENBERG
313 employees

Ore is mined and concentrated at the area's two mines in order to produce zinc, copper/precious metal and lead concentrate. Almost 1.5 million tonnes were mined in 2010.



• HARJAVALTA
385 employees

Harjavalta smelts and refines copper and nickel concentrates. The main products are copper cathodes, gold and silver. The smelter produced approximately 113,000 tonnes of copper in 2010.



• ODDA
333 employees

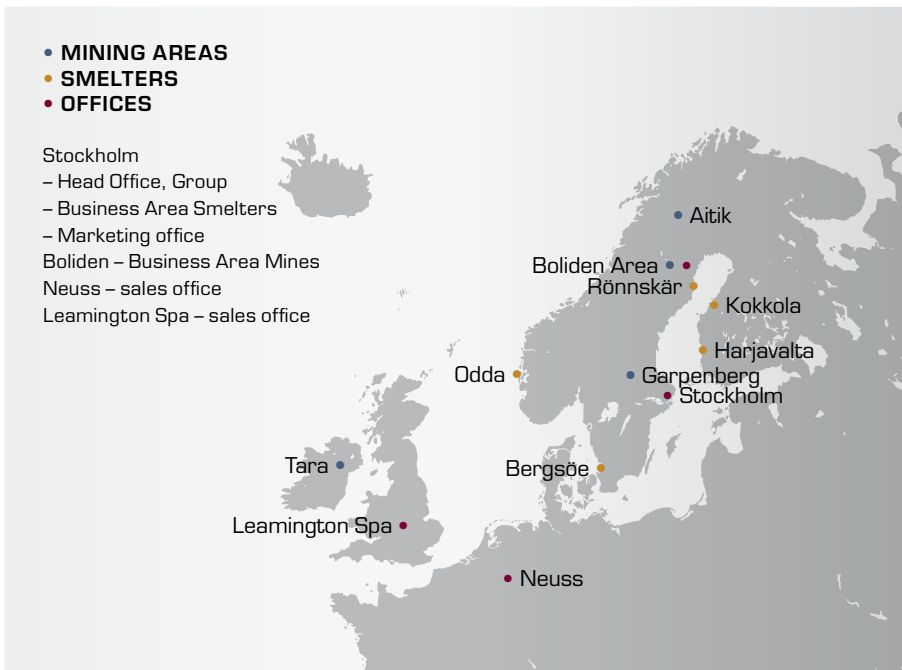
Zinc concentrate from both Boliden's own mines and third parties is smelted and refined at Odda, along with zinc clinker from Rönskär. The main products are pure zinc and zinc alloys.

Odda also produces aluminium fluoride. Odda produced approximately 150,000 tonnes of zinc and 22,000 tonnes of aluminium fluoride in 2010.



• TARA
695 employees

Tara is Europe's largest zinc mine. Approximately 2.6 million tonnes of ore for zinc and lead concentrate production is mined and concentrated every year.



• BERGSÖE
88 employees

Used lead batteries are recycled at Bergsöe. The lead is refined, alloyed and cast into ingots. The main products are pure lead and customised alloys. Bergsöe produced 42,000 tonnes of lead in 2010.



• GROUP STAFF FUNCTIONS & HEAD OFFICE
98 employees

Boliden's head office in Stockholm houses some Group management members and the Group staff functions.



• MARKETING DEPARTMENT
82 employees

Boliden's marketing office manages the purchasing and sales of raw materials, metals and by-products.

SUSTAINABILITY REPORT

– GRI RESULT APPENDIX

Boliden's 2010 Sustainability Report contains of two units: one that describes our social, environmental and economic responsibility and one that reports our impact and results according to the GRI-reporting framework. The first unit, that we print, focuses on describing our responsibility for sustainability work based on a number of challenges that we have identified and prioritized. The other unit reports our progress more in detail and is structured according to the GRI guidelines, showing to what degree we comply with the standard.

GRI CONTENT INDEX

Following is a content index for performance indicators specified by the GRI guidelines and which are reported by Boliden. It includes performance indicator names and GRI identification numbers. Statements of status are provided in the respective performance indicator reporting text.

PROFILE DISCLOSURE	INDICATOR	REFERENCE
Strategy and analysis		
1.1	CEO statement	SR 4–5
1.2	Key impacts, risks, and opportunities	SR 2, 4–9
2.1–2.8	Organisational Profile	SR Cover, 2–3, 8
2.9	Significant changes during the reporting period	No significant changes
3.1–3.11	Report profile, scope and boundaries	SR 36
3.12	GRI Content Index	www.boliden.com
3.13	Assurance	Not assured by third party
Governance and CSR management		
4.1–4.13	Governance and CSR management	SR 8, AR 38–39, www.boliden.com
4.14–4.17	Stakeholder engagement	SR 6–7, 28–31, www.boliden.com

SR = Sustainability report 2010
AR = Annual report 2010

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ENVIRONMENTAL PERFORMANCE (EN)

Our environmental responsibility entails the continuous work to reduce the environmental impact of our operations and business. Boliden's production facilities are subject to the provisions of environmental legislation and applicable environmental permits in Sweden, Finland, Ireland and Norway. Our ambition is to go beyond legislative and regulatory requirements. Systematic and far-sighted environmental work facilitates faster compliance with existing and future legislation and with the fulfilment of different stakeholder groups' expectations.

ENVIRONMENTAL GOALS 2009–2013

To promote development in the environmental area Boliden has set the following goals:

- Discharge of metals¹ to water shall be reduced by 25 per cent.
- Emission of metals² to air shall be reduced by 25 per cent.
- Emissions of sulphur dioxide to air shall be reduced by 10 per cent.
- Emissions of carbon dioxide shall not increase by more than 3 per cent (taking planned production increase into account).
- Discharges of nitrogen to water shall be reduced by 20 per cent.

(Base year 2007)

1) Copper, zinc, lead, nickel, cadmium and mercury

2) Copper, zinc, lead, nickel, cadmium and arsenic

Results in 2010

- Discharges of metals to water have fallen by 43 per cent since 2007.
- Emissions of metals to air have fallen by 34 per cent since 2007.
- Emissions of sulphur dioxide to air have fallen by 15 per cent since 2007.
- Emissions of carbon dioxide have increased by 11 per cent since 2007.
- Discharges of nitrogen to water have fallen by 32 per cent since 2007.

EN1 – MATERIALS USED BY WEIGHT

There are no significant changes in use of materials in 2010 compared to 2009.

Materials used	Unit	2010	2009	2008	2007	2006
Total concentrate processed	tonnes	1,858,200	1,794,500	2,004,600	1,960,100	1,999,300
Other materials	tonnes	708,200	505,500	598,200	469,300	584,700
Total tonnage used	tonnes	2,566,000	2,300,000	2,603,000	2,429,000	2,564,000

EN2 – RECYCLING AND MATERIALS USED THAT ARE WASTE

Boliden makes use of other companies' by-products and residues, from which we extract and recycle metals.

A decision to substantially increase electronic scrap recycling capacity was taken in April 2010. The investment, which will be made at the Rönnskär copper smelter, will mean Boliden becoming by far the biggest

recycler of electronic scrap in the world. The new facility will become operational during the first quarter of 2012.

Also, we send our by-products and residues to other companies for extraction. But our primary objective is to identify internal recycling for the waste products.

	Unit	2010	2009	2008	2007	2006
Recycling rate	per cent	10.3	10.3	9.9	9.6	12

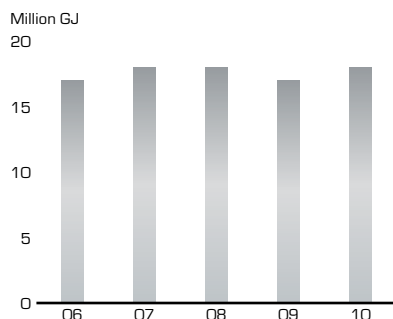
EN3-7 – ENERGY USE AND ENERGY EFFICIENCY

Metal production is energy-intensive. This is particularly true for the smelting operation, zinc smelting in particular. Boliden's energy consumption is a major cost item, accounting for approximately 18 per cent of the Group's total costs. The energy consumption in 2010 totalled 18.4 (16.5) million gigajoules (Gj). Electricity accounts for approximately 13.3 million Gj out of this amount, or approximately 3.7 TWh.

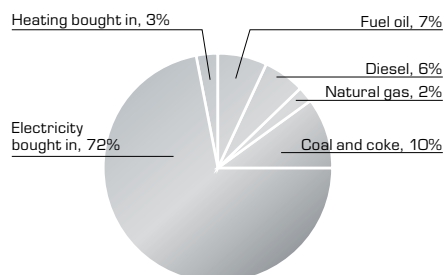
Boliden's energy policy states that increasing energy efficiency shall be an ongoing process and all of our production facilities have certified energy management systems, either separately or as part of ISO 14001.

We also seek to promote energy efficiency and sustainable energy solutions on a broader scale through membership of several organisations, for example the Swedish Energy Agency's voluntary programme PFE and the Finnish equivalent called MOTIVA for improving energy efficiency for energy-intensive companies.

In 2005 in partnership with a number of Swedish electricity-intensive industrial companies we formed a company called BasEl with the aim to promote the industries' long term interests with regard to a stable and competitive electricity supply. Through BasEl Boliden has taken interest in the wind power project VindIn, a project that so far has resulted in the power parks Skutskär and Trattberget.

Total energy consumption, 2006–2010

The total energy consumption of 18.4 (16.5) million gigajoule (GJ), divided between purchased electricity/heat, coal/coke, diesel, oil, plastic and other.

Energy consumption, 2010, per source

The origin of the electricity that is used is determined by the so-called national energy mix of the electricity grids in the various countries in which Boliden operates.

Energy use and energy efficiency	Unit	2010	2009	2008	2007	2006
Direct energy use from raw materials	GJ	4,720,000	4,565,000	5,024,000	4,621,000	4,456,000
Indirect energy use from purchased electricity	MWh	3,661,000	3,253,000	3,414,000	3,393,000	3,431,000
Indirect energy use from purchased heat	MWh	148,000	139,000	159,000	187,000	68,500
Regained heat internally	MWh	617,000	484,000	-	-	-
Regained heat sold	MWh	635,000	586,000	675,000	638,000	628,000
Total energy use	GJ	18,432,000	16,775,000	17,886,000	17,510,000	17,055,000
Specific energy use	GJ/tn	12.20	11.46	11.82	11.08	10.77

EN8-10 – WATER USE

In 2010 the total process water use was 340,000,000 (320,000,000) m³, divided between 40 % freshwater and 60 % recirculated water.

Water use	Unit	2010	2009	2008	2007	2006
Total water withdrawal	m ³	140,280,000	134,790,000	133,970,000	125,170,000	144,610,000
Total volume of water recycled	m ³	198,300,000	185,120,000	187,250,000	37,100,000	36,680,000
Percentage of water recycled	per cent	141	137	140	30	25

EN11-14 – BIODIVERSITY

Close to 25 per cent of Boliden's total land holdings of approximately 18,850 (18,900) hectares comprised affected and used land. The remaining land consists of forest and woodland adjacent to operations.

In order to promote responsible forestry our forests are FCS certified which means to promote environmentally appropriate, socially beneficial and economically viable management of the world's forests.

We have assigned 8 per cent of our productive forest land for nature conservation. This area is partly protected as nature conservation land, key habitats and habitat protected area, partly to be managed to promote nature conservation interest. Proactive efforts are made to preserve and enhance biodiversity. For example, in Garpenberg the forest has been cleared and thinned out in order to increase the proportion of deciduous trees as well as to maintain pasture areas with stone fences.

Biodiversity is also maintained through controlled nature conservation burning. By adapting the forest management in areas used for outdoor recreation, social values are created and maintained.

Soil conservation and the reclamation of mining areas once they have reached the end of their productive lifespan are part of Boliden's operations and responsibility. The reclamation programmes are designed to reduce the impact on surrounding areas of land and the local biological diversity. During 2010 about 11 hectares of closed down mining areas has been processed by coverage, establishing of new vegetation etc.

A total of 928 (677) MSEK had been allocated for reclamation both for mines and smelters by the end of 2010.

Land management	Unit	2010	2009	2008	2007	2006
Disturbed in the reporting period	hectares	239	735	305	216	6
Rehabilitated in the reporting period	hectares	38	22	3	292 ¹	55

¹) The actual area reclaimed is 8 hectares. This high figure is the result of new measurements carried out in Aitik as a result of which the figures for the area already reclaimed has been updated.

Boliden's total land holdings are around 18,850 hectares. During 2010 38 hectares were restored/reclaimed while 239 hectares were taken

into use. By the end of 2010 Boliden had nearly 5,700 hectares used land.

EN16-18 – GREENHOUSE GAS EMISSIONS

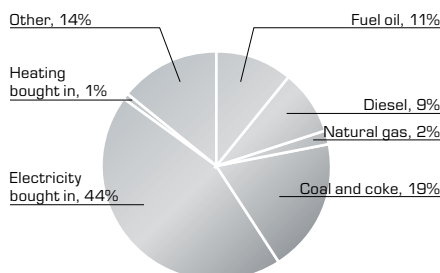
The direct carbon dioxide emissions primarily arise from the combustion processes and transportation. The indirect carbon dioxide emissions derive from purchased electricity.

Reducing carbon dioxide emissions at Boliden’s facilities is difficult without simultaneously reducing production. Still some reductions are being made by optimizing processes. We are also working to replace fossil fuels such as coal and coke with pellets when used as reducing agents in our processes. In 2010, we have also worked to increase the utilization of heat at the smelters. Boliden estimates that some 617 GWh have been made available for internal use and 635 GWh have been delivered externally, for example in the form of district heating.

EU’s trade in carbon dioxide emission rights, Emission Trading Scheme (ETS), currently covers the Rönnskär copper smelter and the Bergsöe lead smelter. The two smelters have been allocated emission rights for 78,909 tonnes of carbon dioxide for the period from 2008 to 2012.

Total carbon dioxide emissions have increased by 11 per cent compared to base year 2007. The indirect emissions have increased by 23 per cent mostly because of increased use of oil and diesel due to the expansion in Aitik and the exceptionally cold winter.

Carbon dioxide emissions, 2010, per source



Greenhouse gas emissions	Unit	2010	2009	2008	2007	2006
Direct emissions	tonnes	510,000	486,000	473,000	413,000	385,000
Indirect emission, purchased electricity	tonnes	398,000	356,000	357,000	384,000	395,000
Indirect emission, purchased heat & steam	tonnes	6,000	5,000	-	24,000	13,000
Total CO ₂	tonnes	913,000	848,000	830,000	822,000	792,000
Specific CO ₂ emissions	tonnes	0.605	0.579	0.549	0.520	0.500
Non-renewable sources	tonnes	390,000	375,000	407,000	397,000	370,000

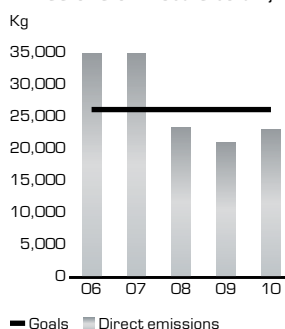
EN20 – OTHER SIGNIFICANT AIR EMISSIONS

Sulphur dioxide emissions to air are mainly attributable to the gases generated during the smelting processes at the Harjavalta and Rönnskär copper smelters. The amount of sulphur emitted during the process depends on the amount contained in the raw material. The work continues with the development of process control and methods for improving the efficiency of ventilation gas cleaning processes.

Diffuse dust emissions are generated at both mines and smelters and the environmental impact is due to the fact that it contains metal particles that are dispersed by the wind. All production units are working systematically to reduce particle emissions to air, for example by increased salting and watering of roads.

The emission of metal to air decreased mainly due to good performance of the filter installations with few disturbances.

Emissions of metals to air, 2006–2010



Emissions to air	Unit	2010	2009	2008	2007	2006
NO _x	tonnes	480	520	440	500	460
NO _x , indirect emissions from fuel and explosives	tonnes	230	210	160	60	20
SO _x	tonnes	6,850 ¹	6,930	8,260	8,070	7,890
SO ₂ , indirect emissions from fuel	tonnes	59	37	31	13	9
Dust including metals	tonnes	67	60	79	84	102
Metal emission to air (Cu+Zn+Pb+Ni+Cd+As)	tonnes	23	21	23	35	35

1) 630 additional tonnes of sulphur dioxide come from the new sulphuric acid plant in Kokkola that Boliden took over in May 2010. The figures reported by this plant will, as of next year, be included in the overall reporting. The goal of reducing sulphur dioxide emissions by ten per cent remains unchanged, but the figure for the base year of 2007 will be adjusted upwards by 643 tonnes, based on historic emissions from the sulphuric acid plant and a reasonability assessment. The plant has emitted an average of 726 tonnes per year during the period from 2007 to 2010.

EN21 – WATER DISCHARGE

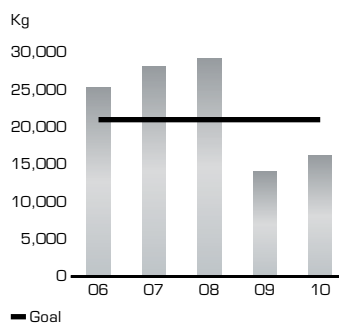
Boliden's smelters account for approximately 75 per cent of the metals discharges to water, and the mines for the remaining 25 per cent. Discharges to water come from tailings ponds at the mines' concentrators and treatment plants, and from the smelters' process and surface water.

An important part of reducing discharges to water is to, as far as possible, re-circulate the process water. Close to 60 per cent of our total process water consumption was re-circulated during 2010.

The capacity expansion implemented at zinc smelter Odda together with the commissioning of the new treatment plant at copper smelter Harjavalta are important steps towards achieving our goal of reduced discharges.

During 2010 the facilities have worked without significant disruptions or incidents. However, one discharge to be noted is a higher amount of lead in Odda during the first six months due to increased lead content in the raw material fluor spar.

Discharges of metals to water



Water discharge	Unit	2010	2009	2008	2007	2006
Discharged water volume	m ³	116,530,000	109,160,000	137,250,000	135,000,000	119,070,000
Metal discharge to water (Cu+Zn+Pb+Ni+Cd+Hg)	tonnes	16	14	29	28	25
Nitrogen N-tot	tonnes	199	225	283	294	295

EN22 – WASTE TYPES AND DISPOSAL METHODS

As a metal company Boliden processes a number of different metals and substances that can be both toxic and environmentally harmful. But correctly processed they can be turned into valuable products. A waste product for one company can often constitute input goods for another. Correctly handled, the eco-cycle of and trade in products and waste products can be of benefit to society and reduce environmental impact.

Our primary objective is to identify internal recycling or landfill solutions for the waste products, secondly we are identifying external solutions, like recycling by third parties.

Exports of waste to landfills or for recycling are regulated by extensive legislation. We have also developed our own routines for monitoring and following up on the receiving party's processing operations to ensure that their waste processing is acceptable from a health and environmental viewpoint.

Wastes	Unit	2010	2009	2008	2007	2006
Hazardous waste, total	tonnes	722,000	664,000	719,000	691,000	728,000
Whereof waste to external use, treatment or recovery	tonnes	3,300	2,800	600	18,500	22,000
Whereof waste to external disposal	tonnes	1,100	1,100	500	-	-
Non hazardous waste, total	tonnes	362,000	406,000	486,000	216,000	160,000
Whereof waste to external use, treatment or recovery	tonnes	59,600	53,600	67,500	68,600	2,100
Whereof waste to external disposal	tonnes	700	1,100	1,300	1,300	1,300
Waste rock, total	tonnes	29,270,000	32,380,000	25,082,000	24,671,000	20,466,000
Waste rock for internal construction	tonnes	3,811,000	2,507,000	6,305,000	5,516,000	2,655,000
Storage of waste rock for future use	tonnes	5,892,000	16,643,000	2,746,000	1,069,000	9,844,000
Sold waste rock	tonnes	107,000	72,000	155,000	-	-
Tailings, total	tonnes	26,304,000	22,814,000	22,171,000	22,394,000	23,050,000
Tailings for internal construction	tonnes	1,278,000	1,309,000	10,837,000	1,341,000	1,357,000

EN23 – SIGNIFICANT SPILLS

In May 2010 four significant spills and leakages were reported.

In Aitik a spill of approximately 200 litres of oil occurred when an oil pipe inside a crusher was damaged by a stone. The ground was sanitised by removal of the affected surface.

In Garpenberg a spill of approximately 50 litres of oil from oil drums was discovered at a waste oil station. The polluted ground surface was removed and treated.

In Harjavalta a burst hose caused a leakage of approximately 300 litres of sulphuric acid during a ship loading in Pori. Most of the acid was collected with lime mixture and transported to the smelter in Harjavalta.

In Rönnskär mineral oil was discovered in the sea outside the plant. The leakage was caused by a broken oil cooler in a cooling water outflow and was estimated to 100 litres. Absorbing material was used to collect the oil.

In June approximately 350 litres of polyolester oil leaked into the sea due to a burst tube in a heat exchanger at the Rönnskär smelter. Compressor and heat exchanger were replaced immediately.

In Harjavalta an estimated amount of 8 m³ of weak acid (75% sulphuric acid) leaked to the soil through a crack in a pump sump used after a prolonged shut down.

In November, due to an incorrectly connected diesel pump in Aitik, 200–300 litres of diesel leaked out while a dumper was refuelled in the Salmijärvi area. A suction vehicle and absorbing material were used to gather the spill.

In December 400 litres of hydraulic oil was spilled to the ground due to a pump failure in a drilling machine. Absorbing material was used in order to gather the spill.

ENVIRONMENTAL PERFORMANCE

EN28 – SIGNIFICANT FINES

Boliden has been fined twice in the last four years. Once in 2008 due to an environmental accident at the Odda zinc smelter in 2007, when non-treated process water leaked out from a thickening tank, for an amount of SEK 2,341,000 and once in 2010 due to exceeding the air shock wave limit at a blasting at Aitik mining area in 2007 for an amount of SEK 75,000.

Fines	Unit	2010	2009	2008	2007	2006
Significant fines	number	1	-	1	-	-
Monetary value of significant fines	SEK	75,000	-	2,341,000	-	-

EN30 – ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS

	Unit	2010	2009	2008	2007	2006
TOTAL	SEK m	210	166	112	99	130
Personnel	SEK m	32	32	26	29	27
External	SEK m	38	30	34	33	24
Provisions for reclamation costs	SEK m	118	76	30	25	18
CAPEX related to EHSQ improvements of the operations	SEK m	182	236	219	126	34

SOCIAL PERFORMANCE

Boliden's long-term growth and profitability depend on working efficiently and responsibly. Boliden strives to offer our employees a safe and stimulation work environment. Our aim is to create a professional company that attracts the best talent and that our employees take pride in working at Boliden.

GOALS 2009–2013

To promote development in the social area Boliden has set the following goals:

- The Group has adopted a zero tolerance vision with regard to accidents at work, which means that all units shall endeavour to achieve zero accidents every month.
- The Group's absence due to sickness rate shall not exceed 4.0 per cent by the end of 2013.
- All units shall have established a diversity plan by the end of 2011.
- The percentage of women in the Group shall be higher on 31st December 2011 than on the corresponding date 2010.
- The percentage of employees retiring within the next 10 years shall fall from 30 per cent to 25 per cent by 2015.
- All employees shall have attended a CSR workshop and understood the Code of Conduct by the end of 2011.

Results in 2010

- The accident frequency shows an increase from 5.5 per one million hours worked in 2009 to 8.2 in 2010. The increase is due partly to a general rise in less serious accidents and partly to the serious incident that occurred at Aitik in December. It was feared that six employees and two contractors had been exposed to hazardous doses of x-ray radiation and they were placed under medical observation for several days. The accident was subsequently classified by the authorities as an incident, i.e. it was rated at 2 on the 7-grade INES scale (where 1 is an anomaly and 7 is a major accident).
- The absence due to sickness level of 4.0 per cent at the end of 2010 corresponds to a reduction in comparison with the previous year and work will continue, up until the end of 2013, on the established goal of reducing all units' absence due to sickness figures to this level.
- Work on completing a plan for diversity is ongoing and will be completed during the first half of 2011.
- Women accounted for 15 per cent of the Group's employees on 31st December 2010, which is the same percentage as on 31st December 2009.
- The work to reduce the number of employees retiring annually is ongoing – the first measurement will be taken at the end of 2011.
- The work to let all employees complete a workshop of CSR and to raise the understanding of Code of Conduct began in the latter half of 2010 and will be completed during 2011.

LABOR PRACTICES AND DECENT WORK (LA)

LA1 – WORKFORCE

Number of employees end of 2010

Countries	2010	Of which women	Of which men
Sweden	2,634	499	2,135
Finland	926	138	788
Norway	333	44	289
Ireland	695	30	665
Other	3	0	3
Total in Group	4,591	711	3,880

The Parent Company has no employees. The Group Management is employed by Boliden Mineral AB. The average number of employees refers to full-time employees.

LA2 – EMPLOYEE TURNOVER

The total number of employees leaving employment during the reporting period was 188 persons of were 23 are women. The personnel turnover was 4 (7) per cent. The decrease in turnover is due to early retirements in 2009.

Employees leaving employment, 2010

Age group	Number of employees leaving, total
<30 years	16
30–50 years	39
>50 years	133

LA3 – BENEFITS

In general Boliden offers a comprehensive package that is competitive, such as market-oriented salaries and benefits. We see this as a prerequisite for being able to recruit and retain competent employees. In 2010 the total of wages and benefits for our employees amounted to SEK 2,330 (2,245) million.

The profit-sharing system for all employees, introduced in 2007, means that a profit share is payable when the return on capital employed reaches 10 per cent, and the maximum profit share (25,000/full time employee) is payable when the return on capital employed reaches 20 per cent. For 2010, a maximum allocation of SEK 25,000 per full-time employee has been made.

The benefits offered by Boliden are similar in the regions where we have operations, though there are some differences.

Finland

All the employees in Finland have valid contracts of employment, regulating their salaries and other general working conditions. Also, all employees, including temporary workers and those working part time, have benefits in addition to what is included in the collective agreements and individual employment contracts. These are: employers' liability insurance (statutory), travel insurance, leisure time accident insurance, sports insurance, insurance against treatment injury (statutory), group life assurance (statutory), employment pension insurance (statutory), maternity/paternity leave. All employees benefit from the different leisure- and health care activities provided by the company.

Ireland

All employees in Ireland are paid competitive salaries, allowances and bonuses, as well as shift premiums (as outlined in collective agreements and/or individual employment contracts). Also, employees are entitled to the following benefits: life assurance, health insurance (subsidised or fully paid), access to company health care, disability cover (white collar employees only), pension, retirement provision, maternity/paternity leave, annual leave and public holidays, travel and other work related expenses reimbursed

These benefits are provided to all full-time and part-time employees (sometimes proportionately) as well as employees who are on a fixed term contract. However, summer students and temporary employees on very short-term contracts are not entitled to all above benefits.

Norway

All employees in Norway are entitled to the following benefits: life assurance travel insurance (company official journey), health insurance (fully paid), disability cover, retirement provision (66 per cent of salary), company pension between the age 62–67 years (4 per cent), possibility to get loan for consumer goods (max NOK 30,000), maternity/paternity leave (10 per cent paid by company), annual leave and public holidays and travel and other related expenses reimbursed.

The benefits do not differ between full time and part time employees. However, temporary workers are not entitled to consumer goods loans (max NOK 30,000) and company pension.

Temporary workers on short time contracts (e.g. summer students) are only entitled to the life assurance, travel insurance (company official journey) and disability cover.

Sweden

All employees in Sweden have valid contracts of employment, regulating their salaries and other general working conditions. All employees, including temporary workers and people working part time, also have benefits in addition to what is included in the collective agreements and individual employment contracts. All permanent employees in Sweden (including part time) are entitled to the following benefits: life insurance, health insurance and disability/invalidity coverage, healthcare fund, dental care, parental leave agreements, retirement provision, company profit sharing scheme and company bonus schemes.

Also, all employees are included in the different leisure- and health care activities arranged at the different sites.

Temporary workers have the following benefits: life insurance, health insurance and disability/invalidity coverage./

LA4 – COLLECTIVE BARGAINING AGREEMENTS

The number of employees at Boliden covered by collective agreement are 4,508, representing 98.2 percent of the total workforce.

Boliden does not keep records over the memberships in the different trade unions on an individual level. Whether or not an employee chooses to be a member of a trade union he or she is still included in and treated according to the agreements.

The regions and units have different ways and unions representing employees, as shown below in the following regional description.

Countries	Employees covered by collective bargaining agreement, %
Sweden	99.7
Norway	94.9
Finland	100.0
Ireland	91.9
Total	98.2

Finland

All employees in Finland are covered by these collective bargaining agreements.

The operational units, Harjavalta and Kokkola, are members of The Federation of Finnish Industries, Teknologiateollisuus ry that signs the Central collective bargaining agreements regarding salaries and general working conditions.

Teknologiateollisuus ry signs with three trade unions representing upper white collar, white collar and blue-collar employees. Local agreements can be made between the employer and the union representatives about various matters.

Ireland

Tara Mines is a member of the Irish Business and Employers Confederation (IBEC). This means that, on a national level, all employees are covered by the National Social Partnership Agreements.

In total, 92 per cent of Tara Mines employees are union members, that is all blue-collar employees and approximately 75 per cent of white-collar are members of one of three unions.

Norway

94.9 per cent (319 of 333) of the employees in Norway are covered by collective bargaining and there are several binding collective bargaining agreements signed with trade unions.

Sweden

Boliden Mineral AB are members in GAF (Employers' Association of Swedish Mine Owners), signing the Central collective bargaining agreements (treaties) regarding salaries and general work conditions. All employees in the Swedish operations are covered by collective bargaining agreements and agreements for operations in Sweden are signed with four trade unions, representing both white-collar and blue-collar employees.

In addition to what is stated in the central collective agreements, local agreements can be met in various issues with the trade unions.

Region	Trade unit representation
Finland	<ul style="list-style-type: none"> • Blue collars: The Finnish Metalworkers' Union • White collars: Trade Union Pro • Upper white collars: Federation of Professional and Managerial Staff
Ireland	<ul style="list-style-type: none"> • The Services, Industrial, Professional and Technical Union (SIPTU) • Power Union (TEEU) • British and Irish trade union UNITE
Norway	<ul style="list-style-type: none"> • Industri Energi – industrial and energy sector, blue collar • The Norwegian Engineers and Managers Association (FLT) • Lederne – managers and executives • Negotia – private white-collar employees • The Norwegian Society of Engineers and Technologies (NITO) • The Norwegian Society of Graduate Technical and Scientific Professionals (Tekna)
Sweden	<ul style="list-style-type: none"> • Unionen • Sveriges Ingenjörer • Ledarna • IF Metall

LA5 – NOTICE REGARDING OPERATIONAL CHANGES

The national legislation and the collective agreements set the framework and regulations for how information sharing and negotiations are to be done. This differs between the countries where Boliden operates.

The actual notice period can vary from weeks to months depending on the project or proposals, and the urgency to make the required changes. The trade union representatives are continuously informed about the development of the company's operations and before any decisions about significant changes in its operations are made. Where significant changes in company operations are necessary, employees and/or their union representatives are involved at an early stage in the process.

Minimum notice periods required by employment legislation are always adhered to in all Boliden units. In general notice periods for significant operational changes are as long as possible, and consultation with employees and relevant parties commence as soon as possible.

Finland

According to the national legislation it is required to negotiate with the unions before termination of employees' contracts. The trade union representatives are also to be given written information about the reasons for layoffs, about the number of people that might be affected and also to whom the collective agreement is applicable.

If more than ten employees are at risk of being laid off temporarily, the employment authorities must be informed about it. The minimum nego-

tiation period is six weeks in case permanent layoffs or temporary layoffs (more than 90-days). The minimum negotiation period is 14 days in case employees are to be laid off temporarily for not more than 90 days. Notice periods on an individual level are regulated in the collective agreements.

Ireland

Minimum notice periods for ending employment depend on length of service according to employment legislation, and/or are written into employment contracts. Minimum notice periods for other issues are not written into collective agreements, but are included in employment legislation.

Norway

The notice period is always related to employment status and ranges from 14 days for new employees with six months probationary to a notice period of six calendar months for permanent employees with a length of service more than ten years and age of 60.

Sweden

Before significant changes in the operations are decided and before layoffs of employees can be effected the company and the unions must go into negotiations according to the national legislation. The trade unions are also to be given written information about the reasons for layoffs, the number of people that might be affected and also to which collective agreement they are applicable. If more than five employees are at the risk of being subject to layoffs, the Unemployment Centre of the region must be informed. If more employees are involved the time frames of notice are ranging from two to six months.

LA6 – REPRESENTATION IN HEALTH AND SAFETY COMMITTEES

All units are certified in accordance with the OHSAS 18001 health and safety standard. Also, all units have procedures for risk assessments, incident reporting, and safety inspections.

Boliden has a fair if not a full picture when it comes to the number of workforce representatives: 5–10 per cent of the employees are representatives on the health and safety committees. Around 3 per cent assist with supervising and advice when it comes to health and safety. At all units on an ongoing basis safety inspections are carried out in order to verify that procedures are followed and measures are implemented.

There are also initiatives to involve employees on a more informal basis by encouraging them to contribute with suggestions for improvements when it comes to the health and safety. During 2010 it resulted in over 1000 new ideas and suggestions for improvements.

Also, as an incentive for constant improvements bonuses are awarded for useful suggestions, totalling to EUR 124,146 in 2010.

LA7 – INJURIES AND OCCUPATIONAL DISEASES

Boliden has a zero tolerance philosophy with regard to accidents at work. The goal is that every unit shall aim for zero accidents every month. Absentee rates together with low injury rates can generally be linked to positive trends in staff morale and productivity.

During 2010, 61 accidents with absence were reported at Boliden's units. The total number of days of absence due to accidents was 1,627, an average of 27 days per accident.

Lost time injury (LTI) frequency, 2006–2010

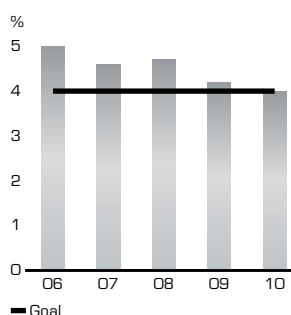
Year	LTI
2010	8.2
2009	5.5
2008	9.1
2007	9.9
2006	11.2

The number of accidents per one million hours worked (LTI frequency) has increased from 5.5 in 2009 to 8.2 in 2010.

The increase was due, in part, to a general increase in minor accidents, and partly to a serious incident that occurred at Atik in December.

The sick-leave has decreased from 4.2 in 2009 to 4.0 in 2010. Boliden's sick-leave rate target is set at less than 4.0 per cent for the Group by the end of 2013.

Absence due to sickness



LA 8 – ASSISTANCE REGARDING SERIOUS DISEASES

Boliden has a long tradition of encouraging and promoting employees' health and of measures to prevent incidents and serious diseases. Boliden is offering all employees regular health checks as well as special assistance, such as anti flu vaccinations, where necessary. Also, every unit has a programme of activities designed to promote employees' health.

Employees are encouraged to keep fit by cycling to work and by participating in activities such as gym, ice hockey, football, volleyball and tennis. Boliden invites experts to speak on various health issues such as cancer, diabetes and heart conditions, as well as how to prevent potential health issues that may arise due to shift working. There are also anti-smoking and healthy eating campaigns on an ongoing basis. Some good examples gathered from the units:

At Tara Mines there is the PSA test for Prostate Cancer available to males aged 50 or over. Also, the Employee Wellbeing Programme gives employees and their family members access to free independent expert information, advice and counselling on any issue that concerns them including addiction, health, financial, or marital or family problems.

At BA Mines and Rönnskär a health project called "life and health" is running with the aim to promote a healthier lifestyle. The occupational health service identifies employees with high risk of getting sick and invites them to join the program. Action plans on an individual basis, depending on the persons health-status, is conducted. More than 100 people are included in the program.

LA10-LA11 – TRAINING, SKILLS MANAGEMENT AND LIFE-LONG LEARNING

Boliden's approach is that skills development occurs mainly during daily work and therefore we don't keep account of the number of training days or hours per employee.

Talent management is practiced at all levels and well implemented in the daily processes. Boliden provides opportunities to develop as individuals and professionals for all our employees. All employees have an individual development plan, agreed upon together with their manager.

All new employees receive introduction and orientation training in their new workplace, following a structured procedure and checklist, which is signed off by the employee. All employees also receive training necessary to enable them to perform their duties in a safe, efficient and competent manner. This applies to all blue-collar and white-collar employees, in all categories and at all levels in the organisation.

All supervisors and others who have responsibilities required under Health and Safety, Employment and/or other Legislation receive the education and training required to enable them to fulfil their responsibilities in these roles.

Following companywide programs and initiatives are in place:

- The Boliden Academy includes programs for Young Professionals, High Potentials, and the Top 100 Management Team.
- The annual Strategic Skills Provision Report identifies skills requirements and proposes actions to address potential shortages.
- Management Reviews and Succession Planning processes also enhance our skills management programs.
- All employees receive yearly training according to ISO 9001, ISO 14001 and OHSAS 18001. This is documented in the training register.

There is also the possibility of financial support, as well as sabbatical periods for education with a guaranteed return to work, when an employee wishes to take external training or education relevant to their position. There are also initiatives to provide pre-retirement courses for those employees close to retirement, including transition to a non-working life.

LA12 – PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Reviews on performance and career development constitute a process to develop and improve the skills of current employees, and to secure that Boliden’s competence needs are met. The aim is that every employee should have an annual performance review discussion with their manager to discuss individual goals and pay.

Currently all employees are not engaged in performance review discussion.

At Irish Tara Mines the white-collar employees receive an annual performance appraisal representing 100 percent of all employees.

At the units in Finland all employees, both white- and blue-collar, receive an annual performance appraisal, which is then also the base for the individual development plan.

In Norway, 74.8 percent of the employees took part in a formal performance appraisal during 2010.

In Sweden all employees, both white- and blue-collar, receive an annual performance appraisal.

LA13 – COMPOSITION OF EMPLOYEES AND GOVERNANCE BODIES

By the end of 2010, 15.5 per cent (15) of the Group’s employees were female. The percentage of women on the Board of Directors amounted to 21 per cent (20). At all units Boliden practices the principle of equal pay for work of equal value irrespective of gender. Any identified differences are followed by corrective actions.

In line with our efforts to remedy the unequal gender distribution a goal for gender equality has been set: the percentage of women in the Group shall be higher on 31st December 2011 than on the corresponding date in 2010. Also, Boliden has set a goal that all units shall have established a diversity plan by the end of 2011.

Number of employees end 2010

Subsidiaries	2010	of which women	of which men
Sweden	2,634	499	2,135
Finland	926	138	788
Norway	333	44	289
Ireland	695	30	665
Other	3	0	3
Total in Group	4,591	711	3,880

Percentage of women at corporate management level

	Unit	2010	2009
Board of Directors	per cent	21	27
Group management	per cent	0	17
Supervisors	per cent	11	–
In management Groups	per cent	19	–

Gender total, 2010

Country	Unit	Women	Men
Sweden	per cent	19	81
Finland	per cent	15	85
Ireland	per cent	4	96
Norway	per cent	13	87

LA14 – EQUALITY IN REMUNERATION

Boliden pursues an active equal opportunities policy throughout the organisation. We also have a policy that condemns all forms of discrimination or harassment based on an employee’s gender. For all the countries where Boliden operates the principle of equal pay for work of equal value is used. There is a salary scale for every job category and employees within a category are paid according to the scale regardless of gender.

In Sweden there is also a structured process of mapping and analysing the salaries of all employees from a gender perspective. This process is done annually and together with representatives from all trade unions. The purpose of that work is to identify differences in salary between men and women that are there without proper cause. Such findings are followed by corrective actions.

HUMAN RIGHTS (HR)

HR5 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

All employees have freedom of organisation and the right to join trade union associations. It is also stated in the company’s policy document “Code of Conduct” that the company shall respect the right of employees to organise into trade unions and shall support all co-operations between employers and employees, as well as their respective representatives, in all areas of mutual interest.

However, it differs somewhat between the countries when it comes to compulsory membership. In Ireland it is mandatory for blue-collar employees to be a member in the trade union, but not mandatory for white-collar workers. In the Nordic countries it is not mandatory to be a member in the trade unions of which Boliden has signed Collective agreement. Nor does the company keep registers of the union memberships on individual levels. Nevertheless, all employees are treated according to the collective agreements that are signed by the company.

HR6-7 – CHILD LABOUR, FORCED AND COMPULSORY LABOUR

In the regions where we operate child labour is strictly forbidden by law and no child labour does exist. Boliden opposes all forms of child labour and forced and compulsory labour and we consider all of this to be contrary to the Group’s core values. The code of conduct policy states: “We shall ensure that none of the operations controlled by the company lead to the exploitation of children. We never, either directly or indirectly, collaborate with suppliers or customers where we have reason to believe that child labour is used.”

Furthermore Boliden adheres to the UN Declaration of Human Rights and to the ILO’s core conventions. During 2010, Boliden began extending this approach to collaborations with business partners.

Boliden has instated a process to methodically evaluate the way in which commercial partners address sustainability issues in the context of their operations. The aim is to establish a dialogue with partners about the ways in which the industry can achieve social and environmental improvements. This will, in turn, result in an ability to minimise the risks associated with the purchase and sale of raw materials, including recycling materials, by-products and waste.

Primarily the sustainability evaluations take the form of questionnaires, followed by targeted audits based on criteria which are founded on the ten principles of the UN Global Compact and ILO and ISO standards.

SOCIETY (SO)

SO1 – LOCAL COMMUNITY ENGAGEMENT

Boliden's business and operations are often of considerable importance in terms of employment in the local community, making us an important local stakeholder.

The operations have not only a substantial impact on job opportunities but also affects supplier's purchasing power elsewhere in the local business sector, and, in the long-term, the development of the communities' service sectors. Boliden estimates that for each Boliden employee, another three to five local job opportunities are, on average, created.

Local involvement in the form of support for and partnerships with voluntary organisations and associations is another way in which Boliden can make a positive contribution to the areas in which we operate. Our support focuses primarily on local sporting and cultural events, schools and hospitals, often links to children and young people. During 2010 our units sponsored local activities for approximately SEK 5.5 million.

Since Boliden's mines and smelters utilise large amounts of resources and land that affect both people and the country side to various degrees, we have numerous stakeholders with whom we need to interact. This is primarily done through dialogue and cooperation but also, to meet specific needs, through social impact assessments.

SO3 – TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES

Boliden's Code of Conduct provides a framework for what we consider to be responsible conduct and the Code applies to all employees throughout the world as well as to members of the Board of Directors of Boliden AB and its subsidiaries. The organisation's anti-corruption policies and procedures are stated in the Code.

Line managers are responsible for making the guidelines known and for monitoring compliance.

All managers and other employees with extensive external and competitor contacts are educated regarding anticorruption in accordance to their area of responsibility starting with the Management Development Program, a training programme for the top 130 managers. During 2010 CSR (Corporate Social Responsibility) was the primary theme with focus on ethics and values in everyday activities. During 2011 a workshop about sustainability issues involving all employees will follow.

SO4 – INCIDENTS OF CORRUPTION

No incidents of corruption or actions against corruption were reported during the year.

SO5 – PUBLIC POLICY DEVELOPMENT AND LOBBYING

Exploration as well as operating mines and smelters require a variety of permits and Boliden therefore seeks to establish dialogue with authorities at local, regional, national and international level. Of most strategic importance is also a close monitoring of legislative issues as well as our commitment to take an active part in the dialogue about their possible consequences.

Boliden seeks to promote energy efficiency and sustainable energy solutions on a broader scale through membership in the Swedish Energy Agency's voluntary programme (PFE), Finnish MOTIVA and Irish Sustainable Energy Ireland (SEI).

In 2005 we in partnership with a number of Swedish electricity-intensive industrial companies formed BasEl in order to promote the industries' long-term interests with regard to a stable and competitive electricity supply. Boliden is also involved in similar projects in Finland, Fennovoima and in Norway, Industriel A/S.

SO7-8 – ANTI-COMPETITIVE BEHAVIOR AND COMPLIANCE

Boliden conducts extensive domestic and international operations and is occasionally involved in disputes and legal proceedings arising in the course of these operations.

In September 2004, the European Commission ("the Commission") fined Boliden AB and its two former subsidiaries, Boliden Cuivre et Zinc SA ("BCZ") and its parent company, Boliden Fabrication AB, along with

seven other companies, for activities designed to restrict competition in the European market for sanitary copper tubing during the period from 1988 to 2001. The fine, together with interest thereon, totalling SEK 367 million, was paid by Boliden in July 2010.

BCZ and Boliden Fabrication AB have been transferred to Outokumpu.

Boliden has undertaken to indemnify Outokumpu for claims that may arise relating to the period up to the transfer of the companies to Outokumpu.

Since 2005, Boliden has received summonses as part of a number of class actions that have been brought in various States in the USA against the companies covered by the Commission's ruling. All cases have been dismissed.

PRODUCT RESPONSIBILITY (PR)

PR1 – CUSTOMER HEALTH AND SAFETY

Boliden works throughout our operating chain to meet our business partners' demands and preferences. Boliden has an active dialogue with our business partners on environmental and quality management issues as well as providing relevant, factual information about our products. This limits both risks and the collective environmental impact.

The customer dialogue mainly takes the form of ongoing contacts during the contract period and in conjunction with contract renewal and recurring customer audits of Boliden.

PR3 – PRODUCT AND SERVICE LABELING

Boliden is committed to meet the increased demand for metals in a way that minimises the negative impact on people and environment. Our strength lies mainly in our years of experience and expertise in the production of base and precious metals through high-quality exploration, mining and smelting operations, and recycling. Among other things we do this by continuously developing new technologies and methods as well as providing accurate factual information about our products.

In addition, we describe our environmental performance and how our production affects the environment in a transparent and detailed manner using common assessment methods and benchmarks.

PR5 – PRACTICES RELATED TO CUSTOMER SATISFACTION

Boliden collects feedback from customers through planned customer visits, and also via our contract administrators throughout the contract execution process. Complaints are reported and handled in a systematic way across interfaces to smelter units. Through our technical customer support service we also cooperate with customers in developing new products and other technical solutions.

ECONOMIC PERFORMANCE (EC)

Boliden's operations, goals and strategies affect and involve a great number of stakeholders – sometimes entire communities. Boliden's focus is to extract minerals and produce high-quality metals in as cost-effective and environmentally adapted way as possible. Satisfying the market's demand for metals in a sustainable way enables us to maximize the long-term creation of value.

FINANCIAL GOALS

Boliden has established the following financial goals:

- The return on capital employed shall exceed 10 per cent over a business cycle.
- The net debt/equity ratio in an economic upturn shall not be higher than 20 per cent in order to maintain a reasonable financial ability to act in a recession.
- The dividend shall correspond to approximately one third of the net profit.

Results in 2010

- The return on capital employed was 21 (14) per cent in 2010. The average return on capital employed during the period 2006–2010 was 24 per cent per annum.
- The net debt/equity ratio was 24 (46) per cent at the end of 2010. The net debt/equity ratio during the period 2006–2010 has varied between –1 per cent and 46 per cent.
- The Board proposes a dividend of SEK 5 per share, corresponding to a total of SEK 1,368 million or 34.6 per cent of the net profit for 2010. The ordinary dividends paid during the period 2006–2010, including the proposed dividend for 2010, correspond collectively to 27.1 per cent of the net profits during the period.

EC1 – ECONOMIC VALUE GENERATED AND DISTRIBUTED

Boliden generates profit and value through metal production and deliveries that acknowledge their social and environmental responsibility. For 2010 the total net sales were SEK 36,716 (27,635).

Component, SEK M	Stakeholder group	2010	2009	Comment
Direct economic value generated				
a) Revenues	From customers	36,824	27,760	Net sales plus revenues from financial investments and sales of assets.
Economic value distributed				
b) Operating costs	To suppliers and business partners	-27,967	-21,002	Payment to suppliers, non-strategic investments, royalties and facilitation payments
c) Employee wages and benefits	Employees	-3,203	-3,120	Total monetary outflows for employees (current payments)
d) Payments to providers of capital	Banks and financial institutions	-319	-257	All financial payments made to the providers of the organization's capital
e) Payment to government	Society	-1,374	-876	Gross taxes
f) Community investments	Society	-5	-4	Sponsored local activities
Economic value retained				
		3,957	2,501	Investments, equity release, etc.

EC2 – CLIMATE CHANGE IMPLICATIONS, RISKS AND OPPORTUNITIES

The European Union's trade in carbon dioxide emission rights, Emission Trading Scheme (ETS), currently covers Rönnskär copper smelter and the Bergsöe lead smelter. The two smelters have been allocated emission rights for 78,909 tonnes of carbon dioxide for the period from 2008 to 2012. With new legislation in force in 2013, all of Boliden's smelters will be covered by ETS and the mines will to different degrees be affected. Obviously this will have consequences such as higher costs for our direct emissions and higher electricity prices in general. In order to address the effects of the impending legislation Boliden has formed an EU ETS project group that includes both internal and external experts.

EC3 – BENEFIT PLAN COVERAGE

Pension undertakings

The Group's companies have a variety of pension systems in accordance with local conditions and practice in the countries in which they operate. They are generally financed through payments made to insurance companies or through own provisions determined through periodic actuarial calculations. The Group's provisions for pension undertakings are calculated in accordance with IAS 19, Employee benefits.

Boliden has defined benefit pension plans in Sweden, Norway and Ireland that may or may not be placed in funds. Defined contribution pension plans have been established in these three countries. In Finland there is no company pension. The pension cost for the year comprises the present value of pensions earned during the year, plus interest on the undertaking at the start of the year, less deductions for the return on each pension plan's assets held for investment purposes. Amortisation of actuarial profits/losses and for changes to plans is added to this figure. Accumulated profits and/or losses totalling less than 10 per cent of whichever is the higher of the pension undertaking and the fair value of the assets held for investment purposes are not amortised. When the accumulated profit or loss exceeds this 10 per cent limit, the excess amount is amortised over the average remaining period of employment of each pension plan's employees.

Boliden anticipates transferring approximately SEK 70 million to defined benefit plans in 2011. Costs, undertakings and other factors in pension plans are calculated by means of the Projected Unit Credit Method.

The Group's reported pension liability totals SEK 623 million, which sum includes endowment insurance totalling SEK 65 million in respect of defined premium plans in Sweden. Defined benefit plans in Norway are reported as a long-term receivable of SEK 20 million.

EC 5 – ENTRY AND MINIMUM WAGE

New employees at Boliden are not compensated based on wages subject to minimum wage rules. In general the entry level wages for employees are set much higher than minimum wage, and average salaries and wages are higher than the national industrial average.

For blue-collar employees there is an entry-level wage stated within the local salary agreement that is used for setting the salaries for new employees.

For white-collar employees hired directly out of Universities, Boliden applies entry-level wages depending on the level of education needed for different jobs.

EC6 – SPENDING ON LOCALLY-BASED SUPPLIERS

Boliden buys metal concentrates from its own mines and from around 20 suppliers and have around one hundred suppliers of electronic and metal scrap and other secondary raw materials. We also have a total of around 6,800 suppliers of goods, services and logistics.

Our policy is that we will always buy from the supplier that is the most competitive and that fulfils established requirements for example when it comes to sustainable issues.