NEW BOLIDEN

Sustainability Report, 2007

This is Boliden

Boliden is a leading European metals company whose core competence is in the fields of exploration, mining, smelting and recycling.

Boliden's main metals are zinc and copper.

Other important metals extracted and refined include lead, gold and silver.

The operations are conducted in three Business Areas: Market, Smelters and Mines. Boliden has approximately 4,500 employees.

Boliden's *BUSINESS CONCEPT* is to extract minerals and produce high-quality metals in a cost-effective and environmentally friendly way, and to exploit the commercial opportunities that the market offers, thereby creating value for the shareholders.

HEAD OFFICE
Stockholm

BUSINESS AREA MARKET*
Stockholm
Rönnskär
Leamington Spa
Neuss

BUSINESS AREA SMELTERS
Rönnskär – copper smelter
Harjavalta – copper smelter
Odda – zinc smelter
Kokkola – zinc smelter
Bergsöe – lead smelter

BUSINESS AREA MINES
Aitik – copper mine
The Boliden Area – zinc mines
Garpenberg – zinc mine
Tara – zinc mine

*Business Area Market is also represented at the various smelters.

BOLIDEN'S METALS

Cu

Boliden is the second largest copper supplier in Europe. In 2007, copper accounted for 42 per cent of Boliden's revenues. All the copper concentrate from the Group's own mines is refined in the Group's smelters. The finished copper metal is mainly sold to European manufacturers of semi-finished goods, such as wire rod. The main end-users of copper are the construction, electrical and electronics industries.

Zn

Boliden is the third largest zinc supplier in Europe. In 2007, zinc accounted for 40 per cent of Boliden's revenues. The bulk of the zinc concentrate from the Group's own mines is refined in the Group's smelters. The finished zinc metal is mainly sold to the northern European steel industry. The main end-users of zinc are the construction and transport industries.

Pb

Boliden produces appr. 70,000 tonnes of lead and lead alloys every year, of which 63 per cent originates from recycled lead batteries. In 2007, lead accounted for 5 per cent of Boliden's revenues. Some 80 per cent of all lead produced globally is used in the battery industry. Appr. 75 per cent of Boliden's production goes to batteries, with around 15 per cent going to the construction industry and 10 per cent to other users.

Au

Boliden produces around 15,000 kilos of gold every year. In 2007, gold accounted for 6 per cent of Boliden's revenues. The jewellery industry accounts for almost 60 per cent of global gold consumption.

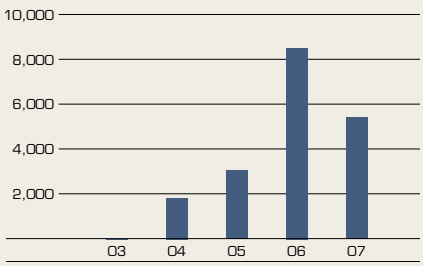
One fifth of Boliden's gold production comes from its own copper and zinc mines, with the remainder mainly derived from electronic scrap recycling.

Ag

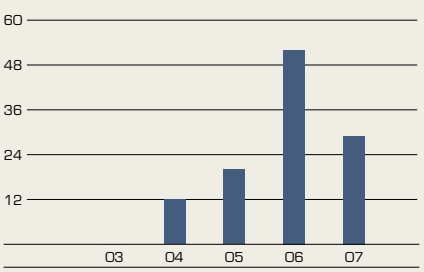
In 2007, silver accounted for 3 per cent of Boliden's revenues. Silver production totals appr. 400,000 kilos per year, with a significant percentage of the silver produced as a by-product in zinc and copper mines. The electrical and electronics industries are important users of silver and the silver price is, therefore, linked to global economic performance.

2007 in brief

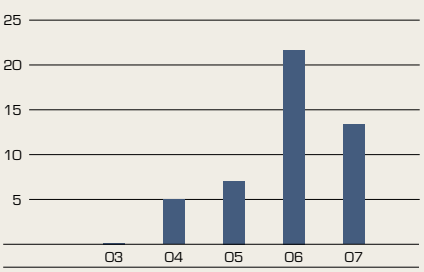
OPERATING PROFIT
SEK M



RETURN ON CAPITAL EMPLOYED
PER CENT



EARNINGS PER SHARE
SEK



KEY RATIOS, THE GROUP

	2007	2006
Revenues, SEK m	33,204	35,213
Operating profit (EBIT), SEK m	5,428	8,522
Cash flow from operating activities, SEK m	3,730	8,010
Earnings per share before and after dilution, SEK	13.37	21.66
Return on capital employed (ROCE), %	29	52
Net debt, SEK m	5,524	–195
Net debt/equity ratio, %	43	–1
Production Smelters (tonnes)		
Zinc	462,570	442,908
Copper	314,881	356,392
Lead	69,730	70,239
Gold, kg	14,876	19,693
Silver, kg	379,749	414,402
Sulphuric acid	1,100,919	1 183,452
Production Mines (tonnes)		
Zinc	333,293	327,643
Copper	62,803	86 824
Lead	54,166	48,778
Gold, kg	2,834	4,510
Silver, kg	241,701	211,640

EVENTS DURING THE YEAR

■ ENVIRONMENTAL RESPONSIBILITY

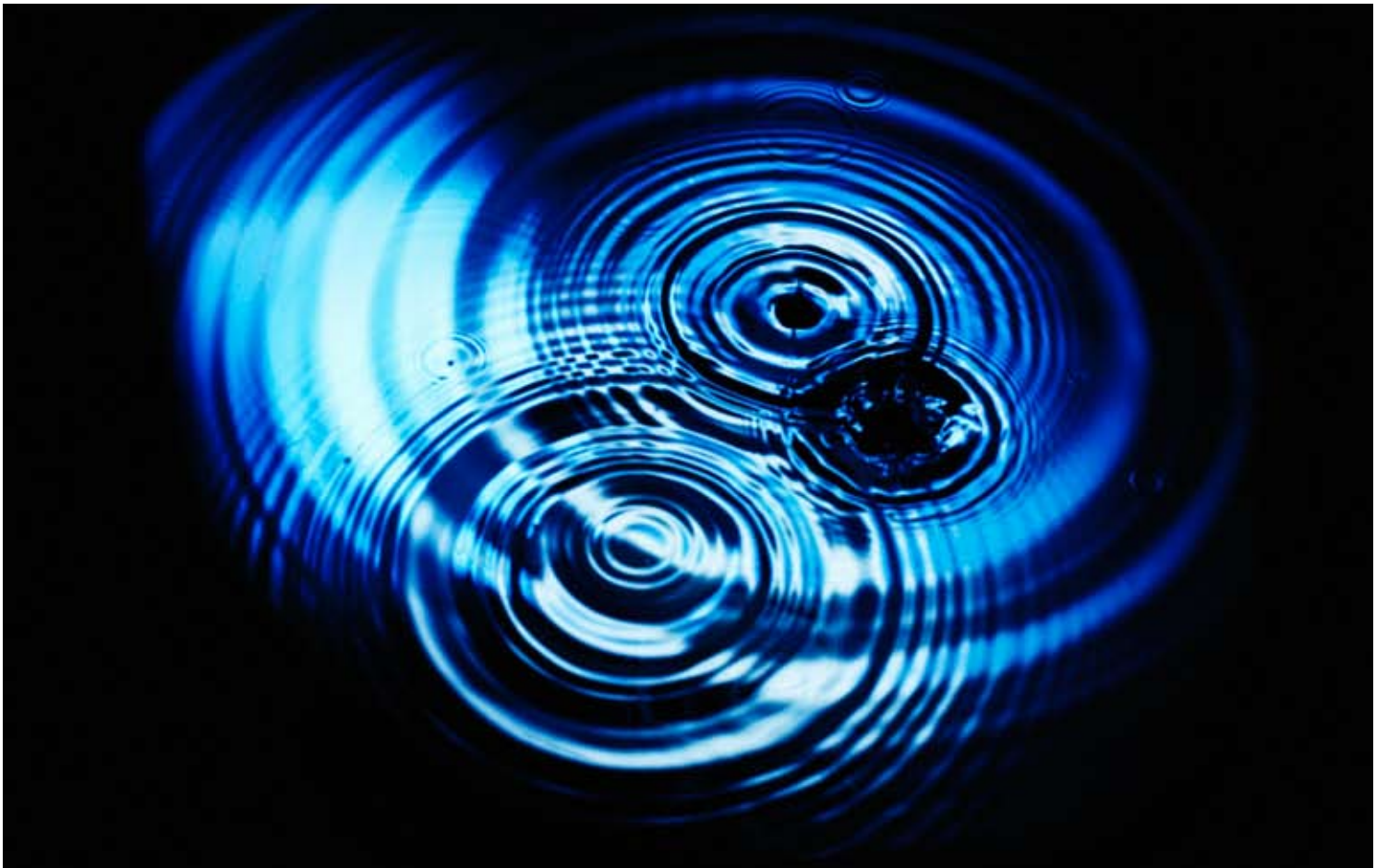
The Tara zinc mine became the first mine to achieve environmental certification and by the implementation of an ISO 14001 environmental management system at the Rönnskär copper smelter all of Boliden's smelters are now environmentally certified. Environmental investments, such as new filters for de-watering zinc and lead concentrates at Tara, and the expansion of the central water treatment plant at the Odda zinc smelter, have resulted in a substantial reduction in Boliden's emissions.

■ SOCIAL RESPONSIBILITY

Focused efforts in line with Boliden's zero accident vision are continuing to reduce the number of work-related accidents. The sick-leave rate is also falling and the Group's goal for 2008 of sick-leave of less than 4.8 per cent had already been achieved by the end of 2007. Boliden's managerial training programme has now been clearly defined.

■ ECONOMIC RESPONSIBILITY

The profit-sharing system for all employees is now operational. A number of asset managers have approved Boliden as an ethical investment.



BOLIDEN SUSTAINABILITY REPORT, 2007

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Addresses

Boliden's 2007 Sustainability Report is the third in a series that describes our work with the environment, people and society. In producing this Report, we have drawn on the Global Reporting Initiative, which is an international standard for reporting on sustainability efforts from an environmental, social and economic perspective. We apply the third generation guidelines (G3) and estimate that we have achieved reporting level B of a three-level system, graded from A to C. A table of cross-references to the GRI guidelines, which shows the degree to which we have complied with the standard's reporting requirements and structure, is available from www.boliden.com. Alongside core indicators, we have also included supplementary and industry-specific indicators. This Sustainability Report has not been reviewed by an external party. Additional details of Boliden's sustainability work and a download of this Report in full can be found at www.boliden.com. For further information on our measurement methods, definitions or other guidelines, please contact Boliden's Information Department.

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Boliden’s efforts to handle people, the environment and society in a sustainable and respectful way is central to every aspect of our operations. They enhance both our efficiency and Boliden’s value as a metals partner.

Lennart Evrell, *President & CEO*

Responsibility in a changing world

Boliden's main metals, zinc and copper, are vital to society as they are present in many of the things that surround us – as electricity cabling and water pipes, in buildings, in vehicles and electronics. At the same time, mine and smelter operations are potentially associated with environmental and safety risks. A long tradition of mining and smelting operations characterised by increasingly efficient methodologies, advanced technology and high standards of environmental performance enable Boliden to provide the first sustainable stage of the metals' long lifecycle. It also gives us a robust platform for the company's future development and growth.

This Sustainability Report describes Boliden's responsibility for people, the environment and society, and the progress we have made in these areas in 2007.

IN TUNE WITH THE OUTSIDE WORLD

The pronounced rise in base metal prices in recent years is a result of the ongoing societal development in large and densely populated countries such as China and India. At the same time, this developmental trend highlights the importance of being able to extract minerals and manufacture metals with the minimum possible environmental and social impact. Mining and smelting companies, which form the first link in the metals' value chain, are increasingly in the spotlight regarding our environmental impact, the way we review subcontractors, and our diversity and equal opportunities work. If Boliden is to be the company of choice for customers, suppliers, employees and investors, we must maintain a firm grip on every aspect of our operations, from exploration to metal deliveries. For us, responsibility is essentially about the long-term limitation of risks and reducing resource consumption.

SUSTAINABLE CORPORATE CULTURE

Boliden's corporate culture and, more precisely, the attitude of our employees are critical to the success of our improvement efforts. We are the people who ensure the quality of our work and our work environment, and who thereby generate lasting value for our stakeholders.

Sustainable success also demands good leadership. Investments in managerial training are vital if the organisation as a whole is to adopt a production philosophy that enhances every aspect of our operations, from safety, health and the environment, to relationships with customers, suppliers and the outside world as a whole.

ENVIRONMENTAL PROGRESS – SMALL STEPS AND GIANT LEAPS

Boliden has made substantial improvements in the environmental sphere over the years. Closed production systems and advanced

Boliden has taken a number of important steps forward in 2007. The certification of the environmental management systems at the Rönnskär copper smelter and the Tara zinc mine mean that six of our nine units are now environmentally certified in accordance with ISO 14001.

cleaning methods have, in combination with ongoing improvements, significantly reduced emissions from the individual plants over the past few decades. More recently, the Group's emissions of carbon dioxide and metals have fallen by 10 per cent since 2004. It is a truism to say that environmental improvements in the industrial sector either take the form of small steps or giant leaps, usually as a result of investments in new technology. Our investment in pressure filters for dewatering zinc concentrate at the Tara concentrator, which reduced emissions to air by 98 per cent from 2006 levels, is one example of the latter case. We will continue, step by step, to raise our ambition levels with regard to the environmental impact of our operations.

IMPORTANT STEPS IN 2007

Boliden has taken a number of important steps forward in 2007. The certification of the environmental management systems at the Rönnskär copper smelter and the Tara zinc mine mean that six of our nine units are now environmentally certified in accordance with ISO 14001. By the end of 2008, all of our units will have certified their management systems.

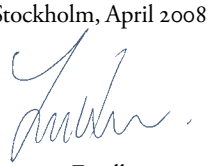
Promoting employee safety and health is primarily a matter of informing and educating Boliden's employees in order to change attitudes, and we are working intensively towards this end. We have toughened up our goal for sick-leave during the year, setting it at a maximum of 4.0 per cent by the end of 2012, because the previously set level of 4.8 per cent had already been achieved by the end of 2007.

Boliden has also worked consciously towards increasing the percentage of female employees. We work in a traditionally male-dominated industry but our Group management team, for example, is 33 per cent female and the figure for the Group as a whole is just over 13 per cent.

FOCUSING ON NEW GOALS

Every success achieved and goal fulfilled is, of course, something to be proud of. But there is still a lot to be done and there will always be room for improvement. Which is why we are now focusing on new challenges. We are working, step by step, to meet tomorrow's challenges and to further advance our positions. I am happy to be able to say that Boliden is travelling down a sustainable road and that we are already a reliable metals partner.

Stockholm, April 2008



Lennart Evrell
President & CEO

Work in progress at the production units

Boliden's operations are conducted by three Business Areas: Market, Smelters and Mines. The Group's nine production units – four mining areas and five smelters in four countries – are organised into Smelters and Mines. Business Area Market is responsible for metals purchases and the sales of concentrates and metals. All units have clear goals for their operations and sustainability efforts. All measures, large and small alike, make an ongoing contribution to increasing the operation's long-term sustainability. See below for a few examples of events that took place during 2007.

STOCKHOLM, HEAD OFFICE

Group function and Business Area Market. 130 employees*.

- Profit-sharing system for all employees implemented.
- Boliden approved as an ethical investment by several funds.

THE BOLIDEN AREA

Comprises the Kristineberg, Renström and Maurliden zinc mines. 403 employees. *

- 90 per cent reduction in waste not directly derived from production.
- Improved water treatment investigations completed at Maurliden and Kristineberg.

AITIK

One of Europe's biggest copper mines. 467 employees. *

- Construction work has begun on the rail spur between the mine and the trunk line.
- Cultural heritage inventory performed resulting in 45 documented ancient remains.

GARPENBERG

Zinc mine. 295 employees. *

- All employees received health, environmental and safety training.
- New safety system for entry to and exit from the mine.

TARA

Europe's biggest zinc mine. 678 employees. *

- The first mine in the Boliden Group to achieve ISO 14001 certification.
- 98 per cent reduction in metals emissions to air since 2006.

RÖNNSKÄR

Copper smelter and one of the world's biggest electronic scrap recycling facilities. 842 employees. *

- ISO 14001 environmental management system certification.
- Investment of just over SEK 100 million in a new converter gas system to improve environmental performance.

ODDA

Zinc smelter. 389 employees. *

- Expansion of water treatment capacity.
- Study of the effects of cadmium on nearby residents conducted in cooperation with the University of Bergen.

KOKKOLA

Europe's second biggest zinc smelter. 638 employees. *

- Best local employer prize.
- Good results in sick-leave rate, accident frequency and environmental performance.

HARJAVALTA

Comprises the Harjavalta copper smelter and the Pori copper refinery. 449 employees. *

- Completion of FoCus efficiency enhancement project.
- Health care campaigns carried out.

BERGSÖE

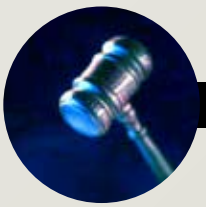
The Nordic region's only smelter for recycling lead batteries. 82 employees. *

- OHSAS certification achieved.
- Measures implemented to reduce diffuse dust emissions.

** Refers to average number during the year.*

Goals *and* performance

Boliden's goals in the fields of environmental responsibility, social responsibility and economic responsibility, and the degree to which we have achieved them, are presented below.



MANAGEMENT SYSTEMS

GOALS	GOAL FULFILMENT, 2007
■ Internal Group-wide audit in accordance with our guidelines shall be performed every other year at each unit.	■ Audits were carried out at Odda, Bergsöe, Aitik and Garpenberg in 2007.
■ All units shall be certified in accordance with ISO 14001 by the end of 2008.	■ A further two units – Rönnskär and Tara – were certified during 2007. Work is proceeding according to plan at Garpenberg, in the Boliden Area, and at Aitik.
■ All units shall be certified in accordance with OHSAS 18001.	■ A further unit, Bergsöe, was certified in 2007. Work is proceeding according to plan at Tara, Garpenberg, in the Boliden Area, and at Aitik.
■ An energy management system shall be introduced in all units by the end of 2008.	■ Seven of nine production units now have or are part of a certified energy management system. Tara will be certified in 2008. Bergsöe's energy management system has been integrated with the environmental management system.
■ All units shall be certified in accordance with ISO 9001 by the end of 2009.	■ Five out of nine production units are already certified and work has begun on the remaining four.

SOCIAL RESPONSIBILITY

GOALS	GOAL FULFILMENT, 2007
■ The Group's combined accident frequency shall be lower than 5 accidents per 1 million hours worked by the end of 2011.	■ The accident frequency fell from 11.2 in 2006 to 9.9 in 2007.
■ The Group's combined sick-leave rate shall be 4.0 per cent or lower in 2012.	■ Absence due to sickness totalled 4.6 per cent by the end of 2007, which means that the goal of 4.8 per cent for 2008 was reached.
■ The employee opinion survey, My Opinion, shall be carried out.	■ The survey was carried out throughout the entire Group. A total of 3,454 employees expressed their opinions in the survey.
■ A Group-wide Sustainability Report shall be produced in accordance with international practice.	■ This year's Sustainability Report complies with the third generation (G3) of the GRI guidelines. Visit www.boliden.com to see the extent to which the Report complies with the GRI guidelines.

ENVIRONMENTAL RESPONSIBILITY

GOALS	GOAL FULFILMENT, 2007
■ The Group's specific emissions of metals (Cu, Zn, Pb, Ni, Cd, As) to air shall be reduced by 20 per cent by the end of 2008.	■ Emissions to air have fallen by 6 per cent in comparison with the base year of 2004.
■ The Group's specific discharge of metals (Cu, Zn, Pb, Ni, Cd, Hq) to water shall be reduced by 20 per cent by the end of 2008.	■ Emissions of metals to water have increased by 66 per cent in 2007 in comparison with the base year of 2004. This was due to heavy rainfall and an emission at Odda. Improvements have been made.
■ The Group's specific emissions of carbon dioxide shall be reduced by 5 per cent by the end of 2008.	■ Specific emissions had fallen by 1 per cent by 2007 in comparison with the base year of 2004. Total emissions have, however, fallen by 6 per cent.
■ The Group's non-industry specific waste to external landfills shall be reduced by at least 20 per cent by the end of 2008. The waste is calculated by volume per tonne produced.	■ The amount of non-industry specific waste has fallen by 9 per cent since the base year of 2004.
■ There shall be a balance over a five-year period between the reclamation of previously affected areas and the commissioning of new, unaffected land.	■ 162 hectares of new land have been utilised during the period from 2002 to 2007 and 111 hectares have been reclaimed.

ECONOMIC RESPONSIBILITY

GOALS	GOAL FULFILMENT, 2007
■ To generate a return on capital employed exceeding 10 per cent over a business cycle.	■ The return on capital employed totalled 29 per cent (52%).
■ To achieve a net debt/equity ratio of approximately 40 per cent.	■ The net debt/equity ratio was 43 per cent (–1%).
■ To pay a dividend corresponding to approximately one third of the net profit over a business cycle.	■ The Board proposes a dividend of SEK 4 (SEK 4) per share, corresponding to 30 per cent of the net profit.

Boliden's *BUSINESS MODEL* creates values through the three Business Areas, each of which possesses the cutting-edge skills and assets critical to running a competitive metals industry business. One of the starting points and prerequisites for every Business Area's operations is an acknowledgement of our responsibilities from an environmental, social and economic perspective.

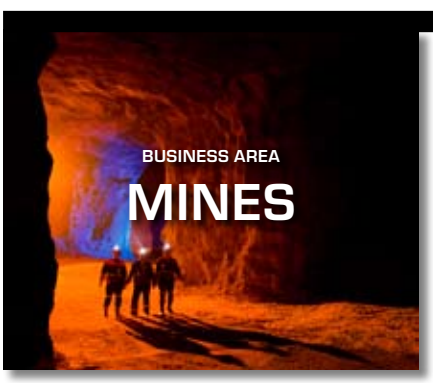
SEGMENT SMELTERS

The Market organisation is responsible for supplying the smelters with raw materials and for selling finished metals to Boliden's customers. Metal concentrates from both Boliden's own and external mines are transported to the smelters for processing. Business Area Market optimises the smelters' concentrates supply both through sales of internally produced concentrates and through purchases from external suppliers. BA Market is also responsible for the availability of electronic scrap and other secondary materials recycled in the smelters.

The smelters refine the metal concentrates to produce pure metals. The principal stages of the process at the copper smelters involve drying, roasting, smelting, converting, anode casting and electrolytic refining. The corresponding stages in zinc production involve roasting, leaching, solution purification, electrolysis and casting. Boliden's main products are zinc ingots and copper cathodes. The most common by-products are gold, silver, lead and sulphuric acid.

Different forms of recycling material also constitute an important source of raw materials for the smelters' production. Boliden recycles lead from lead batteries, and copper, zinc, gold and silver from metal and electronic scrap, metal ashes and steel mill dust.

SEGMENT MINES



The mining operations comprise exploration, mining and concentration. Exploration secures our long-term ore reserves, and Boliden is currently the leading player in Europe in terms of exploration of the base metals copper and zinc. Mining comprises drilling, blasting, loading and transportation of ore for concentration. Concentration is a stage of the refinement process, the main stages of which involve crushing, milling, flotation and, sometimes, leaching.

The finished product – called mining concentrate – is transported for further processing to the smelters. Reclamation, whereby the mining area is rehabilitated in harmony with the surrounding environment as production gradually ceases, is a natural part of the mining operations.

SOCIAL RESPONSIBILITY

■ Boliden's customers are located exclusively in Europe, but concentrate suppliers are located worldwide. The Business Area ensures that suppliers follow Boliden's policies and guidelines, and that the demands and requests of our customers are incorporated into the organisation.

■ Boliden's smelters are usually the dominant employer in the communities in which they are located. We work in a goal-orientated way to safeguard our employees' health and safety and otherwise to establish rewarding relationships with existing and future employees. Boliden also aims to inform the public about our operations and to maintain a healthy dialogue with all stakeholders affected by them.

■ The establishment of new mines and the expansion of existing ones depend on the success of the exploration work. Boliden's mines are usually the dominant employer in the communities in which they are located and it could, therefore, be said that ideally, the exploration work contributes to the development of communities. We care about those affected by our operations and are keen not only to ensure our employees' health and safety, but to minimise the disruptive effect on those living in the immediate area.

ENVIRONMENTAL RESPONSIBILITY

■ Well-planned loading and transportation of materials within the Group and to customers reduces the environmental impact of transportation. Most of Boliden's facilities are directly linked to rail or sea transport routes, and streamlined handling helps increase the environmental efficiency of the deliveries.

■ The processes at the smelters cause emissions of metals to air and water, and waste. Technological and knowledge developments have successively reduced the environmental impact and energy consumption to a fraction of former levels. The flash smelting method for copper and direct leaching for zinc, together with the recycling of electronic scrap using the Kaldo technology, are techniques further developed by Boliden. They have both boosted environmental performance and our competitive advantages.

■ Environmental initiatives within the mining and concentration operations begin during the exploratory stage. Exploration requires prospecting licences which are issued by the Mining Inspectorate of Sweden in Sweden and EMD in Ireland. Environmental impact assessments are always produced during the planning stage of a new mining area. The operations at all Boliden mines require permits and are conducted both in line with official requirements, and in line with their own goals and programmes aimed at minimising environmental impact.

ECONOMIC RESPONSIBILITY

■ BA Market's sales income and result are included in the accounts under Business Area Smelters. Boliden's sales of zinc and copper metal and of other metals, and to other producers, are handled by Business Area Market. The Business Area is also responsible for the supply of raw metarials to Boliden's smelters and handles the flows between mines, smelters and customers.

■ Revenues within the segment totalled SEK 34,704 million (SEK 37,514 m) in 2007. Boliden is continuously investing in a range of measures that both boost efficiency and lead to reduced resource consumption. The waste heat from the smelters is sold as district heating to heat industrial premises and local communities.

■ Revenues within the segment totalled SEK 7,567 million (SEK 7,261 m) in 2007. Investments in exploration were virtually doubled to SEK (300) million (SEK 162 m), making Boliden Europe's largest zinc and copper explorer. Funds for reclamation work are allocated even before the mining operations have begun. In 2007, Boliden allocated SEK 604 million.

Sustainability efforts are about efficient management

Boliden's vision of being a world-class metals partner demands structured and goal-orientated work. Boliden has clearly defined the responsibility and routines for the sustainability work carried out at the different units. It is coordinated by the EHSQ, HR and communications networks.

Boliden's ambition is to be the obvious first choice in our markets. This requires good relationships with customers, suppliers and employees, and with other stakeholders affected by our operations. Every Boliden employee must act responsibly in their own work situation and in relation to those around them.

The division of responsibility and reporting in relation to our sustainability efforts follows a clear structure. The initiative comes, via the Annual General Meeting and the Board, from the company's management, and is regulated in the Articles of Association. Boliden's strategic platform determines the direction and the Operational Policy lays down the framework for working with the environment, health, safety and quality, and with HR issues. Our overall goals and management systems constitute the more concrete tools for the systematic work on continuous improvements.

We aim to bring about a sense of involvement throughout the organisation, and to facilitate the dissemination of knowledge and experiences between our units in the best possible way, by minimising the size of our staff functions. This is why work on both HR issues, and on environmental, health, safety and quality issues (EHSQ) is carried out within the line organisations, with the support and backing of a few Group-wide functions. The aim is to use a network structure to generate the optimum conditions for taking responsibility at local level. The managers of each of the networks report quarterly to the Group management. The management team, in turn, reports to the Board, which also studies sustainability-related issues in depth on a regular basis.

The EHSQ staff work with four networks comprising a total of 60 employees spread across the Group's units and who have a variety of specialist roles within the EHSQ field. The HR network comprises seven people who work with a broader network of HR Managers. The Communications network comprises 15 people and is responsible for, among other things, ensuring that best practices and experiences are disseminated throughout the Group and for increasing interaction between Boliden and its stakeholders.

The production units annually report their work on environment, health and safety in the form of a local public report. The primary reporting channels with regard to our economic performances are the Interim Reports, the Annual Report and Sustainability Reports, and press releases.

MORE AT WWW.BOLIDEN.COM

Quality Prize to Harjavalta

The Harjavalta smelter was a first-time entrant in the Finland's Quality Prize 2007 competition – and the winner of the EFQM Recognised for Excellence (European Foundation of Quality Management) award. The award was in recognition of Harjavalta's well-structured and highly-efficient operations and its good results.

The introduction of environmental and energy, work environment and quality management systems, is proceeding according to plan and is presented in the table below. The goal is for all mines and smelters to have environmental, energy and work environment certification by the end of 2008, and quality certification by 2009. The Rönnskär copper smelter's ISO 14001 management system was approved in 2007, which means that all Boliden smelters now have certified environmental and energy management systems. At the end of the year, Tara's zinc mine became the first mine within Boliden to be certified in accordance with ISO 14001.

	QUALITY ISO 9001:2000	ENVIRONMENT ISO 14001:2004	HEALTH & SAFETY OHSAS 18001/ISRS	DAM SAFETY PART OF ISO 14001	ENERGY SS627750/ IS393:2005
AITIK		begun	begun	begun	certified
THE BOLIDEN AREA		begun	begun	begun	certified
GARPENBERG		begun	begun	begun	certified
TARA		certified	certified	begun	begun
HARJAVALTA	certified	certified	certified	begun	begun
RÖNNSKÄR	partly certified	certified	begun	not applicable	certified
KOKKOLA	certified	certified	certified	begun	begun
ODDA	certified	certified	certified	begun	begun
BERGSÖE	certified	certified	implemented	not applicable	begun

Tara first mine to achieve environmental certification

In November 2007, after eight months of detailed preparations, the NSAI (National Standards Authority of Ireland) certified the Tara zinc mine in accordance with ISO 14001. Tara took its existing operational approaches and incorporated environmental monitoring solutions into them.

"It was all very hectic during the final months, but reviewing and developing your routines with a view to improving them is always a good thing," says Tara's Environmental Manager, Brendan O'Reilly.

The next certification, which is scheduled for completion and approval in 2008, is OHSAS 18001. Tara has been certified in accordance with ISRS (level 7) for many years now, which means that the organisation has already developed the tools necessary to monitor and steer its work environment efforts.

Boliden's mines have been working on the introduction of management systems for environment, work environment and energy since 2006. The structuring is based on existing processes and involves the entire mining organisation. Every process is mapped and routines for minimising risks are created within the operations.

An internal audit was carried out at the Garpenberg mine during the year.

Committed to continuous improvements

Each unit within Boliden is audited internally every other year in relation to The New Boliden Way, the Operational Policy, and the Group-wide guidelines for environmental, health, safety and quality issues. This year, internal audits have been carried out at the Aitik and Garpenberg mines, and at the Bergsöe and Odda smelters.

The internal audits are lead by Boliden's Head of EHSQ, Catharina Nordeman, and a team of employees from different parts of the Group.

"Every audit results in a report detailing deviations from standard and offering suggested measures for improvement. We are also responsible for following up to ensure the measures are implemented within the set timeframes," says Catharina.

The audits have previously addressed health, environmental and safety issues, but their scope was augmented in 2007 to include quality work. From a longer term perspective, the aim is for the audits to cover the market organisation and staff functions, as well as the production units.

The reviews conducted in 2007 primarily related to the degree of implementation and, in some cases, to preparations for management systems within EHSQ.

"Reporting and managing deviations and risk assessments are two areas that we have looked at more closely in several of the units. Generally speaking, the results have been satisfactory. Our overall view is that the units displayed considerable commitment both to the audit itself and to the day-to-day work on EHSQ issues," says Catharina Nordeman.

Catharina Nordeman, Head of EHSQ at Boliden.

Dialogue with our stakeholders

As one of Europe's leading metals companies and as an important player in many communities, Boliden comes into contact with many different stakeholder groups. A constantly ongoing dialogue paints a picture of the expectations that investors, customers, employees and other stakeholders have of us and the demands they make of us. The dialogue also helps to make our operations transparent to the outside world.

BOLIDEN'S STAKEHOLDERS IN SOCIETY

Employees
Our employees are the heart of Boliden's operations. We are working continuously to create a safe and enjoyable work environment of passion, commitment and development. Our goal, thereby, is to secure a successful talent pool.

Customers
As a world-class metals partner, Boliden endeavours to offer its customers high-quality products and service that create added value for them. Meeting and exceeding customers' expectations through efficiency and responsibility makes us more attractive.

Suppliers
To be able to produce metals successively, we depend to a very considerable extent on our suppliers. And just as we demand responsible actions, we must also act credibly ourselves if we are to retain and develop these relationships.

Owners
Boliden endeavours to create value for our owners through responsible and high-quality operations. We regard the fact that more investors are showing interest in our sustainability efforts as very positive.

Government authorities
Boliden requires permits to conduct its operations and we accordingly endeavour to establish close and open contacts with authorities at local, regional, national and international level. Openness and responsible behaviour in respect of the environment, people and the outside world in general are vital to constructive dealings with government agencies.

Local residents
We always take into account and seek to reach an understanding with those who live and work in the vicinity of our operations, many of whom are also Boliden employees.

Industry and non-governmental organisations
Some organisations monitor us and our operations from an environmental, labour law and/or ethical perspective. Others are linked to the mining or smelting industry and endeavour to promote our industrial operating conditions. Boliden is working to establish open and good relationships with both types of organisation.

MAGNUS FURUGÅRD
PRESIDENT, GES INVESTMENT SERVICES

GES Investment Services supplies the financial sector with analyses and advice on responsible investments by evaluating the work and attitudes of listed companies with reference to environmental and social issues. Boliden is one of the 30 companies that make up its ethical index, SIX/GES SIX30 Ethical Index.

"More and more investors are realising the importance of ethical and social issues and of corporate governance. These days, investors are unwilling to own shares in companies that act irresponsibly – it's not just about the company's confidence capital, it's about investors' own confidence and the financial risk. GES Investment Services checks that the companies have clear goals, divisions of responsibility, follow-up procedures, and transparent reporting on these issues."

PATRICK ROELING
ZINC PURCHASING MANAGER, CORUS GROUP

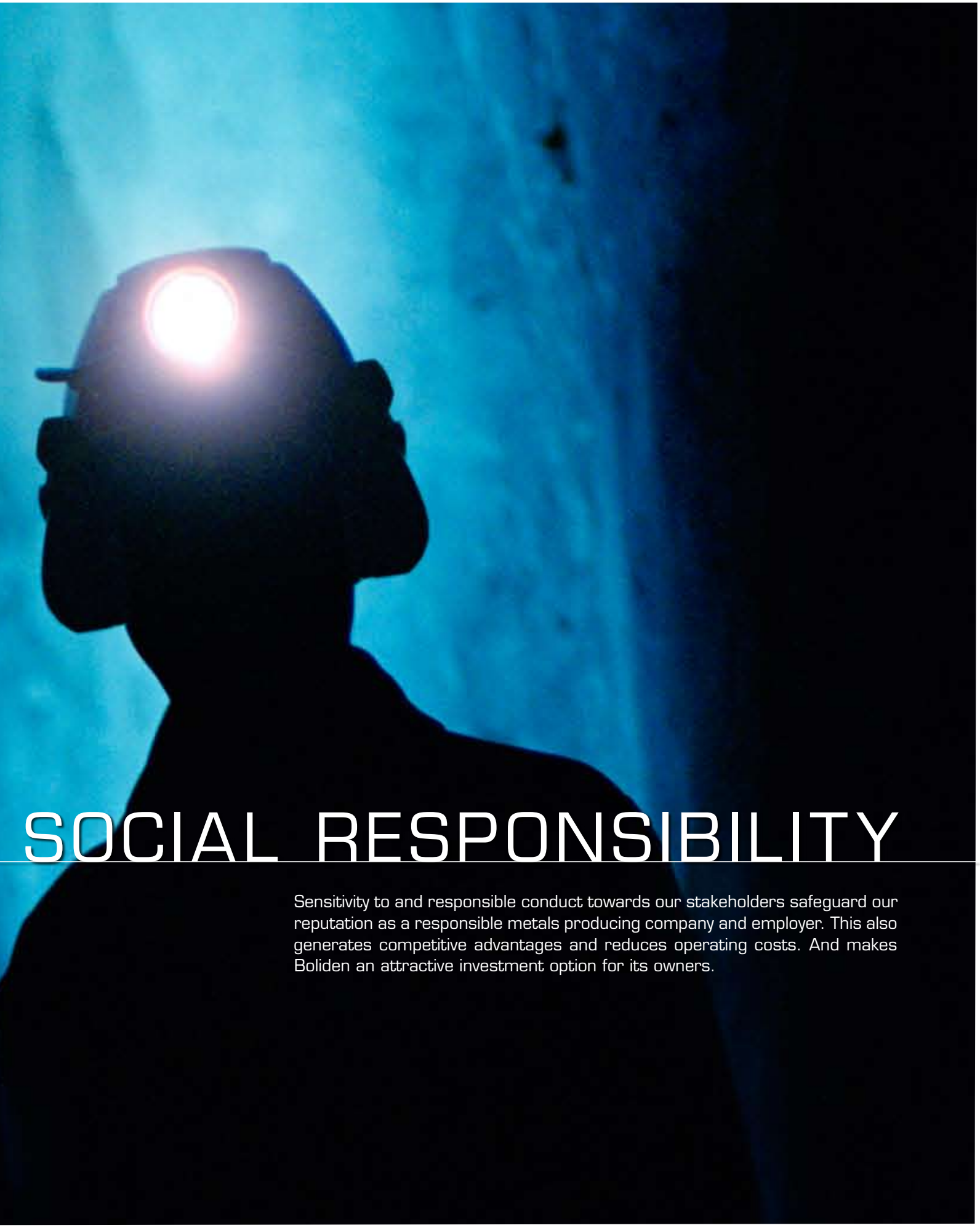
Corus is Europe's second largest steel producer and one of Boliden's biggest customers. Corus' customers operate in numerous global markets, including the construction, automotive and packaging industries. Corus has been part of the Tata Steel Group since 2007.

"We encourage our suppliers to act in accordance with the standards that we set for ourselves. As a major market player, we can select – and review – suppliers in depth in accordance with criteria, which reveal whether their operations are based on a sustainable foundation. Taking responsibility for the environment and their employees, for example, is, we believe, the basis of a good product."

PIA SANDVIK WIKLUND
VICE-CHANCELLOR, LULEÅ UNIVERSITY OF TECHNOLOGY

Luleå University of Technology strives to promote close cooperation with companies and communities. The university is keen to ensure needs-based research and education by drawing on the opportunities for cooperation with trade and industry and with local communities. Mining technology and metallurgy are prioritised fields of research.

"Our technology-heavy profile and needs-based research have forged strong relationships with industry. These partnerships are not simply a matter of maintaining our research excellence for us, but an expression of our stated ambition to be a leading mining studies university. Good partnerships of the kind we have with Boliden are therefore absolutely vital. Our shared interest in developing new knowledge creates long-term benefits for both parties."



SOCIAL RESPONSIBILITY

Sensitivity to and responsible conduct towards our stakeholders safeguard our reputation as a responsible metals producing company and employer. This also generates competitive advantages and reduces operating costs. And makes Boliden an attractive investment option for its owners.

Operations that build relationships

Boliden has to deal with numerous different stakeholder groups. We are a major supplier of important base metals which, via our customers and our customers' customers, are used in a variety of ways in society. And because our operations are closely linked with the communities in which we live, we maintain an ongoing dialogue with government authorities, organisations, local residents and other stakeholders.

Metals are vital to modern society, and we are keen to contribute to the public's knowledge and understanding of metals' many spheres of application. This also includes a responsibility to take into account the entire lifecycle of the metals we produce.

Historically speaking, our mines and smelters have given rise to the development of communities. This has made Boliden the dominant employer in the towns in which we are located. Our employees and their families can even constitute the critical mass that ensures the supply of fundamental social services and local facilities. Calculations suggest that for every one Boliden employee, between four and six more job opportunities are created locally.

Being responsible starts with good management. We want to earn our employees' confidence by communicating clearly, always delivering on our promises, and maintaining what is, in every respect, an equal opportunities work environment and organisation. Boliden shall offer a safe work environment, promote good health and generate motivation on the part of its employees by providing meaningful tasks.

Boliden is also, in addition to its role as an employer, a purchaser of local goods and services, an originator of local infrastructure, and a sponsor of, among other things, sports and culture.

The dialogue is about people's expectations and the things they require from Boliden and with the way in which we want to influence development in a beneficial direction.

Boliden is investing heavily in improving its management skills. The competency development and supply plans laid down in 2006 have now taken shape.

"Management is a key issue at Boliden in terms of our operations, our culture, and our ability to be a world-class partner. It sets the direction that our company takes, determines the way in which we want to continue our development, and ensures that our employees' work is meaningful. This is why, for us, investment in this area is only natural," says Boliden's Senior Vice President, Group Human Resources, Bengt Lindahl.

The High Potentials Programme was launched in early 2008. Training for *International Operations* and *Young Professionals* are examples of the management training programmes already in progress.

BENGT LINDAHL, SENIOR VICE PRESIDENT, GROUP HUMAN RESOURCES

In 2007, the number of Exploration employees at Boliden rose from 60 to almost 90.

Global talent

"Boliden is a dynamic company that constantly welcomes any new ideas and suggestions we come up with. We are delighted to be part of the company and to help the operations progress," says geologist Helen Crowther from England, who has recently been recruited as part of Boliden's massive exploration investment.

Our goal of becoming Europe's leading supplier of zinc and copper is contingent on our having a multifaceted workforce and a long-term supply of different skills. One important step in this process was the recruitment of geologists and geophysicists, plus field technicians and geotechnicians, with a view to strengthening Boliden's exploration operations. The new, international exploration team is now on site in the Boliden Area, all with different backgrounds and all with their own unique stories to tell.

Karen Wellman left the sunny climes of Australia for the wilderness and long winters of Norrland – and a job as Senior Ore Geologist in Boliden's ore base department.

"The market for this type of job is truly global. It's perfect for those of us who love travelling and getting to know new cultures, and having new experiences," says Karen Wellman.

Maartje van Dijk and Hein Raat from Holland, Adriana Berbesi-Stenfelt from Venezuela and James Blight and Helen Crowther from the UK agree. But their paths to becoming Boliden employees are very different. Helen Crowther was tipped off by a fellow student who had seen the advertisement in an Irish minerals publication, while Adriana Berbesi-Stenfelt was working for one of Boliden's customers.

"I wanted to work for a company where I'd have a real opportunity to influence things," says James Blight.

Helen Crowther and James Blight both hold doctorates and are now working as project geologists in Boliden's VMS group (Volcanically formed Massive Sulphides). James has previously been involved in gold and diamond exploration in West Africa and Mongolia. He is convinced that his previous experiences will be of real use in his new role, despite what are in many respects, considerable differences between his previous work and his current job at Boliden.

"The bedrock structure is different here from the areas where I've previously explored. Getting at the minerals here requires more geological field work and drilling," says James Blight.

When asked how they initially started down the career path that eventually led to Boliden's exploration department door, the team agree on two main causes.

"Geology's a mixture of subjects such as physics, chemistry, mathematics and biology, which appeal to us. And then, of course, there's the fact that we all like being outdoors," summarises Adriana Berbesi-Stenfelt.

Their first few months in the Skellefteå area have been spent getting to know Sweden – the four seasons, the culture and the language.

"We've been well received, both by Boliden and by Swedes in general. People have been very supportive and taken the time to talk to us. Generally speaking, it's calm and peaceful here. It's lovely being able to walk to and from work and not to have to deal with rush hour traffic," say Maartje van Dijk and Hein Raat from Holland, who are both used to more densely populated surroundings.

The team has also managed to fit in a number of leisure activities, such as a trip on an icebreaker, hunting, curling and, of course, Skellefteå Hockey's home games.

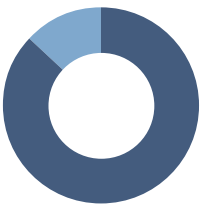
But their focus is always on their own – and Boliden's – future.

"There is huge determination in the company to find new ore bodies and the company is investing heavily in this exploration programme. Boliden is also a very open minded company where you can get things done and try out new ideas. We're very definitely in the middle of an exciting phase for the company and we're looking forward to having the chance to help it progress," concludes Helen Crowther.

EMPLOYEES 2007
NUMBER

Sweden	2,340
Finland	1,091
Ireland	678
Norway	389
Other countries	26

GENDER BREAKDOWN 2007
PER CENT



Men	87
Women	13

Partnerships to secure talent pool

Boliden, in common with many other industrial companies, is facing the challenge of securing its long-term personnel requirement in a variety of different occupational categories and competencies. Our operations are usually based in less densely populated areas, making our work in this field particularly important.

Talent supply is vital if Boliden is to maintain and boost its competitiveness. It requires forward planning and a structured work programme, not least when one considers that almost one third of our current workforce will be retiring over the next ten years. The Kokkola zinc smelter has been preparing for the transition since the 1990s. Internal training programmes and recruitments have been shown to provide a good talent pool for the smelter. Kokkola will be recruiting approximately 150 new employees during the current decade.

We often work in partnership with a range of educational establishments in the countries in which we operate, in order to facilitate both the long-term and short-term talent supply. The partnership schemes involve, among other things, Boliden organising activities in cooperation with universities, colleges of education, and upper secondary schools. Practical work experience, degree work, field trips and recruitment evenings are all important elements of Boliden's contacts with the education sector, as is encouraging young people to choose scientific and technical courses.

The Rönnskär copper smelter and the mining area in Boliden have launched a two-year university training course for process operators, in partnership with Umeå University, in order to secure the talent supply for their operations. A 30-week long miners' training course with 10 participants, organised in partnership with Hedemora Lärcentrum, began at Garpenberg in 2007. The increased ore deposits discovered in the area, coupled with natural staff wastage, mean that there is a growing need for manpower. The course alternates theory with practical work, and the students are taught about everything from drilling, blasting and operating machinery to understanding the properties of the rock and how it behaves in different situations. Geology, health, the environment and safety are also part of the curriculum.

"We need to employ more new miners every year at Garpenberg and this partnership will provide an excellent potential for achieving this goal. The course has attracted considerable attention, suggesting an interest both in the profession and in Boliden as a company," says Garpenberg's HR Manager, Jenny Gotthardsson.

Taking care of our existing employees is just as important as attracting new ones. Our ongoing Programme for Young Professionals, conducted alongside our management training projects and ongoing in-service employee training, is designed to do just that. Its objective is to give young Boliden graduates the chance to learn more about our operations and values and to build up personal networks.

The programme has been very popular, which is why we launched two new rounds of the programme in the autumn of 2007 – rounds three and four. They are running in parallel and are being attended by 18 employees from four countries. Half of the participants in the programme are women, clearly signalling our desire to increase the percentage of women working in this traditionally male-dominated industry

MORE AT WWW.BOLIDEN.COM

SOME OF THE COLLEGES OF EDUCATION AND UNIVERSITIES WITH WHOM WE COOPERATE:

Luleå University of Technology
Umeå University
The Swedish University of Agricultural Sciences
Helsinki University of Technology
University of Oulo
University of Bergen
Norwegian University of Science and Technology, Trondheim
University College Dublin
University of Dublin – Trinity College
Royal School of Mines, London
Colorado School of Mines, Denver

"Boliden has a close partnership with Luleå University of Technology aimed at ensuring the long-term supply of both civil engineers and research in our areas of expertise. This is a challenge facing the entire metals industry. Exploration, mining and mineral technology, along with metallurgy and environmental impact, are examples of some of the eight research programmes already launched. The programmes cover the entire chain, from exploration to finished metal, and will give us research findings that are directly usable. This investment is strategically important to us because we can see a clear link between good research and the supply of civil engineers. Over the next five years, Boliden will be allocating money via a research foundation to build up a world-class research establishment at Luleå University of Technology. We are also co-funding three chairs at the university."

ULF MARKLUND, MANAGER OF TECHNOLOGY, BUSINESS AREA MINES

Unions' voice important

Boliden has good relationships with trade union organisations and supports the cooperation between employers and employees and their representatives. Trade union membership levels and reporting routines vary slightly from one country and one unit to another, but an average of 90 per cent of Boliden's employees are union members.

Trade union cooperation exists at different levels within the Group. The Boliden Works Council (BWC), which is the company's overall trade union body, comprises 15 representatives from Boliden's nine production units and communicates with company management.

The BWC meets twice a year to discuss work environment-related issues and terms of employment, to update itself on the way in which the company is developing, and to work towards the integration of the units' different cultures. As a result, the BWC is also an important disseminator of corporate culture and bridge builder between units and countries.

"This year, the Boliden Works Council has specifically worked on increasing understanding of our different countries' cultures," says the BWC Chairman, Bo Karlsson.

In addition to the central body, each local unit also has its own union activities.

At the same time, labour market regulations differ between the various countries, and as a result, the various employee organisations have, to some extent, different methodologies and different scope for making demands. Boliden does, however, implement the terms of employment and labour market rules that apply in each country.

"My view is that Boliden is an employer that is keen to develop and improve relationships with the trade union organisations," says Bo Karlsson.

My Opinion

Employees believe that Boliden's future remains bright. This is the conclusion from the annual employee opinion survey, My Opinion, which was conducted on a Group-wide basis for the first time in 2007. The company is seen as a secure, respected and fair employer that employees are happy to recommend to young people in the job market. Traditions and habits are regarded as the main barrier to more efficient change management.

The response frequency was up by almost 5 percentage points in the 2007 survey to 75.4 per cent, which means that 3,454 employees gave their opinions. Alongside the My Opinion survey, the annual performance reviews are used to pick up on employees' perceptions of Boliden as an employer and to obtain source data for structured improvement work within the units.

Lifestyle-changing measures

Sick-leave and ill health on the part of our employees is not primarily work-related: rather it is lifestyle-related, e.g. as a result of smoking or obesity. Every unit within the Group has an action programme designed to promote the health of employees and thereby reduce the sick-leave rate. Health surveys and training days addressing diet and lifestyle, etc., are just some of the ways in which we hope to be able to decrease sick-leave rates and improve employees' health and attendance levels.

An anti-smoking campaign was launched at the Harjavalta copper smelter in 2007, for example, whereby the company is defraying the cost of a smoking cessation programme for employees who want to quit. The Kokkola zinc smelter is one of the first companies in Finland to start using AinoActive exercise. The project is being conducted in cooperation with the Kalajoen Diakonaatti rehabilitation unit. Participants are interviewed and undergo a health check to determine their current physical health and fitness levels. The project will run until July 2008.

Some 350 employees at Rönnskär and Aitik's concentrator took part in a project entitled Shift work and Health.

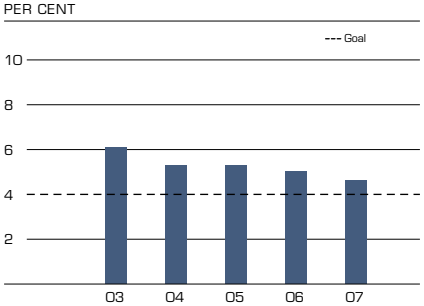
All units have strict alcohol and drug policies. The vision is of a drug-free workplace and the ambition is to provide rehabilitation in conjunction with problems arising. Drug testing forms part of the recruitment process at many units and is also carried out by some units on both a random basis and when abuse is suspected.

Boliden has already achieved its goal of bringing the sick-leave rate for the Group down below 4.8 per cent by the end of 2008.

In 2006, the sick-leave rate totalled 5.0 per cent, and this figure fell to 4.6 per cent in 2007. The Group achieved the exceptionally low figure of 4.0 per cent during the third quarter of the year. This trend is, of course, very pleasing, and we have now adjusted the goal for 2008 to a level of less than 4.5 per cent and aim, by the end of 2012, to achieve a maximum sick-leave figure for the Group of 4.0 per cent.

SICK-LEAVE RATE

PER CENT



Since 2007, every employee at Boliden's zinc mine in Garpenberg wears a safety chip to improve our ability to ensure their safety.

Towards an accident-free workplace

A safe work environment is vital in terms of the long-term success of our operations. Serious accidents not only cause personal injury and damage confidence, they can lead to production being shut down or units being closed.

Since 2006, as part of our endeavours to operate the industry's safest facilities, Boliden has been implementing a zero tolerance philosophy with regard to accidents at work. This is a lofty ambition and one that will be achieved through a systematic programme of safety and work environment efforts in which accident risks are reported, analysed and actioned. One measure designed to improve safety routines further is the new automated casting line that will be brought on line at the Kokkola zinc smelter in the beginning of 2008. Casting is one of the most labour-intensive production phases and entails certain safety risks. The most tangible improvements relate to the handling of smelted metals and the heavy zinc jumbo ingots.

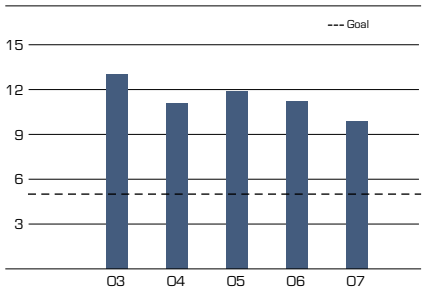
The safety routines could, to some extent, still be improved through investments in safer machines, but the vast majority of accidents are actually attributable to attitudes and behaviour. This is why the Rönnskär copper smelter and Boliden's Swedish mines conducted a training course this year on attitudes to safety.

"The training was an eye-opener for many of our employees. But this is just one of several ways of generating what must be an ongoing dialogue on the subject of safety," says Tommy Eriksson, who works with health and safety issues within Business Area Mines and who initiated the popular training programme.

At the end of 2007, the Rönnskär copper smelter concluded its three-year project, Zero Accidents, which was aimed towards reducing the accident frequency to zero. The aim of the project was to change attitudes towards the way in which employees carry out their work tasks. Many accidents occur when tasks are carried out in the wrong way in order to save time or because it has "always been done this way". Rönnskär has drawn ideas and gathered experience from the Group's other units, including Odda, which routinely holds review meetings every time an accident occurs. The inspiration for the Rönnskär management's safety rounds comes from the Harjavalta copper smelter, where the management inspects every department four times a year. When the project started in 2005, Rönnskär's accident frequency per million hours worked was 23.6. By the end of 2006, it was down to 9.3, and by the end of 2007, it was 8.9 which means that the accident frequency has fallen by more than 60 per cent during the course of the project.

ACCIDENT FREQUENCY

NUMBER PER MILLION HOURS WORKED



Boliden's goal is for the accident frequency within the Group to be below five per million hours worked by the end of 2011. In 2007, the Group-wide accident frequency was 9.9.

Reliable relationships with customers and suppliers

Our Code of Conduct and Operational Policy lay down guidelines for the way in which we shall treat our customers and suppliers, and which ethical, social and environmental demands we should make of them.

Boliden's zinc customers mainly comprise European galvanisation firms, including both steelworks and piece goods companies, and its copper customers are primarily wire rod manufacturers.

Boliden's customers are mainly European smelting, steelworks, and semi-finished product companies. In terms of numbers, we have relatively few copper cathode customers but have several hundred zinc product customers. The total customer base, including by-product customers, comprises in excess of 300 customers.

Boliden's suppliers can be divided into two different categories: those from whom we buy metal concentrates and secondary raw materials, and those from whom we buy all other input goods and services, including logistics.

Boliden's smelters have an annual requirement for approximately 1.2 million tonnes of copper concentrate, of which around 300,000 tonnes come from the Group's own mines. The remaining metal concentrates are bought in from external suppliers. The concentrates from our own mines are sufficient for around 80 per cent of the total zinc production of approximately 430,000 tonnes. Boliden also buys in large quantities of metal and electronic waste.

Since January 2005, Boliden's purchasing department has been working to reduce the number of suppliers of other input materials and services, partly in order to enable purchasing to be standardised and partly in order to deepen our relationships with the remaining suppliers. Products and services are now purchased from around 6,500 suppliers, 25 of which account for 45 per cent of the total volumes purchased. Local suppliers, i.e. those located in the vicinity of our mines and smelters, make up some 80 per cent of the total number.

Boliden endeavours to work with certified companies and has introduced Group-wide routines for assessing their environmental awareness, work environment and values.

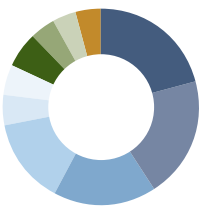
"Having long-term relationships and working with larger companies that have clear values and their own ethical guidelines make our partnerships work more smoothly," says Jon Halvarsson, Boliden's Purchasing Manager.

Boliden follows up and carries out audits of suppliers and customers alike at regular intervals, paying particularly close attention to those customers who buy particularly sensitive products from us, such as mercury and cadmium. The aim is to ensure that the products are handled responsibly and not used in contexts that could cause damage to either the environment or people's health.

ORIGIN OF BOLIDEN'S COPPER CONCENTRATE 2007

PER CENT

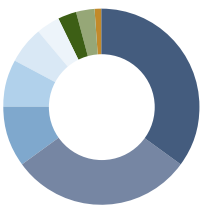
Sweden	21
Chile	20
Portugal	17
Peru	14
Argentina	5
Finland	5
Turkey	6
Canada	4
Brazil	4
Others	4



ORIGIN OF BOLIDEN'S ZINC CONCENTRATE 2007

PER CENT

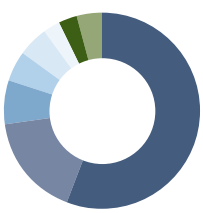
Ireland	35
Sweden	30
USA	10
Finland	8
Peru	6
Portugal	4
Turkey	3
Canada	3
Bolivia	1



ORIGIN OF ELECTRONIC SCRAP 2007

PER CENT

Germany	56
Sweden	17
USA	7
Great Britain	5
Switzerland	5
France	3
Finland	3
Others	4



Garpenberg has both held information meetings for the general public and invited the County Administrative Board and the County Governor to visit the zinc mine, to discuss its role in the community. Garpenberg has been the site of mining operations since the 1100s, but September 2007 saw the mine celebrate 50 years as a Boliden operation. Celebrations included an Open House day during which guests could learn about the Garpenberg mine's history and future.

Many ways of working with our neighbours

Boliden wants to build an understanding with the people who live in the areas in which we operate, or who are otherwise affected by our operations.

All of the units regularly invite local people to attend public information meetings on the subject of their operations. Some also organise guided tours, primarily during the summer months. A list of some of the activities held for some of Boliden's "neighbours" during the past year follows:

■ Cadmium forms part of the processes at the Odda zinc smelter, which has been operating in the town since 1920, and certain residential areas in Odda have reported elevated levels of cadmium in the soil. Boliden has, therefore, carried out surveys to ensure that the operations are not affecting people living in the immediate vicinity. Boliden has, in partnership with a group of researchers from the Occupational Medicine Department of the University of Bergen, investigated whether the inhabitants of these residential areas have higher levels of cadmium in their urine than people living in areas where soil samples show lower levels of cadmium.

The survey comprised a total of 209 people living in two residential areas with heightened levels and one residential area with low levels. The results showed that there were no differences in the cadmium levels found in the people living in the reference area and those living in the two areas with elevated levels of cadmium in the soil.

The results of the survey will be summarised in a report for submission to Boliden and will also be released in scientific publications. Those who took part in the survey will be informed of the results of their participation in the project.

■ A public consultation meeting was held in November with reference to the application for a new environmental permit that Rönnskär intends to submit to the Environmental Court in 2008. The contents of the application were presented at the consultation meeting and those present were given the opportunity to comment and put questions to Boliden's representatives.

■ Tara has its environmental office outside the mining area to bring it closer to the nearby town of Navan, with its population of approximately 25,000, and thereby facilitate the dialogue between Boliden and the local inhabitants.

In 2007, Tara celebrated 30 years as a producing zinc mine and took the opportunity to organise a number of different events during the summer. Tara also invited the public to an Open House day – an event that attracted over 2,500 visitors. Different departments presented their operations and visitors were offered coach tours underground and guided tours of the operations above ground.

"Whenever we carry out exploration or mining operations in northern Sweden, we always come into contact with a Laplander's village," says Boliden's Anders Forsgren.

Boliden's Anders Forsgren and Jan Rannerud of Malå Laplanders' village think the cooperation between mining and reindeer husbandry works well.

Access to land is of utmost importance when it comes to the ability to carry out many different types of business. Mining and reindeer husbandry are two of them.

"Our interests overlap at several mines," continues Anders, who is responsible for forestry, land and mineral rights issues within Business Area Mines.

If the respective businesses operations are to be viable in the long-term, it is important that a format for cooperation can be found.

"Getting to know one another and learning about the other side's business is important if we are to hold constructive discussions and understand the consequences that a particular project might have," says Anders.

"In partnership with Malå Laplanders' village, we have tried to develop a range of different solutions that enable us to adapt our respective operations and minimise the mutual impact on each other's operations. Examples include providing information and contact routines in connection with exploration, minimising transportation during periods when the animals are sensitive to disruption, or reclamation and vegetation restoration work to ensure that a mining area can quickly be reused for reindeer husbandry," says Anders.

Malå Laplanders' village has also initiated a project known as adaptive reindeer husbandry, which aims to adapt the way the reindeer are husbanded to the conditions in the area. By moving the reindeer, one can control where calving occurs, which means the reindeer learn to return to these areas naturally. This method facilitates better usage of the land and reduces the consequences of the impacts from other forms of land usage. Malå Laplanders' village will be implementing the project on a full scale for the first time in the spring of 2008.

"As Anders says, it is vital that we come up with models that enable those involved to make as much use as possible of the land. And by that, I do not just mean the mining industry and reindeer husbandry," says Jan Rannerud from Malå Laplanders' village.

Jan is a member of the village's Board and has also been its Chairman for four years.

"The partnership with Boliden works very well," continues Jan, who was actually employed as a miner and supervisor at the Kristineberg mine for six years.

"It gave me a good insight into the mining industry, which has also been useful to me in reindeer husbandry and in working with Boliden. Yes, we have had differences of opinion about one thing and another from time to time," says Jan "but generally, I think we have developed a good understanding of one another's businesses. And I do not believe that the mining poses any direct threat to reindeer husbandry."

Jan Rannerud also emphasises the importance of helping one another in different ways and of thinking constructively.

"Everyone benefits, both now and in the long-term," concludes Jan.

Boliden is building new rail spurs in conjunction with the expansion of Aitik, and a reindeer bridge across the track will give the reindeer free passage.

BOLIDEN – THE MOST RESPECTED COMPANY IN KOKKOLA

A survey among Kokkola inhabitants is carried out every other year to find the most popular employers. Boliden Kokkola was the clear winner in the 2007 survey, as in previous years. The zinc smelter was ranked highest among 13 companies in the town in response to virtually all of the 24 questions. The fact that Boliden Kokkola's already positive image was even more positive this time around was particularly pleasing, with a massive 57 per cent saying that given a completely free choice, they would choose Boliden as an employer. The company is regarded as being modern and open to development, with Boliden Kokkola's highest ratings coming from young people and students in particular.

ENVIRONM

MENTAL RESPONSIBILITY

Boliden's production facilities are subject to the provisions of environmental legislation and require applicable environmental permits in Sweden, Finland, Norway and Ireland. But for Boliden, going beyond legislative and regulatory requirements is a given. Our environmental initiatives are just as much about reducing our environmental impact as about saving resources. This approach enables us to reduce production costs and increase efficiency, thereby making a substantial contribution to our long-term competitiveness. Consistent environmental work facilitates our compliance with existing and future legislation and with the demands of different stakeholder groups. Knowledge and technology are constantly developing, so efforts to improve our environmental performance are an ongoing process.

Environmental consideration is a strategic given

Boliden's operations – from the exploration for ore to the delivery of metals to customers – require numerous different types of input goods. At the same time, this impacts the environment. Boliden is working to use resources more efficiently and to minimise this impact.

MINES AND SMELTERS affect the environment in a variety of ways. Mining not only changes the landscape, it causes noise and vibrations, produces waste in the form of waste rock and tailings sand, and dust emissions, and leads to the discharge of metals to air and water. Smelters generate emissions to air and water and produce waste, and are also energy-intensive. The value chain also involves transportation from suppliers, within and between units, and to Boliden's customers.

The efficiency of Boliden's processes has increased markedly over the last few decades and the entire operations are now structured with regard to ensuring the minimum possible environmental impact. Emissions from our mines and smelters are being reduced through improved processing and cleaning techniques, efficient waste management, and the restoration and reclamation of land.

Resource efficiency on the agenda

Boliden's mines and smelters need a wide variety of input goods to enable them, respectively, to mine and concentrate ore and to produce metals. Boliden is working actively to reduce its consumption of input goods, with the exception of the metal concentrates and recycling materials which form the basis of the smelters' metal production.

RAW MATERIALS AND CHEMICALS

Mining ore requires not only fuel and electricity for the machinery, but also explosives for blasting. The concentrators then add chemicals in the form of collection reagents and foaming agents to separate the various metals out from the ore in the first stage of the process. The smelters primarily use large quantities of sand or limestone as slag formers. Soda, lye and lime are, in turn, used during the water treatment processes in concentrators and smelters.

WATER

The regions in which Boliden operates do not suffer from water shortages, but in order to cut both costs and the burden on the environment, we are endeavouring to reduce the consumption of fresh water and to increase the degree to which water is reused in our processes. Enhanced methods of water treatment and the ambition to use closed processes wherever possible form the cornerstones in our water initiatives.

ENERGY

Energy consumption is the second largest cost item and, as such, is always a topical issue for Boliden. Increasing the efficiency of our energy consumption boosts our competitiveness and reduces the environmental impact of the consumption. Boliden has an established energy policy and has instructed all of its facilities to implement certified energy management systems by the end of 2008. The smelters also exploit the waste heat generated by the processes and use it to heat premises. Several of the smelters sell on any excess to local district heating plants. According to Brook Hunt, Boliden Kokkola is the second most energy-efficient zinc smelter in the world.

Boliden is a member of several organisations working to increase energy efficiency and to promote sustainable energy solutions. In Sweden, we are involved in the Programme for improving energy efficiency in energy-intensive industries (PFE), which is a voluntary programme for energy-intensive industrial companies and which is run by the Swedish Energy Agency. PFE's equivalent in Finland is called MOTVIA. In Ireland, we are working within the framework for Sustainable Energy Ireland (SEI). In 2007, Tara was rewarded with a SEI Award for its work with energy efficiency in the large company category.

Boliden is also one of the initiators behind BasEl, which comprises 23 energy-intensive industrial companies and which is working, among other things, to identify investment opportunities in new energy sources, primarily in Sweden and Finland.

LAND

Exploration and mining operations utilise large amounts of land and also require permits. We conduct regular and open dialogues with government authorities, landowners and other stakeholders, in order to generate awareness and consensus regarding the preconditions for these operations.

Boliden, with its some 16,000 hectares of land, is a large land owner, primarily of forests and forestry land around active mines or discontinued mine sites. Our forestry is already structured and more than meets applicable requirements, due in part, to the fact that we manage forests in the vicinity of urban areas. In order to further formalise our way of conducting these operations, we intend however to certify our forestry in accordance with PEFC (Programme for the Endorsement of Forest Certification Schemes) in 2008. This will entail conducting a systematic review of the requirements imposed by the certification, e.g. in terms of forestry plans, evaluations of natural assets, and allocation of land for nature protection and conservation. Approximately 9,000 hectares of productive forest and some 9 per cent of Boliden's land holdings are designated as protected areas in order to promote nature conservancy in the form of nature reserves, measures designed to protect certain biotopes, and other voluntary undertakings.

Boliden is currently responsible for a total of 34 active and closed-down dam facilities for water regulation and tailings ponds in Sweden, Finland, Norway, Ireland and Canada. The new tailings disposal facilities that we establish, such as the Hötjärn tailings pond in the Boliden Area and the elevation of the Ryllshyttan tailings pond in Garpenberg, have dam constructions that are so stable that they require a minimum of monitoring while maintaining very high-quality water treatment.

For several years now, we have been running a dam safety programme in accordance with the Swedish Power Association's guidelines for dam safety (RIDAS). Each operational unit with its own dams has a Dam Safety Manager.

RAW MATERIAL AND CHEMICALS USE

Boliden's smelters produced approximately 315,000 tonnes of copper, 460,000 tonnes of zinc, and 70,000 tonnes of lead and lead alloys in 2007. Some 8 per cent of the raw materials in the metal production processes comprises recycled metal-bearing materials. The use of chemicals is evaluated and risk-assessed on an ongoing basis with reference to health and the environment in accordance with REACH.

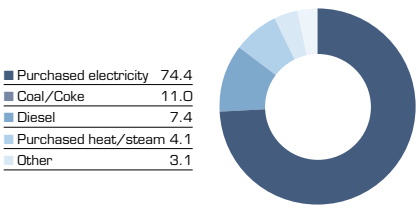
TONNES	**2007**	2006	2005	2004	2003
Sand	**184,077**	279,500	251,944	281,518	259,908
Explosives	**18,730**	17,527	20,652	15,742	17,131
Lime and limestone	**39,604**	28,773	29,310	28,426	25,258
Soda	**20,284**	34,564	36,555	57,737	50,343
Collector reagents (flotation)	**669**	641	760	757	768
Foaming agents (flotation)	**177**	194	209	206	253

ENERGY CONSUMPTION

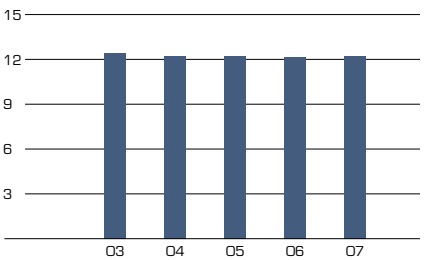
In 2007, Boliden's energy consumption totalled 16.5 million GJ. Electricity costs are currently the second largest cost item for Boliden, totalling SEK 1,628 million in 2007. We also sold 2.3 million GJ of waste heat during the year.

The energy sources for Boliden's consumption are determined by the national mix of each country's power grid. Generally speaking, hydroelectricity is the main source of energy at the Swedish and Norwegian units, while in Finland, power mainly comes from renewable energy sources and nuclear power. In Ireland, 90 per cent of electricity is generated from imported fossil fuel, primarily gas.

Energy use per type of energy
PER CENT



Specific energy usage
GJ/TON



LAND USE

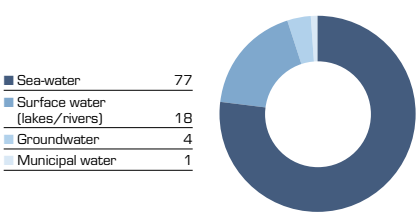
Boliden's goal is to reclaim a quantity of land corresponding to the amount of new land that we use over a five-year period. We have successfully maintained this balance historically, and are planning to continue reclaiming land on at least the same scale in the future. The balance will not, however, be maintained with regard to newly affected land during the coming reporting period, as our various expansion projects are entailing the utilisation of larger areas of land than before.

HECTARES	**2007**	2006	2005	2004	2003
Total area	**11,601**	**16,512**	**16,106**	**16,158**	**16,137**
Affected, as yet not rehabilitated (opening balance)	**4,244**	4,669	4,652	4,681	4,652
Affected during reporting period	**45**	6	47	1	38
Rehabilitated during reporting period	**8**	60	30	30	9
Affected, as yet not rehabilitated (closing balance)	**4,281**	4,615	4,669	4,652	4,681

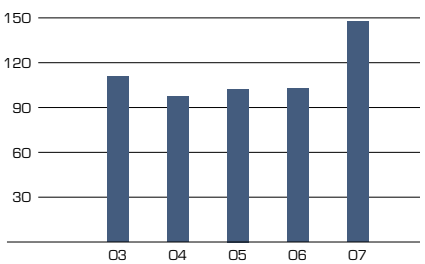
WATER USE

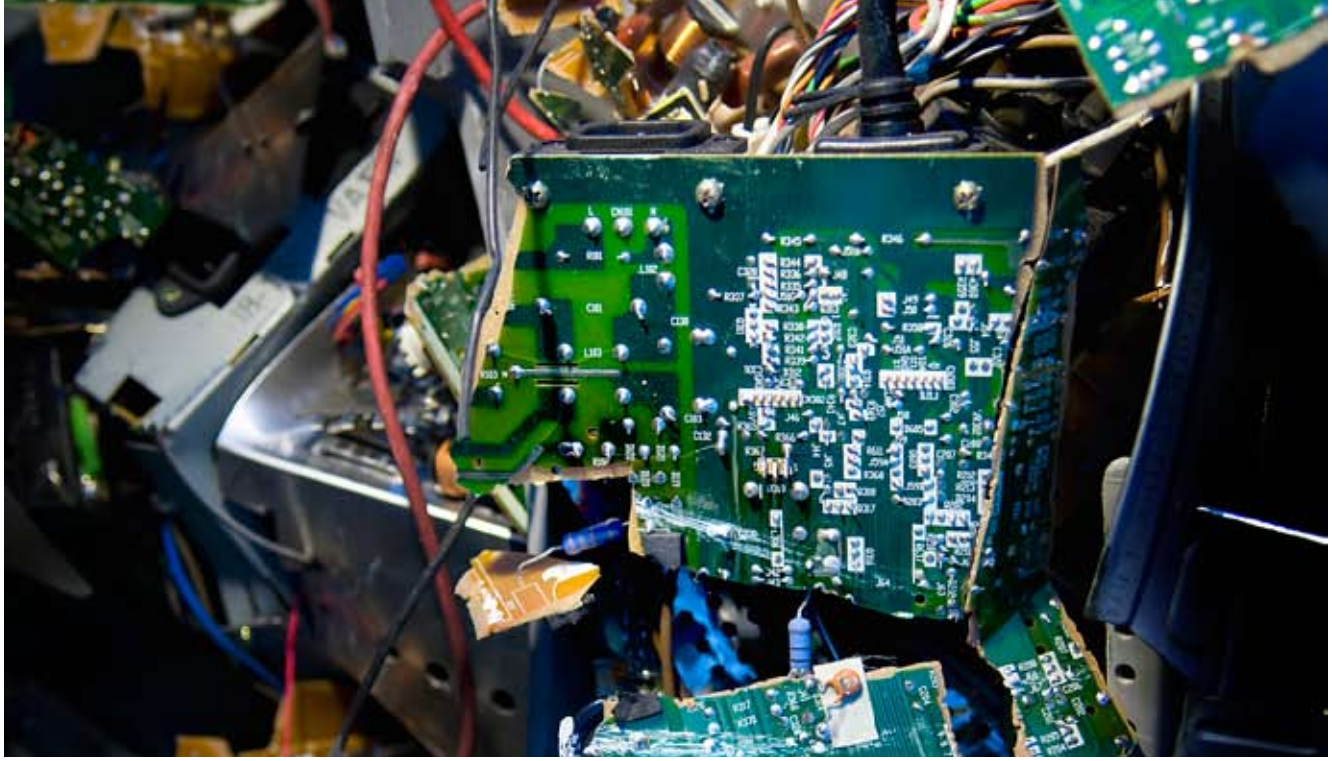
Boliden used 235 million m^3 of water in 2007, of which 37 million m^3 was recycled. Water is used, among other things, for cooling, flushing hardened surfaces, and in conjunction with mining activities in order to reduce dust formation. Water is also used as process water during electrolytic refining and floatation.

Water usage
PER CENT



Specific freshwater use
m^3/TONNE





Secondary materials – a profitable business

Over 40 years' experience, unique and eco-friendly technology, and long-term partnerships with suppliers and government agencies have resulted in the Rönnskär smelter being ranked at the top among the world's electronic scrap recyclers.

The commercial potential of recycling electronic scrap has only become truly clear in the last few years. This is primarily due to the stricter EU Directive issued in 2005 governing the recycling of electronics and electronic products, known as the WEEE Directive, which has increased the availability of electronic scrap in Europe. The Rönnskär copper smelter is now one of the world's leading facilities for recycling base and precious metals from electronic scrap and metal waste from other industries. The smelter processes around 35,000 tonnes of electronic scrap every year – a figure that should be set against the total European capacity of 85,000–100,000 tonnes.

"We use a unique development of the so-called Kaldo technique, which results in an efficient and eco-friendly process. Smelting is followed by gas purification, which minimises emissions. The technique's strength lies in the fact that rather than having to remove any and all plastic from the waste, we can use it to smelt the metals in the process instead, thereby reducing the requirement to input extra energy," says Hans Henriksson, who is in charge of secondary materials within Business Area Market.

A pre-feasibility study looking into the possibility of increasing the capacity for recycling electronic scrap is currently also being carried out at Rönnskär.

SEVERAL TYPES OF SECONDARY MATERIAL

Boliden processes not only scrapped circuit boards and other metal-rich components from electronic scrap, but also copper cables and other metal materials. Recycled copper is particularly valuable from an environmental viewpoint, because recycling copper from waste requires only 10–15 per cent of the energy needed to extract copper from ore.

Rönnskär also processes copper- and zinc-bearing waste products from the steel and brass industry with the help of a slag fuming plant. In 2007, Boliden's smelters received just over 248,000 tonnes of recycling material.

"Recycling electronic and metal waste is an increasingly important competitive advantage for us. And at the same time, of course, it helps reduce the amount of waste in our communities," declares Hans Henriksson.

RECYCLING ELECTRONIC SCRAP PAYS

1 TONNE OF MOBILE TELEPHONES YIELDS:

50–150 kg copper
500–700 g silver
150–400 g gold

1 TONNE OF ORE YIELDS:

3,7 kg copper
4,2 g silver
0,2 g gold

The Bergsöe smelter in Landskrona also conducts recycling on a commercial basis. It has the Nordic region's only secondary smelter for lead, which means that its production process exclusively uses recycled materials. Bergsöe takes delivery every year of approximately 70,000 tonnes of scrapped car batteries, from which 45,000 tonnes of lead is recycled. Read more about Bergsöe at www.boliden.com

Constantly reducing our environmental impact

Boliden's various production processes handle and refine large quantities of metal-bearing raw materials, recycling materials and waste. Boliden is working continuously to reduce the amount of metals and chemicals emitted to soil, air and water. At the same time, we are constantly looking for more efficient ways to handle waste management and the reclamation of affected areas of land.

METALS EMISSIONS TO AIR AND WATER

During the course of the refinement chain, various different metals are separated out and partially disperse into the surrounding environment. Emissions of metals to air come partially from the smelters' ventilation gases and from so-called diffuse dust from the mines and smelters. Emissions of metals to water come from the concentrators' tailings ponds and via the process water or cleaned cooling water used by the smelters. Monitoring programmes and investments in more efficient technologies are used, within the framework of the threshold limits set by government agencies, to ensure that our environmental performance constantly improves.

The diffuse emissions are addressed by the new and stricter legislative provisions on air quality recently introduced in both Finland and Ireland. To ensure that applicable threshold values for emissions to air are not exceeded, Harjavalta, for example, is currently conducting a project designed to reduce the diffuse emissions in conjunction with storage and transportation. A similar project is in train at Tara, aimed at reducing dust emissions in conjunction with the handling of raw materials.

A number of successes have also been achieved at our various units in 2007 with regard to reducing metals emissions to air and water.

- The Rönnskär copper smelter brought on line a new system for cleaning process gases. It reduces dust emissions and generates lower maintenance and landfill costs.
- Tara reduced metals emissions to air by 98 per cent by investing in two new filters for dewatering zinc and lead concentrates at the concentrator.
- The expansion of the water treatment plant at the Kristineberg mine was completed in autumn 2007. This is one of the few places in the world where advanced technology is used to clean the mine drainage water pumped up out of the mine.
- The zinc smelter at Odda inaugurated an expanded central water treatment plant at the end of the year. The background to the expansion was the heavy precipitation in both 2005 and 2006, which made it harder for Odda to comply with the established threshold values for emissions. Water treatment capacity has been substantially increased by this new extension to the plant.

OTHER EMISSIONS TO AIR

Carbon dioxide emissions primarily occur during the combustion of fossil fuels in our smelters and during transportation at all plants. The Rönnskär copper smelter and the Bergsöe lead smelter are classified as combustion stations and have, as a result, been actively involved in the trade in emission rights since 2004, even though the zinc, copper and lead industries were actually excluded from the first trading period. They are permitted to emit 12,492 and 46,876 tonnes per annum, respectively, during the period from 2006 to 2008.

Boliden's emissions of NOx gases are relatively small. Nitrogen emissions, apart from during transportation, primarily occur during the mining of ore and waste rock due to the use of explosives. The smelters emit smaller quantities of nitric oxides.

Sulphur dioxide emissions by Boliden are 97 per cent attributable to the Harjavalta and Rönnskär copper smelters. The emissions primarily come from the gases generated during the smelting process. Development of the processes and more efficient cleaning of ventilation gases have, however, substantially reduced sulphur emissions at the same time as production multiplied. International industry comparisons show that Boliden's emission levels are of world-class standard. Boliden also sells some of the sulphur dioxide and sulphuric acid to the paper and pulp industry.

NOISE AND VIBRATIONS

Drilling and the use of explosives in mines, and transportation cause noise and vibrations. They affect the environment both inside and outside Boliden's facilities, which is why we are constantly looking for ways and means to help minimise this type of disturbance for employees and local residents. Planning and the provision of information in conjunction with blasting, for example, are two important measures.

MORE ON WWW.BOLIDEN.COM

Diffuse emissions are usually close to the ground and affect the environment in the vicinity of the emissions source, but the particles can also be spread further afield when they come from mobile activities, such as traffic. Diffuse emissions are difficult to monitor and measure, and quantities are affected by weather and production volumes.

The port at Rönnskär.

Efficient transportation means reduced emissions

Transportation takes place between the smelters and Boliden's customers. Metal concentrates and metals are transported within the mine area and between the mines, concentrators and smelters.

The smelters' coastal locations favour transport by sea, which is why ships are widely used to transport metal concentrates and metals. Nowadays, around 60 per cent of Boliden's transportation is by sea, with 20 per cent by road and 20 per cent by rail. Deliveries are carefully planned to make them as efficient as possible. Intelligent logistics solutions, such as full loads and using railways wherever possible, are important components of transport planning. The Copper Shuttle is another example of a rail-based transport system, running from the Rönnskär copper smelter outside Skellefteå to copper customers in southern Sweden. Usage of the Copper Shuttle has increased and the load flow runs in both directions: southwards with metals and northwards with input goods and electronic scrap for recycling.

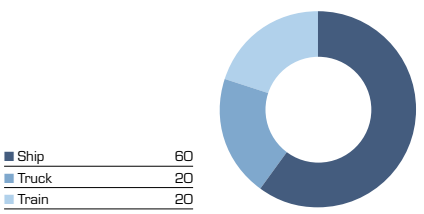
At the end of 2007, construction work began on the 3.4 km long rail spur to the Aitik mine, which will offload the E10 motorway to the tune of 20 or so daily copper concentrate loads. Other examples of efficient rail-based solutions include the transportation of copper anodes from Harjavalta to Pori and Rönnskär, and of metal concentrates from the port of Mäntyluoto to Harjavalta.

Training truck drivers with the aim of reducing diesel consumption has continued at Aitik. Diesel savings on the order of 6 per cent were measured in 2007, corresponding to some 1,700 m^3 of diesel and 4,200 tonnes of carbon dioxide. The next step in the efforts to reduce diesel consumption is to include other machinery such as tractors and digging machines in the scheme too. Other mines within the Group are also planning similar programmes.

Sustainability issues are increasingly being factored in when purchasing logistics services, and Boliden will be extending its usage of tools designed to evaluate environmental, work environmental and traffic safety issues in conjunction with the procurement of road-based transportation.

TRANSPORTATION, DISTRIBUTION

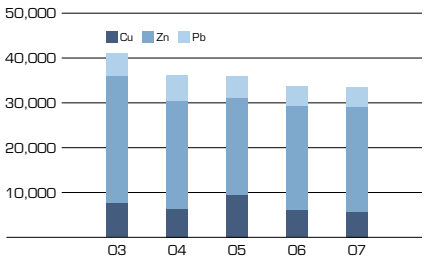
PER CENT



EMISSIONS OF METALS TO AIR

Environmental investments in better technologies, such as filters for dewatering zinc and lead concentrates, have helped ensure a continued reduction in emissions of metals to air. The goal is for the Group's specific metals emissions to air to have fallen by 20 per cent by the end of 2008. Emissions have fallen by 6 per cent in comparison with the base year of 2004.

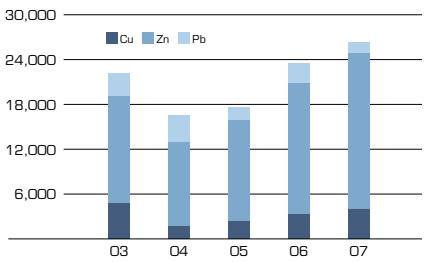
Metals to air
KG



EMISSIONS OF METALS TO WATER

Over the previous five-year period, Boliden's emissions of copper, zinc and lead was cut by virtually 50 per cent. The increase during the 2004–2007 period is, in part, due to heavy rainfall which overloaded the water treatment facilities. These facilities are now being successively expanded in order to improve capacity. An environmental accident occurred at the Odda zinc smelter in 2007, when non-treated process water leaked out from a thickening tank. The incident resulted in the plant exceeding its threshold value for emissions of zinc into the adjacent fjord (4,500 kg). Both the Norwegian Pollution Control Authority and the Odda smelter have carried out investigations and, based on the conclusions, implemented measures designed to prevent any recurrence of the incident.

Metals to water
KG

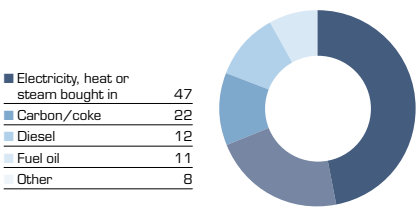


CARBON DIOXIDE EMISSIONS

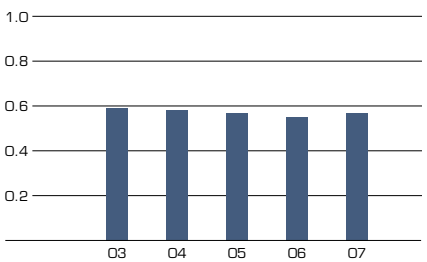
Boliden's goal is to reduce carbon dioxide emissions per unit produced by at least 5 per cent by the end of 2008. Boliden's carbon dioxide emissions have fallen by 1 per cent since 2004.

The increase in carbon dioxide emissions in 2007 is largely due to increased emissions from the Aitik copper mine resulting from the ongoing expansion work.

Carbon dioxide
PER CENT



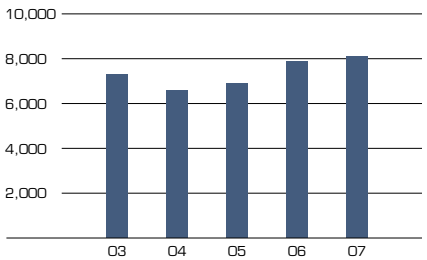
Specific carbon dioxide
TONNES/TONNES



SULPHUR DIOXIDE EMISSIONS

Sulphur dioxide emissions in 2007 were on a par with those in 2006. The Harjavalta and Rönnskär smelters, which account for the largest emission quantities within the Group as a whole, have reduced their sulphur dioxide emissions slightly. The units that emit sulphur dioxide are conducting process control improvement and technological development work.

Sulphur dioxide to air
TONNES



Waste management is about resources

Efficient waste management keeps costs down and saves natural resources. Boliden's production units are actively working with the management of both industry specific waste and non-industry specific waste.

Boliden's goal is to reduce the quantity of non-industry specific waste sent to landfill by at least 20 per cent by the end of 2008. The total quantity of waste sent to external landfill in 2007 was 1,265 tonnes. A total reduction of 9 per cent has been achieved since 2004.

Materials recycling, energy extraction and landfill are the most common means of handling non-industry-specific waste.

Boliden's units are principally able to reduce the quantities of steel scrap, paper and waste oil that they generate by implementing sorting systems that enable the waste to be easily sorted and transported on to the correct recipient.

PRODUCTION WASTE

The largest amount of waste we produce by volume comprises industry specific waste, primarily waste rock, tailings sand, slag, sludge and dust. Boliden cannot reduce its waste quantities in this category without simultaneously reducing production volumes. It is important, therefore, that we handle this waste as sustainably as possible. Our tailings ponds are located adjacent to the concentrators and are used to dump tailings sand, to clean the process water, and as water reservoirs. A substantial amount of the waste rock and tailings sand produced is also used to fill excavated rock caverns in the underground mines.

Copper-bearing slag from the Harjavalta and Rönnskär smelters is transported to concentrators where the metal content is extracted once again and then returned to production. The main type of waste produced by the zinc smelters' processes is jarosite, and both of Boliden's zinc smelters, Odda and Kokkola, have their own landfill sites for this.

Bergsöe's lead recycling process produces a slag product known as matte, or synthetic iron pyrite. Every year since 2006, approximately 16,000 tonnes of matte has been freighted by sea to Odda, where it is stored in sealed mountain caverns.

HANDLING MERCURY AND CADMIUM

Heavy metals are present to varying degrees in the mining concentrate that is the raw material at Boliden's smelters. The metals are separated out during the purification processes and usually, in the form of dust or sludge, become landfill waste. There are, however, other metals that are handled in other ways. The Kokkola and Odda zinc smelters, for example, sell their mercury and cadmium, respectively, to customers within the EU approved in advance by Boliden. Boliden's own production and handling of these metals comply with strict guidelines and the use to which the customers will put the metals is carefully checked, both before and after the sale. Boliden also carries out environmental audits of those customers who handle these metals.

The revised Swedish Waste Ordinance (2001:1063) states that waste containing at least 0.1 per cent mercury by weight shall be committed for final storage in deep repositories by 2015. The Rönnskär copper smelter has, to date, stored its mercury-bearing waste in special repositories in the industrial park area, but is now investigating alternative ways of using a nearby mine in the Boliden Area for final storage. A permit application will be submitted to the Environmental Court by the end of 2008. Boliden is also going beyond the requirements of the new legislation by simultaneously determining whether the site ultimately chosen for repository purposes can also be used to store all process waste.

DIFFERENT SOLUTIONS FOR DIFFERENT WASTE PRODUCTS

A waste product from Boliden's production can sometimes be used in a new application. Waste rock, a bulky waste product produced when mining, can be used as a filler or ballast material during road construction, for example. Boliden has formed a company, Aitik Ecoballast, in partnership with the construction company NCC. The new company will sell ballast materials from the Aitik copper mine's waste rock tip.

Iron sand is a residual product of the copper and precious metal production at Rönnskär, and is classified as waste, but can be reused virtually as a product in its own right. Iron sand has good insulating and draining properties and has therefore been used for decades now as a filling material in road and building construction work, or for sandblasting.

MORE ON WWW.BOLIDEN.COM

Reclamation is a natural part of mining operations

Reclamation plans are drawn up early in the planning stage of a new mine operation nowadays. Reclamation of mines and tailings ponds is carried out on an ongoing basis at both active operational sites and those that have been closed down. Boliden often works with universities, research institutes and other organisations to achieve the optimum solutions on a case-by-case basis. See below for a review of the progress of the reclamation work in some specific cases.

We also review the provisions we have made for reclamation costs on a rolling basis as technical ability improves and new equipment becomes available. SEK 604 million had been allocated for reclamation at the end of 2007.

In 2007, 111 hectares of land were reclaimed at the same time as 162 hectares of previously unaffected land were utilised. Boliden's goal is to maintain a balance between reclamation of previously affected land areas and unused land that will be utilised. It is, however, difficult, in conjunction with major expansion projects, to maintain a balance between reclamation and utilisation of new land over as short a period as 5 years. 45 hectares of new land was utilised in 2007 in connection with the expansion of Aitik, during which time the unit also reclaimed 8 hectares.

THE BOLIDEN AREA

Action plans were drawn up for each area, based on the charting of the Kankberg mine's immediate area, the industrial park area in Boliden, and the tailings ponds and industrial park area in Kristineberg carried out in 2005. Some of these plans were carried out in 2007, such as the review of watercourses and drainage ditches in the Kristineberg tailings pond area, and the continued capping of one of the tailings ponds. The action plans will be updated annually.

GARPENBERG

Work on covering the inactive part of the Ryllshyttan tailings pond has been in progress for some years now. Boliden is working in partnership with the company Stora Enso, which supplies the covering materials. The partnership involves technical development in the field of reclamation methodologies and enables waste products to be used.

AITIK

Aitik has invested in new waste rock storage measurement technology during the year and will be testing it during spring 2008. The technology is designed to facilitate measurement of oxygen levels in the capping of waste rock piles to ensure that the moraine's water-retention capacity is working and that sulphuric acid and metals are not leaching.

Trial establishments of vegetation are still being conducted in cooperation with SLU, The Swedish Institute of Agricultural Sciences.

THE HORNTRÄSK MINE

Measures designed to reduce metals emissions from the Hornträsk mine in Lycksele and its industrial park areas are continuing. The work began in autumn 2005 and has involved neutralisation of the saturated zone by injecting digested sludge and limestone into the former open pit mine, in order to reduce the leaching of metal-bearing water. The unsaturated zone above the water table has been treated with organic material and a basic solution during 2007. Laboratory testing has yielded positive results, with lowered levels of zinc, copper and cadmium in the leaching water. The infiltration will continue throughout 2008 and will then be evaluated before any further measures are taken. Drainage work has also been carried out during 2007 to reduce the water flow through the area.

LAISVALL

Mining operations at Laisvall ceased in 2001. Reclamation work currently being carried out will soon be completed. The remaining buildings in the industrial park area were demolished in 2007, and the area has been covered with moraine in compliance with the established reclamation plan. Covering of the tailings pond areas has been completed and complementary measures have been taken on the banks to prevent erosion. Boliden has also submitted an application to the Environmental Court for a permit to dismantle the clarification pond. The final touches also need to be made to work on covering and sowing smaller areas within the industrial park area and checking the clean-up work throughout the entire mining area. This will be followed by checks on water quality, remaining supervisory work, and certain complementary work on banks and drainage ditches.

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Extensive licensing procedures

Boliden's mines and smelters require licences from a range of government agencies to conduct their respective operations. This applies equally to new production units and to the expansion of existing facilities and exploration work. Extensive investigative requirements often result in the licence applications becoming complicated processes.

"Without permits, Boliden would be unable to operate. That is why we are keen to facilitate the handling of licensing issues in every respect, in order to avoid risking interruptions to our operations," says Anders Ingman, General Counsel at Boliden.

THE HÖTJÄRN TAILINGS POND

A number of important licensing issues have been on the agenda in 2007. At the end of the year, for example, the Environmental Court announced the terms for emissions to water, reclamation, and financial guarantees for Boliden's planned tailings pond at Hötjärn in the Boliden Area.

The Environmental Court's ruling approved Boliden's proposals with regard to the operation and reclamation of the Hötjärn tailings pond. The Swedish Environmental Protection Agency has, however, submitted an appeal to the Environmental Supreme Court with regard to the terms governing reclamation methods and financial guarantees.

AITIK EXPANSION

In late 2006, Boliden submitted an application for a licence to expand production at the Aitik copper mine from 18 to 36 million tonnes of ore per year. The expansion was approved by the Environmental Court in October 2007 and Boliden was granted a licence to start certain aspects of the construction work. In late January 2008, an Environmental Court ruling laid down, among other things, the terms for emissions to air and water, noise and other environmental impact, and thereby granted final permission for the continued expansion of Aitik. The financial guarantees for reclamation costs were another important issue in this context.

"The Environmental Court essentially approved our proposal of a SEK 660 million guarantee for reclamation costs. The Environmental Court has not, however, ruled yet on the precise nature of the type of guarantee we must provide," says Anders Ingman.

PREPARATIONS FOR NEW ENVIRONMENTAL REVIEW

The Rönnskär copper smelter is currently carrying out preparatory work for a review of Rönnskär's existing environmental licence, issued in 1998. Important points in the application, which Boliden intends to submit to the Environmental Court in mid-2008, include the terms governing final deposit of process waste and the potential for increasing production.

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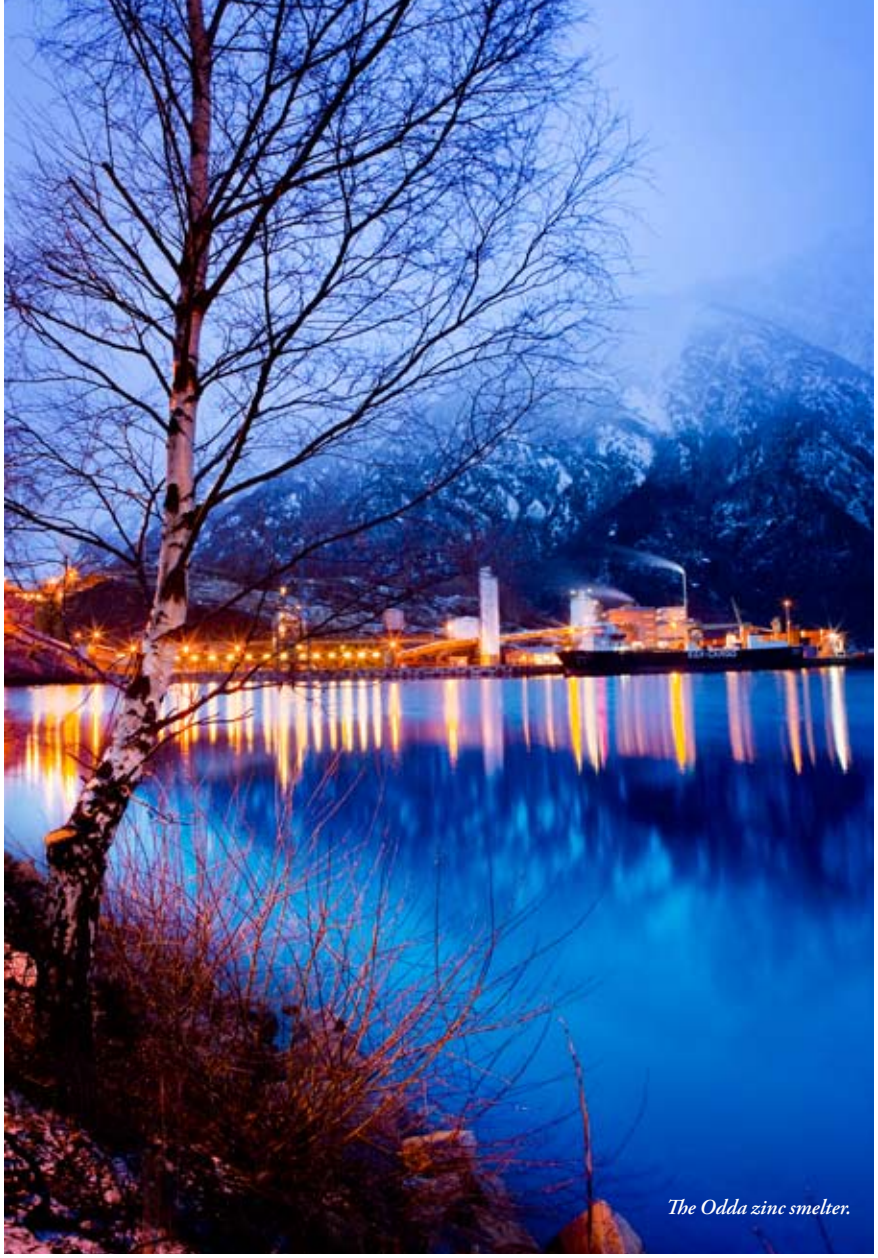


The Odda zinc smelter.

Boliden reaches REACH

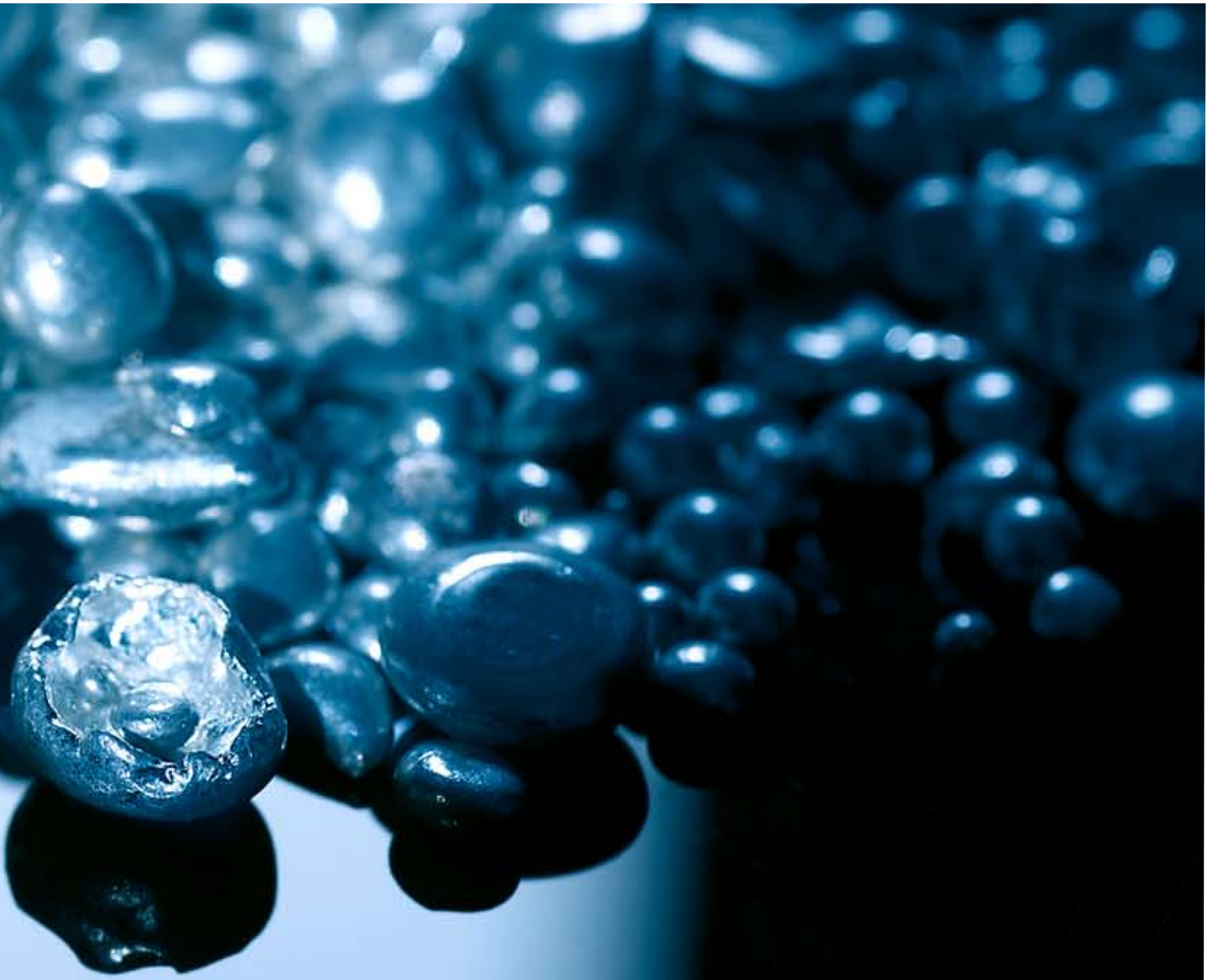
The first stage in the EU's new chemicals legislation, REACH (registration, evaluation, approval and restriction of chemical substances), came into force on 1st June 2007. Boliden has put together a steering committee and a number of working groups in order to prepare the transition. Adapting the operations in line with the new legislation is a phased process.

"We have been proactive in this field since early 2006 and are now members of several consortia with the aim of producing the data required to enable us to register our chemicals in REACH. This will enable us to reduce the number of tests we need to carry out to determine how hazardous the chemicals are in relation to people and the environment," says Emil Jösendal, who works at the Odda smelter and is the Project Manager of Boliden's REACH adaptation process.

The next phase of REACH will come into force at the end of June 2008, by which time companies must have pre-registered every substance which they manufacture or import in quantities of one tonne or more with the European chemicals authority. Safety data sheets will be updated in conjunction with the registration and will be made uniform throughout the Group in order to comply with the REACH requirements. The data sheets will be the most important source of information in the distribution chain.

"We have invested substantial resources in adapting our operations in line with the new legislation, so we have made considerable progress in our work. Essentially, of course, it's all about continuing to be a reliable supplier," says Emil Jösendal.

EC



ONOMIC RESPONSIBILITY

Boliden's existence is based on long-term profitability. When things go well for us, the operations generate direct wealth from which our stakeholders will profit. We deliver customer benefit and offer our employees a safe and stimulating work environment which, in turn, generates returns for our shareholders.

Our economic contribution to society

A successful business is not just attractive to owners and customers, but to employees, suppliers and other stakeholders. Our long-term profitability depends however on our working to a high standard, efficiently and responsibly.

Boliden's operations generate a number of different economic flows. The key lies in our customers wanting to buy Boliden's metals. In 2007, Boliden's revenues totalled SEK 33,204 million (SEK 35,213 m) and our operating profit was SEK 5,428 million (SEK 8,522 m).

OUR COST DISTRIBUTION

Costs attributable to our 4,500 or so employees in five countries primarily comprise salaries, employer's contributions and other taxes, and provision for pensions. Staff overheads are our biggest cost item, totalling SEK 2,877 million (SEK 2,722 m) in 2007.

Energy is also a major cost item, totalling SEK 1,628 million (SEK 1,520 m) in 2007. Our efforts to improve the efficiency of our production processes constitute direct investments in a better environment and in the communities in which we operate, because indirectly, our operations generate wealth for these communities. The environmentally-related costs totalled SEK 99 million (SEK 126 m), and at the same time Boliden's environmental investments amounted to SEK 125 million.

Boliden pays taxes and charges in compliance with applicable legislation and regulations in each country. In the same way as we are often the largest private employer in the communities in which we operate, we are often also the largest individual taxpayer. The posted tax cost for the full year of 2007 totalled SEK 1,409 million (SEK 2,045 m) and the tax paid totalled SEK 1,426 million (SEK 328 m).

We buy raw materials and other commodities at a total cost of SEK 18,196 million from around 6,500 suppliers, 80 per cent of whom are local.

PROFIT SHARING

A set amount, based on the results for 2007, was allocated to all Boliden employees for the first time in 2007 under the terms of the newly instituted profit sharing scheme. The money held in the foundation cannot be withdrawn for three years. Boliden hopes, via the profit sharing scheme, to generate incentives for employees to contribute towards the Group's profitability.

Finally, some of the profit we make accrues to our owners in the form of a dividend. Boliden's Board of Directors proposes that the Annual General Meeting approve a dividend for 2007 of SEK 4 (SEK 4) per share for 2007. To find out more about our financial performance, please see Boliden's 2007 Annual Report.

SPONSORSHIP

Boliden endeavours to involve itself in and make a positive contribution to the communities and the areas in which we operate. Some of this involvement takes the form of support for and partnerships with a range of voluntary organisations, associations and activities across the community. Our support focuses primarily on local sporting and cultural events and schools and hospitals, primarily those with links to children and young people. Boliden contributed just over SEK 10 million in sponsorship during 2007.

APPLICATIONS
PER CENT

COPPER

Construction industry	35
Electrical/electronic products	32
Industrial machinery	12
Transport sector	11
Consumer products	10

Source: Brook Hunt

ZINC

Galvanisation	55
Brass products	15
Light metals	13
Oxides & chemicals	7
Milled products	6
Other	4

Source: Brook Hunt

LEAD

Batteries - replacement	42
Other - not batteries	21
Batteries – original	14
Batteries - stationary	13
Batteries – transport	10

Source: Brook Hunt

GOLD

Jewellery	58
Investments	19
Other, incl. electronics	16
Total bars	6

Source: CRU

SILVER

Industry	51
Jewellery	20
Photography	17
Silver items	7
Coins and medals	5

Source: CRU

Boliden – a responsible investment

"Acting responsibly is about our desire to reduce all the risks associated with Boliden's operations. Ultimately, this is crucial to our ability to generate wealth," says Marcela Sylvander, Boliden's Communication Manager.

More and more investors and investment fund managers are choosing to invest their money in companies that operate in a responsible way. It is currently estimated that between 10 and 15 per cent of European investment fund management is conducted within the framework of so-called Socially Responsible Investments or SRI.

Most managers of ethical investment funds base their evaluations on international guidelines, such as the UN declaration on human rights and the ILO core conventions. They also compare the way in which the companies have developed their management systems with regard to the environment, social responsibility and corporate governance. Information is gathered from the company's own reporting channels, such as through daily monitoring and sustainability reports. Many fund managers compare companies within the same sector and choose those that are Best in Class, while others look at one or two specific issues, such as companies' efforts to reduce their climate impact.

The metals industry is categorised by most ethical fund managers as belonging to a high risk class sector, which places the fact that Boliden is one of the investment options offered by several ethical funds in an even better light.

In 2007, the ethical funds of the Norwegian insurance and asset management company, Storebrand, awarded Boliden Best in Class status for its leading sustainability efforts. Storebrand analysed 56 companies in the global mining and metals sector and selected the best 30 per cent from an environmental and social perspective. Boliden, which is one of the companies selected, is praised for its effective cleaning techniques with regard to emissions to air and for its introduction of energy management systems at all production units.

Boliden has already been approved for investments by Swedbank Robur's ethical funds and is included in the SIX/GES Index 30 Sweden, which is designed to reflect the market performance of the 30 companies with the highest turnover and sustainability ranking in the Swedish market.

"We are naturally very pleased to receive confirmation that people are actually paying attention to our sustainability efforts. It is, however, obvious to us that this is an ongoing process and there is still plenty to be done on both the environmental and social sides. Environmental performance, energy consumption and monitoring suppliers are just some of the issues that will always be topical for Boliden," says Marcela Sylvander.

ALLOY. Substance with metallic properties which is composed of two or more chemical elements, at least one of which is a metal.

BASE METALS. The most commonly occurring metals, such as copper, lead and zinc, etc.

CONCENTRATE. The product that results from the separation (e.g. by milling and flotation) of the economically valuable minerals in an ore from those with no economic value, so that the proportion of contained valuable minerals is considerably increased.

CONCENTRATOR. A plant in which ore is processed mechanically and/or chemically to extract and produce a concentrate of the valuable minerals.

COPPER SHUTTLE. Fast and environmentally friendly rail transport between Rönnskär and Helsingborg. The train runs five days a week, carrying cathode copper and lead to customers in southern Sweden. On the return trip, it carries recyclable material and other smelting materials.

DIFFUSE DUST EMISSIONS. Dust emissions comprise dust and particles from our production processes which are picked up and dispersed by the wind into the surrounding area. Dust emissions are particularly common in conjunction with traffic and materials handling.

DRIFT MINING. Activity in conjunction with exploration, whereby tunnels are created in the rock. A drift is a horizontally cut tunnel in a mine and the term refers, therefore, to a mine tunnel.

EHSQ NETWORK. The Boliden units' work with environmental, health, safety and quality issues (EHSQ) is coordinated within the EHSQ network.

EMD. The Exploration and Mining Division of the Department of Communications, Energy and Natural Resources (EMD) is the government agency that issues prospecting licences in Ireland.

EMISSIONS. Emissions comprise substances that leave our closed production systems and end up in the surrounding environment.

FLOTATION. Flotation is the process of separating out different types of mineral by making them float to the surface in a froth.

GALVANISING. A process whereby zinc is applied to steel to protect it against corrosion.

IPPC DIRECTIVE. IPPC stands for Integrated Pollution Prevention and Control. The Directive lays down, among other things, a requirement for industrial plants to obtain operating permits issued by government agencies in the EU country in question.

ISO. International Organisation for Standardisation. The organisation's standards apply, among other things, to environmental management (ISO 14001) and quality (ISO 9001).

KALDO TECHNOLOGY/KALDO FURNACE. Kaldo technology is a Swedish process developed in partnership with Boliden. The Kaldo furnace is used to produce lead and to recover copper and precious metals from electronic scrap.

LEACHING. Leaching involves the chemical dissolution of metals and their subsequent selective extraction from the leaching solution. The method is principally used during the extraction of precious metals.

METAL ASHES. Pulverised slag from metal foundries and brass manufacturers.

METAL CONTENT. The quantities of copper, zinc, lead, gold and silver contained in concentrates, for example.

OHSAS. Occupational Health and Safety Assessment Series, work environment management systems.

OPEN PIT. A method of mining mineral deposits located near the surface which involves stripping the overburden to expose the ore.

ORE GRADE. The average quantities of valuable metals in a tonne of ore, expressed in grams per tonne for precious metals and as a percentage for other metals.

PRECIOUS METALS. Opposite of base metals: gold, silver, platinum, palladium, etc.

REACH. Registration, Evaluation and Authorisation of Chemicals. The EU's new chemicals directive which, in brief, entails the imposition of requirements with regard to tests performed to assess the impact on health and the environment of many chemicals available in the market.

SECONDARY RAW MATERIALS. Various types of materials from which metals can be recovered, e.g. electronic and other types of scrap metal, metal ashes, slag, dust and scrap lead batteries.

SLAG. Product generated in conjunction with various types of metallurgical reactions and which primarily consists of oxides.

SLAG FUMING PLANT. The fuming plant extracts zinc clinker from the slag produced by the electric furnace. A water-cooled furnace, the fuming furnace, converts the liquid slag's zinc and lead content into metal vapour, which is then oxidised and deposited as dust in a purification system.

SMELTER AND ELECTROLYTIC REFINERY. A plant in which metal raw materials are processed to separate metals from impurities by means of high-temperature reactions and electrochemical processes.

SMELTING MATERIAL. Raw materials for smelters, primarily comprising metal concentrate, but also including scrap, ashes and other recyclable materials.

SPECIFIC USE. Refers to the total use divided by tonnage of the total metal production by mines and smelters.

SPECIFIC EMISSIONS. Refers to the total emissions divided by tonnage of the total metal production by mines and smelters.

WEEE DIRECTIVE. EU directive, dating from 2005, which requires every country, by means of national legislation, to tighten up producer responsibility for electronic and electrical products. WEEE stands for Waste Electrical and Electronic Equipment.

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