



WMZ BOLIDEN

GRI 2011

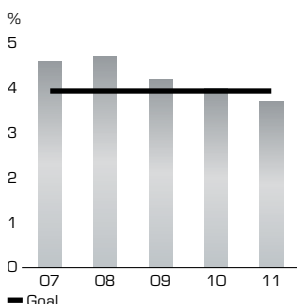
BOLIDEN IN BRIEF

Boliden is a metals company with focus on sustainable development. Our core expertise is in exploration, mining, smelting and recycling. Our roots are Nordic, the business global. Boliden's main metals are zinc and copper, but the production of lead, gold,

silver and other products is also of considerable importance for our profitability. The Group has approximately 4,400 employees. Revenues in 2011 totalled SEK 40,323 million (SEK 36,716 m).

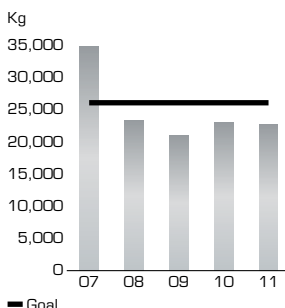
ABSENCE DUE TO SICKNESS

In 2011, the sick-leave rate was 3.7% (4.0%) compared with the goal of 4.0% set for the end of 2013. We will continue to work towards all units achieving this rate or less until 2013.



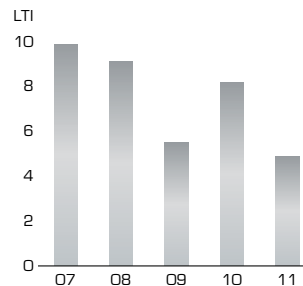
EMISSIONS OF METALS TO AIR, 2007-2011

Emissions of metals to air have fallen by 35% since 2007. No major deviations occurred in 2011, and performance levels have been generally good.



ACCIDENTS

The number of accidents leading to absence from work (LTI) for 2011 fell to 4.9 per million hours worked, compared with 8.2 in 2010.



BOLIDEN'S METALS

Zn

SEK 7,900 M*

Boliden is the world's sixth biggest producer of zinc from smelters and the eighth biggest producer of zinc concentrate from mines. Boliden's zinc is mainly sold to the European market. The zinc is primarily used to galvanise thin sheet metal and general goods, providing protection against corrosion. The end-users come primarily from the automotive and construction industries.

Cu

SEK 19,300 M*

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

Pb

SEK 1,100 M*

Boliden is a medium-sized producer of lead from smelters and mines. Recycled batteries make up 75 per cent of the raw materials used in Boliden's lead production. Lead in mined concentrate form comes from Boliden's zinc mines, where lead is a subsidiary metal. Most of the world's lead production is used in vehicle batteries and back-up power supplies to secure the operation of critical systems during power cuts.

Au

SEK 4,100 M*

Gold is an important metal in Boliden's mines and smelters and the Group's current investments will increase the gold production. The gold comes from the recycling of electronic scrap, and as a subsidiary metal from copper concentrate. Gold is used in the jewellery industry and in the electronics industry. The importance of gold as an asset class for financial players has increased.

Ag

SEK 3,500 M*

Several of Boliden's mines contain substantial amounts of silver. Once the Garpenberg expansion is completed, the mine will be a significant producer of silver. Silver, which is also recycled from electronic scrap, is used in the jewellery, photographic, electrical and electronics industries. As with gold, the importance of silver as an investment alternative for financial players has increased.

* A simplified estimation of the market value of Boliden's metal production in 2011. The value is calculated on the basis of tonnage multiplied by the average price for the year.

Boliden also produces and sells other products, such as sulphuric acid, aluminium fluoride, sulphur dioxide and palladium concentrate.

BOLIDEN LOCATIONS

• **AITIK**

568 employees

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

• **BOLIDEN AREA**

421 employees

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

• **GARPENBERG**

298 employees

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

• **TARA**

696 employees

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

• **BERGSÖE**

76 employees

Used lead batteries are recycled at Bergsöe. The lead is refined, alloyed and cast into ingots. The main products are pure lead and customised alloys.

• **HARJAVALTA**

382 employees

Harjavalta smelts and refines copper and nickel concentrates. The main products are copper cathodes, gold and silver.

• **KOKKOLA**

518 employees

The smelter smelts and refines zinc concentrate, both from Boliden's own mines and external mines. The main products are pure zinc and zinc alloys.

• **ODDA**

321 employees

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

• **RÖNSSKÄR**

768 employees

Rönnskär smelts and refines copper and lead concentrates from Boliden's own mines and external mines. The main products are copper, lead, zinc clinker, gold and silver. The plant also extracts metals from sources such as electronic scrap and is today the world's largest e-recycler.

• **GROUP STAFF FUNCTIONS & HEAD OFFICE**

104 employees

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

• **MARKETING DEPARTMENT**

78 employees

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



SUSTAINABILITY REPORT

– GRI RESULT APPENDIX

Boliden's 2011 Sustainability Report is composed of two units: one that describes our social, environmental and economic responsibility and one that reports our impact and results according to the GRI-reporting framework. The first unit, that we print, focuses on describing our responsibility for sustainability work based on a set of challenges that we have identified and prioritized. The other unit – this GRI Result Appendix – reports our progress more in detail and is structured according to the GRI guidelines, showing to what degree we comply with the standard. We estimate that we have achieved reporting level B of a three-level system, graded from A to C. The Sustainability Report's two units have not been reviewed by an external party.

GRI CONTENT INDEX

Following is a content index for disclosure of strategy, organisational profile, report parameters, management approach and performance indicators specified by the GRI guidelines and which are reported by Boliden. It also includes references to Boliden's environmental, social and economic goals and results. Statements of status are provided in the respective performance indicator reporting text.

PROFILE DISCLOSURE	INDICATOR	REFERENCE
Strategy and analysis		
1.1	CEO statement	SR 1
1.2	Key impacts, risks, and opportunities	SR 1, 8–9, 11, AR 46–47, 77–78
Organisational profile		
2.1	Name of the organisation	SR cover, fold-out, GRI Appendix 1
2.2	Primary brands, products, services	SR fold-out
2.3	Operational structure of the organisation	SR 2–7
2.4	Location of organisation's head office	SR 2
2.5	Number and names of countries where the organisation operates	SR 2–7
2.6	Nature of ownership and legal form	SR fold-out, AR 48–49
2.7	Market served	SR 2–7, 9, AR 85–86
2.8	Scale of reporting organisation	SR fold-out, AR 4–5
2.9	Significant changes during the reporting period regarding size, structure, or ownership	No significant changes
Report parameters		
3.1	Reporting period	SR 41
3.2	Date of most recent previous report	This report covering performance in 2011 was published in April, 2012. The previous report was issued in April 2011, covering performance in 2010.
3.3	Reporting cycle	SR 41
3.4	Contact point for questions regarding the report or its contents	SR 41
3.5	Process for defining report content	SR 10–11, GRI Appendix 3–4
3.6	Boundary of the report	SR 41, GRI Appendix 4
3.7	Specific limitations on the scope or boundary of the report	SR 41, GRI Appendix 4
3.8	Basis on reporting on entities that can significantly affect comparability from period to period, and/or between organisations	SR 41, GRI Appendix 4
3.9	Data measurement techniques and the bases of calculation	SR 41, GRI Appendix 4
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	SR 23, GRI Appendix 4
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	No significant changes
3.12	Table identifying the location of the Standard Disclosures in the report	GRI Appendix 2–3
3.13	Policy and current practice with regard to seeking external assurance for the report.	Not assured by third party
Governance and CSR management		
4.1	Governance structure of the organisation	SR 1, GRI Appendix 4, AR 44–45, 100–103
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	SR 10–11, AR 100–103
4.3	Number of members of the highest governance body that are independent and/or non-executive members	SR 10–11, AR 100–103
4.4	Mechanism for shareholders and employees to provide recommendations or direction to the highest governance body	SR 11, GRI Appendix 12, AR 100–103
4.5	Linkage between compensation and the organisation's performance	SR 35–36, GRI Appendix 10, AR 65–66, 102

PROFILE DISCLOSURE	INDICATOR	REFERENCE
4.6	Process in place for the highest governance body to ensure conflicts of interest are avoided	SR 10-11, AR 100-103
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body	SR 10-11, AR 100-103
4.8	Internally developed statements of mission or values, codes of conduct and other principles	SR 10-11, GRI Appendix 4
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance	SR 1, 10-11, AR 44-45
4.10	Process for evaluating the highest governance body's own performance	SR 10-11, AR 100-103
4.11-13	Commitments to external initiatives	SR 10-11, 35 GRI Appendix 4, 13-14, AR 44-45
4.14	Stakeholder engagement	SR 11, GRI Appendix 4
4.15	Basis for identification and selection of stakeholders with whom to engage	SR 11, GRI Appendix 4
4.16	Approaches to stakeholder engagement	SR 11, GRI Appendix 4
4.17	Key topics and concerns that have been raised through stakeholder engagement	SR 11, 35-37, GRI Appendix 4
Environmental performance (EN)		
	Goals and results	GRI Appendix 5
EN1	Materials used by weight	GRI Appendix 5
EN2	Recycling and materials used that are waste	GRI Appendix 5
EN3-7	Energy use and energy efficiency	GRI Appendix 5-6
EN8-10	Water use	GRI Appendix 6
EN11-14	Biodiversity	GRI Appendix 6
EN16-18	Greenhouse gas emissions	GRI Appendix 7
EN20	Other significant air emissions	GRI Appendix 7
EN21	Water discharge	GRI Appendix 8
EN22	Waste types and disposal methods	GRI Appendix 8
EN23	Significant spills	GRI Appendix 8
EN28	Significant fines	GRI Appendix 9
EN30	Environmental protection expenditures and investments	GRI Appendix 9
Social performance		
	Goals and results	GRI Appendix 10
Labour practices and decent work (LA)		
LA1	Workforce	GRI Appendix 10
LA2	Employee turnover	GRI Appendix 10
LA3	Benefits	GRI Appendix 10-11
LA4	Collective bargaining agreements	GRI Appendix 11
LA5	Notice regarding operational changes	GRI Appendix 11-12
LA6	Representation in health and safety committees	GRI Appendix 12
LA7	Injuries and occupational diseases	GRI Appendix 12
LA8	Assistance regarding serious diseases	GRI Appendix 12
LA10-LA11	Training, skills management and lifelong learning	GRI Appendix 12-13
LA12	Performance and career development reviews	GRI Appendix 13
LA13	Composition of employees and governance bodies	GRI Appendix 13
LA14	Equality in remuneration	GRI Appendix 13
Human rights (HR)		
HR1-3	Investment and procurement practices	GRI Appendix 13
HR5	Freedom of association and collective bargaining	GRI Appendix 13
HR6-7	Child labour, forced and compulsory labour	GRI Appendix 14
Society (SO)		
SO1	Local community engagement	GRI Appendix 14
SO3	Training in anti-corruption policies and procedures	GRI Appendix 14
SO4	Incidents of corruption	GRI Appendix 14
SO5	Public policy development and lobbying	GRI Appendix 14
SO7-8	Anti-competitive behaviour and compliance	GRI Appendix 14
Product responsibility (PR)		
PR1	Customer health and safety	GRI Appendix 14
PR3	Product and service labelling	GRI Appendix 14
PR5	Practices related to customer satisfaction	GRI Appendix 14
Economic performance (EC)		
	Goals and results	GRI Appendix 15
EC1	Economic value generated and distributed	GRI Appendix 15
EC2	Climate change implications, risks and opportunities	GRI Appendix 15
EC3	Benefit plan coverage	GRI Appendix 15-16
EC5	Entry and minimum wage	GRI Appendix 16

MANAGEMENT APPROACH, ORGANISATIONAL PROFILE AND REPORT PARAMETERS

Sustainability issues are a natural and integral part of Boliden's operations and management. The basis for Boliden's sustainability work is that all of our operations are conducted in accordance with legislative provisions and permits in the countries in which we operate. We work proactively by formulating and setting our own guidelines and goals that address the social and environmental aspects that we consider to be fundamental to the sustainable development of our operations. We also employ different types of management systems. Taken together, this enables us to minimise the risks associated with metal production, while also facilitating adaptation in line with market conditions and ensuring compliance with future legislation.

THE NEW BOLIDEN WAY

The New Boliden Way (NBW) is the Group's organisational and production philosophy and steers our overall policies, guidelines and instructions. Its purpose is to improve productivity in every aspect of the operations and create a culture characterised by continuous improvements. The starting points for NBW are our mission, our vision and our core values. It describes how to develop Boliden into a world class metals partner, acknowledge for its added value to customers, shareholders and other stakeholders. We focus on activities that add value as well as standardised processes and methods that can be replicated throughout the Group.

POLICIES AND MANAGEMENT SYSTEMS

Boliden has a governance model comprising both Group-wide and local policies, instructions and guidelines, tools and local management systems that correspond to the challenges we face. The overall steering documents are collated in the Management Manual, which is available to every employee via Boliden's intranet. Work at our production units is conducted in accordance with certified environmental and work environment management systems, namely ISO 14001 and OHSAS 18001, respectively. The Group's five smelters are also certified in accordance with the ISO 9001 quality management system.

RESPONSIBILITY AND MONITORING

Boliden's Group management has ultimate responsibility for our sustainability work. The management group includes the Senior Vice President of HR and Sustainability who ensures that sustainability issues are addressed continuously and in a relevant way. The work is largely carried out through Group-wide networks in order to facilitate the dissemination of Boliden's goals and strategies and the exchange of expertise and experience between the Business Areas and between production units. There are networks for health, the environment, safety, HR and communication issues, the managers of which report directly to the Group management. Boliden's Board of Directors review the Group's Sustainability work annually. Results in emissions, sick-leave and accident frequency are presented at every board-meeting.

An important part of our continuous improvement work is the internal audits. Every mine and smelter undergoes biennial theme-based audits and the theme of any given audit is chosen on the basis of identified Group-wide requirements. Improvements following an audit shall be actioned and feedback provided within six months of the audit.

DIALOGUE FOR GREATER RESPONSIBILITY

Boliden's operations affect many people to varying degrees and they, in turn, have different views and expectations of us and the way we act. Genuine and relevant sustainability work demands the ongoing identification of the top priority issues with which we must work and on which

we must report. By conducting ongoing dialogues with our stakeholders we can emphasise the importance we attach to both increased transparency and information exchange. The stakeholders identified by Boliden are the Group's employees, shareholders, customers, business partners, investors, the local communities, authorities, industry and NGO's. The aim is to conduct a dialogue that has a high level of transparency and continuity, and which is based on the stakeholders' needs and circumstances.

In 2010 Boliden began to methodically evaluate the way in which the company's business partners address sustainability issues in the context of their operations. Boliden's hope is that through an increased dialogue in such areas as working conditions, human rights and environmental work, the Group will, by working alongside its business partners, help build a sustainable starting platform for the metals' long value chain.

PRIORITISING SUSTAINABILITY CHALLENGES

Identifying and choosing the most important and relevant sustainability challenges is an ongoing process. The key element in all of the areas we prioritise is that they have a direct impact on our success and a significant impact on our stakeholders. Boliden also prioritises issues that we ourselves can control and that are fundamental to our ability to operate. This approach helps us to set relevant goals and identify new ways of further improving what we do.

Boliden has identified the following key challenges in working towards sustainable business development (in no particular order):

- Securing tomorrow's skill pool
- Diversity and a more even gender distribution
- Implementing the New Boliden Way
- Creating a safe occupational health
- Minimise emissions and discharges to air and water
- Limiting the impact on the physical environment
- Responsible waste management
- A positive economic impact on the local community

LIMITATIONS

Some of the areas that need to be addressed are wholly or partly beyond our direct control, e.g. the way in which our business partners manage and work with environmental and safety issues or the available mix of electricity sources we use. In addressing these matters we cooperate with various external parties and stakeholders in order to identify joint ways of improvements.

ACCOUNTING PRINCIPLES

The financial data as well as most data related to human resources presented in the Sustainability Report is taken from Boliden's audited annual accounts. The reporting currency of the Boliden Group is Swedish kronor (SEK).

Environmental data for the Sustainability report, including energy-related data, is collected via the Group's environmental reporting.

Calculation methods for the CO₂ emissions are stipulated by national legislation, among other things in connection with the EU emissions trading scheme. All other emissions have either been measured (in cases where continuous monitoring equipment has been installed) or calculated based on periodic measurements.

ENVIRONMENTAL PERFORMANCE (EN)

Boliden's environmental responsibility entails continuous work to reduce the environmental impact of our operations. Our ambition is to go beyond legislative and regulatory requirements. Systematic and far-sighted environmental work facilitates faster compliance with future legislation and expectations of our stakeholders, and by this helps increasing our competitiveness.

ENVIRONMENTAL GOALS 2009–2013

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

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

(Base year 2007)

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

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

The environmental goals are presented in absolute figures (kilos or tonnes). The goals have been broken down by the various operating units in order to facilitate follow-up work, and are also reported internally every month in order to increase transparency.

EN1 – MATERIALS USED BY WEIGHT

There are no significant changes in use of materials in 2011 compared to 2010.

Materials used	Unit	2007	2008	2009	2010	2011
Total feed	tonnes	2,456,000	2,527,000	2,234,000	2,360,000	2,513,000
Other materials	tonnes	469,000	594,000	506,000	708,000	781,000
Total tonnage used	tonnes	2,925,000	3,121,000	2,740,000	3,068,000	3,294,000

EN2 – RECYCLING AND MATERIALS USED THAT ARE WASTE

Boliden makes use of other companies' by-products and residues, from which we extract and recycle metals. Also, we send our by-products and residues to other companies for extraction. But our primary objective is to identify internal recycling for the waste products. The new

electronic scrap recycling facility at the Rönnskär copper smelter, which will come on line during the first quarter of 2012, will make Boliden the biggest recycler of electronic scrap in the world.

Recycling and materials used that are waste	Unit	2007	2008	2009	2010	2011
Recycling rate	%	10	11	12	12	11

EN3–7 – ENERGY USE AND ENERGY EFFICIENCY

Metal production is energy-intensive. This is particularly true for the smelting operation, zinc smelting in particular. Boliden's energy consumption is a major cost item, accounting for approximately 18 per cent of the Group's total costs. The energy consumption in 2011 totalled 18.4 (18.4) million gigajoules (GJ). Electricity accounts for approximately 13.5 million GJ out of this amount, or approximately 3.7 TWh.

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

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

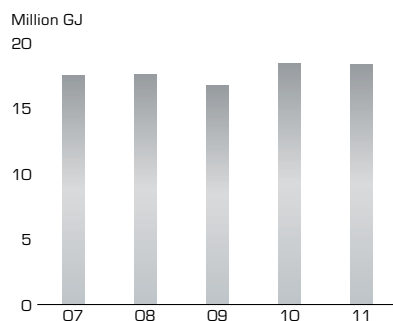
In 2005 in partnership with a number of Swedish electricity-intensive industrial companies we formed a company called BasEl with the aim to promote the industries' long term interests with regard to a stable and competitive electricity supply. The goal is to obtain permits for and launch projects with a combined production of 1 TWh per annum by 2014. During 2011 a total of 30 (30) GWh was produced.

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

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

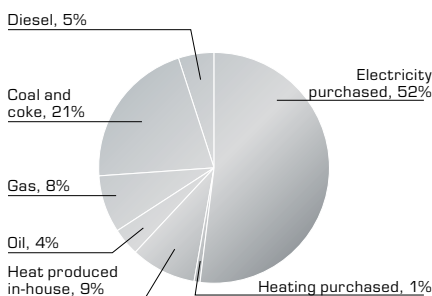
TOTAL ENERGY CONSUMPTION, 2007-2011

Energy consumption totalled 18.4 (18.4) million gigajoules (GJ) in 2011.



ENERGY USE, 2011 PER SOURCE

Energy accounts for approximately 18 per cent of the Group's total costs.



Energy use and energy efficiency	Unit	2007	2008	2009	2010	2011
Direct energy use from raw materials	GJ	4,621,000	4,824,000	4,565,000	4,720,000	4,541,000
Indirect energy use from purchased electricity	MWh	3,393,000	3,414,000	3,253,000	3,661,000	3,736,000
Indirect energy use from purchased heat	MWh	187,000	159,000	139,000	148,000	102,000
Regained heat internally	MWh	-	-	484,000	617,000	659,000
Regained heat sold	MWh	638,000	675,000	586,000	635,000	772,000
Total energy use	GJ	17,510,000	17,686,000	16,775,000	18,432,000	18,359,000
Specific energy use	GJ/tn	11.08	11.68	11.46	12.20	11.96

EN8-10 – WATER USE

Recirculating process water, wherever possible, is an important part of Boliden's water management not the least to reduce the amount of

discharges. In 2011 the total process water use was 345,000,000 (340,000,000) cubic metres, divided between 45 per cent freshwater and 55 per cent recirculated water.

Water use	Unit	2007	2008	2009	2010	2011
Total water withdrawal	m ³	125,170,000	133,970,000	134,790,000	140,280,000	153,030,000
Total volume of water recycled	m ³	37,100,000	187,250,000	185,120,000	198,300,000	191,950,000
Percentage of water recycled	%	30	140	137	141	125

EN11-14 – BIODIVERSITY

Close to 25 per cent of Boliden's total land holdings of approximately 19,500 (18,850) hectares comprised used and affected land. The remaining land consists of forest and woodland adjacent to operations.

Approximately 9,500 hectares of the total hectares of land comprise productive forest. In order to promote responsible forestry our forests are FCS certified. We have assigned about 8 per cent of our productive forest land for nature conservation. This area is partly protected as nature conservation land, key habitats and habitat protected area, partly to be managed to promote nature conservation interest. Over the past year, our forestry management work in these areas has included prescribed felling, which is intended to benefit deciduous wooded pastures, and controlled burning in order to promote certain species and biological diversity. By adapting the forest management in areas used for outdoor recreation, social values are created and maintained.

Soil conservation and the reclamation of mining areas once they have reached the end of their productive lifespan are part of Boliden's operations and responsibility. The reclamation programmes are designed to reduce the impact on surrounding areas of land and the local biological diversity. During 2011 about 24 hectares were restored/reclaimed, while 12 hectares were utilised. Boliden had a total of just under 5,700 hectares in use and not yet restored by the end of 2011. Boliden is responsible for a total of 34 (34) dam facilities for water control and sand deposits in Sweden, Norway, Finland, Ireland and Canada. This figure includes both operational and decommissioned facilities.

At the end of 2011 a total of 1,110 (928) MSEK had been allocated for reclamation both for mining areas and smelters.

Land management	Unit	2007	2008	2009	2010	2011
Disturbed in the reporting period	hectares	216	305	735	238	12
Rehabilitated in the reporting period	hectares	292 ¹	3	22	38	24

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

EN16-18 – GREENHOUSE GAS EMISSIONS

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

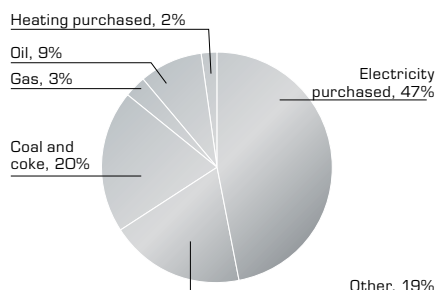
Reducing carbon dioxide emissions at Boliden's facilities is difficult without simultaneously reducing production. Still some reductions are being made by optimizing processes. We are also working to replace fossil fuels such as coal and coke with pellets when used as reducing agents in our processes. During the years, we have also worked to increase the utilization of heat at the smelters. Boliden estimates that some 659 GWh have been made available for internal use and 772 GWh have been delivered externally, for example in the form of district heating.

EU's trade in carbon dioxide emission rights, Emission Trading Scheme (ETS), currently covers the Rönnskär copper smelter and the Bergsöe lead smelter. The two smelters have been allocated emission rights for 78,909 tonnes of carbon dioxide for the period from 2008 to 2012. All of Boliden's smelters and to varying degrees the mines will be covered by ETS post-2013.

Emissions of carbon dioxide have increased by 1 per cent since 2007 at comparable measurement points, excluding emission sources added through the smelters' implementation of ETS. Taken these sources into account Boliden seemingly have increased the carbon dioxide emissions by 18 per cent

CARBON DIOXIDE EMISSIONS, 2011 PER SOURCE

Coal and coke, which are used in the metallurgical process, is the single largest source of direct carbon dioxide emissions.



Greenhouse gas emissions	Unit	2007	2008	2009	2010	2011
Direct emissions (including added sources since 2007)	tonnes	413,000	450,000	486,000	510,000	543,000
Indirect emission, purchased electricity	tonnes	384,000	357,000	356,000	398,000	408,000
Indirect emission, purchased heat & steam	tonnes	24,000	-	5,000	6,000	17,000
Total CO ₂	tonnes	822,000	807,000	848,000	913,000	968,000
Specific CO ₂ , emissions per tonne produced metal	tonnes	0.52	0.53	0.58	0.61	0.63
Non-renewable sources	tonnes	397,000	397,000	377,000	392,000	462,000

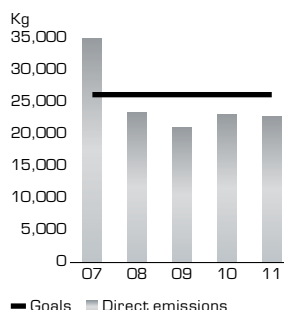
EN20 – OTHER SIGNIFICANT AIR EMISSIONS

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

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

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

EMISSIONS OF METALS TO AIR, 2007-2011



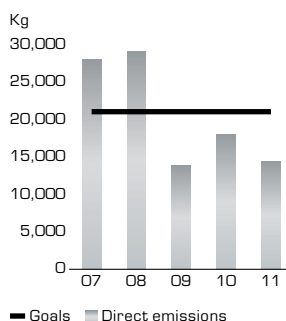
Emissions to air	Unit	2007	2008	2009	2010	2011
NO _x	tonnes	500	440	520	480	530
NO _x , indirect emissions from fuel and explosives	tonnes	60	160	210	230	190
SO _x	tonnes	8,070	8,260	6,930	6,850 ¹⁾	7,410
SO ₂ , indirect emissions from fuel	tonnes	13	31	37	59	37
Dust including metals	tonnes	84	79	60	67	65
Metal emission to air (Cu+Zn+Pb+Ni+Cd+As)	tonnes	35	23	21	23	23

1) 630 additional tonnes of sulphur dioxide come from the new sulphuric acid plant in Kokkola that Boliden took over in May 2010. The figures reported by this plant are, as of 2011, included in the overall reporting. The goal of reducing sulphur dioxide emissions by ten per cent remains unchanged, but the figure for the base year of 2007 will be adjusted upwards by 643 tonnes, based on historic emissions from the sulphuric acid plant and a reasonability assessment. The plant has emitted an average of 726 tonnes per year during the period from 2007 to 2011.

EN21 – WATER DISCHARGE

Boliden's smelters account for approximately 75 per cent of the metals discharges to water, and the mines for the remaining 25 per cent. Discharges to water come from tailings ponds at the mines' concentrators and treatment plants, and from the smelters' process and surface water. When it comes to nitrogen the Boliden mines account for just over 80 per cent of the discharges, and the nitrogen is mainly coming from explosives and their handling. The remaining 20 per cent come from recycling of waste water at the Kokkola smelter.

An important part of reducing discharges to water is to, as far as possible, re-circulate the process water. Approximately 55 per cent of the total of 345 million cubic metres of process water was recirculated in 2011.

DISCHARGES OF METALS TO WATER, 2007–2011

Water discharge	Unit	2007	2008	2009	2010	2011
Discharged water volume	m ³	135,000,000	137,250,000	109,160,000	116,530,000	105,890,000
Metal discharge to water (Cu+Zn+Pb+Ni+Cd+Hg)	tonnes	28	29	14	18	14
Nitrogen N-tot	tonnes	294	283	225	199	205

EN22 – WASTE TYPES AND DISPOSAL METHODS

As a metal company Boliden processes a number of different metals and substances that can be both toxic and environmentally harmful. But correctly processed they can be turned into valuable products. A waste product for one company can often constitute input goods for another. Right handled the eco-cycle of and trade in products and waste products can be of benefit to society and reduce environmental impact. Our primary objective is to identify internal recycling or landfill solutions

for the waste products, secondly we are identifying external solutions, like recycling by third parties.

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

Wastes	Unit	2007	2008	2009	2010	2011
Hazardous waste, total	tonnes	691,000	719,000	664,000	722,000	750,000
Whereof waste to external use, treatment or recovery	tonnes	18,500	600	2,800	3,300	3,800
Whereof waste to external disposal	tonnes	–	500	1,100	1,100	500
Non hazardous waste, total	tonnes	216,000	486,000	406,000	362,000	340,000
Whereof waste to external use, treatment or recovery	tonnes	68,600	67,500	53,600	59,600	63,200
Whereof waste to external disposal	tonnes	1,300	1,300	1,100	700	800
Waste rock, total	tonnes	24,671,000	25,082,000	32,380,000	29,270,000	31,646,000
Waste rock for internal construction	tonnes	5,516,000	6,305,000	2,507,000	3,811,000	3,417,000
Storage of waste rock for future use	tonnes	1,069,000	2,746,000	16,643,000	5,892,000	11,954,000
Sold waste rock	tonnes	–	155,000	72,000	107,000	23,000
Tailings, total	tonnes	22,394,000	22,171,000	22,814,000	26,304,000	35,974,000
Tailings for internal construction	tonnes	1,341,000	10,837,000	1,309,000	1,278,000	2,362,000

EN23 – SIGNIFICANT SPILLS

In 2011 five significant spills and leakages were reported.

In April, a leakage of approximately 2.5 cubic metres of electrolyte into Kokemäenjoki River from the electrolysis plant in Pori was reported. The leakage occurred since a valve to a process vessel accidentally had been left open, causing a series of flooding. No limit values were exceeded in connection with the leakage.

In June, a spill of approximately 100 litres of oil and grease occurred in Aitik when plastic containers were damaged by a vehicle in the industrial area. The polluted surface was excavated and sent away for external treatment.

In August, a leakage of electrolyte, including zinc, into the internal sewer leading to the public sewage system was discovered in Odda.

The leakage was assumed to have started in 2010 and approximately a total of 2 900 kilo of zinc was discharged over a period of 1 ½ years. No limit values were exceeded in connection with the leakage.

In October, a spill of approximately 150 litres of oil from a vehicle occurred in Aitik. The area was immediately shut down and sanitised. Approximately 5 tonnes of moraine was sent away for external treatment.

In December, a failure occurred on the tailings line in Tara and approximately 1,000 cubic metres of tailings carrying water, including approximately 100 kilos of metals, reached a nearby road and the river Blackwater, via a small stream. The results of the monitoring undertaken immediately after the incident indicated no discernible impact on the receiving waters.

EN28 – SIGNIFICANT FINES

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

In 2011 Boliden was fined for an amount of SEK 50,000 due to an oil leakage into the sea at the Rönnskär smelter in 2010. Boliden was also fined for an amount of SEK 40,000 due to an incident with a summer worker being exposed to volatile paint fumes in Aitik in 2010.

Fines	Unit	2007	2008	2009	2010	2011
Significant fines	number	-	1	-	1	2
Monetary value of significant fines	SEK	-	2,341,000	-	75,000	90,000

EN30 – ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS

	Unit	2007	2008	2009	2010	2011
TOTAL	SEK m	99	112	166	210	165
Personnel	SEK m	29	26	32	32	31
External	SEK m	33	34	30	38	33
Provisions for reclamation costs	SEK m	25	30	76	118	76
CAPEX related to EHSQ improvements of the operations	SEK m	126	219	236	182	356

SOCIAL PERFORMANCE

Boliden's long-term growth and profitability demand that we work efficiently, responsibly and to a high standard. We deliver customer benefits and work in a goal-orientated way to offer our employees a safe and stimulating occupational health. Our operations shall be conducted within a corporate culture that is characterised by willingness to change and a wealth of learning opportunities. Sensitivity towards and responsible behaviour in our dealings with our stakeholders help, in turn, to maintain our good reputation as a metals company and employer.

GOALS 2009–2013

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

- The Group has adopted a zero harm philosophy, which means that all units shall endeavour to achieve zero accidents every month.
- The Group's sick leave rate shall not exceed 4.0 per cent by the end of 2013.
- The ratio of female employees shall increase every year.
- The Sustainability Report shall comply with GRI Guidelines.
- The average age of all personnel shall not exceed 45 years in the long term.

GOALS 2011

- All units shall have established a diversity plan by the end of 2011.
- All employees shall have attended a CSR workshop and understood the Code of Conduct by the end of 2011.

Results in 2011

- The accident frequency fell from 8.2 per one million hours worked in 2010 to 4.9 in 2011. Work on establishing a comprehensive safety culture continues unabated. Investments in new technology are an important factor, but consistent and consistently present leadership is even more important when it comes to maintaining routines and influencing attitudes.
- The absence due to sickness level of 3.7 (4.0) per cent at the end of 2011 corresponds to a reduction in comparison with the previous year. Work will continue, up until the end of 2013, on the established goal of reducing all units' absence due to sickness figures to this level.
- Women accounted for 16.1 (15.5) per cent of the Group's employees on 31st December 2011.
- The Sustainability report 2011 complies with GRI Guidelines.
- The work to reduce the number of employees retiring annually is ongoing.
- A diversity plan was established at all units during 2011.
- The work to let all employees complete a workshop of CSR and to raise the understanding of Code of Conduct was completed during 2011.

LABOR PRACTICES AND DECENT WORK (LA)

LA1 – WORKFORCE

Average number of employees¹

Countries	2010	2011
Sweden	2,429	2,488
Finland	944	904
Norway	326	321
Ireland	699	696
Other	14	14
Total in Group	4,412	4,423

¹) Average number of employees; In accordance with our financial reporting we report the average number of employees during the year converted to full-time positions.

The Parent Company has no employees. The Group Management is employed by Boliden Mineral AB.

LA2 – EMPLOYEE TURNOVER

The personnel turnover was 4.5 (4) per cent. The total number of employees leaving employment during the reporting period was 201 persons of were 24 are women.

Employees leaving employment, total

Age group	2010	2011
<30 years	16	13
30–50 years	39	48
>50 years	133	140

LA3 – BENEFITS

In general Boliden offers a comprehensive package that is competitive, such as market-oriented salaries and benefits. We see this as a prerequisite for being able to recruit and retain competent employees. In 2011 the total of wages and benefits for our employees amounted to SEK 2,382 (2,330) million.

The profit-sharing system for all employees, introduced in 2007, means that a profit share is payable when the return on capital employed reaches 10 per cent, and the maximum profit share (25,000/full time employee) is payable when the return on capital employed reaches 20 per cent. For 2011, the ROCE (Return On Capital Employed) result was 17 (21) per cent and the program therefore receives 16,800 (25,000) SEK per employee according to the statutes in the respective countries. The benefits offered by Boliden are similar in the regions where we have operations, though there are some differences.

Finland

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

Ireland

All employees in Ireland are paid competitive salaries, allowances and bonuses, as well as shift premiums (as outlined in collective agreements and/or individual employment contracts). Also, employees are entitled to the following benefits: life assurance, health insurance (subsidised or fully paid), access to company health care, disability cover (white col-

lar employees only), pension, retirement provision, maternity/paternity leave, annual leave and public holidays, travel and other work related expenses reimbursed.

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

Norway

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

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

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

Sweden

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

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

LA4 – COLLECTIVE BARGAINING AGREEMENTS

The number of employees at Boliden covered by collective agreement are 4,669, representing 98.1 per cent of the total workforce.

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

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

Employees covered by collective bargaining agreement per country	Unit	2010	2011
Sweden	%	99.7	99.2
Norway	%	94.9	94.1
Finland	%	100.0	99.9
Ireland	%	91.9	92
Total	%	98.2	98.1

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

LA5 – NOTICE REGARDING OPERATIONAL CHANGES

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

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

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

Finland

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

If more than ten employees are at risk of being laid off temporarily, the employment authorities must be informed about it. The minimum negotiation period is six weeks in case permanent layoffs or temporary layoffs (more than 90 days). The minimum negotiation period is 14 days in case employees are to be laid off temporarily for not more than 90 days. Notice periods on an individual level are regulated in the collective agreements.

Ireland

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

Norway

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

Sweden

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

LA6 – REPRESENTATION IN HEALTH AND SAFETY COMMITTEES

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

Boliden has a fair if not a full picture when it comes to the number of workforce representatives: 5–10 per cent of the employees are representatives on the health and safety committees. Around 3 per cent assist with supervising and advice when it comes to health and safety. At all units on an ongoing basis safety inspections are carried out in order to verify that procedures are followed and measures are implemented. In order to further underline the importance of establishing a genuine safety culture representatives of Boliden’s Group management have taken part in a number of Group Safety Walks. During 2011 Group Safety Walks have been conducted at seven of Boliden’s units and the walk will continue in 2012.

There are also initiatives to involve employees on a more informal basis by encouraging them to contribute with suggestions for improvements when it comes to the health and safety. During 2011 this resulted in over 1,191 new ideas and suggestions for improvements.

Also, as an incentive for constant improvements bonuses are awarded for useful suggestions, totalling to just about 460,000 SEK (EUR 49,107) in 2011.

LA7 – INJURIES AND OCCUPATIONAL DISEASES

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

During 2011, 38 accidents with absence were reported at Boliden’s units. The total number of days of absence due to accidents was 887 (1,627), an average of 23 (27) days per accident.

Lost time injury (LTI) frequency, 2007–2011

Year	LTI
2011	4.9
2010	8.2
2009	5.5
2008	9.1
2007	9.9

The number of accidents per one million hours worked (LTI frequency) fell from 8.2 per one million hours worked in 2010 to 4.9 in 2011.

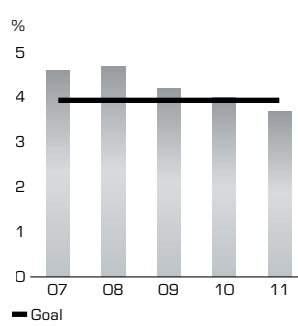
The average number of accident-free months reported by our operating units was nine.

LA 8 – ASSISTANCE REGARDING SERIOUS DISEASES

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

Employees are encouraged to keep fit by cycling to work and by participating in activities such as gym, ice hockey, football, volleyball and tennis. Boliden invites experts to speak on various health issues such as cancer, diabetes and heart conditions, as well as how to prevent

Absence due to sickness



potential health issues that may arise due to shift working. There are also anti-smoking and healthy eating campaigns on an ongoing basis. Some good examples gathered from the units:

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

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

During 2011 Boliden carried out a Group-wide mapping of sick-leave at the nine units. The mapping will help identifying both the reasons for high or low levels of sick-leave and the measures we need to take to improve employee health.

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

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

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

Training measures are usually conducted locally in order to optimise the way in which they are controlled and customised in line with the needs of the unit in question. The training activities include an ongoing traditional leadership development programme for first-line managers, focusing on leadership and employee development. A number of statutory training measures are also provided, along with training in representing the employer in legal, labour law and HR issues, and on ethical concerns.

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

Following Group-wide programs and initiatives are in place:

- The Boliden Academy includes programs for Young Professionals, High Potentials, and the Top 100 Management Team.
- The annual Strategic Skills Provision Report identifies skills requirements and proposes actions to address potential shortages.
- Management Reviews and Succession Planning processes also enhance our skills management programs.
- All employees receive yearly training according to ISO 9001, ISO 14001 and OHSAS 18001. This is documented in the training register. There is also the possibility of financial support, as well as sabbatical periods for education with a guaranteed return to work, when an

employee wishes to take external training or education relevant to their position. There are also initiatives to provide pre-retirement courses for those employees close to retirement, including transition to a non-working life.

LA12 – PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Reviews on performance and career development constitute a process to develop and improve the skills of current employees, and to secure that Boliden's competence needs are met. The aim is that every employee should have an annual performance review discussion with their manager to discuss individual goals and pay. At the units in Finland and Sweden all employees, both white- and blue-collar, receive an annual performance appraisal.

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

LA13 – COMPOSITION OF EMPLOYEES AND GOVERNANCE BODIES

At the end of 2011, 16.1 per cent (15.5) of the Group's employees were female. The percentage of women on the Board of Directors amounted to 27 per cent. At all units Boliden practices the principle of equal pay for work of equal value irrespective of gender. Any identified differences are followed by corrective actions.

Percentage of women at corporate management level

	Unit	2009	2010	2011
Board of Directors	%	27	27	27
Group management	%	17	0	0
Supervisors	%	11	-	11
In management Groups	%	19	-	17.4

Gender total

Subsidiaries	Unit	2010	2010	2011	2011
		Women	Men	Women	Men
Sweden	%	19	81	20	80
Finland	%	15	85	16	84
Norway	%	13	87	14	86
Ireland	%	4	96	4	96
Other	%	28	72	29	71

Average number of employees¹, divided by gender

Countries	2010	Of whom women	Of whom men	2011	Of whom women	Of whom men
Sweden	2,429	448	1,981	2,488	494	1,994
Finland	944	137	807	904	140	764
Norway	326	47	279	321	44	277
Ireland	699	34	665	696	30	666
Others	14	3	11	14	4	10
Total in Group	4,412	669	3,743	4,423	712	3,711

¹ Average number of employees; In accordance with our financial reporting we report the average number of employees during the year converted to full-time positions.

LA14 – EQUALITY IN REMUNERATION

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

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

HUMAN RIGHTS (HR)

HR1-3 – INVESTMENT AND PROCUREMENT PRACTICES

One way to develop and promote sustainability work within our industry is to do it in cooperation with our business partner. In 2010 Boliden launched the Evaluation of Business Partners (EBP) project which aims to evaluate our business partners from a sustainability viewpoint. The basis for the evaluation is an online self-assessment questionnaire that our partners are asked to complete. The results of the questionnaire are then followed up in conjunction with visits and audits. The EBP helps us build up a picture of how our respective business partners are working with a number of important sustainability issues and of the improvements we can help them make in order to achieve a positive trend. By mid 2011 530 questionnaires had been sent out and 348 were received and answered.

HR5 – FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

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

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

HR6-7 – CHILD LABOUR, FORCED AND COMPULSORY LABOUR

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

Furthermore Boliden adheres to the UN Declaration of Human Rights and to the ILO's core conventions.

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

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

SOCIETY (SO)

SO1 – LOCAL COMMUNITY ENGAGEMENT

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

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

Local involvement in the form of support for and partnerships with voluntary organisations and associations is another way in which Boliden can make a positive contribution to the areas in which we operate. Our support focuses primarily on local sporting and cultural events, schools and hospitals, often links to children and young people. During 2011 our units sponsored local activities for approximately SEK 5.4 million.

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

SO3 – TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES

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

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

All managers and other employees with extensive external and competitor contacts are educated regarding anticorruption in accordance to their area of responsibility starting with the Management Development Program, a training programme for the top 130 managers. The work to let all employees attend a CSR workshop and to raise the understanding of the Code of Conduct was completed during 2011.

SO4 – INCIDENTS OF CORRUPTION

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

SO5 – PUBLIC POLICY DEVELOPMENT AND LOBBYING

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

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

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

SO7-8 – ANTI-COMPETITIVE BEHAVIOR AND COMPLIANCE

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

PRODUCT RESPONSIBILITY (PR)

PR1 – CUSTOMER HEALTH AND SAFETY

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

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

PR3 – PRODUCT AND SERVICE LABELING

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

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

PR5 – PRACTICES RELATED TO CUSTOMER SATISFACTION

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

ECONOMIC PERFORMANCE (EC)

Boliden's operations impact and affect many people – sometimes whole communities. Our business concept is to extract minerals and produce high quality metals in a cost effective and sustainably adapted way in order to meet the markets demand and thereby create value for Boliden's shareholders. Through this we can continue to take extensive responsibility and to enhance the contribution we make to a positive economic and social development in the community.

FINANCIAL GOALS

Boliden has established the following financial goals:

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

Results in 2011

- The return on capital employed was 17 (21) per cent in 2011. The average return on capital employed during the period 2007–2011 was 17 per cent per annum.
- The net debt/equity ratio was 29 (24) per cent at the end of 2011. The net debt/equity ratio increased due to a reduction in cash flow resulting from the profit performance, an increase in working capital, an increase in the rate of investment, and a substantial increase in the amount of tax paid.
- The Board proposes a dividend for 2011 of SEK 4 (5) per share, corresponding to a total of SEK 1,094 (1 368) million or 32.3 (34.6) per cent of the net profit for 2011. The ordinary dividends paid during the period 2007 to 2011, including the proposed dividend for 2011, correspond to 32.2 per cent of the aggregate net results for the period.

EC1 – ECONOMIC VALUE GENERATED AND DISTRIBUTED

Boliden generates profit and value through metal production and deliveries that acknowledge their social and environmental responsibility. For 2011 the total net sales were SEK 40,323 (36,716) million.

Component, SEK M	Stakeholder group	2010	2011	Comment
Direct economic value generated				
a) Revenues	From customers	36,716	40,323	Net sales plus revenues from financial investments and sales of assets.
Economic value distributed				
b) Operating costs	To suppliers and business partners	-30,038	-34,404	Payment to suppliers, non-strategic investments, royalties and facilitation payments
c) Employee wages and benefits	Employees	-3,203	-3,282	Total monetary outflows for employees (current payments)
d) Payments to providers of capital	Banks and financial institutions	-319	-259	All financial payments made to the providers of the organization's capital
e) Payment to government	Society	-1,374	-1,171	Gross taxes
f) Community investments	Society	-5	-5	Sponsored local activities

EC2 – CLIMATE CHANGE IMPLICATIONS, RISKS AND OPPORTUNITIES

The European Union's trade in carbon dioxide emission rights, Emission Trading Scheme (ETS), currently covers Rönnskär copper smelter and the Bergsöe lead smelter. The two smelters have been allocated emission rights for 78,909 tonnes of carbon dioxide for the period from 2008 to 2012. With new legislation in force in 2013, all of Boliden's smelters and, to varying degrees, the mines, will be covered by ETS. The trade in emission allowances is very much a strategic challenge for Boliden, entailing not only calculating the costs that may be entailed in future purchases of emission allowances, but also working on ways to reduce emissions, given our production levels and available technology. The units' emission allowance application for the period from 2013 to 2020 has been submitted with the aim of achieving an allocation for free emission allowances that covers Boliden's needs up until 2020.

EC3 – BENEFIT PLAN COVERAGE

Pension undertakings

The Group's companies have a variety of pension systems in accord-

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

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

Costs, undertakings and other factors in pension plans are calculated by means of the Projected Unit Credit Method.

The Group's reported pension liability totals SEK 653 million, which sum includes endowment insurance totalling SEK 62 million in respect of defined premium plans in Sweden. Defined benefit plans in Norway are reported as a long-term receivable of SEK 10 million.

EC 5 – ENTRY AND MINIMUM WAGE

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

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

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