



Sustainability Report 2006
Leading supplier of zinc and
copper in Europe

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Scope and Profile of the Sustainability Report

The 2006 Boliden Sustainability Report is the second in a series that describes our work with the environment, people and society. In drawing up this Report, we used the Global Reporting Initiative (GRI 2002) as support, which is an international standard for reporting on sustainability efforts from an environmental, social and economic perspective. At the end of this Report we have therefore published a number of cross-references to the GRI guidelines, which show the degree to which we have complied with the standard's reporting requirements and structure. Next to the core indicators, we have included those additional indicators and supplementary indicators for the mining and metals sector that we consider to fully or partly report on. For further information on our measurement methods, definitions or other guidelines, please contact Boliden's information department. This report can also be found at: www.boliden.com.

BUSINESS DESCRIPTION

Boliden is one of Europe's leading suppliers of the base metals zinc and copper. Lead, gold and silver are some of the other metals produced by the Group. With its integrated operations in the Business Areas Mines, Smelters and Market, Boliden controls the entire chain – from exploration to finished metal. Boliden has approximately 4,500 employees and revenue of SEK 35 billion.

BUSINESS CONCEPT

Boliden's business concept is to extract minerals and produce high quality metals in a cost effective and environmentally friendly manner, and to exploit the commercial opportunities the market has to offer. In doing so, Boliden creates value for its shareholders, customers and employees.

THIS IS WHERE BOLIDEN OPERATES

BUSINESS AREA MINES

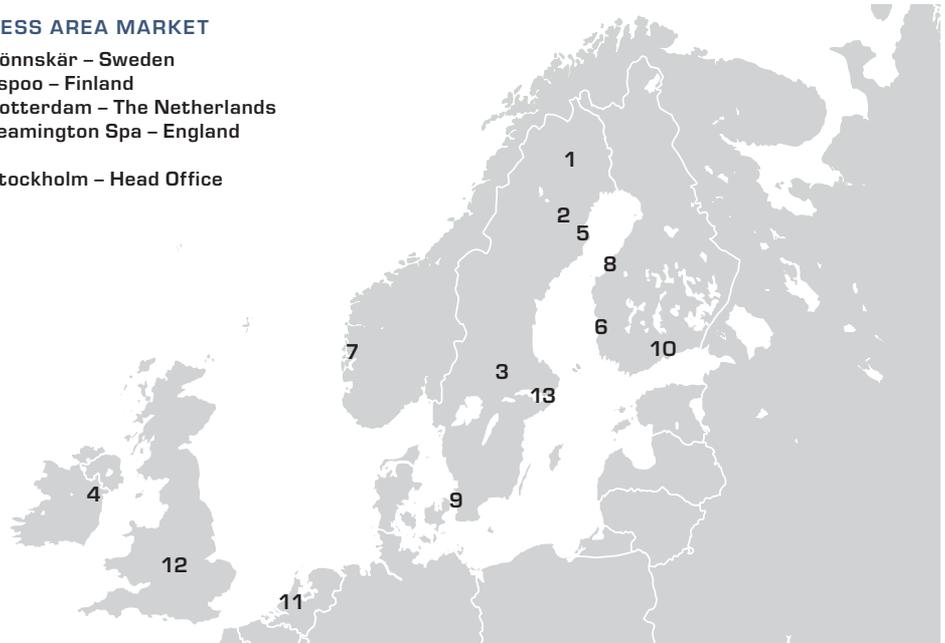
- Aitik** – One of Europe's largest copper mines.
- The Boliden Area** – Comprises the zinc mines Kristineberg, Renström, Petiknäs and Mauriliden.
- Garpenberg** – Comprises the zinc mine in Garpenberg.
- Tara** – Europe's largest zinc mine.

BUSINESS AREA SMELTERS

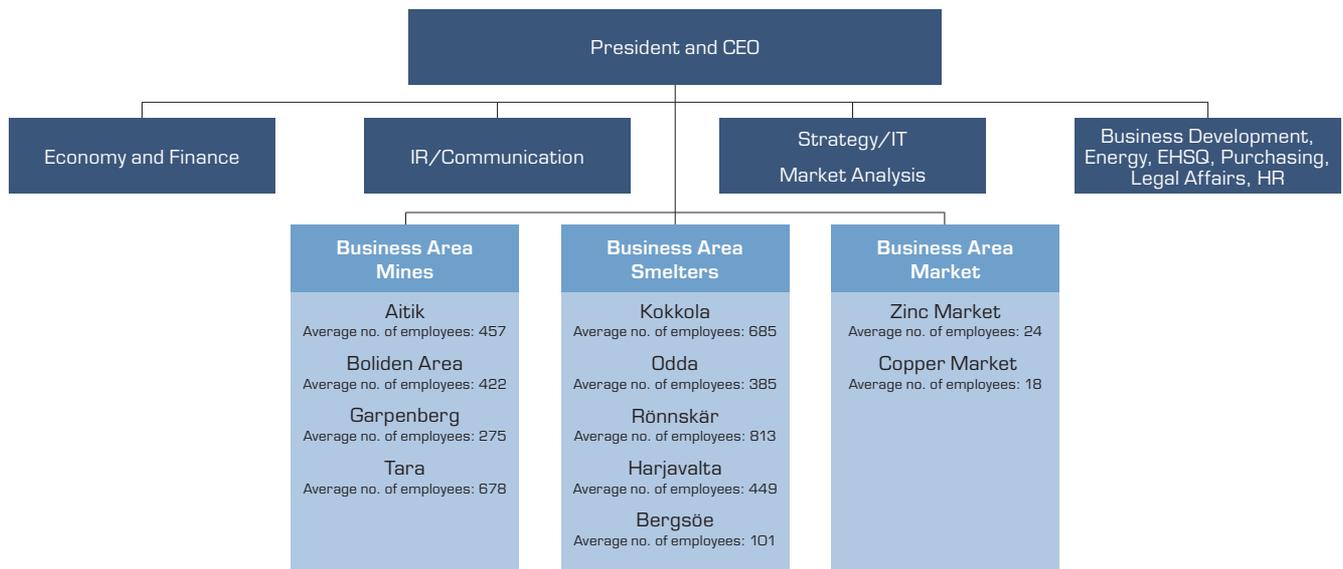
- Rönnskär** – Copper smelter and one of the world's largest facilities for recycling electronic scrap.
- Harjavalta** – Comprises the Harjavalta copper smelter and the electrolytic refinery in Pori.
- Odda** – Zinc smelter, also produces aluminum fluoride.
- Kokkola** – Europe's second-largest zinc smelter.
- Bergsöe** – The sole smelter for recycling lead batteries in the Nordic countries.

BUSINESS AREA MARKET

- Rönnskär** – Sweden
- Espoo** – Finland
- Rotterdam** – The Netherlands
- Leamington Spa** – England
- Stockholm** – Head Office



BOLIDEN'S ORGANISATION



PRODUCTS



COPPER

Boliden is the third largest copper supplier in Europe. In 2006 copper accounted for approximately 45 per cent of Boliden's revenues. All copper concentrate from its mines is refined in the Group's own smelters. The finished copper metals are primarily sold to European producers of semi-manufactured goods. The end users of copper are primarily within the construction, utilities and electronics industries.



ZINC

Boliden is the second largest zinc supplier in Europe. In 2006 zinc accounted for approximately 37 per cent of Boliden's revenues. Most of the zinc concentrate from Boliden's mines is refined in the Group's own smelters. The finished zinc metals are mainly sold to the Northern European steel industry. End users of zinc are principally found within the construction and transportation industries.



LEAD

Each year Boliden produces approximately 70,000 tonnes of lead and lead alloys, of which 70 per cent comes from recycled materials. In 2006 lead accounted for approximately 3 per cent of Boliden's revenues. More than three quarters of all the lead produced globally is used within the battery industry.



GOLD

Boliden produces around 20,000 kilos of gold per year. In 2006 gold accounted for approximately 8 per cent of Boliden's revenues. The jewellery industry accounts for nearly 90 per cent of all global gold consumption. A significant portion of gold is produced as a by-product in zinc and copper mines.



SILVER

In 2006 silver accounted for approximately 3 per cent of Boliden's revenues. Boliden's production of silver amounts to approximately 470,000 kilos annually. With the electricity and electronics industries as important users, the price of silver is tied to developments in the global economy. Silver is increasingly becoming a commodity whose price is dictated by supply and demand. A significant portion of silver is produced as a by-product in zinc and copper mines.

APPLICATIONS

PER CENT



Construction industry	38
Electronical /electronic products	28
Industrial machinery	13
Transport sector	11
Consumer products	10

Source: Brook Hunt



Galvanisation	56
Brass products	15
Diecasting	12
Oxides & chemicals	7
Milled products	6
Other	4

Source: Brook Hunt



Batteries - replacement	40
Batteries - original	12
Batteries - transport	11
Batteries - stationary	15
Other - not batteries	22

Source: Brook Hunt



Jewellery	84
Other, incl. electronics	16

Source: CRU



Jewellery	31
Photography	17
Electronics	22
Alloys & Repairs	6
Coins	4
Other	20

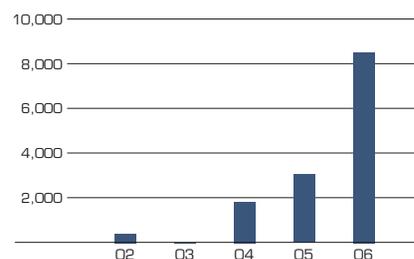
Source: CRU

KEY FIGURES, GROUP

Financial key figures	2006	2005
Revenues, SEK million	35,213	20,441
EBIT, SEK million	8,522	3,069
Cash flow, SEK million	8,010	2,540
ROCE, %	52	20
Net debt, SEK million	-195	5,526
Net debt/shareholders' equity, %	-1	54
Employees	4,519	4,530
Salaries and other remuneration, SEK million	1,909	1,724
Social security expenses, SEK million	695	649
Investments, SEK million	1,847	1,337
Provision for reclamation costs, SEK million	591	527

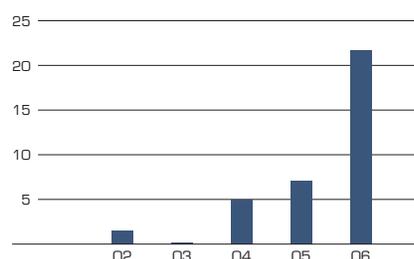
OPERATING INCOME

SEK MILLION



PROFIT PER SHARE

SEK



World-class metals partner

Boliden's vision is to be a world-class metals partner. Our ambition is to create added value for customers, shareholders, employees, suppliers and other stakeholders. We are also striving to be the first choice within zinc and copper in our markets.

Responsibility, reliability and customer satisfaction guide our path towards being a world-class metals partner. Industry leadership in sustainable operations is the best foundation on which to build a solid corporate culture and long-term relations with our stakeholders.

Confidence from the world around helps us reach our goals. Confidence is as much about product quality and deliveries as it is about effective and environmentally friendly production processes, taking care of our employees' health and safety and quality of life in the communities in which we operate.

A sustainable way forward

Boliden's vision is to be a world-class metals partner. It requires that we are at the forefront of our industry in terms of environmental, social and economic responsibility. In this way, we believe, that Boliden's business activities also contribute to the sustainable development of modern society. With this sustainability report we want – for the second year in a row – to describe how that work is progressing.

Boliden's challenge is to continue to be a profitable company by meeting the growing demand for metals and simultaneously contribute to the sustainable development of our societies. Sustainability for us means that we are continuously striving to attain a long-term balance between what is acceptable in pure business terms, socially and in degrees of environmental impact.

SUSTAINABILITY INITIATIVES FOR COMPETITIVENESS

The last years' rise in metals prices, connected to the heavily increased demand on the base metals we produce, have to a great degree driven Boliden's strong development. But that is not the full explanation by far. What is equally important is Boliden's efforts to achieve continuous improvements in all parts of the business. To retain and strengthen our competitive edge, we should therefore not be limited by our good results in recent years. We have to continue to strengthen Boliden's platform for long-term sustainable value creation.

HIGH DEMANDS AND EXPECTATIONS

There is no doubt that legislation and regulations will continue to be strengthened for the industry in general and the mining sector in particular, when it comes to the area of sustainability. The demands we place on ourselves must always be higher than the world's around us. Industry-leading sustainability efforts – from the first exploration measures to delivered high quality metals – build confidence capital, which supports Boliden's continued

development. In other words it reduces operational risk and strengthens our competitiveness. Over a long period of time our geographic region has been characterised by tough environmental legislation and extensive rules regarding working conditions. That of course means that we have the opportunity to be far ahead of the curve in our work on sustainability issues.

As we are continuously working to reduce the business' environmental effects, we also have to act responsibly toward employees, customers, owners and the world at large. Since we are often the largest employer in the communities in which we are active, we are performing an important role.

OUR CONTINUED EFFORTS

We have continued to work on our sustainability goals during the year. I am pleased to state that most of our production units have introduced energy management systems and we are also working to implement environmental management systems in those units that are not yet certified. Boliden has also adopted a zero-accident philosophy in order to mark our aim to have the safest work environment in the industry. We have also worked intensely with Group-wide strategies and programmes for our Management Planning and Core Competence Processes. The past year's heavy rainfall has, unfortunately, also affected us in terms of strained capacity for water treatment at some of our smelters. This is one of the environmental issues we will continue to work with in the near future.

THE INDIVIDUAL IMPORTANT TO BOLIDEN'S RESULTS

Our units have come various distances but our ambition, naturally, is to have them approach each other and to continuously improve. An important part in this work is to inform and educate to effect a change in attitudes. Boliden's strategic platform, The New Boliden Way, provides us with common values and gives us also guidance in how to do the right thing in the right way. It focuses on the individual, and gives employees a clearer link to how they can contribute to Boliden achieving its goals through their work.

“The demands we place on ourselves must always be higher than the world's around us.”

With The New Boliden Way we will now continue our course toward a leading position within zinc and copper in Europe.

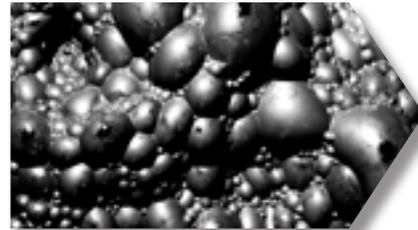
Stockholm, April 2007



Jan Johansson
President and CEO



“Industry leading sustainability efforts – from the first exploration measures to delivered high quality metals – build confidence capital, which supports Boliden’s continued development.”



EXPLORATION

Exploration ensures that ore reserves are available to us to mine today and tomorrow. To discover new deposits and ensure that ore mining can be commercially successful is a long-term and time-consuming process. Field exploration is the first step, which entails mapping out orebodies, drilling and sampling. For existing mines, mine-site exploration is also performed. Before a decision is made to commence mining, careful assessments are carried out as to its economic, environmental and social aspects. Exploration requires an exploration permit from the Mining Inspectorate of Sweden and the Exploration and Mining Division in Ireland.

ENVIRONMENTAL RESPONSIBILITY

The environmental work in connection with mining and smelting activities begins when the exploration is in the planning stages. Exploration activities, in themselves, have no significant impact on the environment. More detailed searches in the bedrock, however, involve minor physical interventions. Transportation in connection with measurements made from aeroplanes and other samplings also only have a limited impact on the environment.

SOCIAL RESPONSIBILITY

Since exploration efforts determine future mining, they have an impact on various regions' and locations' development. The examination of the bedrock that exploration entails also provides knowledge that might be of use to society in general or to other companies. Around 50 employees are currently working with exploration at Boliden. In 2007 this activity will be expanded to 70–75 people.

ECONOMIC RESPONSIBILITY

In 2006 Boliden invested SEK 162 million in exploration, a figure that will be increased to approximately SEK 300 million in 2007. Over the past five years we have increased investments in exploration five-fold. In 2006 Boliden diamond-drilled approximately 100,000 metres and completed 950 metres of drifting.

MINING

Mining is performed in both underground mines and in open-pit mines. The most significant process components include drilling, blasting, loading and transportation of ore for concentration.

Metal content zinc: 6–8 per cent
Metal content copper: 0,3 per cent

CONCENTRATION

Concentration is the first step in the extraction of metals from mined ore. Crushing, milling, flotation and sometimes leaching are phases in the concentration process. The finished product after concentration – called mining concentrate – is then sent on to the smelter.

Metal content zinc: 55 per cent
Metal content copper: 28 per cent

ENVIRONMENTAL RESPONSIBILITY

Mining bedrock requires careful management and places high demands on responsible behaviour. As a point of departure, production processes are designed to exert the least possible impact with the greatest possible safety margin. Mining causes noise and vibrations and generates waste rock, dust and emissions into the land and air, and discharges into the water. Mining requires permits in both Sweden and Ireland.

The residue left after concentration is called tailings. It is deposited in closed mines under soil or in tailings ponds near the mines. Production processes also entail emissions into the air and discharges to water. Concentration activities require an environmental permit.

In 2006 Boliden's mining operations required, among other resources, 6 hectares of land, produced roughly 393,000 tonnes of concentrate, used 4 GJ of energy and 53 million cubic metres of water, of which 37 million cubic metres consisted of recycled water.

SOCIAL RESPONSIBILITY

Before a decision is made to commence mining, the affected municipalities and government authorities, nearby residents as well as other stakeholders will be involved in the process. Before new mining operations can be commenced, permits need to be obtained from various authorities. We are careful of stakeholder groups affected by our business activities, and we, among other things, strive to ensure our employees' health and safety and minimize nuisances, such as noise in the vicinity.

A total of 1,832 employees are working in our mines and concentrators.

ECONOMIC RESPONSIBILITY

In 2006 revenue for the Business Area Mines (exploration, mining, concentration and reclamation) was SEK 7,261 million.



RECYCLING

Metals can be recycled, in principle, indefinitely without losing any of their physical or chemical properties. Recycling is an important process that provides raw materials for the smelters. Boliden mainly recycles copper, zinc, lead, gold and silver from metals and electronic scrap as well as lead batteries.

In 2006 we recycled 145,000 tonnes of metals from roughly 200,000 tonnes of recycling materials.



SMELTING AND REFINING

From the concentration plant, the ore concentrate continues on to the smelter for further refining. There, pure metals are produced in the form of copper cathodes and zinc ingots, which are subsequently sent out to the customers. The by-products from this process are principally gold, silver, lead, sulphuric acid and sulphur dioxide.

Metal content zinc: 99,9 per cent
Metal content copper: 99,9 per cent



RECLAMATION

When a mine is closed rehabilitation must be implemented, so as to rehabilitate the mine area to the surrounding environment. Reclamation also reduces the risk for environmental impact from the disposal facilities. Reclamation is a continuous process that involves both mines as well as tailings ponds. Today, reclamation plans are already drawn up in the planning stage of new mine areas.

ENVIRONMENTAL RESPONSIBILITY

Besides the fact the recycling in itself contributes to the environmental balance, Boliden uses the further developed so-called "kaldo technique" to treat metals contained in electronic scrap and other secondary materials, with good environmental performance. That gives an efficient and environmentally pure process. Boliden's fuming plant can handle metal scrap that contains zinc and copper. Its lead recycling plant is among the most environmentally friendly in Europe.

SOCIAL RESPONSIBILITY

Recycling is performed at our smelters, and therefore our social impact is similar to that associated with smelting and refining. Recycling of electronics and electrical products contributes to reducing the problems related to scrap in society. This business activity has been strengthened through tightened EU directives, which have created new business opportunities. Today, 355 people are working on recycling within the Boliden Group.

ECONOMIC RESPONSIBILITY

We dispose of electronic scrap and residues from the brass and steel industry as part of our commercial business. Boliden's recycling has become an ever more important business for the Group.

ENVIRONMENTAL RESPONSIBILITY

The environmental impact from smelters is emissions into the air and discharges of aqueous effluent as well as waste created in the process. Boliden today uses technology and processes that reduce the negative environmental impact and energy consumption to a fraction compared to that of earlier years: flash smelting processes for copper and direct leaching for zinc.

The total energy consumption for 2006 was 13 million GJ; emissions of metals into the air were 33 tonnes; and discharges into water were 17 tonnes.

SOCIAL RESPONSIBILITY

Boliden's smelters are usually the principal employers in the societies in which they operate. That requires us to inform the general public of our business activities and maintain a good dialogue with those stakeholders that are affected by them. Today 2,433 employees are working with smelting and refining in our five smelters.

ECONOMIC RESPONSIBILITY

In 2006 the Business Area Smelters sold materials for SEK 37,514 million. During 2006 Boliden sold waste heat for a total of 2.26 million GJ.

ENVIRONMENTAL RESPONSIBILITY

Boliden's goal is to achieve a balance between reclamation of previously affected areas and the requisitioning of new unaffected land.

In 2006, 60 hectares of land was rehabilitated and 6 hectares of new land were commissioned.

SOCIAL RESPONSIBILITY

Collaborative efforts are ongoing with universities, research institutes, government agencies and other entities to achieve the best possible outcome in each individual case of reclamation.

ECONOMIC RESPONSIBILITY

Boliden allocates funds for reclamation already before operations are initiated. In 2006 provisions of SEK 591 million were made for reclamation.

Sustainability is an obvious part of our business activities

For Boliden to be a world-class metals partner we constantly have to meet – and exceed – our customers’ expectations. It means that all actions must be based on responsible decision making.

SUSTAINABILITY PART OF DAILY OPERATIONS

Boliden wants to be the obvious first choice within zinc and copper in our markets. That has clear consequences for our daily business activities, and requires that we continuously generate value for our customers, investors, employees, suppliers, and all other stakeholders that are impacted by us and how we conduct business. That is why we are striving, through our structured and goal-oriented work, to become better at meeting and exceed-

ing all reasonable demands and expectations placed on us.

WHO IS RESPONSIBLE FOR OUR WORK ON SUSTAINABILITY?

The entity that is ultimately responsible for Boliden and its management is the Annual General Meeting, which – under the Swedish Companies Act and Boliden’s Articles of Association – is tasked with appointing the company’s Board of Directors. The Board of Directors, together with the operationally responsible President, charts the Company’s strategic course. On that course, our work with sustainable development is an integrated part. The President, who is also the CEO, manages and is responsible for exercising on-going control within the framework provided, and he has the other Group executives at his disposal in carrying out his duties.

We are striving to work as closely with the operational function as possible with minimal staff. This, we believe, is the best manner in which we can engender participation and contribute to the dissemination of knowledge and share experiences across our business units. This is the reason efforts concerning Human Resources issues and those related to the Environment, Health, Safety and Quality (EHSQ) are addressed in our line organisations. They are supported by and anchored to a few Group-wide functions, in the form of networks, whose purpose is to create the conditions for taking responsibility of the short and long-term operations. The managers of these networks report to the Company’s Vice President, who retains overall responsibility for Boliden’s sustainability efforts.

The Human Resources network consists of seven individuals, who are working with a



wider network with staff managers. The EHSQ staff consists of three employees who work in a network with around 60 EHSQ members spread across the Group. The networks are responsible for and coordinate the efforts within their respective fields, mainly by setting up guidelines and disseminating knowledge in the Group, to enable the employees in the different units to convert it into their daily work. Eventually, it is up to each unit and employee to operate responsibly in their own work situation and the surrounding environment.

MANAGEMENT TOOLS

To ensure that our Company is managed well, Boliden since July 1, 2005 applies – like most other listed companies – the Swedish Code of Corporate Governance. Our Corporate Governance Report can be downloaded in its entirety at the following website: www.boliden.com.

In terms of our operational work, the overall strategic platform, The New Boliden Way (TNBW), outlines Boliden’s direction and guides our employees in their work. The common perspective provided by TNBW facilitates our decentralised and network-based work processes. Our operational policy indicates the direction for our work in matters related to EHSQ and Human Resources.

Moreover, our overall goals and management systems provide us with a basis for working on continuous improvements. Our goal is for all business units to have certified management systems in place for Health, Environment and Safety as well as for Energy by the end of 2008. Furthermore, the units should have a management system for Quality in place before the end of 2009.

TNBW, the operational policy and the Group-wide guidelines provide the criteria for the internal audits we carry out annually. So far, audits have targeted the business units’ work with health, environment and safety. All business units within the Group must be audited at least once every two years. The auditing teams consist of employees from various parts of the Group and are managed by the

THE NEW BOLIDEN WAY (TNBW)	
MANAGEMENT TOOL	PURPOSE
TNBW is Boliden’s strategic platform. It charts our course, our shared work processes and our core values: passion, responsibility and commitment.	TNBW shall give each employee overall guidance. It shows what we need to do to be the first choice in our industry.
CODE OF CONDUCT	
MANAGEMENT TOOL	PURPOSE
The Code of Conduct is a component of TNBW. It describes Boliden’s values in respect of responsibility for Boliden’s property, employees, the environment, sales and marketing as well as social responsibility.	The Code of Conduct gives employees a standard for attitudes and desirable behaviour in their daily work.
POLICY AND GUIDELINES	
MANAGEMENT TOOL	PURPOSE
Our corporate policy establishes Boliden’s perspective with regard to our Environment, Health, Safety and Quality (EHSQ) and Human Resources matters. Our EHSQ guidelines give support in the practical implementation.	Our corporate policy translates Boliden’s vision and core values into a framework that helps us attain our overall goals. The guidelines lay out the requirements for a lowest threshold for working with EHSQ.
OVERALL GOALS	
MANAGEMENT TOOL	PURPOSE
Boliden has goals for its efforts concerning the Environment, Health, Safety and Quality (EHSQ) as well as Human Resources matters.	The goals are a tool in our efforts for continuous improvements and they help us focus on the right way forward.
MANAGEMENT SYSTEMS	
MANAGEMENT TOOL	PURPOSE
All of Boliden’s business units are working with management systems for EHSQ and most are already certified according to ISO 9001, 14001 and OHSAS 18001.	Management systems create a foundation for the entire organisation to be able to work in a systematic and structured manner. They are also making possible the dissemination of best work practices across the business units.
INTERNAL AUDITING	
MANAGEMENT TOOL	PURPOSE
Internal and external requirements are the criteria for internal audits of Boliden’s units, which are carried out at the units every second year.	Auditing is our tool in our efforts to create continuous improvements, since they bring about positive changes that lead to higher quality. They also help disseminating knowledge and values throughout the organisation.

EHSQ staff. Each audit will result in a report which points out deviations and proposes what improvement measures are required. The EHSQ staff are also responsible for following up on measures to ensure that they have been implemented within the indicated time frames.

HOW ARE OUR SUSTAINABILITY EFFORTS PROGRESSING?

Boliden's nine production units have reached various stages in their sustainability efforts, but each unit has clear goals for its operations. The implementation of the management systems for the environment and energy (ISO 14001), work environment (OHSAS 18001/ISRS) and quality (ISO 9001) is progressing according to plan and is described in the table below. During the year Business Area Mines, for example, began implementing management systems for health, the environment and safety. All smelters, with the exception of the Rönnskär copper smelter, are currently certified. During the first six months of 2007, the certification of Rönnskär will be completed.

In 2006 a quality campaign was initiated with the aim of integrating the quality mindset into daily operations. A quality network with seven employees from various parts of the

Group has produced general Group guidelines for the quality initiatives. The next step is to implement them in the various business units.

In 2006 internal audits were carried out in Tara, Kokkola, Rönnskär, Harjavalta and the Boliden area. These were principally system audits in which the units' implementation of TNBW and the indicated guidelines from the EHSQ network were followed up. In 2007 internal audits will be expanded to also include our quality initiatives. In the longer term, the goal is that the internal audits will also cover such areas as the Market organisation and Group functions.

EHSQ AWARDS 2006

Each year one business unit and one employee within the Boliden Group is granted a distinction for meritorious work within the areas of health, the environment and safety. In 2005 the Odda unit was awarded the best unit prize because the smelter has, among other things, had the Group's lowest accident rate for several years. Odda next to met Boliden's zero-accident philosophy and reported a rate of 1.4 per one million work hours in 2005. The individual prize was given to an employee at the copper smelter in Harjavalta for outstanding work with health and safety.



Janne Anturamäki from the copper smelter Harjavalta accepts the 2005 EHSQ award from Boliden's Vice President Tom Niemi.

	Boliden	Aitik	Garpenberg	Tara	Rönnskär	Bergsöe	Harjavalta	Kokkola	Odda	Zinc Market	Copper-Market
Quality ISO 9001:2000					◐	●	●	●	●	●	◐
Environment ISO 14001:2004	x	x	x	x	◐	●	●	●	●		◐
Health and Safety OHSAS 18001/ISRS	x	x	x	●	x	◐	●	●	●	-	◐
Dam safety	*	*	*	*	-	-	*	*	*	-	-
Energy SS627750/IS393:2005	●	●	●	x	●	x	*	*	*	-	-

● certified ◐ partially certified ◐ implemented x commenced - not applicable * part of ISO 14001



TARA CHANGES ITS OPERATIONS TO FOLLOW THE NEW STRATEGY

Boliden's employees at the zinc mine at Tara are an example of how the introduction of The New Boliden Way is serving as a model. The mine's manager Bert-Ove Johansson has held joint information meetings and met with his employees to outline what the new strategic platform entails. He has also simplified his organisational structure in order to adapt it more smoothly to the current business and its strategic course. Since a significant component of The New Boliden Way has to do with encouraging employees to assume own initiatives, the new organisation has, to a large extent, been renewed on the basis of their ideas. In small groups, employees from different parts of the organisation have discussed various ways to improve operations.

"To succeed in implementing this cultural change at all levels in the organisation, we are trying to have an open dialogue between management, employees and trade unions to the greatest degree possible, and show examples of clear leadership," says Bert-Ove Johansson from Tara.

The business unit is also testing a new bonus system for some of the mine workers as based on The New Boliden Way. The intention is to apply the new system to all direct miners.

On our way to becoming world-class

Boliden's goals within the areas of environmental, social and economic responsibility as well as the degree to which we have attained those goals is presented below.

MANAGEMENT SYSTEMS	
GOAL	GOAL FULFILMENT 2006
Internal guidelines for health, the environment and safety will be implemented throughout the Group.	All operational units have completed the implementation of internal guidelines during the year.
Internal general Group audits using our guidelines will be carried out every other year at each unit.	Five business units were audited: Harjavalta, Kokkola, Rönnskär, the Boliden area and Tara.
All units will be certified in accordance with ISO 14001 by the end of 2008.	Four of our nine production units are certified.
All units will be certified in accordance with OHSAS 18001 or meet the requirements for ISRS (level 6) by the end of 2008.	Three of our nine production units are certified according to OHSAS/ISRS and implementation is in progress for the others. Tara earlier reached ISRS level 7.
An energy management system will be implemented in all the units by the end of 2008.	The four units Boliden, Aitik, Garpenberg and Rönnskär implemented an energy management system during the year. In doing so, seven units have energy management systems.
Group-wide guidelines for our quality initiatives need to be established.	The newly established Group network for quality measures has established guidelines.

ENVIRONMENTAL RESPONSIBILITY	
GOAL ¹	GOAL FULFILMENT 2006
The Group's specific emissions ² of metals (Cu, Zn, Pb, Ni, Cd, As) into the air will be reduced by 20 per cent by the end of 2008.	Emissions were as large as in 2005. Since 2004 the specific emissions have been reduced by 9.5 per cent.
The Group's specific discharge of metals (Cu, Zn, Pb, Ni, Cd, Hq) into water will be reduced by 20 per cent by the end of 2008.	Emissions have increased by 33 per cent, principally due to heavy rain falls. Since 2004 the specific emissions have increased by 41 per cent (see page 19).
The Group's specific emissions of carbon dioxide will be reduced by 5 per cent by the end of 2008.	Emissions have been reduced by 2 per cent. Since 2004 specific carbon dioxide emissions have been reduced by 5 per cent.
The Group's waste for disposal, not directly derived from production, will be reduced by at least 20 per cent by the end of 2008. Waste is measured as volume per produced tonne.	The quantity of waste for disposal was as large as in 2005. Since 2004 the total reduction has been 6 per cent.
Over a five-year period we will have balance between rehabilitation of disturbed areas and in the commissioning of new unaffected land.	During the year, 60 hectares of land have been the subject of reclamation work and 6 hectares of previously unaffected land have been commissioned. During the most recent five-year period, a total of 179 hectares have been rehabilitated and 92 hectares have been commissioned.

¹ The base year for Boliden's goals within environmental responsibility is 2004.

² The phrase "specific emissions" refers to the total emissions divided by the total quantity of metals produced in mines and smelters.

SOCIAL RESPONSIBILITY	
GOAL	GOAL FULFILMENT 2006
The Group's combined accident frequency will be lower than five per one million work hours by the end of 2011.	The accident frequency has been reduced from 11.9 per one million work hours to 11.2.
The Group's combined sick leave rate will be 4.8 per cent or lower by 2008.	Absenteeism has been reduced from 5.3 per cent to 5.0 per cent.
A Group-wide inventory of key persons and future managers will be carried out.	The Group's inventory was completed and a "Management Planning Process," which defines our support of competencies with regard to managers and other key persons, was established. A number of development programs were initiated.
The employee survey "My Opinion" will be carried out for the first time.	"My Opinion" was carried out in the Business Area Smelters and throughout the Group functions. 1 689 of Boliden's 4 519 employees participated in the survey.
A Group-wide sustainability report will be drawn up in accordance with international practice.	This year's Sustainability Report – the second in a row – draws on the Global Reporting Initiative (GRI) for support. Please refer to the last pages of this report to see the degree to which our Report follows the GRI guidelines.

ECONOMIC RESPONSIBILITY	
GOALS	
To generate a return on capital employed exceeding 10 per cent over a business cycle.	
To achieve a net debt/equity ratio of approximately 40 per cent.	
To pay a dividend corresponding to approximately one third of the net profit over a business cycle.	
To be Europe's leading supplier of zinc and copper.	
To be the world leader in the recycling of electronic scrap. ³	
To be one of the world's most cost-effective metal producers.	

³ Introduced as goal on January 1, 2007



ENVIRONN

A winter landscape featuring rolling dunes of snow under a clear, vibrant blue sky. The snow is bright white, and the sky is a deep, uniform blue. The overall scene is clean and serene, suggesting a natural environment.

MENTAL RESPONSIBILITY

We will strive for continuous improvement with respect to our environmental impact and we will use the natural resources in a wise manner.

We are working actively to improve our environmental performance

Boliden can and will always work to reduce its impact on the environment. Environmental initiatives and investments in measures to improve the environment are, in fact, preconditions for our existence. They benefit both our efficiency and our competitiveness.

OUR ENVIRONMENTAL IMPACT

Within the mining business the environmental impact becomes evident with the mining of ore from bedrock. In addition to impacting the landscape, mining causes noise and vibrations, generates dust and emissions into the air, discharges into the water, and waste rock. Concentration activities mainly result in waste in the form of tailings.

Our smelting activities, too, generate emissions into the air and discharges to water as well as waste. The operations also require a great deal of energy.

We are reducing our raw materials and energy consumption as well as our emissions and discharges principally by streamlining production processes and by developing our purification methods. To us, environmental initiatives are as much about using resources sparingly, which lowers our production costs and benefits our long-term competitiveness, as they are about lessening our environmental impact. Our environmental initiatives also strengthen our customer relations and our brand, at the same time as it makes it easier for us to meet existing and future environmental requirements from customers and society.

HOW DO WE MANAGE AND REPORT OUR ENVIRONMENTAL INITIATIVES?

Each unit has an Environmental Manager with responsibility for coordinating environmental initiatives and reporting to the unit's management. Environmental Managers are part of the EHSQ network and report via the EHSQ staff to the company's Vice President. Each year all business units report on their environmental initiatives and progress in relation to established goals.

Boliden's emissions and environmental impact are continuously monitored according

to detailed control programs established by the respective countries' government agencies.

The environment management system and the Group-wide guidelines increase our opportunities for systematically improving the business' environmental performance. How these are progressing is described on pages 10–11.

HOW ARE OUR ENVIRONMENTAL EFFORTS PROGRESSING?

New laws and requirements from various groups of stakeholders are conditional upon constantly ongoing environmental initiatives. Our own environmental goals and guidelines are also contributing to continuously improving environmental performance throughout our production processes. In the last few decades our processes have been streamlined considerably and a Boliden mine today has such low emissions and discharges that its environmental impact can be difficult to trace outside the local area.

Today all our operations are designed to ensure the least possible environmental impact. In 2006, for example, we installed new cleaning equipment in connection with the production process components in several of our business units. The investment of SEK 5.2 billion in doubled ore production, which will be implemented at Aitik, is – from many perspectives – a world-class environmental accomplishment. Among other achievements, copper emissions will be reduced and energy con-

sumption will become more efficient. For more information about the environmental impact and investments, please see pages 20–21.

Boliden's smelters also maintain a very high environmental classification. The flash smelting process for copper – which was developed at Harjavalta – and direct leaching for zinc are techniques that significantly help Boliden reduce its energy consumption and emissions. For example, in 2006 SEK 101 million was invested in a new system for cleaning process gases at Rönnskär and SEK 400 million to improve efficiency in Harjavalta (see page 18). But in spite of our successes within the environmental area, much more remains to be done. Our facilities, for example, are required to expand dust suppression measures and limit noise emissions and vibrations. The smelters at Odda and Bergsöe, which are both close to public built-up areas, are examples of such facilities.

Metals can, in principle, be recycled an unlimited number of times. Bergsöe has the only pure secondary lead smelting plant in the Nordic countries, and Rönnskär has been developed into one of the world's leading facilities for recycling of base and precious metals from electronic scrap, supplemented by good environmental performance. To a great extent recycling contributes to our sustainable development and profile. Read more about recycling on page 25.



As part of our aim to maintain good relations with local communities, Boliden's Tara Mines in Ireland, has chosen to place its office for environmental matters outside of the mining area. Thereby, locals can more easily ask questions and put forward their opinions. In this picture, one of Tara's neighbours is conversing with Ailish McCabe and Carly Anderson from Tara's environmental department outside of the office in Navan.

OUR BUSINESS ACTIVITIES REQUIRE PERMITS AND ARE REGULATED BY LAWS

Boliden's business activities are strictly regulated by legislation and other terms. All our facilities are subject to environmental legislation and applicable environmental permits in Sweden, Finland, Norway and Ireland. In certain cases we also hold permits to expand our operations. Furthermore, management of waste and chemicals as well as water use are areas in which EU directives outline national legislation requirements that affect our business.

REACH

New chemical legislation, Registration, Evaluation and Authorisation of Chemicals (REACH) will go into effect on June 1, 2007 within the EU. The law replaces 40 existing national laws and will be common to all Member States of the European Union. The purpose is to take a holistic approach to chemical, health and environmental risks so as to reduce shortcomings in the handling of chemicals. Companies that handle chemical substances will be given clearer areas of responsibility to examine the substances' health and environmental impact, as well as to risk assess and account for how they can be managed safely. Secondary raw materials in the form of recycled materials are also covered by the registration requirement. However, ores and metal concentrates do not need to be registered; for those, their content will decide if they

require handling permits. During the year Boliden has taken measures to prepare its operations to comply with the new legislation through various projects.

EU DIRECTIVE CONCERNING MINING WASTE

The new directive concerning mining waste went into force in 2006, and will be covered by national legislation by May 2008. Among other things, the directive requires that mining companies have plans for the phasing out of mines once their operations cease. These companies must also provide collateral for reclamation costs, which may involve further financial commitments.

WATER FRAMEWORK DIRECTIVE

The national implementation phase of the Water Framework Directive from 2000 – which protects all water and issues various requirements for its sustainable use – has commenced. Boliden has its own action plans to prepare its business units for the quality requirements, which, as far as we are concerned, mostly concern discharges into water. With the exception of some remaining studies and sampling, our units are currently meeting those requirements.

APPLICATIONS FOR PERMITS IN 2006

EXPLORATION PERMITS

Boliden currently holds 136 granted exploration permits in Sweden for field exploration. Six permits, covering a combined area of roughly 170,000 hectares, are still awaiting approval.

THE HÖTJÄRN TAILINGS POND

In November 2006 the Swedish Environmental Rights Court of Appeal issued a permit to Boliden for the establishment of a new tailings pond in connection with its concentration plant. The purpose of the facility is to create space for depositing tailings. Nearby residents of the planned tailings pond were concerned that it would affect the surrounding environment. The Court, however, was of the opinion that the chosen location was appropriate and that the dam safety was adequate. Before the tailings pond can be brought online, the matter must be re-examined by the Court, which among other tasks will issue terms for discharges into water, reclamation and financial collateral. In parallel with the court proceedings, Boliden has carried on a dialogue – and arrived at various arrangements – with the individuals who live nearby the planned tailings pond.

THE COPPER MINE AT AITIK

Toward the end of 2006, Boliden submitted an application for a permit to increase production at Aitik from 18 to 36 million tonnes of ore per year. It is Boliden's assessment that a decision regarding the permit will be forthcoming during 2007. Under the present permit, Boliden must place collateral for the costs for rehabilitation of the tailings pond and the stored waste rock of SEK 10 million. This collateral is provisional in nature. Boliden must submit a proposal for final collateral to the Environmental Court no later than June 30, 2008.

THE TARA ZINC MINE

Tara's existing IPPC Licence was amended in 2006 to include new conditions amending it to an IPPC Licence (Integrated Pollution Prevention Control Licence).

THE GARPENBERG ZINC MINE

In June 2006 Boliden submitted an application to the Environmental Court for a permit to increase its production at the Garpenberg mine to two million tonnes of ore per year. It is Boliden's assessment that a decision regarding a new permit will be forthcoming during 2007.

THE COPPER SMELTER IN HARJAVALTA

Harjavalta received a renewed environmental permit in 2004, which Boliden, however, appealed. The reason was primarily that the threshold levels for substance emissions were so high that the filters could not be used optimally. In 2007 the appeal was rejected.

THE ELECTROLYTIC REFINERY IN PORI

Parts of the new permit from 2005 for increased production at the electrolytic refinery in Pori, which belongs to the smelting plant Harjavalta, have been appealed. The principal reason was that the sampling requirements have been increased significantly. A decision has not yet been made.

THE ZINC SMELTER IN KOKKOLA

In 2003 the smelting plant in Kokkola submitted an application to have its environmental permit renewed. Boliden expects that a new environmental permit will be approved during 2007.

THE ZINC SMELTER IN ODDA

The terms for discharges into water from the aluminium fluoride plant in Odda were tightened during 2006. In the beginning of 2007, the terms for using mountain space were changed.

We are working to reduce our use of input goods

For our mines and smelters to be able to produce marketable metals, they need various types of input goods. With the exception of metal concentrates, we are constantly working to reduce our consumption of these in our production processes.

RAW MATERIALS

The basis for our products is the metal concentrate we refine from our mines and purchase from other sources, which the smelters subsequently use. For zinc and lead our own mining production corresponds to 80 per cent of the smelters' capacity, while copper production accounts for nearly one fourth of the total quantity. During 2006 our smelters produced approximately 356,000 tonnes of copper, 443,000 tonnes of zinc and 70,000 tonnes of lead and lead alloys. We are also, to an increasing degree, using recycled materials containing metals as raw materials.

CHEMICALS

We have to add chemicals in various steps in the refinement chain. Mining ore and waste rock is based on the use of explosives, which among other things give rise to nitrogen emissions. The concentration plants add so-called collector reagents and foaming agents in their processes to separate metals. Moreover, lime and soda are used for water purification. Cyanide, which reacts with metals, is used to extract gold from the ore that arrives in the concentration facilities. Cyanide, however, requires very careful handling to prevent it ending up in and causing damage to the environment. Boliden is presently participating in

an EU project about how to extract metals in an economic, energy-efficient and environmentally friendly manner through the use of bacteria, also called bio-leaching. The bacteria help release metals from complex or gold-rich ores. Boliden hopes that it will be able to apply bio-leaching within five years. The smelters' chemical use consists of added limestone and sand for slag formation.

Boliden is continuously evaluating and risk assessing its use of chemicals harmful to health and the environment.

ENERGY

Boliden's production processes in both mines and smelters require a lot of energy. In 2006 Boliden used a total of 17 million Giga Joules (GJ) of energy. The cost of electricity is currently the second largest expense item for Boliden and amounted in 2006 to SEK 1,520 million. But it is first and foremost the zinc smelting plants that account for the greatest share of electricity consumption.

In Sweden and Norway hydropower is the key energy source, in Finland renewable energy sources and nuclear power, and in Ireland gas, coal and oil.

Boliden has ongoing programs and measures aimed at streamlining energy use, increasing competitiveness and minimizing the environmental impact caused by our energy use. We, for example, capture the waste heat from recycled energy at the smelters in Kokkola, Harjavalta, Rönnskär and Bergsöe, and resell it mainly for heating of premises. In 2006 we sold about 2.26 million GJs of heat, which corresponds to heating of around 25,000 average houses.

In connection with the ongoing expansion and streamlining of the copper smelters in

Harjavalta and its electrolytic refinery in Pori, we are carrying out a project focused on energy efficiency, which is estimated to reduce energy consumption by 13 per cent. Read more about the project on page 18.

Boliden has an energy policy and the Group's goal is that all plants have implemented energy management systems before the end of 2008.

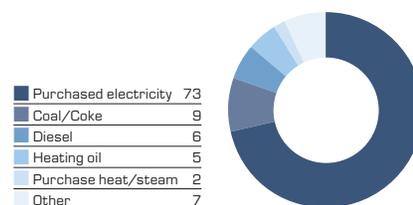
INDUSTRY COOPERATION

As one of the entities that took the initiative to create the association BasEl, which consists of 23 electricity intensive industry companies, we have continued to work on strengthening the supply of electricity and competitiveness first and foremost in Sweden and Finland as well as to find investment opportunities in new energy sources.

Within the framework of BasEl, the wind power company VindIn AB was formed toward the end of 2006 to increase competitive-

ENERGY USE PER TYPE OF ENERGY 2006

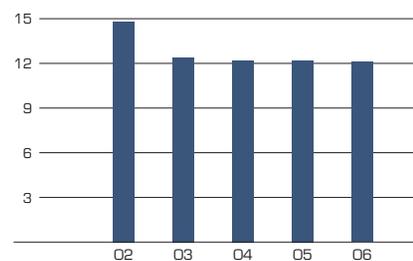
PER CENT



Total 17 million GJ

SPECIFIC ENERGY USAGE*

GJ/TON



* Specific usage refers to total consumption divided by the total quantity of metal production in mines and smelting plants.

CONSUMPTION OF RAW MATERIALS AND CHEMICALS (TONNES)	2002	2003	2004	2005	2006
Sand	245,528	259,908	281,518	251,944	279,500
Explosives	15,287	17,131	15,742	20,652	17,527
Lime and limestone	25,187	25,258	28,426	29,310	28,773
Soda	34,850	50,343	57,737	36,555	34,564
Collector reagents (flotation)	576	768	757	760	641
Foaming agents (flotation)	190	253	206	209	194

ness in electricity supply. The ambition is to produce one terawatt hour of wind power per year within five years.

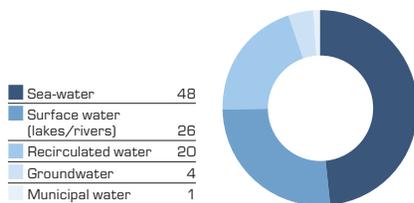
Boliden is a member of various organisations in Sweden and Finland that work on energy efficiency. In Sweden we are participating in the PFE (Program for Energy Efficiency), which is a voluntary program for energy-intensive industrial enterprises and is run by the Swedish Energy Agency. The equivalent in Finland is called MOTIVA.

WATER USE

Water is a necessary natural resource for mining, concentration and smelting plant operations. Despite the fact that Boliden is active in regions where there is no lack of water, we are attempting to reduce water consumption in our processes to lower our costs and the impact on the environment. Since 2002 Boliden has reduced its specific freshwater use with 16 per cent. In 2006, we used around 181 million cu-

WATER USAGE 2006

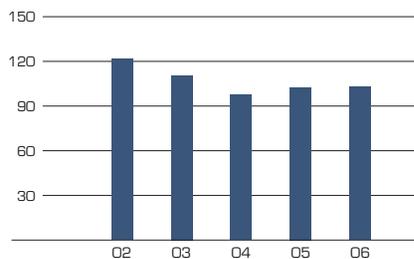
PER CENT



Total of 181 million m³

SPECIFIC FRESHWATER USE*

M³/TONNE



* Specific usage refers to total consumption divided by the total quantity of metal production in mines and smelting plants.

bic metres of water for operations, of which 145 million cubic metres of fresh water. Boliden’s mining operations consumed 53 million cubic metres of water, of which 36.7 million cubic metres were recycled water. To reduce water use – and discharges into water – we are continuously attempting to develop our systems as well as to find better methods for water treatment. The water treatment plant in Kristineberg, for example, is one of the few locations in the world that, using a special advanced technique, treats the water that is pumped up from the mine. The flow of water has increased throughout the years, which has required the plant to undergo an expansion. The goal is to have an expanded plant that will be ready in the fall of 2007.

Close to most of our facilities water areas and waterways are affected by our operations, among other locations, the Kalix river, Skellefteälven and Dalälven in Sweden, Bottenviken, Kokemäenjoki in Finland, Sörfjorden in Norway and the River Boyne in Ireland. This is the reason for our continuous control programs in consultation with the relevant authorities to ensure that we are keeping below the permitted emissions thresholds. The work also concerns water areas near closed-down mines and smelters.

In 2006, however, an oil leakage to a neighbouring waterway occurred at the copper smelter in Harjavalta. The purification of the area was completed during the year.

LAND

Our exploration activities and mining operations require access to large land areas and affect surrounding land areas with its biodiversity. That is why we must obtain the

appropriate permits before we can establish operations. It requires both frequent and open dialogue with the authorities, landowners and other stakeholders so that they are aware and agree to the preconditions and guidelines for our business activities.

Out of Boliden’s total landholdings of about 16,000 hectares, both active and closed-down areas, 27 per cent is land that is disturbed and yet unrehabilitated. About eight per cent of Boliden’s landholdings is dedicated to promoting natural conservation. Part of the land comprises national parks, but it also includes protection of certain biotopes and other voluntary undertaking from our side. Boliden’s goal is to have a balance between the rehabilitation of disturbed land areas and the use of new land, which we hope to be able to commission.

DAM SAFETY

Boliden is currently responsible for 34 active and closed-down dam facilities for water regulation and tailings ponds in Sweden, Finland, Norway, Ireland and Canada. For several years we have been running a program for dam safety 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. The new tailing disposal facilities we establish, such as the Hötjärn disposal facility in the Boliden Area, currently has a “millennial perspective.” That means that the dam constructions are so stable that they require a minimum of monitoring while maintaining high quality water treatment.

LAND USE (HECTARES)	2002	2003	2004	2005	2006
Total area	15637	16137	16158	16106	16512
Affected, as yet not rehabilitated (opening balance)	4,703	4,652	4,681	4,652	4,669
Affected during reporting period	0	38	1	47	6
Rehabilitated during reporting period	50	9	30	30	60
Affected, as yet not rehabilitated (closing balance)	4,652	4,681	4,652	4,669	4,615

AN EXPANSION WITH ENVIRONMENTAL BENEFITS

Improved efficiency and better environmental performance are key phrases when the copper smelter in Harjavalta and the electrolytic refinery in Pori are increasing their production capacity by 20–30 per cent. The investment of around SEK 400 million is estimated to be ready before the end of 2007. By then the facilities will have reached their full and more environmentally friendly capacity.

The expansions of the copper smelter in Harjavalta and the electrolytic refinery in Pori mean that the cash cost is lowered by 20 per cent, the use of raw materials streamlined and the specific energy consumption is reduced by 13 per cent. All technical solutions prioritise minimised environmental impacts and a safer work environment. In connection with the increase of the production capacity, Boliden is introducing new solutions both for drying and converting concentrates and for slag treatment. In doing so, the smelter primarily reduces its release of ambient dust.

“For drying concentrate, we will replace two older stationary driers and instead use a larger, rotating steam drier. We will also replace the smallest of our four converters with a bigger one. The capacity for treating slag is increasing, mainly through new machinery and enlargement of the cooling area for slag,” says Vesa Törölä, EHSQ Manager at Harjavalta, in summing up the improvements.

The new equipment in the smelter will be integrated into the process in early summer 2007. In Pori the traditional technique with steel sheets is abandoned in favour of rebuilding the electrolytic refinery into a modern facility with permanent cathodes. In doing so, energy efficiency is increased. The expansion project is implemented within the framework of existing environmental permits.



Continuous improvements to reduce our emissions

The input goods that are added to various components of Boliden's production processes give rise to emissions or discharges and other residues. Metals and chemicals end up in the air, land and water. But Boliden's continuous investments have reduced – and are reducing – our impact on the surrounding environment.

METALS

Emissions of metals into the air are generated by process gases primarily in the smelters and discharges into water via used process and cooling waters from smelters and tailings ponds. Airborne particle dust from our facilities is a different form of emissions of metals.

More efficient treatment techniques and recirculation of water have made it possible for Boliden, since 2002, to reduce air emissions of zinc, copper and lead by 47 per cent. However, our discharges of metals into water of primarily zinc and copper increased in 2006. The main cause was the heavy rainfall, which put stress on the treatment capacity at our facilities primarily in Odda and Tara. At the same time, record-low emissions and discharges of lead, zinc, copper and mercury were registered for 2006 in Rönnskär.

The production processes at several of Boliden's smelters generate by-products in the form of, among other substances, mercury and cadmium. The quantity of by-products that is generated depends on the raw materials. Kokkola resells mercury and Odda resells cadmium to EU customers whom Boliden has controlled and approved as users of these metals. Boliden's production and handling also follow strict guidelines.

Investments to lower emissions of metals and dust

We are continuously working to reduce emissions of metals and dust from our facilities. By investing in a new filter in 2006, the copper smelter in Harjavalta achieved record-low dust levels; the Bergsöe lead smelter has reduced its diffuse dust by investing in, among other things, a new lead recycling plant; and Odda,

too, has reduced dust emissions by purchasing a new filter. The other units are also working continuously to reduce their ambient dusting.

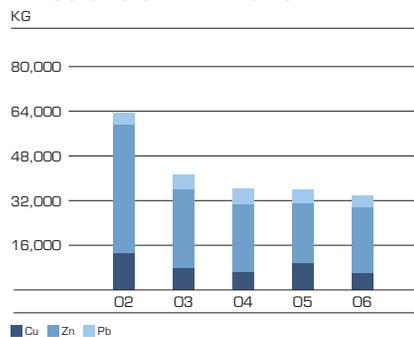
Last year Boliden invested SEK 101 million in a new system to treat process gases from the copper smelter in Rönnskär. The investment results in a capacity increase corresponding to 15,000 tonnes of finished copper per year and thereby a significant annual improvement in revenue. In addition to that, the new gas treatment system reduced emissions of dust, thanks to a new filter, as well as lower maintenance and disposal costs. It is estimated that the facility will be brought online in the fall of 2007.

Rönnskär also brought a new nickel sulphate plant online in 2006, which – with its closed-circuit water system – eliminates all nickel emissions.

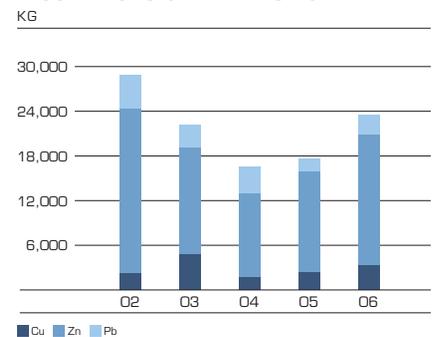
CARBON DIOXIDE

Carbon dioxide emissions arise when fossil fuels are used in our processes and in transportation. Since 2004, two of our units – the copper smelter in Rönnskär and lead smelter in Bergsöe – are encompassed by the trade in emission rights. In spite of the fact that the zinc, copper and lead industries are not included in the first trade period, Rönnskär and Bergsöe are included in the emission trading as a result of the units' incineration plants. They have been allocated the right to emit 12,492, respectively 46,876, tonnes per year between 2006 and 2008. Boliden's goal is to reduce emissions of carbon dioxide per produced unit by at least 5 per cent before the end of 2008. Since 2004 Boliden's carbon dioxide emissions have been reduced by 5 per cent.

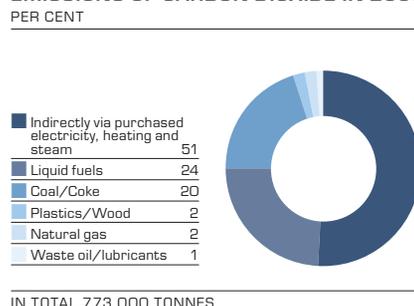
EMISSIONS OF METALS TO AIR



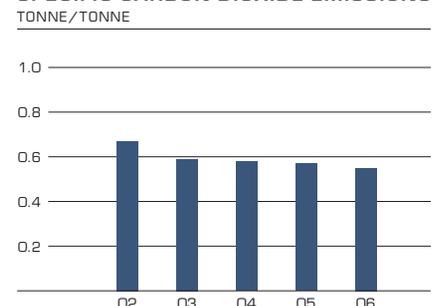
DISCHARGES OF METALS TO WATER



EMISSIONS OF CARBON DIOXIDE IN 2006



SPECIFIC CARBON DIOXIDE EMISSIONS







A world-class facility

In the fall of 2006, Boliden's Board of Directors decided to invest SEK 5.2 billion to expand its operations at the Aitik copper mine near Gällivare. That decision means that the production capacity will be doubled from 18 to 36 million tonnes of ore annually and that the supply capacity of copper concentrate to our own smelters is improved. It is also an investment that improves our plant's environmental performance and creates employment in a sparsely populated area.

At the present time, Boliden is waiting for an environmental permit to double the production before construction of the new concentration facility can begin. The application has been submitted for hearings by the relevant authorities and when any supplemental requirements are submitted, negotiations will be launched in the hope that the environmental court may issue a ruling in 2007.

"We'll also create a plan for how to manage mining residues and put up financial guarantees for the costs that we calculate will arise," comments Aitik's area manager Peter Richardson on the state of progress.

The preparation work has been extensive and, before the expansion, Boliden has consulted a number of government agencies and interested parties. In addition to the municipality, the County Administrative Board and the Swedish Environmental Protection Agency, Boliden, among others, has also met with the Swedish Board of Fisheries and representatives from Gällivare Skogssameby. The Board of Fisheries' concern is that fish migration is not impeded in neighbouring watercourses. The cultural environment unit at the County Administrative Board works to secure ancient monuments in the area and the Skogssameby wants to be able to continue reindeer industry in the area.

"Skogssameby naturally wants to protect the reindeer migration routes, grazing land and reindeer calving land in the area, and we want to prevent reindeer from entering our plant area. We have therefore discussed various possibilities in terms of, for example, where to build roads," says Peter Richardson.

Maintaining an open dialogue with the local residents is also paramount to Boliden. At Aitik there are two nearby villages with a total of 50 properties, whose owners are regularly kept in-

formed about Boliden's plans and activities.

"We have to take into consideration the many stakeholders and find satisfactory solutions to all parties, since our operations and infrastructure can encroach on other people's areas. We are convinced that maintaining a good dialogue with all affected stakeholders facilitates our expansion process," says Peter Richardson.

Modern techniques in connection with the Aitik expansion means reduced emissions into the air and discharges into water at the same time that Boliden takes measures to reduce dust generation from the area. Emissions into the air from the concentration plant will, practically, disappear since the copper concentrate will be dewatered by using three pressurised air filters instead of being dried, as it is today, by oil fire techniques.

"We will work on improved water circulation to minimize the need to release surplus process water. That way, water discharges of copper into waterways are limited – and that is in spite of a doubling of our production", explains Peter Richardson.

Added to that, energy usage will become more efficient. Even if the new concentration facility increases its overall electricity need, use per tonne ore will be reduced by around 20 per cent. The 36 million tonnes of ore will be transported out of the mine to the new and modern concentration facility via conveyor belts with a combined length of seven kilometres. The increase in production, however, entails a rise in emissions from diesel transportation as a result of the greater volumes that need to be carried from the mine to mills and waste rock dumps.

"We should not forget that the expansion means that we are using natural resources more efficiently than previously since we will be mining ore with a lower metal content," Peter Richardson points out.

That Boliden is making this investment, which extends the mine's life by around ten years – from 2016 to at least 2025 – is understandably important to the municipality. The investment ensures employment for both local suppliers as well as for Boliden's own employees. The decision is also positive for young people who wish to remain in their home areas or return after studies or work in a different location. The state-of-the-art high tech facility is, in other words, a big workplace and it requires a multitude of competencies.

"This is our best way to contribute to society," Peter Richardson concludes.

SULPHUR DIOXIDE

Mines and concentration facilities emit sulphur dioxide into the air in their use of diesel machines and vehicles, heating with fossil fuels as well as thermal dewatering of mineral concentrate. However, techniques that eliminate emissions into the air are used to an increasing degree.

The smelters' emission of sulphur dioxide relate mainly to the process gases that are created in the smelting process. 97 per cent of Boliden's sulphur emissions is related to the copper smelters in Harjavalta and Rönnskär. Development of the various processes and more streamlined treatment of combustion gases have reduced the smelters' sulphur emissions considerably. For example, emissions of sulphur dioxide at Harjavalta have been reduced by roughly 60 per cent since 1990. That is a great success considering that, at the same time, production has multiplied many times over the same period. The emission levels are also world-class in an international industry comparison.

From the sulphuric process gases we extract sulphur dioxide and sulphuric acid, which are resold, mainly to the forestry sector.

WASTE AND RESIDUES

Most of Boliden's waste in terms of volume comes from mining and concentration opera-

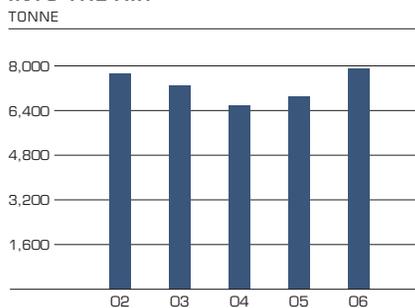
tions in the form of waste rock and tailings. Our tailings ponds are near to the concentration plants and are used for storing tailings sand, treating of process water, and for storing water. A significant portion of the waste rock and tailings is used to refill mined cavities in underground mines.

Slag from copper from the smelters in Harjavalta and Rönnskär is transported to a concentration facility where the metal content is

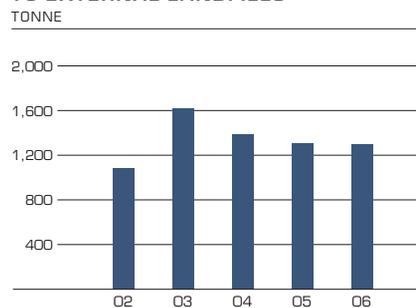
extracted once more and returned to production. Other waste, such as steel scrap, paper and waste oils are sent on for recycling, energy extraction or disposal.

Boliden's goal is that the quantity of non-segment specific waste for storage will be reduced by at least 20 per cent by the end of 2008. During the year our facilities have produced new strategies for managing waste.

EMISSION OF SULPHUR OXIDE INTO THE AIR



NON-HAZARDOUS WASTE TO EXTERNAL LANDFILLS



QUANTITY OF WASTE (TONNES)	2002	2003	2004	2005	2006
WASTE ROCK AND TAILINGS	41,716,657	45,963,449	43,592,313	45,160,660	43,515,967
– internal landfills (k tonnes)	35,293,864	29,396,865	26,792,002	31,464,894	29,660,154
– internal construction purposes (k tonnes)	1,534,414	2,225,189	2,159,961	1,962,604	4,011,966
– storage for future use (k tonnes)	4,888,379	14,341,395	14,640,350	11,733,162	9,843,847
HAZARDOUS WASTE	9,843,847	683,075	725,714	728,195	727,935
– process waste for internal landfills	675,173	671,480	701,809	698,326	705,429
– other hazardous waste, processed internally	545	271	172	156	471
– externally processed	6,555	11,324	23,734	29,713	22,035
NON-HAZARDOUS WASTE	196,059	164,607	165,481	133,326	160,423
– internal landfills	133,810	110,321	115,179	82,975	101,321
– recycling and energy extraction	60,782	52,666	48,657	49,045	57,802
– external landfills	1,087	1,620	1,386	1,306	1,300
– other processing	380	0	259	0	0

TRANSPORTATION

Boliden transports mainly ore, ore concentrate and metals. Transportation takes place both within the mine area and between mines, concentration facilities and smelters and between smelters and our customers. Each year we transport around 3.5 million tonnes of metal concentrate and metals between and from Boliden's operations. Around 60 per cent of the transportations occur by ship, 25 per cent by truck and 15 per cent by train.

Boliden is constantly trying to reduce emissions by streamlining its transportation. We are, for example, aiming at only transporting full loads. Each day Kopparpendeln (The Copper Train) travels between the smelter in Rönnskär and our customers in southern Sweden – from the smelter the copper cathodes are carried out, and electronic scrap is coming back for recycling. At Aitik all truck drivers have been trained in eco-driving, in order to reduce our diesel consumption. In 2006 we measured diesel savings of about 3 per cent per equivalent tonne-kilometre as compared to 2005, which has a direct effect in the form of lower environmental impacts. In connection with the expansion at Aitik, we are also investing in conveyor belts and will thereby minimise the need for truck transportation.



Metals recycling is an important contribution to the environment

In addition to the recycling that is ongoing within all of our operations, two of our facilities perform recycling on a commercial basis.

Boliden has worked with recycling for more than 40 years. Recycling on a commercial basis is currently performed at the Rönnskär and Bergsöe smelters. Rönnskär has developed into one of the world's leading facilities for recycling and recovery of base and precious metals from metal and electronic scrap as well as residues containing copper and zinc from steel and brass producers. Bergsöe in Landskrona has the only pure secondary smelter for lead and tin.

In Rönnskär around 35,000 tonnes of electronic scrap is processed, which can be compared with the total capacity in Europe of 85,000–100,000 tonnes. In our recycling process, we use a further development of the so-called “kaldo technique”, which facilitates an

effective and clean process. Smelting is followed by gas treatment, which minimizes the emissions. The strength in the technique is that the plastic contained in the scrap does not need to be cleaned off, but is used to melt the metals in the process. Therefore the need of additional energy is minimised.

At the present time the most significant driver of further, reinforced commercial recycling, is the strengthened EU directive from 2005 regarding the so-called WEEE directive. It requires that all countries, through national legislation, strengthen producer liability for electronics and electronic products. That means that end-of-life electronic products, such as household equipment and home electronics, now need to be disposed and recycled by the producers. At the same time they are provided with incentives to manufacture products that are easily recyclable. The directive requires that electronic recyclables are gathered corresponding to 4 kg per capita. Sweden, as a comparison, recycles currently 15 kg per capita.

In addition to discarded circuit boards from IT products and metal rich parts from electronic scrap, Boliden also treats copper cables and other metal materials. Recycled copper is particularly valuable from an environmental perspective. To recycle copper from scrap, only 10–15 per cent of the energy is required compared to extracting copper from ore.

Boliden also disposes of residues containing copper and zinc from the steel and brass industries, which they cannot handle on their own. In Rönnskär Boliden has a unique slag fuming plant that can process this type of material. Boliden is paid to dispose of these residues.

The Bergsöe facility annually receives 70,000 tonnes of battery scrap, from which approximately 50,000 tonnes of lead is recycled and recovered.

In total, roughly 200,000 tonnes of secondary material was received by Boliden's smelters for metal extraction in 2006, from which 145,000 tonnes of metals was recycled.



Reclamation in progress

We sometimes say that we borrow our natural resources. No matter how long, we always return what we have used. Reclamation work of mines and tailings ponds, in both ceased and ongoing operations, are continuous processes.

Today, it is required that reclamation plans are already drawn up at the planning stage of new operations. Boliden is continuously reviewing its provisions for reclamation, primarily based on technical opportunities and new equipment. By year-end 2006, SEK 591 million was allocated for reclamation work.

So far Boliden has completed rehabilitation at around 50 mines. The old mines Stekenjokk and Saxberget are examples of such areas. Among other things, for several years now, char is swimming in the rehabilitated tailings pond in Stekenjokk. Large areas at other mines rehabilitated before Stekenjokk are covered with vegetation today. Boliden is also collaborating with universities, research institutes and other organisations to achieve the best possible solutions in each individual case of rehabilitation. Close to the copper mine at Aitik, we are collaborating with the Swedish University of Agricultural Sciences where experiments with establishing vegetation are in progress. The project has shown that vegetation can be established directly on tailings ponds, but that it requires nutrients. In the Tara Mine in Ireland farm animals and wild fauna are being analysed to establish environmental and health effects of the rehabilitated surfaces.

Boliden's goal is to have a balance between its rehabilitation of disturbed areas and the use of new land, which will be commissioned. In 2006, 60 hectares of field were subject of reclamation work at the same time that six hectares of previously unaffected land was commissioned.

Reclamation work in Norway

In Balangen, twenty kilometres south of Narvik in the northern parts of Norway, there is a closed-down mine from which Harjavalta was provided with nickel between the years 1989



The nowadays closed down and rehabilitated mine in Norway used to provide the Harjavalta smelter with nickel.

and 2002. Boliden's environmental staff at Business Area Mines are responsible for that area today. Ballast material is now being produced to cover the mining area. Also the tailings pond has been rehabilitated and covered with moraine and peat and has been sown with grass seed. At the present time only supplemental fertilisation is carried out, in order for the vegetation to be sustainable. The water dam has been transferred to the municipal utility company, which is dewatering the area by means of a hydroelectric installation. The municipality is currently evaluating how it is can best use the approximately 60-hectare tailings pond. A program monitoring water quality will continue until the end of 2007, and thereafter a recipient survey will be completed. Until 2007 Boliden also has an undertaking with the municipality that no dust may be spread from the tailings pond.

Work continues at Hornträsket

The initiatives in the local area of Hornträsket, where Boliden previously operated, continue in order to reduce the metals emissions. The efforts were introduced during the fall of 2005, and have consisted of sludge and lime injections into former open-pit mines. The added mix starts a biochemical process that reduces the metal content in the water and the leakage. In 2006 these efforts continued on a larger scale and were expanded with ditches for infil-

tration of the land to the waste rock dump and the surrounding industry area. The results of the 2006 activities are being evaluated and after that the work will take place in stages according to plan.

Laisvall's rehabilitation cleared up

Mining operations in Laisvall ceased in 2001, and since then intensive reclamation work has been in progress. In 2006 measures regarding the tailings disposal and site clearing were carried out, the concentration plant was torn down and other related initiatives were carried out. In 2007 the rehabilitation work in Laisvall will be completed. Going forward, however, monitoring will be required in the area to ensure that no erosion damages have occurred and that the vegetation has not been harmed.

The Boliden Area

In 2005 an extensive external mapping of the Kankberg mine's vicinity, the industrial area in Boliden as well as the disposal and industry area in Kristineberg was carried out. The project has resulted in an action plan containing proposals for measures relating to decontamination and rehabilitation in 2007.



SOCIAL RESPONSIBILITY

Boliden is developing a learning and evolving corporate culture. By doing so we will become the first choice for employees, customers, shareholders and suppliers.

We build communities

Boliden's long-term success is determined by how well we meet demands and expectations from our stakeholders. We must – as a company and as individual employees – engage with the development in the communities in which we operate.

OUR ROLE IN SOCIETY

Today, Boliden consists of nine production units – four mine areas and five smelters – in four countries, a market organisation within the new Business Area Market and the staff functions.

The image of Boliden and the strength of our brand is affected by everything we do and how well we do it. A strong brand presumes that we act ethically and responsibly. That means that Boliden remains attractive in the long-term for customers and suppliers, that we can recruit the best employees and that we become more interesting as a collaboration partner.

In addition to being a large supplier of important base metals, many of our units are also the principal employer in the communities in which we operate. A rough calculation indicates that for each Boliden employee, another five to seven local jobs are created. In certain locations, our employees and their families even constitute a critical mass for the supply of public services. In addition to our role as employer, Boliden is, among other things, also purchaser of local goods and services, originator of infrastructure and sponsor of sports and culture. Boliden also wants to contribute to the general public's knowledge of metals and their usage areas. Our examination of bedrock in connection with, for example, exploration provides us with information, which can be of use to both society at large and other companies.

HOW DO WE REPORT ON OUR SOCIAL RESPONSIBILITY?

Our staff, EHSQ and information networks coordinate the various efforts and, most of all, the effect of Boliden's social responsibility. Each unit reports annually on its work with

health, the environment and safety in a local public report, which is part of this sustainability report. Our management systems are one form of reporting, among other things, directed at our customers and suppliers about how we work with responsibility and quality. Read more about how far our units have come in their certification processes on pages 10–11.

HOW IS OUR WORK PROGRESSING ON MATTERS OF SOCIAL RESPONSIBILITY?

Since large parts of our business are often intimately connected with the communities where we operate, and furthermore require operational permits, we are continuously in discussions with government agencies, organisations, nearby residents and other affected stakeholders.

In addition to our direct business activities, Boliden's units contributed to various activities in 2006, such as local sports and cultural events, schools and hospitals with roughly SEK 5 million.



BOLIDEN'S STAKEHOLDERS IN THE SOCIETY

EMPLOYEES
Our employees are the backbone of our business. That is why we continuously work to create a work environment of passion, commitment and development. A manifested image of success and sustainable business builds the Boliden brand and helps recruitment of new employees.

CUSTOMERS
Our customers are the reason we exist. Through quality and responsibility we want to facilitate our customers' business activities.

SUPPLIERS
To be able to produce metals successfully, we depend to an ever greater degree on our suppliers. As much as we place demands on acting responsibly, we also have to act credibly to be able to keep and develop these decisive relations.

OWNERS
We are striving to generate value for our owners through our activities. That presumes openness, responsible behaviour and quality in everything we do.

GOVERNMENT AGENCIES
Since we need permits to operate, we maintain open and frequent relations with various government agencies. We have to be responsible with regard to the environment, people and the world around us.

NEARBY RESIDENTS
We co-operate with our neighbours, many of whom are employed by Boliden.

ORGANISATIONS
Some organisations are monitoring us and our operations, while others are connected to the mining and smelting industry and act to promote industry conditions. Boliden strives to maintain good relations to each one of these.

EMPLOYEES

Our goal of becoming the leading supplier of zinc and copper in Europe requires us to have a variety of competencies. Mining and smelting operations are highly automated, but they are controlled by people. It is the employees who process the physical resources and ensure that the metal products reach our customers on time, in the correct quantity and quality. Therefore we need many different professions and competencies.

To capture employees' opinions about Boliden as an employer and to obtain support for structured improvement work in the units, we conduct employee surveys and talks. In 2006, the employee survey "My Opinion" was carried out among the smelters and the Group functions. The survey showed that employees' faith in the future is strong and that many see Boliden as a solid employer. However, work remains to be done with regard to employees' willingness to change and develop within the company, for example, within work rotations. The possibility to alternate among various tasks and units is one of several important parts in a continuous process that develops our employees' competencies and increases their work motivation. The survey will be conducted again in 2007, and will then include the entire Group.

Diversity and mobility

It is when young employees with new knowledge meet the older employees with their many years of experience, when the Norwegians, Finns, Swedes, Irish and Dutch meet, that new

ideas and motivation are created. Within the Group, efforts are continuously made to promote diversity and increase mobility among the units. Differences in gender or ethnicity must not be cause for discrimination of any kind. We also wish to increase the percentage of women in this industry that has traditionally been dominated by men. By the end of 2006 the percentage of women in the Group was 13 per cent (12). At management and board level the percentage of women is 20 per cent.

The average number of employees in Boliden during 2006 was 4,519. Of these, 2,291 work in Sweden, 1,138 in Finland, 385 in Norway, 678 in Ireland, and 27 in other countries. Compared to 2005 that is a reduction of eleven employees.

Supply and development of competencies

A long-term supply of competencies is a precondition for our future competitiveness.

A manifest image of success and an obviously sustainable business, builds up our employer brand and eases the recruitment of new employees, the right ones.

Of our units Kokkola has been particularly successful in recruiting new employees to its organisation and has received two recognitions for that work in the form of a prize for "A Good Employer" from the Finnish Ministry of Labour and "Quality Distinction for Education" from the Finnish Ministry of Education.

In 2006 management in the organisation was reviewed. The Group's future work with competency development and competency supply of managers and other key persons was

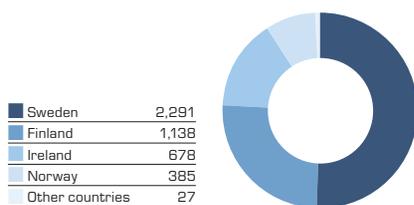
mapped out. Three new Group-wide management training programmes were initiated: Boliden Basic Manager Training, Boliden Manager Development Programme and Training for International Operations. Each unit draws up its own goals for its employees and establishes development plans for each individual employee at the annual development review.

For the second year in a row, the Programme for Young Professionals will be conducted. This is a training programme where young Boliden academics can learn more about our business activities and values and are given the opportunity to create personal networks. The hope is that the programme will also contribute to spreading Boliden's corporate culture. In this second round, 18 employees from four countries are participating.

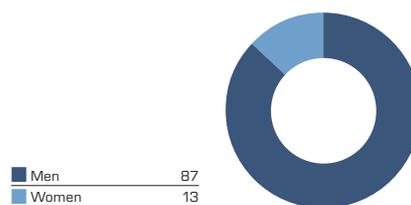
Schools

Like most other industrial companies, Boliden must secure the long-term competency need – and attract the best employees. Over the next ten years, roughly 30 per cent of our present employees will retire. To facilitate the supply of competent employees – and stimulate young people to choose education within the natural sciences and engineering – we are working together with upper secondary schools and universities in the countries where we are active. Traineeships, theses, study visits, conferences and recruiting evenings are important components in our ongoing contacts with schools. For example, at the Luleå University of Technology we award scholarships for studies that result in

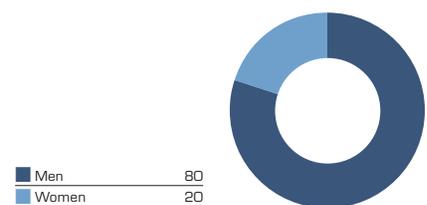
EMPLOYEES IN TOTAL, 4,519
NUMBER



GENDER BREAKDOWN, IN TOTAL
PER CENT



GENDER BREAKDOWN, GROUP MANAGEMENT*
PER CENT



* Based on the Group management as of January 1, 2007.



In the second round of the educational programme “Young Professionals”, 18 Boliden academics are participating from four countries. The participants get together on a regular basis at Boliden’s different units. The picture is taken at Aitik.

employment by Boliden and at the natural sciences program at Balderskolan in Skellefteå, Boliden has established a foundation to promote research into engineering science.

For the second time Tara participated in the School Business Partnership, which is a programme to promote cooperation between schools and businesses and is part of Business in the Community – Ireland.

TRADE UNION COOPERATION

Boliden actively supports the cooperation between employers and workers and their representatives. Trade union membership and reporting routines vary somewhat from country to country and from one unit to the next. An average of 90 per cent of Boliden’s employees are members of a trade union. Trade union cooperation exists also at various levels of the Group. Boliden Works Council (BWC) is the company’s overall trade union body, which consists of 17 representatives from Boliden’s nine production units and communicates with company management. BWC meets twice annually to discuss matters related to the work environment and employment terms, to keep

updated about how the company is developing and to work to integrate the units’ various cultures. Therefore, the body also serves to spread corporate culture and build bridges between the various units and countries. Each local unit also has its own trade union activities.

At the same time labour market rules are different from country to country, which means that the various workers’ organisations, to some extent, have different work ways and opportunities to place demands. Boliden, however, applies the local employment terms and labour market rules.

SAFETY

Boliden operates in an industry associated with risks. A safe work environment is a precondition for a successful business. Serious accidents can, in addition to personal injuries, involve temporary production stops or force a unit to close down.

Boliden has adopted a zero-accident philosophy and strives to have the industry’s safest facilities. That is a high ambition, which will be attained through systematic safety and work environment efforts with annual action

EXAMPLES OF COLLEGES AND UNIVERSITIES WITH WHICH WE COLLABORATE

- Luleå University of Technology
- University of Umeå
- The Swedish University of Agricultural Sciences
- Helsinki University of Technology
- Oulu University
- 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

plans in which risks of accidents are analysed and addressed. But it also requires that each employee takes it upon him or herself to think in terms of safety. Safety is a matter of attitudes and leadership. That is why the smelter in Kokkola, for example, has safety as its first agenda item of each internal meeting, and Aitik schedules safety rounds to act in a preventive manner. Each new Boliden employee goes through “Good Work Environment” training, and at several levels work environment committees are working with these issues.

All units are currently working on reporting, analysing, and addressing near misses so as to uncover risks before accidents occur. Special action plans have been drawn up for each unit to reduce the accident rate as well as to strengthen the role of the local work environment groups. The safety efforts will also be controlled by management systems.

Boliden’s goal is for the accident rate within the Group not to exceed five per one million work hours before the end of 2011. In 2006 the Group-wide accident rate per one million work hours was 11.2.

HEALTH

Each unit in the Group has an action program for health-promoting measures with the purpose of minimizing sick leave. The program has identified a number of health-promoting indicators based on problem solving, preventive and health-promoting work. During the year Boliden also worked with health-promoting initiatives among employees working shifts, who belong to the group in the organisation with more health-related problems than the average. By conducting surveys and training days concerning, among other things, diets and lifestyle we hope to be able to increase attendance among these employees. For the Group, sick leave rate must not exceed 4.8 per cent by the end of 2008. Sick leave rate has been reduced continuously and in 2006 it was 5.0 per cent. In 2006 the lead smelter at Bergsöe distinguished itself by having an sick leave rate of 3.5 per cent.

In addition to accidents and sick leave rate, as of 2007 Boliden will measure staff turnover as well as drug and alcohol-related disorders.

CUSTOMERS

Boliden's customers are mainly European smelting and steel companies as well as producers of semi-manufactured goods. In total around 300 customers are purchasing our zinc products and 10 customers our copper cathodes. We are always striving to exceed our customers' expectations. Customer satisfaction ultimately depends on the quality of our products, and the added value our services give. Our code of conduct provides fundamen-

tal guidelines for how each customer needs to be addressed. We also place demands on our customers and follow up on customers of particularly sensitive products, such as mercury and copper cement, through audits. The purpose is to ensure that the products are handled responsibly and not used in a manner that might harm the environment or health.

SUPPLIERS

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

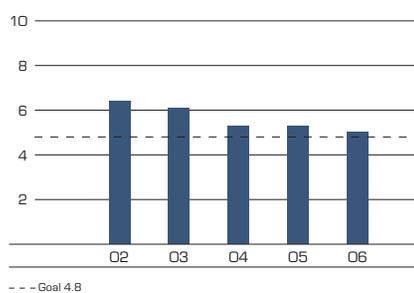
In total, we currently have around 6,000 suppliers, of which 25 are responsible for 45 per cent of our purchased volume. The share of local suppliers in the communities in which we operate is around 80 per cent.

The annual need for copper concentrate is 1.2 million tonnes, of which around 300,000 tonnes come from our own mines. The remaining metal concentrate is purchased for our smelters, mainly from South America. Out of the total zinc production of about 430,000 tonnes, the concentrate from our own mines is sufficient for around 80 per cent. The remaining quantity is purchased from mines primarily located in the United States, Finland and Peru.

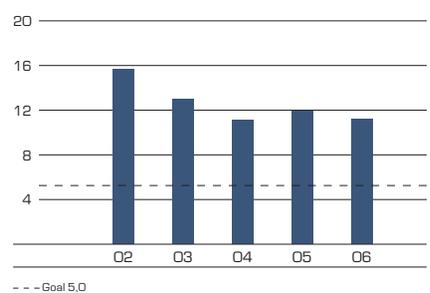
Boliden is also a big purchaser of metals and electronic scrap. Within recycling, we are collaborating with suppliers mainly from Sweden, Germany and England.

At the present time we are implementing a streamlining program for purchasing input goods and services. Among other things, the number of suppliers is being reduced so that our relations with the remaining suppliers can

SICK LEAVE RATE
PER CENT



ACCIDENT FREQUENCY
NUMBER PER ONE MILLION WORKED HOURS



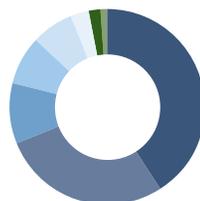
ORIGIN OF BOLIDEN'S COPPER CONCENTRATE
PER CENT

Sweden	30
Chile	17
Portugal	15
Peru	12
Brazil	4
Argentina	4
Finland	4
Turkey	4
Canada	3
Indonesia	2
Other	5



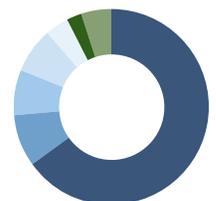
ORIGIN OF BOLIDEN'S ZINC CONCENTRATE
PER CENT

Ireland	41
Sweden	28
USA	10
Finland	8
Peru	7
Canada	3
Turkey	2
Other	1



ORIGIN OF ELECTRONIC SCRAP
PER CENT

Germany	52
Sweden	20
USA	7
Great Britain	6
Switzerland	6
France	3
The Netherlands	2
Other	4



be deepened and the purchases can be standardised. We are in the process of drawing up Group-wide routines for supplier assessments so as to, among other things, ensure that Boliden uses suppliers that are quality and environmentally conscious as well as take responsibility for their internal work environment. We are already subjecting suppliers to environmental requirements locally, but by bringing up matters centrally, we can support a common standard while increasing the opportunity for exchanging experiences.

Our ambition is, to the greatest degree possible, to work with quality and environmentally certified suppliers. Our code of conduct and corporate policy have guidelines for how we should respond to our suppliers and which ethical demands we should place on them. The fact that we are collaborating with larger companies that have their own ethical guidelines facilitates our cooperation with our suppliers. In addition to that we have long-term relations and close contacts with most of our suppliers, which gives us a relatively substantiated idea of their values.

NEARBY RESIDENTS

Boliden is working to maintain understanding with private individuals who live in areas that, in one way or another, are affected by our business activities. To strengthen the dialogue with nearby residents, all our units are regularly inviting the general public to attend informational meetings about their operations. Some of the smelters also arrange guided tours for

tourists, mostly in the summer months. For the sixth year in a row Geology Day was held in the Boliden area and Chemistry Day was held for the fourth year in a row at Bergsöe to spread knowledge about metals and their wide use.

GOVERNMENT AGENCIES

Both our existing business activities and planned expansions require continuous dialogue and statutory meetings with government agencies. On page 15, there are examples of pending applications for permits, which all involve continuous contacts with the authorities. Our expansion at Aitik, for example, has involved contacts with the environment and culture units within the county administrative board, Swedish Environmental Protection Agency, the Swedish Road Administration, the Swedish Rescue Services.

ORGANISATIONS

Boliden is a member of a number of domestic and international organisations, both locally and centrally. Our collaboration with organisations mainly serves to improve the preconditions for our own operations and industry segment. Below we list examples of organisations with which we are collaborating.

Sponsorships

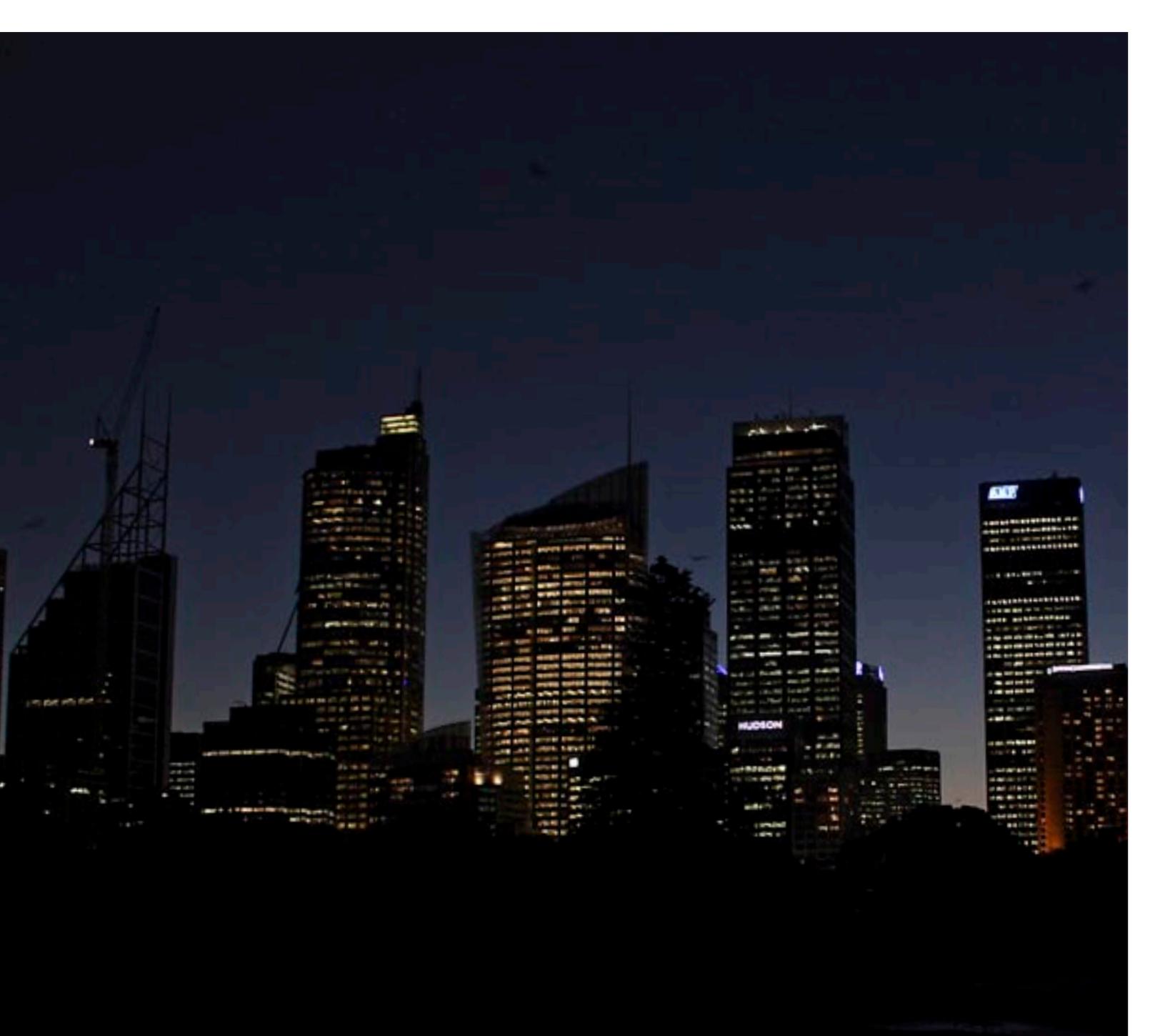
Boliden sponsors both big and many small projects and organisations connected with sports, culture, and social activities locally in the countries in which we are active. The intention is to strengthen our links to both em-

ployees and their families as well as to customers and suppliers. The total sponsorship budget for the company in 2006 was roughly SEK 5 million. Each unit plans its own local sponsorship initiatives from Boliden's core values. Among the biggest sponsorship activities is the investment in the ice hockey team Skellefteå AIK, with which Boliden increased its collaboration last year. Skellefteå AIK has a strong link to the area where Boliden has an important part of its business activities and is therefore a good vehicle for the Boliden brand.

As of 2007 the Boliden Group has also endowed a professorial chair at the Luleå University of Technology and will sponsor the Tällberg Foundation, which purpose is to deepen the understanding of issues related to leadership and change in society and business. For some time, Boliden has also been one of the supporting companies to "Global Challenge", an organisation that aims at contributing to learning, dialogue and a broader debate about the large political, economic and social challenges that Sweden and the world are facing.

EXAMPLES OF ORGANISATIONS WITH WHICH WE COLLABORATE

INTERNATIONAL	NATIONAL
European Association of Mining Industries (Euromines)	SveMin – Sweden
European Association of Metals (Eurometaux)	Association of Finnish Steel and Metals Producers – Finland
International Zinc Association (IZA) and IZA Europe	Technology Industries of Finland – Finland
International Copper Association (ICA)	Norsk Industri – Norway
European Copper Institute (ECI)	Irish Mining and Exploration Group – Ireland
Lead Development Association International	Irish Business and Employers Confederation – Ireland
European Sulphuric Acid Association	
European Electronic Recycle Association	



METALS WITH MANY FUNCTIONS

Most of what surrounds us consists of metals to various degrees. We meet them every day in different applications and products.

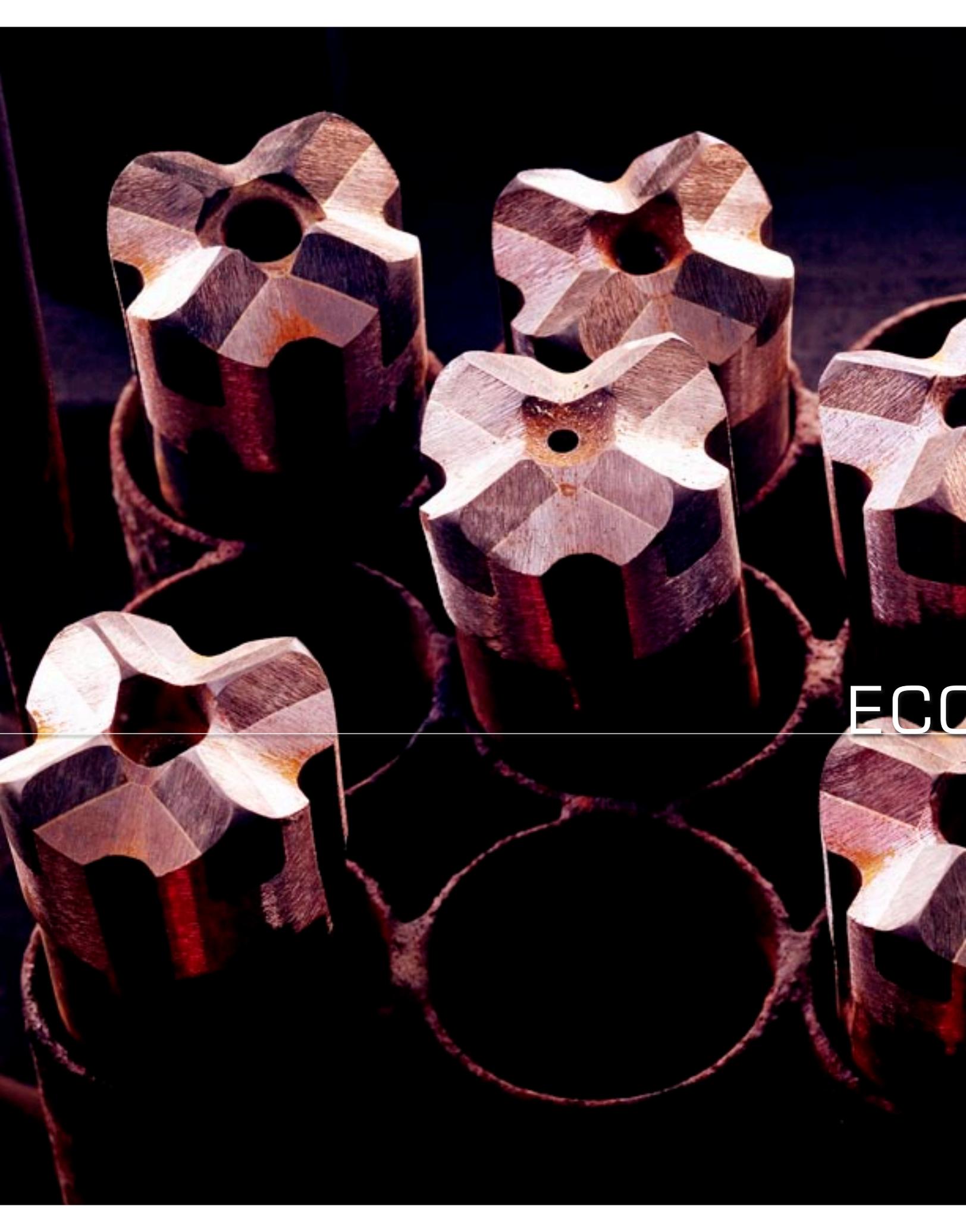
Boliden's key products zinc and copper belong to the most common metals in the world since their properties allow them to be used in a multitude of ways. They occur naturally in the human body and in the ecocycle. They are important for us to be able to build societies as a first step, and to build the modern society in the next step.

The majority of the zinc that is produced is used to protect steel from corrosion. Zinc provides a protective layer on the steel surface, which prolongs its useful life. In our surroundings we, for example, see painted sheet roofs, which under their paint often have a layer of zinc. In the same way banisters facing the street are usually made of zinc-coated steel tubes or your car may have zinc for corrosion protection. Applying zinc conserves natural

resources and energy, by prolonging products' useful length. At the present time, Boliden is participating in a global study on the life cycle of zinc, its influence on and significance for our surroundings. The International Zinc Association (IZA) is behind the study.

Our other key metal, copper, has important usages, since it effectively conducts heat and energy. Copper is often present in your freezer's compressor and water pipes since it limits the growth of bacteria. Cars contain copper in the form of cables and coolers and most home electronic products, such as TVs and computers, contain copper.

Quite simply, in many cases there are no workable alternatives for zinc and copper. As stated elsewhere, these metals can furthermore be recycled endlessly without losing any of their specific properties. Therefore, they contribute to conserve natural resources.



ECCO

A close-up photograph of several wooden pencil shavings. The shavings are light-colored wood with dark, concentric growth rings. They are arranged in a cluster, with some showing the sharp edges of the pencil's lead. The background is dark, making the wood stand out.

ECONOMIC RESPONSIBILITY

We will work on continuous improvements to build sustainable profitability and in doing so continue to generate value to society.

We are contributing through sustainable profitability

Our existence depends on our profitability. Sustainable good results are only possible when we run our business activities effectively, in a high quality and responsible manner.

OUR ECONOMIC IMPACT

Boliden's business activities create direct value, which we distribute to our stakeholders in various ways. Boliden is often the largest, private employer in the communities in which we are active. The costs related to our approximately 4,500 employees in five different countries are mainly constituted by wages, employers' contributions and other taxes as well as pension provisions. We purchase raw materials and other supplies from around 6,000 suppliers, of which around 80 percent are local. We are also paying taxes and duties in accordance with applicable rules and regulations in each country where we operate.

Our investments in streamlined production processes are direct investments in a bet-

ter environment and in the communities in which we operate, since our business activities create indirect wealth there. These effects, however, are difficult to calculate, but they provide the basis for fundamental services and supply.

Furthermore, Boliden donates to and sponsors organisations and stakeholder groups in the community, usually in connection with children and young people, culture and sports. Finally, a portion of the profits we make is distributed to our owners. For 2006 Boliden's Board of Directors proposed to the Annual General Meeting a dividend of SEK 4 per share and a redemption of SEK 12 as a result of our strong balance sheet. In total, it is proposed that SEK 4.6 billion be distributed to shareholders.

A successful business is not only attractive for owners and customers, but also for employees, suppliers and other community stakeholders.

HOW DO WE REPORT ON OUR ECONOMIC RESPONSIBILITY?

Quarterly statements, annual and sustain-

ability reports are how we primarily report on our performance and accomplishments. We are also in constant contact with the capital markets. Boliden's website is another important channel for our communications.

HOW ARE OUR BUSINESS ACTIVITIES DOING FINANCIALLY?

Boliden's revenues were SEK 35,213 million and operating profit was SEK 8,522 in 2006. The reported tax expense for the full year was SEK 2,045 million and in 2006 we paid taxes of SEK 328 million.

Personnel costs are our biggest cost item and in 2006 that was SEK 2,722 (2,447) million. Energy constitutes the second largest source of Boliden's expenses and was SEK 1,520 (1,172) million. Out of our significant types of costs, with the exception from costs for raw material, these two items together amount to 44 per cent.

Our direct environmental expenses amounted to SEK 124 million.

Read more about our financial results in Boliden's Annual Report 2006.

A NEW SYSTEM FOR THE DISTRIBUTION OF PROFITS

As of 2007 a new profit-sharing system will go into effect that includes all permanent employees. When Boliden meets its stated financial goals, a maximum of SEK 25,000 per employee will be invested in a foundation. After three years the employee may withdraw the money from the funds. The idea is for each employee to take part of Boliden's successes and that the profit share system at the same time contributes to increased employee motivation.



Our economic contribution to society

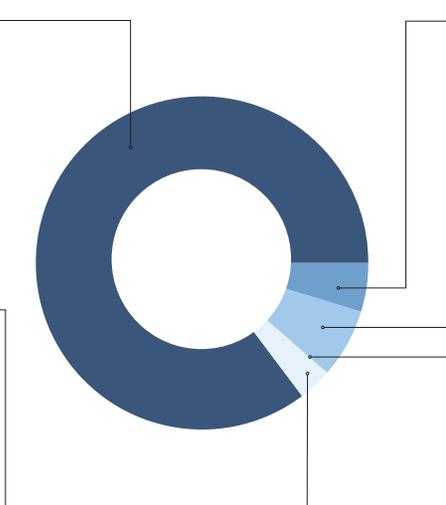
An overview of how we participate in the economy of society is given below. Nevertheless, the picture presented is not complete, but aims instead at exemplifying how Boliden contributes in various contexts.

SUPPLIERS SEK 25,000 MILLION

To be able to operate we have to purchase products and services from our around 6,000 suppliers. Of those suppliers, 80 per cent are local. In 2006 our total supplier costs were approximately SEK 25 billion, including costs for raw materials.

STATE AND AUTHORITIES SEK 1,000 MILLION

To the state we mainly pay tax on our profit, tax on the wages we pay our employees, and social security expenses. For 2006 these expenses amounted to SEK 1 billion.



OWNERS & LENDERS SEK 1,450 MILLION

Our business activities generate dividends for our shareholders. In 2006 this amount was SEK 1,158 million. We also paid out interest to lenders corresponding to SEK 294 million.

EMPLOYEES SEK 1,900 MILLION

In 2006 salaries and provisions for our employees amounted to SEK 1,900.

SPONSORSHIPS SEK 5 MILLION

Our engagement in the local communities means that we, in various contexts, act as sponsors for sports, culture and activities for children and youth. In 2006 we contributed with sponsorships to the amount of over SEK 5 million.



GRI – Cross-reference list

GRI REFERENCE	INDICATOR	STATUS	COMMENT	REFERENCE
1.	Vision and strategy			
1.1	Vision och strategy regarding sustainable development	●		Page 1
1.2	President's statement	●		Pages 2–3
2.	Organisation and reporting			
2.1–2.9	Organisational profile	●		Cover page fold-out, page 28
2.10–2.16	Report scope	●		Cover page fold-out, inside back cover
2.17–2.22	Report profile	●		Cover page fold-out
3.	Governance			
3.1–3.8	Structure and governance	▶		Pages 6–8
3.9–3.12	Stakeholder engagement	●		Pages 28–32, 36
3.13–3.20	Policies and management systems	●		Pages 6–8, 10–11, 16, 19, 28, 31–32
	Environmental responsibility			
EN1	Materials use, other than water	●		Pages 16–17
EN2	Waste used from external sources (percentage)	●		Page 24
EN3	Direct energy use	●		Page 16
EN4	Indirect energy use	○		
EN5	Water use	●		Page 17
EN6	Location and size of land owned in biodiversity-rich areas	●		Page 17
EN7	Impacts on biodiversity	○		
EN8	Greenhouse gas emissions	●		Page 19
EN9	Use and emissions of ozone-depleting substances	○		
EN10	Emissions of NO _x , SO _x and other substances	▶		Page 22
EN11	Waste	●		Page 22
EN12	Discharges to water	●		Page 19
EN13	Spills of chemicals, oils and fuels	▶	Information not quantified	Page 22
EN14	Environmental impacts of products	○		
EN15	Recyclable products, % of weight	●		Page 5
EN16	Incidents of and fines for non-compliance against applicable environmental regulations	–	No incidents against applicable environmental regulations	
EN17	Initiatives to use renewable energy sources and to increase energy efficiency	●		Pages 16–17
EN21	Withdrawals of ground and surface water	●		Page 17
EN22	Recycling and reuse of water	●		Pages 4, 17
EN23	Amount of land for production activities	●		Page 17
EN31	Management of hazardous waste	●		Pages 19, 22
EN33	Suppliers' environmental profile	▶		Pages 31–32
EN34	Environmental impacts of transportation	●		Page 23
EN35	Environmental expenditures	●		Page 14
MM4	Percentage of products derived from secondary materials	●	Amounts quantified, not percentage	Page 24
	Social responsibility			
LA1	Workforce	●		Page 29
LA2	Net employment creation	●		Cover page fold-out
LA3	Trade union organisations	●		Page 30
LA4	Policy involving information with employees over organisational changes	○		
LA5	Practices for occupational accidents and diseases	▶	Not compiled per category	Pages 30–31
LA6	Formal joint health and safety committees	●		Pages 6, 30–31

GRI REFERENCE	INDICATOR	STATUS	COMMENT	REFERENCE
LA7	Work-related injuries, absentee rates and fatalities	●		Page 11
LA8	Policy or programme on HIV/AIDS	–		
LA9	Average hours of training per year per employee	►	Information not quantified	Page 29
LA10	Equal opportunity policies or programmes	►	Code of Conduct	Page 7, www.boliden.com
LA11	Composition of senior management and board of directors	●	See also the Annual Report 2006	Page 29
LA13	Worker representation in management	●	See the Annual Report 2006	
HR1	Policy and guidelines to address human rights	►	Code of Conduct	Page 7, www.boliden.com
HR2	Consideration of human rights impacts as part of investment and procurement decisions	●	Code of Conduct	Page 7, www.boliden.com
HR3	Policies and guidelines to address human rights in the supply chain	●	Code of Conduct	Pages 7, 31-32, www.boliden.com
HR4	Policy and procedures to prevent discrimination	●	Code of Conduct	Page 7, www.boliden.com
HR5	Freedom of association	●	Code of Conduct	Page 7, www.boliden.com
HR6	Child labour	●	Code of Conduct	Page 7, www.boliden.com
HR7	Forced and compulsory labour	●	Code of Conduct	Page 7, www.boliden.com
S01	Policy and procedures to manage impacts on communities	►	Code of Conduct, local public reports	www.boliden.com
S02	Policy and procedures to prevent bribery and corruption	●	Code of Conduct	Page 7, www.boliden.com
S03	Policy and procedures for managing political lobbying and contributions	●		Page 7, www.boliden.com
S04	Awards received relevant to social, ethical, and environmental performance	●		Page 29
PR1	Customer health and safety during use of products	►		www.boliden.com
PR2	Product information and labelling	►		www.boliden.com
PR3	Consumer privacy	–	Not relevant	
PR9	Policy and procedures related to advertising	►	Code of Conduct	Page 7, www.boliden.com
MM10	Operations with closure plans	►	Information not quantified	Pages 4,25
Economic responsibility				
EC1	Revenues	●		Cover page fold-out, pages 36–37
EC2	Market shares	◦		
EC3	Cost of all goods, materials and services purchased	●		Pages 36–37
EC4	Payment in accordance with agreed terms	◦	Not compiled	
EC5	Total payroll and benefits	●		Cover page fold-out, pages 36–37
EC6	Distributions to lenders and owners	●		Page 37
EC7	Retained earnings	●	See the Annual Report 2006	
EC8	Taxes	●		Page 36–37
EC9	Subsidies	–	No subsidies received	
EC10	Donations	►	Only total amount	Pages 32, 36–37
EC11	Suppliers, classification	►	Division by country, not by organisation	Page 31
EC12	Support non-core business infrastructure development	►	Support is given, but not compiled in the report	Page 31
EC13	Indirect economic impacts	►	Estimation	Page 28
MM1	Local impact	●		Pages 28-31

● Reported ► Partly reported ◦ Not reported – Not relevant

Alloy

Substance with metallic properties and which is composed by two or more chemical elements at least one of which is metal.

Base metals

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

Concentrate

The product that results from the separation of economically valuable minerals in an ore from those with no economic value. Separation by milling and flotation considerably increases the grade of the material.

Concentration plant

A facility in which ore is processed mechanically and/or chemically to extract and produce metal concentrate.

Drift Mining

Activity in connection with exploration and mining by which tunnels are created. A drift mine is a mine with a horizontally cut tunnel, and thus refers to a mine tunnel.

Dust Generation

Dust generation consists of dust and particles from our production processes, which are whirled up and carried by wind to the surroundings. Dust generation is particularly caused by traffic and material handling.

EHSQ network

Boliden units' efforts related to the Environment, Health, Safety and Quality (EHSQ) are coordinated in the EHSQ network.

EMD

The Exploration and Mining Division of the Department of Communications, Marine and Natural Resources (EMD) is the government agency in Ireland that issues exploration permits.

Galvanisation

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

ISO

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

ISRS

International Safety Rating System, a safety and work environment management system.

Metal ashes

Pulverised slag from metal foundries and brass producers.

Metal content

The quantities of copper, zinc, lead, gold and silver contained in concentrates or ore.

OHSAS

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

Open pit

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

Ore content

The average quantity of valuable metals in ore, expressed as grammes per tonne for precious metals and as a percentage share for other metals.

Precious metals

Unlike base metals—gold, silver, platinum, palladium and others.

REACH

Registration, Evaluation and Authorisation of Chemicals. The EU's new chemicals directive, which in brief entails requirements for testing for the assessment of effect on health and the environment for many chemicals in the market.

Secondary raw materials

Various types of materials from which metals can be recovered, for example, electronic and other metal scrap, metal ashes, slag, dust and scrap lead batteries, etc.

Slag

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

Smelting materials

Raw materials for smelters, primarily metal concentrate but also scrap, ashes and other recovery materials.

Smelter and electrolytic refinery

A plant in which metal raw materials are processed to separate metals from impurities by means of high temperature reactions.

Specific use

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

Specific emissions

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

The Copper Train

Quick and environmentally friendly train transportation between Rönnskär and Helsingborg. The train departs five days a week with copper cathodes and lead to customers in southern Sweden. On its return it carries secondary material and other smelting materials.

WEEE directive

EU directive from 2005 which requires that all countries, through national legislation, strengthen producer liability for electronics and electronic products. WEEE stands for Waste Electrical and Electronic Equipment.

THE GROUP

Boliden AB
 Box 44
 SE-101 20 Stockholm
 Sweden
 Visiting address:
 Klarabergsviadukten 90
 Tel +46 8 610 15 00
 Fax +46 8 31 55 45
 Fax: +46 8 30 95 36 (Legal Affairs)

BUSINESS AREA MINES

Boliden Mineral AB
 SE-936 81 Boliden
 Sweden
 Tel +46 910 77 40 00
 Fax +46 910 77 42 34

The Boliden Area

Boliden Mineral AB
 SE-936 81 Boliden
 Sweden
 Tel +46 910 77 40 00
 Fax +46 910 77 42 25

Aitik

Boliden Mineral AB
 Box 85
 SE-982 21 Gällivare
 Sweden
 Tel +46 970 735 00
 Fax +46 970 735 01

Garpenberg

Boliden Mineral AB
 SE-776 98 Garpenberg
 Sweden
 Tel +46 225 360 00
 Fax +46 225 360 01

Tara

Boliden Tara Mines Ltd
 Knockumber
 Navan
 Co. Meath
 Ireland
 Tel +353 46 907 9800
 Fax +353 46 907 9899

BUSINESS AREA SMELTERS**Kokkola**

Boliden Kokkola Oy
 Box 26
 FI-67101 Kokkola
 Finland
 Tel +358 6 828 6111
 Fax +358 6 828 6005

Odda

Boliden Odda AS
 Eitrheim
 NO-5750 Odda
 Norway
 Tel +47 53 64 91 00
 Fax +47 53 64 33 77

Harjavalta

Boliden Harjavalta Oy
 FI-29200 Harjavalta
 Finland
 Tel +358 2 535 8111
 Fax +358 2 535 8239

Boliden Harjavalta Oy

Electrolytic refinery
 Box 60
 FI-28101 Pori
 Finland
 Tel + 358 2 535 8111
 Fax + 358 2 535 8181

Rönnskär smelter

Boliden Mineral AB
 SE-932 81 Skelleftehamn
 Sweden
 Tel +46 910 77 30 00
 Fax +46 910 77 32 15

Bergsöe

Boliden Bergsöe AB
 Box 132
 SE-261 22 Landskrona
 Sweden
 Tel +46 418 572 00
 Fax +46 418 572 05

BUSINESS AREA MARKET**Skelleftehamn**

Boliden Commercial AB
 SE-932 81 Skelleftehamn
 Sweden
 Tel +46 910 773 000
 Fax +46 910 773 337 (zinc)
 Fax +46 910 773 138 (copper)

Rotterdam

Boliden Zinc Commercial B.V.
 Blaak 22
 NL-3011 TA Rotterdam
 The Netherlands
 Tel +31 10 201 2999
 Fax +31 10 201 2998

Espoo

Boliden Commercial AB
 Box 287
 FI-02601 Espoo
 Finland
 Tel +358 2 535 8111
 Fax +358 9 547 2560 (zinc)
 Fax +358 9 547 2532 (copper)

Leamington Spa

Boliden Commercial (UK) Ltd.
 No. 7 Clarendon Place
 Leamington Spa
 Warwickshire
 CV32 5QL
 England
 Tel +44 1926 833010
 Fax +44 1926 450084

NEW BOLIDEN

Boliden AB, Box 44, SE-101 20 Stockholm, Sweden
Visiting address: Klarabergsviadukten 90
Tel +46 8 610 15 00, Fax +46 8 31 55 45
www.boliden.com