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Boliden's 2008 Sustainability Report is the fourth in a series that describes our social, environmental and economic responsibility. This Report, which is produced every year, is based on the Global Reporting Initiative (GRI G3) standard for reporting. We estimate that we have achieved reporting level B of a three-level system, graded from A to C. This Sustainability Report has not been reviewed by an external party. Our website, www.boliden.com, describes the fundamentals for our GRI reporting in greater detail and presents a table with cross-references to the GRI guidelines, showing the degree to which we have complied with the standard. The website also contains additional information about Boliden's sustainability work and highlights numerous good examples from the Group's various units. The Sustainability Report can also be downloaded in full. For further information on our measurement methods, definitions or other guidelines, please contact Boliden's Information Department.

THIS IS BOLIDEN

Boliden is a leading European metals company whose core competence is in the fields of exploration, mining, smelting and recycling. *Boliden's main metals are zinc and copper.* Other important metals produced include lead, gold and silver.

The operations are organised into three Business Areas: Market, Smelters and Mines. Boliden's operations are conducted in *Sweden, Finland, Ireland and Norway*, and the company also has marketing offices in *Germany and the UK*. Boliden has approximately 4,600 employees.

Revenues in 2008 totalled SEK 30,987 million (SEK 33,204 m) and the operating profit was SEK 1,004 million (SEK 5,428 m).



MARKET

- Stockholm
- Leamington Spa
- Neuss

SMELTERS

- Kokkola – zinc smelter
- Odda – zinc smelter
- Rönnskär – copper smelter
- Harjavalta – copper smelter
- Bergsöe – lead smelter

MINES

- Tara – zinc and lead
- Garpenberg – zinc, silver and lead
- The Boliden Area – zinc, copper, gold, silver and lead
- Aitik – copper, gold and silver

HEAD OFFICE

- Stockholm

BOLIDEN'S METALS

Zn

Boliden is the third largest zinc metal supplier in Europe and the fourth largest in the world. The zinc metal is mainly sold to the European steel industry. Boliden is the biggest European player in the zinc mining sector.

The main end-users of zinc are the transport and construction industries.

Cu

Boliden is the third largest supplier of copper metal in Europe. The finished copper metal is mainly sold to European manufacturers of semi-finished goods, such as wire rod. Boliden is the third biggest European player in the copper mining sector. The main end-users of copper are the construction, electronics, electrotechnics and automotive industries.

Pb

Boliden produces approximately 70,000 tonnes of lead and lead alloys every year. Over 75 per cent of production is derived from recycled lead batteries.

The majority of Boliden's lead production goes to the battery industry, with a smaller percentage going to the construction industry.

Au

Boliden produces around 15,000 kilos of gold every year. One fifth of the production comes from the Group's own mines, with the remainder derived from the smelters' electronic scrap recycling operations.

The jewellery industry accounts for approximately 75 per cent of global gold consumption.

Ag

Boliden's silver production totals just over 400,000 kilos per year. Several of the Group's mines have ores that contain significant amounts of silver.

The electrical and electronics industries use just over half of global silver production. Other users include the jewellery and photographic industries.

STABLE PLATFORM FOR TOMORROW'S METAL REQUIREMENTS



Metals are vital to society's development, but at the same time, their production affects the world in which we live.

Mining and smelting operations entail the processing of very large material flows. The ore's components are freed from the bedrock in which they have been safely stored for millions of years. Some of these components are concentrated and refined, and ultimately sold to Boliden's customers, while others are deposited in tailings ponds or become part of other companies' industrial processes. Many of the substances are relatively uncomplicated, while others entail substantial environmental risks. Metal production requires large amounts of energy, and deficiencies in the production processes can have far-reaching consequences for people and the environment.

Boliden's mines and smelters are dominant local employers and hence our role in creating a sustainable development naturally revolves, around people, the environment and the community.

ONGOING FOCUS ON STABILITY AND SUSTAINABILITY

2008 was an important year for Boliden in many respects. The turbulence that shook the world's economy and the metals market hit Boliden, too. Our most important metals – zinc and copper – were exposed to severe pricing pressures and we implemented a number of measures designed to limit the effects. Our efforts to increase production stability and cut costs, by downsizing the workforce for instance, are just a few examples. At the same time, we continued with the expansion of the Aitik copper mine and the construction of the new tailings pond in the Boliden Area. The completion of these projects will see Boliden's position become stronger.

The past year also saw the setting up of a new Group management function with overall responsibility for the company's sustainability work. This was an important step towards the further raising of standards and the integration of environmental and human resource issues into our strategic work.

SYSTEMATIC WORK AND MORE STRINGENT FOLLOW-UPS

Five years ago, we set a number of goals in relation to Boliden's sustainable development. Several of them have now been met, while a renewed focus is required for others. All of the Group's mines and smelters are now operating with certified environmental management and work environment management systems. The Group's trend with regard to accidents and sick leave is positive, and our emissions of metals to air are lower than the goals we set.

We have not, however, achieved all of our goals in the environmental sphere. Carbon dioxide emissions and discharges of metals to water increased, rather than decreased. High levels of precipitation placed considerable pressure on our water treatment plants, resulting in increased metal discharges, while the ongoing expansion projects have meant an increase in transportation requirements and consequently affected our carbon dioxide emissions.

In 2008, we set new Group goals, based on our most significant environmental issues, and we have imposed stringent demands in

terms of the ability to evaluate the results in a meaningful way. The new goals are specified in absolute figures at Group level, but are also followed up in relation to production volumes.

A CORPORATE CULTURE THAT ENSURES IMPROVEMENTS

In 2008, we launched a long-term programme of leadership and management development, based on our system of fundamental values, the New Boliden Way. Our goal, with the aid of a Group-wide model for operational development – the Way We Work – is to achieve a higher level of systematisation in the way we work and thereby increase productivity and reduce resource consumption.

The commitment of individual employees to Boliden's development is a cornerstone of our improvement-related work. Good leadership and efficient processes are the keys to a corporate culture that encourages continuous improvements in productivity, motivation, the work environment, and environmental performance.

With our long tradition and in-depth expertise in metal production, we are helping to develop mines' and smelters' performance in the field of sustainable development. With the help of committed employees who – through daily monitoring routines, control programmes and preventative measures – minimise both the risk of accidents and the environmental impact, Boliden will continue to be a leading company in the metals industry.

Stockholm, April 2009



Lennart Evrell
President & CEO



Boliden's mission is to produce metals that make modern life work. The *high-quality base* and *precious metals* produced through our exploration, mining operations, smelting activities and recycling must meet the metal needs of the public, industrial and private consumption.

Boliden generates value through production and deliveries that respect their *social and environmental responsibility*. Boliden's operations are conducted by three Business Areas: Market, Smelters and Mines.

MARKET



Business Area Market is responsible for all internal and external sales of mining concentrates and finished metals. Market is also responsible for concentrate purchases from external mines and for purchases of secondary raw materials, including electronic scrap.

SMELTERS



Business Area Smelters produces zinc ingots, copper cathodes, gold, silver, lead and a variety of bi-products. Metal concentrates and a range of different recycling materials make up the raw materials used in the smelters' production processes. We recycle lead from lead batteries, and copper, zinc, gold and silver from metal and electronic scrap, metal ashes and steel mill dust. The main stages of the copper smelters' production process are drying, roasting, smelting, converting, anode casting and electrolytic refining. The corresponding stages of the zinc production process are roasting, leaching, solution purification, electrowinning and casting.

MINES



Business Area Mines produces mining concentrates which are sold to smelters both inside and outside the Group. Mining operations comprise exploration, mining and concentration. Mine-site exploration and field exploration ensure ore reserves in the long term. Mining comprises drilling, blasting, loading and transportation of ore. Concentration is the next stage in the process and its main stages are crushing, milling, flotation and, sometimes, leaching. The product, which is called mining concentrate, is transported to the smelters for further processing. Reclamation, which involves rehabilitating the mining area in harmony with the surrounding environment, also comes under Business Area Mines.

SOCIAL RESPONSIBILITY	ENVIRONMENTAL RESPONSIBILITY	ECONOMIC RESPONSIBILITY
<p>Impact – Boliden’s customers are in Europe, while its concentrate suppliers are located all over the world.</p> <p>Responsibility – Market ensures that our customers’ requirements and preferences are taken on board and aims to ensure that suppliers adhere to our policies. We also conduct customer audits for some specific products.</p>	<p>Impact – The operations of metal concentrate suppliers impact the environment, as does transporting of materials within the Group and to customers.</p> <p>Responsibility – Carefully planned transporting increases efficiency and reduces emissions of greenhouse gases, for example. A dialogue on the subjects of quality control and environmental work with suppliers and customers alike is important in order to reduce our own risks while indirectly reducing the environmental impact of our customers and suppliers.</p>	<p>Impact – Business Area Market’s duties include Boliden’s sales of zinc and copper metal, and other metals. Revenues are reported for accounting purposes under Segment Smelters.</p> <p>Responsibility – The Business Area handles the materials flows between mines, smelters and customers.</p>
<p>Impact – Boliden’s smelters are usually the dominant employer in the communities in which they operate. This makes us an important local player.</p> <p>Responsibility – We work in a goal-orientated manner to ensure our employees’ health and safety and to otherwise maintain good relationships with existing and future employees. Boliden also endeavours to inform the general public about its operations and to conduct a dialogue with all interested parties affected by them.</p>	<p>Impact – The smelters’ processes give rise to waste and metals emissions into the air and water.</p> <p>Responsibility – We are continuing to invest in more efficient production processes that simultaneously reduce the environmental impact. The flash smelting method for copper, direct leaching for zinc, and the recycling of electronic scrap using Kaldo technology are all technologies that Boliden has implemented and developed. These technologies have improved our environmental performance and boosted our competitive advantage.</p>	<p>Impact – The segment’s revenues totalled SEK 31 256 million (SEK 34,704 m) in 2008 (including BA Smelters and BA Market).</p> <p>Responsibility – Boliden invests continuously in measures designed to improve efficiency and reduce its resource consumption, and thereby assumes a long-term economic responsibility in the communities in which our operations are based.</p>
<p>Impact – Boliden’s mines are usually the dominant employer in the communities in which they are located, making us an important player in these areas. Exploration successes can contribute towards the development of these communities.</p> <p>Responsibility – Boliden is determined not only to ensure the health and safety of its employees, but to show consideration for those affected by our mining operations. We consequently endeavour to minimise the disruptive effects of our operations.</p>	<p>Impact – Changes to the landscape, noise and vibrations, waste, dust and emissions are the primary ways in which the mining operations affect the environment.</p> <p>Responsibility – Environmental impact assessments are always carried out during the planning stage for any new mining area. All of Boliden’s mines require operating licences and work in accordance both with official requirements and with the Group’s own goals and programmes aimed at minimising their environmental impact.</p>	<p>Impact – The segment’s revenues totalled SEK 5 178 million (SEK 7,567 m) in 2008.</p> <p>Responsibility – Boliden invests continuously in measures designed to improve efficiency and reduce our resource consumption. Funds are allocated for reclamation work before mining operations begin. Boliden allocated SEK 625 million (SEK 604 m) for this purpose in 2008.</p>

Each production unit within Boliden – four mining areas and five smelters in four countries – works continuously to *make its operations more sustainable*. All units have clear goals for their operations and sustainability efforts, even though the areas of focus and actual activities may differ.



KOKKOLA

- Zinc smelter
- 637 employees*

“We are the first company ever to be awarded a prize for good communication by the local newspaper, Keskipohjanmaa. It’s an important recognition of the long-term efforts of all of us here at Kokkola to engage in a dialogue with the outside world.”

Maarit Frilund, Communications Manager at Kokkola



AITIK

- Copper, gold and silver mine
- 482 employees*

“We implemented a number of successful measures aimed at reducing dust in the mining area. We increased road salting, for example, and used a helicopter to ‘bomb’ inaccessible surfaces with cellulose. Weekly dust production meetings also help us to, among other things, target our activities on the basis of weather forecasts.”

Martin Sandin, Concentrator Manager at Aitik



TARA

- Zinc and lead mine
- 691 employees*

“Winning the annual ‘All Ireland and U.K. Mine Rescue Competition’ gave us all a boost here at the mine and was a just reward for all our mine rescue personnel who put a huge effort into their training. We take great pride in our rescue teams. Our foremost aim at Tara is to remain focused on health and safety and to have our emergency preparedness plan communicated to everyone on site.”

Joe Rice, Safety Officer at Tara



GARPENBERG

- Zinc, silver and lead mines
- 315 employees*

“Boliden’s single-minded efforts to reduce noise levels at Garpenberg have been very successful, as is apparent, not least, from the positive response by local residents.”

Malin Söderman, EHS Coordinator at Garpenberg



RÖNNSKÄR

- Copper smelter
- 851 employees*

“We have implemented a number of activities under the banner of equal opportunities; from training line managers, mapping equal opportunities at unit level, founding a network of ambassadors and implementing special measures in the electrolytic refinery, to theatrical performances. There’s no doubt that mixed groups generate a greater dynamic and wider-ranging thought patterns. The ability to attract women to the plant gives us a bigger recruitment base, and hence higher quality personnel.”

Roger Sundquist, General Manager at Rönnskär



BERGSÖE

- Lead smelter
- 93 employees*

“Our extensive work on risk analyses during the year has helped us to systematically estimate probable risks and prioritise preventative measures accordingly. The risk analyses have definitely helped reduce risks that might otherwise not have been identified.”

Fredrik Kanth, Production Manager at Bergsöe



THE BOLIDEN AREA

- Zinc, copper, gold, silver and lead mines
- 390 employees*

“We’ve started to increase our work with social impact assessments in conjunction with application procedures for new operations, as part of our environmental impact assessment. This is extremely useful in terms of our ability to take people’s views on board, to answer any questions from the people affected by our operations, and to address any problems or areas of uncertainty in time. And of course everyone benefits from that.”

Pia Lindström, External Environment Programme Manager at the Mines Environmental staff function



HARJAVALTA

- Copper smelter
- 433 employees*

“Our investment in improving our water treatment facilities was completed at the end of the year. The new facility ensures that we can comply with the stricter emissions requirements that came into force as of 2009.”

Pekka Setälä, Project Manager at Harjavalta



ODDA

- Zinc smelter
- 392 employees*

“After several years of increasing zinc discharges into water, primarily as a result of larger amounts of precipitation, we were able to report the lowest levels of discharges into water ever from the Odda smelter in 2008. The success is based on increased water treatment capacity, an intensified focus on the issue on the part of management, and a great deal of good work at all levels within the organisation.”

Bente Grande, Environmental Coordinator at Odda

*Refers to average number during the year.

MEASURING OUR PROGRESS



Boliden's overall goal is the sustainable growth based on the Group's mining and smelting assets. The basis is our long-term responsibility for people, and for environmental and economic issues. To promote development in these areas, we set goals and measure our success. We have outlined below our goals for 2009–2013, as well as our performance during the period from 2004 to 2008.

NEW GOALS FOR 2009–2013

2008 was a reconciliation year for several of Boliden's goals and a number of goals have been renewed or updated for the period from 2009 to 2013.

The goal of conducting an internal Group-wide audit in accordance with our guidelines every other year at each unit remains for 2009, as does the goal of certification in accordance with ISO 9001.

Our goals in the field of social responsibility remain, but have been made slightly more stringent. The Group has adopted a zero tolerance

philosophy with regard to accidents at work, which means that all units must have zero accidents every month. The goal with regard to absence due to sickness has also been tightened up and is now 4.0 per cent by the end of 2013.

New environmental goals for the period from 2009 to 2013 were also adopted in 2008, based on our current environmental performance, our most significant environmental issues, and the outside world's expectations. The new Group-wide goals are specified in absolute figures (kilos or tonnes), unlike the previous goals for 2004–2008, which involved specific comparative figures (in relation to the amount of metal produced). This change was made due, in part, to the fact that it has proved difficult to produce a joint appraisal of production at mines and smelters. Absolute figures are also more easily understood. Each Business Area will, however, measure its work against specific goals as well. We have also introduced new reporting routines to enable the following up of goal fulfilment on a more frequent basis.

The Boliden Group's new environmental goals for 2009–2013 are:

- Discharge of metals into water shall be reduced by 25 per cent.
- Emissions of metals to air shall be reduced by 25 per cent.
- Emissions of sulphur dioxide to air shall be reduced by 10 per cent.
- Emissions of carbon dioxide shall not increase by more than 3 per cent (taking planned production increases into account).

Base year: 2007

We shall also:

- develop an action plan for reducing discharge of nutrient salts into water by the end of 2010 and shall adopt a goal in connection therewith for the period from 2011 to 2013;
- launch a Group-wide project in 2009 that ensures better control over and coordination of waste. The result shall be presented by the end of 2010;
- present a long-term plan including continuous improvements in the handling of all decommissioned mines by the end of 2009. This plan shall come into force in 2010.

MANAGEMENT SYSTEMS**GOALS 2004–2008****PERFORMANCE**

- Internal Group-wide audit in accordance with our guidelines shall be performed every other year at each unit.
- All units shall be certified in accordance with ISO 14001 by the end of 2008.
- All units shall be certified in accordance with OHSAS 18001.
- An energy management system shall be introduced in all units by the end of 2008.
- All units shall be certified in accordance with ISO 9001 by the end of 2009.

- Audits were carried out at Kokkola, Rönnskär, Harjavalta and in the Boliden Area in 2008.
- All units are certified in accordance with ISO 14001.
- All units are certified in accordance with OHSAS 18001.
- All production units have a certified energy management system, either separately or as part of ISO 14001.
- Five out of nine production units were certified by the end of 2008.

SOCIAL RESPONSIBILITY**GOALS 2004–2008****PERFORMANCE**

- The Group's combined accident frequency shall be lower than 5 accidents per 1 million hours worked by the end of 2011.
- The Group's combined sick-leave rate shall be 4.5 per cent by 2008.
- A Group-wide Sustainability Report shall be published in accordance with international practice.

- The accident frequency fell from 9.9 in 2007 to 9.1 in 2008.
- Absence due to sickness totalled 4.7 per cent by the end of 2008.
- This year's Sustainability Report complies with the GRI guidelines. Find out more at Boliden's website www.boliden.com.

ENVIRONMENTAL RESPONSIBILITY

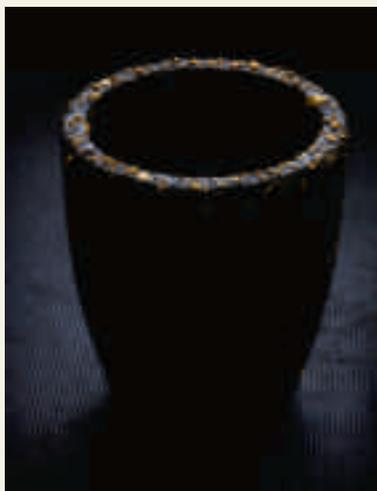
GOALS 2004–2008

PERFORMANCE



- The Group's specific emissions of metals (Cu, Zn, Pb, Ni, Cd, As) to air shall be reduced by 20 per cent by the end of 2008.
- The Group's specific discharge of metals (Cu, Zn, Pb, Ni, Cd, Hg) into water shall be reduced by 20 per cent by the end of 2008.
- The Group's specific emissions of carbon dioxide shall be reduced by 5 per cent by the end of 2008.
- There shall be a balance over a five-year period between reclamation of previously affected areas and commissioning of new, unaffected land.

- The specific emissions of metals to air have been reduced by 34 per cent in comparison with the base year of 2004. The result is due to investments in better technology and routines.
- The specific discharge of metals into water has increased by 50 per cent in comparison with the base year of 2004, primarily due to an increasing number of downpours and larger amounts of precipitation.
- The specific emissions of carbon dioxide have increased by 16 per cent since the base year of 2004. The increase is mainly due to expanded reporting of transport work and to increased traffic in conjunction with expansion projects and construction work.
- At the beginning of 2004, our units used 4,575 hectares of land; since then 110 hectares have been reclaimed. A total of 404 hectares of new land has been commissioned, 305 of which were commissioned in 2008. 48 of these hectares have been commissioned at Aitik, with the remaining 257 hectares associated with the construction of the Hötjärn tailings pond in the Boliden Area.

**ECONOMIC
RESPONSIBILITY****GOALS 2004-2008****PERFORMANCE**

- To generate a return on capital employed of over 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.

- The return on capital employed was 5 per cent in 2008. The average return on capital employed during the period from 2004 to 2008 was 24 per cent per annum.
- The net debt/equity ratio was 39 per cent at the end of 2008. The net debt/equity ratio during the period from 2004 to 2008 has varied between -1 per cent and 71 per cent.
- The Board proposes a dividend of SEK 1 per share, corresponding to a total of SEK 274 million or 29 per cent of the net profit for 2008. The ordinary dividends paid during the period from 2004 to 2008, including the proposed dividend for 2008, correspond collectively to 22 per cent of the net profits during this five-year period. Shares were redeemed during 2007 in an amount corresponding to SEK 12 per share. If the redemptions are included, the dividends correspond to 46 per cent of the net results during the five-year period.



Daily routines and control activities are an integral part of Boliden's work with continuous improvements. The picture is from the water treatment plant in Rönnskär.

FOCUSING ON CONTINUOUS IMPROVEMENTS

Boliden endeavours to be a respected metals partner. Achieving this goal requires good relationships with employees, customers, suppliers, shareholders and others affected by our operations. Long-term responsibility for our environmental impact is of considerable importance.

Our sustainability work is based on running our mines and smelters in compliance with applicable legislation and environmental permits in every country. By also acting responsibly, we facilitate the process of adaptation to future legislation and market conditions, and thereby strengthen our relationships with our stakeholders and reduce risks.

THE NEW BOLIDEN WAY

Boliden has been working in accordance with the New Boliden Way (NBW) since 2005. NBW is an overall body of guidelines that determines what we do, why we do it and how we do it. The focus is on leadership development, and on improving division of labour and employee involvement. In autumn of 2008, we initiated a new programme within the framework of the New Boliden Way – the Way We Work – which is designed to boost productivity and efficiency in every aspect of our operations.

Our policies and associated guidelines establish the frameworks for our work in a range of fields, for example our conduct in a vari-

ety of contexts and the work with environment, health, safety and quality (EHSQ).

Boliden's management systems and goals are the concrete tools that we use in our systematic improvement work. All production units have certified management systems for the environment and work environment (ISO 14001 and OHSAS 18001) and all our smelters are certified in accordance with the ISO 9001 quality management system.

RESPONSIBILITY THROUGH SYSTEMATIC METHODOLOGIES

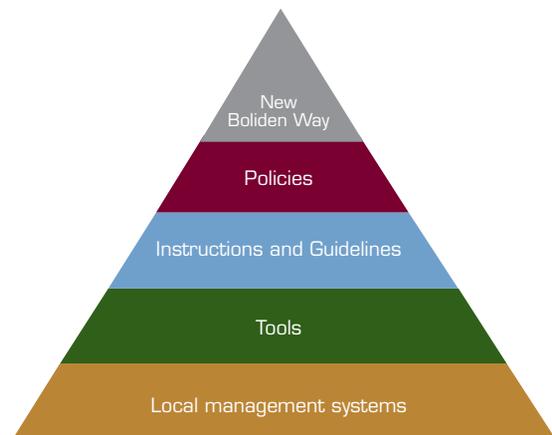
In 2008, Boliden took an holistic approach to its strategic work on human resources, environmental and social issues, that is to say everything that we incorporate into the concept of sustainability. A new function responsible for HR and sustainability affairs was set up within the Group's management group. The aim is to improve consistency in the way we work. One of the cornerstones is to ensure that we have a management style that involves the employees.

We have established Group-wide networks for EHSQ, HR and communication issues in order to generate participation and to facilitate the dissemination of knowledge and experience between Business Areas and between production units. The managers of the various networks report on an ongoing basis to the Group management, while those responsible for these issues at unit level report both to their local management group and to the network managers.

The EHSQ staff works with four networks that are based within the Group's units and have a range of different specialist roles in the field of EHSQ. The HR network works with a broader network of HR Managers, while the Communication network is responsible for, among other things, disseminating best practices and experiences within the Group and for developing relations between Boliden and its stakeholders.

FOLLOWING UP THROUGH INTERNAL AUDITS

Every second year, we conduct internal audits of every unit with regard to EHSQ. The audits are conducted with reference to the NBW and our latest standards, and are part of our efforts to ensure continuous improvement. Any discrepancies noted must be actioned and reported back within six months of completion of the audit. Internal audits enable the units to swap experiences and to establish common approaches within the Group. Internal audits were carried out at the Kokkola, Rönnskär and Harjavalta smelters and at the Boliden Area mines in 2008.



The New Boliden Way (NBW) is our overall body of guidelines that determines what we do, why we do it and how we do it. It is supported by a number of additional management tools.



The Group management on New Boliden Way training at the Kokkola smelter. From the left: Svante Nilsson, President, Business Area Market and Smelters, Manu Myllymäki, Manager, Casting and Delivery at Kokkola, Lauri Linna, Process Operator at Kokkola and Henrik Östberg, Senior Vice President, HR and Sustainability Affairs.

CONTINUOUS IMPROVEMENTS AT KOKKOLA

Kokkola zinc smelter is carrying out a pilot project within the framework of the Way We Work, examining ways in which we could work more efficiently and ensure continuous improvements. The initial phase of the project entails analysing existing approaches to work to determine what is being done well and where improvements could be made. The project's findings may ultimately result in improvements in work processes, methodologies, the work environment and employee health and safety, or in technical improvements to equipment.

"The pilot project is a natural continuation of the single-minded

development work that has been taking place at Kokkola for a number of years now. Developing the operational culture in accordance with the Way We Work will help us achieve our goal of becoming the world's leading zinc smelter," says Chief Operating Officer, Jarmo Herronen.

Kokkola anticipates that the project will continue for up to a year and the first concrete results are expected in 2009. The change management process will be implemented throughout the smelter, and Kokkola's experiences will be used to create a working model for implementation at the Group's other units.

Dialogues that increase transparency

The dialogue with our stakeholders helps show the outside world what we do. It also gives us an idea of how we are perceived and of people's expectations of us as a company.

CUSTOMERS

We aim to offer our customers high-quality products and services that create value in the form of delivery reliability and product adaptations help increase our customers' process efficiency. This dialogue takes the form of ongoing contacts, discussions in conjunction with contract renewals, recurring customer satisfaction surveys and, in certain cases, operational audits within Boliden. We also carry out customer audits for specific products. One example of how we develop our operations and partnerships with our customers is by collating their comments and suggestions for improvement in an innovation database.

EMPLOYEES

Boliden's employees are the core of its operations. It is our hope that by offering a work environment that involves and develops, we can increase Boliden's attractiveness as an employer and secure our future talent pool. In addition to the day-to-day dialogue, annual appraisal talks, suggestion schemes, and the 'My Opinion' employee survey are all ways that we use to benefit from what our employees think.

GOVERNMENT AUTHORITIES

Mining and smelting require permits and we therefore seek to establish close and transparent contacts with authorities at local, regional, national and international level. Transparency and responsible actions in relation to the environment, people and society in general facilitate constructive contacts with government authorities and help the operations run smoothly.

INDUSTRY AND NON-GOVERNMENTAL ORGANISATIONS

A number of organisations monitor our operations from an environmental, labour law and/or ethical perspective. Others are linked to the mining or smelting industry and seek to promote the metals sector's industrial operating conditions. Boliden is working to establish transparent and good relationships with both types of organisation.

LOCAL RESIDENTS

Local residents and others in the vicinity of our mines and smelters are affected by changes to the landscape and by noise, vibrations and emissions. We disseminate information, hold 'Open House' days, and invite people in to consultations in order to generate good and transparent relationships with local residents. We have also recently been working with so-called 'social impact assessments' (see page 25). All units have a community relations policy in place.

OWNERS AND INVESTORS

Boliden generates value for its owners through responsible operations with long-term investments in growth. Our owners want a return on their investments, and more and more of them are increasingly demanding that these returns are achieved in a way that promotes long-term sustainable development. This trend is boosting interest in our sustainability work. The Annual General Meeting and other communication with shareholders helps to keep both investors and Boliden up to date with people's expectations when it comes to Boliden's operations.

SUPPLIERS

In ensuring the successful production of metals, we depend on a variety of suppliers – and just as we are keen to influence them and to demand responsible actions, we must also act credibly ourselves. The form taken by our contacts with suppliers depends on the type of partnership. We aim to develop methods to help us carry out reviews of the work environment issues and environmental issues of selected suppliers in order to assure that they are working in accordance with the quality requirements we have imposed.

— *Social Responsibility.* Boliden has to deal with numerous different stakeholders. We are closely linked with the communities in which we operate, and we consequently maintain an ongoing dialogue with authorities, organisations, local residents and others affected by our operations. A culture willing to learn and prone to change, where we take care of our employees and their work environment, contributes to our attractiveness as an employer. Sensitivity to and responsible conduct towards our stakeholders safeguard our reputation as a metals company and employer. This also generates competitive advantages and reduces operating costs, making Boliden an attractive investment option.

A woman wearing a yellow hard hat, a dark blue jacket with reflective green and white stripes, and dark pants stands in front of a massive, treaded tire of a mining truck. The scene is set in a dimly lit, industrial environment, likely a mine. The tire is the central focus, with the woman positioned in the center of its circular frame. The background shows the dark, textured interior of a mine.

Mining involves great weights and forces, which requires systematic safety work. Lotta Johansson is a truck driver at the Aitik open pit mine and one of the growing number of women within the profession.

RESPONSIBILITY STARTS WITH GOOD LEADERSHIP

Good leadership has positive knock-on effects on every aspect of the operations. There are clear links between good leadership and everything from a safe work environment to employee health and motivation.

Boliden focuses on improving leadership within the company. Our goal is to develop leaders who set the tone for the way in which our employees are expected to act, and who help both employees and the company to grow. In 2005, we implemented a Young Professionals programme for our numerous young and relatively recently employed graduates. The fifth round of the programme is currently in progress. We have also evaluated employees within the framework of the High Potentials programme, which is a new programme designed to ensure the supply of candidates for senior positions within the Group. In 2009, we will be launching a long-term development programme for managers in the Group's various management groups, within the framework of the Way We Work.

LOCAL MANAGEMENT TRAINING

A number of development programmes and training courses are also in progress at our units.

This includes, for example, team supervisor training in leadership and the work environment at Bergsöe. The course, which has been taken by 14 team supervisors to date on six separate training days, is designed to clarify the responsibilities, roles and expectations of a team supervisor. The course aims to give them the tools they need to manage the work of their team and to delegate responsibility and achieve results within their shift. The training includes elements that improve the team supervisor's ability to communicate with his or her colleagues, to act as a role model, to provide feedback, and to assist in the development of the team members.

Leadership programmes for new frontline supervisors at Tara and leadership development programmes for front line supervisors at the mines in Sweden are some examples. Also at Tara, all mine shiftbosses have been trained in preparing for and chairing 'workplace meetings'. These monthly meetings take place underground, and deal with operational issues where the ideas, input and feedback of the miners are paramount.

FUTURE TALENT POOL

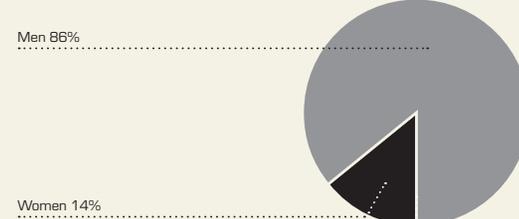
A strategic talent pool mapping was conducted in 2008. The aim is to meet the long-term recruitment requirement and develop the best possible conditions for internal skill development. In common with many other companies, we have a relatively uneven age distribution, with many older managers and employees, and around 500 Boliden employees will retire over the next four years, making the long-term talent pool supply to the organisation a challenge. In response to deteriorating market conditions, in autumn 2008 Boliden decided to cut the workforce by approximately 250, mainly through early retirement. Since our operations are mainly located in rural areas, our need to be ahead when it comes to our skill supply is even more important.

EMPLOYEES 2008



The average number of Boliden employees at the end of 2008 was 4,608, 2,437 of whom work in Sweden, 1,074 in Finland, 691 in Ireland, 392 in Norway and 14 in other countries. This corresponds to an increase of 84 since 2007, when the average number of employees was 4,524.

GENDER BREAKDOWN 2008



By the end of 2008, 14 per cent (13) of the Group's employees were female. The percentage of women on the Board of Directors at the end of 2008 amounted to 22 per cent (25), and to 29 per cent (33) among Other senior executives.

EMPLOYEES' VIEWPOINTS

If we are to generate a personal involvement, it is imperative that every employee feels that he or she can influence his or her work situation. The 'My Opinion' employee survey offers one such opportunity, gathering employees' opinions on their work environment and Boliden as an employer. The overall view expressed in the 2007 survey was that Boliden is regarded as a secure, respected and fair employer that employees are happy to recommend to young people in the labour market. The survey also showed that the principal barrier to more effective change management work is posed by traditions and habits.

RESULTS OF THE EMPLOYEE SURVEY

Based on the results of the 'My Opinion' survey, the units have been working to rectify deficiencies and to achieve proposed changes. In concrete terms, this has resulted, for example, in seminar days on HR and communication issues for departmental managers and front line supervisors, and to checks to ensure that all managers are conducting appraisal talks with their staff. The copper smelter Rönnskär's work with leadership and change from an equal opportunities perspective is one example, while another is Business Area Market's goal for 2008 of ensuring that all employees are covered by an overall career planning programme. The survey follow-up has also led to the purchase of new tools and machines, and to the renovation of canteens and staff areas.





Torgny Lindgren and Elin Quist both work at Rönnskär.

SUCCESSFUL EQUAL OPPORTUNITIES WORK

The Rönnskär smelter is engaged in an active and far-reaching programme of equal opportunities work. The work began a few years ago in the form of workplace meetings and discussions, after which employee surveys and training days have been interwoven with information activities. Five years ago, the seven-person management group did not include any women. Today there are two. The number of female managers at departmental level has increased from one to three of a total of 17 over the same period of time.

“We want an active programme of equal opportunities work to help ensure that women feel secure in their ability to take on a managerial role. We must also change the perception among young women so that they regard a job in industry as being equally appropriate for them as for men,” says Rönnskär’s General Manager, Roger Sundqvist. The plant’s sights are currently set on appointing more women as front line supervisors and managers.

The trade and industry gala held by Skellefteå Municipality in April 2008 awarded Roger Sundqvist the title of ‘Equaliser of the Year’ for his commitment to and work with equal opportunities issues at the smelter and in other contexts.

Partnership to boost interest in the metals industry

Attracting skilled employees is a major challenge for Boliden, and a number of activities are now taking place within the Group with the aim of promoting interest in the mining and smelting industries. We are targeting both higher education and occupational training, and young people, with the aim of persuading them to take scientific and technically orientated courses. Practical work, graduate theses, study trips and recruitment evenings are all important elements of our contacts with schools and colleges.

A selection of Boliden’s school and college partnerships in 2008 is listed below:

- Boliden Aitik has been involved in technical college training courses in Gällivare, Kiruna, Pajala and Jokkmokk in partnership with the Lapland Association of Local Authorities, LKAB, Vattenfall, Luleå University of Technology and Umeå University since 2006. Courses include the Graduate Engineer in Maintenance and Natural Resources

Technology programmes. Autumn 2009 will see the launch of the Graduate Engineer in Electrical Power programme and a two-year post-secondary process operator training course. The course includes practical work at Boliden or one of the other participating companies.

- The Bothnia Technical College is a partnership between the Umeå, Skellefteå and Örnsköldsvik municipalities and a number of educational establishments, with the aim of improving the quality of occupational training and technical training. Boliden is one of several companies involved in Bothnia Technical College.
- Rönnskär is part of “Teknobalder”, an upper secondary school resource centre that works didactically to generate interest in the study of technology and chemistry at all compulsory school level grades. Teknobalder’s role at upper secondary school level is to develop students’ interest in technolo-

gy and chemistry and to inspire them to continue their studies in these fields.

- Boliden has taken part in an educational course trade fair for upper secondary school students in the Odda and Hardanger region.
- Boliden Harjavalta is attempting to encourage students to choose mathematics and science by awarding grants. The Harjavalta, Kokemäki and Ulvila upper secondary schools received grants in 2008, as did students at Pori Technical College. Boliden Harjavalta is also working with Pori Technical College by providing practical training for teachers of technical subjects.
- Tara is continuing its involvement in a school partnership programme, promoting cooperation between schools and business. For the fourth year in a row students aged between 16 and 18 from Beaufort College have visited the Tara mine to learn more about the company and the workplace.

A SAFE WORK ENVIRONMENT IS ALWAYS THE TOP PRIORITY

A safe work environment is vital in mining and smelting operations. Safe methodologies generate stable production processes, while accidents can mean not only disruptions to production but also personal injuries.

We can improve safety to some extent through risk analyses, investments in safer machines, and the use of protective equipment. Statistics show however that 80 per cent of workplace accidents can be traced to behavioural patterns and attitudes in relation to safety issues, so if we are to achieve a lasting reduction in the number of accidents, we must also change attitudes and behaviour. This means that each and every one must think twice when carrying out our daily duties.

OUR GOAL IS ZERO ACCIDENTS

The accident frequency within Boliden has fallen by an average of 7 per cent per annum since 2002. The accident frequency in 2008 was 9.1 (9.9) accidents per one million hours worked. The frequency still

varies too much, however, from one year to another, and the reporting of incidents – events that could have led to accidents – has increased. Moreover, a fatal accident occurred at the Tara zinc mine in October. This indicates that we must become even more systematic in our health and safety work. These incident reports point to the areas where improvement is needed in order to prevent accidents before they occur.

The accident frequency goal was revised for 2009. Units previously aimed for a maximum of five accidents per one million hours worked, but the goal of every unit is now zero accidents per month.

NEW INVESTMENTS IN THE WORK ENVIRONMENT

All of Boliden's production units have implemented work environment management systems that comply with the OHSAS 18001 standard.

In 2009, we will be launching a Group-wide programme designed to increase employees' awareness, to increase the reporting of incidents and accidents, and to develop best possible practices for safe working. The aim is to draw up a plan for our health and safety work and the first stage will see us working to give our managers the tools they need.

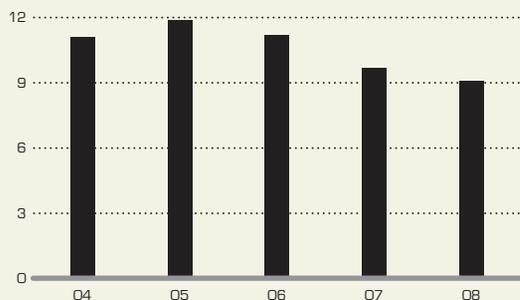
DRAWING INSPIRATION FROM BEST PRACTISES

A number of activities were implemented in 2008 with the aim of increasing levels of commitment to work environment activities. Five of the Group's operations were studied in order to identify best practices and disseminate them to all smelters and mines within the Group. The main lessons learned were the importance of committed and visible leaders, and of maintaining a tidy, orderly workplace. Managerial health and safety inspections were one good example highlighted. The inspection involves members of the management group, together with health and safety representatives, visiting every department several times a year. The inspection teams discuss local health and safety issues with the personnel and follow up on approved improvement measures to ensure they are implemented in full.

The comparative study was compiled in a report communicated throughout the Group and the units were also tasked with implement-

ACCIDENT FREQUENCY, 2004–2008

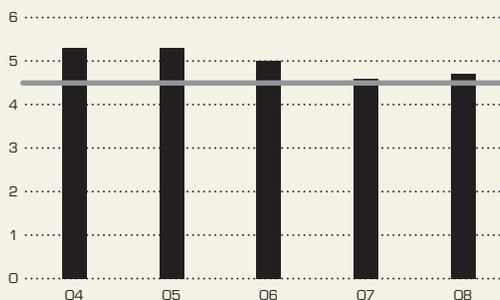
Number per 1 million hours worked



— Goal: zero vision

SICK-LEAVE RATE 2004–2008

Per cent



— Goal level: 4.5 per cent



Crushing ore involves great physical forces, making safety a top priority.

ing at least one improvement that would mean a safer work environment and which was inspired by another unit, before the end of the year.

SAFETY PERFORMANCE

With the aim of avoiding accidents, the 300 or so Garpenberg employees have been working on risk analyses, have taken part in regular training programmes, and have conducted discussions at work and in workplace meetings. By August 2008, not one single accident had occurred in the mining area for an entire year, which is the longest accident-free period ever in Swedish mining history. Shortly thereafter,

however, the record period came to an end when two miners were slightly injured during a rock-fall.

The Kokkola zinc smelter's laboratory, which analyses raw materials, end products and a range of process samples, has been completely accident-free for 30 years now. This record-long accident-free period, which is unique among Finland's industrial laboratories, was achieved in December 2007. In recognition of this achievement, in March 2008 the laboratory received an award from the Finnish Ministry of Social Affairs and Health and the Finnish Institute of Occupational Health's joint forum for prevention of accidents at work.

Mine rescue on the agenda



In the spring of 2008, Tara hosted the annual 'All Ireland and UK Mine Rescue Competition' for all mines in Ireland and the UK. A search and rescue operation for injury victims and a physical exercise were just two of the competition's total of seven categories. Each team comprised seven members and an extensive range of equipment. Tara won five of the seven categories and was, therefore, declared the overall competition winner.

"Obviously we're delighted that our team performed so well. It's a testament to our extensive efforts to establish a safe work environment," says Joe Rice, who is responsible for mine rescue training at Tara and who was in charge of the competition.

"We hope to successfully defend our title in the 2009 Mine Rescue Competition, which will be held in the UK," says Joe Rice.

Tara and two nearby mines also entered into a partnership with the Irish Air Corps during the year. In the event of an emergency in one of the mines, the Air Corps will fly rescue resources from other mines to enable rapid assistance to be provided. The partnership includes rescue exercises at regular intervals.



Six teams participated in the 'All Ireland and UK Mine Rescue Competition' that was hosted by Tara. The competition included both physical and theoretical tasks.

WORK ENVIRONMENT TRAINING FOR CONTRACTORS

Every year, Boliden engages many contractors at its facilities. Boliden works as actively when it comes to the safety of contractors as for our own co-workers. To this end, a computer-based health and safety training programme has been developed and implemented by Rönnskär's work environment department is being used at several Swedish units. Since 2008, contractors working on the Aitik 36 project, have been undergoing a new interactive online work environment training course. The training informs contractors about health and safety-related issues in connection with the process industry in general, and includes a local section on the specific risks at the respec-

tive units. A pass on the course is valid for three years. In the spring of 2009, the interactive training course will be implemented throughout Aitik's operations.

"Our long-term goal is for this training to apply to contractors throughout the Group," says Ingemar Jatko, who is a member of the course's reference group.

Similar activities are being conducted at other units. Odda and Kokkola for example have made special investments in training its contractors in health and safety issues in 2008.

IMPORTANT RESULTS

The Kokkola smelter launched an extensive and systematic action programme in 2008 with the aim of improving its safety work. The idea is for the programme to be an ongoing one: once one measure has been implemented, the next concrete improvement project will be tackled. The work is being headed by Kokkola's health and safety organisation, which launches activities where there is a clear need for improvement and on the basis of employee suggestions. Between five and ten developmental projects are always ongoing at any one time and they are followed up on a weekly basis. Providing ongoing information for employees is an important part of the programme.

"One of the most visible results of the project to date is the updating by the various departments of personal safety equipment, such as helmets and protective goggles. We are also currently working to ensure improved standards of cleanliness and tidiness and to establish common approaches throughout the smelter with regard to deviations from standards," says Arto Särkelä, Vice President ESQ at Kokkola and the man behind the new, systematic approach.

The new safer work environment programme has proven to be a functional method that helps the smelter to systematically promote safety, and to achieve rapid and lasting improvements.

THE ACCIDENT FREQUENCY RATE DROPPED 60 PER CENT AT RÖNNSKÄR

When the 'Zero Accidents' project was launched at Rönnskär in 2004, the accident statistics for the smelter were the worst in the entire Boliden Group. The aim of the project was to bring the accident rate down to zero over the course of three years. The project focused on changing attitudes and behaviour in the context of day-to-day work because these lay behind almost every accident.

By the time the project came to an end, the accident frequency had fallen from 23.5 to 8.9 per 1 million hours worked and the number of accidents had fallen by 60 per cent. And the fall has continued – in 2008, the accident frequency was 4.1 and Rönnskär had the lowest accident frequency in the Boliden Group.

The key to the project's success lies in the way the project management team has steered the work and the strong emphasis on ensuring commitment all the way down the line. Every employee has been taught how attitudes and behaviour affect the risk of accidents at work. The departments inventoried their own health and safety work, discussed health and safety issues, and submitted monthly reports to the project management on measures taken. Activities implemented as part of the project, such as managerial health and safety inspections, and the review meetings held after incidents and accidents, are also being continued.



An ambitious safety programme at Rönnskär has yielded results.

IMPORTANT PLAYER IN THE LOCAL COMMUNITY

Boliden is important to the development – and, in particular, to employment levels – of a number of communities. In addition to its role as an employer, Boliden is also a purchaser of local goods and services, an originator of local infrastructure, and a sponsor of a variety of organisations and events.

Less noise in Garpenberg

An extensive programme of work aimed at reducing the noise generated by ore crushing at the Garpenberg mine has been taking place over the past year.

“We’ve received a number of positive comments from residents in the local area and, in particular, from those who live closest to the mining area,” says Environmental Coordinator, Malin Söderman, at Boliden Garpenberg.

The ore from the mine needed to be crushed one extra time before being sent to the concentrator, and noise levels had consequently increased, with the additional noise coming from the operations of an external crusher.

The noise was initially reduced at source.

“We attached rubber fittings to the actual crusher. When that wasn’t enough, we extended and raised an existing noise barrier.”

The 7-metre high noise barrier is made from waste rock, covered with soil in which seeds have been sown. Boliden has also built a 3-metre high noise fence on the section of the barrier facing the community.

Noise requirements were tightened up as of 1st July. The new noise directive means that noise levels may not exceed 50 decibels during the daytime (between 7 a.m. and 6 p.m.). In the evening (between 6 p.m. and 10 p.m.), the maximum permitted noise level is 45 decibels, while at night, it may not exceed 40 decibels. Boliden now meets these limit values with a good margin.

“Our previous limit was 55 decibels during the day. The reduction to 50 decibels might not sound like very much, but it actually means a more than halving of the sound energy,” notes Malin Söderman.

Another measure aimed at reducing the noise burden at Garpenberg is a 4-kilometre long road that enables the ore from Garpenberg’s northern industrial area to the central one to go around the community rather than through it.

“It means a reduction in noise levels for the residents, while simultaneously improving matters from a traffic safety viewpoint,” says Malin Söderman.

The new ore road came into use on 1st January 2009.

Boliden delivers base metals which, through our customers and their customers, are used in numerous different ways in society. Historically speaking, our mines and smelters have given rise to the development of communities, making Boliden the dominant employer in the towns in which we are located. Our employees and their families can even constitute the critical mass that ensures the supply of fundamental social services and local facilities.

At the same time, our mines and smelters utilise large amounts of both resources and land, which means we must interact with a great many groups of stakeholders. Due to our close links with the communities in which we are based, we are keen to conduct a transparent and constructive dialogue with local residents, organisations, authorities and other interested parties.





Johan Jonsson, reindeer herder of the Mausjaur Sami village, shows the area to Elina Engelbrektsson, responsible for the social impact assessment.

New types of cooperation

Social impact assessments help Boliden to show greater consideration for the people affected by our operations. They also facilitate application procedures, for example when establishing new mines. A social impact assessment was concluded in the Boliden Area in 2008.

There is no legal requirement to carry out social impact assessments, and they are still relatively uncommon in Sweden. They are, however, common in conjunction with aid projects, for example.

In 2008, Boliden submitted an application to Bergsstaten for disposal rights over the gold deposit in Älgräsk and for permission, in future, to open a new mine. We carried out a social impact assessment (SIA) in addition to the usual environmental impact assessment. The SIA identifies, analyses and addresses the potential social impact of the planned operations.

A new mine would have a particular impact on two stakeholder groups: the residents of both the village of Älgräsk and of the Mausjaur Sami village, whose reindeer herding has been affected by previous mine establishments. It is important to the Sami village that the reindeer, which migrate between different grazing areas, are not disturbed. The biggest concern was that a mining project would disturb the reindeer husbandry to such an extent that it would threaten the reindeer herders' ability to earn a living. It was also important to the herders that they achieve clarity on environmental issues such as whether traffic, noise, dust and any effect on the water would have a negative impact, and with regard to the question of the increased risk of road traffic accidents involving reindeer.

For the inhabitants of Älgräsk, it was important that their village's character be maintained so that not only are they both able and willing to continue living there, but so that the village remains attractive to potential new residents. Many of the residents live along the road and have already felt the effects of increased traffic caused by sample drilling, so the road and transportation issue was giving rise to the greatest concern among the village's residents. Careless driving, noise and vibrations, and dust from the road were the main issues mentioned. The

potential future expansion of the mine was another area in which the village residents felt under-informed.

The social impact assessment was carried out by an external consultant commissioned by Boliden. The consultant conducted focus group interviews with the residents of Älgräsk and personal interviews with the four reindeer herders of the Mausjaur Sami village. The information was compiled in a report and resulted in a number of proposed measures. All of those involved – village residents, reindeer herders and Boliden representatives – were given the opportunity to comment on the results and propose additional measures. The process ended with a joint meeting before the report was wrapped up and became part of the source data for the application submitted by Boliden in September 2008.

The measures agreed by the village residents, the Sami village and Boliden included annual consultations, surfacing the roads, speed limits and ongoing meetings with the hauliers, together with mandatory contact in the event of a road traffic accident involving a reindeer. The parties prioritised specific measures, rather than financial compensation, for example.

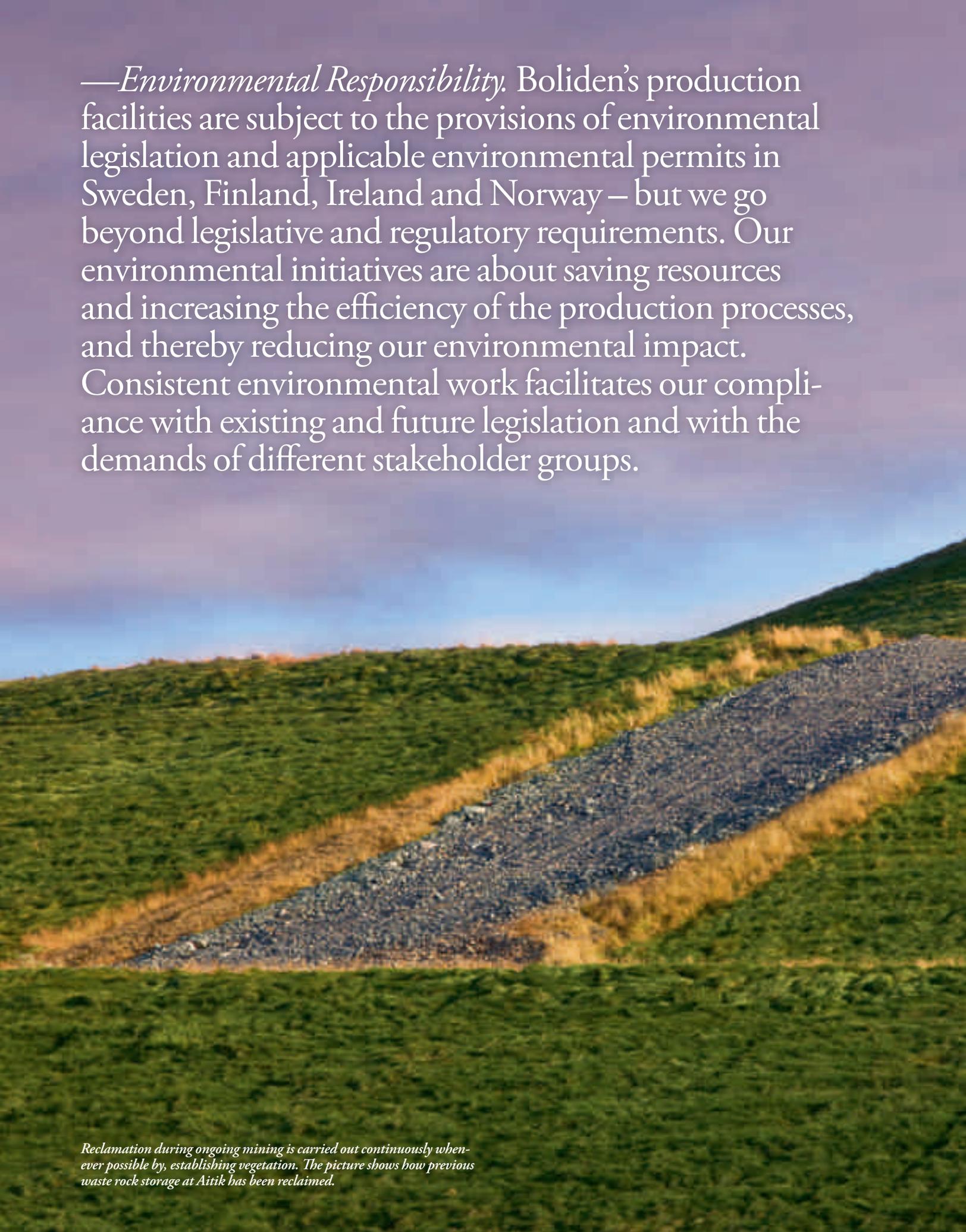
"This has proven to be an excellent way of generating a more in-depth dialogue with the people affected by our operations. It has given us the chance to investigate issues and agree on relevant accident-prevention measures," says Anders Forsgren, who is in charge of real estate and mining rights at Boliden.

"It means that even before we start any mining operations, we have sorted out the question marks and established a functional partnership. Social impact assessments are a useful tool in conjunction with applications and can facilitate contacts with authorities," adds Anders.

The process is not completed yet, however, in that Boliden is now awaiting a ruling by the authorities during the spring of 2009.

A social impact assessment is currently also being carried out in relation to an application for a new mine with deep storage facilities for process waste at Åkulla in the Boliden Area.

—*Environmental Responsibility.* Boliden's production facilities are subject to the provisions of environmental legislation and applicable environmental permits in Sweden, Finland, Ireland and Norway – but we go beyond legislative and regulatory requirements. Our environmental initiatives are about saving resources and increasing the efficiency of the production processes, and thereby reducing our environmental impact. Consistent environmental work facilitates our compliance with existing and future legislation and with the demands of different stakeholder groups.



Reclamation during ongoing mining is carried out continuously whenever possible by, establishing vegetation. The picture shows how previous waste rock storage at Aitik has been reclaimed.

THOROUGH CONTROLS AND NEW TECHNOLOGY REDUCE EMISSIONS

The separating out of metals and other substances that are, to varying degrees, released into the surrounding environment is an ongoing feature of the refinement chain. We are working continuously to reduce the amount of metals and chemicals released into the air and water.

Official requirements, coupled with our own goals, give rise to continuous improvements to process and cleaning techniques, in waste management, and in the restoration and reclamation of land. In the last decades, emissions from our mines and smelters have been substantially reduced.

EMISSIONS TO AIR

Emissions of metals to the air come partly from the smelters' ventilation gases and partly from what is known as diffuse dust from mines and smelters. The smelters account for almost all of Boliden's metals emissions into the air. Emissions fell by 34 per cent during the period from 2004 to 2008 – a reduction that should be viewed in relation to the goal of a 20 per cent reduction. The improvement was due to investments in better technology and the development of our routines.

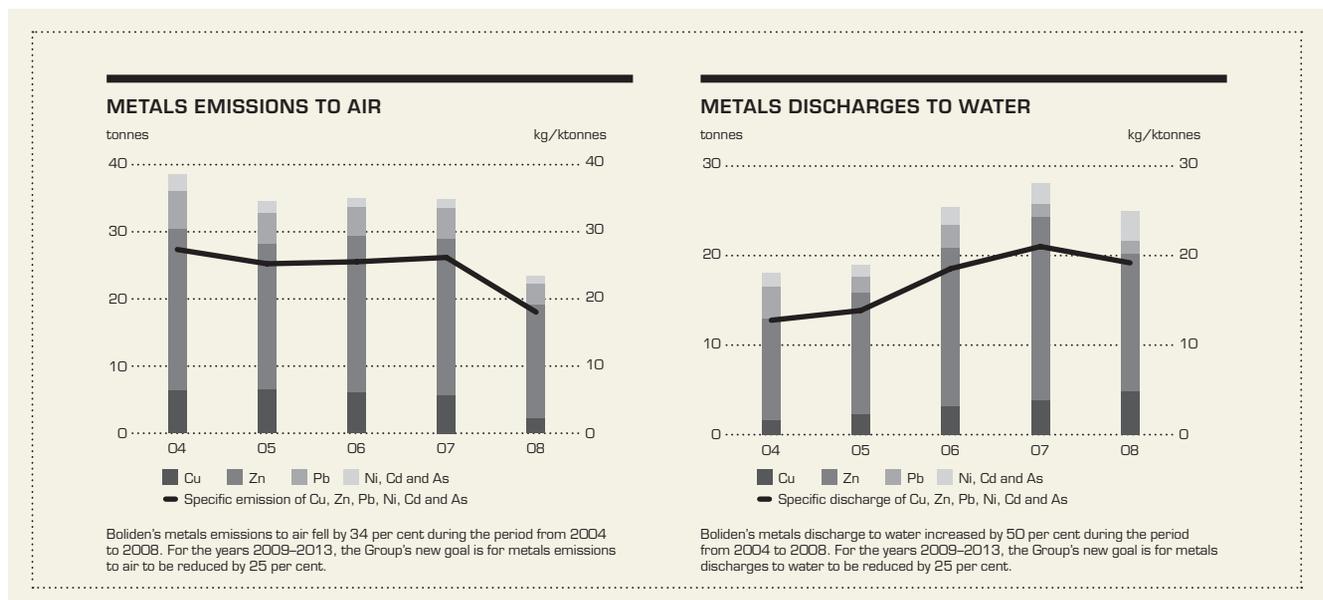
For the years 2009–2013, we have set a new goal for emissions of sulphur dioxide to air – emissions shall be reduced by 10 per cent by 2013. Nearly all of Boliden's sulphur dioxide emissions are attributable to the gases generated during the smelting processes at the Harjavalta and Rönnskär copper smelters. The emissions originates mainly from gases developed in the smelting process. Development of the processes and more efficient cleaning of ventilation gases have, however, substantially reduced sulphur emissions. Harjavalta, for example, emits more than 60 per cent less sulphur dioxide compared to 1990, at the same time as production has multiplied.

Diffuse dust exists on all our industrial areas. The production units work systematically with reducing the emission of particles. Aitik, for example, has a detailed activity plan, weekly meetings and activities such as increased salting and watering that have given results. During the year, the unit also performed helicopter bombings with cellulose on areas that were previously inaccessible. In Rönnskär the diffuse dust was reduced during the year, partly as a result of a new storage facility for incoming materials.

DISCHARGES TO WATER

Metals discharges to water come from the tailings ponds at the mines' concentrators, from treatment plants by the mines, and from the smelters' process water or surface water. The smelters account for approximately 75 per cent of Boliden's metal discharges to water, and the mines for the remaining 25 per cent. Heavy downpours and larger amounts of precipitation in 2007 and 2008 meant that Boliden's treatment plant processed almost twice as much water. The high system load caused the specific discharges of metals into water to increase by 50 per cent in relation to 2004 levels; the goal was a reduction of 20 per cent. Boliden is working on both the expansion of existing water treatment plants and the construction of new ones, to enable larger amounts of water to be processed.

Around 80 per cent of the nitrogen released into water comes from mining, and derives from the use of explosives in blasting operations and also from the gold leaching process. During 2009 investigations will be made to find ways of reducing nitrogen discharges.



New water treatment plant at Harjavalta

The Harjavalta copper smelter brought its new water treatment plant on line at the end of November. The plant treats surface and washing water from the industrial area's asphalted surfaces, along with a certain amount of process water. The new water treatment plant is partly in response to the Finnish authorities' demand for some 40 per cent lower limit values for the water, as of 1st January 2009.

The new facility can handle 1,200 m³ of water per hour, and it hence has approximately five times the capacity of the 20-year-old treatment plant. The use of fine-grained microsand to accelerate the rate at which the sediment sinks is an important part of the process, as is ensuring the correct chemicals dosage.

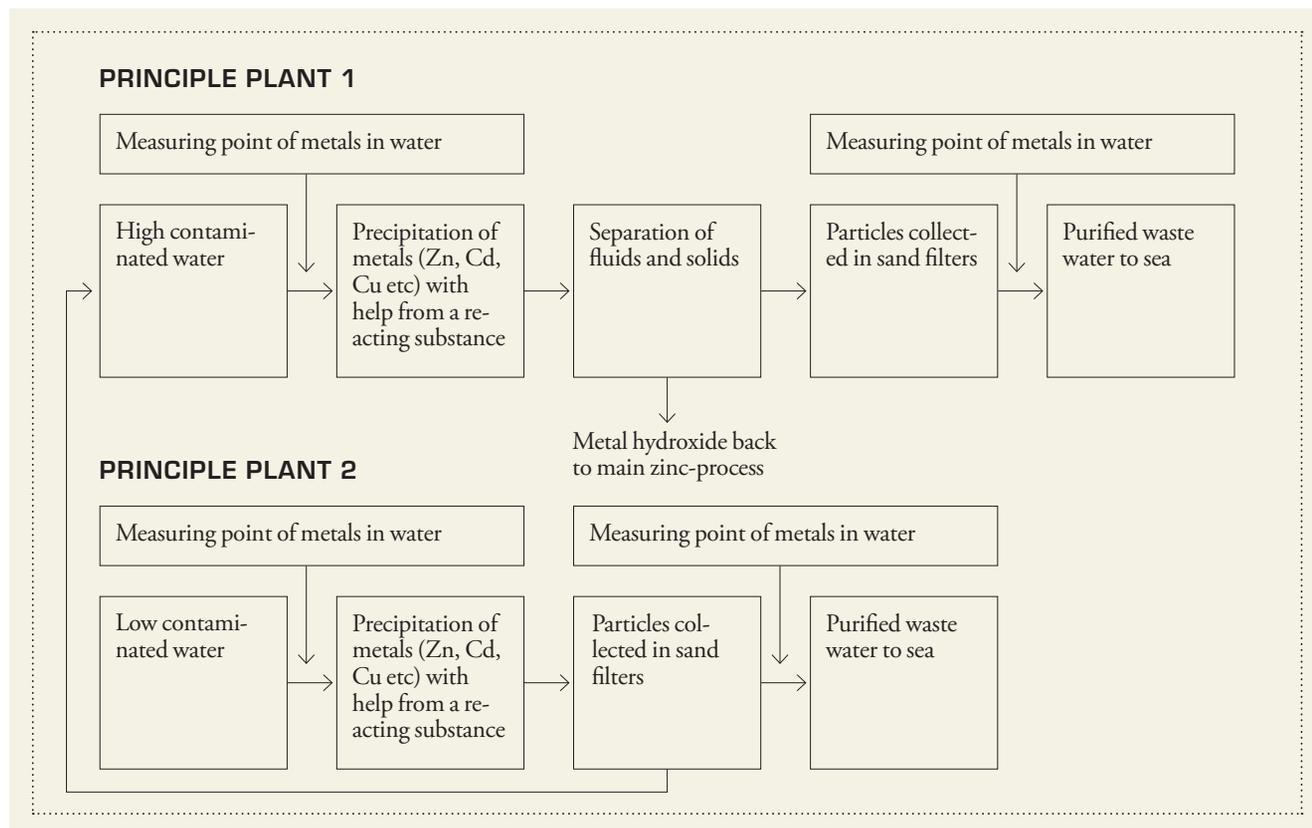
"The efficiency of the sedimentation process gives the facility substantial capacity in relation to its size, and this capacity increase is also vital in conjunction with heavy rainfall, for example," says Pekka Setälä, Project Manager at the smelter.



MORE EFFICIENT WATER TREATMENT IN ODDA

At Odda, an effluent water treatment plant has been in operation since 1977. It has been cleaning high contaminated water from the smelter's process and old ponds, as well as low contaminated water from rainfall. Over the years, the capacity of the plant has been increased in several small steps. At the same time, the amount of surface water has been increasing due to more frequent heavy rainfall. The high volume of this low contaminated water has limited the plant's overall ability to separate metals from the water. In order to improve the water treatment, a decision was made to build a parallel effluent water treatment

plant to the existing one for handling the low contaminated water. By separating the treatment of high and low contaminated water, the total capacity is doubled and the process becomes more efficient. The two lines each have a capacity of approximately 150 m³ per hour. This new plant played an important part in Odda's good results for 2008 regarding discharge of metals into water. The plants are based on slightly different process concepts, but they can be connected when needed. See the principle sketch below.





RESEARCH IN THE LOCAL AREA

Researchers at Luleå University of Technology began an investigation into nitrogen levels in the Brubäcken creek outside Boliden in 2008. The Brubäcken creek was chosen for study because of its proximity to Boliden's leaching plant, where cyanide is used to extract gold from ore. The cyanide is converted into ammoniacal nitrogen in the leaching plant.

"The researchers are investigating what happens with the nitrogen on its way along the Brubäcken system and how the nitrogen affects the surrounding area. They are also attempting to identify a means of treating the water," says Emma Rönnblom Pärson, who is the Environmental Coordinator for the Boliden Area.

The researchers are also investigating the effect of the nitrogen on wetlands and the transition zone between wetlands and dry land – an area of interest that has never previously been the subject of any major research projects. Water samples are being taken regularly throughout the year.

Boliden is co-financing the project, which will run from 2008 to 2011, along with interested parties, including Vinnova (the Swedish Governmental Agency for Innovation Systems).

Studies have also been carried out at the Kokkola smelter into the ways in which the surrounding area is affected by the operations. A risk evaluation of metals emissions into the groundwater, sediment and soil was com-

pleted at Kuopio University during the year. Zinc levels are still slightly elevated in the areas investigated. New, more efficient processes and more thorough metals separation have, however, had a positive effect on metal levels in the surrounding countryside, as can clearly be seen in biotests involving plants and animals, including worms.

"Another positive result was that the metals exist in a stable form and are not retained in the groundwater," says Kai Nykänen, Environmental Manager at the Kokkola smelter.

CAREFULLY CONSIDERED WASTE MANAGEMENT

Efficient waste management means saving resources – nature's and Boliden's – and we are always looking for better ways of handling both production waste and waste from other sources.

Waste rock, tailings sand, slag, sludge and dust account for by far the largest amount of waste, by volume, that Boliden's operations generate. They are generated as waste products from our mining and concentration operations, and in conjunction with metal production at the smelters. Boliden cannot reduce its waste quantities in this category without simultaneously reducing production volumes, so it is vital that we handle this waste as sustainably as possible. Our primary approach involves identifying internal solutions that enable safe landfill or recycling. Our tailings ponds, which are located adjacent to the concentrators, are used to dump tailings sand, to clean the process water, and as water reservoirs. A substantial amount of the waste rock and tailings sand produced is also used as backfill for mined out stopes in the underground mines.

THE BEST PLACES TO PROCESS WASTE

There are many ways of processing waste. Boliden believes that waste should be handled where it can be best used. Copper-bearing slag from the Harjavalta and Rönnskär smelters, for example, is transported to concentrators where the metal content is extracted once again and then returned to production. Copper-bearing waste from the Odda zinc smelter is transported to Rönnskär, which recycles copper from it. Zinc-bearing filter dust from the Harjavalta copper smelter is, in turn, sent to Kokkola for zinc recycling, while Bergsöe uses tin-bearing slag from Kokkola in its processes. Bergsöe's lead recycling process produces a slag known as matte, or synthetic iron pyrite, which is stored in sealed mountain caverns at Odda. We also sometimes process waste

from the immediate area. The Odda zinc smelter, for example, receives zinc-bearing dust from a nearby smelter which produces the titanium-bearing slag, ilmenite.

ALL-ENCOMPASSING APPROACH TO WASTE

As a result of an EU Directive dating from 2006, Boliden has exceeded the legislative requirements and launched a waste management project. The goal is to establish comprehensive control over waste management, to identify synergies, and to enable us to be proactive ahead of future legislation.

"Our aim here is to optimise the way in which we handle our waste. It is important that Boliden is a pioneer when it comes to waste management because it is such a major part of our operations," says Emil Jösöndal, who is responsible for Boliden's new waste management programme.

"Over the past year, we have made an inventory of the types of waste and waste flows present within Boliden. This has given us a clearer picture of the challenges we face as well as measures we should prioritise with respect to legislation. This review will form the basis for an impact assessment and finally an action plan," says Emil Jösöndal.

The results of the work will be presented before the end of 2010.

NON-INDUSTRY-SPECIFIC WASTE

Materials recycling, energy extraction and landfill are the most common means of handling non-industry-specific waste. Boliden's units are principally able to reduce the quantities of steel scrap, paper and waste oil that they generate by implementing sorting systems that enable the waste to be sorted and transported on to the correct recipient.

Non-industry-specific waste sent to landfill has increased by 6 per cent since the base year of 2004, calculated as volume per tonne of metal produced. The goal was to reduce it by at least 20 per cent by the end of 2008. The main cause is increased amounts of waste in conjunction with expansion projects and construction work.

PURPOSEFUL RECYCLING

The Harjavalta copper smelter has launched a systematic programme of activities aimed at increasing the amount of waste recycled by the smelter. Harjavalta's goal is for the plant to be recycling 95 per cent of all waste by 2011. The interim goal for 2008 was 80 per cent.

"We've reviewed the sorting at source potential with waste stations in every department, and have updated the facilities, e.g. in the form of new containers. We've also augmented our ability to collect waste that can be used in energy production, which is very important in terms of reducing the amounts of waste deposited at environmental collection plants," says environmental engineer, Hanna-Leena Heikkilä.

Harjavalta held a course in waste management for all employees in 2008 and the issue has also been published in the smelter's information sheet. Individual employees from every department have also been appointed to monitor waste management and recycling levels.



Waste rock can be used as ballast material during road construction.

Waste or not waste?

Uncertainty may exist as to what constitutes waste today and what will constitute waste tomorrow. The issue of waste management is, therefore, a complex one. As limit values for substance contents change, it can become even more difficult to determine whether a waste product should be classified as waste, must be processed in a particular way, or can be sold as a product. A waste product from Boliden's production can sometimes be used in a new application. Waste rock, a bulky waste product produced when mining, can be used as filler or ballast material during road construction, for example.

The first changes to Boliden's waste management resulting from the new project (refer to page 30) will become apparent in 2009.

NEW REGULATIONS FOR MERCURY

Heavy metals are present to varying degrees in mining concentrate. Waste, containing mercury and cadmium is processed in accordance with strict guidelines, or processed by specialist companies. The Kokkola and Odda zinc smelters also sell mercury and cadmium, respectively, to customers within the EU approved in advance by Boliden. The customers' use is checked thoroughly, both before and after sale.

The European Parliament's and Council's Ordinance, which came into force at the end of 2008, imposed an export ban on metallic mercury, however, and required it to be stored securely. From 15th March 2011, mercury from the production of metals other than iron and cinnabar ore will be regarded as waste and must be separated out in a way that is safe both for human health and for the environment. By 1st January 2010, the European Commission will suggest criteria to govern the way in which final storage of mercury shall be carried out.

LOWER ENERGY CONSUMPTION PROMOTES LONG-TERM COMPETITIVENESS

The lower the level of energy consumption that Boliden can achieve, the lower the cost will be, both to us and to the environment. Our strategy is, therefore, to continuously improve our energy efficiency through a range of programmes and measures.

Metal production is extremely energy-intensive. Boliden's energy consumption in 2008 totalled 19 (17) million gigajoules (GJ). Electricity accounts for approximately 12 million GJ out of this amount, or approximately 3.5 TWh, corresponding to around one per cent of all electricity consumption in the Nordic region. Although our smelters are among the most energy efficient in the world, energy consumption is a major cost item. Energy accounts for approximately 16 per cent of the Group's total costs. Our investments in production processes and new technology usually mean more efficient energy use.

Boliden works in accordance with an established energy policy and at the end of 2008, the Group achieved its goal of introducing certified energy management systems at all production facilities. The origin of

the electricity that Boliden uses is determined by the so-called national mix in the various countries in which we operate. In general terms, however, hydroelectricity is the primary source of energy at the Swedish and Norwegian units, while in Finland, renewable energy and nuclear power are the most common sources. In Ireland, 90 per cent of the electricity is generated from imported fossil fuels, chiefly gas. The smelters take waste heat from the metal production processes and use it to heat premises. Several of the smelters sell on the surplus to local district heating plants.

The Odda smelter concluded two electricity supply agreements with a combined term of over 30 years with the Norwegian firm, Statkraft, at the end of the year. The agreements not only guarantee electricity supplies at predictable prices, they will see hydroelectric power continue as Odda's primary power source for an extended period of time.

Boliden is a member of several organisations working to increase energy efficiency and to promote sustainable energy solutions. In Sweden, we are involved in the programme for improving energy efficiency (PFE), which is a voluntary programme for energy-intensive industrial companies, and which is run by the Swedish Energy Agency. PFE's equivalent in Finland is called MOTIVA. In Ireland, we are working within the framework for Sustainable Energy Ireland (SEI). Participation in the nuclear power projects Industrikraft and Fennovoima helps Boliden to secure long-term and competitive access to electricity.

CARBON DIOXIDE EMISSION RIGHTS

Carbon dioxide emissions primarily occur during the combustion processes in our smelters and during transportation at all plants. Reducing carbon dioxide emissions at Boliden's facilities is difficult without simultaneously reducing production. The Rönnskär copper smelter and the Bergsöe lead smelter are the Boliden facilities covered to date by the EU system of trading in emission rights. Between 2005 and 2007, they were allowed to emit 12,492 and 46,876 tonnes, respectively, per annum. The two smelters have now been allocated new emission rights for the period from 2008 to 2012 and are allowed to emit 78,909 tonnes of carbon dioxide.

ENERGY CONSUMPTION

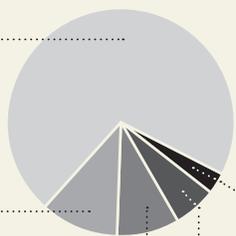
Purchased electricity/heat 71%

Coal/Coke 11%

Diesel 9%

Oil 6%

Other 3%



CARBON DIOXIDE EMISSIONS

Purchased electricity/heat 41%

Coal/Coke 23%

Diesel 15%

Oil 10%

Plastics 6%

Other 5%



From 2004 to 2008, the specific emissions of carbon dioxide have increased by 16 per cent. For the years 2009-2013, emissions of carbon dioxide shall not increase by more than 3 per cent taking planned production increases into account.

Since 2004 the specific emissions of carbon dioxide have increased by 16 per cent. The main reason is expanded reporting of transport work, which now also includes contractors at all units, and to increased traffic in conjunction with expansion projects and construction work. The new goal for carbon dioxide emissions is that they shall not rise by more than 3 per cent when planned production increases are taken into account.

New legislation governing the allocation of emission rights will come into force in 2013 and is expected to mean an increase in energy costs.

TRANSPORTATION

Metal concentrates and finished metals are transported in large quantities, and ships and trains are thus appropriate means of transport for these materials. Our best opportunity for reducing carbon dioxide emissions generated by transportation comes from choosing lower emission transport alternatives, from applying 'eco-driving' principles, and from optimising logistics systems. Once a ship has unloaded its cargo for Boliden's smelters in Bottenviken, for example, they will normally load forestry or steel products for another industry from a nearby port. This ensures optimal use is made of the ships and that unladen trips are minimised. New regulations governing the sulphur content of the ships' fuel in the North Sea help to further minimise the environmental impact.

Quantities transported will increase substantially after 2010 as a result of the expansion of the Aitik copper mine. An efficient rail-based solution for transport to the Rönnskär smelter will enable the volumes transported to be increased without imposing any significant additional burden on the environment.

MEANS OF TRANSPORT (ORE, CONCENTRATES, METALS AND BI-PRODUCTS)

DISTRIBUTION BY TON	PER CENT
Sea	60
Rail	22
Road	18



SMALL CHANGES WITH BIG IMPACT

Although Kokkola is one of the most energy efficient zinc smelters in the world, it consumes large quantities of electricity. The biggest energy consumer within the plant is the tank house, which uses electric current to separate out zinc from the zinc sulphate solution. In 2008, the smelter completed a project that entailed a change to the spacing between the tank house electrodes.

"We changed the spacing between the electrodes from 80 mm to 75 mm. This allows us to increase the number of electrode pairs by 10 per cent. The change increases the precipitation area for the zinc and reduces the current density, thereby improving energy efficiency and cutting our costs," says Project Manager, Esko Ohvo.

"The change has cut the amount of energy needed to produce one tonne of zinc by 100 kWh, which, given current electricity prices and production volumes, means a saving of EUR 1.5 million per year," continues Esko.

Progress in energy efficiency has significantly reduced carbon dioxide emissions related to direct and indirect use of energy.

SOIL CONSERVATION AND RECLAMATION ARE A NATURAL RESPONSIBILITY

Boliden needs access to large amounts of land for exploration, mining and the construction of tailings ponds. We often work in partnership with universities, research institutes and other organisations in order to achieve the optimum solutions with regard to soil conservation and reclamation.

Less than 30 per cent of Boliden's total land holdings today of approximately 18 000 hectares comprises affected and, as yet, un-reclaimed land. Currently active areas are also included in this figure. Approximately 8 per cent of Boliden's forest land holdings are designated as protected, in order to promote nature conservation interests, and all of Boliden's forestry holdings are now FSC certified.

Boliden's goal during the period from 2004 to 2008 has been to reclaim the same amount of land as we use. We have been unable to maintain this balance during the five-year period in that 404 hectares of unaffected land has been utilised while 110 hectares of land has been reclaimed. The imbalance during the period was mainly caused by the construction of the new tailings pond in the Boliden Area (the Hötjärn tailings pond) and by the expansion of the Aitik copper mine.

The expansion projects will continue, and over the next five years, we will utilise larger amounts of land than we can reclaim.

Boliden is responsible for the reclamation of 7 closed down mining areas and a number of smaller mine sites. The ongoing projects are located in Sweden, Norway and Canada. Work is currently in progress on drawing up a long-term plan for continuous improvements to the way in which we handle decommissioned mines. The plan will come into force in 2010.

A total of SEK 625 million (SEK 604 m) had been allocated for reclamation work by the end of 2008. For further information on our allocations for reclamation costs, please see Note 17 of Boliden's Annual Report.

RECLAMATION WORK IS ALSO BEING CARRIED OUT FOR EXAMPLE AT:

Långele, where complementary reclamation work has been carried out. Measures include risk analyses, raising the water level in the area by filling in a ditch and the construction of a levee to control groundwater levels. Groundwater pipes have been installed to facilitate environmental supervision.

Kimheden, where complementary reclamation measures have been carried out, including risk analyses and digging a ditch to improve surface water management. Groundwater pipes have been installed to facilitate environmental supervision.

Näsliden, and **Rutjebäcken**, where risk analyses have been carried out to improve in-house monitoring work.

Saxberget, where an environmental impact assessment of the removal of dams in Saxdalen has been produced.

The Åkulla Ö open pit, **Åkulla V open pit**, and **Udden open pit** were limed during the summer to improve water quality. Risk analyses were also carried out at all three open pits, and at the **Grängsgruvan mine**. At Udden, groundwater pipes have been installed to facilitate environmental supervision.

Kristineberg, where moraine coverage of tailings pond number 3 was completed in accordance with a previously approved reclamation plan.

Kankberg, where a new pump main and expanded basin were constructed to improve drainage water management. Work has been carried out on the production of a detailed reclamation plan at Kankberg and **Höbäcksdalen** at Gillervattnet.

The Hornträskgruvan mine, has continued with the infiltration of limestone solution during the months of the year when there is no snow on the ground.

Rakkejaur, where work has begun on a degree thesis that will, among other things, entail an evaluation of the reclamation of the industrial area based on chemical analyses of surface water and groundwater.

Premier Gold is located near the town of Stewart and the Portland Canal, which is Canada's most northerly ice-free port.



RECLAMATION OF CLOSED SITES PART OF OUR RESPONSIBILITY

One of Boliden's reclamation projects involves the decommissioned gold mine, Premier Gold, in Canada.

The Premier Gold mine in the northern part of the Canadian province of British Columbia was one of Canada's biggest gold mines during the first few decades of the 20th century. People from all over the world came here to get rich during the gold rush, but there have been no mining operations at Premier Gold for over ten years now, and the area is being reclaimed. The work is being carried out in tough environmental conditions, in difficult terrain, and with a constant risk of run-ins with bears.

"Every reclamation project is unique, but the reclamation work here in Canada is very unlike the work we do in Sweden," says Environmental Coordinator, Ylva Wård, who ensures that the environmental work at Premier Gold goes well.

Three Boliden employees are responsible for the closed-down mine and Ylva is responsible for, among other things, planning, advice and contacts with the authorities.

Boliden never conducted the mining operations here, but took over the project in 1998 when the company bought the Canadian mining company, Westmin Resources, which since then has been sold. A preliminary plan for reclamation of the area was in place at that time. The total area of land covered by exploration and exploitation concessions is 1,100 hectares.

Boliden's first reclamation plan was approved by the Canadian authorities in 2002, and the plan was then updated in 2007 to cover the next five years' work.

"When it comes to reclamation, the requirements in Canada – with regard to water management around the mine, for example – differ slightly from those in Sweden. We're

in the process of developing something called 'site-specific water quality objectives' to ensure that we achieve a water quality that is right for this particular site," says Ylva Wård.

This process includes understanding the amount of water that flows through the area and the metal burden that is acceptable in the local environment.

There are also other differences between the Canadian mine and the Swedish ones.

"There's a lot of bears in the area during the spring, summer and autumn. The climate here poses a challenge as well because there are only three or four months of the year when the ground isn't covered in snow," says Ylva Wård.

According to the reclamation plan, all reclamation activities shall be completed by 2012.

— *Economic Responsibility.* Our long-term profitability depends on our working to a high standard, efficiently and responsibly. When things go well for us, the operations generate immediate value from which our stakeholders will benefit in various ways. We deliver customer benefit and offer our employees a safe and stimulating work environment which, in turn, generates returns for our shareholders.



Boliden extracts pure gold. The casted gold ingots are approved by the London Metal Exchange. About 40 per cent of the gold that is extracted at Rönnskär originates from recovered electronic scrap. The picture shows a melting pot used to cast gold.

PROFITABILITY A KEY TO ECONOMIC CONTRIBUTIONS

Boliden's operations generate a number of economic flows. The key lies in our customers wanting to buy our metals and our upholding sustainable profitability.

Boliden's metals are used in a multitude of ways to build societies and their infrastructure. In addition to this benefit, our operations create direct value that we distribute to our stakeholders in different ways.

We are often the dominant employer in the communities in which we operate. A rule of thumb suggests that for each Boliden employee, another three to five local jobs are created. The effects are difficult to estimate, but in certain locations our employees and their families even constitute a critical mass for the supply of public services.

Costs attributable to our 4,600 or so employees in five countries primarily comprise salaries, employer's contributions and other taxes, and provision for pensions. We buy commodities from around 6,500 suppliers, 80 per cent of whom are local. Boliden endeavours to involve itself in and make a positive contribution to the communities and the areas in which we operate. Some of this involvement takes the form of support for and partnerships with a range of voluntary organisations, associations and activities across the community when possible. Our support focuses primarily on local sporting and cultural events and schools and hospitals, primarily those with links to children and young people.

Finally, some of the profit we make accrues to our owners in the form of a dividend. Boliden's Board of Directors proposes that the Annual General Meeting approve a dividend for 2008 of SEK 1 (SEK 4) per share.

With long-term profitability, our business remains attractive to employees, customers, owners, suppliers and society in general. To find out more about our financial performance, please see Boliden's 2008 Annual Report.

FINANCIAL PERFORMANCE AND PRODUCTION

	2008	2007	2006	2005	2004
Revenues, SEK m	30,987	33,204	35,213	20,441	17,928
Operating profit (EBIT), SEK m	1,004	5,428	8,522	3,069	1,831
Cash flow before financing activities, SEK m	837	1,212	6,271	1,558	44
Earnings per share, SEK	3.42	13.37	21.66	7.06	4.97
Return on capital employed (ROCHE), %	5	29	52	20	12
Net debt, SEK m	6,305	5,524	-195	5,526	6,468
Net debt/equity ratio, %	39	43	-1	54	71
PRODUCTION SMELTERS					
Zinc, tonnes	443,191	462,570	442,908	433,189	425,426
Copper, tonnes	349,593	314,881	356,392	347,707	359,987
Lead, tonnes	56,812	69,730	70,239	72,760	73,548
Gold, kg	15,489	14,876	19,693	20,439	19,899
Silver, kg	488,285	379,749	414,402	468,630	474,727
Sulphuric acid, tonnes	1,328,904	1,230,861	1,341,399	1,339,703	1,379,321
PRODUCTION MINES					
Zinc, tonnes	297,423	333,293	327,643	341,532	348,546
Copper, tonnes	57,220	62,803	86,824	86,929	82,335
Lead, tonnes	53,041	54,166	48,778	49,413	54,458
Gold, kg	2,603	2,834	4,510	4,471	5,228
Silver, kg	211,683	241,701	211,640	226,114	227,564



BOLIDEN CREATES JOB OPPORTUNITIES AT LOCAL SUPPLIERS

Boliden not only provides employment for its own personnel, its operations also help create other job opportunities in the local communities in which the company's mines and smelters are located.

"Boliden is a very important customer, and has been since our company was founded in 1999," says Christer Gyllengahm, President of the mining contracting company, Bergteamet.

Boliden works with a great many partners. Running the operations efficiently not only requires internal resources, it requires suppliers, and we have a total of around 6,500 suppliers, with a combined purchasing volume of about SEK 6 billion. Approximately 80 per cent of these suppliers are local ones. The procurement department has been working to reduce the number of suppliers over the last four years in order, among other things, to standardise purchasing and deepen the relationships with those who remain. This work will continue but, in all probability, the local suppliers will continue to be used due to the competitive advantage they possess as a result of their proximity to Boliden's facilities.

One of Boliden's local suppliers is Bergteamet, which, with just over 300 employees, is Sweden's biggest underground mining contractor. 2008 has seen Bergteamet doing work for Boliden in the Aitik, Garpenberg, Kristineberg and Tara mines.

"We're always doing something for Boliden. Some 30 or so of our people work directly with Boliden, but the number varies depending on the number of projects in progress, their scale and the timescales involved," says Christer Gyllengahm.

The biggest partnership project at the moment involves Aitik 36, where Bergteamet is working on a subsidiary project as part of the mine's massive expansion.

"At Aitik, we are driving tunnels and building some large stopes. The tunnels will be used to transport ore from the crusher that will be located in the open pit mine."

In 2008, Bergteamet built a new surface ramp to the Garpenberg mine that will function as an access tunnel down to the mine's 350-metre level. The company is also drilling shafts at Kristineberg and at Tara.

Environmental and safety regulations are put in place for every project. The work is followed up both during monthly construction meetings that review everything that has happened, and during audits carried out by Boliden.

"Boliden are open and very easy to talk to, but at the same time, they are very clear about what they want from us as a supplier. We get nothing for free, just because our relationship with them goes back a long way," says Christer Gyllengahm.

In order to live up to Boliden's requirements, Bergteamet has employed a coordinator who works with environment, health and safety issues. Bergteamet has also begun the process of achieving ISO 14001 environmental certification.

"We have a very good partnership with Boliden and they're a very valuable customer for our business," says Christer Gyllengahm.

Supplier requirements

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

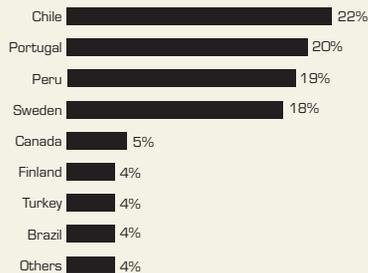
Boliden has a Group-wide purchasing organisation that comprises 46 employees located in Norway, Finland, Sweden and Ireland. The way in which we guide, co-operate with and follow up on suppliers

are all important issues for the purchasing staff, and the results of their work are reflected in the contracts concluded.

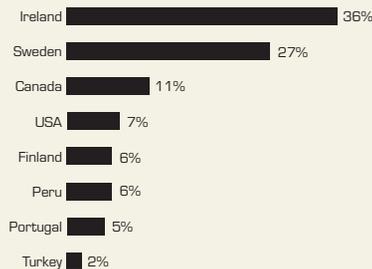
Work on developing procurement routines began in 2008. We drew up a management system in accordance with the ISO 9001 quality standard. The management system makes it even easier for us to control the environmental, safety and other requirements imposed on our suppliers in a structured way.

An important part of our organisation, 'Logistics', works exclusively with logistics and transport procurement. Among other things, Logistics has initiated the Q3 project in partnership with the Swedish Road Administration, with the aim of improving our ability – in our role as transport purchasers – to make demands in conjunction with procurement processes and thereby increase the quality of heavy road-based transportation.

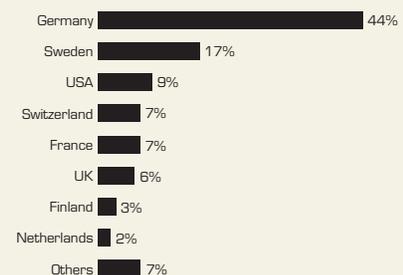
ORIGIN OF BOLIDEN'S COPPER CONCENTRATE 2008



ORIGIN OF BOLIDEN'S ZINC CONCENTRATE 2008



ORIGIN OF ELECTRONIC SCRAP 2008



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

BOLIDEN MONITORS SAFT

Boliden does not just monitor its suppliers, it also monitors its customers. The industrial battery manufacturer, SAFT (Société des Accumulateurs Fixes et de Traction) in Oskarshamn buys cadmium from Odda. Along with nickel, cadmium is the most important raw material in batteries, and is a metal that could have a negative impact on human health and the environment if not handled in a sustainable way.

In late 2008, Boliden reviewed the way in which SAFT handles cadmium.

"We're happy to receive visitors. It gives us the chance to show off our operations and to get to know our suppliers," says Lars-Erik Johansson, Environmental Manager at SAFT in Oskarshamn.

During the visit, Boliden's representatives checked the company's environmental certification, among other things.

"They also looked at how we handle cadmium in general, and focused in particular on our waste management," says Lars-Erik Johansson.

Boliden's overall impression, as expressed in its report on the visit, was that SAFT handles environmental, health and safety issues very

efficiently. Emissions are well below permitted limit values and their waste management processes are reliable.

At the end of the year, SAFT also concluded an agreement with Boliden to deliver waste containing low amounts of cadmium to the Odda smelter for processing.

"The waste we send to Odda is the sort of waste that we have difficulty in processing efficiently in our own recycling facilities. We do, however, have a closed system for our own battery recycling that processes the cadmium and nickel subsequently used in our new industrial batteries," says Lars-Erik Johansson.

SAFT in Oskarshamn consumes a total of 800 tonnes of cadmium per annum to manufacture large, powerful industrial batteries used as backup power sources at airports, on oil rigs, in hospitals, and within the railway industry. The company has a total of 4,000 employees and sells its products worldwide. Approximately 10 per cent of the company's employees are based in Oskarshamn.

SAFT is certified in accordance with ISO 9001 and ISO 14001.

THE GROUP'S SOCIAL AND ENVIRONMENTAL PERFORMANCE

SOCIAL PERFORMANCE	2008	2007	2006	2005	2004
Accident frequency, number per 1 million hours worked	9.1	9.9	11.2	11.9	11.1
Sick-leave rate, %	4.7	4.6	5.0	5.3	5.3

ENVIRONMENTAL PERFORMANCE	2008	2007	2006	2005	2004
Specific energy use, GJ/tonnes	14.96	12.74	12.47	12.53	12.21
Specific carbon dioxide emissions, tonnes/tonnes	0.58	0.46	0.50	0.50	0.49
Water discharges, kg	2008	2007	2006	2005	2004
Copper	4,809	3,887	3,220	2,331	1,652
Zinc	15,359	20,408	17,635	13,556	11,291
Lead	1,398	1,489	2,579	1,698	3,602
Nickel	3,127	2,021	1,700	1,154	1,331
Cadmium	188	229	192	220	133
Mercury	31	23	25	21	30
Air emissions, kg	2008	2007	2006	2005	2004
Copper	2,120	5,643	5,972	6,493	6,377
Zinc	17,060	23,309	23,396	21,627	24,012
Lead	3,109	4,536	4,317	4,685	5,712
Nickel	206	328	152	481	802
Cadmium	203	281	312	355	471
Arsenic	735	858	785	887	1,236

GLOSSARY

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

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

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

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

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

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

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

FLOTATION Flotation, part of the concentration process, separates out different types of mineral by making them float to the surface in a froth.

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

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

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

METAL ASHES Pulverised slag from metal foundries and brass manufacturers.

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

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

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

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

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

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

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

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

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

TAILINGS The non-valuable product that remains after the metal has been separated out during the concentration process. It can be pumped underground as backfill for mined out areas, or stored in a tailings management facility (TMF).

VINNOVA (The Swedish Governmental Agency for Innovation Systems) is a Swedish state authority that works with innovations linked to research and development.

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