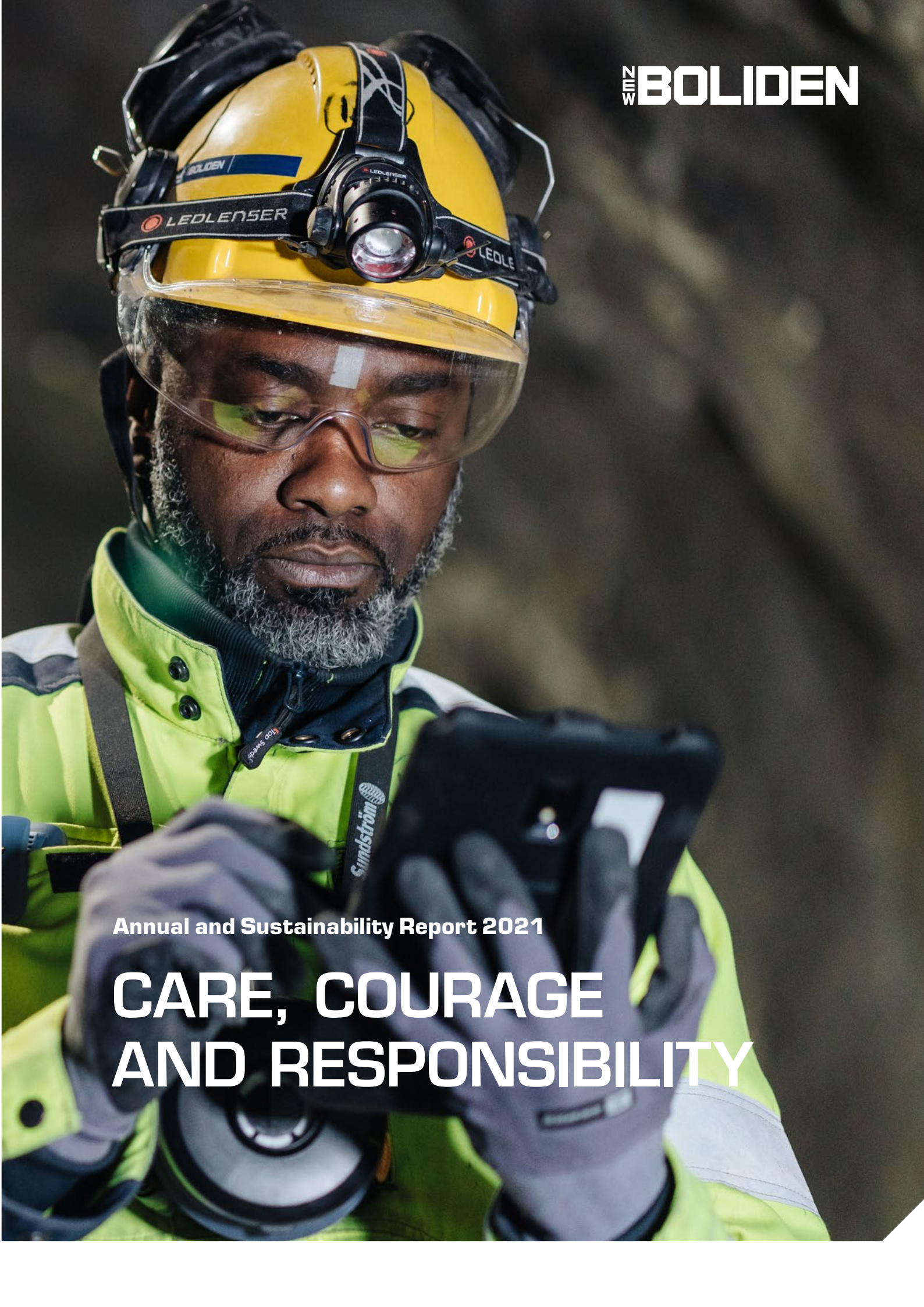


**WILZ** BOLIDEN

Annual and Sustainability Report 2021

# CARE, COURAGE AND RESPONSIBILITY



## CONTENTS

### INTRODUCTION

About Boliden	1
Boliden as an investment	2
President's statement	4
Market and trends	6
Strategic focus	8
Targets and outcomes	10
Business model	12
Income model	14

### OPERATIONS

Boliden's Mines and Smelters	16
Business Area Mines	18
Business Area Smelters	24
Boliden's sustainability work	30
Employees	32
Environment	34
Climate	36
Role in society	37
Responsible business	38
Group performance	40

### MARKET AND RISK

Market developments	46
Market position	48
Competitiveness	49
Price development	50
The Share	54
Risk management	56

### CORPORATE GOVERNANCE

Corporate governance	60
Internal control	66
The Board of Directors	67
Group management	69

### FINANCIAL REPORTS

Consolidated reports	70
Parent company reports	75
Notes	76
Proposed allocation of profits	104
Audit report	105
Mineral Resources and Mineral Reserves	110
Ten-year overviews	115
Definitions and industry terminology	122
Annual General Meeting	124
Addresses	125

#### About Boliden's Annual and Sustainability Report

The Annual and Sustainability Report describes Boliden's financial performance and sustainability work. The Directors' Report comprises pages 10-13, 16-19, 22-25, 28-45 and 56-69.

Boliden's Sustainability Report as required by Chapter 6, section 11 of the Swedish Annual Accounts Act, is presented on pages 10-13, 19, 30-39 and 56-59.

## KEY FIGURES

**68,636**

Revenues  
(SEK m)

**11,082**

Operating profit  
(SEK m)

**7,148**

Free cash flow  
(SEK m)

**5,989**

Investments  
(SEK m)

**5.9**

Lost Time Injury  
Frequency (LTIF)

**0.66**

Carbon dioxide intensity

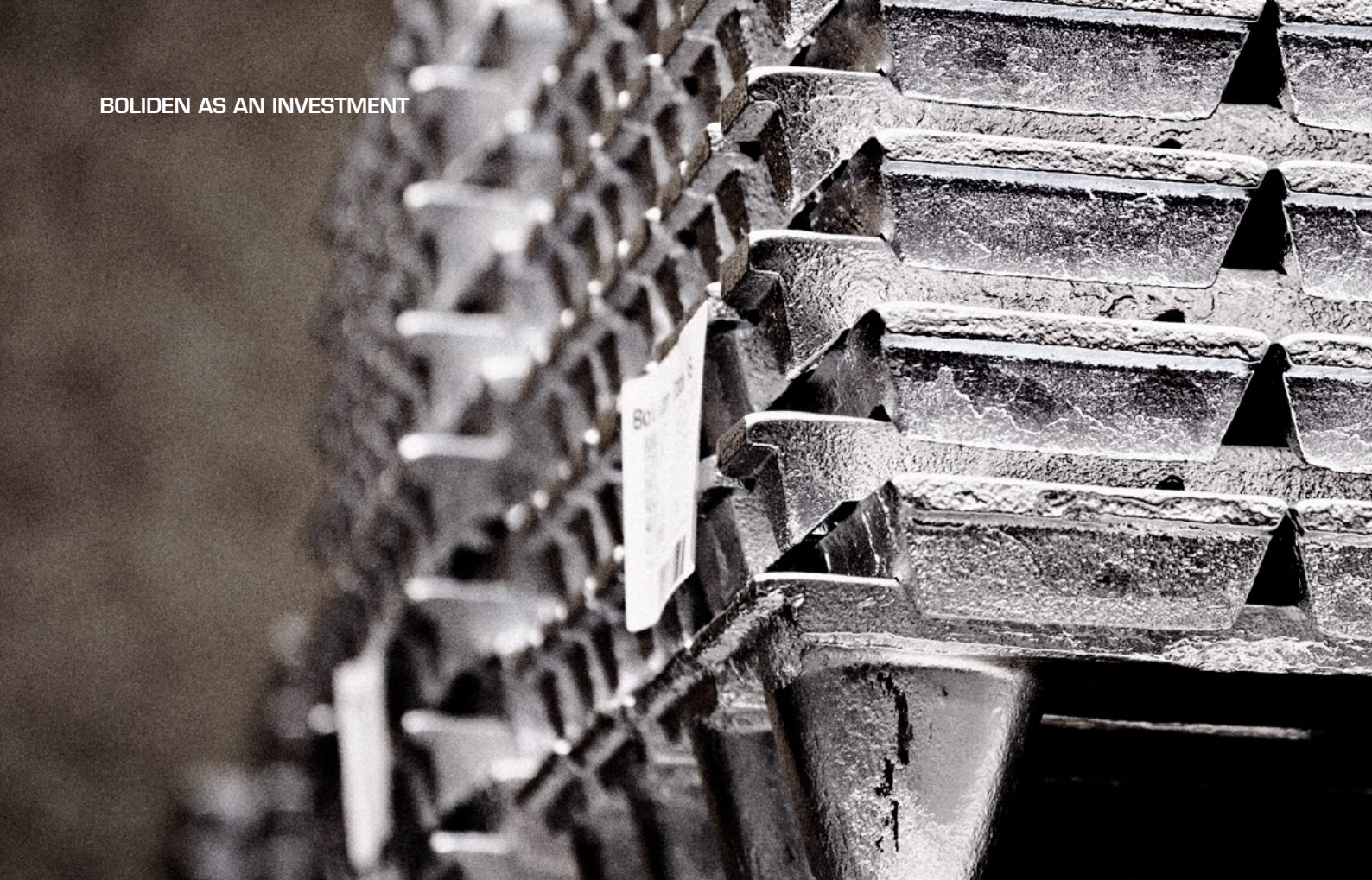
### KEY EVENTS DURING THE YEAR

- Decision to invest SEK 1,250 m to expand the Kristineberg mine toward the Rävliiden mineralization.
- Decision to invest EUR 700 m in the Odda zinc smelter in Norway. The investment means the production of zinc with world-leading climate performance will almost double.
- A new leaching plant and underground repository were commissioned in Rönnskär. The facilities mean that more metal can be extracted from materials while securing a long-term, sustainable solution for the smelter's waste management.
- The capacity of the Harjavalta nickel line was increased from 310 to 370 ktonnes of raw material per year, and involves a reduction in carbon intensity of 15-20%.

# METALS FOR GENERATIONS TO COME

Boliden contributes to a sustainable future by extracting, producing and recycling metals that are critical to the development of society. Caring for people, the environment and society defines our operation. Extensive experience, a high level of skills and leading technology means Boliden is able to provide competitive metals with a low climate impact.





# BOLIDEN AS AN INVESTMENT

With its competitive product portfolio, a stable value chain and a sound ability to deliver results, Boliden provides metals essential for society's transition.

## A SOUND ABILITY TO DELIVER RESULTS

■ Boliden has both the expertise and financial position to develop mining and smelting operations.

With experience from almost a century of mine and smelter operations, the company's employees enjoy a valuable cultural heritage. Project management takes place in house with a focus on safety, production stability and technological development.

Boliden strives for a sound balance sheet and has defined financial targets. These targets are set in preparation for market fluctuations, value-creating investments and competitive dividends to shareholders.

Boliden's most important mines have long lifespans, and the focus is on mine-site exploration where the economic potential is greatest. Acquisitions are made selectively, if and when the right opportunity arises.

Boliden is formed following the discovery of a deposit in Fågelmýran in 1924.

Flash furnace technology is developed in Harjavalta and begins operating in 1949.

Construction of Aitik begins, starting in 1968 with a production of 2 Mtonnes.

Finland's biggest ore deposit ever is discovered in Kevitsa, in 1987.

1920

1940

1960

1980



## A STABLE VALUE CHAIN

■ Boliden has sound technical know-how, which means its manufacturing processes enjoy world-class productivity and a limited environmental footprint.

The value chain from mines to smelters creates synergies between the business areas and increases stability in the Group's earnings potential. This stability is reinforced by the tendency of treatment charges to move in the opposite direction to variable base metal prices.

Boliden extracts metals from both mining concentrates and secondary materials and is responsible for controlling the supply chain. Boliden is a leader in the development of methods for the reclamation of closed mines and the disposal of hazardous waste.

Production takes place in northern Europe with low political risk.

## A COMPETITIVE PRODUCT PORTFOLIO

■ Boliden provides the metals we need to build a better society for future generations.

The base metals are copper, zinc, nickel and lead. They are all important for a sustainable society. Copper and nickel are crucial for increased electrification. Lead is crucial for the storage of electricity, as is zinc for increasing corrosion protection and thus reducing resource utilization. Boliden's by-products include gold, silver, platinum and palladium. Over time, precious metal prices tend to have a negative correlation to those of base metals, and this increases the stability of the Group's earnings potential.

The copper shuttle begins hauling copper between the Skellefteåhamn and Helsingborg in 1995.

Harjavalta, Kokkola, Odda and Tara are acquired from Outokumpu in 2003, and in 2006 it is decided to expand Aitik.

The expansion of Garpenberg 2014 makes the mine one of the world's most modern zinc mines.

The expansion of Odda begins in 2021 – One of Boliden's largest investments ever.

1990

2000

2010

2020 →

# LONG-TERM COMPETITIVE METAL PRODUCTION

A long-term, responsible approach in decisions great and small is fundamental to our industry. Investment cycles are long, while the market is volatile. Stability in both good and challenging times is essential. What's more, the company must develop and meet the world's expectations across a wide range of areas. Seen from this perspective, 2021 was not without its challenges, but it was mostly a year of significant successes for Boliden.

■ The metals we produce are absolutely essential for both present and future generations. As populations and economies grow and the climate transition proceeds, our metals can be found in ever more applications, and to an ever greater extent. In my view, the understanding of the connection between social development and the need for base metals in general is also on the increase, which is very important. However, this does not guarantee our continuing to be a successful metals company. We must continue developing the company and the way we run it to achieve our vision of being the most respected and climate friendly metal provider in the world. We've come a long way in our endeavors, and we strengthened our position further in 2021.

## Good prices and terms

The year was characterized by good prices and terms, which combined with good production, resulted in strong earnings. Seen from a slightly longer perspective, the expansion projects completed in Aitik, Garpenberg and Kevitsa strengthened the competitiveness of these units and contributed to the company's development. Our improved earnings are also the result of continued good cost control – one of Boliden's distinguishing features. The link between this and a corporate culture that strongly encourages delegation cannot be

underestimated. Local decision-making and budget responsibility are, and will continue to be, among our main competitive advantages, especially when it comes to attracting and retaining the skilled personnel we will need if we are to go on developing the company.

## Industrial development

In our mining operation, we have decided to expand the Kristineberg mine. I'm particularly pleased that the lifespan of the 90-year-old mine in the Västerbotten interior has been extended. Our ambition is to significantly increase the level of electrification in our underground mines, and the Kristineberg mine in the Swedish mining cluster will once again set a new world standard for responsible mining operations. In Garpenberg – another operation with a long history – we decided on a further production increase, with investments scheduled for 2022. Our exploration initiatives in Garpenberg were also successful. We've also worked to enable further expansion of Aitik, bringing copper from the Liikavaara deposit closer to mining. Kevitsa and the Boliden Area did well during the year, while the situation in Tara was more challenging. Our ambition to future-proof this operation remains undiminished.

But the decision to increase production at the Odde zinc smelter from 200 to 350

ktonnes per year was the single biggest investment decision in 2021. Increased production, the ability to extract by-products and increased automation ensure long-term competitiveness. Furthermore, with its access to fossil-free energy and efficient logistics, Odde is probably the most climate-efficient zinc smelter in the world, and the demand for zinc will only increase, among other things as a result of the energy transition in Europe. A new leaching plant and underground repository began operations in Rönnskär, and an expansion of the nickel line was completed in Harjavalta. The focus in Bergsöe and Kokkola was mainly on increasing production stability.

The operation was naturally affected by the spread of Covid-19 and government restrictions. However, we were able to limit the impact through proactive efforts to minimize the spread of infection while maintaining production and pursuing industrial development.

## High climate ambitions

During the spring we presented an initiative concerning copper produced with low climate footprint. The initiative concerns copper produced with concentrate from mines in Sweden and through recycling in Rönnskär. The ambition is to show that climate impact from our operations is significantly lower than the global average.

” We are well on track toward our target of reducing our climate impact, but further initiatives will be necessary.

We want to be able to offer our customers the means to calculate the climate impact of their purchases, and especially to help establish a global standard for the way climate impact from metal production is calculated and reported all the way to the consumer. We will continue with these efforts and also present initiatives for our other metals.

There is good reason to look to the future with confidence. The demand for base

metals is developing well, while our operations are characterized by high productivity, strong competitiveness and a far-reaching responsibility for such things as the environment and our employees. We will continue to focus keenly on pursuing improvements in areas we can make a difference. We are well on track toward our target of reducing our climate impact, but further initiatives will be necessary. While we have long been spared from fatal accidents, we will

intensify our efforts to achieve a completely accident-free workplace. Historically, 2021 was a major investment year. Implementing these investments will place high demands on the organization. Meanwhile, we will naturally continue working to boost our competitiveness to meet the growing demand for base metals.

Mikael Staffas  
President and CEO



# METAL MARKET TRENDS

Base metals have always played an important part in societal development due to their great ability to conduct electricity and heat and offer protection against corrosive and demanding environments. When the world transitions into societies with low climate impact, the importance of base metals is expected to be greater than ever.

## INCREASED DEMAND FOR BASE METALS

### Climate transition

■ To achieve the goals set by the Paris agreement, the research company Wood Mackenzie estimates that investments totaling 50 trillion USD will be required during the next two decades. The majority of these investments are expected to be allocated to power generation, distribution and end-user electrical equipment. Because these types of infrastructure and products have a high metal content, a steady supply of raw materials is an essential condition of climate transition. The transition is likely to take longer if supply is unable to meet demand and high metal prices act as an impediment to investment. Wood Mackenzie predicts significant shortages in the supply of copper, zinc, nickel and other metals unless investment levels in existing production capacity are significantly increased.

The circular economy for metals is expected to grow in importance as companies and consumers make decisions based on total life cycle. Recycled metal is also important as a part of overall supply, however, volumes are insufficient to meet the growing demand.

### Population growth

■ As the global population grows, the demand for metals grows with it. Over the past 10 years, global population growth has been 1% per year, and this rate is expected to continue. Today, the global population is still relatively young, about 90% are under 65 and 25% under 15, but we are moving toward an aging population structure. By 2030, two thirds of the population are expected to live in cities. The combination of population growth, urbanization and increased prosperity are strong drivers of global metal demand.

Metals are not only required in the early stages of economic development in society, but also later. The growth in metal demand is at its highest when large population groups move from poverty to higher living standards and a middle class emerges.

### Increased prosperity and economic growth

■ Greater prosperity is contingent upon an increased supply of electricity, heating and infrastructure, which continue to drive metal demand. More than half of the world's population has a GDP per capita that is below or at the threshold where a country's metal consumption seriously picks up speed, historically.

When a high proportion of a population begins to enjoy good living conditions, consumer needs change and an increasing share of income goes toward the purchase of advanced services and products. The growth in metal demand then abates, but demand remains strong as infrastructure must be constantly modernized and expanded, while demand for advanced products with high metal content such as batteries, electronics and means of transport increases.

As the global population increases, there will be greater requirements for the sustainable production, use and recycling of the Earth's resources.





Climate change and population growth are expected to lead to increasing demand for base metals.

**8.7 billion** **25%**

people on Earth by 2030

increased demand for copper by 2030<sup>1)</sup>

## BOLIDEN AND THE INDUSTRY 2021

### Mining and metal industry

■ Boliden produces many of the metals that are critical for the climate transition. Copper is necessary for power generation, transmission lines and storing electricity. Zinc extends the life of products. Nickel and lead are used in applications for storing electricity. Our metals portfolio is ideally positioned, and together with its high environmental and production performance it creates the conditions for a competitive company.

How and where metals are produced are expected to play an increasingly critical role in the competitiveness of mining and metal companies. Companies must show they are capable custodians of their assets to gain continued social and legal licence to operate from authorities, local populations and other stakeholder groups. In many metal-producing countries, fossil fuels are used directly in metal production and to generate electricity. Other challenges facing the industry include the management of waste, access to water, the reclamation of old operational sites and human rights.

### Environmental work in focus

■ Sustainability is an increasingly important social issue. To mitigate or eliminate environmental impact, permit requirements are becoming more stringent. The mining and metal industry has a great responsibility to take a leading role in improving sustainability.

According to Wood Mackenzie and CRU, our current Nordic operations have a carbon intensity that is world-leading for the industry. The high proportion of renewable energy in the Nordics combined with our proactive investments to reduce our own emissions create the basis to continue to be a competitive mining and metal company in the future. Examples include the electrification of mining trucks and other machinery, battery-powered underground equipment, increased automation, transition to fossil-free fuels and reducing agents, increased resource efficiency via the extraction of metals from residual material, heat recovery and the purchase of transportation with a low carbon footprint.

### The effects of Covid-19

■ The Covid-19 pandemic continued to have an impact on the mining and metal sector in 2021, even if the direct impact on operations was not as evident as during the previous year. Instead, society's rapid recovery had an indirect impact on industry through logistics bottlenecks, a shortage of spare parts and increased costs for input goods. Global demand for energy decreased significantly in 2020, and producers had difficulty in responding to increased demand in 2021, which resulted in energy shortages and strong price increases for electricity and fossil fuels. The high prices affected energy-intensive metal production (zinc, aluminum and steel) in particular in Europe and China. However, production at Boliden's smelters could be maintained at normal capacity thanks to a large proportion of long-term contracts and hedged electricity prices.

<sup>1)</sup> From 2021, according to Wood Mackenzie

# STRONG POSITION FOR TOMORROW'S METAL MARKETS

Base metals are essential for the transition to a sustainable society. Demand is not only driven by increasing prosperity and urbanization, but also by an increased need for electrification, energy storage and more stringent requirements for product lifespan and recyclability. Sustainable production processes are essential to be a competitive mining and metals company. Boliden is well positioned for today's as well as tomorrow's metal markets.

## ■ Position and focus

Over time, Boliden has developed competitive, sustainable operations of the highest international standard in its main metals, copper, zinc, nickel and lead. The extraction of by-products from these concentrates is also important for profitability.

Boliden's value chain begins in exploration for new mineral deposits and extends all the way to the production of finished metal and recycling. Around half of the raw material needs of our smelters is met by our own mines. This is a satisfactory level, which can be allowed to vary depending on market conditions and ore grades in the mines. Together, Mines and Smelters offer synergies and create valuable knowledge about the value chain. Also, volatility in the income model is lower than it would be were the business areas to operate separately.

To ensure competitiveness in the transition of the mining and metal industry, Boliden has developed important skills in order to meet increasingly stringent demands for sustainability and reduced climate impact.

Based on strong values, the sustainability efforts focus on care for people, the environment and society. We occupy

a leading position in terms of climate impact compared to the international mining and metal industry and our local environmental footprint is at a good level. Our energy consumption is less carbon dioxide intensive than the industry in general due to the high standard of our production processes and an energy mix consisting largely of renewable sources.

## Growth

Boliden has a history of profitable mining operations with low-grade ores and has developed technical skills in the mines and smelters that generate good profitability despite a high cost structure in the operating countries. The strategy is to continuously improve existing operations and invest in organic growth. Functional, transparent permit application processes are essential for enabling investment decisions.

Any acquisition opportunities are evaluated according to strict investment criteria. Acquisitions are considered when there are opportunities for value creation based on Boliden's skills and continued organic growth, given that the geography is in line with the Group's conservative view of country risks.

## Delegated governance with responsibility

The governance model is based on clear delegation to the business areas of the task of developing their strategic directions taking into account the Group's strategic focus areas. For further information about the business areas and their strategic focus, see pages 18 and 24.

## Strategic focus areas

Safety, productivity and carbon dioxide intensity have been identified as strategic focus areas. Targets in the areas of safety and carbon intensity are Groupwide, and for productivity, business areas set their own target levels based on maintaining or creating competitive positions.

Group management is responsible for following up the strategic focus areas as well as capital raising and allocation. Boliden exercises conservative financial planning which has proved over time to be a success factor in a capital intensive industry with high price volatility.

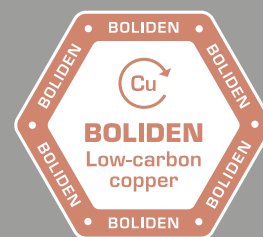
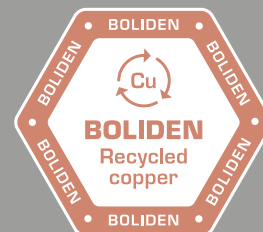
Financial targets are designed to create stability with growth opportunities throughout the business cycle.

# Metals for climate transition

Because of its ability to conduct energy, copper is essential for increased electrification and a crucial part in social development and climate transition.

■ As a producer of metals for today's modern, sustainable society, Boliden has developed two copper products with low climate impact – Low-carbon Copper and Recycled Copper. According

to calculations verified by an external party, the products have emissions of max 1.5 kg CO<sub>2</sub> per kg copper, which is significantly lower than the global average of more than 4 kg. Over time, Boliden has consistently reduced its climate impact in copper production. The products form an important part in providing the metals we need to build a better society for generations to come.





# TARGETS AND OUTCOMES

Strong profitability, high environmental performance and healthy, safe workplaces create the conditions for long-term, stable operations with high value creation.

## FINANCIAL TARGETS

### Return on Investments

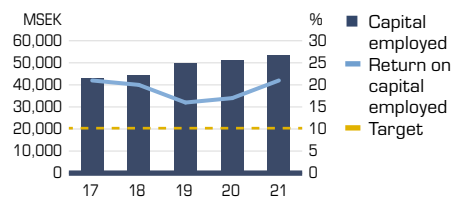
The return on investments shall be at least 10%.

**10%**

## PERFORMANCE

The return on investments shall be at least 10%.<sup>1)</sup> Any projects must be in line with strategy and available resources. The return on operating activities measured as a return on capital employed was 21% (17). During the period 2017–2021, the rate of return averaged 19% per year.

## DEVELOPMENT 5 YEARS

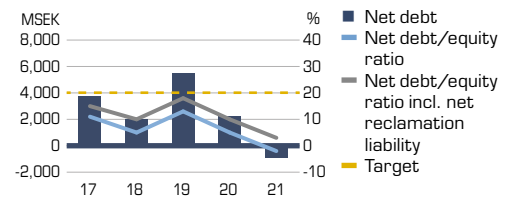


### Net debt/equity ratio

Boliden strives to achieve a net debt/equity ratio in an economic upturn of approximately 20%.<sup>2)</sup>

**20%**

At the end of 2021, the net debt/equity ratio was -2%(5). Furthermore, the net reclamation liability corresponded to 5 percentage points. The change in comparison to 2020 is due to the continued high cash flow resulting mainly from robust market developments.

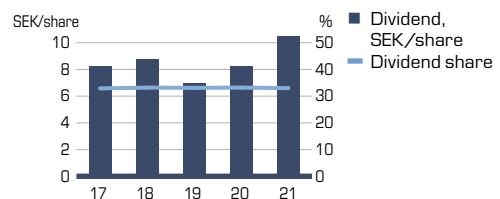


### Dividend

The dividend shall correspond to one third of net profit for the year.

**1/3**

The proposed ordinary dividend is SEK 10.50 (8.25) per share, equivalent to 33.0% (33.2) of profit for the year. In addition, an extra disbursement in the amount of SEK 15.50 (6.00) per share was proposed through an automatic share redemption procedure. During the period 2017–2021, the ordinary dividend share was 33.1% of the period's total net profit.



<sup>1)</sup> Project yield must exceed Boliden's weighted average cost of capital (WACC) adjusted for a risk premium (nominal WACC before tax is set at 12%, equivalent to 10% in real terms). Major, long-term project are usually calculated in real terms. The calculations are based on forecasts of interest rates, metal prices, exchange rates, inflation and other relevant assumptions based on internal analysis and external evaluations.

<sup>2)</sup> The target also includes net reclamation liability.

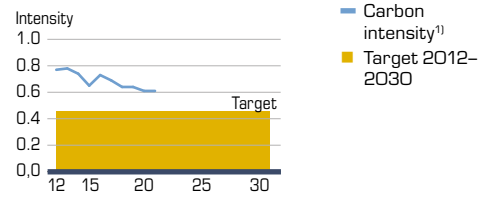
ENVIRONMENTAL TARGETS PERFORMANCE

**Emissions to air**

CO<sub>2</sub>-intensity shall be reduced by -40% from 2012 to 2030.

**-40%**

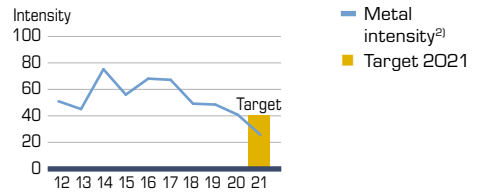
The carbon dioxide intensity increased slightly during the year, among other things as a result of slightly lower production. However, the intensity shows a downward trend in the long-term. Boliden is actively engaged with various measures to reduce its carbon dioxide emissions by e.g. decreasing its use of fossil fuels and increasing energy efficiency.



The intensity of metals to air shall be reduced compared to the previous year.

**≤41**

The target for the year was achieved. As a result of improved purification techniques in Boliden's smelters, the intensity of metals to air decreased compared to the previous year. Boliden has consistently good metals to air emission levels and works constantly on improvements to achieve further progress.

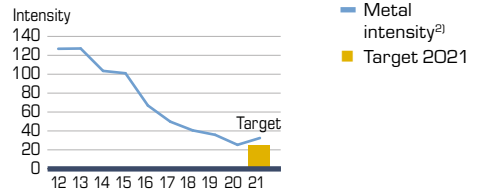


**Emissions to water**

The intensity of metals to water shall be reduced compared to the previous year.

**≤25**

Due to e.g. heavy precipitation at several units, the target for the year was not achieved. However, Boliden has consistently good metals-to-water emission levels and works constantly on improvements to achieve further progress.

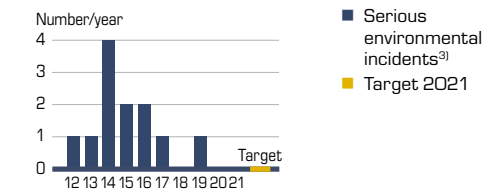


**Environmental incidents**

No serious environmental incidents should occur.

**0**

The target for the year was achieved as no serious environmental incidents occurred. Boliden works systematically to control and manage environmental challenges in order to prevent the occurrence of environmental incidents.



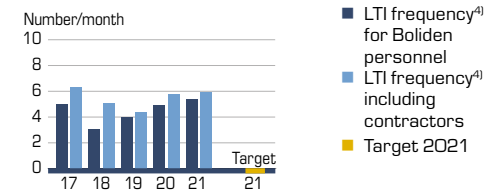
SOCIAL TARGETS PERFORMANCE

**Health and safety**

Zero accidents with absence should occur.

**0**

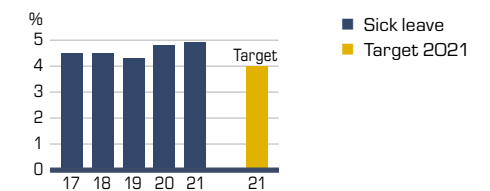
The injury frequency rate was 5.9 for Boliden's own personnel and contractors, which represents a slight increase compared to the previous year. However, the number of serious accidents decreased. An increased focus on proactive measures and greater involvement on the part of management, employees and contractors in day-to-day safety work, is expected to contribute to improved safety and fewer accidents.



The sick leave rate shall remain below 4.0%.

**<4%**

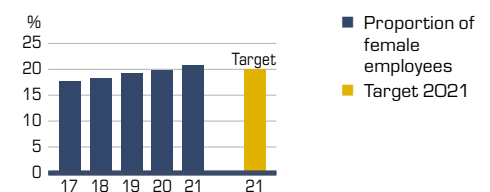
The sick leave rate in 2021 was 4.9% with seasonal variations during the year. Boliden noted an increase in short-term sick leave at a number of units during the past two years linked to the Covid-19 outbreak. Boliden has been actively engaged in managing and safeguarding employee health during the current pandemic.



**Diversity**

Strive for a diversity of employees that reflects the local communities in which we operate.

Increasing the proportion of women is an important part of Boliden's diversity efforts. The target for 2021 of at least 20% women was met. At the end of the year, the proportion of women employees in Boliden was 20.7% of the total number of employees, an increase from the previous year.



<sup>1)</sup> CO<sub>2</sub> intensity is the relationship between the total carbon dioxide emissions (Scopes 1 and 2) and the total production of metal in concentrate from mines and metal production from smelters.

<sup>2)</sup> The emissions of metal equivalent tonnes per million tonnes of metal produced. The Natural Capital Protocol method has been used since 2019 to calculate metal equivalents.

<sup>3)</sup> An incident that causes or has the potential to cause significant environmental damage.

<sup>4)</sup> The number of accidents with absence per million hours worked.

# BUSINESS MODEL

Boliden's operation provides an important part of society's raw materials supply by contributing with mined and processed base and valuable metals that are recycled after use. Collaboration with operators throughout the value chain helps develop productivity and high resource utilization.

## INPUTS

### Capital

	2021	2020
Investments, SEK m	5,989	6,305
Capital employed, SEK m	53,382	51,007
Net debt/equity ratio, %	-2	5

### Know-how

- Patents, e.g. for electronic recycling, exploration technologies, water treatment
- Rights and permits
- Reclamation expertise
- R&D partnerships with universities, colleges and suppliers

### People

- Number of employees (FTE): 6,167 (6,071)
- Contractors and partners

### Relationships

- Collaboration and discussions with prioritized stakeholder groups
- Long-term development partnerships
- Participation in industry organizations

### Natural resources

Natural assets	2021	2020
Mineral Resources <sup>1)</sup> , Mtonnes	1,608	1,645
Mineral Reserves <sup>1)</sup> , Mtonnes	1,533	1,600
Forests and land, ha	25,700	24,800

### Input materials

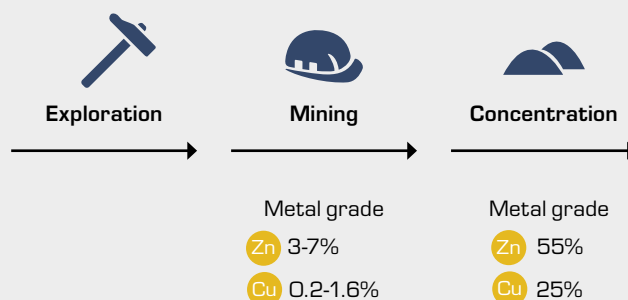
	2021	2020
Energy, TWh	6.6	6.5
– of which electricity, TWh	4.6	4.6
Water <sup>2)</sup> , millions m <sup>3</sup>	141	147
Mined concentrate feed (primary material), ktonnes	2,350	2,463
Recycled materials (secondary materials), ktonnes	330	314

<sup>1)</sup> Mineral Resources include known and indicated resources. Mineral Reserves include proven and probable reserves. For complete details on Mineral Resources and Mineral Reserves, see pages 110–114.

<sup>2)</sup> There is no shortage of water in the areas where Boliden conducts operations.

## VALUE CREATION

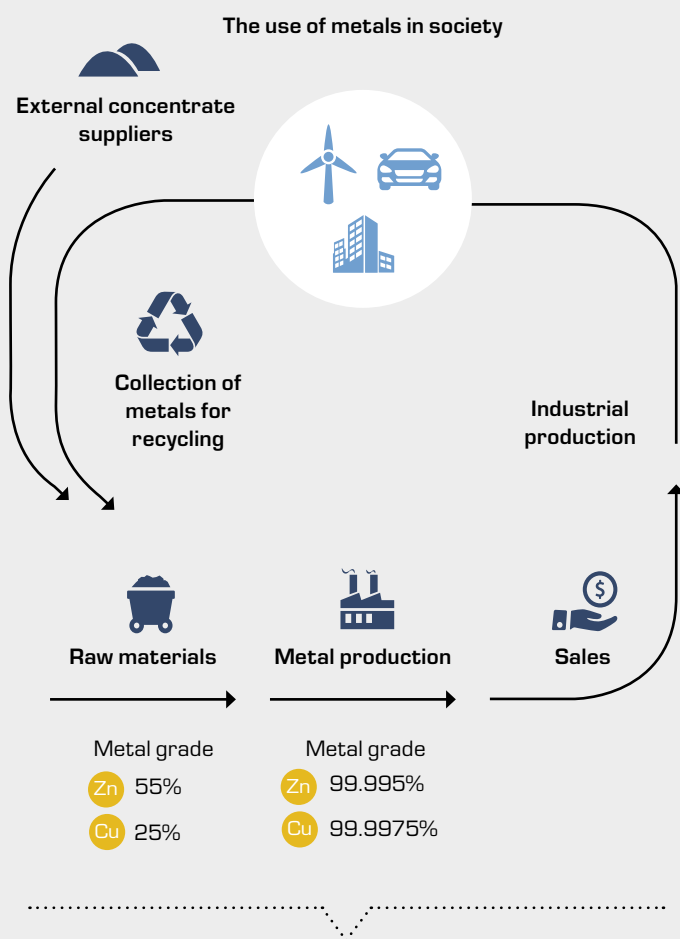
We create value for shareholders and society from exploration to the recycling of metals. Cutting-edge competence ensures competitiveness and the least possible environmental impact.



### Production of metal in concentrate

	2021	2020
Zinc, ktonnes	268	286
Copper, ktonnes	114	128
Lead, ktonnes	55	54
Nickel, ktonnes	13	12
Gold, kg	6,516	7,963
Silver, kg	370,981	353,973

In addition to primary metals, concentrates contain other metals, which are mainly processed in Boliden's smelters.



**Metal production**

	2021	2020
Zinc, ktonnes	473	489
Copper, ktonnes	374	372
Lead and lead alloys, ktonnes	73	74
Nickel in matte, ktonnes	19	25
Gold, kg	18,412	18,537
Silver, kg	566,291	586,060

In addition to metal production, Boliden also produces large quantities of by-products such as sulphuric acid, tellurium, palladium, cobalt, nickel sulfate and copper residuals.

**OUTCOMES**

**Economic impact**

- Purchase of concentrates: SEK 35,487 m (25,544)
- Other purchases: SEK 17,072 m (17,094)
- Salaries to employees: SEK 5,491 m (5,215)
- Dividends to shareholders<sup>1)</sup>: SEK 7,111 m (3,898)
- Financial expenses: SEK 246 m (270)
- Paid Tax: SEK 1,863 m (1,608)
- Retained within Boliden: SEK 37 m (1,060)

**Social impact**

- Jobs in Sweden, Finland, Norway and Ireland
- Frequency of occupational injuries leading to absence from work, LTI: 5.9 (5.8)
- Sick leave: 4.9 (4.8)%
- Involvement and value creation in local communities
- Utilization of land and water

**Environmental impact**

- The supply of metals necessary for societal development and climate transition

	2021	2020
Discharges of metals to water, tonnes, Me-eq <sup>2)</sup>	47	37
Emissions of metals to air, tonnes, Me-eq <sup>2)</sup>	37	60
Sulphur dioxide emissions, ktonnes	6.4	6.3
Carbon dioxide emissions, ktonnes <sup>3)</sup>	952	896
<b>Waste:</b>		
i. Non-hazardous, ktonnes	218	207
ii. Hazardous, ktonnes	1,012	961

<sup>1)</sup> 2021 includes the proposed ordinary dividend of SEK 10.50 per share and an extra payment of SEK 15.50 per share by means of an automatic share redemption procedure.

<sup>2)</sup> The Natural Capital Protocol method has been used since 2019 to calculate metal equivalents.

<sup>3)</sup> Carbon dioxide includes scopes 1 and 2 as per the GHG protocol. The amount for 2020 is adjusted according to updated data.

The model is based on the International Integrated Reporting Council's (IIRC) framework. The primary purpose of the model is to explain how the Group creates long-term value.

# STABLE INCOME FOR THE GROUP

Boliden operates on the metal market’s two submarkets where raw materials are sold from mines to smelters, and where metals are sold mainly to industrial customers. Boliden’s integrated business model entails certain synergies and provides stable income for the Group, as mines and smelters often have different cycles for revenue generation.



## MINES

### ■ Boliden’s Business Area Mines produces metal concentrates

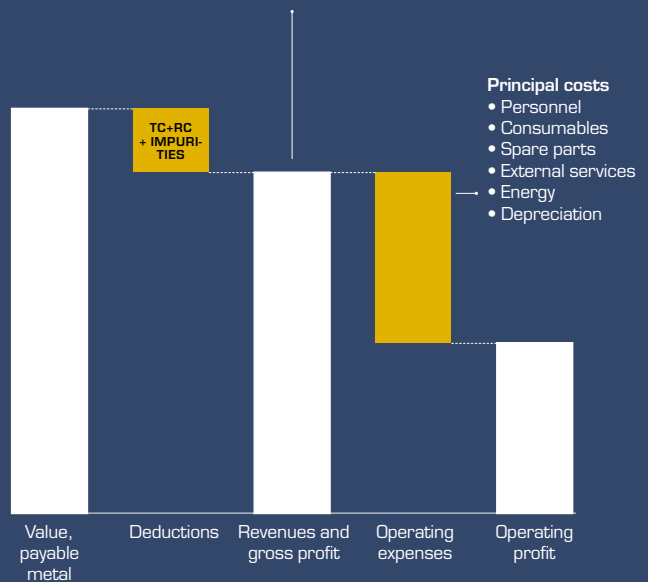
Revenues are affected by ore tonnage, metal grades, recovery during the concentration process, inventory changes, the price of concentrates in USD, and exchange rate fluctuations.

Gross profit and revenues usually have the same value, as Mines has no input raw materials. Revenues from metal concentrates are based on the London Metal Exchange (LME) price for each respective metal less treatment and refining charges (TC and RC) as well as impurities in concentrates, and calculated on the payable metal content (the proportion of metal in concentrate for which the mines can charge). The levels of TC/ RC and impurity charges are determined in annual negotiations between leading mines and smelters and become the benchmark for other players. The levels are governed by the global supply of concentrates from mines and the demand from smelters.

Operating profit is gross profit less operating costs, mainly personnel, consumables, spare parts, external services, energy and depreciation.

An individual mine has natural variations in grades, waste rock dilution, energy requirements at different depths, equipment maintenance and other factors that result in the profit varying over time. These variations are often known in advance and are clearly defined in life-of-mine plans. Boliden advises on major changes in grades in the larger mines when grades are expected to significantly deviate from the reserves’ average grades.

The mines’ gross profit =  
 The value of metal concentrate (Price x Payable)  
 – Deductions for treatment and refining charges (TC+RC) and impurities



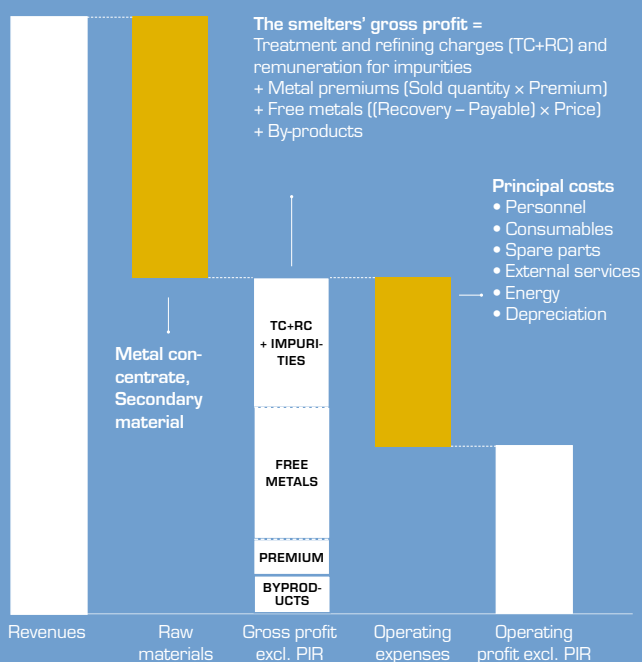


## REVENUE COMPONENTS

<b>Price</b>	Global market price in USD, which is set on the LME and LBMA
<b>Premium</b>	Metal premiums, which comprise a local adjustment of the LME price
<b>Payable</b>	The payable metal content of the concentrates
<b>TC</b>	Treatment charges
<b>RC</b>	Refining charges
<b>Impurities</b>	Deduction or compensation for impurities in the metal concentrates or secondary material
<b>Recovery</b>	Metal extracted as a percentage of metal content, which depends on the quality of the process and the material
<b>By-products</b>	Income from by-products



## SMELTERS



### ■ Boliden's Business Area Smelters produces pure metals and by-products

Revenue from metals is based on the LME price of the metal concerned with the addition of premiums, the level of which is determined by the local balance between metal demand, smelting capacity and payment terms. The premium also covers costs for transportation and customized alloys.

Gross profit is the difference between revenues and the price of the raw materials, and consists of treatment and refining charges (from concentrates and secondary raw materials), penalties (remuneration for impurities), metal premiums, income from free metals, and income from the sale of by-products. Free metals arise when the amount of metal recovered exceeds the payable metal content of purchased metal concentrates and secondary materials, while by-products such as sulphuric acid are extracted in the processes.

Operating profit is gross profit less operating costs, the most important of which are personnel, consumables, spare parts, external services, energy and depreciation.

Unlike mines, smelters have a similar production situation over time with the exception of annual maintenance shutdowns, which are usually scheduled during the warm season. The scope varies from year to year, as more extensive maintenance is usually carried out every two years. Boliden advises on the date and financial impact of maintenance shutdowns for the year ahead.

Because Boliden's smelters have the capacity to handle twice as much volume as its mines produce, significant volumes of concentrate are purchased from external mines. The sale of all metal concentrates between Boliden's mines and smelters takes place on market terms. Bars in the charts are not to scale.

# SUSTAINABLE PRODUCTION PROCESSES AT MINES AND SMELTERS

Over time, long-term responsibility, investments and continuous development in technology, the environment and safety have created competitive operations with high productivity and value creation.

## BOLIDEN'S MINES

### ■ AITIK – The world's most productive open-pit copper mine

In Aitik, ore haulage has been automated to a high degree, which provides conditions for large-scale production while also ensuring a safe workplace with good climate performance. Aitik has mineral reserves whose planned production will provide a further 29 years' mining.

**Metals:** Copper, gold, silver  
**Milled volume:** 40.1 Mtonnes

### ■ GARPENBERG – the world's most productive underground zinc mine

In 2011, thanks to successful exploration efforts, Boliden decided to invest in the expansion of Garpenberg. The investment project, which was Boliden's second biggest of its type, involved making mining in Garpenberg more efficient to reach today's 3.1 Mtonnes per year. Garpenberg has mineral reserves whose planned production will provide a further 28 years' mining.

**Metals:** Zinc, silver, lead, gold and copper  
**Milled volume:** 3.1 Mtonnes

### ■ THE BOLIDEN AREA – mineral rich mines with high production stability

The Boliden Area, which includes the underground mines in Renström, Kristineberg and Kankberg, is where the first gold deposit was discovered, laying the foundation for Boliden's operations. With the exception of Kankberg, complex ores are mined. The Boliden Area has mineral reserves whose planned production will provide a further 7 years' mining.

**Metals:** Gold, zinc, silver, copper, lead and tellurium  
**Milled volume:** 1.9 Mtonnes

### ■ KEVITSA – one of Finland's biggest open pit mines

Kevitsa is a nickel mine that maintains good productivity and is one of Finland's biggest mineral discoveries ever. Boliden acquired the mine in June 2016. Kevitsa has mineral reserves whose planned production will provide a further 13 years' mining.

**Metals:** Copper, nickel, palladium, platinum, gold and cobalt  
**Milled volume:** 9.5 Mtonnes

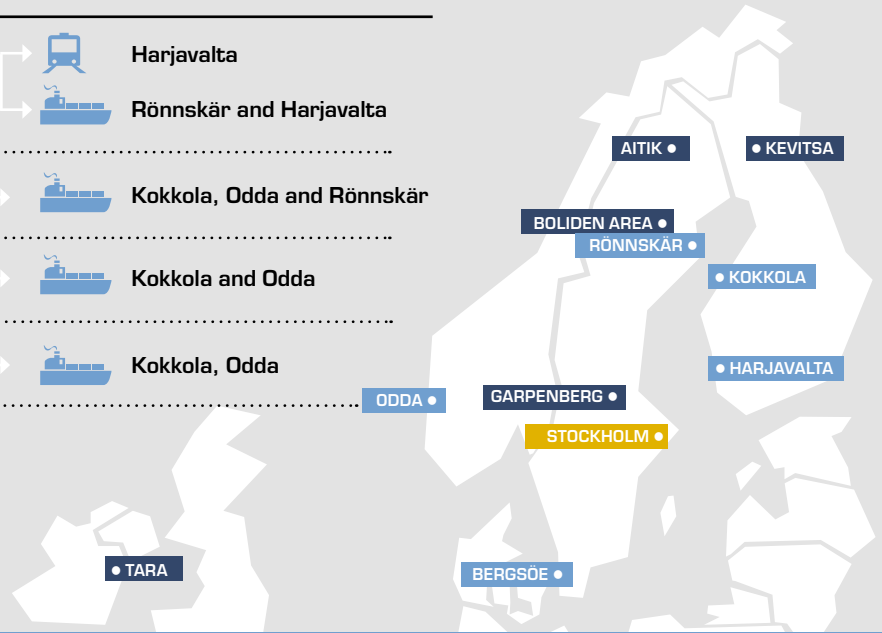
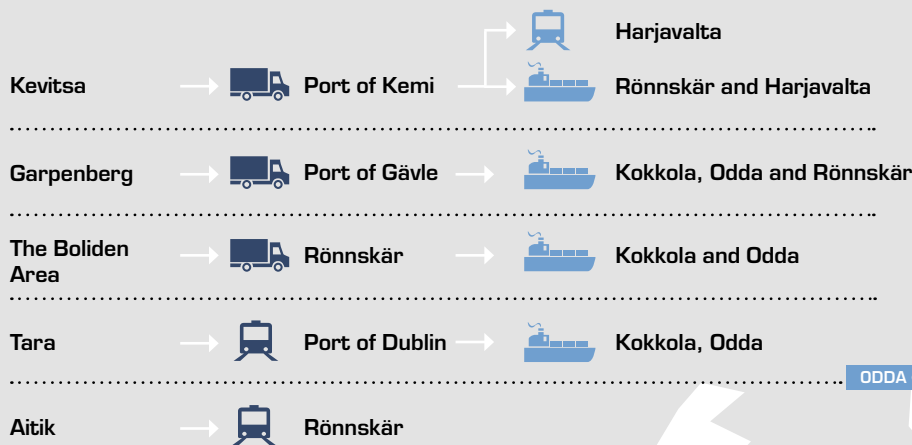


### ■ TARA – Europe's biggest zinc mine

Tara in Ireland accounts for half of Boliden's zinc concentrate. Exploration and acquisitions have enabled a constant increase in mineral reserves and mineral resources. Tara has mineral reserves whose planned production will provide a further 6 years' mining.

**Metals:** Zinc, lead  
**Milled volume:** 2.1 Mtonnes

BOLIDEN'S INTERNAL SUPPLY



BOLIDEN'S SMELTERS

■ BERGSÖE – Europe's biggest recycler of lead acid batteries

Bergsöe is the only secondary smelter for lead in the Nordics. Every year, lead from 4 million scrapped car batteries is recovered, and at least 70% of the lead produced is sold to the battery industry in Europe, where it is used again.

**Metals and by-products:**

Recycled lead

**Production:** Lead alloys 46 ktonnes

■ KOKKOLA – Europe's second biggest zinc producer

Continuous improvements in the production processes enable Kokkola to produce high-quality zinc products with good climate performance for customers in e.g. the construction and automotive industries.

**Metals and by-products:** Zinc, sulphuric acid

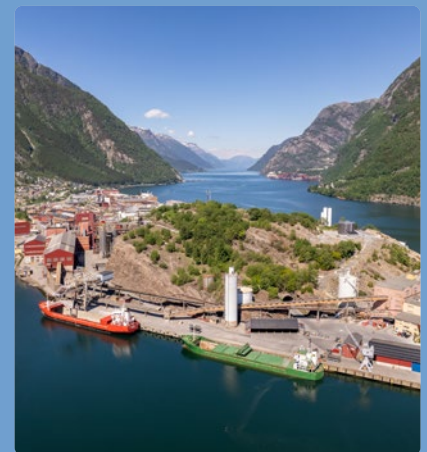
**Production:** Zinc 293 ktonnes, sulphuric acid 320 ktonnes

■ HARJAVALTA – increased nickel operation

The smelter in Harjavalta produces mainly copper. It is also Europe's biggest nickel smelter. Nickel has several important fields of usage areas including the production of stainless steel and the burgeoning battery industry.

**Metals and by-products:** Copper, nickel in matte, gold, silver and sulphuric acid

**Production:** Copper 151 ktonnes, nickel in matte 19 ktonnes, gold 7 tonnes, silver 83 tonnes, sulphuric acid 715 ktonnes



■ ODDA – expansion for more climate-efficient zinc

The rate of production in the Odda smelter has consistently increased over the years. During the year, a decision was taken to expand Odda, which will mean the production of zinc with world-leading climate performance will almost double.

**Metals and by-products:** Zinc, sulphuric acid

**Production:** Zinc 180 ktonnes, sulphuric acid 122 ktonnes

■ RÖNNSKÄR – one of the world's most efficient copper smelting plants

Boliden's smelter in Rönnskär is one of the world's biggest recyclers of metal from electronic materials. A new leaching plant was commissioned during the year to extract more metal from the material and reduce the amount that must be disposed of as waste. Also, an underground repository has entered operation providing a long-term, sustainable solution for the smelter's waste management.

**Metals and by-products:** Copper, gold, silver, lead, zinc clinker and sulphuric acid

**Production:** Copper, 223 ktonnes, gold 11 tonnes, Silver 483 tonnes, lead 27 ktonnes, zinc clinker 34 ktonnes, sulphuric acid 528 ktonnes

# FURTHER PRODUCTION INCREASES IN MINES

Boliden's mines are located in Sweden, Finland and Ireland. A high degree of technical expertise combined with a strong safety culture form the basis for our consistent ability to develop productivity in our operations in parallel with a long-term assumption of responsibility from exploration to reclamation.



■ The strategy for mining operations is to generate value through operational efficiency and growth. Exploration is the basis for all mining operations and Boliden has historically developed its operations through successful exploration and project development. Also, individual acquisitions were made. Exploration in the vicinity of existing mining areas to create conditions for production increases and to extend mine lifespans. The goal is to maximize value creation in an operation that has low environmental impact. From an industry perspective, the Group has mines with very high productivity and good environmental performance.

## Important events in 2021

Because expansion investments were completed in three mining areas during the preceding year, the focus in 2021 was on reaching and maintaining a higher production rate. In Aitik, work continued on enabling mining of the satellite deposits in Liikavaara, and a decision was also made to begin automation of the truck fleet. In the Boliden Area, a decision was made to invest SEK 1,250 m in an expansion of the Kristineberg mine. The expansion, which is contingent upon a permit to raise production, is expected to contribute to an increase in milled volume to 1.8 Mtonnes. An increase in the production rate in Garpenberg was achieved during the year, and a new environmental permit was granted, enabling a further production increase for a minor investment. Investments were made in Kevitsa to convert one of the first mining trucks to electric operation, and a 1.8 kilometer electric trolley track was laid at the same time. Production was halted for just over two weeks in Tara at the end of the year as a result of increased water inflows in the mine. The event will impact exploration efforts toward the Tara Deep mineralization in 2022.



## Dam safety and reclamation

■ Safety in matters concerning active tailings dams and the reclamation of disused mining areas are high priority items for Boliden. A tailings dam is a settling pond where tailings (concentrator waste) are deposited together with process water. The dam structures are constantly monitored to ensure stability and that no environmentally harmful leaks occur. When a dam is taken out of operation, the area is reclaimed with the aim of using it for other purposes.

The Group is responsible for ten dam systems, nine of which are located in existing and disused mining areas, and one at the Harjavalta smelter. Each dam has its own dam safety organization to ensure

that initiatives, guidelines and legislation are followed. Dam monitoring and inspections take place regularly and include such things as the collection and analysis of data. No serious incidents occurred during the year. Furthermore, independent reviews of dam safety are carried out. The focus in 2021 was on implementing new global dam safety guidelines. These guidelines must be fully implemented at all active and disused dams in 2025. During the year, Boliden also became a member of the International Council of Metal and Mining (ICMM), which issues the guidelines. Also, Boliden has begun a collaboration with LKAB aimed at investigating whether

parts of the tailings from the Aitik mine could instead become the raw material for sulphuric acid production.

In addition to the existing mines, Boliden is also responsible for some 30 disused mining areas. We conduct collaborative projects and research to develop new techniques, such as accelerating the reestablishment of plant life, aimed at making sure the disused mines have as little environmental impact as possible. These areas are also monitored systematically and actions for improvement are taken as necessary.

For further information about Boliden's dam safety work, see [www.boliden.com](http://www.boliden.com).



# Development of new deposits

Exploration is mainly carried out next to existing mining operations, but also in new areas. The work is aimed at developing our level of knowledge and enabling new investments in existing deposits, and at identifying entirely new base and precious metal deposits.

■ SEK 629 m was invested in exploration in 2021. The exploration methods used range from geological field work, which includes mapping bedrock and overlying moraine layers, and sampling for geochemical analyses, to geophysical measurements and drilling.

During the year, long-term exploration helped future-proof the Boliden Area, where explorations discovered the Rävliiden deposit, and investments in ore haulage infrastructure were begun. Today, the Kristineberg mine is around 90 years old, and the new deposit has further extended its lifespan. Mining the deposit is scheduled to begin in 2023, but projects are already underway to develop an operation that is as climate effective as possible. A fully electrified haulage route between the crusher at a depth of around 800 meters and the surface is among the solutions being studied. Mining also means that the throughput in the concentrator may increase by 200 ktonnes per year. In addition to Rävliiden, exploration in the Boliden Area has also identified a new deposit in Strömfors.

Significant efforts have been made in Tara in Ireland to gain knowledge about the Tara deep deposit. These include the completion of an exploration drift and the start of drilling. However, because of water inflow into the mine in November 2021, continued exploration drilling has been delayed until the second half of 2022. For further information, see Mineral Resources and Mineral Reserves on pages 110–114.



**Exploration creates conditions for increasing production and extending the life of mines.**



# HOW BOLIDEN'S MINES WORK

Mining operations are characterized by long-term responsibility, high levels of safety and productivity, and the best available technology.

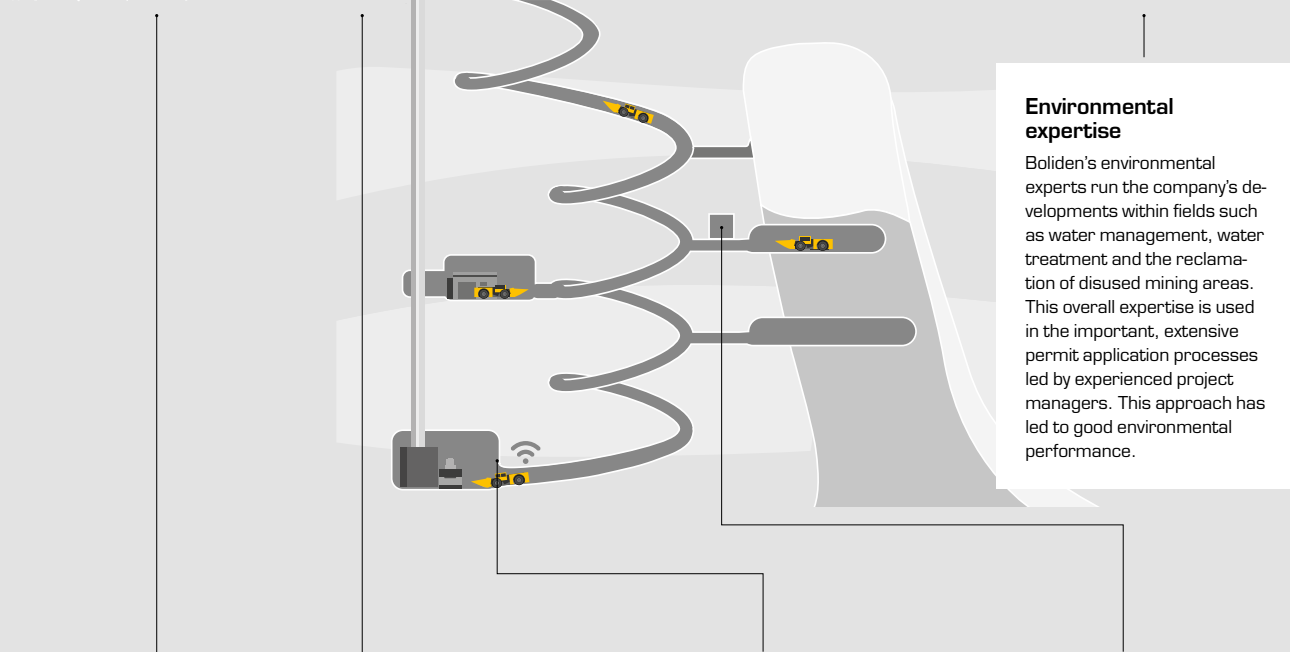


## EXPLORATION



## UNDERGROUND

Tailings dam



### Environmental expertise

Boliden's environmental experts run the company's developments within fields such as water management, water treatment and the reclamation of disused mining areas. This overall expertise is used in the important, extensive permit application processes led by experienced project managers. This approach has led to good environmental performance.

### Exploration

Long-term, systematic exploration is carried out to find new mineable deposits. Aerial surveying, deposits in outcrops, geophysical and seismic methods make up the initial stages while core drilling is the final stage in precisely defining a mineralization. Boliden uses various technologies and equipment. Some instruments are developed in-house.

### Remote control

Traveling time to working areas in mines, which can be many hundreds of meters below the surface, can take up to an hour. Increasingly, operators can control loaders and drilling machines from control rooms. Certain loaders have driverless operation to shaft pits where the ore is tipped for onward transportation to the concentrator above ground.

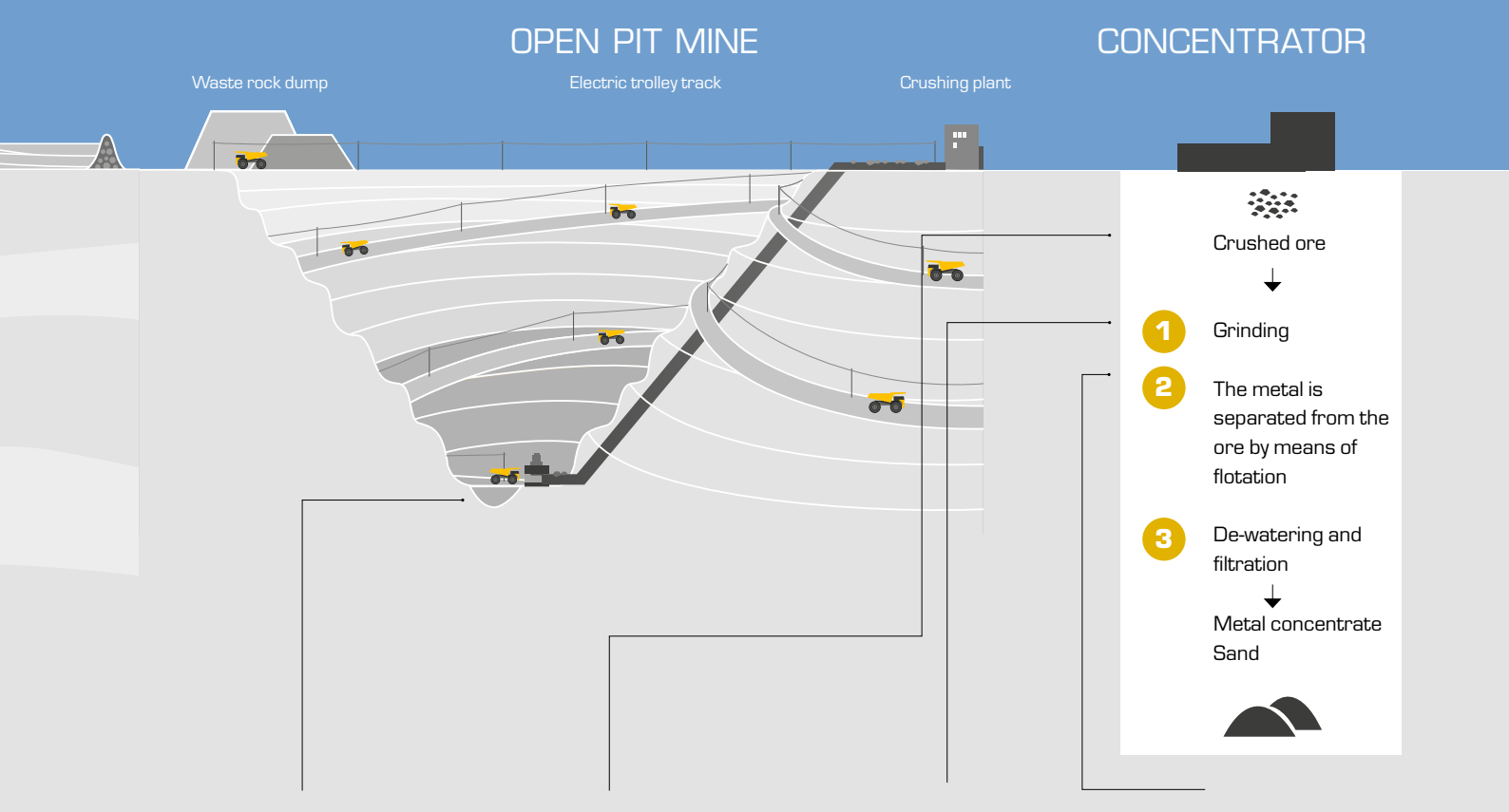
### Positioning

Boliden has equipped all of its underground mines with a positioning system that allows people and vehicles to determine their positions in real time. The technology works underground in a similar way to GPS and provides visual flows in production. The technology provides for a safer work environment and increased productivity as the operations center can plan for different transportation routes and control production.

### Safety

Occupational health and safety in underground mines has high priority and maintains high standards. Rescue chambers constitute an important part in the extensive safety system that every mine has. Systematic training is carried out including frequent evacuation drills.





**Optimal mine design**

Open pits have lower production costs and higher productivity than underground mines. How steep an open pit's slope can be determines how much waste rock is mined in relation to the quantity of ore. This, together with ore value, forms the basis for an optimized open pit design. The ability to electrify haulage by means of conveyor belts and machines also has an impact on mine design.

**Mobile control rooms**

In many cases, concentrator control rooms are linked to mobile units so that operators have access to process data in real time. The operators guide and control the processes via smartphones or tablets, which increases understanding and communication between individuals, departments and with suppliers. This in turn allows e.g. faster intervention when processes need adjusting, and it enhances the ability to delegate.

**Autogenous grinding**

Boliden's concentrators primarily use a technology known as autogenous grinding where the ore is ground without the addition of a grinding agent. The technology provides lower costs but requires more advanced control than conventional technology. Autogenous grinding also means less wear, lower maintenance costs and use of energy.

**Milling complex ores**

Boliden has developed concentration technologies for complex ores. Mineralogical studies are used systematically to optimize the concentration process. Boliden has a pilot concentrator used to evaluate processes with new minerals, and for developing the performance of concentrators.

# PROGRESS IN SUSTAINABILITY AND ORGANIC GROWTH

Boliden's five smelters are located in Sweden, Finland and Norway and produce high-quality base metals and precious metals from primary and secondary raw materials.

■ The smelters are supplied by concentrate from our own mines as well as external concentrate suppliers. It consists of secondary materials such as spent electronics, lead acid batteries and ash from industry, which are important sources of raw materials.

The strategic focus is to maximize the value from raw materials, production and sales in a sustainable manner by making full use of each smelter's capabilities in order to process complex raw materials flexibly. The focus is on increasing metal yield and reducing the generation of residual products and carbon dioxide emissions.

In some parts of the process, metal production generates carbon dioxide, where recycling accounts for around 40% of the smelter's direct emissions. However, according to internally validated calculations, recycled copper from e.g. electronics has a lower climate impact than the global average for production from primary raw materials. Thus, from an international perspective, the climate performance of the Group's smelters is very good. Boliden is running a large number of development projects aimed at further reducing carbon dioxide emissions and minimizing waste. The aim is to contribute, to the greatest possible extent, to a circular economy with a low climate impact.

## Important events in 2021

A new leaching plant and underground repository were completed in Rönnskär. The facilities were commissioned at the end of the year, and together they mean that additional metal can be extracted from residual material in Rönnskär and that the remaining waste can be sustainably deposited. The expansion of nickel production in Harjavalta was also completed during the year, which meets the increasing demand for nickel from e.g. the European battery industry. A new, steam-heated concentrate dryer replaced the old oil-fired dryer, and this will result in lower carbon intensity. During the year, a decision was made to invest EUR 700 m in the zinc smelter in Odda. The investment, which must be completed by the end of 2024, is one of the biggest in Boliden's history and means production of zinc with world-leading climate performance will almost double. As the demand for products and processes with low carbon footprints grew, Boliden launched its first green offer – copper with a low carbon footprint, derived from concentrates from Boliden's own mines and from recycled materials. The carbon footprint is less than 1.5 kg CO<sub>2</sub>/kg Cu, compared to the international average of 4 kg CO<sub>2</sub>/kg Cu.

## EUR 700 M

in the expansion of Boliden Odda in Norway to an annual zinc production of 350 ktonnes.



The aim is to extract the maximum amount of metals from the materials while also reducing the waste that must be disposed of.



# The world's most logical expansion

The Zinc smelter in Odda, just south of Bergen, Norway, was established back in 1924. The supply of fossil-free hydro power, an ice-free harbor and the means for sustainable waste management next to the operations site constitute globally unique conditions for enduring, sustainable zinc production.

■ An extensive expansion of the operation has begun with the aim of safeguarding Odda's long-term competitiveness. The investment will be completed in 2024 when production capacity will reach 350 ktonnes of zinc per year, compared to the current 200 ktonnes. Also, the extraction of other metals such as silver and lead from the concentrate will begin. Production is characterized by world-leading climate performance, and as the investment proceeds, new automation and digitized technologies will be implemented, further improving productivity. The expansion includes a new roasting plant, a new sulphuric acid plant, an electrolysis plant and the expansion and modernization of the leaching and purification plants.

Because of zinc's ability to protect steel structures against rust, it is in demand in a number of different sectors such as offshore wind farms, which require significant amounts of zinc.

# 150

ktonnes in increased zinc production.





Because of zinc's ability to protect steel structures against rust, it is in demand in a number of different sectors.



# HOW BOLIDEN'S SMELTERS WORK

The smelters extract metals and by-products from concentrate and secondary materials. Extracting as much metal as possible from the raw material is a priority area.

■ Boliden's smelters are characterized by their long history of supplying society with metals. Technology advances, investments and skills development have led to constant improvements in environmental performance, allowing more kinds of metals to be extracted in increasing quantities over the years. At the same time, secondary material has become an increasingly important part of raw material supply. According to industry reports, Boliden is among the best in the world at recycling electronics and is one of Europe's biggest recyclers of lead acid batteries.

The variety of processes at the smelters makes for a broad portfolio of raw materials for further processing into different metals and by-products. Diversification makes smelters less sensitive to the

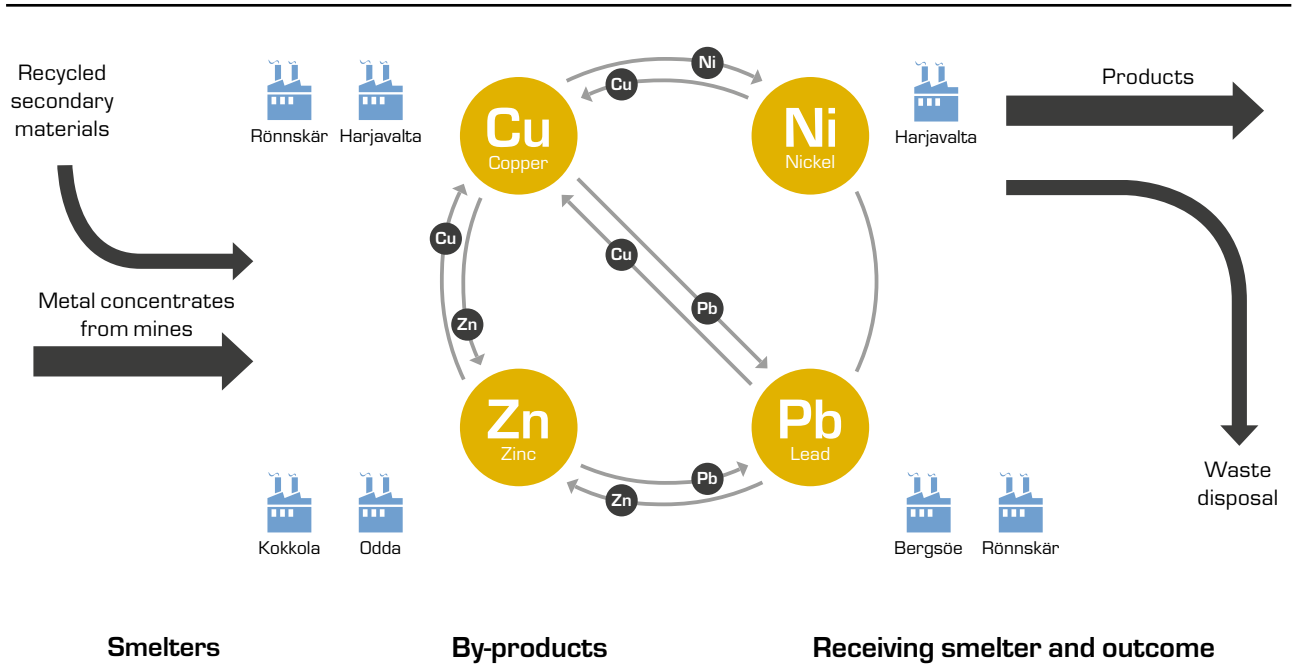
business cycle in terms of material supply and economic performance. At the same time, the smelters seek to reduce the amount of material deposited as waste and to constantly increase resource utilization.

Technical ability and raw materials supply combined with the stable availability of electricity and competitive energy prices are important competition factors for the energy-intensive smelter operation. The Group's smelters are located in areas that generate a high proportion of fossil-free energy, which usually equates to good environmental performance. Also, R&D seeks to further reduce environmental impact, leading to such things as specially modified filters to minimize emissions to air from the processes.



**Our impact on the environment and climate is constantly reduced through investments and the development of technology and skills.**

# SMELTERS



Smelters	By-products	Receiving smelter and outcome
<p><b>Rönnskär</b> (Cu, Pb)</p>	<ul style="list-style-type: none"> <li>Slag with metal content</li> <li>Zinc clinker (Zn)</li> <li>Antimony slag</li> </ul>	<ul style="list-style-type: none"> <li><b>Boliden area</b> Increased metals recovery through slag processing</li> <li><b>Odda</b> Zinc production</li> <li><b>Bergsöe</b> Production of lead antimony alloy</li> </ul>
<p><b>Harjavalta</b> (Cu, Ni)</p>	<ul style="list-style-type: none"> <li>Zinc-bearing filter dust (Zn)</li> <li>Blister copper (Cu)</li> </ul>	<ul style="list-style-type: none"> <li><b>Kokkola</b> Zinc production</li> <li><b>Rönnskär</b> Used as cooling scrap in copper production</li> </ul>
<p><b>Kokkola</b> (Zn)</p>	<ul style="list-style-type: none"> <li>Lead sludge (Pb)</li> <li>Silver concentrate (Ag)</li> <li>Copper precipitation (Cu)</li> </ul>	<ul style="list-style-type: none"> <li><b>Rönnskär</b> Lead production</li> <li><b>Rönnskär</b> Silver production</li> <li><b>Harjavalta</b> Copper production</li> </ul>
<p><b>Odda</b> (Zn)</p>	<ul style="list-style-type: none"> <li>Copper precipitation (Cu)</li> </ul>	<ul style="list-style-type: none"> <li><b>Harjavalta</b> Copper production</li> </ul>
<p><b>Bergsöe</b> (Pb)</p>	<ul style="list-style-type: none"> <li>Lead-bearing filter dust (Pb)</li> <li>Matte, slag</li> </ul>	<ul style="list-style-type: none"> <li><b>Rönnskär</b> Lead production</li> <li><b>Odda</b> Final storage in underground repository</li> </ul>

**Metal production**

Each smelter handles one or more main metals. A large number of by-products are also included aimed at maximizing resource utilization and minimizing landfill material. A degree of collaboration takes place between Boliden's smelters due to technical materials handling capacity. Metal recycling is an important area. However, most production takes place based on metal concentrates from mines. What's more, metal recycling often requires access to mined concentrates. All of the smelters have good access to transportation infrastructure. This is to allow efficient handling of incoming concentrates and secondary materials, and deliveries to industrial customers. For example, a trainload of refined copper departs Rönnskär everyday. The management of residual material and waste from production processes is a priority issue.



# BOLIDEN'S SUSTAINABILITY WORK

Boliden provides the metals essential to improve society for generations to come. Our vision is to be the most climate-friendly and respected metal supplier in the world.

## ■ Boliden's sustainability strategy

Boliden's sustainability topics and their directions are part of the company's strategy and business plans, which guide and structure sustainability efforts at every level in the company.

## Boliden's sustainability issues

Boliden must shoulder economic, environmental and social responsibility from mining operations to recycling. Global macro trends ranging from, climate, urbanization, digitization and technological development alter market conditions for the business. Investments in modern technology, the development of processes to reduce emissions and a responsible company culture lead to constant development and improvement of sustainability performance.

## Stakeholder dialogs and materiality analyses

Around twenty important sustainability topics have been identified through stakeholder dialogs, materiality analyses and scenario analyses. Each of these topics are important, but they are addressed in different ways. Some of them are fundamental factors that we have to work with on a daily basis, while others are of critical strategic importance if we are to achieve the company's targets by 2030. Financial development is fundamental to the Group's existence. Climate, circular economy, waste management and resource utilization will be the most critical and create the greatest sustainability value by 2030. Employment, education, local communities and the rights of indigenous populations are managed at a more strategic level, while market presence, anti-corruption, energy,

water, biodiversity, compliance with the law, health and safety, ESG evaluations of business partners, the relocation of local habitants and the reclamation of land used are issues we work with everyday which are important for building trust among the company's stakeholders.

The capital markets and strategic partnerships are areas which have received more focus in the sustainability efforts during the year.

## Market analysis

Our operations affect people, society and the environment in different ways. Different perceptions and expectations of how the company's operations are conducted may arise among stakeholders. Boliden's success is dependent upon its ability to create value in ways that meet the needs of different stakeholders while also taking into account financial, environmental and social consequences.

## Industry organizations

Sustainability topics are monitored on the basis of the process and product perspective, e.g. through participation in European and national industry organizations. Such monitoring provides a means to identify opportunities and risks related to the business at an early stage, and to analyze the impact of important topics.

To enhance our sustainability engagement together with the industry, Boliden became a member of the International Council on Mining and Metals (ICMM) in 2021. ICMM brings together 28 mining and metals companies and 37 national, regional and raw materials associations. The purpose of the organiza-

tion is to strengthen social development and the environmental performance of the industry, and to act as a catalyst in improving the industry's contribution to society. Through our membership, we commit to follow ICMM's principles in areas such as dam safety, sustainable development and corporate governance.

## EU Taxonomy

Boliden monitors the development and implementation of the "EU Taxonomy Climate Delegated Regulation". The regulation was investigated to identify qualified sustainable activities. The EU Taxonomy does not currently target sectors in which Boliden operates. Boliden produces metals that are important for climate transition and the Group's climate performance is considered to be highly competitive. Based on the investigation, 0% of the Group's revenue is associated with economic activities classified by the taxonomy. Since Boliden has not identified any activities in the Group that relate to the taxonomy, no investments or operational expenses can be linked to such activities.

Further information about sustainability work is available in Boliden's Sustainability Index report.

The report answers to e.g. the following standards:

- Global Reporting Initiative (GRI)
- Sustainability Accounting Standards Board (SASB)
- Taskforce on Climate-Related Financial Disclosures (TCFD)
- UN Global Compact
- ICMM Mining principles





The operations are characterized by care for people, the environment, and society.

# CHANGE FOR FUTURE GENERATIONS

With care, courage and responsibility, Boliden strives to develop managers, employees and operations in safe, healthy and innovative work environments.

■ **A reliable employer who develops employees and culture**

Boliden is a local employer operating in a global business environment where employees form the basis for success and value creation. For almost 100 years, we have been producing metals, safety and development have always been our driving forces. This is permeated in the corporate culture, where innovation and shouldering responsibility work side-by-side with stable processes. Boliden applies a coaching and present leadership and encourages employees to take initiative, decisions and actions. The company offer both local and Groupwide development and leadership programs in which participants

are not only able to develop their skills, but are also given the opportunity to share their experiences through improvement projects, to develop the operation and build networks within the organization.

Developed in collaboration with representatives from across the organization, a new purpose, new vision and new values were launched in 2020. The work of implementing our values in day-to-day work continued during 2021 in workplace meetings for managers and employees.

Value-driven leadership is crucial for employees to perform well, take pleasure in their work and feel motivated and committed. Based on these values, we also launched new management and employee

principles, which were defined in collaboration with a large amount of the organization's employees. Also, the development of a goal-oriented, value-driven company culture helps us on our journey to becoming a leader within sustainability. The work with implementing the new principles began in 2021 and will continue in 2022.

**Sustainable work environments – essential for value creation and competitiveness**

Boliden, is and must be a responsible company and understands that safe and healthy workplaces are crucial to running a successful business. Automation, technology development and innovation



have always been closely linked to occupational health and safety. The goal is for an accident-free, healthy operation where people enjoy good health and wellbeing, leading to increased productivity and profitability. So far, most of the technology and automation has been introduced in business area Mines, where the new technology means employees do not need be present in areas that are deemed hazardous. This has been a contributing factor in the reduction in the number of accidents in recent years. The number of lost-time injuries (LTI) for employees and contractors decreased by 52% during the period 2012–2019.

However, the number of accidents increased during the Covid-19 pandemic (2020–2021), as important elements of systematic occupational health and safety work such as inspections, physical meetings with employees and contractors, and hands-on training could not be carried out to the normal extent.

The number of serious incidents and accidents continues to decrease, and because of better risk reporting, monitoring and root cause analyses, the number has dropped by 50% compared to previous years.

A higher focus on proactive occupational health and safety, more exchanges of experience, the implementation of new values and improvements have helped develop an ever safer, healthier workplaces.

As a complement to the company's normal systematic health and safety work, extensive precautionary measures were taken to minimize the risk of spreading Covid-19 during the pandemic years 2020 and 2021. Every unit in the Group has developed risk analyses and action plans adapted to the local infection scenario in collaboration with their local infectious disease control authorities. We have also drawn up more extensive recommendations for major maintenance shutdowns. As a result, all production units succeeded in maintaining good production levels, despite high rates of sick leave in some units during the pandemic. This was in part because some employees were in quarantine due to national regulations. In a further effort to help local society function well, Aitik decided to provide vaccinations at the workplace in collaboration with the local authority, and also to offer leave to employees who wished to work in the healthcare sector.

### Long-term partnerships to secure skills

Attracting and retaining relevant skills form important part of the strategy, and require long-term efforts. Much of this work is planned and conducted locally, through interactions with secondary and tertiary education in various initiatives aimed at students in both occupational and academic programs. Summer jobs, thesis projects, apprenticeships and internships are very important for providing students with insights into possible future occupations and to present the career paths available at Boliden. Work also began in 2021 on the development of a trainee program targeted at external talent.

A wide range of positions in the company enables existing employees to develop and change roles internally, both geographically and between business areas and assignments. Work on recruitment and skills development is based on operational needs combined with the Group's strategic focus. In order to identify and meet current and future recruitment and skills needs, the organization engages proactively in skills supply planning in various areas. As with many other

companies in the metals industry, there is tough competition for engineers due to an ongoing shortage – especially female engineers. As part of its efforts to recruit more female engineers, Boliden took part in the Female Technical Engineers program during the year.

A new communication concept was launched aimed at further boosting the company's attractiveness among key target groups. The communication describes Boliden's role in sustainability, innovation and technology development and the many career paths available for new and existing employees alike.

Because employees' views are important, a new employee survey was conducted for all employees at the end of 2021. The survey enables us to identify where there is the highest potential for improvement. The results will be presented and processed at workplace meetings in the beginning of 2022. Work will then continue to establish action plans and implementing identified improvement measures.



# PROACTIVE ENVIRONMENTAL INITIATIVES

Boliden takes long-term responsibility to limit its impact on nature and the climate, and to restore natural areas and land used.

## ■ Environmental impact

Natural resources and energy are consumed and land is transformed while running operations. The local environmental impact are emissions to air and discharges to water, noise and changes in the appearance of the landscape. The environmental impact of mines and smelters can also occur on a regional basis, through e.g. acidification and eutrophication and globally carbon dioxide emissions. While we provide the metals necessary for adapting to climate transition, we also have a responsibility to reduce carbon dioxide emissions from operations. The ways these topics are managed are described in Boliden's climate strategy program.

The Group takes far-reaching responsibility for limiting this environmental im-

act throughout the value chain, including reclamation when a mine or smelter is taken out of production. Environmental performance is measured and monitored on a monthly basis.

Operations also work to reduce emissions to air, land and water by improving process efficiency.

## Collaboration with stakeholders

Boliden seeks to create understanding and collaboration with other industries and stakeholders. This means we initiate partnerships and relationships with stakeholders. We strive to add value for stakeholders such as local residents and the environment through close dialogs and the exchange of knowledge.

## Mining waste and slag

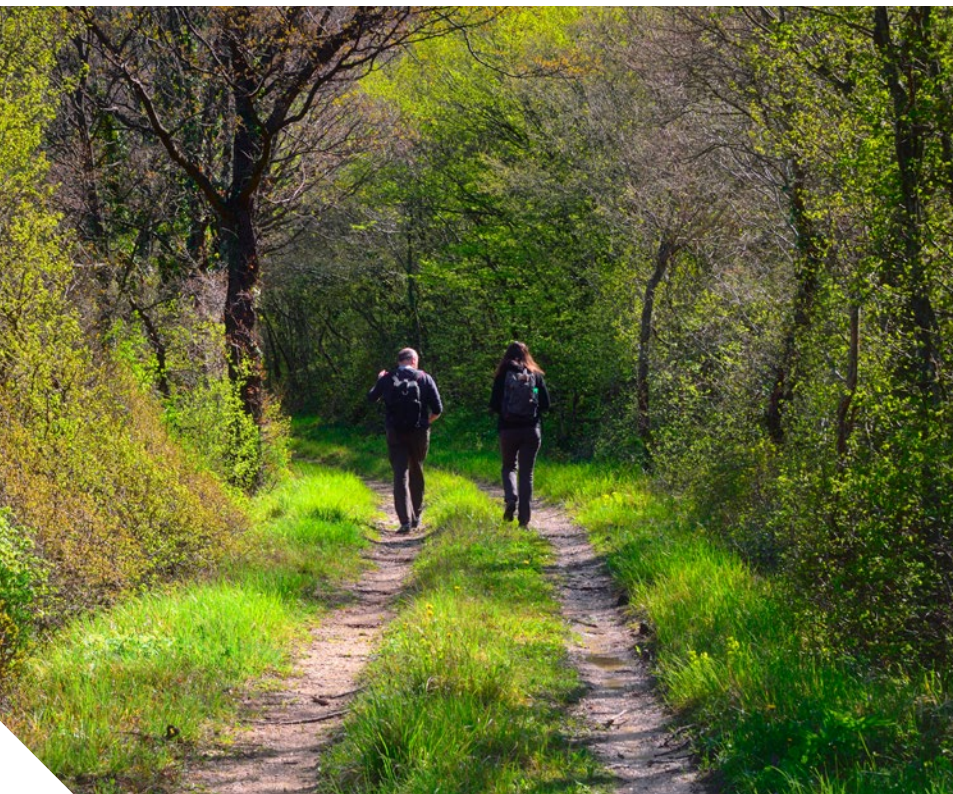
Through various efficiency projects, Boliden is working to reduce the amount of waste it produces. It has also been decided that all dams must meet the requirements of the Global Industry Standard on Tailings Management. There are a number of dams used for tailings, water storage and water treatment. The dams are located close to concentrators, mines, smelters and in closed production areas. The Group strives to minimize the impact on surroundings while building dams, during and after their operational lifetimes. The units follow the respective country's dam safety directives and must also comply with Boliden's internal requirements.

## Water management

Operations require large quantities of water. By optimizing water management, and re-using water for processes, the amount used and discharged can be minimized. All operations must have a water management plan where risks and priorities are managed systematically. Based on these priorities, investments in water management are targeted to places where they can be put to best use. The water situation in our operations may change due to climate change, for example serious weather events may increase. Accordingly, we are analyzing various scenarios to reduce risks to the greatest extent possible and we will carry out long-term effective work in this field.

## Biodiversity

Boliden works proactively to conserve biodiversity, and in situations where biodiversity is lost despite our efforts, we work with biological compensation. Land is managed responsibly through value-creating activities with ecological reclamation and compensation.





The goal is to contribute with improved biodiversity values in all regions where the company operates by no later than 2030. First, we strive to avoid impact. Secondly, we use various conservation measures to minimize any impact that cannot be avoided. Thirdly, we remediate any impact through e.g. ecological reclamation work. At last, we compensate for any remaining impact. Plans to achieve this goal were initiated during the year.

Biodiversity studies are carried out during an early project phase and as in-depth data in location investigations. Investigations are conducted into the protection of species, ecological reclamation and the re-creation of biodiversity to compensate for fewer or lost species and habitats. Efforts in respect of biological compensation are based on the so-called damage limitation hierarchy's four steps – avoid, minimize, mitigate and compensate damage.

The work is based on understanding of, and collaboration with, other industries and stakeholders. This means initiating partnerships and relationships with the local community. We strive to add value to biodiversity and ecosystem services through close dialogs and the exchange of knowledge.

### Management of forest and land

The Group owns 25,700 hectares of forest and land managed from a sustainability perspective and is FSC-certified. The purpose of the initiatives is to safeguard biodiversity in areas which would otherwise be adversely affected.

### The circular economy and resource utilization

Operations contribute to the circular economy by extracting and recovering metals from concentrates and secondary materials. The Group encourages research and development aimed at developing new products that eliminate waste. Metals can be recycled repeatedly without losing their properties.

There is a challenge in that the process of recovering complex products (such as electronic scrap) and industrial waste (e.g. Waelz oxide from the steel industry) also create an increase in carbon dioxide emissions. Here there is a goal conflict between recycling waste and carbon dioxide emissions. There are strategies in place and a number of activities have begun aimed at promoting the circular economy while also minimizing carbon dioxide emissions. An important part of this work includes ongoing dialogs with stakeholders to bring regulations up-to-date.

The ongoing by-product project in smelters to find a use for iron sand is another activity that was intensified during the year. Pilot studies were initiated to develop treatment and handling processes that take into account the stability of the material and the minimization of carbon dioxide emissions over the long term. Other productification projects include lead and silver recycling in Odda, the reclamation of jarosite and sulphate waste in Kokkola and the desulphurization plant in Bergsöe.

#### Fact

- Bergsöe recycles four million automotive lead batteries per year (50 ktonnes Pb/year).
- Rönnskär has the capacity to recycle electronic material equivalent to 2 million cell phones per day (120 ktonnes per year).
- In all, 11% of metals produced by Boliden come from recycled materials.

# HIGH CLIMATE PERFORMANCE

Boliden is actively engaged in reducing carbon dioxide emissions from an already strong position and has developed a comprehensive Groupwide climate strategy. Its climate strategy is in line with the EU's ambitions to achieve net zero carbon dioxide by 2050.

### Targets and commitments

Boliden's climate target is to reduce carbon dioxide emissions by 40% measured in carbon intensity by 2030, with 2012 as the base year. As a member of the International Council on Mining and Metals (ICMM), Boliden commits to the target of net zero carbon dioxide emissions in Scopes 1 and 2 by 2050 or earlier in line with the ambitions of the Paris Agreement. Boliden's climate goal facilitates the move toward its vision of being the most climate-friendly and respected metal supplier in the world.

### Carbon dioxide emissions

While Boliden is part of a carbon intensive industry, our operations already have a comparatively good position in terms of climate performance, where a good access to fossil-free electricity is a major contributing factor.

Boliden's business areas add to carbon dioxide emissions in various ways. Carbon dioxide emissions from Mines are generated mainly through heating in underground mines and fuel consumption.

The smelters face other challenges. Their primary carbon dioxide generators are reducing agents and heating for smelting processes.

Boliden's ambition to reduce carbon dioxide emissions is monitored on a monthly basis at Group level by measuring carbon intensity. The metric is intended for monitoring internal carbon dioxide emission levels (including Scope 1 and 2, measured under the Greenhouse Gas Protocol) relative to production in all Boliden units. Emissions from external transports (Scope 3) is followed-up internally to drive improvements. The climate impact of our low-carbon metals includes all carbon dioxide emissions (Scope 1-3).

### Climate strategy program

To meet its targets and commitments, Boliden has developed a Groupwide climate strategy program. The business areas determine measures and projects based on overall strategy, while coordination takes place at Group level.

### Improvements for Mines

Electrification and energy efficiency are the focus areas for reducing carbon dioxide emissions from mines. Electrification includes both open-pit mines and underground mines, where the ambition is to reduce the use of fossil fuels through the electrification of transport equipment such as mining trucks. In the case of energy efficiency improvements, heat exchangers will be used to reduce the use of fossil fuels for heating of ventilation air.

### Improvements for Smelters

There are both short-term and long-term plans for reducing carbon dioxide emissions from Smelters. In the short term, smelters will focus on energy efficiency, which includes reducing energy consumption and replacing fossil fuels. In the longer term, there are also several research projects examining the potential for using reducing agents with a lower carbon content or fossil-free alternatives in smelting processes.



The Boliden Sustainability Index contains further information about the company's climate program and how Boliden contributes to the UN's Sustainable Development Goals.



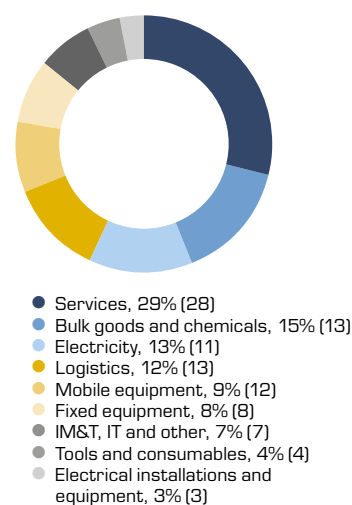
**THE GLOBAL GOALS**  
For Sustainable Development

# PURCHASING AND ENERGY

With more than 6,000 suppliers and a purchasing volume equivalent to SEK 17.2 billion, excluding concentrates purchases, the Group is a significant player both nationally and regionally. As a major purchaser of goods and services, we are able to exert influence in supply chains.



Purchase volume per category



## Fair competition conditions

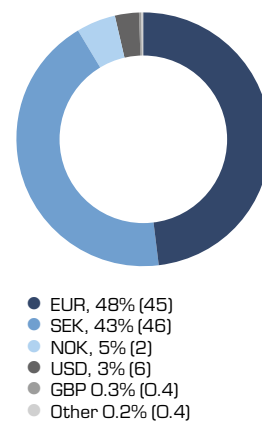
An important consideration when purchasing goods and services is ensuring fair competition between suppliers in aspects such as quality, the environment and safety. Once a contract has been signed with a supplier, inspections are carried out at the supplier's premises to make sure the work is carried out in line with requirements. If this is not the case, we may opt to cease the collaboration. To make sure they understand Boliden's strategy well, and to enable them to develop in line with our wishes, we also maintain dialogs with suppliers and provide them with information.

Of the total purchase volume, Mines accounted for 57% (59), and Smelters 43% (41). During the year, extensive work was carried out to enable a decision to invest in Odda. Also, initiatives were taken in Sweden to ensure the supply of cement for underground mines in the event of a shortage.

## Fossil-free energy

Operations are largely located in areas with a good supply of fossil-free energy. Today, energy consumption totals almost 5 TWh/year, and as more of the company's operations are electrified, power consumption is expected to increase. Electrified haulage was expanded in the Aitik mine, and similar trials were begun in Kevitsa. Programs to increase electrification in underground mines were also begun in Kristineberg. The aim is for around 80% of electrical power consumption to be secured through long-term contracts. During the year, new long-term and fossil-free electricity contracts were signed with Statkraft and Fortum for power supply in Norway and Finland. An ongoing, adequate supply of fossil-free energy is crucial if the Group is to continue reducing its climate impact.

Purchase volume per currency



Total purchase volume in 2021, excluding concentrates, was SEK 17.2 billion. Business Area Mines represented 57% (59) of the purchase volume, while Business Area Smelters stood for 43% (41).

# RESPONSIBLE BUSINESS

Good business ethics are essential for sustainable, successful business. This is not only reflected in the way business is conducted, but also in the way business partners are selected.

## ■ Ethics and compliance

A new Groupwide department for business ethics and compliance was set up in 2019. It is tasked with ensuring all operations are conducted in compliance with relevant legislation, instructions and internal policies. The department is responsible for the strategic development and coordination of the Group's work regarding anti-money laundering, anti-corruption, competition law, sanctions, human rights, data protection, whistle-blowing and codes of conduct. The department also has to support the commercial departments in the evaluation of business partners from an ethical and compliance perspective. This work was reinforced in all areas during 2021. Issues related to discrimination and

harassment are handled by the Group's HR department, which collaborates with the Ethics and Compliance Department on relevant issues. A number of risk surveys and checks were carried out during the previous year to minimize risks. The outcomes of the surveys were followed up in 2021 and compliance checks carried out.

## Bribery and corruption

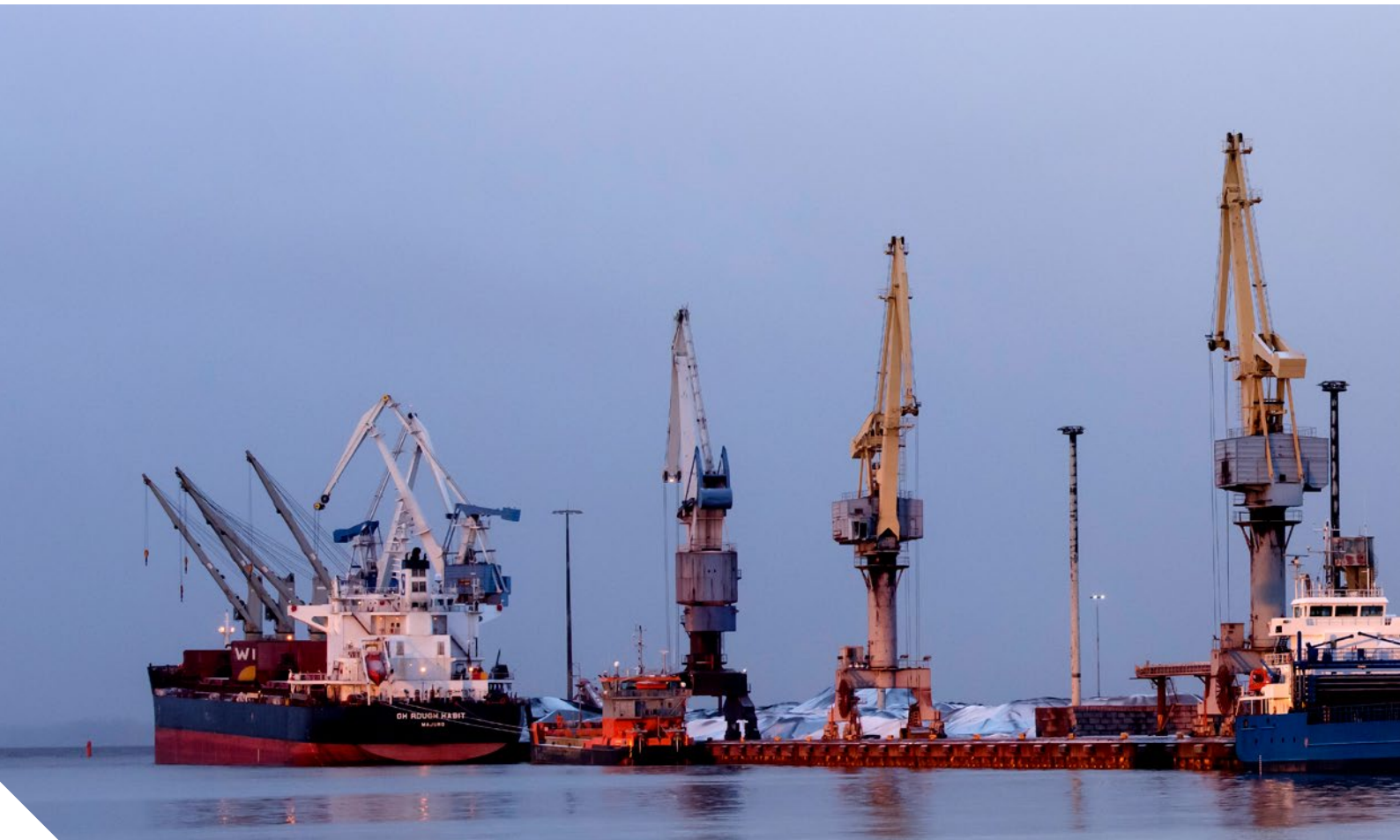
Boliden has developed processes and procedures to make sure the necessary measures are in place, and has also trained personnel in order to increase awareness of how to behave to combat bribery and corruption.

## Competition law

In 2021, a risks assessment was carried out in the Group's operations from a competition law perspective. Many interviews and workshops were conducted and a training program was developed for the relevant target groups based on the risk report.

## Anti-money laundering

A new policy has been drawn up to prevent money laundering and the financing of terrorism. The policy was implemented in May 2020. Employee training on these issues continued during 2021. Also, instructions in this area were updated and strengthened, and checks were implemented to make sure effective measures are in place to combat money laundering.





### Evaluation of business partners

Operating in a global market with different legislation, ethical approaches, working conditions and environmental standards demands an overarching strategy for managing risks in the supply chain through e.g. the evaluation of business partners. The Code of Conduct for business partners was updated during the year in respect of environmental requirements, human rights and the right of workers to engage in union activities. The updates are in line with upcoming human rights legislation, relevant international standards and the principles of the ICMM.

### Transparency

Boliden publishes an annual report on payments to authorities. The report covers payments to government authorities in Sweden, Finland and Ireland attributable to extractive industry operations. Boliden also supports the Extractive Industries Transparency Initiative (EITI), which demands good corporate governance in those countries where the regulations are implemented.

### Reporting irregularities and inappropriate conditions

The Group has operated a whistleblower system for several years that allows employees and external stakeholders to safely and anonymously report suspected or actual serious irregularities and wrongdoing. Local whistleblower channels have also been set up since December 2021 in compliance with new legislation. If any irregularities are discovered by the investigation, disciplinary action must be taken. Reprisals against anyone submitting reports in good faith will not be tolerated. Group management and the Board receive regular reports on risks, deviations, action plans and compliance.

### Code of Conduct

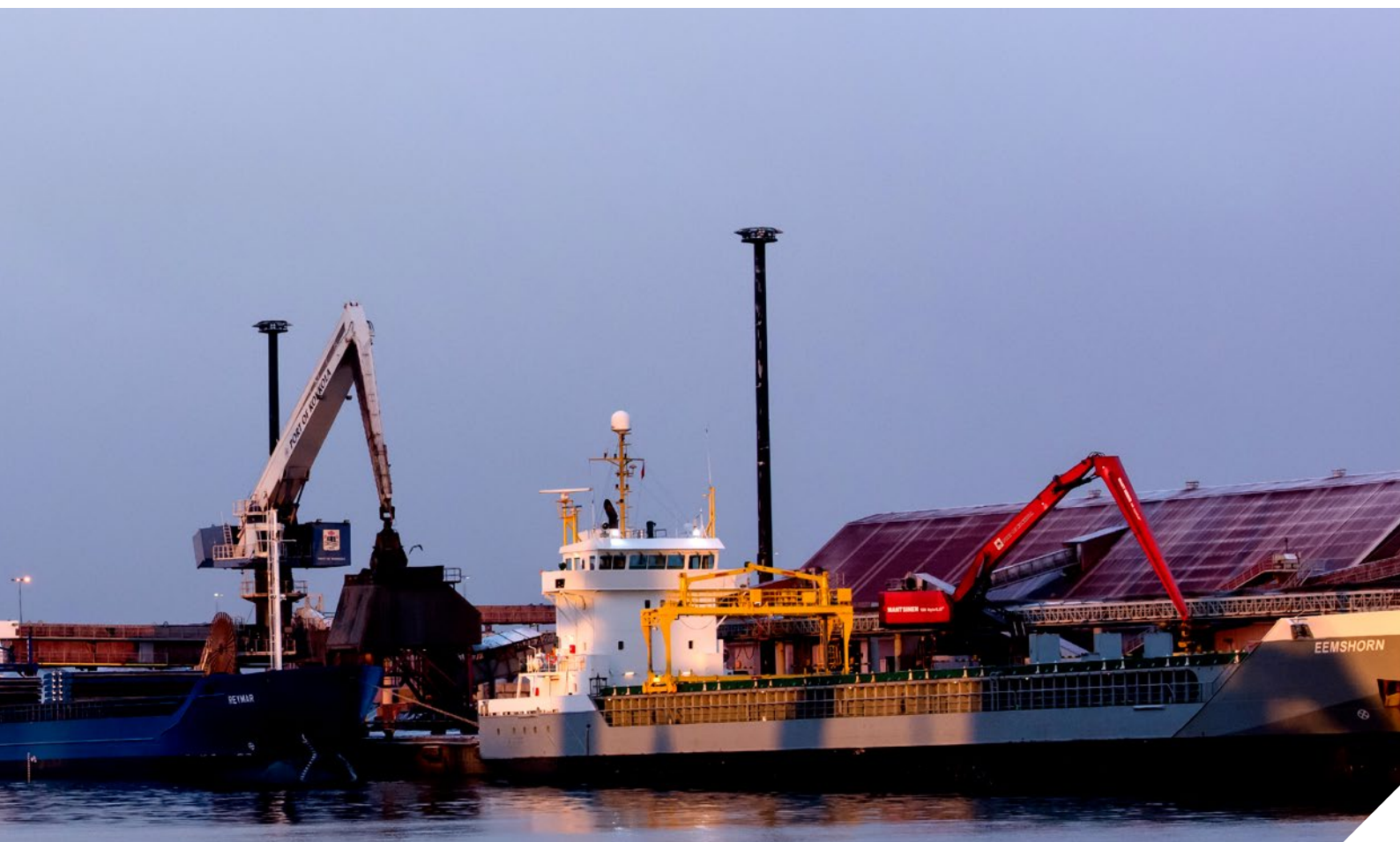
The Code of Conduct provides a framework for corporate responsibility based on the company's values and ethical principles. All employees and members of the Board are subject to the Code of Conduct, which is based on international standards and relevant legislation, and which expresses the Group's values. As a complement to

the Code, there are internal policies in a large number of areas that all employees are expected to comply with.

### Human rights

Boliden is a member of the United Nations Global Compact and works constantly to implement the ten principles, including preventing and limiting negative impact in our own operation and those of our external business partners. Operations are conducted in countries where the risk of human rights violations is generally low. However, certain aspects must be taken into account, such as the rights of indigenous peoples and risks in the supply chain. In line with the intentions of Swedish and international trade organizations, a commitment concerning indigenous peoples was drawn up and published during the year.

More information about our business ethics work is available in Boliden's Sustainability Index report.



# FINANCIAL DEVELOPMENT DURING THE YEAR

The Group's operational result increased compared with 2020, mainly due to higher metal prices. Costs increased as a result of higher maintenance and energy costs, production disruptions and general cost inflation. The focus in both business areas was on improved safety and better productivity.

## ■ Revenues and operating profit

Boliden's revenue was SEK 68,636 m (56,321), and operating profit was SEK 11,082 m (8,935). Excluding process inventory revaluation, operating profit was SEK 10,318 m (8,438). The operating profit for Mines was SEK 8,761 m (4,594) and the operating profit for Smelters excluding revaluation of process inventory was SEK 2,903 m (3,975). Scheduled maintenance shutdowns for Smelters burdened profits with SEK -560 m (-345) in the forms of lower production and higher costs. Consolidated operating costs before depreciation were SEK 16,698 m (16,209). Costs increased compared to 2020 as a result of higher maintenance and energy costs, production disruptions and general cost inflation.

## Investments

Investments for the year totaled SEK 5,989 m (6,305). The extension and commissioning of electric trolley lines and the conversion of trucks to electric operation in Aitik and Kevitsa were among the major projects in Mines. The nickel expansion in Harjavalta, improvements to the port of Pori, the completion of the leaching plant and the underground repository in Rönnskär were among the major projects in Smelters.

## Future reclamation costs

The Group has decided to adjust the real discount rate for the reclamation liability down by 1.5 percentage points to 0.5%

as of year-end 2021. As a result, both the reclamation reserve and capitalized reclamation costs were increased by the discounted difference, which totaled SEK 1.2 billion. The change affected fourth quarter operating profit by SEK -60 m, which was mainly related to increased reserves for decommissioned operations and historical environmental impact. For further information, see notes 14 and 25.

## Cash flow

Cash flow from operating activities before changes in working capital was SEK 13,866 m (12,303). Cash flow from operating activities was SEK 13,144 m (11,255). An increase in working capital caused by both higher metal prices and production disruptions had a negative impact on cash flow of SEK -722 m (-1,048). Free cash flow totaled SEK 7,148 m (4,957). Paid tax for the year was SEK 1,863 m (1,608).

## Financial position

As of December 31, 2021, Boliden's net debt was SEK -918 m (2,236), which corresponds to a net debt/equity ratio of -2% (5). Interest-bearing assets were thus higher than interest-bearing liabilities. Equity totaled SEK 50,882 m (45,638), including the market evaluation of currency and interest rate derivatives in the amount of SEK 4 m (-12) net after tax effect. The average term of Boliden's total approved loan facilities at year-end was 2.6 years (3.7). As of December 31,

2021, the average interest rate in the debt portfolio was 1.6% (1.6) and the fixed interest term was 2.2 years (3.1). At year end, Boliden's current liquidity, in the form of cash and cash equivalents and unutilized binding credit facilities with a term of more than one year, totaled SEK 16,088 m (12,741). For further information, see note 29.

## The Parent Company

The Parent Company conducts limited operation and operates, fiscally speaking, on commission with Boliden Mineral AB. For further information, see page 75.

## Guidelines for remuneration to the CEO and other senior executives

Boliden's remunerations to senior executive consist of fixed salary, variable remuneration, pension benefits and other benefits. Remunerations to senior executives are described in note 5.

Performance analysis

SEK m	2021	2020
<b>Operating profit</b>	<b>11,082</b>	<b>8,935</b>
Revaluation of process inventory	764	497
<b>Operating profit excl. revaluation of process inventory</b>	<b>10,318</b>	<b>8,438</b>
<b>Change</b>	<b>1,880</b>	
<b>Analysis of change</b>		
Volumes		-2,112
Prices and terms		4,737
<i>Metal prices</i>		6,483
<i>By-product prices</i>		151
<i>Treatment and refining charges</i>		-356
<i>Metal premiums</i>		-5
<i>Exchange rate effects</i>		-1,537
Costs		-697
Depreciation		-4
Other		-43
<b>Change</b>	<b>1,880</b>	

Financial performance

SEK m	2021	2020
Revenues	68,636	56,321
Operating costs before depreciation	16,698	16,209
Depreciation	5,621	5,693
Operating profit excl. revaluation of process inventory	10,318	8,438
Operating profit	11,082	8,935

Investments

SEK m	2021	2020
Mines	3,910	4,439
Smelters	2,070	1,835
Other	8	31
<b>Total investments</b>	<b>5,989</b>	<b>6,305</b>

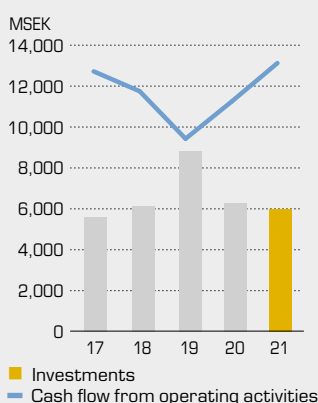
Capital structure and returns

SEK m	2021	2020
Balance sheet total, SEK m	80,549	72,492
Capital employed, SEK m	53,382	51,007
Equity, SEK m	50,882	45,638
Net debt, SEK m	-918	2,236
Return on capital employed, %	21	17
Return on equity, %	18	16
Equity/assets ratio, %	63	63
Net debt/equity ratio, %	-2	5

Cash flow

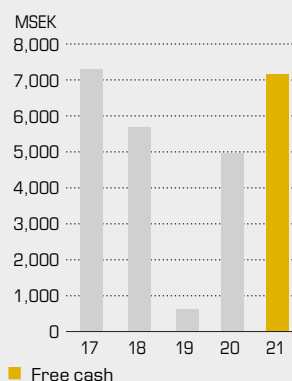
SEK m	2021	2020
From operating activities before changes in working capital	13,866	12,303
Changes in working capital	-722	-1,048
<b>Cash flow from operating activities</b>	<b>13,144</b>	<b>11,255</b>
Cash flow from investing activities	-5,996	-6,297
<b>Free cash flow (before financing)</b>	<b>7,148</b>	<b>4,957</b>

Investments and cash flow from operating activities



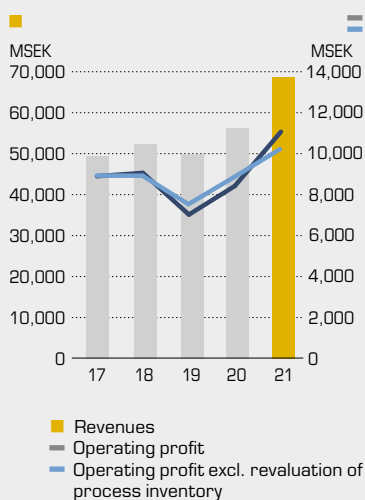
Cash flow from operating activities was SEK 13,144 m (11,255).

Free cash flow

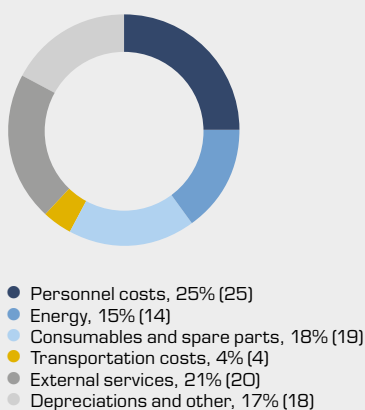


Free cash flow totaled SEK 7,148 m (4,957).

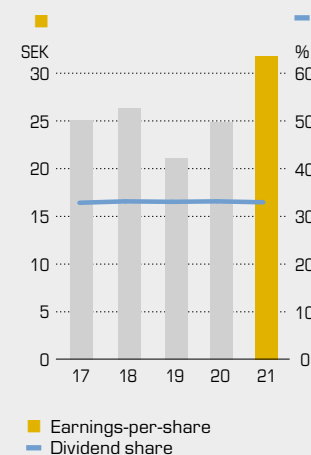
Revenues and operating profit



Breakdown of operating costs



Earnings per share and dividend share



Earnings per share were SEK 31.81 (24.86). The proposed ordinary dividend is SEK 10.50 (8.25), corresponding to a dividend share of 33.0% (33.2). An extra dividend of SEK 15.50 (6.00) per share is proposed through an automatic share redemption procedure.

# Development Mines

## Financial information Mines

The major part of sales from Mines is to Boliden's smelters, and takes place on market terms. Revenues increased to SEK 22,045 m (18,126), of which external sales totaled SEK 1,292 m (982). Operating profit from Mines increase to SEK 8,761 m (4,594), mainly as a result of higher metal prices. This is a new record for the business area, and Aitik, Garpenberg and Kevitsa were the largest contributors. Total operating costs for Mines before depreciations were SEK 9,343 m (9,173). This corresponds to an increase of 2% (3) in local currency. Depreciation decreased to SEK 4,296 m

(4,403), due to lower metal production. Investments totaled SEK 3,910 m (4,439).

The improvement in Aitik's operating profit during the year was because the positive effect of higher metal prices in Swedish kronor was able to fully compensate for the negative effect of lower milled volumes and lower copper and precious metal grades. The Boliden Area's earnings were also better than in 2020. Higher metal prices and stable production compensated for lower grades. Garpenberg outperformed its 2020 operating profit thanks to a very favorable mix of higher metal prices, higher milled volumes, and higher silver grades.

Tara went from a loss in 2020 to profit. This was despite a year characterized by production problems. The fourth quarter of 2021 included an impact on earnings of SEK -250 m as a result of a sharp increase of water inflow in Tara. However, higher metal prices and lower zinc treatment charges fully compensated for lower grades and milled volumes. Kevitsa also showed a strong improvement in its operating profit in 2021. In addition to higher metal prices, higher milled volumes and nickel grades had a positive impact. However, 2020 included additional costs of SEK 130 m associated with the fire in Kevitsa's crusher.

### Key data

	2021	2020
Revenues, SEK m	22,045	18,126
Operating costs excl. depreciations, SEK m	9,343	9,173
Depreciations, SEK m	4,296	4,403
Operating profit, SEK m	8,761	4,594
Investments, SEK m	3,910	4,439
Capital employed, SEK m	29,023	29,009
Return on capital employed, %	30	15
Number of employees (FTE)	3,534	3,442

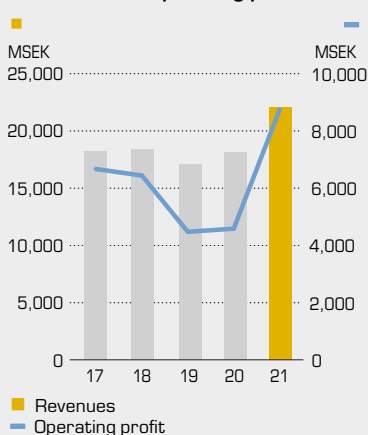
### Performance analysis

SEK m	2021	2020
<b>Operating profit</b>	<b>8,761</b>	<b>4,594</b>
<b>Change</b>		<b>4,167</b>
<b>Analysis of change</b>		
Volumes	-1,099	
Prices and terms	5,540	
Exchange rate effects	-617	
Costs	-290	
Depreciation	47	
Other	-31	
<b>Change</b>		<b>4,167</b>

### Operating profit

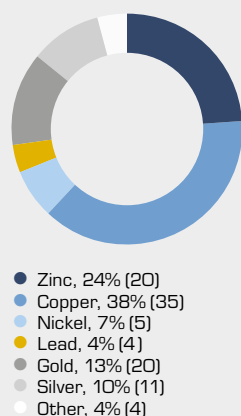
SEK m	2021	2020
Aitik	3,281	2,296
The Boliden Area	1,123	872
Garpenberg	3,110	1,942
Kevitsa	1,788	320
Kylylahti	-3	151
Tara	534	-252

### Revenues and operating profit



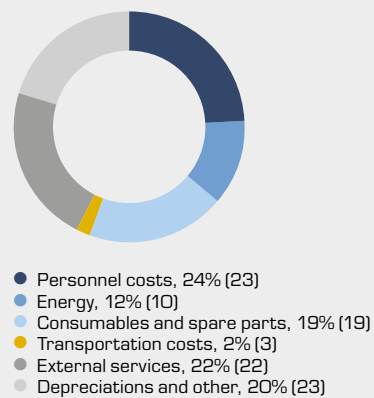
The increase in operating profit compared to 2020 is due mainly to higher metal prices.

### Breakdown of sales per metal



Copper and zinc constitute the main part of Boliden's revenues. Among other things, the item 'Other' includes cobalt.

### Breakdown of operating costs



Operating expenses excluding depreciation were on a similar level to the previous year's.

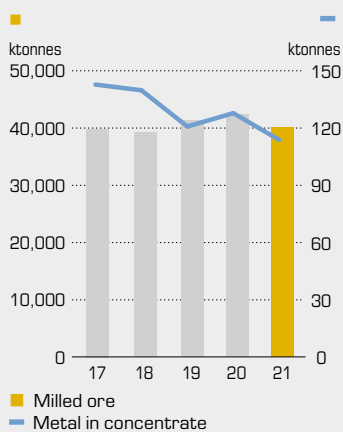
**Production, Mines**

Production was also negatively affected by the Covid-19 pandemic in 2021. Higher than normal sick leave led to e.g. a lower availability of ore trucks and excavators in the open pits. Aitik's milled volume fell 4% compared with 2020. Hydraulic problems in one of Aitik's primary crushers in the concentrator caused a 3-week unscheduled production stop in the first quarter and a little less than one week into the second quarter. Total production lost in Aitik during the first quarter is estimated at just over 2 Mtonnes of milled volume. However, despite high Covid-19 related

sick leave, Kevitsa reached a new milled volume record following the completion of an investment program. This contributed to an increase in Boliden's production of nickel in concentrate of 7% compared to 2020. However, the production of copper in concentrate decreased compared to 2020. Lower milled volumes and lower grades in Aitik had a negative impact. The copper grade in Aitik was 0.22% (0.24). The production of gold in concentrate also decreased compared to 2020. Lower grades in all gold-producing mines had a negative impact. The production of zinc in concentrate decreased compared

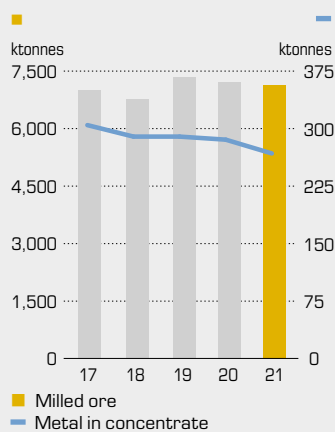
to 2020. This was despite Garpenberg's new milled volume record following the completion of an investment program. Zinc production was affected negatively by a seismic event in Tara during the first quarter, and the incident with increased water inflows in the fourth quarter. Also, both Tara and the Boliden Area reported lower zinc grades compared to the previous year. The Boliden Area's milled volume increased somewhat in 2021 compared to 2020. However, its production of metals in concentrate decreased slightly for all metals except lead. Lower grades had a negative impact.

**Copper production**



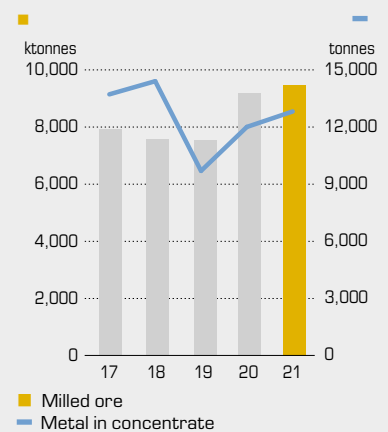
The production of copper in concentrate decreased as a result of lower grades in Aitik.

**Zinc production**



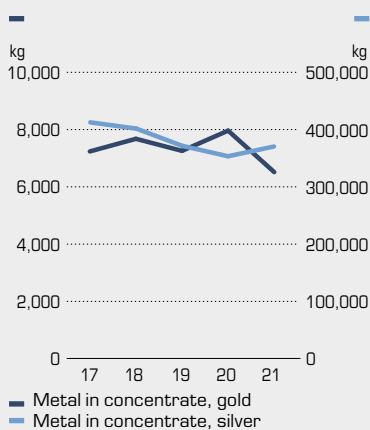
The production of zinc in concentrate decrease due to production problems in Tara.

**Nickel production**



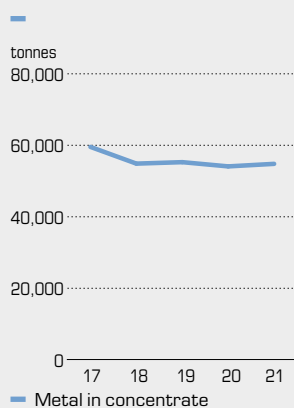
The production of nickel in concentrate increased mainly as a result of higher grades and milled volumes in Kevitsa.

**Gold and silver production**



The fall in the production of gold in concentrate is primarily explained by lower grades in the Boliden Area.

**Lead production**



The production of lead in concentrate increased marginally compared to the previous year.

# Development Smelters

## Financial information, Smelters

Revenues totaled SEK 67,292 m (55,283) and gross profit excluding revaluation of process inventory was SEK 11,314 m (12,062). Operating profit excluding revaluation of process inventory was SEK 2,903 m (3,975). Including a revaluation of process inventory in the amount of SEK 764 m (497), operating profit totaled SEK 3,666 m (4,472). Total operating costs for Smelters before depreciations were SEK 7,245 m (6,922). This corresponds to an increase of 5% (2) in local currency, mainly due to extensive maintenance and higher energy prices. Higher metal and sulphuric

acid prices had a positive effect on operating profit. Lower volumes of free metal and production disruptions in Harjavalta had a negative impact. Operating profit was affected by maintenance shutdowns in the amount of SEK -560 m (-345). An insurance payment of SEK +47 m was received in 2020 for a breakdown in Harjavalta. Neither Rönnskär nor Harjavalta reached the record levels achieved in 2020. Rönnskär's lower earnings were due mainly to lower volumes of free metals. In the case of Harjavalta, a lower proportion of free metals, extensive maintenance shutdowns and production problems all contributed to the decline in

earnings. Both zinc smelters reported lower earnings in 2021 compared to 2020. Lower zinc treatment charges and significantly higher electricity prices had a negative impact. Bergsöe turned the previous year's loss into a profit. A higher volume of free metal and contributions from by-products had a positive effect.

## Production, Smelters

Smelter production of copper increased slightly compared to 2020. Production volumes for other metals and sulphuric acid decreased due to more extensive maintenance and production disruptions.

### Key data

	2021	2020
Revenues, SEK m	67,292	55,283
Gross profit excl. revaluation of process inventory, SEK m	11,314	12,062
Operating costs excl. depreciations, SEK m	7,245	6,922
Depreciations, SEK m	1,302	1,273
Operating profit excl. revaluation of process inventory, SEK m	2,903	3,975
Operating profit, SEK m	3,666	4,472
Investments, SEK m	2,070	1,835
Capital employed, SEK m	25,545	21,977
Return on capital employed, %	15	20
Number of employees (FTE)	2,424	2,425

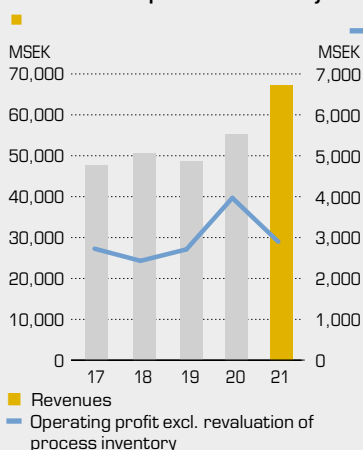
### Performance analysis

SEK m	2021	2020
<b>Operating profit</b>	<b>3,666</b>	<b>4,472</b>
Revaluation of process inventory	764	497
<b>Operating profit excl. revaluation of process inventory</b>	<b>2,903</b>	<b>3,975</b>
<b>Change</b>		<b>-1,073</b>
<b>Analysis of change</b>		
Volumes		-646
Prices and terms		44
Exchange rate effects		-450
Costs		-412
Depreciation		-45
Other		-14
<b>Change</b>		<b>-1,073</b>

### Operating profit

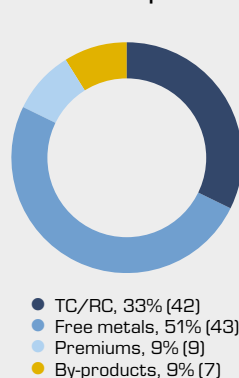
SEK m	2021	2020
Rönnskär	1,075	1,327
Harjavalta	1,037	1,095
Kokkola	565	1,031
Odda	133	548
Bergsöe	72	-21

Revenues and operating profit excl. revaluation of process inventory



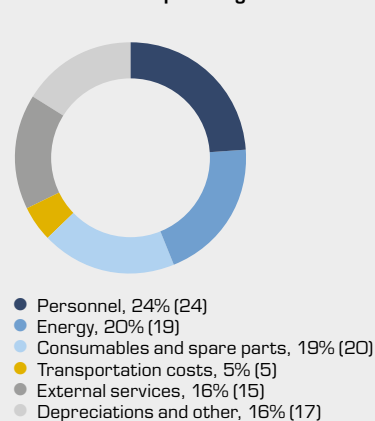
Operating profit excluding revaluation of process inventory was lower than the previous year. Lower volumes and higher costs had a negative impact.

Breakdown of gross profit excl. revaluation of process inventory



Treatment charges and free metals accounted for 84% (85) of gross profit excluding revaluation of process inventory.

Breakdown of operating costs



Operating expenses excluding depreciation increased by 4%.

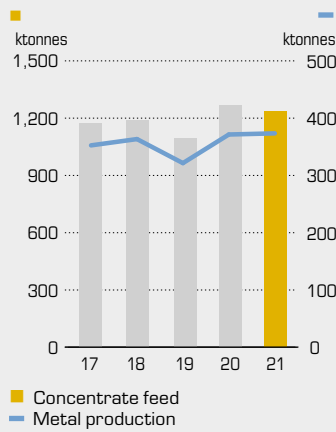
Metal production in Rönnskär declined slightly in 2021 compared to 2020. Certain process disruptions and more extensive planned maintenance had a negative impact. Secondary feed was affected by low availability of electronic secondary raw materials, which also had a negative effect on the volume of free metals. Precious metal production was lower than the previous year as a result of lower input grades.

Harjavalta's full-year production of copper cathodes increased 4% to a new production record thanks to high process stability in the copper line. However, the production of nickel declined sharply due

to low energy content in the concentrate, extensive maintenance and production disruptions. A fire in Harjavalta during the third quarter and a slag explosion in the nickel line at the end of the fourth quarter had a negative impact. Zinc smelters production decreased slightly compared to the previous year. Kokkola's production was negatively affected by the malfunctioning of the roasting plant. Furthermore, production was deliberately reduced in the fourth quarter due to high electricity prices. From time to time, the onward sale of electricity was more profitable than using it for zinc production. Kokkola's

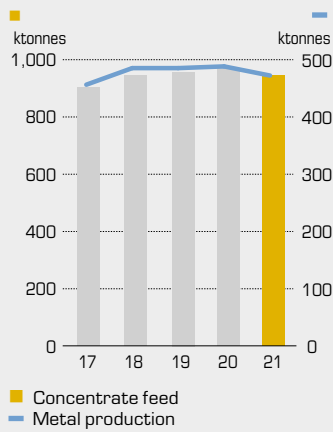
production of silver in concentrate was increased thanks to higher input grades. Odda's zinc production decreased compared to the previous year. Start-up of the electrolysis plant following the third quarter's maintenance shutdown was delayed due to a lack of vital components. Bergsöe's production of lead alloys was in line with the previous year. Production was limited to keep sulphur dioxide emissions below the permissible level. The new plastics separation plant commissioned during the later part of 2020 has worked well. Bergsöe's polypropylene production increased by 15%.

**Copper production**



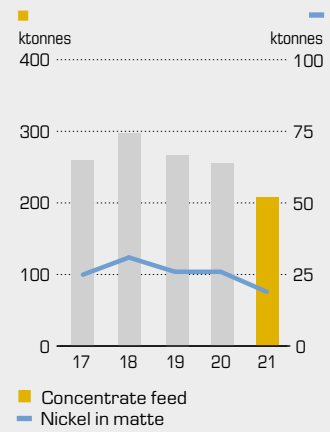
Concentrate feed was slightly lower and copper production slightly higher.

**Zinc production**



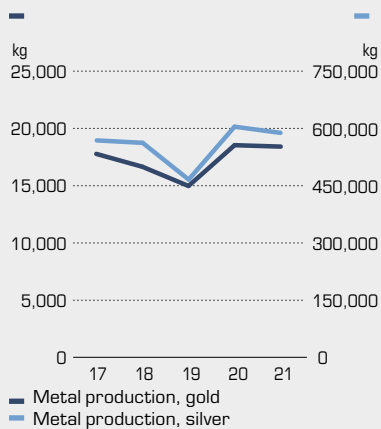
Zinc production was stable, but at a slightly lower level than the previous year's.

**Nickel production**



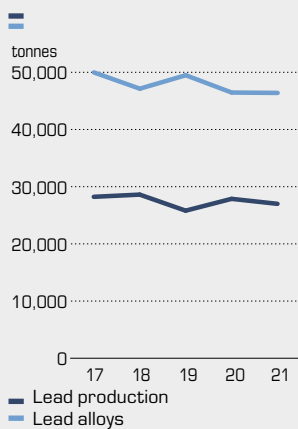
Harjavalta's production of nickel in matte was lower than the previous year's. Nickel feed was lower due to low energy content in input concentrate.

**Gold and silver production**



Precious metal production fell slightly, but was on a level similar to that of the previous year.

**Production of lead and lead alloys**



Lead production was in line with the previous year.

# DEVELOPMENTS ON THE METAL MARKETS

Historically, 2021 was a strong year for developments in the metal markets with new nominal price records for a number of raw materials as a result of a very favorable growth in demand.

## ■ Market developments 2021

The global economic recovery that began in late 2020 continued in 2021 despite the ongoing Covid-19 pandemic. The growth in demand for industrial metals increased sharply, especially during the first half of the year when the global economy underwent a phase of high metal-intensive growth. However, the return to normality was delayed despite the high vaccination rate in the Western world as new virus variants and logistical challenges meant continued restrictions that limited both the service sector and industrial production. Affected in part by new pandemic outbreaks and weather conditions, global supply chains were under considerable stress and unable to meet the rapidly growing demand. The logistical problems manifested themselves in many ways. The semiconductor shortage in the automotive industry hampered the production of new vehicles; a shortage of Capesize vessels and freight containers resulted in record-high shipping costs and bottlenecks in ports; limited material flows across borders temporarily closed due to Covid-19, and a shortage of labor. The above problems together with pent-up demand and sharp rise in raw materials prices, caused a rapidly rising rate of inflation in the second half of the year, in both developed and developing economies.

The supply of metals increased but at a rate lower than demand. During the second half of 2021, energy prices increased and toward the end of the year the prices were prohibitive for certain producers in Europe and China, who decided to fully or partially curtail metal production. In order to secure supply for 2022, metal consumers increased their inventory, resulting in

visible metal stocks to fall to historically low levels. Mined production recovered from the previous year, which was affected by Covid-19 related production disruptions, but spot market treatment charges remained low and below benchmark annual contracts.

### Long-term metal demand

Global economic growth has long been dependent on the burgeoning Chinese market, which has also accounted for the single largest demand for base metals. Although growth is expected to decline in the long-term both globally and in China, metal demand has continued to enjoy strong support from investments related to electrification and climate transition. Major investments will be necessary in infrastructure and products with a high metal content such as power generation and distribution, and electrical equipment. Thus, global demand for base metals is expected to grow for a long time.

### Long-term metal supply

Mines have limited lifespans and must be replaced by new ones, but this will only occur if companies believe future metal prices will make investments in mining projects profitable. The cost structure and capital intensity in the mining industry have been rising for a long time, as mining projects are generally affected by an increasing need for infrastructure, larger scale operations due to lower grades, and increasingly stringent demands from permit issuing authorities and local stakeholders. Development time for a new mine is usually many years, and increases in line with the above-mentioned challenges. While expansion in existing mines

generally has lower capital intensity, it will only partially satisfy the future demand for metals. The smelting capacity expansion rate is based on the expectation companies have of metal demand in the regional market and the supply of raw materials. New capacity affects concentrate market balance and thus the terms between smelters and the mines. Over time, metal recycling is expected to increase as a share of total supply, but as with mine expansions, it will only partially satisfy future metal demand.

### Developments in China

China accounts for more than half of global base metal demand and a significant share of global metal supply, which means economic development in the country will continue to be a major factor in Boliden's markets over the long-term. Smelting capacity expansion in China has been rapid in order to meet the increasing demand for base metals. Metal imports are significant and the Chinese smelting industry has become a major player in the global concentrate market, especially for copper. While China's position as the world's largest nickel producer was recently taken over by Indonesia, this was through major investments controlled by Chinese interests. Global copper and zinc mining capacity has sometimes been a limiting factor when investment growth was high in China. Even during periods of slowdown in global economic activity or when extraordinary situations have affected the global economy, demand from China continued to be good, thus periods of low copper and zinc prices were short from a historical perspective.



” Copper achieved a new price record of USD 10,747 per tonne, while the zinc price was the highest since 2007.

GDP PER CAPITA 2021

Global	Developing countries	USA
16,600	5,200	61,200
+5.9%	+6.4%	+6.0%

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Mature economies	EU	China
49,900	43,800	17,700
+5.2%	+5.1%	+8.0%

Rounded figures in USD PPP constant prices. Change refers to GDP growth compared to the previous year. Source: International Monetary Fund World Economic Outlook via Refinitiv Datastream. Oxford Economics.

TRENDS IN SUBMARKETS, 2021

The demand for Boliden’s metals is driven mainly by the level of activity in the global industry, trends in the infrastructure and construction markets (construction market investments) and the automotive industry.

Submarket	Global	
Construction market investments	Strong growth	Global construction investments increased from low levels in 2020 in line with the global economic recovery. Investments increased more in Europe and the US than in China.
Industry activity level	Strong growth	Industrial output showed a strong recovery and grew in all major economies around the world in 2021.
Vehicle production	Some recovery	Global vehicle production increased for the first time in four years, but was significantly lower than the peak in 2017. In China, the rate of production remained unchanged from the previous year.

ABOUT PRICING

Metals

Prices for copper, zinc, nickel and lead are set daily on the London Metal Exchange (LME). In addition to the price, there is usually a premium which level is governed by the local balance between metal demand, smelter capacity, shipping costs and payment terms. Prices for gold, silver, palladium and platinum are set in a similar way by the London Bullion Market Association (LBMA). Cobalt and tellurium prices are published in the Metal Bulletin.

Concentrates

The price of concentrate is typically the LME price less treatment charges and is calculated on the payable part of a concentrate’s metal content, and regulated by terms and conditions between mines and smelters. The balance between the global supply mine of concentrates and smelter demand governs pricing between mines and smelters.

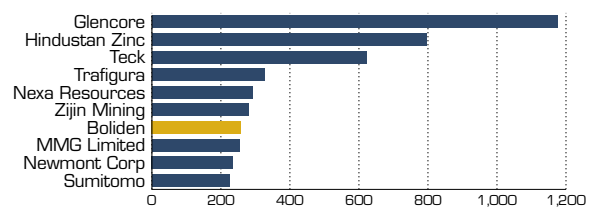
# MARKET POSITION

Boliden operates on a global market and is one of the world's biggest zinc mining and smelting companies. In copper, it is a small but leading player in Europe, and has built up a position in nickel in recent years. It has a leading position in electronic waste recycling and a prominent position in Europe in lead recycling.

### Mining companies – zinc

Boliden is the world's seventh biggest zinc mining company. Tara and Garpenberg are major zinc mines by international comparison. Garpenberg is one of Europe's largest producers of silver. The Boliden Area is a minor zinc producer.

The 10 biggest zinc miners ktonnes 2021

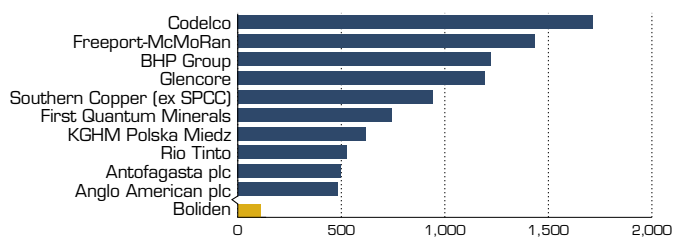


Source: WOOD MACKENZIE

### Mining companies – copper

Boliden is a minor global copper miner but plays an important role in Europe's metal supply. Aitik, Europe's largest copper mine, is a major mine in terms of ore production but medium-sized in terms of metal production. Kevitsa and the Boliden Area are small copper producers.

The 10 biggest copper miners ktonnes 2021

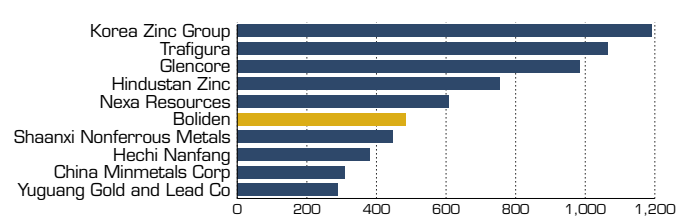


Source: WOOD MACKENZIE

### Smelting companies – zinc

Boliden is the world's sixth largest zinc smelting company. The Kokkola smelter is a major zinc producer while the Odda smelter is medium-sized. The expansion of Odda commenced in 2021 and will make the smelter a leading zinc producer.

The 10 biggest zinc smelters ktonnes 2021

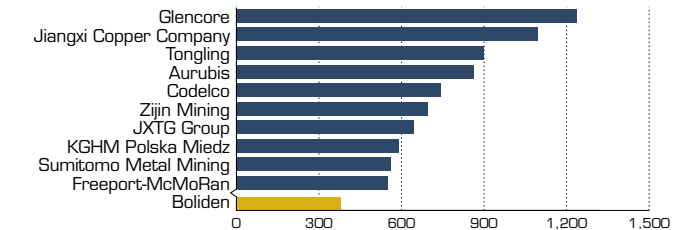


Source: WOOD MACKENZIE

### Smelters – copper

Boliden is the world's nineteenth biggest copper smelter. The Rönnskär smelter is a major copper producer and a world leader in electronics recycling. The Harjavalta smelter is a small copper producer and the largest nickel smelter in western Europe.

The 10 biggest copper smelters ktonnes 2021



Source: WOOD MACKENZIE

### Mining and smelting companies – Nickel

Since the acquisition of the Kevitsa mine, Boliden enjoys the same integrated structure in nickel as it does in copper and zinc, except that Boliden does not produce finished nickel metal but an intermediate product known as nickel in matte, which is sold for further refining.

### Mining and smelting companies – Lead

Boliden is an important lead mining company globally, but without owning primary lead mines. Instead, lead is extracted as a by-product, mainly from the zinc mines. Boliden is a medium-sized smelting company for primary lead and has a significant position in Europe in lead recycling through the Bergsöe smelter.

# COMPETITIVENESS

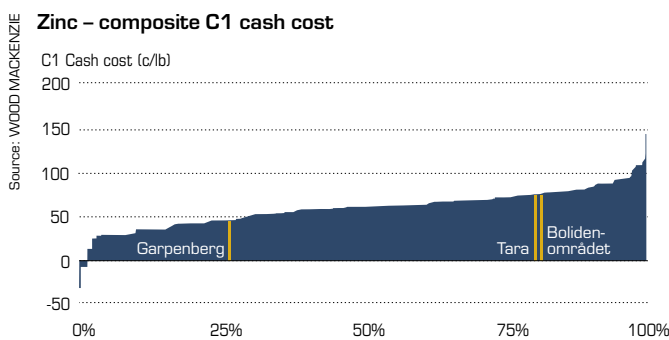
Metals are traded and priced on global exchanges. Competitive costs and sustainable processes are critical to long-term success as the metals are largely produced and traded in their pure forms without distinguishing properties.

■ Unlike pure metals, mined concentrates are not traded on exchanges, but are priced by leading market participants who announce their terms in the form of annual agreements known as benchmark contracts. Mining unit costs are well-known to the market as information on cost levels, known as cash cost,

is regularly compiled by independent research companies. Highly competitive mines often have high grades, substantial revenues from by-products, advantageous infrastructure, and low costs. Smelter competitiveness is usually compared using the cash margin metric, which is a more comparable metric, since smelters extract

multiple metals and by-products. Smelter competitiveness depends on the cost structure, stable processes with high recovery and extraction of other metals and by-products in addition to their primary metal. The graphs below show data from Wood Mackenzie<sup>1)</sup> and were not compiled by Boliden.

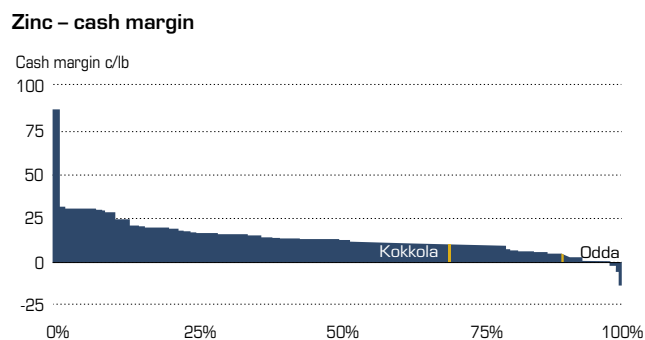
## CASH COST IN THE MINING INDUSTRY



Share of mining industry production of zinc metal in concentrate, %

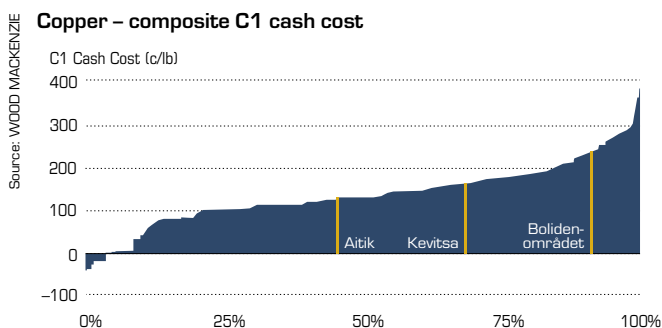
Garpenberg and the Boliden Area have large revenues from multiple metals and report according to pro rata costing. Tara is reported according to normal costing. According to Wood Mackenzie, Garpenberg has world-leading productivity among underground mines.

## CASH MARGIN FOR SMELTERS



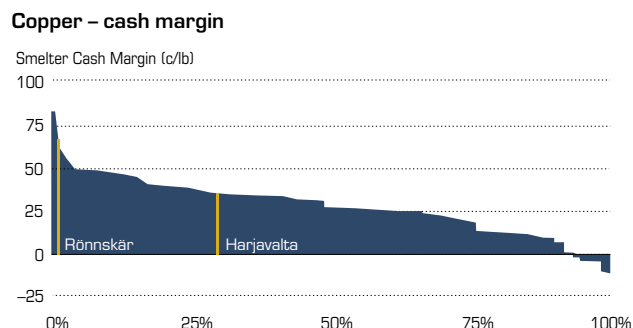
Share of mining industry production of zinc metal, %

Boliden's zinc smelters benefit from economies of scale and low energy costs, but have low secondary metals production. The cash margin curve is flat and there is little difference between the smelters at lower and higher percentiles.



Share of mining industry production of copper metal in concentrate, %

Aitik has the world's highest productivity for open pits with milled volumes according to Wood Mackenzie. Kevitsa is a nickel and copper mine with by-products. Kevitsa is in the first quartile on the nickel cash-cost curve.



Share of mining industry production of copper metal, %

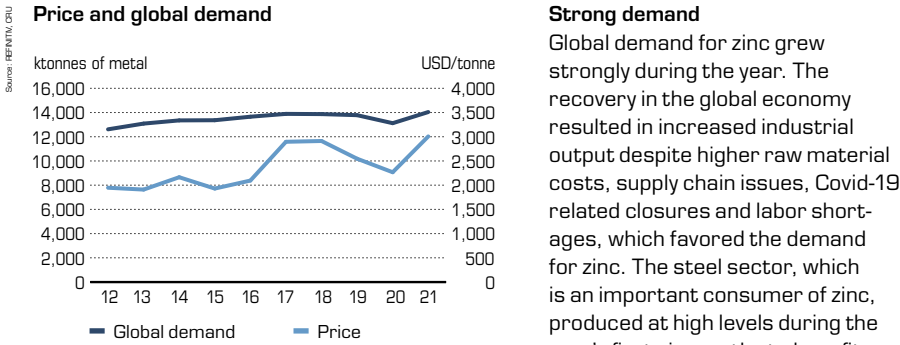
Boliden's copper smelters enjoy a high cash margin due to its ability to process complex materials. A major part of Rönnskär's materials supply is from secondary raw materials. Harjavalta has major revenues from its nickel business.

<sup>1)</sup> The graphs are based on estimates and assumptions by the research company Wood Mackenzie and may differ from Boliden's own cash cost per mine data due to differences in the underlying data. There are a number of different definitions of cash cost. The graphs for mines show composite costing where either pro rata or normal costing is reported. Pro rata costing divides the costs between the different metals, while normal costing reduces the costs by the net revenues from by-products.

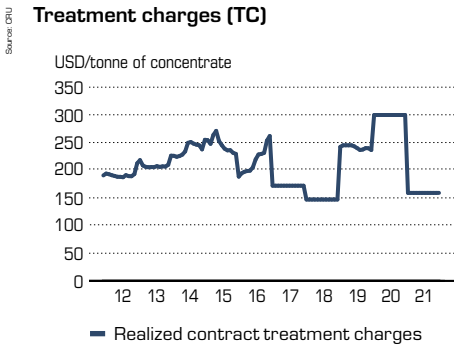
# TRENDS, PRICES AND TERMS

## ZINC MARKET

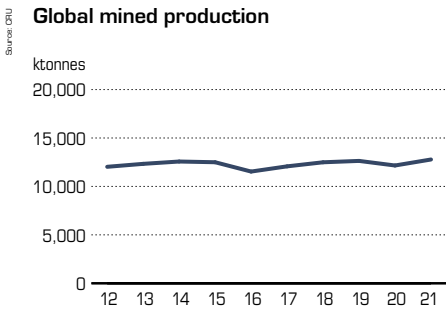
### Price and global demand



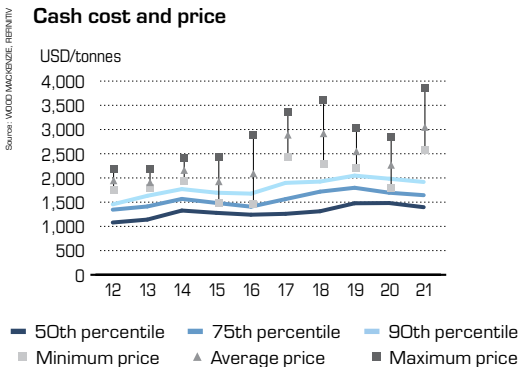
### Treatment charges (TC)



### Global mined production



### Cash cost and price



### Strong demand

Global demand for zinc grew strongly during the year. The recovery in the global economy resulted in increased industrial output despite higher raw material costs, supply chain issues, Covid-19 related closures and labor shortages, which favored the demand for zinc. The steel sector, which is an important consumer of zinc, produced at high levels during the year's first six months to benefit from high steel prices.

### High energy costs for smelter production

The supply of zinc increased but at a lower rate than demand due to production disruptions. Several Chinese smelters reduced production during the second and third quarters due to limited power supply and tougher government emission restrictions. Energy constitutes a major part of the variable costs in zinc smelters. In Europe, energy prices increased from the third quarter and escalated toward the end of the year, which led some zinc producers in the region to announce total or partial production cutbacks in a number of smelters. Zinc prices increased significantly during the year and especially in the fourth quarter, albeit with higher volatility, as the market was quick to price the anticipated reduction in zinc production.

### Lower stock levels

The zinc market was in balance at the beginning of the year, only to go into deficit and stock levels fell consistently from the second quarter. This was despite the divestment of strategic reserves including 180 kt tonnes of zinc by the Chinese National Food and Strategic Reserves Administration in an attempt to counter the higher metal prices that were depressing the profit margins of the Chinese manufacturing industry. Given the announced production cutbacks in Europe, some concerns were raised among zinc consumers regarding next year's zinc supply. Existing volumes were bought up and metal stocks were at very low levels toward the end of the year. The premium in annual zinc metal contracts for 2022 was at the highest level since 2007.

### Recovery in mining production

Global mined production stabilized during the year as the industry recovered from the extensive production disruptions related to the Covid-19 pandemic in 2020. The concentrate market remained tight as concentrate stocks were low, which resulted in significantly worse conditions for smelters when the new treatment charges in benchmark contracts were set at USD 159 (299.75) per tonne of concentrate. Spot market treatment charges were lower than in benchmark contracts throughout the year.

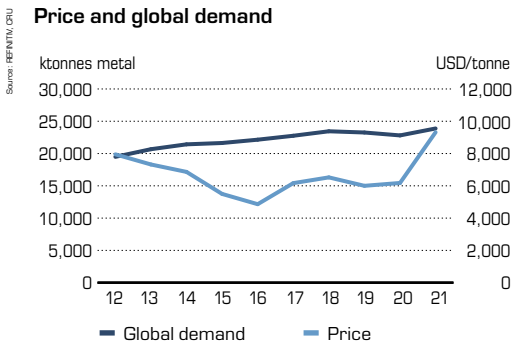
### Cash cost zinc

In weaker market environments, metal prices have dropped toward the cash cost level for high-cost mines. For shorter periods during weak economic conditions, the zinc price dropped towards the 60th percentile where 40% of production is unprofitable. In periods of weak market conditions, annual average prices were close to the 90th percentile. The average cash cost

level for the industry fell during 2021 thanks to lower treatment charges and a strong price development for by-products, despite a weaker dollar and increasing inflation. The lower costs combined with the high zinc price led to very good margins for mined production. Cash cost in the 90th percentile is deemed to have dropped to USD 1,920 (1,980) per tonne.

COPPER MARKET

Price and global demand

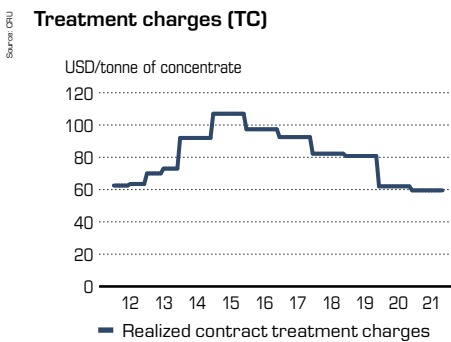


Strong demand and price development

The strong growth in copper demand from the end of 2020 continued into 2021, despite some restraint as a result of the ongoing Covid-19 pandemic, rising inflation, bottlenecks in the logistics chains and high financial leverage in the Chinese property sector. Demand was particularly strong in the US and Europe thanks to successful vaccination programs, pent-up consumer demand, fiscal stimulus packages and low interest rates.

its strategic reserves. Global stocks fell during the second half of the year to very low levels as the increasing energy prices created anxiety in the market about future copper metal supply shortages. However, copper smelters are less sensitive to increasing energy costs than zinc smelters. Copper stocks controlled by the LME plummeted to the lowest levels for almost 50 years, which led to record differences between the spot price and forward exchange contracts (backwardation) in October.

Treatment charges (TC)

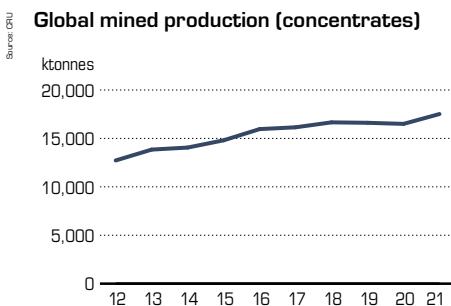


Copper demand continued to be affected positively by the trend toward increased electrification and the expansion of infrastructure for charging and power transmission. The metal's key role in the energy transition has piqued the interest from financial investors.

Increased concentrate supply

The supply of concentrate increased during 2021 as the production rate was partially normalized from the low 2020 level affected by the Covid-19 pandemic. However, some concentrate supply was hampered due to logistics disruptions in South America. A number of new copper mines were commissioned, and the development rate for most major projects rose as Covid-19 restrictions were eased.

Global mined production (concentrates)



The production rate of finished copper metal increased during 2021 with the strong recovery in Chinese smelting output. The copper price increased during the first half of the year and reached a new price record in May, but decreased during the third quarter. The price gained new support during the fourth quarter as a result of lower metal stocks.

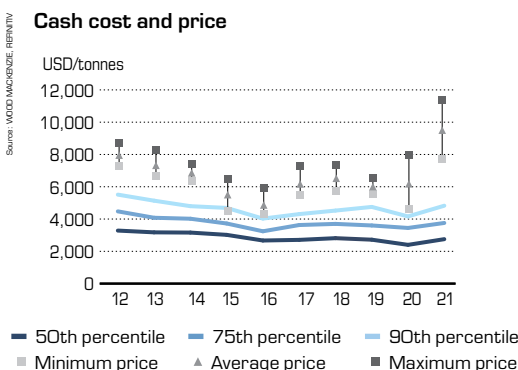
Lower treatment charges

A minor shortage of concentrate was anticipated in the run-up to 2021, and treatment charges in benchmark contracts between mining companies and Chinese smelters were negotiated even further below the low level of 2020. Spot market treatment charges were weak, even though they strengthen toward the end of the year, but below benchmark contracts.

Copper stocks at low levels

Stocks of finished copper metal were built up in 2020 and continued to increase during the first six months of 2021 and in June China began selling off 110 ktonnes of copper from

Cash cost and price



Cash cost copper

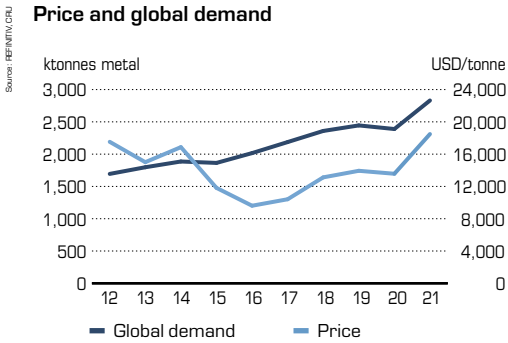
In weaker market environments, metal prices have dropped toward the cash cost level for high-cost mines. For shorter periods during weak economic conditions, the copper price dropped towards the 80th percentile where 20% of production is unprofitable. In weak market conditions, annual average prices were higher than the 90th

percentile for copper. In particular inflation, a weaker dollar and higher diesel and electricity costs led to a higher average cash cost level in 2021. Mines with a high proportion of by-products were favored by higher prices for these. Cash cost in the 90th percentile increased to USD 4,830 per tonne (4,160).

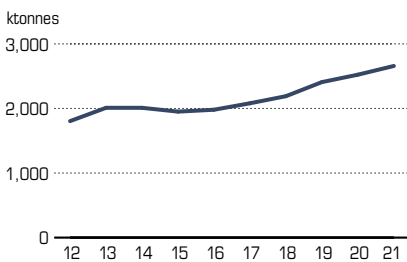
PRICE DEVELOPMENT

NICKEL MARKET

Price and global demand



Nickel - Global primary production



Strong recovery in demand

The 2021 nickel market was characterized by a strong recovery in demand after the shutdowns in 2020. Strong demand and high stainless steel prices led to sharply increased production and thus increased demand for nickel, even though the trend weakened toward the end of the year, in part affected by high energy prices. Stainless steel is the biggest single segment for nickel and accounts for more than two thirds of global nickel demand. Nickel demand was also affected positively by the trend toward electrification as the metal is an important component in lithium batteries used in electrically powered vehicles and in electronics. Global electric vehicle production rose in 2021, which contributed to strong demand for nickel for battery precursor materials. The consumption of nickel for batteries in China – the world’s leading battery producer – almost doubled.

Continued expansion in Indonesia

The production of nickel increased in 2021 driven by continued expansion

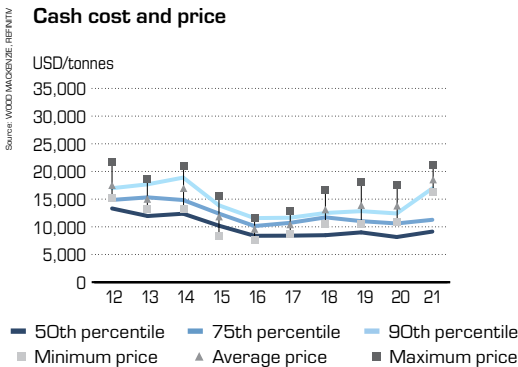
in smelter capacity in Indonesia. The country has the largest ore reserves in the world and is currently the leading nickel producer following major investments in domestic processing, nevertheless often controlled by Chinese interests. Market balance was largely characterized by a nickel shortage in 2021, despite production increases in Indonesia, and metal stocks fell by the equivalent of 8 percent of the total market.

To meet the growing demand for nickel for the battery market, some ferronickel production was converted to nickel in matte. This news created volatility in the nickel price, which fell sharply. The price recovered and developed strongly during the second half of the year.

Lower mined production

Indonesia and the Philippines together accounted for roughly half of global mining production and they provide the raw material for the production of NPI in Indonesia and China. The recovery was strong in both countries in 2021 following the previous year’s production cutbacks.

Cash cost and price



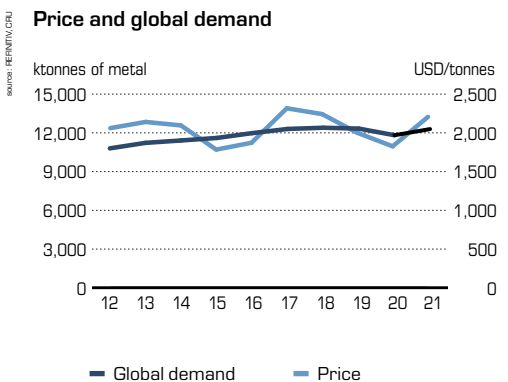
Cash cost nickel

In weaker market environments, metal prices have dropped toward the cash cost level for high-cost producers. The nickel price has rarely fallen below cash cost in the 75th percentile. Cash cost in the 75th percentile was USD 11,300 per tonne (10,600), and in the 90th percentile USD 17,000 per tonne (12,400). Average costs increased

for the industry and especially for high-cost production which is very energy intensive. Low-cost production was favored to a greater extent by strong prices for by-products such as palladium, copper and cobalt. Average margins for the industry were deemed to be very good from a historical perspective.

LEAD MARKET

Price and global demand



Global lead demand increased due to the partial recovery in global automotive production which, however, was limited as a result of the persistent semiconductor shortage. The production of car batteries for the replacement market was at a good level. The supply of lead metal increased, but at a rate lower than demand. During the year, stock levels rose initially but fell sharply in the fourth quarter when consumers

bought existing volumes to secure raw materials supply for the following year as a reaction to the rising energy prices and potentially limited supply. The supply of mined concentrates improved over the previous year, but the market remained tight from the production disruptions of the previous year. Spot market treatment charges fell and were lower than benchmark contracts.

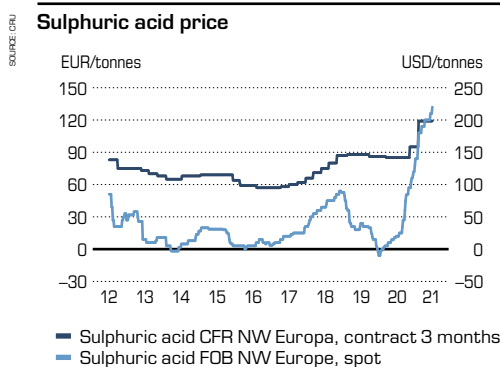
PRECIOUS METAL MARKETS



Gold and silver prices are governed by anticipated developments in the global economy and have often been sought-after metals in weak economic environments or when unusual events affect the global economy. Precious metals are included in the investment portfolios of financial players to an increasing extent, especially in 2020. The interest for gold among financial investors

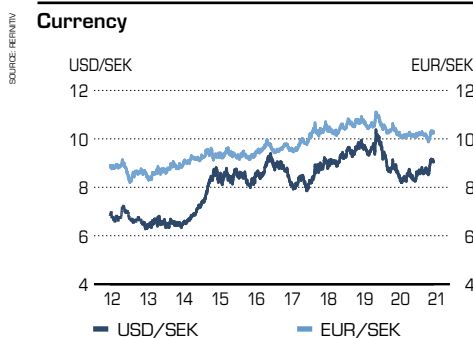
declined in 2021, but was balanced to a certain degree by industrial demand, which was robust. The gold price weakened during the year, but the average price was nevertheless marginally than in 2020. Silver is dependent on the economic cycle to a greater degree as a significant proportion of demand is industrial. The silver price remained at the high level from the end of 2020.

SULPHURIC ACID MARKET



The sulphuric acid price increased consistently throughout 2021 as a result of limited supply and stable demand. Important consumption markets such as Chile, Morocco and India maintained or increased their demand for imported volumes. Continued strong price levels in end-user markets (fertilizer, copper, nickel) also provided support for the sulphuric acid market.

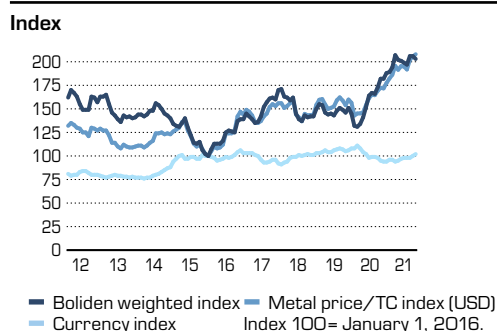
CURRENCY TRENDS



After having weakened during the latter part of 2020 as a result of Covid-19 related stimulus packages in many countries and robust action from central banks, the dollar strengthened against the Swedish krona in 2021, and also against the euro. The strength of the dollar was especially visible toward the end of the year when the rising rate of infla-

tion in the US created expectations of a more restrictive monetary policy from the United States Federal Reserve. On average, the USD to SEK rate was 8.58 (9.20), and at year-end it stood at 9.05 (8.19). On average, the EUR to SEK rate was 10.15 (10.49), and at year-end it stood at 10.30 (10.04).

BOLIDEN WEIGHTED INDEX



The Boliden weighted index, which includes the prices, terms and currencies that have the biggest effect on Boliden's earnings, rose 21 percent in 2021 and is at a historically high level. The weighted currency index and the metal price

and treatment charge index also developed well during the year. Currencies and metal prices have often displayed a negative correlation that has had an equalizing effect on the Boliden weighted index and Boliden's earnings.

# THE SHARE

The Boliden share is noted on Nasdaq Stockholm and is part of the Large Cap segment. During the year, the share rose by 20% thus trending weaker than the Stockholm exchange.

## Trading in the Boliden share\*

In all, 1.0 billion (1.3) Boliden shares were traded in 2021 with a total value of SEK 325 billion (288). Nasdaq accounted for 69% of all trading in Boliden shares. During the year, 726 million (918) Boliden shares were traded on Nasdaq Stockholm, with a total value of SEK 232 billion (208). An average of 2.9 million (3.6) shares were traded per trading day, and the Boliden share accounted for 2.0% (1.8) of the total volume of shares traded on Nasdaq Stockholm. The largest exchange after Nasdaq, was Cboe CXE, with 18% of all trades in the share.

\* The calculation method for 2020 has changed

## Price trend and dividend

The Boliden share rose by 20%, while the OMX Stockholm 30 index rose by 29%, and the Refinitiv Global Mining Sector index in SEK rose by 19%. At year-end 2021, the Boliden share was quoted at SEK 350 (291) on NASDAQ Stockholm, corresponding to a market capitalization of SEK 95.7 billion (79.7). In common with other raw materials companies, the value of the Boliden share varies on average

more than the broad stock market indices. Over the last five years, the beta value of the Boliden share against OMXSPI was 1.20 (1.26). The Board proposes to the Annual General Meeting an ordinary dividend of SEK 10.50 (8.25) per share for 2021, which is in line with Boliden's dividend policy. The proposed dividend corresponds to 33.0% (33.2) of net earnings per share and a dividend yield of 3.0% (2.8) of the share price at year-end. Also, an extra disbursement of SEK 15.50 (6.00) per share is proposed by means of automatic share redemption procedure. Boliden's average total return (dividend paid and price trend) over the past year was 17% (11) per year.

## Share capital

The total number of shares is 273,511,169. Each share has a quota value of SEK 2.12, and total share capital is 578,914,338. Boliden's share capital derives from one type of share where each share has the same voting rights and the same right to dividends. There is no provision in Boliden's articles of association that limits the right to transfer shares

or any voting right restrictions as to how many votes a shareholder may exercise at a shareholders' meeting. Boliden does not hold any of its own shares, nor has it issued any shares in 2021.

Boliden is unaware of any agreement between shareholders that may entail restrictions on the right to transfer shares in the company. Boliden is not party to any significant agreement affected by any public buyout offer. Boliden has no shareholders who have declared that they directly or indirectly represent at least one tenth of the total number of votes for all shares.

## Ownership structure

As of December 31, 2021, Boliden had 102,597 shareholders (89,711).

Approximately 60% of the shares (60) were registered to foreign accounts. The ten biggest individual shareholders represented 29.0% (30.5) of the share capital.

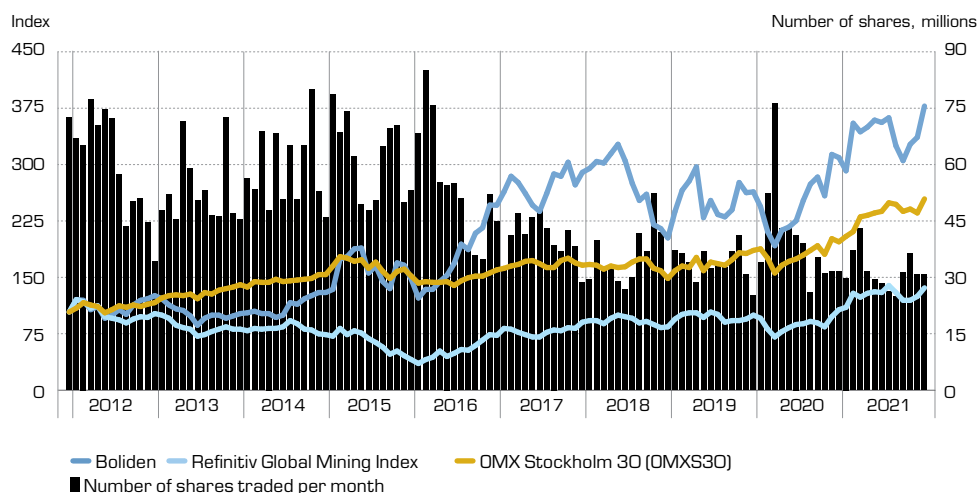
Boliden's employees hold shares, via profit sharing foundations, for which voting rights cannot be directly exercised. At year-end, the foundations held 1,093,048 shares (1,096,991).

## Share price, sector index, and Nasdaq Stockholm

### Share price, sector index, and Nasdaq Stockholm

During the year, the Boliden share rose by 20%, while the OMX Stockholm 30 index rose by 29% and the Refinitiv Global Mining Sector index in SEK rose by 19%.

Source: Thomson Reuters Datastream





**Breakdown of Boliden's shares as of December 31, 2021**

Shareholdings	Number of shareholders	Number of shares	Shareholding, %	Votes, %
1 – 100	60,176	2,147,701	0.8	0.8
101 – 500	27,761	7,694,295	2.8	2.8
501 – 1,000	7,773	6,291,334	2.3	2.3
1,001 – 10,000	6,267	16,499,766	6.0	6.0
10,001 – 50,000	409	87,88,994	3.2	3.2
50 001–	251	186,111,320	68.0	68.0
Anonymous ownership		45,977,759	16.8	16.8
<b>Total</b>		<b>273,511,169</b>	<b>100.0</b>	<b>100.0</b>

Source: Monitor, Modular Finance AB Holdings

**Boliden's 10 biggest shareholders As of December 31, 2021**

Percentage of capital and votes, %	
T.Rowe Price	4.9
BlackRock	4.9
Swedbank Robur	4.6
Handelsbanken fonder	3.1
Vanguard	3.0
Norges Bank	2.1
SEB Fonder	2.0
Söderbloms Factoringtjänst AB	1.8
Folksam	1.3
Artemis	1.3
<b>Total</b>	<b>29.0</b>

Source: Monitor, Modular Finance AB. The verification date may vary for certain shareholders.

**The share in brief, 2021**

Exchange	Nasdaq Stockholm
Ticker	BOL
ISIN code	SE 0015811559
ICB code	5510
Highest price paid	362
Lowest price paid	269
Closing price	350
Market cap. 31 Dec	SEK 96 billion
Turnover rate	305%
Number of shares	273,511,169
Beta value (5 years)	1.20

Source: Nasdaq OMX

**Shareholder information on the website**

Continuously updated information about the Boliden share, the shareholder list, metal prices and currencies is available on the Boliden website at boliden.com. Boliden's financial reports, presentations and contact details to the stock analysts in the 21 (19) banks and fund commissioners who monitor Boliden are also available on the website. For further information, please email us at investorrelations@boliden.com



Boliden's 2021 Capital Market's Day was held virtually in Stockholm on March 17. The theme was "Metals for generations to come". Around 100 institutional investors, analysts and journalists took part.

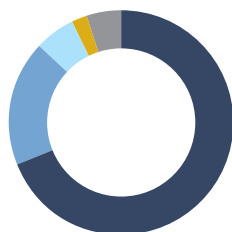
**Annual total return as of December 31, 2021**

	1 year	3 years	5 years	10 years
Boliden	25%	27%	12%	17%
OMX Stockholm 30	33%	23%	13%	13%
Refinitiv Global Mining Sector Index	33%	22%	18%	7%

The average total shareholder return on the Boliden share over the past 10 years was 17% per year and 379% for the period as a whole.

Source: Thomson Reuters Datastream

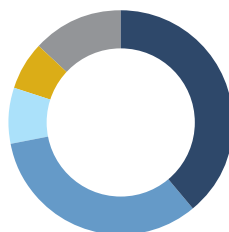
**Trading on different exchanges**



- Nasdaq, 69%
- CBOE, 18%
- Aquis, 6%
- Turquoise, 2%
- Other, 5%

In 2021, 69% of Boliden shares were traded on the Stockholm Exchange.  
Source: Modular Finance AB

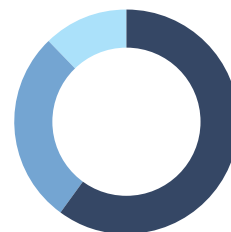
**Ownership by country**



- Sweden, 40%
- USA, 33%
- Luxembourg, 8%
- Great Britain, 7%
- Other, 12%

60% (60) of the shares were registered to foreign accounts.

**Ownership by category**



- Foreign accounts, 60%
- Swedish legal entity accounts, 28%
- Swedish natural person accounts, 12%

# RISK MANAGEMENT

The Group pursues a business that is exposed to changes in metal prices and foreign exchange rates. Operations affect the surrounding environment and many processes are associated with occupational health and safety risks. We work with e.g. scenario analyses and reducing risks, and we also constantly monitor risks based on process and product perspectives. This monitoring enables opportunities and risks relating to the operation to be recognized early.

<p><b>Operational risks</b></p> <p>Operational risks are managed by the operating units in compliance with the guidelines and instructions established for each business area and unit.</p> <ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Environmental impact</li> <li>• Unscheduled production stoppages</li> <li>• Skills supply</li> </ul>	<p><b>Market and commercial risks</b></p> <p>Boliden's market and commercial risks are primarily managed within the individual business areas and at Group level.</p> <ul style="list-style-type: none"> <li>• Metal prices</li> <li>• Treatment changes</li> <li>• Customers</li> <li>• Raw materials supply</li> <li>• Goods and services supply</li> <li>• Energy</li> </ul>	<p><b>Financial risks</b></p> <p>Boliden has a centralized finance department responsible for managing financial risks with the exception of credit risks in trade receivables.</p> <ul style="list-style-type: none"> <li>• Exchange rate and metal price risks</li> <li>• Currency risk</li> <li>• Interest rate risk</li> <li>• Refinancing and liquidity risk</li> <li>• Credit and counterparty risk</li> <li>• Financial reporting</li> </ul>	<p><b>Compliance with regulations</b></p> <p>Boliden has centralized departments for e.g. compliance and legal matters.</p> <ul style="list-style-type: none"> <li>• Legal risks</li> <li>• Compliance risks</li> <li>• Risks harmful to confidence</li> <li>• Political risks</li> </ul>
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## ■ OPERATIONAL RISKS

Description of risk	Management and comments for the year
<p><b>Health and safety</b></p> <p>Major material flows are handled above and below ground. Employees and contractors are periodically exposed to heavy machinery and lifting, to high temperatures, and to substances that are hazardous to health. Departures from established procedures, inadequate planning and deficient resource assignment can create dangerous situations and increase the risk of injury. A great many employees and contractors do shiftwork, which increases psychosocial risks related to stress and unhealthy workloads.</p>	<p>The Group has adopted a zero tolerance vision regarding accidents, and is constantly proactive in its efforts to improve health and safety and job satisfaction. The efforts were successful during the Covid-19 pandemic in 2020-2021, and even though a number of minor outbreaks occurred, all of the production units have been able to continue working with maintained production. The number of serious reported risks or incidents (RC3) fell by 48% since the previous year. On the other hand, the number of accidents resulting in lost time (LTI) and sick leave (SL) was at a relatively high level as a result of illness, and it was not possible to hold real-world start-up meetings, safety inspections and training during the ongoing Covid-19 pandemic. These activities are important parts of the health and safety work. Digital communications solutions were used wherever possible. A continued focus on managerial involvement, preventive risk management, and greater involvement by employees in health and safety activities our other important parts of the proactive work environment efforts.</p>
<p><b>Environmental impact</b></p> <p>The operation affects air, water, land and biodiversity. The extraction of metals also creates waste products that must be processed safely. There are risks posed by both ongoing and decommissioned operations. Significant issues include emissions to air and discharges to water, waste storage, land-use (landfill, waste management, impact on biodiversity), climate and energy consumption.</p>	<p>Established emissions targets are carefully monitored. Emissions management is risk-based and in line with the best available technology (BAT) and each unit's environmental permit. Constant monitoring takes place in a suitable manner and emergencies are prevented through systematic maintenance. Emissions are monitored according to procedures specific to the location and approved by the authorities. There is constant technical development aimed at following the latest BAT outcomes and conclusions to ensure the best resource utilization and lowest possible levels of waste.</p>
<p><b>Water management and dam safety</b></p> <p>Tailings dams constitute one of the mining industry's material risks. There is a risk of dam failure if the dams are not built or maintained correctly. Extreme weather conditions and changes in average rainfall affect these risks.</p>	<p>Water balance models have been developed to ensure better resource utilization and create a wider safety margin in relation to emergency water discharges. Every operating unit with its own dam has a dam safety manager and a dam operations manager. In 2021, Boliden became a member of ICMM (The International Council on Mining and Metals) and will thus follow its international guidelines in this field.</p>
<p><b>Climate change</b></p> <p>Global warming may increase the risk of more severe weather events as the global climate continues to change. Changes in precipitation may lead to heavier snowfall or flooding that can affect operations.</p>	<p>The Group's contribution to the global climate challenge is described in a Groupwide climate strategy program; see page 36. Each unit is responsible for evaluating the physical risks associated with weather conditions and their operation. Planning includes the analysis of scenarios arising from changed climate conditions in a mine's various phases (including reclamation following closure) as part of the investigation process.</p>

## ■ CONT. OPERATIONAL RISKS

Description of risk	Management and comments for the year
<p><b>Unscheduled production stoppages</b> Production mainly consists of continuous processes, and any unplanned stoppages can affect production, emissions and discharges to air and water, and financial performance. Stoppages may be long-term. Unplanned stoppages may occur due to e.g. technical problems, accidents or strikes. The past year has also shown there to be a risk that a pandemic will lead to production stoppages through restrictions or disruptions in supplier chains.</p>	<p>Preventive maintenance is carried out at all production facilities. Major maintenance shutdowns are carried out every year in the smelting operations, while maintenance work forms an integral part of day-to-day operations in mines.</p> <p>The goal is to minimize the total cost of the Group's damage risks. This is achieved partly by continuously developing damage prevention and mitigation efforts in the operations, and partly by introducing and developing groupwide insurance solutions.</p>
<p><b>Skills supply</b> In the years ahead, a large number of employees will retire. Furthermore, the competition for skilled labor is hardening in many of the areas where operations take place, e.g. due to business start ups. Meanwhile, a major technology shift is taking place in Boliden with an increase in digitization, process development and automation that will require new skills in many different occupational areas.</p>	<p>During the year, a number of activities were carried out to boost Boliden's skills for the future. The employer offering was concretized and differentiated to clarify the link between our purpose, our values, our role in climate transition, innovation and technology development, and as a secure employer. Furthermore a number of new collaborations with important universities and colleges were begun. Work on developing important personnel processes was completed during the year as part of the implementation of a groupwide HR-IT system in 2021.</p>

## ■ MARKET AND COMMERCIAL RISKS

Description of risk	Management and comments for the year
<p><b>Metal prices</b> Changes to metal prices have a significant impact on profits and cash flow.</p>	<p>Group policy is not to hedge metal prices, but rather to allow changes to be reflected in profits. However, Boliden's risk management function hedges smelter metal prices and currency exposure in the period between the purchase of raw materials and the sale of corresponding metals (with the exception of process inventory).</p>
<p><b>Treatment charges</b> Treatment charges make up a large part of the smelters' gross profit and are determined by supply and demand in metal concentrates.</p>	<p>Terms are negotiated annually by the major operators in the mining and smelting industries. These terms are applied internally and the majority of external contracts are based on them.</p>
<p><b>Customers</b> In copper, the Group is dependent on a small number of large customers. A reduction in sales to industrial customers in Europe increases the need to conduct sales via the London Metal Exchange (LME), with slightly lower margins as a result.</p>	<p>The Group endeavors to reduce these risks by maintaining a diversified portfolio of customers with long-term relationships, via its own northern European sales organization. There are plans in place to enable production to be reorganized to produce LME-quality products for sale via the LME. Diversification of the customer portfolio during the year has had the desired effect in the form of limited exposure to those segments whose demand fell most in the wake of the Covid-19 pandemic. Production was able to sell without delivering via the LME stock.</p>
<p><b>Raw materials supply</b> Stable, reliable raw materials supply is important for creating the most profitable raw materials mix and thereby enabling the smelters to produce at high levels of capacity utilization and consistent quality.</p>	<p>The Group endeavors to conclude long-term contracts in relationships with reliable external suppliers of metal concentrate and secondary materials, who also demonstrate high-performance in sustainability issues.</p>
<p><b>Goods and services supply</b> All operations are dependent on the ongoing sale of equipment, consumables and services. Our suppliers' output of goods and services and our logistic chains for inbound and outbound delivery are sensitive to external influence and disruptions.</p>	<p>During 2021, disrupted logistics chains, high energy prices and problems with raw materials supply created major supply challenges, as did extremely volatile prices where Boliden in many areas has had flexible or indexed prices.</p> <p>The Group works proactively to reduce prices and supply risks by having multiple qualified suppliers in each respective category and field. In cases where there is only one supplier, risk is reduced by maintaining a safety stock and by identifying alternative supply solutions.</p> <p>While preventive risk management is an ongoing activity, the organization's ability to adapt quickly has been at least as important in the management of supply risks. When disruptions occurred during the year, the Group's units were able to work together and remedy potential shortage situations. A number of new suppliers have been admitted to serve as alternatives.</p>
<p><b>Energy</b> Energy accounts for approximately 14% of operating costs, and changes in energy prices can have a significant effect on profitability.</p>	<p>In Norway, Odda has a long-term electricity agreement with inflexible pricing clauses. The contract portfolios in Sweden, Finland and Ireland have shorter terms, and the Group is more exposed to market prices. Thus an increase in energy prices affect operating profit. Price volatility in the electricity market is expected to increase in the years ahead. There are longer contracts in Sweden and Finland for activation in 2021 and 2022. Possibilities for longer term pricing agreements as and when favorable terms are offered are under analysis.</p>
<p><b>Emission allowances</b> Changes to regulations and taxes in the EU Emissions Trading Scheme (ETS) may lead to cost increases that jeopardize competitiveness on the international market.</p>	<p>Boliden works through industry organizations to promote transparency in the emissions trading system and to ensure that European metal producers are not disadvantaged.</p>
<p><b>Energy consumption</b></p>	<p>The operation has implemented a certified energy management system. Improvement works are conducted on an ongoing basis to achieve energy efficiency and save energy. For example, in Business Area Smelters, surplus heat is also used to help reduce carbon dioxide emissions.</p>

## ■ FINANCIAL RISKS

### Description of risk

#### Exchange rate and metal price risks

Because products are priced largely in USD, fluctuations in the USD exchange rates have a significant impact on profits and cash flow. Pricing terms for products are based mainly on metal exchanges.

#### Transaction exposure

Transaction exposure arises from binding undertakings to customers and suppliers.

Metals are bought in the form of raw materials, which are processed into refined metals, where the cost of raw materials and exchange rates may differ from the final market value. Some customers are offered fixed prices in different currencies that are sometimes set well in advance of delivery.

### Management and comments for the year

Transaction exposures in conjunction with binding undertakings are hedged, with the exception of the smelters' process inventory. Forward exchange contracts are used to hedge the sales price and exchange rate when purchasing input raw material, or in fixed-price sales agreements. Hedge accounting is applied to forward exchange agreements to hedge fair values in the Income Statement.

There are constant calculations into the way in which changes in metal and exchange rate markets will affect the Group's future financial position.

The Group may use contracts to hedge metal prices and exchange rates for the cash flows from forecast metal sales. Hedging is only carried out in conjunction with certain major investments, when the investment amount is in a currency other than local currency.

Hedge accounting applied to the derivative to hedge cash flows is reported in Other comprehensive income, and the sensitivity analysis in Note 28.

#### Currency risk

##### Translation exposure

A translation difference arises when converting net investments in overseas operations into SEK in conjunction with exchange rate fluctuations, which affects Other comprehensive income within the Group.

Under the finance policy, the effect of translation exposure is not actively eliminated (equity hedging). However, if an external borrowing requirement exists, the liability in foreign currency is used as equity hedging against the foreign asset pool.

#### Interest rate risk

Changes in market interest rates affect profits and cash flows.

The finance policy allows an average fixed-interest term of up to four years. On December 31, 2021, the Group's loan portfolio had an average fixed interest term of 2.2 years (3.1).

#### Refinancing and liquidity risk

The risk that Boliden will be unable to obtain the requisite financing or meet its payment obligations due to insufficient liquidity.

Boliden limits refinancing risk by ensuring a good spread of counterparties, financing sources and maturities. Adequate current liquidity is created in the form of available, unutilized credit facilities; it is reviewed regularly.

The average term of total loan limits was 2.6 years (3.7) at year-end. As of December 31, 2021, current liquidity, in the form of cash and cash equivalents and unutilized binding credit facilities with a term of more than one year, totaled SEK 16,088 m (12,741).

#### Credit and counterparty risk

##### Credit risks and financial operations

The term 'credit and counterparty risk' refers to the risk that a counterparty in a transaction may fail to fulfill their obligation, thus causing the Group to incur a loss. Financial exposure to counterparty risk mainly occurs when trading in derivative instruments.

The financial policy mandates a Standard & Poor's credit rating of A for financial counterparties when entering into transactions, and sets a maximum investment of cash and cash equivalents per counterparty. Credit quality and the counterparty spread for derivatives were considered to have been good in 2021. As of December 31, 2021, the credit risk in external derivative instruments had a total market value of SEK 194 m (143).

Credit risks are managed through an established credit rating process, active credit monitoring, short credit periods, and daily procedures for monitoring payments. The necessary provisions for expected credit losses are also monitored continuously. The quality of trade receivables is deemed to be good. Impairment charges for outstanding trade receivables on December 31, 2021 only occur in limited amounts and have also been insignificant in historical terms. See also Note 20, Trade and other receivables. Credit insurance is also used in certain cases.

##### Credit risks in trade receivables

The risk of the Group's customers failing to fulfill their obligations constitutes a credit risk.

#### Financial reporting

The risk of inaccurate financial and operational reporting.

The Group has a well functioning internal control structure. Control functions exist locally, in individual units, the business areas and at the head office. All of the functions work within a groupwide internal control framework for financial reporting. Controls are tested annually within the framework, both internally and by external auditors. The Group's controller function, which works closely with the local units and business areas, follows up and checks operational and financial reporting.

## ■ NON-COMPLIANCE RISKS

### Description of risk

### Management and comments for the year

#### Legal risks

Operations are largely subject to licensing and to wide-ranging environmental and other regulations. Permits are tested regularly. Also, the Group may become involved in commercial disputes and legal proceedings.

Operations are dependent to a great extent on the retention and renewal of existing licenses and the granting of new ones on reasonable terms and in good time. Usually, permits require renewal on several occasions throughout a mine's lifespan. The Group monitors legal developments in relevant fields, and implements, follows up and ensures compliance with applicable laws and regulations. Boliden is an active member in domestic and foreign industry organizations such as Svemin and Eurometaux.

In 2021, Boliden became a member of ICMM (The International Council on Mining and Metals) and will thus follow its international guidelines in this field. The Group is also a referral body for new rules, regulations and initiatives relating to the industry. Information on legal proceedings and disputes is provided in Note 31.

#### Compliance risks

The Group may be exposed to legal or regulatory sanctions, material financial losses or damaged reputation as a result of any failure to follow applicable regulations.

Compliance with regulations must form part of the company's culture. The Ethics & Compliance department's function is to ensure that effective procedures are in place to identify, assess, monitor and report exposures to non-compliance risks.

The focus during the year was on promoting competition law and sanctions compliance, making sure human rights are respected, and strengthening efforts to counter money laundering, bribery and corruption. Among other measures, an anti-money laundering policy was adopted. The appropriate employees are trained in areas such as anti-corruption, competition law, sanctions and the prevention of money laundering. An external whistleblower system is provided to enable the anonymous reporting of serious irregularities within the Group. Boliden has initiated a Human Rights Due Diligence process (HRDD) to ensure compliance with regulations in the field. We also make sure we comply with the General Data Protection Regulation (GDPR).

#### Risks harmful to confidence

Confidence can be harmed by events such as accidents or the failure of employees or business partners to live up to business ethics and sustainability requirements. See also pages 38 and 39.

There is a crisis management group with procedures for managing emergencies and complex events, e.g. linked to accidents. Because Boliden seeks to be associated with ethical, sustainable business partners, it conducts systematic evaluations of customers and suppliers in respect of business ethics and sustainability. New business partners must adopt the Group's Code of Conduct for business partners or other relevant and generally accepted business standard before agreements are concluded, and where necessary audits are carried out on business partners' premises to ensure compliance. There are procedures in place for managing any non-compliance and serious breaches may lead to the end of a business relationship.

#### Political risks

Political decisions may have effects in the countries where Boliden and its business parties do business. Examples of such decisions may include changes to different types of taxes and additional requirements in permit application processes in respect of e.g. reclamation work.

Boliden and its industry organizations are often referral bodies for upcoming political decisions relating to operations.

# CORPORATE GOVERNANCE

## Governance of the Group

Boliden is a Swedish limited company listed on Nasdaq Stockholm. The Boliden Group has approximately 6,000 employees and runs mines and smelters in Sweden, Finland, Norway and Ireland.

Boliden's corporate governance is based on the Swedish Annual Accounts Act, the Swedish Companies Act, Nasdaq Stockholm Rule Book for Issuers, the Swedish Code of Corporate Governance, and other applicable legislation and regulations.

In addition to the regulations, the Group applies its organizational and operational philosophy (Boliden Production System) and the internal control tool (BICS). There are also policies in a number of areas; one such is Boliden's Code of Conduct, with which all employees must be familiar and follow. Also, the Group's units work in compliance with

management systems for occupational health & safety, the environment, energy and quality.

## Typical issues from 2021

Several decisive steps were taken in 2021 on the way to Boliden's vision of becoming the most climate-friendly and respected metal supplier in the world. The single most important decision and one of the biggest investments in Boliden's history was the Green Zinc Odda project. The investment was for a total of EUR 700 m and will be completed at the end of 2024. The expansion means the production of zinc at Odda with its world-leading climate performance will almost double to 350 ktonnes per year, and that Boliden will set a new standard for zinc smelting in terms of sustainability performance and cost-effectiveness.

This will take place through expanded production capacity, the extraction of the by-products lead, gold and silver; energy efficiency improvements, the supply of fossil-free electricity and eco-friendly waste disposal in rock caverns. Because of the investment's size, complexity and significance, the project attracted a great deal of attention during the year and the Board looked more closely at issues concerning the balance between mines and smelters in the Group, investment priorities, energy supply, market impact, the future prospects for zinc, environmental aspects and other strategic questions relevant to the project. The project will be followed up through ongoing reports to the Board in the same way as all other important investments.

Another important investment is the new leaching plant and underground repository in Rönnskär, which was

## COMMENT FROM THE CHAIRMAN OF THE BOARD

**Efficient corporate governance is a prerequisite for generating added value for our shareholders and maintaining confidence among our stakeholders in a broader sense.**

A group, comprised mainly of Swedish institutional investors, has been a long-term Boliden owner since we were re-listed in Sweden nearly 20 years ago. Since then, a number of major foreign institutional owners have been added to the list. However, there is no clear principal owner, and this places special demands on the Board as the owners' ambitions must be "inferred".

We work in an industry that is characterized by high volatility, that is, rapid and vigorous fluctuations in profits. This also places great demands on the company's management and Board and their ability to provide high quality, transparent information and to handle rapid changes without suffering from hubris during upturns or despondency during downturns.

At the same time, the Board and management must be able to manage major, long-term investment projects. Naturally, while such projects are crucial for value creation within the company, they also entail many risks, and these are discussed by the Board over a relatively long period before any decision is taken. Thus the Board devoted much time during the first half of 2021 to the major expansion project in the zinc smelter at Odda on Norway's west coast, before we finally took a decision in July to invest around SEK 7 billion in this project.

One of the prerequisites for value-generating work by the Board is that the Board has a firm grip on operations and a good grasp of events in the outside world. We achieve this through of e.g. monthly reports and a well-structured body of material for the Board.

Naturally, limiting the effects of the Covid-19 pandemic on Boliden's operations was also a high priority item on the Board's agenda. We usually also visit two of Boliden's operating facilities every year to make a thorough study of the operations and to meet local management and employees. Because of the restrictions due to the pandemic, the visits in 2021 were limited to one in Aitik. For the same reason, four of the year's board meetings were virtual.

To make sure we devote sufficient time to the more long-term, strategic issues, we agree each year on a number of themes for incorporation into our agenda. The Corporate Governance Report details the themes we addressed during the past year. Some of them are recurring themes, such as CSR issues, which we address specifically at our October meeting, and leadership development, which is the focus of our December meeting.

The evaluation of the Board's work as performed in 2021 shows that it continues to function well. The evaluation forms the basis for the work of the nomination committee, and is an important tool for the Board's efforts to ensure continuous improvement in its work.

February 2022



Anders Ullberg, Chairman of the Board



inaugurated during the year. The installations enable the extraction of additional metals from residual material and allow the remaining waste to be disposed of safely. Rönnskär thus becomes the only copper smelter in the world with a long-term, sustainable on-site storage solution. Investments in the two facilities have amounted to SEK 1.4 billion. The investments were resolved by the Board a number of years ago, but it can take several years from a decision until a permit is issued and project completion.

Permit application processes in recent years have become more complex, long-drawn-out and difficult to predict with appeals at several levels and issues concerning important permits are the object of ongoing information to the Board. Other major investments resolved by the Board include the continued expansion of Garpenberg where expansions of transport infrastructure capacity were begun aimed at reaching a new production volume of 3.3 Mtonnes zinc with world-leading sustainability performance by 2023.

The Board also took a favorable position on another major investment of SEK 1,250 m for the expansion of the Kristineberg mine towards the Rävlieden mineralization – an important step toward future proofing the entire Boliden Area. Substantial technological development aimed at improving productivity and environmental performance is taking place in the mining operations. The investments approved by the Board include new trucks and the automation and conversion of existing trucks in Aitik and Kevitsa to electric drive. These investments will mean that e.g. carbon dioxide emissions in Kevitsa will be reduced by 9% over the mine's lifespan.

The Group actively follows developments in the field of sustainability, and ensures the best conditions for the mining and smelting industry by disseminating knowledge about the need for base metals. For example, we have been successful in promoting an awareness that copper and nickel are necessary for the green transition and that we must be allowed to pursue mining in Natura 2000 areas. Advocacy programs are pursued mainly through the European stakeholder organizations Eurometaux and Euromines, and with the help of Svemin. The Board is kept informed on an ongoing basis about relevant national and international initiatives that may affect us in the field of sustainability.

## ANNUAL GENERAL MEETING 2021

The Annual General Meeting (AGM) was held on April 27 and was conducted by means of advance voting (postal voting) due to the Covid-19 pandemic. A total of 1,060 shareholders mailed postal votes and just over 108 million shares were represented at the meeting comprising around 40% of the total number of shares. Shareholders were given the opportunity via a link on the website to watch recorded addresses by the Chairman, President and CEO, the auditor and the audit committee chairman.

Among other things, the AGM resolved to reelect Helene Biström, Michael G:son Löw, Perttu Louhiluoto, Elisabeth Nilsson, Pia Rudengren, and Anders Ullberg as members of the Board and also to elect Karl-Henrik Sundström and Per Lindberg as members. Anders Ullberg was re-elected as Chairman of the Board. The AGM also resolved to pay a dividend of SEK 8.25 per share to a total of SEK 2,256 m (1,915) in accordance with the proposal of the Board, and to disburse SEK 6 per share to a total of SEK 1,641 m by means of an automatic share redemption procedure.

It was also resolved, in accordance with the nomination committee's proposal, that a Board fee in the amount of SEK 1,830,000 be paid to the Chairman of the Board, SEK 610,000 to the other members of the Board who are not employed in the company, and that a fee to the Vice Chairman be paid in the amount of SEK 915,000. A fee in the amount of SEK 250,000 will be paid to the Chairman of the audit committee and SEK 150,000 to each of the audit committee's other two members. The fees for the remuneration committee remained unchanged at SEK 50,000 to each of the committee's two members.

In accordance with the nomination committee's proposal, Deloitte AB was elected as auditor up until the end of the next AGM, and it was resolved that the auditors' fees be payable against approved invoice.

It was also resolved to appoint Jan Andersson (Swedbank Robur fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management), Lilian Fossum Biner (Handelsbanken fonder) and Anders Ullberg (Chairman of the Board of Directors) as members of the Nomination Committee.

The AGM also resolved to approve the remuneration report (new for 2021) presented by the Board, and to change the Articles of Association to also allow postal voting to continue as necessary, and to hold the AGM in Landskrona municipality where Boliden's Bergsöe smelter is located.

The AGM also resolved to approve the proposed principles for remuneration to Group management whereby the remuneration must comprise a fixed salary, any variable remuneration, other benefits and pensions. The variable cash compensation may not exceed 60% of the fixed salary and must be linked to predefined, measurable criteria. Some of the criteria may consist of quantitative or qualitative goals that are specific to the individual. The criteria must be designed in such a way as to promote the company's strategy and long-term interests. In order to strengthen the link between remuneration and value creation for the company, an element of the variable cash compensation is linked to the individual investing in additional shares in the company. The variable cash remuneration is not pensionable.

The resolutions passed by the 2021 AGM are noted in the minutes of the meeting published on Boliden's website, where the minutes of previous AGMs are also published.

**Welcome to the 2022 Annual General Meeting!**  
The 2022 AGM will take place on April 28.

**CORPORATE GOVERNANCE**

Boliden was granted membership in the International Council on Mining and Metals (ICMM) during the year. ICMM is an international organization dedicated to a safe, fair and sustainable mining and metal industry. ICMM brings together 28 mining and metals companies and 37 national, regional and raw materials associations. Membership of ICMM is an important step toward our vision of becoming the most climate friendly and respected metal supplier in the world. Through our membership, we commit to follow ICMM's principles in areas such as dam safety. As a result of this, the mine safety organization has been strengthened with new resources. Also, a new function known as the Accountable Executive department has been set up to serve as a focal point for the Group's dam safety issues and submit regular reports about them to the Board.

Safety has always been one of our most important guiding principles. Developments concerning accidents and sick leave are therefore presented in monthly reports and at every Board meeting and in focused investigations. Information on important environmental and other incidents is provided on an ongoing basis and followed up in the boardroom.

**Shareholders and the AGM**

The biggest shareholders are Swedish and foreign funds and institutions. At

year-end, the number of shareholders was 102 597 (89 711). The biggest individual owners were T Rowe Price, BlackRock, Swedbank Robur funds, Handelsbanken funds and Vanguard. The share of foreign ownership was 60% (60). Further information about ownership structure is available on pages 54 and 55 in the annual report and on the Group's website.

Boliden's shareholders exercise their right of decision by submitting proposals to, and participating in and voting on the resolutions submitted to the Annual General Meeting (AGM) and any extraordinary general meetings. Shareholders may request that a matter be discussed at the AGM by submitting a written request to the Board at the appointed time. Shareholders are also welcome to submit inquiries on company issues to the Board and the President and CEO, the auditor and the remuneration committee and audit committee chairmen.

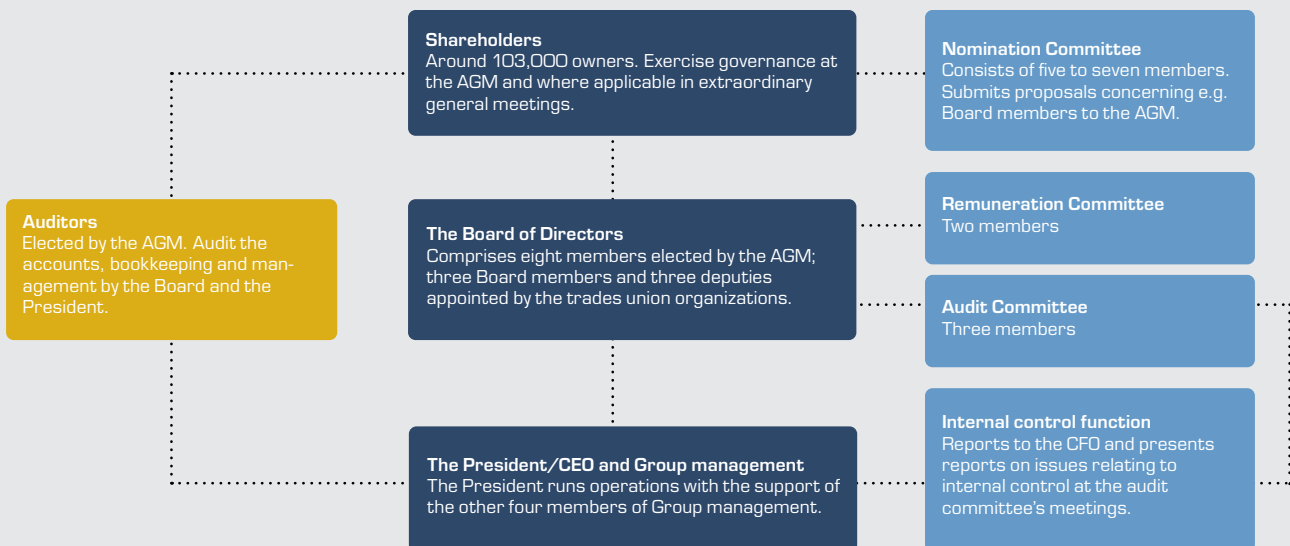
The AGM is the highest decision-making body. The duties of the AGM include the election of members of the Board, the Chairman of the Board, and the nomination committee; adoption of the income statement and balance sheet, resolutions on the appropriation of earnings and release from liability for members of the Board and the company's President and CEO; the approval of fees to members of the Board and auditors

and the principal terms and conditions of employment for the President and CEO and other senior executives. Where applicable, the AGM also passes resolutions on changes to the articles of association and the election of auditors. AGMs are usually held at one of the installations in Sweden to provide shareholders with an insight into the business. In conjunction with the meetings, the shareholders have the opportunity to enjoy guided tours in mines, concentrators or smelters to gain a deeper understanding of the various operations and an opportunity to meet Boliden's employees. Because it was not possible to hold the AGM in a real-world meeting in 2021 due to prevailing Covid-19 restrictions, voting was conducted by mail.

**Nomination Committee**

The nomination committee represents the shareholders. The nomination committee is tasked with preparing and submitting proposals to the AGM concerning the number and election of members of the Board, the Chairman of the Board, fees payable to the Board and its committees, the election of auditors and fees payable to them and where necessary, the process and the criteria that govern the appointment of members to the nomination committee. The focus of the nomination committee's work is to ensure that the Board consists of members who jointly possess the

**BOLIDEN GOVERNANCE STRUCTURE**





knowledge and experience that meet the standards shareholders demand of the company's highest governing body.

Accordingly, the Chairman of the Board presents the nomination committee with his evaluation of the work of the Board and the individual members during the past year as part of the process of drafting proposals for Board members. Also, the President and CEO presents the company's operations and future focus, and an opportunity is given for the nomination committee to meet some of the Board's members. Supported by the audit committee, the nomination committee also drafts proposals for the election of auditors. Shareholders may submit proposals to the nomination committee in accordance with the instructions available on the company's website. The AGM passes resolutions on the principles governing the appointment and duties of the nomination committee.

#### **The work of the nomination committee in 2021**

The 2021 AGM elected Jan Andersson (Swedbank Robur fonder), Lilian Fossum Biner (Handelsbanken Fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management) and Anders Ullberg (Chairman of the Board) as members of the Nomination Committee. The Nomination Committee exercised its mandate to invite another member, Anders Oscarsson (AMF), the better to reflect the shareholder structure. The Nomination Committee appointed Jan Andersson as chairman. The current composition of the nomination committee is also shown on the Group's website.

In accordance with the provisions of the Code, the nomination committee endeavors to ensure diversity and an even gender distribution, and has chosen to apply section 4.1 of the Code as its diversity policy. This means the Board must, with regard to the company's operations, developmental phase, future orientation and overall conditions, have a composition that is fit for purpose and whose members possess multifaceted, broad competencies, experiences and backgrounds.

In 2021, 37% of the Board members elected by the AGM were women. The proportion was a little lower compared to previous years as the Board increased from 7 to 8 elected members. The ambition continues to have an even gender distribution in the Board as well as a good composition that is fit

for purpose. The Nomination Committee had not yet finished its work regarding the AGM 2022 when this Annual and Sustainability Report was published. The Nomination Committee's proposals will be made clear in its motivated statement, which will be published in the notice of attendance to the AGM and on the company's website.

#### **The Board of Directors**

The Board of Directors is appointed by the owners to bear ultimate responsibility for the company's organization and the management of the company's affairs in the best interests of both Boliden and the shareholders. This must be done in a sustainable way that entails carefully balanced risk-taking, in order to ensure that the company's long-term developmental trend is a positive one. Under the provisions of the articles of association, the Board of directors must comprise a minimum of three and a maximum of ten members, without deputies, elected by the AGM. Employees have a statutory right to appoint three members and three deputies to the Board.

Since the AGM of 2021, the Board, which is elected for one year at a time, has comprised eight members elected by the AGM and three members appointed by the trades union organizations. Board meetings are attended both by the ordinary members and by the unions' three deputies. General Counsel, Group Legal Affairs is Board Secretary. The CEO and CFO usually attend Board meetings as representatives of company management. Other members of Group management and other executives also attend and present reports on specialist issues as required.

The Board members elected by the AGM are all independent in relation to major shareholders, the company and Group management. Thus the Board complies with the requirements of the Code with regard to independent members. The members of the Board are presented on pages 67–68 and on the company website. The Board sets the company's financial targets and strategy, appoints and evaluates the President and CEO; it ensures that efficient systems are in place for monitoring and controlling operations, that statutory and regulatory requirements are complied with, and that information is published in a correct and transparent manner. At the statutory board meeting held every year immediately after the AGM, the Board

adopts rules of procedure that govern its work and responsibilities in more detail, together with the special tasks assigned to the Chairman of the Board.

The Chairman supervises the Board's work and ensures an open, constructive dialog. The Chairman's duties also include monitoring and evaluating the expertise and work of individual Board members and their contribution to the Board. An important part of the Chairman's work is to act as an interlocutor in support of the President and CEO and makes sure that the Board's decisions, instructions and directives are obeyed and carried out. Prior to every Board meeting, the Chairman and the President and CEO review the issues for discussion at the meeting. Supporting documentation for Board discussions on such issues are sent to Board members one week before each Board meeting. The allocation of duties between the Board and the President and CEO is set out in the Instructions to the President and CEO adopted by the Board at the statutory board meeting.

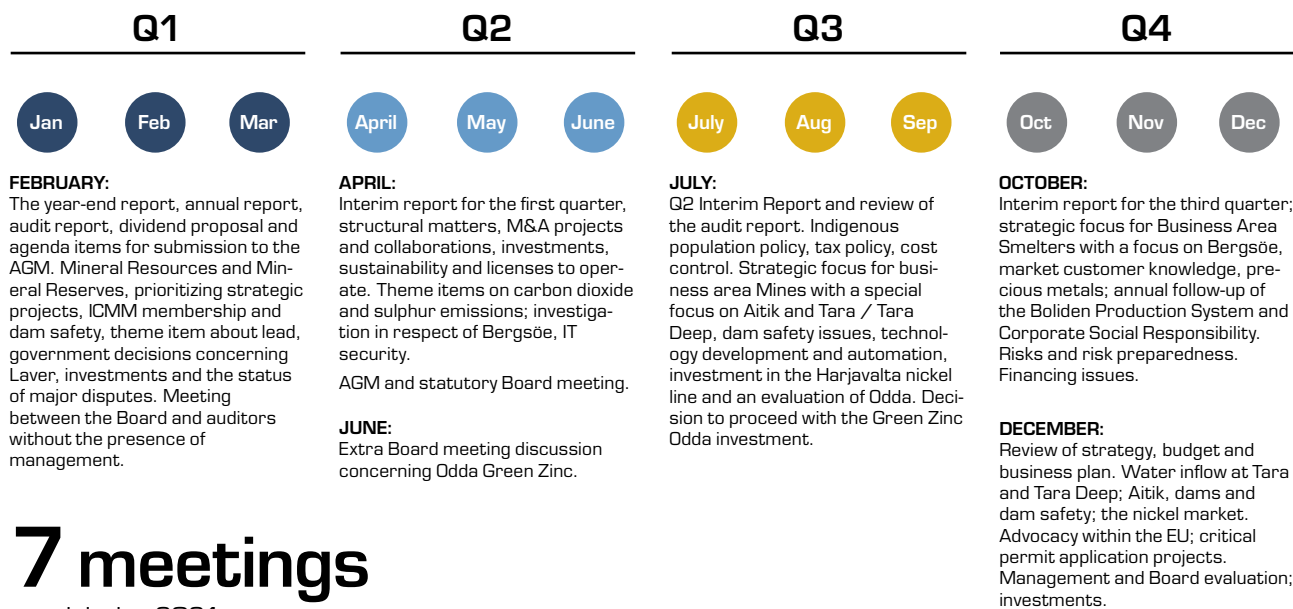
#### **The work of the Board in 2021**

The Board held seven meetings in 2021, including the statutory board meeting. The Board receives information at Board meetings and in monthly reports regarding commercial and financial performance, and the fulfillment of the company's sustainability targets. Every Board meeting begins with a review of operations. In addition to these issues and others related to the operation, the Board adopts, at the beginning of each year, a number of themes for special attention with the aim of providing a better understanding of the Group's capabilities and challenges in a broader perspective.

With regard to the nature of the operation, appropriate and efficient permit application processes and reasonable operational conditions (Licence to Operate) are important issues for the company and its Board, and they are addressed on a recurring basis. In line with this, health and safety work and the follow-up of accidents and the sick leave rate are standing discussion items at every Board meeting. The Chairman ensures that the Board and its work are evaluated annually and that the results of the evaluation are conveyed to the nomination committee. The evaluation is carried out by the Board under the supervision of the Chairman or with the help of an independent consultant. The

## THE WORK OF THE BOARD IN 2021

**Recurring business:** Sustainability and safety issues; review of operations, investments, costing and theme items. Listed below are the principal agenda items for the year's Board meetings:



# 7 meetings

total during 2021

2021 evaluation was a self-assessment in which the members answered a number of questions in writing on a range of different subjects.

## Board committees

The overall responsibility of the Board cannot be delegated. However, the Board may set up internal committees to address issues in defined areas. Thus, as in previous years, the Board set up an audit committee and a remuneration committee.

Committee members are appointed at the statutory Board meeting held after the AGM. Their work is governed by the committees' rules of procedure and instructions.

## Audit Committee

The audit committee prepares a number of issues for consideration by the Board and thereby supports the Board in the fulfillment of its responsibilities within the areas of internal control, auditing and assuring the quality of financial reporting. The company has an internal controller department whose work includes identifying risk areas and following up work in identified areas. The committee also monitors the procurement of services from the com-

pany's auditors in addition to the audit; and where necessary it submits proposals to the nomination committee regarding the election of auditors. The committee meets prior to each reporting date and also as necessary, and following the statutory meeting comprises Pia Rudengren (Chair), Michael G:son Löw and Anders Ullberg.

The committee members have specialist competence, experience of and interest in financial and accounting issues; see Board assignments and previous positions, pages 67 and 68. The committee's meetings are also attended by the Group's CFO and the Head of Internal Control. The Committee met five times in 2021. During the year, special attention was paid to internal controls, reclamation and IT security. The Audit Committee also receives annual reports on ethics and compliance issues. The audit committee works according to the Instructions for the Audit Committee adopted annually by the Board, and it reports the outcomes of its work to the Board on an ongoing basis.

## Remuneration Committee

The remuneration committee submits proposals for resolution by the Board regarding salary and other terms of employment for

the President and CEO, and follows up on and evaluates programs for variable remuneration for the management. The committee also approves proposals regarding salaries and other terms of employment for Group management, as proposed by the President and CEO. Also, the remuneration committee draws up proposals regarding remuneration principles for the President and CEO and Group management for subsequent submission by the Board to the AGM for resolution. The application of the guidelines and relevant remuneration structures and levels in the company is also followed up by the committee, and the results of this evaluation are published on the company website. See Note 5 for an account of the remuneration paid to Group management.

The remuneration committee works according to the Instructions for the Remuneration Committee adopted annually by the Board, and it reports the results of its work to the Board. Following the statutory meeting in April, the remuneration committee comprises Anders Ullberg (Chair) and Karl Henrik Sundström. During the year, the committee held two meetings and were also in contact by telephone a number of times.

### The President and CEO and Group management

The President and CEO has ultimate responsibility for Boliden's strategic orientation and for ensuring compliance with and implementation of the Board's decisions, and for ensuring that risk management, control, systems, organization and processes are all of a satisfactory standard. The President and CEO is supported in his work by the Group's management team which, in addition to the President and CEO, comprises the presidents of Boliden's two business areas, Mines and Smelters; the CFO, and the Director, Corporate Responsibility. Group management meets once a month to follow up operations and discuss groupwide issues, draw up proposals for strategic plans, business plans and budgets, which the President and CEO then presents to the Board for consideration.

The areas addressed by the Board have largely reflected the work of Group management during the year. Group management also holds two meetings every year on strategy planning. Group management, together with the management of the respective business areas, also meet six times a year to review business area-specific issues, including a review of budgets and operations. For large-scale projects, special steering groups are formed, which regularly meet with project managers and other stakeholders. The President and CEO and CR also meet with the company's employee representative Board members and deputies before every Board meeting, to discuss the agenda and other issues of current interest. See page 69 for a presentation of the Group management team.

### Business management

Management by the Board takes place through the President and CEO and Group management to the operating units. Responsibilities and powers are delegated in the organization within clear frameworks. These frameworks are defined by Boliden's policy documents, budget and strategic plan. The policy documents are available on the internal management system; the documents constitute the internal framework required for effective management. They include the Code of Conduct, the Financial Policy, the Tax Policy, the Insider Policy, the Whistleblower Policy, and documentation on sanctions control, delegation and decision-making,

anti-corruption and conflicts of interest, competition law issues, supplier evaluation and code of conduct, communications, privacy and personnel information processing (GDPR), and a large number of policy documents relating to the environment and health and safety issues.

### Sustainability governance

Sustainability governance is an important part of Boliden's operations and is conducted on the basis of the issues that are most essential for the business. These issues are managed by the Board through the President and CEO and Group management to the operational units. One member of Group management is dedicated to corporate responsibility (CR) issues. The day-to-day responsibility for sustainability issues is decentralized to the respective units. Group CR functions are responsible for creating structure and focus for the work, the exchange of experience, gathering business intelligence and following up the work of the units.

Sustainability issues are followed up and discussed at all management group meetings, Board meetings and local management meetings. The most important sustainability issues are integrated into the company's strategy, as described on page 30. Every sustainability issue has a long-term focus that must help to guide and structure the work at every level in the company. Factors that form the basis for prioritization include the impact of operations on people and the environment; expectations from internal and external stakeholders, risks and opportunities, external factors, and applicable regulations. Boliden has committed to the UN's Global Compact, the UN's global goals for sustainable development and the principles of the International Council on Metals and Mining (ICMM).

The company also supports the Task Force on Climate-related Financial Disclosures (TCFD) and has a management system that complies with the ISO standards for the environment, quality, energy and occupational health and safety. Sustainability issues are also monitored through participation in European and national industry organizations. The priorities of challenges and opportunities change over time. Therefore regular reviews take place, usually once per year and in which representatives from the business units and functions are involved.

Priority sustainability issues are integrated into strategy work, and each business area is responsible for setting local goals based on the Group's guidelines on sustainability issues. Sustainability work is value based, which means measures are not only determined on the basis of legislation and regulatory requirements, but also on needs and identified measures that can improve the situation for people and the environment where our operations take place. This means that investments with e.g. major environmental and safety benefits in relation to the amount invested are carried out independently of any external requirements or charges.

In 2021, work continued on implementing the new vision and new values in the organization. Also, a number of new leadership and employee principles were identified. They will be used to guide the Group's managers and employees and stimulate development toward a value-based Group.

In addition to areas linked to the well-being of people and the environment, business ethics are always matters for discussion. There is an ethics and compliance function with the overall responsibility of ensuring compliance with regulations concerning anti-corruption, competition, trade sanctions, money laundering, information security, human rights, whistleblowing, business partner due diligence and the company's Code of Conduct. The function reports to the Director, CR.

The sustainability report has been included in the annual report since 2017. The Group also draws up a Sustainability Index with further sustainability information that reports according to following standards: Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), UN Global Compact, TCFD and ICMM. The report is the subject of an external review by the auditors. The review is also aimed at underlining the importance of sustainability work and further boosting the confidence of the market and other stakeholders regarding this work.

### Auditors

The external auditor conducts independent audits of accounts to ensure that in all material respects they provide an accurate, fair and comprehensive picture of the company's position and economic performance. The auditor also reviews

## CORPORATE GOVERNANCE

the Board's and the President and CEO's administration and reports his findings to the Board without the presence of management. The auditor is in contact with Group management in conjunction with the auditors or emerging issues. The auditor regularly attends Audit Committee meetings and also met with the Board once during the year without the management team's presence.

The auditor also reports to the shareholders at the AGM. The auditing firm of Deloitte AB was elected at the 2021 AGM to serve as the company's auditors until the conclusion of the 2022 AGM. Authorized public accountant Jan Berntsson is auditor-in-charge. He is a partner and CEO of Deloitte Sweden and has auditing assignments for Electrolux, among others. Remuneration to the auditors is payable against approved invoices. See note 6 for information concerning remuneration.

### Board of Directors' report on internal control

The purpose of internal control over financial reporting is to provide reasonable assurance with regard to the reliability of the external financial reporting and to ensure that the reports are produced in accordance with generally accepted accounting principles, applicable legislation and statutes, and with other requirements imposed on listed companies. The Board has overall responsibility for ensuring that an effective internal control system exists within the Group. The President and CEO is responsible for ensuring that a process and organization are in place to safeguard internal control and its quality of the internal and external financial reporting.

### Internal control function

The Group has an internal control function responsible for implementing processes and frameworks that safeguard internal control and ensure the quality of the financial reporting. The internal control function reports to the CFO and presents reports on issues relating to internal control at the audit committee's meetings.

### Control environment

The control environment is characterized by relatively few but large operating units that have long operated according to well-established processes and control activities. To ensure a uniform approach and working methods, there are binding policy documents and indicative guidelines for delegated responsibility within the organization. The starting point is Boliden Production System, which includes the Code of Conduct, decision-making and authorization instructions, and a financial manual covering financial policy, accounting and reporting instructions. In addition, there are local management systems with more detailed instructions and descriptions of important processes. The Group has a uniform, standardized internal control framework known as the Boliden Internal Control System (BICS), which includes both financial processes and general IT processes.

### Risk analysis

The operating units conduct ongoing risk analyses with regard to financial reporting. The risks inherent in the various accounting and reporting processes are identified, analyzed and documented in BICS.

### Control activities

Various types of control activities are carried out in all parts of the accounting and reporting process on an ongoing basis. The control activities are carried out in order to manage known risks and to detect and rectify any errors and discrepancies in the financial reporting. Documentation of significant control activities in the accounting and reporting process continued in BICS in 2021. For every risk identified, the controls used to manage the risk are documented.

### Information and communication

Information on policies, guidelines and manuals is available on the intranet and the management system. Backup information on updates and changes to reporting and accounting principles is issued via email and at the regular finance and controller meetings. External communication is conducted in accordance with the Group communications policy. All information must be communicated openly, judiciously and clearly.

### Follow-up

Follow-ups, improvements and the development of systems, processes and controls take place on an ongoing basis. Annual tests are conducted on documented controls within the framework of BICS, both by internal personnel and external auditors. Areas where room for improvement is identified in conjunction with the audits are documented, analyzed and actioned.

#### Control activities

Compliance with Boliden's accounting manual  
Control of consolidated earnings  
Analysis and follow-up  
Budget and forecasts  
Correct financial reporting controls

Tax control

#### Responsible

Group accounting/Controller department  
Group accounting/Controller department  
Business Areas/Controller department  
Business Areas/Controller department  
Operational units/Business areas  
Operational units/Business areas

#### Follow-up

Group management  
Group management  
Group management  
Group management  
Consolidated accounts, Internal control, Controller department  
Head of Group tax

# The Board of Directors



Name	Anders Ullberg Chairman	Karl-Henrik Sundström Board member, Vice Chairman	Helene Biström Board member	Michael G:son Löw Board member
Education	M.Sc. Economics	MBA, Advanced Management Program Harvard	M.Sc. Engineering	M.Sc. Economics
Elected	2005	2021	2020	2010
Born	1946	1960	1962	1951
Other assignments	Chairman of the boards of Eneqvist Consulting and Studsvik. Member of the boards of Epiroc and Valeo Partners. Chairman of the Swedish Financial Reporting Board, member of the board of the European Financial Reporting Advisory Group	Chairman of the CLC Climate Leadership Coalition and the Tax Delegation for Swedish Business and Commerce. Member of the boards of Mölnlycke, Vestas, AhlströmMunksjö, NXP and the Marcus Wallenberg Foundation	Senior Vice President BA Wind, Vattenfall	Member of the boards of Preem, Stena Bulk and Naturstens-kompaniet International. Vice Chairman of the Swedish Energy Economics Association. Member of the Royal Swedish Academy of Engineering Sciences (IVA)
Previous positions	CFO of Svenska Varv, CFO, Executive Vice President, and President and CEO of SSAB	CFO of Ericsson and President and CEO of Stora Enso	Executive Vice President Commercial of BillerudKorsnäs, CEO of Infranord and Norrenergi and Executive Vice President of Vattenfall	Various executive positions within Conoco Inc. President and CEO Preem
Number of shares <sup>1)</sup>	45,000	6,000	2,000	100
Meeting attendance	7 of 7	5 of 6	6 of 7	7 of 7
Committee work (attendance)	Audit committee 5 of 5 Rem. committee 2 of 2	Rem. committee 1 of 2	-	Audit committee 3 of 5
Board fee, SEK	1,830,000	915,000	610,000	610,000
Committee fee, SEK	150,000 + 50,000	50,000	-	150,000
Total fee	2,030,000	965,000	610,000	760,000
Independent from company and company management	Yes	Yes	Yes	Yes
Independent of major owner	Yes	Yes	Yes	Yes



Name	Marie Holmberg employee representative	Ola Holmström employee representative	Kenneth Ståhl employee representative
Assignment	Board member since 2008. Deputy member 2005–2008. Representative for the Swedish Association of Graduate Engineers and the Council for Negotiation and Cooperation	Board member since 2021. Deputy member 2017–2021. Chairman of the Mine Chapter Kristineberg (IF Metall), FSG (trades union cooperation, mines)	Board member since 2014. Chairman of the IF Metall Chapter, Bergsöe
Elected	2008	2021	2014
Born	1963	1965	1973
Number of shares <sup>1)</sup>	50	170	0
Meeting attendance	7 of 7	7 of 7	7 of 7

Michael G:son Löw was a member of the Remuneration Committee until the 2021 AGM and was subsequently appointed a member of the Audit Committee. Cathrin Odenryd was an employee representative and a member of the Board until December 1, 2021.

<sup>1)</sup> Own holdings and those of related legal or natural persons, on December 31, 2021.

# The Board of Directors



Name	Per Lindberg Board member	Perttu Louhiluoto Board member	Elisabeth Nilsson Board member	Pia Rudengren Board member
<b>Education</b>	M.Sc. Engineering, Ph.D. Industrial Management and Work Organization	M.Sc. Economics LL.B.	M.Sc. Engineering Honorary Doctor Luleå University of Technology	M.Sc. Economics
<b>Elected</b>	2021	2019	2015	2017
<b>Born</b>	1959	1964	1953	1965
<b>Other assignments</b>	Senior Advisor in Peymar Advisory. Chairman of Nordic Brass Gusum and Permascand. Member of the boards of Valmet and Premium Svensk Lax. Member of the Royal Swedish Academy of Engineering Sciences (IVA)	CEO of Severn Glocon, member of the board of Vaaka Partners	Chairman of the KK Foundation, Scandinavian Japan Sasakawa Foundation and the Vadstena Academy. Member of Hanaholmen's executive board	Chairman of the Social Initiative. Member of the boards of Academia, Picsmart and Hypex Bio Explosives Technology
<b>Previous positions</b>	CEO of Billerud Korsnas and Epiroc	CEO of Purmo Group, various senior executive positions in Metsu and McKinsey & Company	County Governor, CEO of Jernkontoret (the Swedish Steel Producers' Association), Special Investigator, Board member of EKN and various senior positions within the SSAB Group	CFO of Investor and Vice President of W Capital Management
<b>Number of shares<sup>1)</sup></b>	2,000	1,170	1,000	1,000
<b>Meeting attendance</b>	6 of 6	7 of 7	7 of 7	7 of 7
<b>Committee work (attendance)</b>		-	-	Audit committee. 5 of 5
<b>Board fee, SEK</b>	610,000	610,000	610,000	610,000
<b>Committee fee, SEK</b>		-	-	250,000
<b>Total fee</b>	610,000	610,000	610,000	860,000
<b>Independent from company and company management</b>	Yes	Yes	Yes	Yes
<b>Independent of major owner</b>	Yes	Yes	Yes	Yes



Name	Magnus Filipsson employee representative	Gard Folkvord employee representative
<b>Assignment</b>	Deputy member since 2018. Representative for Unionen	Deputy member since 2018. Chairman of Odda Kjemiske Arbeiderforening. Member of the Industri Energi trade union Competency Committee. Member of the Odda Municipal Executive Committee (Norwegian Labor Party). Chairman of the board of Oddaprodukt AS
<b>Elected</b>	2018	2018
<b>Born</b>	1974	1969
<b>Number of shares<sup>1)</sup></b>	0	101
<b>Meeting attendance</b>	6 of 7	6 of 7

<sup>1)</sup> Own holdings and those of related legal or natural persons, on December 31, 2021.

# Group management



Name	Mikael Staffas President and CEO	Håkan Gabrielsson CFO	Åsa Jackson Director – Corporate Responsibility
Education	M.Sc. Engineering MBA	M.Sc. Business Administration	M.Sc. Business and Economics
Employed	2011	2009 – 2011, 2016	2019
Born	1965	1967	1964
Other assignments	Chairman of the boards of Eurometaux and SveMin, Vice Chairman of Gruvornas Arbetsgivareförbund. Member of the boards of the International Zinc Association, International Copper Association, ICMIM and Svenskt Näringsliv	–	–
Previous positions	President Boliden Mines and CFO Boliden, CFO Södra Skogsägarna, Partner McKinsey & Company	CFO Fagerhult, Director Group Controlling at Boliden, and a variety of positions within Sapa, Ericsson and Electrolux	President HR, Health & Safety, Ahlstrom-Munksjö, President HR and Sustainable Development and other senior positions within ABB Sweden
Number of shares <sup>1)</sup>	24,000	3,605	1,170



Name	Daniel Peltonen President – Business Area Smelters	Stefan Romedahl President – Business Area Mines
Education	M.Sc. Engineering	M.Sc. Engineering
Employed	2019	1994–2003, 2013–2016, 2018
Born	1971	1967
Other assignments	–	Board member of the Employers' Association of the Swedish Mining Industry, SveMin and Euromines
Previous positions	CEO of Iggesund Paperboard, Mill Manager and other executive positions within Holmen	Vice President of LKAB Northern Division, CEO of Zinkgruvan, Project Manager of Swedish Nuclear Fuel and Waste Management Company (SKB) and various senior positions within Boliden
Number of shares <sup>1)</sup>	1,100	2,100

<sup>1)</sup> Own holdings and those of related legal or natural persons, on December 31, 2021.

# FINANCIAL REPORTS

## CONTENTS

<b>The Group</b>	Consolidated Income Statement	71
	Consolidated Statement of Comprehensive Income	71
	Consolidated Balance Sheet	72
	Consolidated Statement of Changes in Equity	73
	Consolidated Statement of Cash Flow	74
<b>The Parent Company</b>	Income Statement, Parent Company	75
	Balance Sheet, Parent Company	75
	Statement of changes in equity, Parent Company	75
	Statement of Cash Flow, Parent Company	75
<b>Notes</b>	Note 01: Significant accounting and valuation principles	76
	Note 02: Estimations and assessments	77
	Note 03: Information per segment and geographical market	78
	Note 04: Revenues	80
	Note 05: Employees and personnel costs	80
	Note 06: Auditors' fees and reimbursement of expenses	82
	Note 07: Key expense items	82
	Note 08: Other operating income	82
	Note 09: Financial income	82
	Note 10: Financial expenses	82
	Note 11: Government subsidies	82
	Note 12: Supplementary information to the Statement of Cash Flow	82
	Note 13: Intangible assets	83
	Note 14: Property, plant and equipment	85
	Note 15: Leases	88
	Note 16: Participations in subsidiaries	89
	Note 17: Participations in associated companies	89
	Note 18: Tax	90
	Note 19: Inventories	92
	Note 20: Trade and other receivables	92
	Note 21: Other current receivables	92
	Note 22: Related party disclosures	92
	Note 23: Equity	93
	Note 24: Provisions for pensions and similar obligations	94
	Note 25: Other provisions	97
	Note 26: Financial instruments	98
	Note 27: Financial derivative instruments and hedge accounting	100
	Note 28: Risk information	101
	Note 29: Financial liabilities and maturity structure	102
	Note 30: Other current liabilities	103
	Note 31: Pledged assets and contingent liabilities	103
<b>Other</b>	Proposed allocation of profits	104
	Audit report	105



# Consolidated Income Statement

SEK m	Note	2021	2020
Revenues	3, 4	68,636	56,321
Cost of goods sold	7	-55,706	-45,516
<b>Gross profit</b>		<b>12,929</b>	<b>10,805</b>
Selling expenses	7	-516	-505
Administrative expenses	6, 7	-619	-675
Research and development costs	7	-965	-749
Other operating income	8	428	342
Other operating expenses		-176	-283
Results from participations in associated companies	17	0	0
<b>Operating profit</b>	3-8, 11, 13-15	<b>11,082</b>	<b>8,935</b>
Financial income	9	3	3
Financial expenses	10	-246	-270
<b>Profit after financial items</b>		<b>10,839</b>	<b>8,668</b>
Tax	18	-2,135	-1,867
<b>Net profit for the year</b>		<b>8,704</b>	<b>6,801</b>
Net profit for the year attributable to:			
Owners of the Parent company		8,701	6,799
Non-controlling interests		4	2
Earnings per share, SEK	23	31.81	24.86
There are no potential shares, hence no dilution effect			
Average number of shares, before and after dilution		273,511,169	273,511,169

# Consolidated Statement of Comprehensive Income

SEK m	Note	2021	2020
<b>Net profit for the year</b>		<b>8,704</b>	<b>6,801</b>
<b>Other comprehensive income</b>			
<i>Items to be reclassified to the profit/loss</i>			
Cash flow hedging			
Change in market value of derivative instruments		26	-76
Fiscal effect on derivative instruments		-5	16
Transfers to the Income Statement		-7	2
Tax on transfers to the Income Statement		1	0
		<b>15</b>	<b>-58</b>
Year's translation difference on overseas operations		463	-810
Result of hedging of net investments in overseas operations		-40	267
Tax on the net profit for the year from hedging instruments		8	-57
		<b>432</b>	<b>-600</b>
<b>Total items to be reclassified to the profit/loss</b>		<b>447</b>	<b>-659</b>
<i>Items that will not be reclassified to the profit/loss</i>			
Revaluation of defined benefit pension plans	24	-10	-36
Tax attributable to items not reclassified to the profit/loss for the period		2	8
<b>Total items that will not be reclassified to the profit/loss</b>		<b>-9</b>	<b>-28</b>
<b>Total other comprehensive income</b>		<b>438</b>	<b>-687</b>
<b>Comprehensive income for the year</b>		<b>9,143</b>	<b>6,115</b>
Comprehensive income for the year attributable to:			
Owners of the Parent Company		9,139	6,112
Non-controlling interests		4	2

# Consolidated Balance Sheet

SEK m	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Intangible assets</i>	13	<b>3,616</b>	<b>3,506</b>
<i>Property, plant and equipment</i>	14, 15		
Buildings and land		7,781	7,088
Deferred mining costs		8,946	8,558
Machinery and other technical facilities		25,331	21,982
Equipment, tools, fixtures and fittings		714	572
Work in progress		3,142	5,406
		<b>45,915</b>	<b>43,605</b>
<i>Other non-current assets</i>			
Participations in associated companies	17	9	9
Other shares and participations	26	6	6
Deferred tax assets	18	174	94
Derivative instruments	26, 27	34	6
Non-current receivables		436	425
		<b>659</b>	<b>540</b>
<b>Total non-current assets</b>		<b>50,190</b>	<b>47,650</b>
<b>Current assets</b>			
Inventories	19	18,000	14,238
Trade and other receivables	20, 26	2,873	3,631
Tax receivables		0	242
Derivative instruments	26, 27	160	137
Other current receivables	21	1,073	1,533
Cash and cash equivalents	12, 26	8,251	5,060
<b>Total current assets</b>		<b>30,358</b>	<b>24,842</b>
<b>TOTAL ASSETS</b>		<b>80,549</b>	<b>72,492</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	23	579	579
Other capital provided		5,940	5,940
Translation reserve		1,040	608
Hedge reserve		4	-12
Defined benefit pension plans		-978	-969
Retained earnings		44,281	39,479
<b>Equity attributable to the owners of the Parent Company</b>		<b>50,866</b>	<b>45,625</b>
<b>Non-controlling interests</b>		<b>15</b>	<b>13</b>
<b>Total equity</b>		<b>50,882</b>	<b>45,638</b>
<b>Non-current liabilities</b>			
Provisions for pensions	24	1,180	1,159
Other provisions	25	6,529	4,880
Deferred tax liabilities	18	3,360	3,296
Liabilities to credit institutions	26, 29	5,993	5,951
Other interest-bearing liabilities	15, 29	131	153
Derivative instruments	26, 27, 29	28	17
<b>Total non-current liabilities</b>		<b>17,221</b>	<b>15,456</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	26, 29	0	0
Other interest-bearing liabilities	15, 29	38	50
Trade and other payables	26, 29	8,812	6,607
Other provisions	25	243	254
Current tax liabilities		233	173
Derivative instruments	26, 27, 29	137	37
Other current liabilities	30	2,983	4,277
<b>Total current liabilities</b>		<b>12,445</b>	<b>11,398</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>80,549</b>	<b>72,492</b>

# Consolidated Statement of Changes in Equity

Equity attributable to the owners of the Parent Company										
SEK m	Note	Share capital	Other capital provided	Translation reserve	Hedge reserve	Defined benefit pension plans	Retained earnings	Total Boliden's shareholders	Non-controlling interests	Total equity
<b>Opening equity, 01.01.2020</b>		579	5,940	1,208	47	-942	34,597	41,429	12	41,440
Net profit for the year							6,799	6,799	2	6,801
Other comprehensive income		-	-	-600	-58	-28	-	-687	0	-687
<b>Comprehensive income for the year</b>		-	-	-600	-58	-28	6,799	6,113	2	6,115
Dividend to Boliden AB's shareholders		-	-	-	-	-	-1,915	-1,915	-	-1,915
Dividend to non-controlling interests		-	-	-	-	-	-	-	-1	-1
<b>Closing equity, 31.12.2020</b>		579	5,940	608	-12	-969	39,479	45,625	13	45,638
<b>Opening equity, 01.01.2021</b>		579	5,940	608	-12	-969	39,479	45,625	13	45,638
Net profit for the year							8,701	8,701	4	8,704
Other comprehensive income		-	-	432	15	-9	-	438	0	438
<b>Comprehensive income for the year</b>		-	-	432	15	-9	8,701	9,139	4	9,143
Dividend to Boliden AB's shareholders		-	-	-	-	-	-2,256	-2,256	-	-2,256
Dividend to non-controlling interests		-	-	-	-	-	-	-	-1	-1
Redemption		-289	-	-	-	-	-1,352	-1,641	-	-1,641
Bonus issue		289	-	-	-	-	-289	-	-	-
<b>Closing equity, 31.12.2021</b>	23	579	5,940	1,040	4	-978	44,281	50,866	15	50,882

## Other capital provided

Refers to equity contributed by the owners. When shares are issued at a premium, an amount corresponding to the amount received in excess of the nominal value of the shares is reported as Other capital provided.

## Translation reserve

The Balance Sheet for overseas companies is converted at the exchange rates applicable at the end of the reporting period. The Income Statement is converted at the average rates for the reporting period. Any exchange rate differences arising are reported under Other comprehensive income. Boliden currency hedges net investments in overseas subsidiaries to some extent by adopting the opposite position in the form of loans in the relevant foreign currency. The exchange rate difference on loans raised is, after the fiscal effect, reported under Other comprehensive income.

Net debt, SEK m	31.12.2021	31.12.2020
Liabilities to credit institutions	5,993	5,951
Other interest-bearing liabilities	169	203
Pension liabilities	1,180	1,159
Interest-bearing assets	-9	-18
Cash and cash equivalents	-8,251	-5,060
	<b>-918</b>	<b>2,236</b>

## Hedge reserve

Boliden applies hedge accounting for financial derivatives acquired with a view to hedging part of the forecast currency and interest flows. Changes in the market value of hedging instruments are reported under Other comprehensive income until such time as the underlying transactions are reported in the Income Statement.

## Defined benefit pension plans

Revaluations of pension undertakings are reported under Other comprehensive income.

## Retained earnings

Refers to profits earned.

Capital employed, SEK m	31.12.2021	31.12.2020
Intangible assets	3,616	3,506
Property, plant and equipment	45,915	43,605
Participations in associated companies	9	9
Other shares and participations	6	6
Inventories	18,000	14,238
Trade and other receivables	2,873	3,631
Other receivables	1,695	2,083
Provisions, other than for pensions and tax	-6,772	-5,134
Trade and other payables	-8,812	-6,607
Other non-interest bearing liabilities	-3,147	-4,331
	<b>53,382</b>	<b>51,007</b>

# Consolidated Statement of Cash Flow

SEK m	Note	2021	2020
<b>Operating activities</b>			
Profit after financial items		10,839	8,668
Adjustment for items not included in the cash flow:			
Depreciation, amortization and impairment of assets	13, 14	5,621	5,693
Provisions		9	12
Revaluation of process inventory		-764	-497
Translation differences and other		23	35
Tax paid		-1,863	-1,608
<b>Cash flow from operating activities before changes in working capital</b>	12	<b>13,866</b>	<b>12,303</b>
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in inventories		-2,950	-562
Increase (-)/Decrease (+) in operating receivables		1,209	-1,709
Increase (+)/Decrease (-) in operating liabilities		1,003	1,268
Other		17	-44
<b>Cash flow from changes in working capital</b>		<b>-722</b>	<b>-1,048</b>
<b>Cash flow from operating activities</b>		<b>13,144</b>	<b>11,255</b>
<b>Investment activities</b>			
Acquisition of intangible assets	13	-32	-43
Acquisition of property, plant and equipment	14	-5,957	-6,256
Sale of property, plant and equipment		0	0
Disposal/acquisition of financial assets		-6	2
<b>Cash flow from investing activities</b>		<b>-5,996</b>	<b>-6,297</b>
<b>Free cash flow</b>		<b>7,148</b>	<b>4,957</b>
<b>Financing activities</b>			
Dividend		-3,898	-1,915
Loans raised		-	8,176
Amortization of loans		-60	-7,533
<b>Cash flow from financing activities</b>	12	<b>-3,957</b>	<b>-1,271</b>
<b>Cash flow for the year</b>		<b>3,191</b>	<b>3,686</b>
<b>Opening cash and cash equivalents</b>		<b>5,060</b>	<b>1,373</b>
<b>Exchange rate difference on cash and cash equivalents</b>		<b>0</b>	<b>0</b>
<b>Closing cash and cash equivalents</b>	12	<b>8,251</b>	<b>5,060</b>

## Income Statement, Parent Company

SEK m	Note	31.12.2021	31.12.2020
Revenues		408	-
Administrative expenses		-519	-
<b>Operating profit</b>		<b>-111</b>	-
Dividends from subsidiaries	16	4,000	-
<b>Profit after financial items</b>		<b>3,889</b>	-
Tax		-	-
<b>Net profit for the year</b>		<b>3,889</b>	-

The operations of Boliden AB are limited in scale and are conducted, fiscally speaking, on commission with Boliden Mineral AB.

Boliden AB has no amounts to report under Other comprehensive income.

## Balance Sheet, Parent Company

SEK m	Note	31.12.2021	31.12.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Financial assets</i>			
Participations in subsidiaries	16	3,911	3,911
Non-current receivables from subsidiaries		12,978	12,884
<b>Total Non-current assets</b>		<b>16,889</b>	<b>16,796</b>
<b>Current receivables</b>			
Current receivables from subsidiaries		53	-
<b>Total current assets</b>		<b>53</b>	-
<b>TOTAL ASSETS</b>		<b>16,942</b>	<b>16,796</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital		579	579
Statutory reserve		5,252	5,252
		<b>5,831</b>	<b>5,831</b>
<i>Non-restricted equity</i>			
Retained earnings		6,317	10,215
Net profit for the year		3,889	-
		<b>10,206</b>	<b>10,215</b>
<b>Total equity</b>		<b>16,037</b>	<b>16,046</b>
<b>Liabilities</b>			
Non-current liabilities to credit institutions	26, 29	750	750
Current liabilities to subsidiaries		155	-
<b>Total liabilities</b>		<b>905</b>	<b>750</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,942</b>	<b>16,796</b>

## Statement of changes in equity, Parent Company

SEK m	Share capital	Statutory reserve	Non-restricted equity	Total equity
<b>Opening equity, 01.01.2020</b>	<b>579</b>	<b>5,252</b>	<b>12,130</b>	<b>17,960</b>
Dividend			-1,915	-1,915
Net profit for the year			-	-
<b>Closing equity, 31.12.2020</b>	<b>579</b>	<b>5,252</b>	<b>10,215</b>	<b>16,046</b>
<b>Opening equity, 01.01.2021</b>	<b>579</b>	<b>5,252</b>	<b>10,215</b>	<b>16,046</b>
Dividend			-2,256	-2,256
Redemption	-289		-1,352	-1,641
Bonus issue	289		-289	-
Net profit for the year			3,889	3,889
<b>Closing equity, 31.12.2021</b>	<b>579</b>	<b>5,252</b>	<b>10,206</b>	<b>16,037</b>

The statutory reserve includes amounts transferred to the share premium reserve before January 1, 2006. Accumulated profit together with profit for the year constitutes non-restricted equity. Non-restricted equity in the Parent Company is available for distribution to shareholders.

## Statement of Cash Flow, Parent Company

SEK m	Note	2021	2020
<b>Operating activities</b>			
Profit after financial items		3,889	-
<b>Cash flow from operating activities before changes in working capital</b>		<b>3,889</b>	-
<b>Cash flow from changes in working capital</b>			
Increase (-)/Decrease (+) in operating receivables		-147	-
Increase (+)/Decrease (-) in operating liabilities		155	-
<b>Cash flow from changes in working capital</b>		<b>8</b>	-
<b>Cash flow from operating activities</b>		<b>3,898</b>	-
<b>Financing activities</b>			
Amortization of loans		-	-2,084
Dividend		-3,898	-1,915
Amortization, loans from subsidiaries		-	3,999
<b>Cash flow from financing activities</b>	12	<b>-</b>	<b>-</b>
<b>Cash flow for the year</b>		<b>-</b>	<b>-</b>
<b>Opening cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Closing cash and cash equivalents</b>		<b>-</b>	<b>-</b>

# NOTES

All amounts in SEK million unless otherwise stated. All notes refer to the Group unless otherwise stated. Rounding differences may occur.

## Note 01 Significant accounting and valuation principles

### General accounting principles

Boliden AB (publ.), Swedish Corporate ID No. 556051-4142, is a limited liability company registered in Sweden. The Company's registered office is in Stockholm at the address: Klarabergsviadukten 90, SE-101 20 Stockholm, Sweden. The Boliden share is listed on NASDAQ Stockholm's Large Cap list.

The Company is the Parent Company of the Boliden Group, whose principal operations involve the mining and production of metals and operations compatible therewith.

The Consolidated Statements have been compiled in accordance with the EU-approved International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC). In addition, the Group applies the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting regulations for corporate conglomerates specifying the supplements to IFRS required pursuant to the stipulations of the Swedish Annual Accounts Act.

The Parent Company's functional currency is the Swedish krona (SEK) and this is also the reporting currency for both the Group and the Parent Company.

Items have been valued at their historical cost in the consolidated accounts, with the exception of certain financial assets and liabilities (derivative instruments), which have been valued at their fair value, and inventories in those cases where they are hedged at fair value.

The Parent Company's accounting principles follow those of the Group with the exception of the mandatory regulations stipulated in the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for legal entities. The Parent Company's accounting principles are presented under the heading "The Parent Company's accounting principles".

The most important accounting principles are presented in the note to which they are attributable. These principles have been applied consistently for all years presented, unless otherwise specified.

The Annual Report was approved for publication by the Board on February 22, 2022. The Balance Sheets and Income Statements are subject to approval by the Annual General Meeting on April 28, 2022.

### New or amended standards and interpretations from IASB and statements from IFRS IC that came into force in the 2021 calendar year

Changes made to IFRS 9 and IFRS 7 Interest Rate Benchmark Reform, have had no impact on the Group's financial statements.

### New standards and interpretations that come into force in the 2022 calendar year or thereafter

New and amended standards and interpretations that come into force for the financial year beginning on January 1, 2022 are not expected to have any significant impact on the Group's financial statements.

### Consolidated statements

The Consolidated Statements cover the Parent Company and all companies over which the Parent Company through ownership, directly or indirectly, exercises a controlling influence. The term "controlling influence" refers to companies in which Boliden exerts influence, is exposed to, or is entitled to a variable return from its involvement and in which it can use its influence over the company to influence its return. This is generally achieved by ensuring that its ownership share, and the share of votes, exceeds 50%. The existence and effect of potential voting rights that can currently be utilized or converted are taken into account when assessing whether the Group is capable of exercising a controlling influence over another company.

Subsidiaries are included in the Consolidated Statements as of the point in time at which a controlling influence has been attained, while companies that have been sold are included in the Consolidated Statements up to the time when the sale occurred, i.e. up to the point in time when controlling influence ceased to apply.

The Consolidated Statements have been compiled in accordance with the acquisition accounting method, which means that the historical cost of a company comprises the fair value of the payment made (including the fair value of any assets, liabilities and equity instruments issued). The identifiable assets, liabilities and contingent liabilities acquired are reported at their fair value at the time of acquisition. In conjunction with every acquisition, a determination is made as to whether a holding without a controlling influence should be reported at fair value or at the holding's proportional share of the acquired company's net assets. When required, the subsidiaries' accounts are adjusted to ensure that they follow the same principles applied by other Group companies. All internal transactions between Group companies and intra-Group balances are eliminated when the Consolidated Statements are compiled.

### Conversion of foreign subsidiaries and other overseas operations

The currency in the primary economic environments in which the subsidiary companies operate is the functional currency. When consolidating to the reporting currency, the Balance Sheets for overseas subsidiary companies are converted at the exchange rates applicable at the reporting period end, while the Income Statements are converted at the average exchange rates for the reporting period. Any exchange rate differences arising and accumulated translation differences in respect of the conversion of subsidiaries are reported as Other comprehensive income.

Boliden hedges its net investments in foreign subsidiaries to some extent by taking an opposite position (in the form of loans) in the relevant foreign currency. Exchange rate differences on hedging measures are reported as Other comprehensive income.

In conjunction with the sale of overseas operations whose functional currency is different from the Group's reporting currency, the accumulated translation differences attributable to the operations are realized in the Consolidated Income Statement, after deductions for any currency hedging activities.

### Assets and liabilities in foreign currencies

Receivables, liabilities and derivatives in foreign currencies are converted to Swedish kronor at the exchange rate applying on the closing day. Exchange rate differences on operating receivables and operating liabilities are included in the operating profit, while exchange rate differences on financial assets and liabilities are reported under financial items. Exchange rate effects on financial instruments used in cash flow hedging and the hedging of net investments in overseas operations, are reported under Other comprehensive income with the exception of any exchange rate differences on currency swaps in foreign currencies reported under net financial items.

### The Parent Company's accounting principles

The Parent Company's annual accounts are compiled in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board's recommendation, RFR 2 Accounting for legal entities, and the statements issued by the Swedish Financial Reporting Board. Under RFR 2, the Parent Company must, in the accounts for the legal entity, apply all EU-approved International Financial Reporting Standards (IFRS) and statements to the extent that this is possible within the framework of the Swedish Annual Accounts Act and with due regard to the connection between reporting and taxation. The recommendation specifies the exceptions and additions to be made in relation to IFRS. The differences between the Group's and the Parent Company's accounting principles are described below.

**Reporting of Group contributions and shareholders' contributions**

Group contributions received or made are reported as appropriations. Shareholders' contributions are booked directly against non-restricted equity by the recipient and as an increase in the item Participations in Group companies by the contributor.

**Anticipated dividends**

Anticipated dividends can be reported in those cases where the Parent Company has the sole right to determine the size of the dividend and has ensured that the dividend does not exceed the subsidiary company's dividend payment capacity.

**Financial instruments**

Financial instruments are not valued in the Parent Company in accordance with IFRS 9 Financial Instruments. Valuation is conducted on the basis of historical cost.

**Subsidiaries**

Participations in subsidiaries are reported in the Parent Company in accordance with the historical cost method. Transaction expenses in the acquisition of subsidiaries are reported as costs in the consolidated accounts, while in the Parent Company, they are reported as part of the historical cost.

Determination of the value of subsidiaries is effected when there are indications of a decline in value.

**Note 02 Estimates and assessments**

In order to compile the financial statements in accordance with IFRS accounting principles, assessments and assumptions must be made that impact the reported asset and liability amounts and the income and expense amounts, as well as other information provided in the financial statements. The estimates and assessments of the Board of Directors and the Company's management are based on historical experience and future trend forecasts. The actual outcome may differ from these assessments.

**Valuation of inventories**

In the smelters' process inventories and stocks of finished metals, it is difficult to differentiate between externally purchased material and mined concentrate from the Group's own operations. Consequently, calculating the internal profit of inventories and the reported value of process inventory entails estimations of how large a share comes from the process inventory and finished metal inventories from the in-house mining operations, based on the quantities of mined concentrate bought in and produced in-house.

**Pension commitments**

Pension provisions are dependent on the assumptions made in conjunction with the calculations of the amounts. The assumptions refer to discount interest rates, rate of salary increases, future increases in pensions, the number of remaining working years for employees, life expectancy, inflation and other factors, and are reviewed annually. The assumptions are made for every country in which Boliden has defined benefit pension plans. The most significant assumptions, in Boliden's opinion, are with regard to the discount rate, the rate of salary increases, and life expectancy, and Boliden has elected to present sensitivity analyses for these factors. Boliden's assumptions and sensitivity analysis are presented in Note 24, Provisions for pensions and similar obligations.

**Legal disputes**

Boliden regularly analyses and evaluates outstanding legal disputes using internal company legal counsels and, when necessary, with the help of external advisors, in order to assess the need for provisions to be made. See Note 31, Pledged assets and contingent liabilities.

**Reclamation costs**

Provisions for reclamations are made on the basis of an assessment of future costs based on current conditions. Provisions are reviewed regularly by internal and external specialists and updates made when necessary when the estimated useful lives, costs, technical pre-

conditions, regulations or other conditions of mine and smelter assets change. See Note 14, Property, plant and equipment and Note 25, Other provisions.

Boliden also has a responsibility for the reclamation of a number of decommissioned mines and continually reviews the requirement to make provisions in respect of these objects. Inspection of and risk assessments in relation to reclamation measures are conducted on a systematic basis.

In the event of supplementary reclamation work on a decommissioned mine being deemed necessary in order to comply with the requirements of external regulations, a provision is reported for the anticipated future costs. The provision is reviewed as investigations and action plans provide underlying data for revised costings.

To determine the size of the reclamation liability, a real discount interest rate of 0.5% (2) was used. As of year-end 2021, the discount rate has been set at 0.5% to adapt to the prevailing market evaluation of the interest rate situation. The interest rate adjustment resulted in an increase in both the reclamation reserve and capitalized reclamation costs by the discounted difference, which totaled SEK 1.2 billion. For further information, see Note 14, Property, plant and equipment and Note 25, Other provisions.

A change in the discount rate of 0.5 percentage points would result in an adjustment to the reclamation liability of approximately SEK 400 m and a corresponding change in capitalized reclamation costs. The depreciations in the years ahead should be adjusted by around +/- SEK 20 m with the net financial items affected by the equivalent amount but in the opposite direction.

**Valuation of non-current assets**

Impairment tests for property, plant and equipment and intangible assets are based on the Company's internal business plan and on assumptions with regard to future trends in e.g. metal prices, treatment and refining charges, and exchange rates. Changes in market prices of metals, treatment and refining charges and currencies have a substantial effect on the Group's future cash flows and hence on the estimated impairment requirement. Assumptions with regard to price trends for metals, treatment and refining charges and currencies are made by the Company management with the help of external experts. The assumptions are reviewed on an annual basis and adjusted when necessary. For further information, see Note 14, Property, plant and equipment.

The depreciation periods for deferred mining costs, installations and equipment in mines depend on future ore extraction and the lifespan of the mine. The assessment of these aspects is, in turn, heavily dependent on mineral reserves and, consequently, on factors such as anticipated future metal prices. The valuation is based on assumptions that the necessary environmental permits will be obtained. Changes to conditions may entail changes to the rate of depreciation applied in future. Business Area Mines draws up annual production plans for the mines' lifespans.

**Mineral Reserves**

Boliden's mineral reserves are divided into two categories: probable and proven. The assessment is based on geological measurements and assumptions that are explained in greater detail on pages 110–112. Boliden's assessment of the size of the mineral reserves affects annual depreciation costs and impairment tests for intangible assets and property, plant and equipment.

## NOTES

### Note 03 Information per segment and geographical market

#### ACCOUNTING PRINCIPLES

Boliden is organized into two segments: Business Area Mines and Business Area Smelters. The Business Areas correspond to Boliden's operating segments in that 1) the Business Area Managers are directly responsible to the CEO, 2) the CEO controls the Group's component parts via two Business Area Boards, one for each Business Area, through which the financial results are evaluated in relation to financial targets, 3) financial targets as well as investment plans and overhead budgets for the respective Business Areas are set in the business plan and budget process, 4) decisions on targets and resource allocation for units within the respective Business Areas are made within the respective Business Areas' management groups, and 5) heads of operating units report not to the CEO but to the Business Area Managers.

Business Area Mines comprises the operations of the Swedish mines Aitik, the Boliden Area and Garpenberg, the Tara mine in Ireland, and the Kevitsa mine in Finland. Business Area Mines is also responsible for sales of mined concentrates.

Business Area Smelters includes the Kokkola and Odda zinc smelters in Finland and Norway respectively, the Rönnskär and Harjavalta copper smelters in Sweden and Finland respectively, and the Bergsöe lead smelter in Sweden. The Business Area is responsible for all sales of the smelters' products and handles all raw material flows between the Group's mines, smelters and customers. This includes responsibility for purchases of metal concentrates and recycling materials from external suppliers. The copper smelters also recycle metal and electronic scrap and smelt nickel. The Bergsöe lead smelter recycles lead metal, mainly from scrap car batteries.

Transactions between the Business Areas, primarily involving metal concentrates, are settled on an arms' length basis.

Set out below are details of revenues per segment and geographical market, showing the location of external customers, and providing information on major customers. Assets and investments per geographical market are also reported there.

#### Segment – Business Areas

31.12.2021	Mines	Smelters	Other <sup>2)</sup>	Eliminations	The Group
External revenues	1,298	67,338	0	-	68,636
Internal revenues	20,747	-47	488	-21,189	0
<b>Revenues</b>	<b>22,045</b>	<b>67,292</b>	<b>488</b>	<b>-21,189</b>	<b>68,636</b>
Results from participations in associated companies	0	0	-	-	0
<b>Operating profit</b>	<b>8,761</b>	<b>3,666</b>	<b>-1,345</b>	<b>-</b>	<b>11,082</b>
Net financial items					-243
<b>Profit after financial items</b>					<b>10,839</b>
Tax					-2,135
<b>Net profit for the year</b>					<b>8,704</b>
Intangible assets	362	3,215	39		3,616
Property, plant and equipment	32,905	12,858	152		45,915
Equity shares and other financial assets	-19	11	23		15
Inventories	1,568	18,098	-1,665		18,000
Other receivables	2,945	3,365	624	-2,367	4,568
<b>Assets in capital employed</b>	<b>37,761</b>	<b>37,546</b>	<b>-827</b>	<b>-2,367</b>	<b>72,114</b>
Provisions, other than for pensions and tax	5,639	840	294		6,772
Other non interest-bearing liabilities	3,099	11,161	66	-2,367	11,959
<b>Liabilities in capital employed</b>	<b>8,738</b>	<b>12,001</b>	<b>360</b>	<b>-2,367</b>	<b>18,731</b>
<b>Total capital employed</b>	<b>29,023</b>	<b>25,545</b>	<b>-1,186</b>	<b>0</b>	<b>53,382</b>
Depreciation	4,295	1,302	23		5,621
Investments <sup>1)</sup>	3,913	2,091	8		6,013



31.12.2020	Mines	Smelters	Other <sup>2)</sup>	Eliminations	The Group
External revenues	982	55,339	0	-	56,321
Internal revenues	17,144	-56	204	-17,293	0
<b>Revenues</b>	<b>18,126</b>	<b>55,283</b>	<b>204</b>	<b>-17,293</b>	<b>56,321</b>
Results from participations in associated companies	0	0	-	-	0
<b>Operating profit</b>	<b>4,594</b>	<b>4,472</b>	<b>-130</b>	<b>-</b>	<b>8,935</b>
Net financial items					-267
<b>Profit after financial items</b>					<b>8,668</b>
Tax					-1,867
<b>Net profit for the year</b>					<b>6,801</b>
Intangible assets	355	3,144	7		3,506
Property, plant and equipment	31,660	11,747	199		43,605
Equity shares and other financial assets	-20	11	23		15
Inventories	1,365	13,336	-463		14,238
Other receivables	2,911	4,337	505	-2,040	5,714
<b>Assets in capital employed</b>	<b>36,270</b>	<b>32,576</b>	<b>271</b>	<b>-2,040</b>	<b>67,078</b>
Provisions, other than for pensions and tax	4,162	683	288		5,133
Other non interest-bearing liabilities	3,099	9,916	-38	-2,040	10,937
<b>Liabilities in capital employed</b>	<b>7,261</b>	<b>10,599</b>	<b>250</b>	<b>-2,040</b>	<b>16,071</b>
<b>Total capital employed</b>	<b>29,009</b>	<b>21,977</b>	<b>21</b>	<b>0</b>	<b>51,007</b>
Depreciation	4,401	1,274	19		5,693
Investments <sup>1)</sup>	4,431	1,863	31		6,324

<sup>1)</sup> Excluding capitalized reclamation costs but including right-of-use assets.

<sup>2)</sup> 'Other' includes Group staff functions and Groupwide functions not allocated to Mines or Smelters. This item also includes elimination of internal profit.

Boliden has three customers within the Smelters segment who account for 15% (20), 13% (11) and 8% (5) respectively of Boliden's external revenue. Other customers each represent less than 4 (4)% of Boliden's total external revenue. Boliden's metals are sold primarily to industrial customers, but are also sold to base metal dealers and international metal stocks, such as the LME.

#### Geographical areas

Sales figures are based on the country in which the customer is located. Assets and investments are reported in the location of the asset.

Revenues	2021	2020
Sweden	9,419	6,591
Nordic region, other	7,765	4,846
Germany	15,005	13,421
UK	14,525	13,885
Europe, other	20,621	16,110
North America	27	77
Other markets	1,273	1,390
	<b>68,636</b>	<b>56,321</b>

Assets in capital employed	31.12.2021	31.12.2020
Sweden	50,801	46,762
Finland	16,355	15,795
Norway	2,098	1,654
Ireland	2,822	2,848
Other countries	38	19
	<b>72,114</b>	<b>67,078</b>

Investments in non-current assets <sup>1)</sup>	31.12.2021	31.12.2020
Sweden	3,133	3,794
Finland	2,013	1,965
Norway	401	182
Ireland	466	383
Other countries	0	0
	<b>6,013</b>	<b>6,324</b>

<sup>1)</sup> Excluding capitalized reclamation costs but including right-of-use assets.

## NOTES

### Note 04 Revenues

#### ACCOUNTING PRINCIPLES

The sale of finished metals, metal concentrates, intermediate products and by-products is recognized at the time of delivery to the customer in accordance with the terms and conditions of sale, i.e. revenue is recognized when control passes to the purchaser.

The Group's metal concentrates are invoiced provisionally upon delivery. Final invoicing takes place when all relevant parameters have been determined (concentrate quantity, metal content, impurity content and metal price for the agreed price setting period, which is usually the average price on the LME in the month following delivery). Revenues from the provisional invoicing are reported at the

metal prices and exchange rates applicable on the closing day and adjusted continuously until final invoicing occurs.

The Group's metals are invoiced to the customers at the time of delivery. The Group eliminates the price risk in conjunction with the sale and purchase of metals by hedging the imbalance between quantities purchased and sold on a daily basis. The smelters' income comprises treatment and refining charges, free metals, compensation for impurities in raw materials and the value of by-products.

Income from activities outside the sphere of the regular operations is reported as Other operating income.

Boliden's revenues derive primarily from the sale of metals. The following table shows external revenues broken down by product category. Information on internal sales revenues between the segments and sales revenues between the geographical areas is shown in Note 3 Information per segment and geographical market.

2021	Mines	Smelters	Other	The Group
Finished metals	-	58,167	-	58,167
Metal concentrate	1,292	-	-	1,292
Intermediate products	-	7,796	-	7,796
By-products	0	1,253	-	1,253
Other sales	6	123	0	128
<b>Total external sales revenues</b>	<b>1,298</b>	<b>67,338</b>	<b>0</b>	<b>68,636</b>

2020	Mines	Smelters	Other	The Group
Finished metals	-	46,807	-	46,807
Metal concentrate	982	-	-	982
Intermediate products	-	7,472	-	7,472
By-products	-	1,010	-	1,010
Other sales	0	50	0	50
<b>Total external sales revenues</b>	<b>982</b>	<b>55,339</b>	<b>0</b>	<b>56,321</b>

### Note 05 Employees and personnel costs

The Parent Company has one employee. As Boliden AB is in a tax agreement with Boliden Mineral AB, the employee is remunerated by Boliden Mineral AB.

Average number of employees <sup>1)</sup>	2021	of whom women	of whom men	2020	of whom women	of whom men
<b>Subsidiaries</b>						
Sweden	3,563	889	2,674	3,451	806	2,645
Finland	1,665	279	1,387	1,656	274	1,382
Norway	317	55	262	346	73	273
Ireland	603	46	557	598	42	556
Others	19	9	10	19	9	10
<b>Total in subsidiaries/The Group</b>	<b>6,167</b>	<b>1,277</b>	<b>4,890</b>	<b>6,071</b>	<b>1,205</b>	<b>4,866</b>

<sup>1)</sup> Refers to full-time employees.

Percentage of women at Board and Group management level	2021	2020
The Board of Directors	36%	50%
Group management	20%	20%

Salaries, other remuneration and social security expenses	2021		2020	
	Salaries and remuneration	Social security expenses	Salaries and remuneration	Social security expenses
Subsidiaries	4,091	1,400	3,899	1,316
<i>of which pension expenses</i>		<i>(365)</i>		<i>(371)</i>
<b>The Group, total</b>	<b>4,091</b>	<b>1,400</b>	<b>3,899</b>	<b>1,316</b>

Salaries and other remuneration broken down by country, Board Members etc. and other employees	2021		2020	
	Board of Directors, President & other senior executives	Other employees	Board of Directors, President & other senior executives	Other employees
<b>Subsidiaries in Sweden</b>	<b>30</b>	<b>2,175</b>	<b>27</b>	<b>2,002</b>
<b>Subsidiaries abroad</b>				
Finland	11	1,024	10	1,060
Norway	2	227	2	206
Ireland	5	603	6	571
Others	2	13	2	13
<b>The Group, total</b>	<b>51</b>	<b>4,040</b>	<b>47</b>	<b>3,852</b>

#### Profit-sharing system

A profit-sharing system was introduced for all Boliden Group employees in 2007. A profit share is payable when the return on capital employed exceeds 8%, and the maximum profit share (SEK 30,000/full-time employee) is payable when the return on capital employed reaches 18%. However, the annual maximum allocation may never exceed one-third of the dividend paid to shareholders. The funds may be disbursed to the employees after three years at the earliest unless otherwise regulated by the relevant national profit-sharing scheme. An allocation of SEK 30,000 (27,750) per full-time employee is proposed for 2021 as the return on capital employed was 21.1% (17.2). However, this is conditional upon the dividend resolution by the Annual General Meeting.

#### Remuneration paid to Board Members and senior executives Principles

Fees as approved by the Annual General Meeting are payable to the Chairman of the Board and to Board Members. The President and employee representatives do not receive Directors' fees.

Remuneration paid to the President and other senior executives comprises basic salary, variable remuneration, other benefits and pensions. The term senior executives refers to those persons who have made up the Group management during the year. At year-end, Group management comprised five persons, including the President. All members of Group management are employed in Sweden.

The split between basic salary and variable remuneration shall be in proportion to the executive's responsibilities and authority. The variable remuneration is maximized to 60% of the basic salary for the President, while for other senior executives, it is maximized to 40–50% of the basic salary. Of this, ten percentage points are contingent upon the purchase of Boliden shares for the gross sum before tax.

Pension benefits and other benefits payable to the President and other senior executives are taken into account when determining fixed and variable remuneration.

#### Remuneration and other benefits paid during the year

Specification of remuneration paid to the Board Members and senior executives.

SEK k	Directors' fees/Basic salary		Variable remuneration		Other benefits		Pension cost	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>The Board of Directors</b>								
Anders Ullberg, Chairman	2,030	1,925						
Helene Biström	610	580						
Tom Erixon	–	705						
Michael G:son Löw	760	630						
Per Lindberg	610	–						
Perttu Louhivuoto	610	580						
Elisabeth Nilsson	610	580						
Pia Rudengren	860	805						
Karl-Henrik Sundström	965	–						
<b>Group management</b>								
Mikael Staffas, President	8,333	7,843	4,590 <sup>2)</sup>	3,361 <sup>3)</sup>	14	27	2,917	2,766
Other members of Group management <sup>1)</sup>	11,340	10,668	4,191 <sup>2)</sup>	2,984 <sup>3)</sup>	304	282	3,972	4,280 <sup>4)</sup>

<sup>1)</sup> A total of 4 people in 2021 and 2020.

<sup>2)</sup> The amounts are attributable to 2021 but will be disbursed in 2022.

<sup>3)</sup> The amounts are attributable to 2020 but was disbursed in 2021.

<sup>4)</sup> Of which SEK 534 thousand relates to the premium for 2019.

The Directors' fees shown above also include remuneration for work on the Remuneration and Audit Committees.

#### Variable remuneration

The variable remuneration paid to the President in 2021 was based on the Group's return on equity and the accident trend within the Group.

For other members of Group management, the variable remuneration for 2021 was based on the Group's targets and on their personal spheres of responsibility, including financial and individual targets, and the accident trend. Other benefits refer primarily to company cars.

#### Pensions

The President has a defined contribution pension plan to which the company allocates 35% of the fixed monthly salary on a rolling basis. The President himself decides the level of survivor annuity, indemnity for medical treatment or disability, etc., in his insurance plan. The President's retirement age is 65.

All other members of the Group management have defined contribution pension plans to which the company sets aside 30% of the fixed monthly salary. The company's premium-based pension plans do not include costs for the ITP basic level, ITPK, part-time retirement pension and supplementary health insurance. The retirement age is 65.

## NOTES

### Severance pay

The President and the company shall give six and twelve months' notice respectively of the termination of the President's position. If notice is given by the company, severance pay corresponding to twelve months' salary is payable, in addition to pay during the period of notice. Other income shall be deducted from severance pay. No severance pay is payable in the event of notice being given by the President.

Other members of the Group management have a notice period of six months if they give notice themselves. If notice of termination is given by the company, the period of notice is six to twelve months. In addition, severance pay corresponding to six to twelve months' salary is payable. A summation of notice period pay and severance pay may not exceed eighteen months. Other income shall be deducted from severance pay. No severance pay is payable in the case of resignation.

### Preparation and decision-making process

See the 2021 Corporate Governance Statement for information.

### Note 06 Auditors' fees and reimbursement of expenses

	2021	2020
<b>Deloitte AB</b>		
Audit engagements	8	8
Auditing assignments in addition to the audit engagement	0	0
Tax consultancy	0	0
Other services	0	0
	<b>8</b>	<b>8</b>

### Note 07 Key expense items

	2021	2020
Raw material costs, incl. inventory changes	35,487	25,544
Personnel costs	5,622	5,412
Energy costs	3,378	2,994
Other external costs	7,698	7,803
Depreciation and amortization	5,621	5,693
	<b>57,806</b>	<b>47,445</b>

The specification of key expense items relates to the Income Statement items Cost of goods sold, Selling expenses, Administrative expenses and Research and development costs.

Depreciation and amortization are reported under the following Income Statement items:	2021	2020
Cost of goods sold	5,573	5,652
Selling expenses	0	0
Administrative expenses	36	29
Research and development costs	12	12
	<b>5,621</b>	<b>5,693</b>

### Note 08 Other operating income

	2021	2020
Realized exchange rate gains	209	85
Rental income, industrial properties	21	19
Insurance payments	6	104
Sick pay received	16	33
Profit, sale of non-current assets	6	9
Repayment FORA	44	-
Scrap sales	43	26
Sales of district heating	45	25
Profit on the sale of emissions rights	-	14
Other	38	27
	<b>428</b>	<b>342</b>

### Note 09 Financial income

	2021	2020
Interest income on cash and cash equivalents <sup>1)</sup>	1	2
Other	2	0
	<b>3</b>	<b>3</b>

<sup>1)</sup>Included in the category Financial assets at amortized cost.

### Note 10 Financial expenses

	2021	2020
Interest on loans at amortized cost	95	90
Interest on currency futures <sup>1)</sup>	20	23
Interest on pension provisions	14	14
Interest on reclamation reserve	98	98
Interest on leases	3	4
Other financial items	17	42
	<b>246</b>	<b>270</b>

<sup>1)</sup>Included in the category Financial assets at fair value through profit or loss.

Boliden's average interest rate totaled 1.6% (1.3), weighted against rolling debt.

### Note 11 Government subsidies

#### ACCOUNTING PRINCIPLES

Government support refers to subsidies, grants or premiums designed to provide an economic benefit, or Government support in the form of transfers of resources to the company that may entail an undertaking. Government support attributable to assets is reported either by recognizing the support as a prepaid income or by reducing the reported value of the asset. Other contributions are recognized as other income, or as a reduction in personnel costs during the same reporting period as the costs the contributions are intended to cover.

Government subsidies totaling SEK 118 m (69) were received in 2021 and SEK 80 m (107) was reported in the Income Statement. The majority of the subsidies were received in Norway under a carbon dioxide compensation scheme and for energy efficiency improvement measures and are reported under Cost of goods sold in the Income Statement. Furthermore, compensation for sick pay costs related to Covid-19 was received in the amount of SEK 16 m (33).

### Note 12 Supplementary information to the Statement of Cash Flow

The Statement of Cash Flow is prepared in accordance with the indirect method.

	2021	2020
<b>Interest received</b>		
Bank interest	1	2
	<b>1</b>	<b>2</b>
<b>Interest paid</b>		
Interest on currency futures	-16	-23
Interest on external loans	-95	-81
Interest on leases	-3	-4
	<b>-114</b>	<b>-108</b>
<b>Cash and cash equivalents, December 31</b>		
<i>The following items are included in cash and cash equivalents:</i>		
Cash and bank balances	8,251	5,060
Short-term investments	0	0
	<b>8,251</b>	<b>5,060</b>

Interest paid in the Statement of Cash Flow does not include accrued interest expenses, unlike in the Income Statement. Interest paid for interest capitalization is reported as part of investment activities.

Short-term investments included in cash and cash equivalents comprise investments with a term of three months or less at the point of acquisition and which can be easily converted into cash and cash equivalents. Cash and cash equivalents are exposed to only an insignificant risk of value fluctuation.

The following table shows changes in liabilities attributable to financing activities.

The Group 2021	At the beginning of the year	Cash flow	Items not affecting cash flow		Amount at year-end
			Currency	Other <sup>1)</sup>	
Non-current liabilities to credit institutions	5,951		42		5,993
Current liabilities to credit institutions	0				0
Other interest-bearing liabilities, non-current	153			-22	131
Other interest-bearing liabilities, current	50	-59		47	38
<b>Total liabilities from financing activities</b>	<b>6,154</b>	<b>-59</b>	<b>42</b>	<b>25</b>	<b>6,162</b>

<sup>1)</sup> The effect of changes in leases during the year.

The Group 2020	At the beginning of the year	Cash flow	Items not affecting cash flow		Amount at year-end
			Currency	Other <sup>1)</sup>	
Non-current liabilities to credit institutions	3,261	2,968	-278		5,951
Current liabilities to credit institutions	2,242	-2,242			0
Other interest-bearing liabilities, non-current	182			-29	153
Other interest-bearing liabilities, current	86	-83		47	50
<b>Total liabilities from financing activities</b>	<b>5,771</b>	<b>643</b>	<b>-278</b>	<b>18</b>	<b>6,154</b>

<sup>1)</sup> The effect of changes in leases during the year.

The Parent Company's changes in liabilities attributable to financing activities constitute, in their entirety, items affecting cash flow.

## Note 13 Intangible assets

### ACCOUNTING PRINCIPLES

#### Exploration, research and development

Boliden's R&D primarily comprises exploration. Boliden is also involved, to a limited extent, in developing mining and smelting processes. Expenses associated with research and development are primarily booked as costs when they arise, and are reported under the item "Research and development costs" in the Income Statement. When the financial potential for the exploitation of a mine deposit has been confirmed, the expenses are booked as costs up to that date. After that date, the expenses are capitalized as deferred mining costs, whose principles are described in Note 14, Property, plant and equipment. Exploration rights acquired in conjunction with operational acquisitions have been capitalized as intangible assets.

Acquired exploration rights are assessed to have an indefinite useful life as there is no predictable limit on the time during which the asset is expected to generate net payments to Boliden. Impairment testing in respect of exploration rights is carried out in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources, and impairment testing is, therefore, only carried out in the presence of an indication that the need to write down an asset exists.

#### Patents, licenses and similar rights

Intangible assets also include patents, licenses and similar rights. They are amortized over their anticipated useful lives.

#### Goodwill

Goodwill arises at the time of acquisition when the historical cost exceeds the fair value of the Group's share of the identifiable net assets of the subsidiary company. Goodwill is reported in the Balance Sheet at the value given in conjunction with the acquisition, converted, where relevant, at the closing day rate, after deduction for accumulated impairments. Calculations of the profit or loss on the sale of a unit include any remaining reported goodwill value ascribed to the operations sold.

Goodwill has been assessed as having an indefinite useful life. Goodwill is allocated to the smallest possible unit or group of units that generate cash where separate cash flows can be identified, and an impairment test is performed on the reported value at least once a year to determine whether there is any need for an impairment.

Such impairment tests are, however, performed more frequently if there are indications that the value may have fallen during the year.

#### Emission allowances

The Boliden Group participates in the European system for emission rights. Rights are allocated across the European market. One emission right grants entitlement to emit the equivalent of one tonne of carbon dioxide or similar gas and is classified as an intangible asset. Allocated emission rights are valued at the historical cost of zero, while rights acquired are valued at the purchase price. An intangible asset and a provision in the corresponding amount are reported during the current year in the event of any need arising to purchase additional emission rights. The asset is amortized over the remaining months of the year, thereby distributing the cost in line with production. The intangible asset is thereby exhausted and the provision for emissions made is settled. If the liability to deliver emission rights exceeds the remaining emission rights allocation, the liability is revalued at the market value of the number of emission rights required to clear the undertaking on the closing day.

#### Impairments

On each reporting occasion, an assessment is performed to determine whether there is any indication of impairment in respect of the Group's assets. Should this be the case, the recoverable amount of the asset is calculated. Goodwill, together with any intangible assets with indefinable useful lives, is subject to annual impairment tests even if there are no indications of a reduction in its value. The recoverable amount comprises whichever is the higher of the value in use of the asset in the operations and the value that would result if the asset were sold to an independent party, fair value minus selling expenses. The value in use comprises the present value of all incoming and outgoing payments attributable to the asset for the duration of its expected use in the operations, plus the present value of the net sales value at the end of the asset's useful life. The period during which use of the asset is expected to be possible is based on the assumption that the necessary environmental permits can be obtained. If the estimated recoverable amount is lower than the book value, the latter is written down to the former.

## NOTES

Impairments are reported in the Income Statement. Any impairment is reversed if changes in the assumptions leading to the original impairment mean that the impairment is no longer warranted. Impairments that have been performed are not reversed in such a way that the reported value exceeds the amount that would, following

deductions for depreciation according to plan, have been reported if no impairment had been performed. Reversals of impairments are reported in the Income Statement. Goodwill impairments are not reversed. See also the section in Note 2 about the Valuation of non-current assets.

	Capitalized development expenses	Patents, licenses and similar rights	Exploration rights	Goodwill	Total Intangible assets
<b>Historical costs</b>					
Opening balance, 01.01.2020	268	262	254	3,204	3,988
Investments	35	8	-	-	43
Sales and retirements	-	-1	-	-	-1
Reclassifications	-	9	-	-	9
Translation differences for the year	-4	-10	-10	-127	-151
<b>Closing balance, 31.12.2020</b>	<b>299</b>	<b>268</b>	<b>244</b>	<b>3,077</b>	<b>3,888</b>
Opening balance, 01.01.2021	299	268	244	3,077	3,888
Investments	30	2	-	-	32
Sales and retirements	-	0	-	-	0
Reclassifications	30	6	-	-	36
Translation differences for the year	2	5	5	76	88
<b>Closing balance, 31.12.2021</b>	<b>361</b>	<b>281</b>	<b>249</b>	<b>3,153</b>	<b>4,044</b>
<b>Amortization</b>					
Opening balance, 01.01.2020	-170	-197	-	-	-367
Amortization for the year	-10	-18	-	-	-28
Sales and retirements	-	1	-	-	1
Translation differences for the year	4	8	-	-	12
<b>Closing balance, 31.12.2020</b>	<b>-176</b>	<b>-206</b>	<b>-</b>	<b>-</b>	<b>-382</b>
Opening balance, 01.01.2021	-176	-206	-	-	-382
Amortization for the year	-25	-15	-	-	-40
Sales and retirements	-	0	-	-	0
Translation differences for the year	-2	-4	-	-	-6
<b>Closing balance, 31.12.2021</b>	<b>-203</b>	<b>-225</b>	<b>-</b>	<b>-</b>	<b>-428</b>
<b>Reported value as per Balance Sheet 31.12.2020</b>	<b>123</b>	<b>62</b>	<b>244</b>	<b>3,077</b>	<b>3,506</b>
<b>Reported value as per Balance Sheet 31.12.2021</b>	<b>158</b>	<b>56</b>	<b>249</b>	<b>3,153</b>	<b>3,616</b>
Amortization according to plan, included in operating profit					
2020	-10	-18	-	-	-28
2021	-25	-15	-	-	-40

### Goodwill

The Group's goodwill item arose primarily in conjunction with the acquisition of the operations from Outokumpu at the end of December 2003. Goodwill from the 2003 acquisition has principally been allocated to the Group's Smelters segment. Impairment tests have been carried out on the goodwill value as described in Note 14 under Impairment tests for the year – Intangible assets and Property, plant and equipment.

### Emission allowances

The Boliden Group did not sell any used emission rights in 2021.

### Exploration rights

In 2014, Boliden acquired the exploration rights and mining operations of the Kylylahti copper mine in Finland. No depreciation of these assets has been effected. The mine was closed in 2020, but further exploration is taking place.

**Note 14** Property, plant and equipment**ACCOUNTING PRINCIPLES**

Land, plants and equipment and associated capitalized costs for development, pre-production measures and future reclamation costs, are booked at historical cost less depreciation and any impairment. Interest expenses attributable to financing development and completion of significant items of property, plant and equipment are included in the acquisition value. Repair and maintenance expenses are booked as costs, while substantial improvements and replacements are capitalized.

Estimated future expenses for the dismantling and removal of a tangible asset and the restoration of a site or area where the tangible asset is located (reclamation costs) are capitalized. Capitalized amounts comprise estimated expenses, calculated at current value, which are simultaneously reported as provisions. Effects of subsequent events that result in costs that exceed the provision are disallowed, capitalized as a tangible asset and increase the provisions, and are depreciated over the remaining life of the asset.

Deferred mining costs at mines comprise the waste rock excavation required to access the ore body, work relating to infrastructural facilities, roads, tunnels, shafts and inclined drifts, as well as service, electricity and air distribution facilities. Deferred mining costs arising from expanding the capacity of the mining operation, the development of new ore bodies, and the preparation of mining areas for future ore production are capitalized. Mining costs arising from waste rock removal from open pit mines are capitalized as part of an asset when it becomes possible to identify the part of an ore body to which access has been improved.

**Depreciation principles for Property, plant and equipment**

Depreciation according to plan is based on the original capitalized values and the estimated useful life, and begins when an asset becomes operational.

Plant and capitalized values attributable to waste rock are depreciated per pushback and in conjunction with metal extraction in relation to the anticipated metal extraction for the entire pushback. Plant and capitalized values included in deferred mining costs are depreciated in accordance with a production-based depreciation method that is based on the Proven and Probable Mineral Reserves in the respective ore bodies. Depreciation is effected to the estimated residual value. Estimated residual values and production capacity are subject to ongoing review. Plant not directly linked to production capacity is depreciated on the basis of its anticipated lifespan. The estimated useful life is based on the assumption that the necessary environmental permits can be obtained. Smelters and production plants are depreciated linearly over their anticipated useful lives.

The following depreciation periods are applied to Property, plant and equipment, including future reclamation costs:

Buildings	20–50 years
Land improvements	20 years
Deferred mining costs and waste rock capitalization	Concurrently with metal extraction
Capitalized reclamation costs	Linearly over the anticipated lifetime
Processing facilities	10–25 years
Machinery	3–10 years
Inventories	3–10 years

Boliden applies component depreciation, which means that larger processing facilities are broken down into component parts with different useful lives and thus different depreciation periods.

## NOTES

	Buildings and land	Deferred mining costs	Machinery and other technical facilities	Equipment, tools, fixtures and fittings	Work in progress	Total Property, plant and equipment
<b>Historical costs</b>						
Opening balance, 01.01.2020	12,410	20,964	49,498	2,029	7,186	92,085
Investments	1,080	1,802	2,856	34	490	6,262
Capitalized reclamation costs	-16	-	-179	-	-	-195
Sales and retirements	-24	-178	-476	-9	0	-687
Reclassifications	396	384	1,341	113	-2,243	-9
Translation differences for the year	-318	-358	-1,047	-163	-27	-1,913
<b>Closing balance, 31.12.2020</b>	<b>13,528</b>	<b>22,614</b>	<b>51,993</b>	<b>2,004</b>	<b>5,406</b>	<b>95,543</b>
Opening balance, 01.01.2021	13,528	22,614	51,993	2,004	5,406	95,543
Investments	393	2,018	2,106	81	1,359	5,957
Capitalized reclamation costs	55	-	1,430	73	-	1,557
Sales and retirements	-20	-	-1,001	-5	-	-1,026
Reclassifications	785	115	2,637	82	-3,656	-37
Translation differences for the year	174	176	459	114	33	957
<b>Closing balance, 31.12.2021</b>	<b>14,915</b>	<b>24,923</b>	<b>57,624</b>	<b>2,349</b>	<b>3,142</b>	<b>102,954</b>
<b>Depreciation</b>						
Opening balance, 01.01.2020	-6,246	-12,398	-28,252	-1,477	-	-48,373
Depreciation for the year	-550	-2,041	-2,899	-95	-	-5,585
Sales and retirements	16	178	487	8	-	689
Reclassifications	-	-	-	-	-	-
Translation differences for the year	173	205	609	132	-	1,119
<b>Closing balance, 31.12.2020</b>	<b>-6,607</b>	<b>-14,056</b>	<b>-30,055</b>	<b>-1,432</b>	<b>-</b>	<b>-52,150</b>
Opening balance, 01.01.2021	-6,607	-14,056	-30,055	-1,432	-	-52,150
Depreciation for the year	-602	-1,818	-2,985	-113	-	-5,519
Sales and retirements	13	-	1,007	5	-	1,026
Reclassifications	-6	-	6	-	-	-
Translation differences for the year	-100	-103	-275	-94	-	-572
<b>Closing balance, 31.12.2021</b>	<b>-7,302</b>	<b>-15,977</b>	<b>-32,302</b>	<b>-1,634</b>	<b>-</b>	<b>-57,215</b>
<b>Reported value as per Balance Sheet 31.12.2020</b>	<b>7,088</b>	<b>8,558</b>	<b>21,982</b>	<b>572</b>	<b>5,406</b>	<b>43,605</b>
Closing balance as above, 31.12.2021	7,615	8,946	25,321	715	3,142	45,739
Reported rights-of-use assets	166	-	10	-	-	176
<b>Reported value as per Balance Sheet 31.12.2021</b>	<b>7,781</b>	<b>8,946</b>	<b>25,331</b>	<b>715</b>	<b>3,142</b>	<b>45,915</b>
Depreciation according to plan, included in operating profit						
2020	-550	-2,041	-2,899	-95	-	-5,585
2021	-602	-1,818	-2,985	-113	-	-5,519

Capitalized reclamation costs include expenses in relation to the dismantling and removal of assets and the restoration of the sites where the assets are located. Accumulated capitalized reclamation costs total SEK 4,918 m (3,367). Accumulated depreciation totals SEK -873 m (-735). The change in capitalized reclamation costs for the year total SEK 1,557 m (-195). The discount rate for reclamation liability was adjusted down from 2% to 0.5% on December 31, 2021. As a result, the capitalized reclamation costs increased by SEK 1,218 m. The remaining change is attributable to the customary review of reclamation needs and the assessment of the mine's life-

span. The change is reported in accordance with IFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities. Reclamation costs for the year are not included in the consolidated key ratios for the year's investments, and have no effect on the Group's cash flow. Investments in property, plant and equipment include leases according to IFRS 16 Leases, totaling SEK 24 m (19) see also Note 15 Leases. The same principle for key ratios, cash flow and reclamation costs for the year, applies to right-of-use assets under IFRS 16.



	31.12.2021		31.12.2020	
	Reported value, SEK m	Interest rate, %	Reported value, SEK m	Interest rate, %
<b>Capitalized interest expenses included in planned residual value</b>				
Rönnskär's expansion, completed in 2000	15	6.8	18	6.8
Odda's expansion, completed in 2004	2	4.0	3	4.0
Aitik's expansion, completed in 2011	102	2.5	115	2.5
Rönnskär, electronic scrap recycling, completed in 2012	6	3.2	7	3.2
Garpenberg's expansion, completed in 2014	63	1.7	68	1.7

#### Annual impairment test – Intangible assets and Property, plant and equipment

Impairment tests are carried out yearly, or throughout the year if an event occurs that may result in an impairment requirement, and are based on the Group's annual budget and strategic planning work. The planning horizon is the estimated lifespan of each mine – usually between 5 and 30 years – and 10 years for smelters. Boliden's operations are characterized by long-term production plans in which every mine has set production plans for the entire estimated lifespan of the mine in question, while a substantial part of the smelters' concentrate supply is regulated by means of long-term delivery agreements. The plans are based on the assumption that the permits needed to conduct the operations can be obtained and, where necessary, renewed. Covid-19 is not anticipated to impact future cash flows. This long-term production planning also enables the use of long-term cash flow forecasts. Additional growth assumptions are not included in extrapolated cash flow forecasts beyond the planning horizon, which means that smelters' cash flows from year eleven onwards are extrapolated using year ten as a base, after which no growth is taken into account.

The value of discounted cash flows is highly sensitive to metal prices, treatment and refining charges (TC/RC), and exchange rates (see sensitivity table in Note 28). The present value of estimated future cash flows is based on the budget and planning prices adopted by the Board of Directors. Planning prices for the first year comprise futures prices on metals and currency markets. The long-term planning prices used in year two and thereafter consist of an anticipated average price over a single business cycle, generally 10 years. The long-term planning prices are based on internal and external analyses, mainly with regard to anticipated demand for metals and margin costs for metal producers. The long-term planning prices are compared with average long-term prices from different market players, such as industry analysts and other mining and smelting companies. The Group does not believe futures prices from base metals markets to be good indicators of long-term price trends, as they are heavily influenced by spot prices.

Real long-term planning prices are currently those listed in the table below.

	2021				2020			
	Metal prices	Treatment/refining charges	Exchange rates		Metal prices	Treatment/refining charges	Exchange rates	
Copper	USD 6,800/tonne	USD 80/tonne	USc 8.0/lb	USD/SEK 8.00	USD 6,600/tonne	USD 80/tonne	USc 8.0/lb	USD/SEK 8.00
Zinc	USD 2,400/tonne		USD 210	USD/NOK 7.50	USD 2,400/tonne		USD 210	USD/NOK 7.50
Lead	USD 2,100/tonne		USD 190	EUR/USD 1.17	USD 2,100/tonne		USD 190	EUR/USD 1.17
Nickel	USD 16,000/tonne				USD 16,000/tonne			
Gold	USD 1,300/troy. oz.				USD 1,300/troy. oz.			
Silver	USD 17.0/troy. oz.				USD 17.0/troy. oz.			

Individual mines or mining areas with centralized concentrating facilities, copper smelters, zinc smelters, Boliden Bergsöe AB and Boliden Commercial AB are classified as cash-generating units. The discounted real cash flows before tax for the relevant cash-generating units are compared with the book value of capital employed. The cash flows are discounted with a real discount rate before tax of 9% (9), which corresponds to the weighted capital cost. The Group's goodwill is allocated to Segment Smelters, rather than to cash-generating units, in accordance with monitoring of goodwill. The value in use of the Group's assets is deemed to exceed the carrying amounts, and no impairment requirement is consequently deemed to exist.

An increase in the discount rate by one percentage point would have led to a need for impairment of a cash-generating unit in the Mines segment. A 10% reduction of all long-term planning prices for metals would not lead to any need for impairment in the Smelters segment, but for the Mines segment, such a reduction would mean that the book value would exceed the discounted cash flows in two cash-generating units. If the long-term planning prices for metals were to remain unchanged, a 10% weakening of the US dollar against all other currencies would not occasion an impairment requirement for Segment Mines or Smelters. The calculation does not include any compensatory movements in metal prices, TC/RC, or the prices of by-products or input goods, which has historically often been the case. A 10% fall in TC/RC for all metals would not result in any impairment requirement in the Smelters segment; in the Mines segment, the same fall would have a positive effect.

## NOTES

### Note 15 Leases

#### ACCOUNTING PRINCIPLES

The lease agreements are recognized as right-of-use assets and equivalent liabilities, and reported on the day the leased asset is available for use by the Group. The calculation of the liability for a leased asset is based on the current value of the remaining lease charges, discounted by the implicit borrowing rate. If this cannot be determined, the discounting takes place instead using the marginal borrowing rate. The liability is recognized under Other interest-bearing liabilities, split between a current and a non-current part. Each lease payment is distributed between amortization of the debt and financial expense. The financial cost is distributed over the lease period so that each accounting period is burdened with an amount corresponding to a fixed interest rate for the liability reported during the relevant period. The right-of-use asset is initially valued at historical cost, which is made up of the sum of the lease liability, any direct expenses and reclamation costs. The right-of-use asset is recognized as Property, plant and equipment in the Balance Sheet, broken down between the items Buildings and land as well as Machinery and other technical facilities. Depreciation takes place linearly over time. The Boliden Group's lease agreements comprise various properties, mining and service machinery, concentrate stores and excavators. The lease contracts vary in length, although the majority are between 3–6 years. The terms are negotiated separately for each agreement and vary. The leased assets may not be used as collateral for loans. Some agreements contain variable lease payments that are based on an index or interest rate. Changes to the index first affect the lease liability in the period when cash flow from the change occurs. At this time, the lease liability is recalculated and adjusted against the right-of-use asset. The option of extending an agreement is included in a few of the Group's leases for vehicles and equipment, and has not been included in the lease liability because the Group does not consider it reasonably certain that these options will be exercised. Revaluation of lease liability is carried out e.g. in the event of amended assessments of the utilization of options as well as amended assessments of the outcome of residual value guarantees.

A lease agreement running for less than 12 months, known as a short-term lease, or a lease that relates to the lease of a low-value asset, is exempt and is not included when determining liability and right-of-use assets, rather these are booked linearly in the item Cost of goods sold in the Income Statement. This also applies to agreements with variable pricing, such as certain transport agreements. Low value leases include IT equipment, office equipment and the hire of building modules.

#### The Group

##### Amounts reported in the Balance Sheet

The Balance Sheet presents the following amounts related to leases:

	2021	2020
<b>Right-of-use assets</b>		
Buildings and land	166	167
Machinery and other technical facilities	10	44
	<b>176</b>	<b>211</b>
<b>Lease liabilities</b>		
Current	38	50
Non-current	131	153
	<b>169</b>	<b>203</b>

Additional right-of-use assets totaled SEK 24 m (19).

##### Amounts reported in the Income Statement

The Income Statement presents the following amounts related to leases:

	2021	2020
<b>Depreciation of right-of-use assets</b>		
Buildings and land	-6	-4
Machinery and other technical facilities	-56	-76
	<b>-62</b>	<b>-80</b>
Interest expenses	-3	-4
Expenditure attributable to short-term leases	-18	-17
Expenditure attributable to leases for which the underlying asset is of low value, which are not short-term leases	-49	-41
Expenditure attributable to variable lease payments not included in the lease liability	-495	-479

The total cash flow relating to leases was SEK 572 m (550).

**Note 16** Participations in subsidiaries

Specification of the Parent Company's and the Group's holdings of participations in subsidiaries

Subsidiary/Co. reg. no./Registered office	31.12.2021			Book value 2020
	Shares/participations	Percentage share	Book value	
Boliden Limited, 3977366, Toronto, Canada	85,811,638	100	-	-
Ontario Inc, 1393512, Toronto, Canada				
Boliden BV, 18048775, Drunen, Netherlands				
Boliden Apirsa S.L in liquidation, ESB-41518028, Aznalc6llar (Seville), Spain				
Boliden Mineral AB, 556231-6850, Skellefteå, Sweden	1,650,000	100	3,911	3,911
Boliden Harjavalta Oy, 1591739-9, Harjavalta, Finland				
Boliden Kokkola Oy, 0772004-3, Kokkola, Finland				
Kokkolan Teollisuusvesi Oy, 2558533-2, Kokkola, Finland				
Boliden Commercial AB, 556158-2205, Stockholm, Sweden				
Boliden Commercial UK Ltd, 5723781, Warwickshire, England				
Boliden Commercial Deutschland GmbH, 14237, Neuss, Germany				
Tara Mines Holding DAC, 60135, Navan, Ireland				
Boliden Tara Mines DAC, 33148, Navan, Ireland				
Irish Mine Development Ltd, 174811, Navan, Ireland				
Rennicks and Bennett Ltd, 34596, Navan, Ireland				
Boliden Odda AS, 911177870, Odda, Norway				
Boliden Bergs6e AB, 556041-8823, Landskrona, Sweden				
Boliden Bergs6e AS, 20862149, Glostrup, Denmark				
Boliden Kylylahti Oy, 1925412-3, Polvijärvi, Finland				
Boliden Kuhmo Oy, 1925450-2, Polvijärvi, Finland				
Boliden Kevitsa Mining Oy, 2345699-1, Sodankylä, Finland				
Other subsidiaries, dormant or of minor importance				
			<b>3,911</b>	<b>3,911</b>

During the year, the Parent Company, Boliden AB, received a dividend of SEK 4,000 m [-] from Boliden Mineral AB.

**Note 17** Participations in associated companies

	31.12.2021	31.12.2020
Book value at the beginning of the year	9	9
Exchange rate differences	0	0
Participation in associated companies' profits for the year	0	0
<b>Book value at year-end</b>	<b>9</b>	<b>9</b>

	Corporate ID number	Registered office	Number of participations	Percentage share	Value of equity share in the Group
Indirectly owned					
KIP Service OY	2240650-3	Kokkola	3,280	46	9
					<b>9</b>

## NOTES

### Note 18 Tax

#### ACCOUNTING PRINCIPLES

The tax expense (income) for the period comprises current tax and deferred tax. Tax is reported in the Income Statement, Other comprehensive income or Equity, depending on where the underlying transaction has been reported.

Current tax is the tax calculated on the taxable profit/loss for each period. The year's taxable profit/loss differs from the year's reported profit/loss before tax in that it has been adjusted for non-taxable and non-deductible items and temporary differences. The Group's current tax liability is calculated in accordance with the taxation rates stipulated or announced on the closing day.

Deferred tax is reported using the balance sheet method, under which deferred tax liabilities are reported in the Balance Sheet for all taxable temporary differences between reported and fiscal values of

assets and liabilities. Deferred tax assets are reported in the Balance Sheet in respect of loss carry-forwards and all deductible temporary differences to the extent that it is likely that these amounts can be used to offset future taxable surpluses. The reported value of deferred tax assets is reviewed at the end of each accounting period and reduced to the extent that it is no longer likely that sufficient taxable surpluses will be available for its use. Deferred tax is calculated in accordance with the taxation rates that are expected to apply to the period in which the asset is recovered or the liability settled.

Both deferred and current tax receivables and tax liabilities are offset when they relate to income tax levied by the same tax authority.

	2021	2020
<b>Current tax expenses</b>		
Tax expenses for the period	-2,171	-1,686
Adjustment of tax attributable to previous years	19	-2
	<b>-2,152</b>	<b>-1,688</b>
<b>Deferred tax expense (-) / tax income (+)</b>		
Deferred tax income/tax expenses in respect of temporary differences	53	-286
Deferred tax income in tax value loss carryforward capitalized during the year	-35	104
Revaluation of deferred tax due to a change in the taxation rate	-	3
	<b>18</b>	<b>-179</b>
<b>Total reported tax expense (-) / tax income (+)</b>	<b>-2,135</b>	<b>-1,867</b>
<b>Reconciliation of effective tax</b>		
Reported profit before tax	10,839	8,668
Tax according to current taxation rate	-2,229	-1,810
Fiscal effect of non-deductible expenses	-6	-60
Fiscal effect of non-taxable income	-1	5
Deductible costs not reported in the Income Statement	-	4
Market valuation of deferred tax assets	4	-7
Revaluation effect due to a change in the taxation rate	-	3
Adjustment of tax attributable to previous years	19	-2
<b>Total reported tax expenses</b>	<b>-2,135</b>	<b>-1,867</b>

Tax expenses comprise 19.7% (21.5) of the Group's pre-tax profit. The anticipated tax expense for 2021 of 20.6% (20.9) has been calculated based on the current Group structure and applicable taxation rates in the respective countries.

#### Deferred tax assets/tax liability

The tax assets reported in the Balance Sheet and the provision for deferred tax relates to the following assets and liabilities.

The Group	31.12.2021			31.12.2020		
	Deferred tax asset	Deferred tax liability	Net	Deferred tax asset	Deferred tax liability	Net
Intangible assets	2	-4	-2	3	-5	-2
Buildings and land	170	-118	52	109	-109	-
Machinery and equipment	5	-3,017	-3,012	7	-2,888	-2,881
Deferred mining costs	-	-156	-156	-	-141	-141
Other property, plant and equipment	-	-2	-2	1	-4	-3
Inventories	1	-445	-444	119	-664	-545
Non-current liabilities	311	-2	308	273	-2	271
Current liabilities	3	0	3	-	-	-
Tax losses carried forward	66	-	66	99	-	99
<b>Total</b>	<b>559</b>	<b>-3,745</b>	<b>-3,186</b>	<b>611</b>	<b>-3,813</b>	<b>-3,202</b>
Offset within companies	-385	385	-	-517	517	-
<b>Total deferred tax assets/tax liability</b>	<b>174</b>	<b>-3,360</b>	<b>-3,186</b>	<b>94</b>	<b>-3,296</b>	<b>-3,202</b>

**Change in deferred tax in respect of temporary differences and tax losses carried forward**

The Group 2021	Amount at the beginning of the year	Reported in the Income Statement	Reported in Other comprehensive income	Translation difference	Amount at year-end
Intangible assets	-2	0	-	0	-2
Buildings and land	0	43	-	9	52
Machinery and equipment	-2,881	-107	-	-24	-3,012
Deferred mining costs	-141	-12	-	-3	-156
Other property, plant and equipment	-3	1	-	0	-2
Inventories	-545	101	-	0	-444
Non-current liabilities	271	23	10	4	308
Current liabilities	0	3	-	0	3
Tax losses carried forward	100	-35	-	2	66
<b>Total</b>	<b>-3,202</b>	<b>18</b>	<b>10</b>	<b>-12</b>	<b>-3,186</b>

**Change in deferred tax in respect of temporary differences and tax losses carried forward**

The Group 2020	Amount at the beginning of the year	Reported in the Income Statement	Reported in Other comprehensive income	Translation difference	Amount at year-end
Intangible assets	-3	1	-	-	-2
Buildings and land	37	-25	-	-12	0
Machinery and equipment	-2,728	-197	-	44	-2,881
Deferred mining costs	-153	7	-	5	-141
Other property, plant and equipment	-4	1	-	-	-3
Inventories	-440	-105	-	-	-545
Non-current liabilities	291	35	-48	-7	271
Tax losses carried forward	-	104	-	-4	100
<b>Total</b>	<b>-3 001</b>	<b>-179</b>	<b>-48</b>	<b>26</b>	<b>-3 202</b>

**Tax losses carried forward**

Unutilized tax losses carried forward for which deferred tax assets have not been reported totaled SEK 108 m in Canada on December 31, 2021. Of these, SEK 98 m matures between 2028 and 2041. It is deemed unlikely that the loss can be offset against future surpluses in Canada.

**Tax paid by country**

	2021	2020
Sweden	1,300	1,326
Finland	562	203
Ireland	-122	-18
Norway	120	97
Other	2	1
	<b>1,863</b>	<b>1,608</b>

## NOTES

### Note 19 Inventories

#### ACCOUNTING PRINCIPLES

The Group's inventories primarily comprise mined concentrates, materials tied up in the smelters' production processes and finished metals. Inventories are valued at whichever is the lower of the historical cost in accordance with the first-in-first-out principle and the net sale value, taking into account the risk of obsolescence. The historical cost of inventories of metals from the company's mines and semi-finished and finished products manufactured in house comprises the direct manufacturing costs plus a surcharge for indirect manufacturing costs. Supplies inventories are valued at whichever is the lower of the average historical cost and the replacement value. When mined concentrates are bought in from external sources and definitive pricing has not yet occurred, the acquisition value is estimated at the closing day price. Fair value hedging is effected in conjunction with the definitive pricing of mined concentrates. The change in the value of hedged items in the inventory value is also reported in conjunction with fair value hedging of mined concentrates and finished metals.

	31.12.2021	31.12.2020
Raw materials and consumables	10,816	7,150
Goods under manufacture	4,810	5,520
Finished goods and tradable goods	2,374	1,569
	<b>18,000</b>	<b>14,238</b>

### Note 20 Trade and other receivables

#### ACCOUNTING PRINCIPLES

Receivables are reported at the anticipated recoverable amount, i.e. after deductions for expected credit losses. The anticipated term of trade and other receivables is short, the value is therefore reported at the nominal amount without any discounting, in accordance with the amortized cost method. See Note 26 for further information on accounting principles for financial instruments.

Boliden applies the simplified method for reporting expected credit losses through trade and other receivables. Based on assessments that reflect an objective and probability-weighted outcome, a general provision is reported based on reasonable and verifiable data derived from historical, current and forward-looking conditions. For information on the management of credit risks, see Credit risks in trade and other receivables on page 58 in the Risk management section of the Directors' Report.

On December 31, 2021, trade and other receivables falling due for payment in more than 30 days totaled SEK 83 m (11), corresponding to 2.9% (0.3) of total trade and other receivables. Provisions for expected credit losses are not material.

	31.12.2021	31.12.2020
Trade and other receivables not due	2,513	3,386
Overdue 0–30 days	277	234
Overdue 31–60 days	73	10
Overdue 61–90 days	8	0
Overdue more than 90 days	2	1
	<b>2,873</b>	<b>3,631</b>

The overwhelming majority of the Group's trade and other receivables relate to European customers. Trade and other receivables in foreign currencies have been valued at the closing day rate. Note 3, Information per business segment and geographical market, shows the breakdown of revenues by geographical area.

### Note 21 Other current receivables

	31.12.2021	31.12.2020
Energy tax	0	74
Royalties	7	341
Other prepaid expenses and accrued income	182	267
VAT recoverable	533	522
Other current receivables	352	329
	<b>1,073</b>	<b>1,533</b>

### Note 22 Related party disclosures

#### Relationships

The Parent Company's directly owned subsidiaries are reported in Note 16, Participations in Subsidiaries; associated companies are reported in Note 17, Participations in Associated companies. Information regarding the Members of the Board and Group management, and the remuneration paid to these, is presented in Note 5, Employees and personnel costs and in the Corporate Governance Report on pages 67–69.

#### Transactions

No Board member or senior executive in the Group participates or has participated, directly or indirectly, in any business transactions during the current or previous financial year between themselves and the Group which are or were unusual in nature with regard to their terms. Nor has the Group granted loans, issued guarantees or provided sureties to any Board member or senior executives of the Company. During the year, the Parent Company, Boliden AB, received a dividend of SEK 4,000 m (–) from Boliden Mineral AB.

**Note 23** Equity**ACCOUNTING PRINCIPLES****Share capital**

Ordinary shares are classified as share capital. Transaction costs in conjunction with a new share issue are reported as a net amount after tax for deduction from the issue proceeds received.

**Buy-back of own shares**

Boliden's holdings of its own shares are reported as a reduction in equity. Transaction costs are reported directly against equity.

**Dividend**

A dividend proposed by the Board of Directors does not reduce the equity until it has been approved by the Annual General Meeting.

<b>Share capital</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Opening number of shares	273,511,169	273,511,169
Stock split 2:1	273,511,169	-
Redemption	-273,511,169	-
<b>Closing number of shares</b>	<b>273,511,169</b>	<b>273,511,169</b>
Nominal value SEK	578,914,338	578,914,338
Nominal value per share	2.12	2.12
<b>Equity, SEK m</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Share capital	579	579
Total equity	50,882	45,638
Equity attributable to the owners of the Parent Company	50,866	45,625
Equity per share, SEK	185.98	166.81
<b>Earnings per share</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
Net profit for the year attributable to the owners of the Parent Company, SEK m	8,701	6,799
Average number of shares, before and after dilution	273,511,169	273,511,169
Number of own shares held	-	-
<b>Earnings per share, SEK</b>	<b>31.81</b>	<b>24.86</b>

**Equity**

The Articles of Association for Boliden AB state that the share capital must comprise a minimum of SEK 200 m and a maximum of SEK 800 m. Share capital comprises a single class of share.

There are no potential shares and hence no dilution effect.

The Annual General Meeting held on April 27, 2021 resolved to pay a dividend of SEK 8.25 per share, in all SEK 2,256 m. At the same time, a resolution was passed concerning an automatic share redemption procedure whereby each share would be split into one ordinary share and one redemption share. The redemption share was then automatically redeemed for SEK 6.00 per share to a total of SEK 1,641 m.

Boliden's Board of Directors will propose to the Annual General Meeting that a dividend of SEK 10.50 (8.25) per share be paid, equivalent to a total of SEK 2,872 m. Boliden's dividend policy requires approximately one-third of the net profit after tax to be disbursed.

Boliden's Board of Directors also proposes that the Annual General Meeting approve an automatic share redemption procedure whereby every share is divided into one ordinary share and one redemption share. The redemption share will then automatically be redeemed for SEK 15.50 (6.00) per share, corresponding to a total of SEK 4,239 m.

This, in combination with the proposed ordinary dividend, will, subject to the approval of the Annual General Meeting, mean that shareholders receive SEK 26.00 (14.25) per share, corresponding to a total of SEK 7,111 m.

**Earnings per share**

Earnings per share are calculated by dividing the profit for the period attributable to the owners of the Parent Company by the average number of shares.

**Asset management**

Boliden's managed assets comprise equity. Consolidated equity is presented on page 73. There is also a description of the content of the various capital categories. There are no external capital requirements other than those mandated in the Swedish Companies Act.

Boliden monitors its capital structure e.g. with the aid of the net debt/equity ratio. The net debt/equity ratio is calculated as the net of interest-bearing provisions and liabilities less financial assets including cash and cash equivalents, divided by equity.

See page 10 for details of Boliden's dividend policy and net debt target.

**Note 24** Provisions for pensions and similar obligations**ACCOUNTING PRINCIPLES****Employee benefits****Pension commitments**

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

For pension systems where the employer is committed to defined contribution systems, the obligation in relation to the employee ceases when the agreed premiums have been paid. Premiums paid are booked as costs on an ongoing basis.

The obligation does not cease for pension systems where a defined benefit pension has been contractually agreed, until the agreed pensions have been paid out. Boliden commissions independent actuaries to calculate pension obligations relating to the defined benefit pension plan arrangements in each country. For information on calculation parameters, see Note 2, Estimates and assessments: Pension commitments.

Revaluations of the defined benefit net pension liability, such as actuarial gains and/or losses and the difference between the return on plan assets and the discount rate, are reported under Other comprehensive income including attributable special payroll tax. The financing cost of the net pension liability is calculated using the discount rate for the pension liability. The financing cost, the cost of service during the current period and any previous periods, losses from settlements and costs in connection with special payroll tax are all reported in the Income Statement. Special payroll tax is regarded as part of the total net pension liability.

Boliden has established pension plans in the countries in which the company operates. The pension plans include both defined benefit and defined contribution plans. The defined benefit plans provide the employee with a fixed amount of their final salary in conjunction with retirement. Boliden's defined benefit pension plans are mainly operated in Sweden and Ireland, and to a small extent in Norway and Finland. The defined contribution plans comply with local regulations in the respective countries. Boliden has defined contribution plans in Sweden, Ireland, Finland and Norway.

**Sweden**

Boliden's pension obligations in Sweden are not invested in funds. The pension obligations are secured through the Swedish PRI/FPG system and through insurance companies. The majority of the pension commitments for salaried employees are secured through insurance with Alecta and are lifelong retirement pensions. The benefits offered by the lifelong pensions are determined using different percentages for different salary intervals. Alecta has not provided sufficient information for the 2021 financial year for the ITP plan to be reported as a defined benefit plan, thus it is reported as a defined contribution plan under UFR 10, Reporting of ITP 2 pension plan financed through insurance with Alecta. A surplus in Alecta can be allocated to the policyholders and/or those insured. At the end of the year, Alecta's collective consolidation level was 172% (148). The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial calculation assumptions, which do not correspond with those of IAS 19. Boliden's pension obligations account for only a very small percentage of Alecta's insurance commitments. There are, in addition to the ITP plans, a few previously earned temporary retirement pensions within Boliden.

"Gruvplanen" (GP) is a pension agreement for underground workers. The plan grants underground workers entitlement to receive a pension between the ages of 60 and 65 and between 65 and 70 under certain preconditions based on an average income. The "Gruvplanen" plan was closed to new earners in 2011 and replaced by a defined contribution pension plan (GLP). The commitments change from vesting to non-vesting in conjunction with retirement.

**Ireland**

The pension commitment is secured by the transfer of funds to four defined benefit plans and one defined contribution plan. The defined benefit plans are closed to new employees. The pension plans are governed by the Irish Pensions Board and Irish Pensions Legislation. All of the defined benefit pension plans are funded. The largest defined benefit plan and the defined contribution pension plan both have Board Members from the company and the members. Boliden has appointed the Irish Pension Trust to manage the other defined benefit plans.

The financial position of the pension plans is reviewed every three years by an actuary in order to determine the requisite financing level. The actuary ensures that Boliden receives annual reports on the financial position in accordance with accounting requirements. Payments are made to all five plans through a combination of contributions from both Boliden and employees in accordance with employment contracts. No other deposits are made.

The Board of the pension plans is responsible for investments in plan assets. The majority of the shares are invested in companies operating in the health care, financial services and raw materials sectors that are based in North America 58% and Europe 35%, and which are measured against sector indices and other benchmarks. A significant proportion, namely 72%, of plan assets are placed in European government bonds to reduce the risk. Cash and cash equivalents are held in order to facilitate pension disbursements.

**Events during the year**

The current value of Boliden's pension commitment is slightly higher than last year's level (recalculated), largely due to the effect of amended assumptions.

The Group's reported pension liability was SEK 1,180 m (1,159). The amount includes endowment insurance and similar commitments totaling SEK 132 m (117) in respect of defined contribution pension plans in Sweden.

**Actuarial assumptions during the year**

Costs, commitments and other factors in pension plans are calculated by means of the Projected Unit Credit Method, using the assumptions shown in the table on the next page.

The discount rate is established for every geographical market with reference to the market return on company bonds on the closing day. In Sweden, where there is no functioning market for such bonds, the market return on housing bonds has been used and a premium for a longer term added, based on the duration of the pension obligations.

The financing cost of the net pension liability is calculated using the discount rate and is reported under Boliden's net financial items.



Actuarial assumptions (weighted average)	Sweden		Ireland		Other	
	2021	2020	2021	2020	2021	2020
Discount rate, %	2.0	1.5	1.05	0.95	0.8–1.5	0.5–1.5
Future pay increases, %	2.5	2.0	2.0	1.75	2.5–3.3	2.0–2.3
Future pension increases, %	2.0	1.5	2.0	1.25	2.3	1.3
<b>Life expectancy</b>						
Women	89	89	89	89	90	90
Men	87	87	88	88	86	86

Specification of provisions for pensions	Sweden		Ireland		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Pension obligation at the beginning of the year</b>	<b>1,028</b>	<b>985</b>	<b>-6</b>	<b>-6</b>	<b>19</b>	<b>19</b>	<b>1,042</b>	<b>998</b>
Defined benefit plan costs	52	58	6	5	8	11	66	73
Revaluations recognized in Other comprehensive income	12	23	-4	12	1	0	9	36
Payments and disbursements	-43	-38	-18	-17	-9	-8	-71	-63
Translation differences	-	-	0	0	2	-3	2	-3
<b>Pension obligation at year-end<sup>1)</sup></b>	<b>1,050</b>	<b>1,028</b>	<b>-23</b>	<b>-6</b>	<b>22</b>	<b>19</b>	<b>1,048</b>	<b>1,042</b>
Endowment insurance and similar commitments	132	117	-	-	-	-	132	117
<b>Net debt, as per Balance Sheet<sup>2)</sup></b>	<b>1,181</b>	<b>1,146</b>	<b>-23</b>	<b>-6</b>	<b>22</b>	<b>19</b>	<b>1,180</b>	<b>1,159</b>

#### Specification of provisions for pensions, as per December 31

Pension obligations, funded	-	-	120	275	24	24	144	299
Pension obligations, unfunded	1,050	1,028	-	-	12	12	1,061	1,040
Fair value of plan assets	-	-	-143	-281	-14	-16	-158	-297
<b>Pension obligations</b>	<b>1,050</b>	<b>1,028</b>	<b>-23</b>	<b>-6</b>	<b>22</b>	<b>19</b>	<b>1,048</b>	<b>1,042</b>
Endowment insurance and similar commitments	132	117	-	-	-	-	132	117
<b>Net debt, as per Balance Sheet</b>	<b>1,181</b>	<b>1,146</b>	<b>-23</b>	<b>-6</b>	<b>22</b>	<b>19</b>	<b>1,180</b>	<b>1,159</b>

#### Specification of costs

<b>Cost of defined benefit plans</b>								
Current service cost	43	43	3	3	8	11	54	56
Interest expense on obligations	14	14	2	3	0	0	16	17
Interest income from plan assets	-	-	-2	-3	0	0	-2	-3
Special payroll tax and other tax	-5	1	-	-	-	-	-5	1
Administrative costs and premiums paid	-	-	3	2	0	0	3	2
<b>Total cost of defined benefit plans</b>	<b>52</b>	<b>58</b>	<b>6</b>	<b>5</b>	<b>8</b>	<b>11</b>	<b>66</b>	<b>73</b>
Cost of defined contribution plans	101	98	43	46	169	167	313	311
<b>Total pension costs</b>	<b>153</b>	<b>156</b>	<b>49</b>	<b>51</b>	<b>177</b>	<b>178</b>	<b>379</b>	<b>385</b>

<sup>1)</sup> Obligations in Sweden include obligations in accordance with PRI/FGI totaling SEK 797 m (748), obligations for underground workers totaling SEK 150 m (172), and other obligations totaling SEK 0 m (0).

<sup>2)</sup> The pension liability reported in the Balance Sheet includes not only the defined benefit pension obligations and endowment insurance, but also special payroll tax in Sweden.

## NOTES

	Sweden		Ireland		Other		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Reconciliation of pension obligations</b>								
Present value of obligations at the beginning of the year	1,028	985	275	264	36	35	1,339	1,286
Current service cost	43	43	3	3	8	11	54	56
Interest expense on obligations	14	14	2	3	0	0	16	17
Special payroll tax	-5	1	-	-	-	-	-5	1
Revaluation of defined benefit pension liability recognized in Other comprehensive income	12	23	-3	12	0	1	9	36
<i>of which gain/loss as a result of financial assumptions</i>	-7	17	1	8	0	0	-6	25
<i>of which gain/loss as a result of experience-based assumptions</i>	19	6	-4	4	0	0	15	11
Disbursements made	-43	-38	-160	-12	-9	-8	213	-59
Translation differences	-	-	4	5	1	-2	5	2
<b>Present value of obligations at year-end</b>	<b>1,050</b>	<b>1,028</b>	<b>120</b>	<b>275</b>	<b>36</b>	<b>36</b>	<b>1,206</b>	<b>1,339</b>
<b>Endowment insurance and similar commitments</b>	<b>132</b>	<b>117</b>	-	-	-	-	<b>132</b>	<b>117</b>
<i>of which amounts attributable to active employees</i>	435	410	37	88	26	26	498	524
<i>of which amounts attributable to holders of paid up policies</i>	355	353	9	8	-	-	364	361
<i>of which amounts attributable to retired employees</i>	391	383	74	179	10	10	475	572
<b>Reconciliation of plan assets</b>								
Fair value of plan assets at the beginning of the year	-	-	281	271	16	17	297	288
Interest income from plan assets	-	-	2	3	0	0	2	3
Return on plan assets excluding amounts included in net interest items, recognized in Other comprehensive income	-	-	2	0	-2	1	0	1
Fees from the employer excluding disbursements in conjunction with terminations	-	-	18	17	-	-	18	17
Disbursements made	-	-	-160	-12	-1	-2	-161	-14
Administrative costs, tax and premiums paid	-	-	-3	-2	-	-	-3	-2
Translation differences	-	-	4	4	1	0	5	4
<b>Fair value of plan assets at year-end</b>	<b>-</b>	<b>-</b>	<b>143</b>	<b>281</b>	<b>14</b>	<b>16</b>	<b>158</b>	<b>297</b>
<b>Net debt, as per Balance Sheet<sup>1)</sup></b>							<b>1,180</b>	<b>1,159</b>

<sup>1)</sup> Including endowment insurance and similar obligations totaling SEK 132 m (117).

### Specification of plan assets

Listed shares and participations	-	-	18	48	-	-	18	48
Interest-bearing securities	-	-	116	231	-	-	116	231
Cash and cash equivalents	-	-	9	2	-	-	9	2
Other	-	-	-	-	14	16	14	16
	-	-	<b>143</b>	<b>281</b>	<b>14</b>	<b>16</b>	<b>158</b>	<b>297</b>

### Sensitivity analysis of the effect on the defined benefit pension liability (+increase/-decrease in pension liability)

	Sweden	Ireland	Total
Significant actuarial assumptions			
Discount rate, %	+0.5	-3	-81
	-0.5	4	94
Pay increases, %	+0.5	-1	57
	-0.5	1	-47
Increased life expectancy, years	-1	0	-31
	+1	3	34

The sensitivity analysis has been conducted on the basis of the above actuarial changes, as Boliden is of the opinion that they can have a substantial impact on the pension liability. It is also likely that changes to these assumptions will be made. The calculations have been performed by means of the analysis of each change individually, and the

calculations have not taken into account any interdependence between the assumptions. No sensitivity analyses have been conducted for Norway and Finland as the amounts in question are insignificant. Other countries have no defined benefit pension liabilities.

Defined benefit pension liability terms	Sweden	Ireland	Other	Total
Benefits scheduled for disbursement within 12 months	49	37	4	90
Benefits scheduled for disbursement within 1–5 years	197	18	15	230
Benefits scheduled for disbursement after 5 years or more	934	65	17	1,016

The maturity of plan assets in Ireland has reduced anticipated payments after five years or more. The weighted average duration of the defined benefit pension liability is 18 years for Sweden and 10 years for Ireland.

## Note 25 Other provisions

### ACCOUNTING PRINCIPLES

Provisions are reported when the Group has, or may be considered to have, an obligation as a result of events that have occurred and it is likely that disbursements will be required in order to fulfill this obligation. A further prerequisite is that it should be possible to make a reliable estimate of the amount to be disbursed.

When a significant effect arises due to the point in time at which a provision is made, the provision is valued at the present value of the amount expected to be required to settle the obligation. Here, a discount interest rate is used before tax that reflects current market evaluations of the time value of money in the long term and the risks associated with the provision. The increase due to the passing of time is reported as an interest expense. Provisions are broken down into current and non-current parts.

With the exception of pensions (see Note 24), Boliden's provisions refer primarily to reclamation costs that are expected to arise when an operation is decommissioned. Provisions are also made for any purchases of emission rights and for any remuneration payable in conjunction with the termination of employment that may be payable to employees to whom a commitment of termination has been given or to employees who accept voluntary redundancy. The Group reports a provision and a cost in conjunction with a termination when Boliden is obligated either to give the employee notice prior to the normal point in time for employment's cessation, or to provide remuneration with a view to encouraging early retirement.

	31.12.2021	31.12.2020
Reclamation costs	6,472	4,837
Other	300	297
	<b>6,772</b>	<b>5,134</b>
<b>Of which:</b>		
Non-current	6,529	4,880
Current	243	254
	<b>6,772</b>	<b>5,134</b>

### Reclamation costs

Provisions for reclamation costs are made on the basis of an assessment of future costs based on current technology and other conditions. The present value of assessed reclamation liabilities are reserved in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets and IFRIC 1, Changes in Existing Decommissioning, Restoration and Similar Liabilities. We strive to achieve gradual reclamation, but most reclamation work takes place following a decision to decommission. In historical terms, Boliden has succeeded in extending the useful life of its mining assets compared with the original plans. Provisions for reclamation are reviewed on an ongoing basis.

To determine the size of the reclamation liability, a real discount interest rate of 0.5% (2) was used. As of year-end 2021, the discount rate has been set at 0.5% to adapt to the prevailing market evaluation. The adjustment of the interest rate increased the liability by SEK 1,257 m, of which SEK 1,218 m was capitalized and SEK 39 m affected earnings. A sensitivity analysis in respect of the discount rate is presented in Note 2, Estimates and assessments.

The Group	2021			2020		
	Reclamation costs	Other	Total	Reclamation costs	Other	Total
Book value at the beginning of the year	4,837	297	5,134	5,086	15	5,100
Additions to existing provisions	1,557	–	1,558	39	–	39
Provision during the year	73	1	73	34	304	338
Reversal of existing provisions	–16	0	–16	–235	–5	–240
Payments	–118	–3	–121	–116	–3	–119
Discount effect for the period	98	0	98	98	0	98
Translation difference	41	5	45	–69	–13	–81
<b>Book value at year-end</b>	<b>6,472</b>	<b>300</b>	<b>6,772</b>	<b>4,837</b>	<b>297</b>	<b>5,134</b>
Anticipated time of outflow of resources:						
Within one year	243	0	243	254	0	254
Between one and two years	209	1	210	226	4	230
Between three and five years	451	295	746	431	289	720
More than five years	5,570	4	5,574	3,926	4	3,930
	<b>6,472</b>	<b>300</b>	<b>6,772</b>	<b>4,837</b>	<b>297</b>	<b>5,134</b>

## NOTES

### Note 26 Financial instruments

#### ACCOUNTING PRINCIPLES

The following financial instruments, i.e. financial assets and liabilities, are recognized in the Balance Sheet: shares, receivables, cash and cash equivalents, liabilities and derivatives.

Financial instruments are recognized in the Balance Sheet when the company becomes bound by the instrument's contractual terms (the economic approach). However, liabilities to credit institutions are not reported until the settlement date. Financial assets are removed from the Balance Sheet when the rights entailed by the agreement are utilized, mature or are transferred to another counterparty. Financial liabilities are removed from the Balance Sheet when the agreement's obligations are fulfilled or if significant aspects of the loan terms are renegotiated.

Financial instruments are reported at the fair value or amortized cost, depending on the initial categorization under IFRS 9 Financial Instruments.

Changes to IFRS 9 resulting from the exchange of reference rates (interbank offered rates), "Interest Rate Benchmark Reform amendments to IFRS 9, IAS 39 and IFRS 7", have had no effect on these financial reports.

#### Valuation principles

##### Fair value

The fair value of derivatives is based on listed bid and ask prices on the closing day and on a discounting of estimated cash flows. Market prices for metals are taken from the trading locations of metal derivatives, i.e. the London Metal Exchange (LME) and the London Bullion Market Association (LBMA). Discount rates are based on current market rates per currency and time to maturity for the financial instrument. Exchange rates are obtained from Riksbanken (Swedish Central Bank).

When presenting the fair value of liabilities to credit institutions, the fair value is calculated as discounted agreed amortizations and interest payments at estimated market interest rate margins. The fair value of trade and other receivables and trade and other payables is deemed to be the same as the reported value due to the short term to maturity, to the fact that provisions are made for expected credit losses, and to the fact that any penalty interest incurred will be debited. The fair value of cash and cash equivalents is deemed to be the same as the reported value, since the expected credit losses are insignificant. The general credit rating of the banks has been applied in order to calculate credit losses which have been deemed to be insignificant.

If changes in value cannot be determined for financial assets or liabilities reported at fair value, they are reported at the historical costs of the instruments at their time of acquisition, which corresponds to the fair value at the time of acquisition.

Boliden provides information on all financial assets and liabilities reported at fair value in the Balance Sheet on the basis of a three-level fair value hierarchy. Level one comprises instruments that are listed and traded on an active market where identical instruments are traded. Level two comprises instruments that are not traded on an active market, but where observable market data is used for valuation of the instrument (either directly or indirectly). Level three comprises instruments where the valuation is, to a considerable extent, based on unobservable market data.

The assessments have been conducted on the basis of the circumstances and factors that apply with regard to the various instruments. Metal futures are classified as level two, in that the discounted prices are based on listed daily prices from the exchanges. Currency futures and interest rate swaps have also been classified as level two, with reference to the fact that the valuation is based on observable market data. The fair value of liabilities to credit institutions has been classified as level two, as these are calculated as discounted agreed amortizations and interest payments at estimated market interest rate levels. The fair value therefore essentially corresponds to the reported value. Shares and participations that are not listed have been classified as level three. Exceptions to classification on the basis of the fair value hierarchy are made for trade and other receivables, cash and cash equivalents, and trade and other payables where the reported value is deemed to constitute a reasonable estimation of the fair value.

##### Amortized cost

Amortized cost is calculated using the effective interest rate method. This means that any premiums or discounts, as well as expenses or income directly attributable to them, are distributed over the duration of the contract with the aid of the estimated effective interest rate. The effective interest rate is the rate that yields the instrument's historical cost as a result in conjunction with current value calculation of future cash flows.

##### Financial assets at amortized cost

The financial assets in this category include financial investments, cash and cash equivalents, and receivables not listed on an active market. These financial instruments are characterized by being part of a business model whose purpose is to be held until maturity and to collect cash flows from payments of principals and any interest.

##### Financial assets at fair value through profit or loss

Financial instruments in the category fair value through profit or loss are characterized by being part of a business model whose purpose is to be held until maturity or held for sale, and which are expected to be sold in a near future. Financial assets in this category are valued at fair value and changes in value are reported in the Income Statement.

## Financial assets and liabilities by valuation category

31.12.2021	Valuation hierarchy	Amortized cost	Fair value through profit or loss	Derivatives (hedge accounting)	Total reported value	Total fair value
<b>ASSETS</b>						
<b>Financial assets</b>						
Other shares and participations	3		6		6	6
Derivative instruments	2			34	34	34
<b>Current receivables</b>						
Trade and other receivables		2,873			2,873	2,873
Derivative instruments	2		29	131	160	160
Cash and cash equivalents		8,251			8,251	8,251
<b>Total financial assets</b>		<b>11,123</b>	<b>35</b>	<b>165</b>	<b>11,324</b>	<b>11,324</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Liabilities to credit institutions	2	5,993			5,993	5,998
Derivative instruments	2			28	28	28
<b>Current liabilities</b>						
Liabilities to credit institutions	2	0			0	0
Trade and other payables		8,812			8,812	8,812
Derivative instruments	2		10	127	137	137
<b>Total financial liabilities</b>		<b>14,805</b>	<b>10</b>	<b>155</b>	<b>14,970</b>	<b>14,975</b>

Boliden's financial instrument holdings, which are reported at fair value in the balance sheet are all classified as level 2 items in the fair-value hierarchy), with the exception of a minor amount of level 3 holdings in other shares and participations.

31.12.2020	Valuation hierarchy	Amortized cost	Fair value through profit or loss	Derivatives (hedge accounting)	Total reported value	Total fair value
<b>ASSETS</b>						
<b>Financial assets</b>						
Other shares and participations	3		6		6	6
Derivative instruments	2			6	6	6
<b>Current receivables</b>						
Trade and other receivables		3,631			3,631	3,631
Derivative instruments	2		69	68	137	137
Cash and cash equivalents		5,060			5,060	5,060
<b>Total financial assets</b>		<b>8,691</b>	<b>75</b>	<b>74</b>	<b>8,839</b>	<b>8,839</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Liabilities to credit institutions	2	5,951			5,951	5,958
Derivative instruments	2			17	17	17
<b>Current liabilities</b>						
Liabilities to credit institutions	2	0			0	0
Trade and other payables		6,607			6,607	6,607
Derivative instruments	2		5	32	37	37
<b>Total financial liabilities</b>		<b>12,558</b>	<b>5</b>	<b>49</b>	<b>12,612</b>	<b>12,619</b>

## NOTES

### Note 27 Financial derivative instruments and hedge accounting

#### Derivatives

Derivatives that are valued at fair value, and for which changes in the value are reported in net financial items, consist of currency futures; they are not included in the hedge accounting.

#### Hedge accounting

Derivatives used in hedge accounting comprise derivatives valued at fair value included in fair value hedging or cash flow hedging. The derivatives comprise metals futures, currency futures and interest rate derivatives. The hedge relationship is identified and documented. For Boliden's risk management policies and strategy objectives for the hedge, see also "Risk management" in the Directors' Report on pages 56–59. An assessment of efficacy of the hedge is documented both when hedging commences and on an ongoing basis. Efficacy is assessed by means of an analysis of the economic correlation between the hedged item and hedging instrument, and by ensuring that the effect of the credit risk does not dominate changes in the value of underlying items and instruments. The hedge ratio for the hedge relationship is the same as in the actual hedge.

#### Fair value hedging (binding undertaking)

Changes in the value of financial derivatives used to hedge a binding undertaking are reported under the operating profit together with changes in the value of the asset or liability that the hedging is designed to counter. Parts of inventories constitute binding undertakings and are reported at market value as inventory value. Changes in the value of derivatives consequently effectively match the changes in value from hedged items in the Income Statement and Balance Sheet.

#### Cash flow hedging (forecast cash flows)

Hedge accounting is applied to financial derivatives that refer to the hedging of forecast flows. This means that the effective share of the unrealized market values is reported under Other comprehensive income up to the point in time when the hedged item, such as forecast metal sales, US dollar income and interest expenses, is realized and thus reported in the Income Statement. Realized gains/losses attributable to metal and currency derivatives are reported under net sales, while the gains/losses on interest rate derivatives are reported under net financial items. Any ineffective part of cash flow hedging is reported under operating profit or net financial items.

#### Hedging of net investments

Hedge accounting is applied to the profit/loss on hedging in respect of net investments in overseas operations under Other comprehensive income. Any ineffective component of these hedges is reported under net financial items. In conjunction with the sale of overseas operations, associated hedging results are reported in the Income Statement, together with the translation effect of the net investment.

#### Offsetting of financial assets and liabilities

The offsetting of financial assets and liabilities is regulated by ISDA (International Swaps and Derivatives Association) agreements, which regulate both offsetting between contracted counterparties as part of operating activities and in conjunction with circumstances relating to breach of contract or early termination. See also the Risk management section for dealing with counterparty risk, pages 56–59.

Outstanding derivative instruments, SEK m	31.12.2021		31.12.2020	
	Nominal amount	Fair value	Nominal amount	Fair value
<b>Transaction exposure (binding undertakings)<sup>1)</sup></b>				
Currency futures	-3,628	35	-5,787	54
Raw material derivatives	-3,361	-10	-2,187	48
<b>Transaction exposure (cash flow)<sup>1)</sup></b>				
Currency futures	1,560	-15	85	-1
Interest derivatives	-4,375	19	-5,057	-12
<b>Total</b>		<b>29</b>		<b>89</b>

<sup>1)</sup> Find out more about the Group's transaction exposure in Risk management on page 58.

Hedge accounting, SEK m	2021	2020
<b>Fair value hedging</b>		
- Changes in value of hedging instruments in respect of binding undertakings	-1,159	-1,058
- Change in value of hedged item	1,159	1,058
Ineffectiveness of fair value hedging	-	-
Ineffectiveness of cash flow hedging	-	-
Ineffectiveness of hedging net investments in overseas operations	-	-
<b>Total ineffectiveness</b>	<b>0</b>	<b>0</b>

The effect on income for 2021 from effective cash flow hedges in respect of transaction exposure totaled SEK 7 m (-2), relating to interest rate swaps.

#### Offsetting of financial assets and liabilities

	31.12.2021	31.12.2020
Gross amount for financial assets	271	258
Amount offset in Balance Sheet	-76	-115
Net asset reported in Balance Sheet	194	143
Amount comprised by offsetting in conjunction with insolvency, etc.	-86	-24
<b>Net asset</b>	<b>108</b>	<b>119</b>

	31.12.2021	31.12.2020
Gross amount for financial liabilities	241	168
Amount offset in Balance Sheet	-76	-115
Net liability reported in Balance Sheet	165	54
Amount comprised by offsetting in conjunction with insolvency, etc.	-86	-24
<b>Net debt</b>	<b>79</b>	<b>30</b>

**Note 28 Risk information**

See the section entitled "Risk management" in the Directors' Report on pages 56–59 for a description of Boliden's financial risks. The amounts reported refer to the Group.

**Sensitivity analysis****Operating profit, excluding outstanding derivatives:**

The table below presents an estimate of how changes in market terms will affect the Group's operating profit over the next 12 months. The calculation is based on listings on December 31, 2021 and on Boliden's planned production volumes. The sensitivity analysis does not

take into account the effects of metal price hedging, currency hedging, contracted treatment charges, or the revaluation of process inventory in Smelters.

Change in metal prices, +10% SEK m	2021				2020			
	Operating profit	Net financial items	Tax	Equity	Operating profit	Net financial items	Tax	Equity
Copper	980	15	-205	790	815	13	-173	655
Zinc	1,000	16	-209	806	760	12	-161	611
Gold	360	6	-75	290	390	6	-83	313
Silver	260	4	-54	210	270	4	-57	217
Nickel	290	5	-61	234	230	4	-49	185
Lead	160	2	-33	129	130	2	-28	104
<b>Change in exchange rates, +10%</b>								
USD/SEK	1,980	31	-414	1,597	1,735	27	-368	1,394
EUR/USD	1,310	20	-274	1,056	1,110	18	-236	892
USD/NOK	150	2	-31	121	155	2	-33	125
<b>Change in treatment charges, +10%</b>								
TC Zinc	65	1	-14	52	90	1	-19	72
TC/RC copper	70	1	-15	56	40	1	-8	32
TC lead	-10	0	2	-8	-10	0	2	-8
<b>Change in market interest rates by +1% <sup>(1)</sup></b>								
		62	-13	49		62	-13	49

**Other comprehensive income, including outstanding derivatives:**

The table on the right provides an estimation of the effect on Other comprehensive income (revenue and expense items including reclassification adjustments not reported in profits), before tax, from the change in value of outstanding derivatives based on closing day prices as of December 31, 2021. Changes in the value of financial derivatives relating to binding commitments and translation exposure, have very little or no effect on profit or on Other comprehensive income. Accordingly, the table on the right includes effects from changes in the value of derivatives that are intended to meet the Group's forecast exposure.

SEK m	Other comprehensive income	
	2021	2020
<b>Translation exposure in net investments in foreign operations, exchange-rate +10%<sup>(2)</sup></b>		
EUR/SEK	1,812	1,636
NOK/SEK	417	161
<b>Effect of interest rate +1%, USD/SEK +10%<sup>(3)</sup></b>		
Interest-rate derivatives, interest rate swaps	82	125
Foreign exchange derivatives, USD/SEK	326	18

<sup>(1)</sup> Based on closing loan portfolio excluding interest rate swaps on December 31.

<sup>(2)</sup> Based on closing balances on December 31.

<sup>(3)</sup> Based on outstanding derivatives as of December 31.

## NOTES

### Note 29 Financial liabilities and maturity structure

#### ACCOUNTING PRINCIPLES

Financial liabilities primarily consist of liabilities to credit institutions and trade and other payables. The anticipated term of trade and other payables is short, and the value is consequently reported at a nominal amount in accordance with the amortized cost method as the amount is held to correspond to the value. Liabilities to credit institutions are initially valued at amounts received, less any set-up fees, and are then valued at amortized cost. Interest expenses are reported on a rolling basis in the Income Statement with the exception of the part included in the historical cost for property, plant and equipment. Capitalized set-up fees are reported directly against the

loan liability to the extent that the loan agreement's underlying loan guarantee has been utilized, and are allocated over time in the Income Statement under Other financial expenses over the contractual term of the loan. If a loan agreement is terminated or otherwise ceases to apply at a point in time prior to the end of the original contractual term, capitalized set-up fees are recognized as an expense. If a current agreement is renegotiated during the contractual term, any additional fees in connection with the renegotiation are allocated over the remaining contractual term of the loan.

31.12.2021 SEK m	Financial liabilities			Maturity structure <sup>2)</sup>					
	Currency	Interest <sup>1)</sup> , %	Reported amount	2022	2023	2024	2025	2026	2027+
Bilateral loans	EUR	1.20	2,148	26	344	569	564	398	347
Bilateral loans	SEK	1.86	3,095	53	58	2,535	602		
Bonds <sup>3)</sup>	SEK	1.36	750			749			
Leases, other			169	42	27	23	22	22	27
Trade and other payables			8,812	8,812					
Derivative instruments			165	137	13	15			
<b>Total</b>			<b>15,138</b>	<b>9,070</b>	<b>443</b>	<b>3,892</b>	<b>1,188</b>	<b>420</b>	<b>374</b>

31.12.2020 SEK m	Financial liabilities			Maturity structure <sup>2)</sup>					
	Currency	Interest <sup>1)</sup> , %	Reported amount	2021	2022	2023	2024	2025	2026+
Bilateral loans	EUR	1.24	2,108	26	23	337	559	554	731
Bilateral loans	SEK	1.86	3,093	51	58	59	2,536	602	
Bonds <sup>3)</sup>	SEK	1.35	750	10	10	10	755		
Leases, other			203	59	39	25	22	21	45
Trade and other payables			6,607	6,607					
Derivative instruments			54	37	1	7	9		
<b>Total</b>			<b>12,815</b>	<b>6,790</b>	<b>131</b>	<b>438</b>	<b>3,881</b>	<b>1,177</b>	<b>776</b>

<sup>1)</sup> Weighted interest including interest swaps.

<sup>2)</sup> The duration analysis includes gross flows of loans and interest, including flows from interest swaps.

<sup>3)</sup> Outstanding commercial papers and bonds are officially reported under the Group's Parent Company, Boliden AB.

#### Loan portfolio 31.12.2021

Boliden has a number of utilized non-current loans from Swedish, Nordic and European institutions totaling SEK 5,248 m (5,201) and maturing between 2023 and 2028. On closing day, Boliden's MTN program with a framework of SEK 5,000 m, had SEK 750 m (750) outstanding, falling due in 2024. Boliden also has syndicated credit facilities totaling EUR 362 m and EUR 408 m maturing in 2023 and 2025 respectively. The utilized component of the syndicated credit facilities totaled SEK 0 m (0). On closing day, Boliden's commercial papers program with a framework of SEK 4,000 m, had SEK 0 m (0) outstanding. The average term of the loan facilities was 2.6 years (3.7) and the average interest rate in the debt portfolio total 1.6% (1.6). The fixed interest term on outstanding loans including interest

rate swap agreements, totaled 2.2 years (3.1). The above maturity analysis includes interest flows from interest rate swaps. Boliden's current liquidity, in the form of cash and cash equivalents and unutilized credit facilities with terms exceeding one year, totaled SEK 16,088 m (12,741). The maturity structure for the financial liabilities, including interest payments and accrued interest on derivatives, includes the undiscounted cash flows attributable to the Group's liabilities, based on the contracted remaining durations. Loan maturity has been calculated at the applicable closing price. Interest maturity, including interest rate swaps, has been calculated at the applicable closing interest rates.



**Note 30 Other current liabilities**

	31.12.2021	31.12.2020
Accrued salaries and social security expenses	1,164	1,073
Accrued interest expenses	17	17
Other accrued costs and prepaid income	1,255	1,455
Other operating liabilities	547	1,731
	<b>2,983</b>	<b>4,277</b>

**Note 31 Pledged assets and contingent liabilities****ACCOUNTING PRINCIPLES**

A contingent liability is a potential undertaking that derives from events which have occurred and whose incidence is only confirmed by one or more uncertain future events. A contingent liability can also be an existing undertaking that has not been reported in the Balance Sheet because it is unlikely that an outflow of resources will be required or because the size of the undertaking cannot be reliably calculated.

	The Group		The Parent Company	
	2021	2020	2021	2020
<b>Pledged assets</b>				
For own liabilities and provisions	None	None	None	None
<b>Contingent liabilities</b>				
Parent Company sureties	–	–	5,998	6,014
Other sureties and guarantees	6,497	5,157	1	1
Pension liabilities	8	8	–	–
Agreed residual values according to lease contracts	14	14	–	–
	<b>6,519</b>	<b>5,179</b>	<b>5,999</b>	<b>6,015</b>

The Parent Company sureties refer to guarantees issued for subsidiaries. SEK 5,998 m (6,014) refers to Parent Company sureties for external financial borrowing. Parent Company sureties in the above table have been booked in the utilized amounts. Guarantees in respect of unutilized credits total SEK 7,875 m (7,729).

Other surety undertakings and guarantees refer primarily to counter undertakings issued by Boliden to banks or other lenders. These have, in turn, with regard to states or authorities, guaranteed Boliden's proper completion of reclamation undertakings.

In addition to that specified above under the heading of contingent liabilities and the items included in the financial information, the possibility exists that the Group may incur environment-related contingent liabilities or contingent liabilities attributable to legal proceedings and claims, which cannot be calculated at present but which may, in future, entail costs or investments.

**Legal proceedings****Overview**

Boliden may occasionally be involved in disputes and legal proceedings arising in the course of its operations. These disputes and legal proceedings are not expected, either individually or collectively, to have any significant negative impact on Boliden's operating profits, profitability or financial position, over and above that detailed below.

**Disputes****Disputes arising from the dam accident in Spain in the late 1990s**

In April 1998, a dam accident occurred at the Los Frailes mine in Spain, which was then owned by Boliden's subsidiary, Boliden Apirsa S.L. ("Apirsa"). Following the dam accident, a preliminary investigation and criminal proceedings were initiated. The preliminary investigation was shut down and it was determined that the accident had been caused by design and construction errors in the dam, not by Apirsa's operations. Nevertheless, the Spanish Ministry of the Environment declared Apirsa liable to approximately EUR 45 m in clean-up costs, damages and fines. As a result, Apirsa initiated insolvency proceedings in January 2005, to ensure the orderly, coordinated closure of the company. In the context of the insolvency procedures, the official receiver have requested that Apirsa's parent company, Boliden BV as well as Boliden Mineral AB and Boliden AB be held liable for the deficiency in Apirsa in an amount totaling just over EUR 147 m. This amount not only includes the above-mentioned EUR 45 m, but also a disputed amount of almost EUR 90 m which the local government (Junta de Andalucía) claims it has the right to. This claim has been in dispute since 2002, when the local government sued Apirsa in its capacity as owner and operator of the mine at the time of the accident, and Boliden BV and Boliden AB in their capacities as the direct and indirect owners of Apirsa. The local government's case was taken up in several different courts and in various bodies, but was deemed invalid on formal grounds. Finally, the Supreme Administrative Court ruled that the matter should be heard in civil court.

Accordingly, the local government brought a suit against the above companies in the Seville District Court in 2015. The suit is the same as that brought back in 2002 and the local government is demanding compensation for the costs it claims to have incurred in conjunction with the clean-up after the dam breach accident. All three defendants have contested the plaintiff's suit. The winding up of Apirsa has also been on hold for several years, pending the hearing of the local government's claim. The companies that were responsible for the design and construction of the dams, and against which Apirsa had previously brought suits and lost, have now submitted claims against Apirsa, seeking compensation for their legal costs. It is currently not possible to assess with any reasonable degree of certainty whether the claims for legal costs can be brought against any Boliden company other than Apirsa.

Based on the legal advice and opinions given by the company's Spanish legal counsel, Boliden's overall view is that the company will not suffer any substantial financial loss as a result of the legal proceedings described. The company has made no provision, pending a final ruling.

**Boliden Kevitsa Oy's tax assessment increased for the years 2012–2016**

The Finnish tax authorities have increased Boliden Kevitsa Oy's tax assessment for the years from 2012 to 2016, which would result in an increase in tax expenses of EUR 29 m. The higher assessment is attributable to the restructuring during the period prior to Kevitsa's acquisition by Boliden. The reassessment upwards was laid down by the Finnish tax authorities, and Boliden has appealed the decision to the Finnish Administrative Court. Meanwhile, and in accordance with the provisions of the acquisition agreement, Boliden has requested that the seller, First Quantum Mineral (FQM), should indemnify Boliden for any harm that Boliden may incur as a result of the increased tax assessment. FQM's liability was established by the Commercial Court in Canada in December 2021, but FQM has appealed the judgment to a higher court. The disputes are not expected to have any negative impact on earnings.

# PROPOSED ALLOCATION OF PROFITS

## The Board's proposed allocation of profits for 2021 and statement in accordance with the Swedish Companies Act, 18:4

Boliden's dividend policy requires approximately one-third of the profit after tax to be disbursed in the form of dividends. The Board of Directors proposes that the Annual General Meeting approve payment of a dividend of SEK 10.50 (8.25) per share or a total of SEK 2,872 m (2,256), corresponding to 33.0% of the profit after tax for 2021. The Parent Company's non-restricted equity totals SEK 10,206 m and the Group's total equity is SEK 50,866 m. The non-restricted equity in the Parent Company and the Group will total SEK 7,334 m and SEK 47,994 m, respectively, after payment of the proposed dividend to the shareholders. The Board has taken the cyclical nature of the industry and the risks associated with the operations into account in its dividend proposal.

Boliden generated significant cash flows and its financial position is strong. The Board of Directors' proposal, which will jeopardise neither Boliden's ability to handle any deterioration in market terms nor to finance additional growth, asks the Annual General Meeting to approve an automatic share redemption procedure whereby each share is divided into one ordinary share and one redemption share. The redemption share will then automatically be redeemed for SEK 15.50

per share, corresponding to a total of SEK 4,239 m. This, in combination with the proposed ordinary dividend, will, subject to the approval of the Annual General Meeting, mean that shareholders receive SEK 26.00 m per share, corresponding to a total of SEK 7,111 m. After the ordinary dividend and automatic share redemption procedure, non-restricted equity in the Parent Company will total SEK 3,095 m and the Group's equity SEK 43,755 m.

The remaining non-restricted equity in the Parent Company will be carried forward.

The Annual and Sustainability Report have been prepared in accordance with generally accepted accounting principles in Sweden and the Consolidated Accounts have been prepared in accordance with EU-approved International Financial Reporting Standards, IFRS.

The Annual and Sustainability Report and the Consolidated Accounts give a true and fair view of the Parent Company's and the Group's financial position and performance.

The Directors' Report for the Group and the Parent Company gives a true and fair overview of the Group's and the Parent Company's operations, position and financial performance, and describes the material risks and uncertainties faced by the Parent Company and the companies that make up the Group.

Stockholm, February 22, 2022

Anders Ullberg  
*Chairman*

Karl-Henrik Sundström  
*Vice chairman*

Helene Biström  
*Board member*

Michael G:son Löw  
*Board member*

Per Lindberg  
*Board member*

Perttu Louhiluoto  
*Board member*

Elisabeth Nilsson  
*Board member*

Pia Rudengren  
*Board member*

Marie Holmberg  
*Employee representative*

Ola Holmström  
*Employee Representative*

Kenneth Ståhl  
*Employee Representative*

Mikael Staffas  
*President and CEO*

Our Auditor's Report was submitted on March 1, 2022  
Deloitte AB

Jan Berntsson  
*Authorized Public Accountant*

# AUDITOR'S REPORT

To the general meeting of the shareholders of Boliden AB (publ),  
corporate identity number 556051-4142

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

### *Opinions*

We have audited the annual accounts and consolidated accounts of Boliden AB (publ) for the financial year 2021-01-01 – 2021-12-31, except for the corporate governance statement on pages 60–69 and the statutory sustainability report on pages 10–13, 19, 30–39 and 56–59. The annual accounts and consolidated accounts of the company are included on pages 10–13, 16–19, 22–25, 28–45 and 56–104 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2021 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2021 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 60–69 and the statutory sustainability report on pages 10–13, 19, 30–39 and 56–59. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

### *Basis for Opinions*

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### *Key Audit Matters*

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### *Provisions for reclamation costs*

The group has commitments for reclamation of closed mines and for reclamation costs that are expected to arise for mines when the mine operations are decommissioned. The provision for these commitments is judgmental and dependent on several factors including cost estimates for different reclamation measures, life of mine, regulatory decisions, future inflation and discount rates. Any changes in these estimates and assumptions may have a significant impact on the group's earnings and financial position.

For the group's accounting principles for reclamation provisions and for this year's change in capitalized reclamation costs, and for the group's reclamation provisions, please refer to note 2, 14 and 25.

### *Our audit procedures*

Our audit procedures included, but were not limited to:

- review of accounting policy for reclamation provisions for compliance with IFRS,
- evaluating the group's controls to account for reclamation provisions, and
- review of assumptions used to estimate the reclamation provisions for consistency with approved production plans, life of mines expectancies, and current financial conditions (inflation and interest rates).

### *Recognition of revenues from sales of metals at the appropriate price and in the correct period*

The group's sales of metals are to a large extent priced in US dollars and sales are often made to predetermined terms. Individual sales transactions may represent significant amounts. Taken together, this requires good practices to ensure that revenues are recognized at agreed terms and that revenues are recognized in the correct period.

For the group's accounting principles for revenue recognition and for the group's revenues by geographical area and product group please refer to note 4.

## AUDITOR'S REPORT

### *Our audit procedures*

Our audit procedures included, but were not limited to:

- review of the group's accounting policy for revenue recognition for compliance with IFRS,
- evaluating the group's controls for recognizing revenues at appropriate prices and in the correct accounting period,
- analysis of revenues by metal based on sales volumes, metal prices and exchange rates, and
- on a sample basis testing of sales transactions against sales contracts, invoices and shipping documents to assess that revenues have been recognized at appropriate prices and in the correct accounting period.

### **Valuation of inventory**

The group's inventory consists primarily of metal concentrate, materials tied up in the production process of the smelters and finished metal. The group's accounting and valuation of inventory is complex and requires judgment about stock levels, metal content, metal prices, exchange rates and internal profits.

For the group's accounting principles for valuation of inventory and for a breakdown of the group's inventory, please refer to note 2 and 19.

### *Our audit procedures*

Our audit procedures included, but were not limited to:

- review of the group's valuation policy for inventory and its compliance with IFRS,
- assessing the group's controls for inventory valuation,
- observations of physical inventory counts,
- on a sample basis testing that the inventory has been valued to current metal prices and exchange rates,
- review of the process inventory revaluation and eliminations for intragroup profits in inventory.

### **Accounting and valuation of financial instruments**

The group is exposed to changes in metal prices, exchange rates and interest rates. To reduce its exposure in larger investment projects and in contracted purchase and sales commitments the group uses various types of financial instruments, including derivatives. The group also manages its exposure to changes in interest rates by reducing or extending the interest duration period via interest rate swaps. The accounting for financial instruments is complex and may have significant impact on the group's earnings and financial position.

For the group's financial risks and management of these risks, please refer to page 57–58 and to note 26, 27, 28 and 29 for the group's principles for the valuation of financial instruments and for the group's financial derivatives.

### *Our audit procedures*

Our audit procedures included, but were not limited to:

- review of the group's financial policy and hedging strategies,
- review of hedging activities to ensure that these have been properly authorized and accounted for in accordance with IFRS, and
- review of the relevance of market data and methodologies used to determine fair value of derivative contracts.

### **Other information than the annual accounts and consolidated accounts**

The other information consists of the remuneration report as well as the pages 1–9, 14–15, 20–21, 26–27, 46–55 and 110–125 in this document that also contains other information than the annual accounts and consolidated accounts. The Board of Directors and the Managing Director are responsible for this other information. We expect to obtain the remuneration report after the date of this audit report.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### **Auditor's responsibility**

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Boliden AB (publ) for the financial year 2021-01-01 – 2021-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

## AUDITOR'S REPORT

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

### THE AUDITORS' EXAMINATION OF THE ESEF REPORT

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Boliden AB (publ) for the financial year 2021-01-01 – 2021-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report

#32d77058dd26bb31625869789afe72613c2ea6840be9799e16f901790e002bc3 has been prepared in a format that, in all material respects, enables uniform electronic reporting.

### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Boliden AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation

of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of the Esef report, i.e., if the file containing the Esef report meets the technical specification set out in the Commission's Delegated Regulation (EU) 2019/815 and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also includes an assessment of whether the Esef report has been marked with iXBRL which enables a fair and complete machine-readable version of the consolidated statement of financial performance, financial position, changes in equity and cash flow.

#### **THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT**

The Board of Directors is responsible for that the corporate governance statement on pages 60–69 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act/ the Annual Accounts Act for Credit Institutions and Securities Companies/ the Annual Accounts Act for Insurance Companies.

#### **THE AUDITOR'S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT**

The Board of Directors is responsible for the statutory sustainability report on pages 10–13, 19, 30–39 and 56–59 and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

A statutory sustainability report has been prepared.

Deloitte AB was appointed auditor of Boliden AB by the general meeting of the shareholders on April 27, 2021 and has been the company's auditor since May 5, 2015.

Stockholm, March 1, 2022  
Deloitte AB

Jan Berntsson  
*Authorized Public Accountant*

# MINERAL RESOURCES AND MINERAL RESERVES

Mineral Resources and Mineral Reserves are the foundation for the future viability of a mining company's operations. Reserves are reduced every year through mining activities, and new additions are vital to the viability of the operations.

### Highlights, 2021

In March 2021, Boliden announced a new Mineral Resource in Strömfors, around 4 km northeast of Boliden. The Rävliiden mineralization in Kristineberg has now been calculated as a Mineral Reserve, and production is scheduled to begin in 2023. Mines noted a significant contribution to Mineral Resources in Garpenberg and Tara. Annual mining reduces Mineral Reserves, and the mined amount was only fully replaced in Garpenberg and Kristineberg.

### Mineral Resources and Mineral Reserves, 2021

Boliden follows SveMin recommendations for reporting exploration results, Mineral Reserves and Mineral Resources and strives to report according to the Pan-European Reserves and Resources Reporting Committee (PERC). The PERC standard is an internationally recognized reporting standard that has been recognized by the mining associations in Sweden, from Finland and Norsk Bergindustri in Norway for exploration and mining companies in the Nordics. A new version of the PERC standard was released in October 2021, and Boliden is currently adapting its reporting to the new version. The new version applies stricter standards

regarding the environment and social and legal aspects, and it affects the classification of Mineral Reserves.

### Aitik

In Aitik, mining preparation work with the Liikavaara deposit, around 3 km northwest of Aitik, continues. Exploration and evaluation is also in progress in the Nautanen deposit, around 15 km north of Aitik. Mineral Reserves were substantially reduced in Aitik, including Liikavaara, by the 40.1 Mtonnes of ore mined during the year. The Mineral Resources in Liikavaara increased by 7 Mtonnes. No new Mineral Resource calculation was made in Aitik in 2021, and the figures from the previous year remain. Boliden needs new permits for the extension of tailings ponds, and the volumes for which we currently lack permits are classified no higher than probable Mineral Reserves. The calculation made in 2020 for Nautanen was not updated in 2021, and the previous year's Mineral Resource remains.

### The Boliden Area

A new Mineral Resource in Strömfors was added to the Boliden Area. Also, parts of Rävliiden were converted to Mineral Reserves. For the whole area, this means Mineral Resources and Mineral Reserves

increased by 9% and 4% respectively. In 2021, 1.6 Mtonnes was mined and processed.

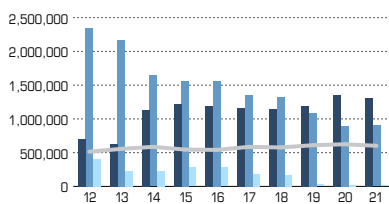
### Garpenberg

Garpenberg has very good advance planning as regards Mineral Resources and Reserves. Exploration and technical studies were successful during the year. Mineral Resources increased by 17 Mtonnes (27%) and Mineral Reserves increased by 4.2 Mtonnes (5%). In Garpenberg, 3.1 Mtonnes were milled during 2021.

### Kevitsa

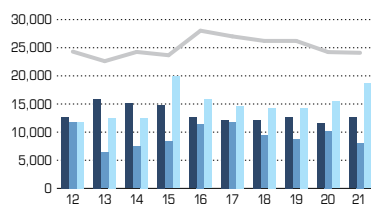
In Kevitsa, 9.5 Mtonnes was mined and processed in 2021. A few minor additions due to design changes and infill drilling resulted in a decrease in the Mineral Reserve of just 4.6 Mtonnes (4%). Unfortunately, the drilling campaign concluded in 2021, to fill gaps in the borehole pattern and explore possibilities for a further pushback, led to a reduction in Mineral Resources. The Mineral Resource, which is tonnage outside the currently planned final open pit (Mineral Reserve), decreased by 41 Mtonnes (23%)

Aitik



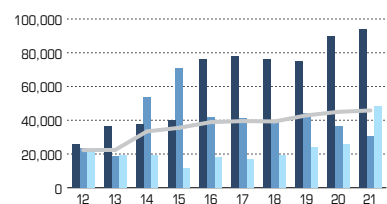
In total, a reduction by the amount mined in 2020. Converting Mineral Resources into Mineral Reserves.

Boliden Area



A reduction in Mineral Reserves but an increase in Mineral Resources.

Garpenberg



A significant increase in Mineral Reserves but a reduction in Mineral Resources due to conversion to Mineral Reserves.

● Proven and Probable Mineral Reserves ● Measured/Indicated Mineral Resources ● Inferred Mineral Resources — Production x 15 All values in ktonnes.



**Tara**

In Tara, both production and the exploration of the Tara Deep mineralization suffered a major setback in late 2021. A major inflow of water temporarily stopped production and is causing delays in the underground drilling in Tara Deep. Drilling from the surface has been successful and Tara Deep is now estimated to be a 28 Mtonnes Inferred Mineral Resource. An increase of 2 Mtonnes in 2021. In Tara, 2.1 Mtonnes were processed in 2021 and the Mineral Reserve decreased by roughly the same amount.

**About the classification**

Mineral Resources and Mineral Reserves are estimated separately and broken down into different categories. Boliden’s Mineral Reserves are not subsidiary amounts of the Mineral Resources, and when a Mineral Resource is upgraded to a Mineral Reserve, the quantity is eliminated from the Mineral Resource.

A Mineral Resource is a concentration of minerals in the bedrock in such a form, quality and quantity that there are reasonable prospects for eventual economic extraction. Geometry, quantity, content, continuity and other geological characteristics are measured, calculated or interpreted from specific geological information and knowledge through sampling. Mineral Resources are classified as Inferred, Indicated and Measured according to an increasing scale of knowledge.

A Mineral Reserve is the feasibly mineable and economically profitable part

of a Measured and/or Inferred Mineral Resource. It includes an addition for waste rock and ore lost during mining and is defined by a technical study corresponding to a preliminary study or pilot project. At the time of reporting, the study must show profitable mining is justified.

**Inferred Mineral Resource**

An Inferred Mineral Resource is that part of a Mineral Resource for which quantity, shape, grade or quality can be estimated with a low level of certainty. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a low level of certainty, but it is reasonable to assume that the majority of an Inferred Mineral Resource could be upgraded with continued exploration.

**Indicated Mineral Resource**

An Indicated Mineral Resource is that part of a resource for which the quantity, content or quality, density, shape and physical characteristics are calculated with a reliability sufficient to enable application of modifying factors for mine planning and the calculation of the deposit’s economics. The geological data is based on sufficiently detailed, reliable exploration, sampling and tests to confirm the geological, grade or quality-related continuity that can reasonably be assumed. An Inferred Mineral Resource has lower reliability than a measured Mineral Resource and can only be converted to a probable Mineral Reserve.

**Measured Mineral Resource**

A measured Mineral Resource is one whose quantity, grade or quality, density, shape and physical characteristics are sufficiently well known to allow detailed mine planning and final technical profitability studies. The geological data is based on sufficiently detailed, reliable exploration, sampling and tests to confirm geological, grade or quality-related continuity. A Measured Mineral Resource has higher reliability than an Indicated Mineral Resource and an Inferred Mineral Resource. It can be converted into a Proven Mineral Reserve or to a Probable Mineral Reserve.

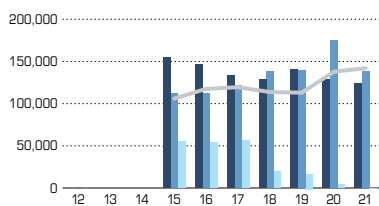
**Probable Mineral Reserve**

The Probable Mineral Reserve is the feasibly mineable and economically profitable part of an Inferred Mineral Resource or, in some cases, Measured Mineral Resource. The reliability of the data for a probable Mineral Reserves is lower than that of a Proven Mineral Reserve.

**Proven Mineral Reserve**

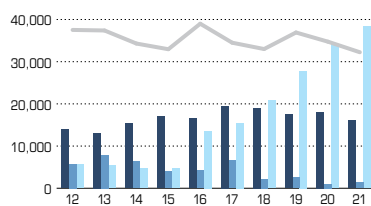
A Proven Mineral Reserve is the feasibly mineable and economically profitable part of a measured Mineral Resource. The underlying data for a Proven Mineral Reserve is highly reliable.

**Kevitsa**



A reduction in Mineral Reserves but an increase in the Mineral Resource’s tonnage and reliability of the Mineral asset (smaller Inferred Mineral Resource).

**Tara**



An increase in Mineral Reserves and Mineral Resources with a significant addition of Inferred Mineral Resources in Tara Deep.

● Proven and Probable Mineral Reserves ● Measured/Indicated Mineral Resource ● Inferred Mineral Resources — Production x 15 All values in ktonnes.

## MINERAL RESOURCES AND MINERAL RESERVES

### Supplementary information on Mineral Resources and Mineral Reserves

Supplementary information in the form of a summary report per mine and project is available on Boliden's website under Operations – Exploration – Mineral Resources and Mineral Reserves.

### Regulations, codes and competent persons

Boliden follows the recommendations of the Swedish Mining Association (Sve-Min) for reporting exploration results, Mineral Reserves and Mineral Resources and strives to report according to the Pan-European Reserves and Resources Reporting Committee (PERC). The PERC standard has clear requirements for documentation and the competent persons who must evaluate the information that companies report. All summarizing reports for Mineral Resources and Mineral Reserves per project and mine available on the Boliden website, are reviewed and approved by the competent persons presented in the relevant report. This summary of Mineral Resources and Mineral Reserves has been reviewed and approved by Gunnar Agmalm, Competent Person and Head of Ore Base and Project Evaluation, Boliden, which is a member of The Australasian Institute of Mining and Metallurgy (AusIMM) and The Fennoscandian Association for Metals and Minerals Professionals (FAMMP), both of which are approved organizations for competent persons according to PERC.

February 2021  
Gunnar Agmalm

### PLANNING PRICES / LONG-TERM PRICES 2021

Planning prices	Long-term prices 2021	Change compared to 2020
Zinc	USD 2,400/tonne	
Copper	USD 6,800/tonne	+200
Nickel	USD 16,000/tonne	
Lead	USD 2,100/tonne	
Gold	USD 1,300/troy. oz.	
Silver	USD 17/troy. oz.	
Palladium	USD 1,300/troy. oz.	+100
Platinum	USD 900/troy. oz.	-100
Cobalt	USD 20/lb	
Tellurium	USD 35/kg	+5
Molybdenum	USD 8/lb	
USD/SEK	8.0	
EUR/SEK	9.35	
EUR/USD	1.17	

## MINERAL RESERVES AS OF DECEMBER 31, 2021

		Quantity, ktonnes		2021									
		2021	2020	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Ni <sup>1)</sup> %	Co <sup>1)</sup> %	Pt g/t	Pd g/t	Te g/t
<b>Aitik</b>	<b>Proven</b>	154,000	702,000	0.08	1.1	0.19							
	<b>Probable</b>	1,153,000	651,000	0.16	1.2	0.22							
<b>Boliden Area</b>													
<i>Polymetallic Mineralizations</i>													
Kristineberg	Proven	40	60	0.6	38	0.4	6.0	0.5					
	Probable	4,400	2,390	0.3	72	0.8	5.5	0.6					
Renström	Proven	440	350	2.1	126	0.5	5.6	1.0					
	Probable	4,000	4,200	2.5	114	0.3	6.3	1.2					
<b>Total<sup>2)</sup></b>	<b>Proven</b>	<b>470</b>	<b>410</b>	<b>2.0</b>	<b>119</b>	<b>0.5</b>	<b>5.6</b>	<b>0.9</b>					
	<b>Probable</b>	<b>8,400</b>	<b>6,600</b>	<b>1.3</b>	<b>92</b>	<b>0.6</b>	<b>5.9</b>	<b>0.9</b>					
<i>Gold mineralizations</i>													
Kankberg	Proven	2,300	2,610	3.7	11								194
	Probable	1,400	1,930	3.9	7								158
<b>Garpenberg</b>	<b>Proven</b>	<b>7,700</b>	<b>23,500</b>	<b>0.18</b>	<b>135</b>	<b>0.03</b>	<b>3.3</b>	<b>1.2</b>					
	<b>Probable</b>	<b>86,000</b>	<b>66,000</b>	<b>0.32</b>	<b>90</b>	<b>0.05</b>	<b>2.8</b>	<b>1.3</b>					
<b>Kevitsa</b>	<b>Proven</b>	<b>72,000</b>	<b>69,500</b>	<b>0.09</b>	<b>0.31</b>				<b>0.19</b>	<b>0.010</b>	<b>0.18</b>	<b>0.11</b>	
	<b>Probable</b>	<b>51,600</b>	<b>58,700</b>	<b>0.10</b>	<b>0.33</b>				<b>0.27</b>	<b>0.010</b>	<b>0.23</b>	<b>0.15</b>	
<b>Tara</b>	<b>Proven</b>	<b>600</b>	<b>1,000</b>				<b>5.6</b>	<b>1.1</b>					
	<b>Probable</b>	<b>15,500</b>	<b>17,100</b>				<b>5.4</b>	<b>1.4</b>					

1) Kevitsa reports Ni and Co in sulphides.

2) Totals are calculated from exact values and can appear to be wrong when addends are presented rounded.

Rounding do occur.

## MINERAL RESOURCES AND MINERAL RESERVES

### MINERAL RESOURCES AS OF DECEMBER 31, 2021

		Quantity, ktonnes		2021										
		2021	2020	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Ni <sup>1)</sup> %	Co <sup>1)</sup> %	Pt g/t	Pd g/t	Te <sup>2)</sup> g/t	Mo g/t
<b>Aitik area</b>														
Aitik	Measured	281,000	272,000	0.06	0.7	0.15								
	Indicated	621,000	623,000	0.09	0.8	0.17								
	Inferred	15,000	16,000	0.14	0.7	0.19								
Nautanen	Measured													
	Indicated	12,700	12,700	0.9	6	1.5								100
	Inferred	8,700	8,700	0.6	6	1.4								98
<b>Boliden Area</b>														
<i>Polymetallic Mineralizations</i>														
Kristineberg	Measured	170	50	0.7	33	0.8	3.4	0.2						
	Indicated	3,900	6,590	0.5	42	0.6	3.5	0.2						
	Inferred	8,100	7,770	0.3	60	0.8	3.2	0.4						
Petiknäs N	Measured													
	Indicated	360	360	8.1	72	1.6	2.8	0.3						
	Inferred	1,700	1,710	4.4	54	0.9	2.1	0.3						
Renström	Measured													
	Indicated	1,500	1,280	1.3	76	0.5	3.9	0.7						
	Inferred	930	980	1.5	73	0.5	4.8	0.9						
Strömfors	Measured													
	Indicated													
	Inferred	2,600		3.0	81	0.2	4.4	0.8						
<b>Total<sup>3)</sup></b> <i>Polymetallic Mineralizations</i>	Measured	170	50	0.7	33	0.8	3.4	0.2						
	Indicated	5,700	8,200	1.2	52	0.7	3.5	0.4						
	Inferred	13,300	10,500	1.5	64	0.7	3.4	0.5						
<i>Gold mineralizations</i>														
Kankberg	Measured	220	200	3.1	7								116	
	Indicated	790	670	3.4	5								147	
	Inferred	1,800	1,460	3.2	4								128	
Älgträsk	Measured													
	Indicated	1,100	1,070	2.8	5									
	Inferred	3,500	3,520	2.0	4									
<b>Total<sup>3)</sup></b> <i>Gold mineralizations</i>	Measured	220	200	3.1	7									
	Indicated	1,900	1,700	3.0	5									
	Inferred	5,300	5,000	2.4	4									
Garpenberg	Measured	70	3,900	0.24	108	0.03	2.8	1.0						
	Indicated	30,500	32,600	0.40	83	0.06	2.6	1.3						
	Inferred	48,400	25,500	0.35	50	0.06	2.3	1.1						
Kevitsa	Measured	50,100	43,000	0.08		0.33			0.21	0.011	0.17	0.11		
	Indicated	88,400	132,400	0.07		0.36			0.23	0.011	0.11	0.07		
	Inferred	240	3,900	0.03		0.19			0.11	0.011	0.03	0.02		
Tara	Measured	30	100				5.6	1.3						
	Indicated	1,400	900				5.2	1.5						
	Inferred	38,400	34,100				7.8	1.6						
Laver	Measured	1,100	1,100	0.11	4	0.20								18
	Indicated	512,400	512,400	0.13	3	0.22								36
	Inferred	550,600	550,600	0.10	3	0.21								33
Rockliden	Measured													
	Indicated	800	800	0.08	102	2.1	4.4	0.90						
	Inferred	9,200	9,200	0.05	47	1.7	3.9	0.40						

1) Kevitsa reports Ni and Co in sulphides.

2) Te only in Kankberg.

3) Totals are calculated from exact values and can appear to be wrong when addends are presented rounded.

Rounding do occur.

Boliden reports Mineral Resources exclusive of Mineral Reserves to avoid double counting. This means that quantities converted to Mineral Reserve are removed from Mineral Resource.

# TEN-YEAR OVERVIEWS

## THE GROUP

	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Profit, SEK m</b>										
Revenues	40,001	34,409	36,891	40,242	40,316	49,531	52,454	49,936	56,321	68,636
Operating profit before depreciations	6,731	4,632	6,035	7,112	9,881	13,617	13,933	12,688	14,628	16,703
Operating profit excl. revaluation of process inventory	4,042	2,271	2,605	4,010	5,094	8,913	9,074	7,035	8,438	10,318
Operating profit	4,171	1,803	2,759	3,590	5,682	9,015	9,004	7,597	8,935	11,082
Profit after financial items	3,992	1,581	2,471	3,356	5,375	8,737	8,763	7,337	8,668	10,839
Tax	-651	-288	-572	-715	-1,135	-1,881	-1,562	-1,548	-1,867	-2,135
Net profit for the year	3,341	1,294	1,899	2,641	4,239	6,856	7,201	5,788	6,801	8,704
<b>Cash flow, SEK m</b>										
Cash flow from operating activities	5,518	3,505	5,789	6,235	6,995	12,737	11,768	9,442	11,255	13,144
Cash flow from investing activities	-4,129	-4,971	-4,206	-3,670	-9,795	-5,428	-6,076	-8,807	-6,297	-5,996
Free cash flow	1,389	-1,466	1,583	2,565	-2,801	7,309	5,692	635	4,957	7,148
Cash flow from financing activities	-730	1,060	-1,355	-2,503	3,376	-6,304	-5,931	-1,538	-1,271	-3,957
Cash flow for the year	659	-406	228	63	575	1,005	-239	-903	3,686	3,191
<b>Capital structure &amp; return, SEK m</b>										
Balance Sheet total	40,080	41,841	43,865	43,022	53,877	55,882	58,727	66,424	72,492	80,549
Capital employed	31,236	34,451	35,087	35,131	42,457	42,931	44,441	49,809	51,007	53,382
Return on capital employed, %	14	5	8	10	15	21	20	16	17	21
Equity	22,354	23,075	23,974	25,807	29,394	35,053	39,011	41,440	45,638	50,882
Return on equity, %	16	6	8	11	16	22	19	14	16	18
Equity/assets ratio, %	56	55	55	60	55	63	66	62	63	63
Net debt	6,276	8,673	8,283	5,827	9,339	3,752	2,034	5,493	2,236	-918
Net reclamation liability	866	925	1,023	1,040	1,471	1,657	1,757	2,134	2,205	2,427
Net debt/equity ratio, %	28	38	35	23	32	11	5	13	5	-2
<b>Data per share, SEK</b>										
Earnings for the period										
Before dilution	12.21	4.72	6.94	9.65	15.49	25.06	26.32	21.15	24.86	31.81
After dilution	12.21	4.72	6.94	9.65	15.49	25.06	26.32	21.15	24.86	31.81
Cash flow from operating activities										
Before dilution	20.17	12.82	21.17	22.80	25.57	46.57	43.03	34.52	41.15	48.06
After dilution	20.17	12.82	21.17	22.80	25.57	46.57	43.03	34.52	41.15	48.06
Equity										
Before dilution	81.68	84.31	87.63	94.33	107.44	128.13	142.59	151.47	166.81	185.98
After dilution	81.68	84.31	87.63	94.33	107.44	128.13	142.59	151.47	166.81	185.98
Ordinary dividend <sup>2)</sup>	4.00	1.75	2.25	3.25	5.25	8.25	8.75	7.00	8.25	10.50
Redemption per share <sup>2)</sup>	-	-	-	-	-	5.75	4.25	-	6.00	15.50
Share price, 31/12	122.1	98.45	125.5	142.9	237.9	280.6	192.0	248.5	291.4	350.0
Highest price paid	125.6	126.7	129.9	201.1	258.2	307.9	328.4	291.7	302.2	362.0
Lowest price paid	87.8	80.2	90.7	112.1	100	222.7	187.8	181.5	137.2	269.0
P/E ratio	10.0	20.9	18.09	14.8	15.4	11.4	7.3	11.7	11.7	11.0
Change in share price during the year, %	21	-19	27	14	66	18	-32	29	17	20
Dividend yield, %	3.3	1.8	1.8	2.3	2.2	2.9	4.6	2.8	2.8	3.0
Total yield, %	25	-16	30	15	70	20	-28	35	21	25
<b>Number of shares, million</b>										
Number of shares, 31/12	274	274	274	274	274	274	274	274	274	274
Average number of shares	274	274	274	274	274	274	274	274	274	274
Number of own shares held, 31/12	-	-	-	-	-	-	-	-	-	-
<b>Employees</b>										
Number of Group employees, total	4,795	4,815	4,881	4,878	5,477	5,684	5,819	5,997	6,071	6,167
Number of female employees	813	824	852	867	976	1,001	1,060	1,154	1,205	1,271
Percentage of women on the Board/in Group management, %	27/17	27/20	27/20	36/20	36/20	36/20	50/20	50/20	50/20	36/20
Accidents per one million hours worked, own personnel, frequency	6.6	7.0	5.8	6.6	6.7	5.0	3.1	4.0	4.9	5.4
Accidents per one million hours worked, incl contractors, frequency	9.1	8.9	7.9	8.9	7.9	6.3	5.1	4.4	5.8	5.9
Fatalities, own staff	0	0	0	0	0	0	0	0	0	0
Fatalities, contractors	0	0	0	0	1	0	0	0	0	0
Sick leave, %	3.7	3.9	4.3	4.6	4.4	4.5	4.5	4.3	4.8	4.9

## TEN-YEAR OVERVIEWS

Continued: Ten-year overview – Group	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Energy consumption</b>										
Total energy consumption, TJ	16,140	16,415	17,231	16,813	19,061	19,788	19,650	18,884	20,304	20,682
Water extraction, total, km <sup>3</sup>	0.160	0.155	0.173	0.150	0.140	0.145	0.145	0.132	0.147	0.141
<b>Emissions</b>										
Direct emissions of greenhouse gases, ktonnes	574	578	554	559	594	605	644	598	544	579
Indirect emissions of greenhouse gases, purchased electricity, heating and steam, ktonnes	434	422	447	330	459	418	327	319	353	373
Carbon dioxide emissions, total, ktonnes	1,008	1,000	1,001	889	1,052	1,024	971	917	897	952
CO <sub>2</sub> intensity <sup>3)</sup>	0.77	0.78	0.74	0.65	0.73	0.69	0.64	0.64	0.61	0.66
Metal emissions to air, tonnes <sup>4)</sup>	92	75	126	88	100	109	92	69	60	37
Sulphur dioxide emissions to air, tonnes	8,240	6,410	7,320	7,210	7,060	7,360	7,720	6,240	6,310	6,429
Metal emissions to water, tonnes <sup>4)</sup>	21	23	21	18	13	9	8	51	37	47
Sulphur dioxide emissions to water, tonnes	253	219	225	261	300	236	240	228	201	276

1) The 2012 comparison year has been restated due to the changes to the IFRIC 20 and IAS 19 accounting principles in 2013.

2) The figures for 2021 comprise proposed dividend and share redemption amounts, respectively.

3) CO<sub>2</sub>-intensity is the relationship between the total carbon dioxide emissions (Scope 1 and Scope 2) and the total production of metal in concentrate from mines and metal production from smelters.

4) The Natural Capital Protocol method has been used since 2019 to calculate metal equivalents. The period 2012–2018 refers to metal equivalents (tonnes). The period 2008–2011 refers to the mass of the metals (tonnes).

## MINES

	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Production of metal in concentrate</b>										
Zinc, ktonnes	271	272	294	299	329	305	290	290	286	268
Copper, ktonnes	79	79	78	85	103	143	140	121	128	114
Nickel, ktonnes	–	–	–	–	7	14	14	10	12	13
Lead, ktonnes	49	48	61	62	63	60	55	55	54	55
Gold, kg	3,644	3,849	4,379	4,922	5,766	7,237	7,678	7,257	7,963	6,516
Gold, troy. oz.	117,150	123,759	140,789	158,228	185,386	232,666	246,855	233,316	255,997	209,486
Silver, kg	229,791	261,804	323,325	418,489	446,826	413,238	402,349	372,199	353,973	370,981
Silver, '000 troy. oz.	7,388	8,417	10,395	13,454	14,365	13,286	12,936	11,966	11,380	11,927
Tellurium, kg <sup>2)</sup>	6,791	24,457	30,917	33,000	38,680	34,979	44,641	40,953	41,742	41,367
<b>Financial data, SEK m</b>										
Revenues	9,509	8,303	9,318	9,808	12,659	18,195	18,404	17,060	18,126	22,045
Operating expenses	5,008	4,924	5,417	5,842	6,833	7,947	8,481	8,849	9,173	9,343
Depreciation	1,669	1,917	2,264	2,520	3,172	3,487	3,708	3,824	4,403	4,296
Operating profit	2,974	1,598	1,299	1,429	2,804	6,681	6,451	4,484	4,594	8,761
Investments	3,570	3,763	2,732	2,394	2,755	3,722	4,482	6,409	4,439	3,910
Business acquisitions <sup>3)</sup>	–	–	718	–	5,961	–	–	–	–	–
Capital employed	16,125	18,288	19,615	19,275	24,972	25,502	26,328	28,719	29,009	29,023
<b>Greenhouse gas emissions</b>										
Direct emissions of greenhouse gases, ktonnes	124	129	133	131	168	192	207	173	145	152
Indirect emissions of greenhouse gases, purchased electricity, heating and steam, ktonnes	197	187	204	96	145	151	134	139	137	135
CO <sub>2</sub> intensity <sup>4)</sup>	0.80	0.79	0.78	0.51	0.62	0.66	0.66	0.66	0.58	0.64
<b>AITIK</b>										
Milled ore, ktonnes	34,321	37,070	39,090	36,361	36,051	39,045	38,472	40,661	41,661	40,100
<b>Head grades</b>										
Cu, %	0.22	0.21	0.20	0.21	0.22	0.28	0.29	0.25	0.24	0.22
Au, g/tonne	0.11	0.10	0.09	0.11	0.11	0.13	0.14	0.13	0.13	0.11
Ag, g/tonne	2.50	2.28	2.14	2.45	2.11	1.98	1.82	1.17	1.06	0.87
<b>Concentrate production</b>										
Cu, ktonnes	270	292	277	307	320	394	404	377	368	314
<b>Concentrate grade</b>										
Cu, %	24.85	24.29	24.48	21.93	22.12	24.76	24.58	24.21	24.78	25.49
<b>Production of metal in concentrate</b>										
Cu, ktonnes	67	71	68	67	71	98	99	91	91	80
Au, kg	1,959	1,765	1,767	2,042	2,119	2,899	3,150	3,063	3,128	2,611
Au, troy. oz.	62,996	56,731	56,823	65,666	68,127	93,197	101,285	98,470	100,563	83,947
Ag, kg	51,698	53,612	54,854	61,452	56,602	61,862	54,894	37,991	34,616	26,361
Ag, '000 troy. oz.	1,662	1,724	1,764	1,976	1,820	1,989	1,765	1,221	1,113	848

## TEN-YEAR OVERVIEWS

Continued: Ten-year overview – Mines	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>AITIK cont.</b>										
<b>Financial data, SEK m</b>										
Revenues	4,170	3,593	3,427	3,292	3,273	5,487	6,017	5,818	6,295	7,211
Operating profit before depreciations	2,651	1,902	1,669	1,413	1,548	3,513	3,974	3,646	3,888	4,754
Operating profit	1,732	882	558	183	222	2,073	2,494	2,149	2,296	3,281
Investments	1,207 <sup>1)</sup>	1,143	1,181	1,207	1,174	1,534	1,576	1,985	1,823	1,653
Cash cost US\$/lb Cu C1, Normal	83	131	138	105	102	82	77	76	65	108
<b>Proven and probable mineral reserves<sup>5)</sup></b>										
Mtonnes	702	1,085	1,126	1,227	1,194	1,161	1,148	1,187	1,353	1,307
Cu, %	0.25	0.22	0.22	0.23	0.23	0.23	0.22	0.23	0.22	0.22
Au, g/tonne	0.10	0.14	0.14	0.14	0.14	0.14	0.14	0.15	0.15	0.15
<b>BOLIDEN AREA</b>										
Milled ore, ktonnes	1,862	1,809	1,862	1,879	2,138	2,065	1,947	2,028	1,898	1,916
of which slag	241	301	245	301	300	264	199	272	283	280
<b>Head grades</b>										
Zn, %	2.15	2.61	3.00	3.82	4.16	3.99	3.54	3.57	3.54	3.19
Cu, %	0.84	0.61	0.60	0.41	0.40	0.38	0.36	0.34	0.39	0.33
Pb, %	0.23	0.28	0.30	0.44	0.44	0.42	0.36	0.39	0.41	0.39
Te, g/tonne <sup>2)</sup>	8.94	28.78	33.8	37.6	36.9	34.9	44.7	45.6	51.2	49.0
Au, g/tonne	1.3	1.6	1.8	1.7	1.7	1.9	1.9	2.0	2.2	1.9
Ag, g/tonne	35	42	42.6	59.6	59.2	57.7	52.1	54.1	59.0	53.6
<b>Concentrate production</b>										
Zn, ktonnes	56	63	82	103	129	123	103	107	96	85
Cu, ktonnes	47	31	32	20	23	20	20	18	19	17
Pb, ktonnes	3	3	5	9	12	13	9	11	7	8
<b>Concentrate grade</b>										
Zn, %	54.6	55.9	54.9	54.2	54.5	53.2	54.7	54.1	54.4	55.8
Cu, %	25.5	25.4	24.5	25.7	24.8	25.3	23.9	24.4	25.1	24.0
Pb, %	44.5	45.26	32.9	34.0	31.3	25.7	32.1	31.8	40.2	41.5
<b>Production of metal in concentrate</b>										
Zn, ktonnes	30	35	45	56	70	66	57	58	52	47
Cu, ktonnes	12	8	8	5	6	5	5	4	5	4
Pb, ktonnes	1	1	2	3	4	3	3	3	3	3
Te, kg <sup>2)</sup>	6,791	24,457	30,917	33,000	38,680	34,979	44,641	40,953	41,742	41,367
Au, kg	1,434	1,808	2,062	1,899	2,261	2,476	2,752	2,793	2,960	2,607
Au, troy. oz.	46,102	58,117	66,293	61,058	72,693	79,615	88,461	89,810	95,162	83,813
Ag, kg	41,405	45,212	47,421	64,846	84,911	80,781	72,154	75,123	73,173	68,391
Ag, '000 troy. oz.	1,331	1,454	1,525	2,085	2,730	2,597	2,320	2,415	2,353	2,199
<b>Financial data, SEK m</b>										
Revenues	1,552	1,317	1,712	1,602	2,025	2,612	2,361	2,594	2,671	2,896
Operating profit before depreciations	554	250	474	437	924	1,267	1,149	1,162	1,308	1,574
Operating profit	369	19	188	108	548	868	756	738	872	1,123
Investments	623	364	261	413	365	440	632	592	408	456
Cash cost US\$/lb Zn C1, Pro rata		72	78	68	64	79	78	75	48	77
Cash cost US\$/lb Cu C1, Pro rata		264	216	167	112	143	153	147	142	211
Cash cost USD/t oz Au C1, Pro rata		1,098	921	818	710	686	692	715	977	892
<b>Proven and probable mineral reserves</b>										
Sulphide ores, ktonnes	9,110	12,680	11,580	10,550	8,910	7,680	7,920	7,630	7,010	8,870
Zn, %	5.4	6.0	5.5	5.7	5.5	5.2	5.2	5.6	5.9	5.9
Cu, %	0.6	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.4	0.6
Gold ores, ktonnes	3,584	3,274	3,500	4,300	3,680	4,500	4,200	5,040	4,540	3,700
Au, g/tonne	3.8	3.8	3.5	3.3	3.6	3.7	3.7	3.4	3.3	3.8
Te, g/tonne	177	181	200	187	189	175	171	162	161	180.1
<b>KYLILAHTI<sup>6)</sup></b>										
Milled ore, ktonnes	–	–	172	733	797	809	785	716	681	0
<b>Head grades</b>										
Cu, %	–	–	1.58	1.72	1.62	1.30	1.01	0.74	0.58	0.00
Zn, %	–	–	0.50	0.70	0.64	0.53	0.41	0.35	0.25	0.00
Ni, %	–	–	–	–	–	–	0.21	0.23	0.28	0.00
Co, %	–	–	–	–	–	–	0.20	0.18	0.16	0.00
Au, g/tonne	–	–	0.67	0.75	0.81	1.08	0.98	0.86	1.14	0.00
<b>Concentrate production</b>										
Cu, tonnes	–	–	13,275	62,144	61,155	51,440	42,107	29,258	25,408	0
Zn, tonnes	–	–	756	5,177	5,283	3,799	2,334	1,895	766	0
<b>Concentrate grade</b>										
Cu, %	–	–	19.2	19.0	19.8	18.8	17.5	16.5	14.2	0.00
Zn, %	–	–	44.3	42.3	46.9	44.3	43.3	44.9	42.6	0.00

## TEN-YEAR OVERVIEWS

Continued: Ten-year overview – Mines	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>KYLYLAHTI<sup>6)</sup> cont.</b>										
<b>Production of metal in concentrate</b>										
Cu, tonnes	–	–	2,546	11,835	12,123	9,686	7,353	4,826	3,609	0
Zn, tonnes	–	–	335	2,189	2,477	1,682	1,011	851	326	0
Ni, tonnes	–	–	–	–	–	–	518	731	989	0
Co, tonnes	–	–	–	–	–	–	278	425	447	0
Au, kg	–	–	82	421	477	674	605	480	623	0
Au, troy. oz.	–	–	2,624	13,542	15,347	21,657	19,435	15,419	20,029	0
<b>Financial data, SEK m</b>										
Revenues	–	–	117	560	573	708	674	558	659	56
Operating profit before deprecia- tions	–	–	31	192	164	267	241	108	216	–3
Operating profit	–	–	7	74	–28	34	–31	39	151	–3
Investments	–	–	36	137	97	24	10	4	1	0
Cash cost US\$/lb Cu C1, Normal	–	–	190	150	143	153	198	145	–100	0
<b>Proven and probable mineral reserves</b>										
Ktonnes	–	–	3,900	2,900	1,900	1,700	1,300	500	–	–
Cu, %	–	–	1.6	1.4	1.2	1.2	0.7	0.6	–	–
Zn, %	–	–	0.6	0.6	0.5	0.4	0.3	0.3	–	–
Au, g/tonne	–	–	0.9	1.0	1.1	0.9	1.0	1.2	–	–
<b>GARPENBERG</b>										
Milled ore, ktonnes	1,484	1,495	2,224	2,367	2,622	2,634	2,622	2,861	3,000	3,056
<b>Head grades</b>										
Zn, %	5.6	5.2	5.1	5.0	4.4	4.3	4.1	4.1	3.8	3.8
Cu, %	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Pb, %	2.1	2.1	2.1	2.1	1.8	1.8	1.6	1.5	1.5	1.5
Au, g/tonne	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Ag, g/tonne	129	153	136	156	150	133 <sup>7)</sup>	135	118	108	119
<b>Concentrate production</b>										
Zn, ktonnes	136	127	182	196	200	201	191	205	201	204
Cu, ktonnes	2	3	3	5	5	5	5	5	6	6
Pb, ktonnes	35	36	58	60	54	55	50	51	52	53
<b>Concentrate grade</b>										
Zn, %	54.8	55.4	54.6	55.0	54.3	53.5	52.9	53.0	53.1	53.4
Cu, %	17.7	18.0	14.8	16.3	15.2	16.3	13.7	13.8	15.7	16.3
Pb, %	70.7	70.3	63.1	70.7	72.7	70.9	70.5	70.7	71.0	72.6
<b>Production of metal in concentrate</b>										
Zn, ktonnes	75	70	99	108	109	107	101	109	107	109
Cu, ktonnes	0.4	0.5	0.4	0.8	0.7	0.8	0.7	0.7	0.9	1.0
Pb, ktonnes	25	25	37	42	39	39	35	36	37	38
Au, kg	250	277	468	559	580	541	542	514	668	661
Au, troy. oz.	8,051	8,911	15,049	17,962	18,661	17,406	17,413	16,522	21,477	21,243
Ag, tonnes	135	162	218	288	302	268	273	257	245	275
Ag, '000 troy. oz.	4,341	5,201	7,014	9,270	9,705	8,602	8,769	8,249	7,862	8,838
<b>Financial data, SEK m</b>										
Revenues	1,876	1,675	2,318	2,862	3,491	4,019	3,700	3,712	3,669	4,930
Operating profit before deprecia- tions	1,262	1,025	1,319	1,896	2,509	3,049	2,685	2,555	2,456	3,643
Operating profit	1,033	776	919	1,452	2,063	2,606	2,225	2,079	1,942	3,110
Investments	1,459	2,045	916	336	317	377	395	573	537	419
Cash cost US\$/lb Zn C1, Pro rata		46	56	45	43	46	47	51	54	48
<b>Proven and probable mineral reserves</b>										
Ktonnes	25,600	36,300	37,600	39,800	76,400	77,700	76,200	74,800	89,500	93,700
Zn, %	5.1	4.6	4.3	3.9	3.2	3.1	3.1	3.1	2.8	2.8
Ag, g/tonne	131	132	120	113	97	100	96	96	94	93
<b>TARA</b>										
Milled ore, ktonnes	2,502	2,493	2,287	2,197	2,603	2,311	2,200	2,461	2,316	2,149
<b>Head grades</b>										
Zn, %	7.0	7.1	6.9	6.4	6.0	5.9	6.3	5.2	5.8	5.5
Pb, %	1.4	1.5	1.6	1.3	1.2	1.1	1.2	1.0	1.0	1.0
<b>Concentrate production</b>										
Zn, ktonnes	305	298	267	243	268	239	242	223	230	206
Pb, ktonnes	41	39	42	34	37	31	29	29	27	24
<b>Concentrate grade</b>										
Zn, %	54.4	55.9	56.0	54.8	55.2	54.6	54.4	54.9	55.3	54.6
Pb, %	55.2	56.1	53.1	49.9	52.8	54.7	57.0	54.9	52.6	54.0



Continued: Ten-year overview – Mines	2012 <sup>1)</sup>	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>TARA forts.</b>										
<b>Production of metal in concentrate</b>										
Zn, ktonnes	166	166	150	133	148	131	132	122	127	112
Pb, ktonnes	23	22	22	17	20	17	17	16	14	13
Ag, kg	1,673	1,197	2,433	1,273	1,076	1,344	1,160	1,578	918	1,342
Ag, '000 troy. oz.	54	38	78	41	35	43	37	51	30	43
<b>Financial data, SEK m</b>										
Revenues	1,727	1,542	1,743	1,492	2,085	2,691	2,727	2,143	1,832	2,423
Operating profit before depreciations	421	595	479	470	947	1,275	1,160	598	110	861
Operating profit	100	195	56	95	476	942	798	283	-252	534
Investments	268	201	313	274	299	379	592	508	383	466
Cash cost US\$/lb Zn C1, Normal	69	68	75	76	69	70	78	86	93	87
<b>Proven and probable mineral reserves</b>										
Ktonnes	14,000	13,100	15,300	17,000	16,500	19,500	19,000	17,400	18,100	16,100
Zn, %	7.1	7.0	6.6	6.3	6.3	5.8	5.7	6.0	5.5	5.4
Pb, %	1.7	1.6	1.5	1.5	1.6	1.4	1.5	1.6	1.5	1.4
<b>KEVITSA<sup>8)</sup></b>										
Milled ore, ktonnes	-	-	-	-	4,518	7,911	7,582	7,536	9,186	9,469
<b>Head grades</b>										
Cu, %	-	-	-	-	0.35	0.42	0.39	0.29	0.33	0.33
Ni, %	-	-	-	-	0.24	0.25	0.26	0.19	0.18	0.21
Co, %	-	-	-	-	0.01	0.01	0.01	0.01	0.01	0.01
Au, g/tonne	-	-	-	-	0.14	0.16	0.15	0.11	0.13	0.12
Pd, g/tonne	-	-	-	-	0.19	0.20	0.22	0.13	0.13	0.17
Pt, g/tonne	-	-	-	-	0.29	0.32	0.36	0.24	0.25	0.27
<b>Concentrate production</b>										
Cu, ktonnes	-	-	-	-	55	112	110	80	110	118
Ni, ktonnes	-	-	-	-	80	139	145	105	129	145
<b>Concentrate grade</b>										
Cu, %	-	-	-	-	25.8	26.8	25.1	24.6	25.0	24.4
Ni, %	-	-	-	-	9.3	9.9	9.6	8.6	8.6	8.9
<b>Production of metal in concentrate</b>										
Cu, tonnes	-	-	-	-	14,217	29,957	27,498	19,763	27,402	28,725
Ni, tonnes	-	-	-	-	7,442	13,777	13,948	9,021	11,074	12,876
Co, tonnes	-	-	-	-	322	587	591	445	495	592
Au, kg	-	-	-	-	328	647	630	407	584	637
Au, troy. oz.	-	-	-	-	10,558	20,790	20,261	13,095	18,767	20,483
Pd, kg	-	-	-	-	559	1,021	1,157	699	858	1,036
Pd, troy. oz.	-	-	-	-	17,965	32,838	37,209	22,470	27,572	33,310
Pt, kg	-	-	-	-	750	1,418	1,576	953	1,276	1,447
Pt, troy. oz.	-	-	-	-	24,118	45,573	50,683	30,651	41,039	46,511
<b>Financial data, SEK m</b>										
Revenues	-	-	-	-	1,210	2,680	2,922	2,231	2,999	4,525
Operating profit before depreciations	-	-	-	-	500	1,502	1,686	1,079	1,721	3,266
Operating profit	-	-	-	-	166	893	974	67	320	1,788
Investments	-	-	-	-	473	939	1,221	2,716	1,264	892
Cash cost US\$/lb Ni C1, Normal	-	-	-	-	150	-150	-73	8	-140	-186
Cash cost US\$/lb Ni C1, Pro rata	-	-	-	-	340	278	315	392	305	339
Cash cost US\$/lb Cu C1, Pro rata	-	-	-	-	155	139	146	150	131	168
<b>Proven and probable mineral reserves</b>										
Ktonnes	-	-	-	-	146,800	133,800	128,600	140,300	128,200	123,600
Cu, %	-	-	-	-	0.34	0.34	0.34	0.32	0.32	0.32
Ni, %	-	-	-	-	0.22	0.22	0.22	0.24	0.21	0.22

1) Comparison figures for 2012 have been restated due to changes in accounting regulations. Investments at Aitik increased by SEK 383 m.

2) Tellurium production started in 2012.

3) Business acquisitions: Kylälahti 2014 (SEK 718 m), Kevitsa 2016 (SEK 5,961 m).

4) CO<sub>2</sub>-intensity in mines is the relationship between total carbon dioxide emissions (Scopes 1 and 2) and the metal content of concentrate produced from mines.

5) Aitik's figures for 2013 are updated in accordance with the press release published on May 6, 2014.

6) The acquisition of Kylälahti was completed in October 2014. The mine was mined for the last time in November 2020.

7) Due to incorrect calculation data, Garpenberg's figure for Ag g/tonne in 2017 has been corrected from 113 to 133.

8) The acquisition of Kevitsa was completed in June 2016.

## TEN-YEAR OVERVIEWS

### SMELTERS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Metal production</b>										
Zinc, ktonnes	467	455	468	469	461	457	486	486	489	473
Copper, ktonnes	339	325	347	332	336	353	364	322	372	374
Lead, ktonnes	19	24	25	26	28	28	29	26	28	27
Lead alloys, ktonnes (Bergsöde)	43	45	44	45	46	50	47	49	46	46
Nickel in matte, ktonnes <sup>1)</sup>				17	31	25	31	26	25	19
Gold, kg	16,175	16,177	17,368	17,608	17,638	17,776	16,653	14,976	18,537	18,412
Gold, troy. oz.	520,011	520,094	558,382	566,102	567,077	571,501	535,381	481,477	595,961	591,959
Silver, kg <sup>2)</sup>	575,959	537,941	626,767	680,600	626,331	569,474	563,051	466,738	605,376	589,271
Silver, '000 troy. oz. <sup>2)</sup>	18,517	17,294	20,151	21,881	20,137	18,309	18,102	15,006	19,463	18,945
Aluminum fluoride, ktonnes <sup>3)</sup>	36	34	35	31	32	0	0	0	0	0
Sulphuric acid, ktonnes	1,634	1,564	1,659	1,665	1,642	1,613	1,630	1,534	1,730	1,685
<b>Financial data, SEK m</b>										
Revenues	38,753	33,410	35,894	38,948	38,516	47,691	50,634	48,556	55,283	67,292
Gross profit excl. revaluation of process inventory <sup>4)</sup>	7,288	6,908	7,869	9,167	9,376	9,776	10,088	10,969	12,062	11,314
Operating expenses	5,330	5,346	5,370	5,536	5,696	6,004	6,490	7,070	6,922	7,245
Depreciation	891	913	1,012	1,002	1,026	1,114	1,220	1,253	1,273	1,302
Operating profit excl. revaluation of process inventory <sup>4)</sup>	1,095	679	1,518	2,692	2,759	2,732	2,435	2,716	3,975	2,903
Operating profit	1,224	210	1,672	2,272	3,347	2,834	2,364	3,277	4,472	3,666
Investments	993	1,200	768	1,248	1,372	1,862	1,656	2,398	1,835	2,070
Capital employed	15,569	15,791	15,592	15,878	17,838	18,018	18,237	21,175	21,977	25,545
<b>Greenhouse gas emissions</b>										
Direct emissions of greenhouse gases, ktonnes	450	448	421	428	426	413	436	425	398	427
Indirect emissions of greenhouse gases, purchased electricity, heating and steam, ktonnes	237	235	243	234	313	267	194	179	217	238
CO <sub>2</sub> intensity <sup>5)</sup>	0.76	0.77	0.72	0.71	0.78	0.71	0.63	0.63	0.62	0.67
<b>RÖNNSKÄR</b>										
<b>Smelting material</b>										
<b>Copper, ktonnes</b>										
Copper concentrate	624	605	661	642	626	631	665	606	658	645
Secondary raw materials	221	209	184	172	171	180	171	169	161	169
Of which electronics	108	109	82	86	82	77	86	81	72	73
Copper, total	844	814	845	814	798	811	835	774	819	814
<b>Lead, ktonnes</b>										
Lead concentrate	27	38	40	38	41	39	43	41	43	42
Secondary raw materials	2	1	1	1	1	2	2	1	1	1
Lead, total	29	39	41	39	42	41	45	42	44	43
<b>Production</b>										
Cathode copper, ktonnes	214	206	217	206	207	219	224	201	226	223
Lead, ktonnes	19	24	25	26	28	28	29	26	28	27
Zinc clinker, ktonnes	36	36	39	36	33	34	31	33	33	34
Gold, tonnes	13	12	13	13	14	13	13	12	14	11
Gold, '000 troy. oz.	403	402	419	425	443	421	429	398	434	362
Silver, tonnes	448	437	479	539	508	485	472	384	524	483
Silver, '000 troy. oz.	14,395	14,051	15,392	17,322	16,337	15,590	15,165	12,346	16,837	15,524
Sulphuric acid, ktonnes	553	536	564	533	503	505	518	463	506	528
Liquid sulphur dioxide, ktonnes	38	39	42	37	45	50	61	54	49	56
Palladium concentrate, tonnes	3	2	2	2	3	2	2	2	2	2
<b>Financial data, SEK m</b>										
Revenues	2,398	2,029	2,417	2,678	2,759	2,883	3,045	3,153	3,631	3,450
Operating profit before depreciations	832	374	748	1,038	1,135	1,221	1,091	850	1,646	1,401
Operating profit	535	53	405	727	852	900	756	519	1,327	1,075
Investments	481	345	147	383	398	356	403	978	939	502

Continued: Ten-year overview – Smelters	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>BERGSÖE</b>										
<b>Smelting material, ktonnes</b>										
Battery raw material <sup>6)</sup>	45	46	46	47	47	51	50	52	51	48
<b>Production, ktonnes</b>										
Lead alloys	43	45	44	45	46	50	47	49	46	46
<b>Financial data, SEK m</b>										
Revenues	698	715	783	817	882	1,221	1,172	1,154	981	1,147
Operating profit before depreciations	52	57	64	37	126	124	61	110	3	94
Operating profit	34	39	45	18	109	110	8	97	-21	72
Investments	10	12	10	11	26	66	49	64	11	33
<b>HARJAVALTA</b>										
<b>Smelting material, ktonnes</b>										
Copper concentrate	516	471	551	528	552	543	522	488	612	591
Secondary raw materials	16	26	21	23	27	24	27	24	26	31
Copper, total	532	497	572	551	579	566	549	512	638	622
Nickel concentrate	248	251	239	282	294	259	296	266	254	207
<b>Production</b>										
Cathode copper, ktonnes	125	119	130	126	129	133	139	120	146	151
Nickel in matte, ktonnes <sup>1)</sup>				17	31	25	31	26	25	19
Gold, tonnes	4	4	4	4	4	5	3	3	5	7
Gold, '000 troy. oz.	117	119	139	141	124	150	106	83	162	230
Silver, tonnes	128	101	142	126	101	66	73	63	62	83
Silver, '000 troy. oz.	4,122	3,244	4,577	4,042	3,247	2,134	2,351	2,012	2,005	2,683
Sulphuric acid, ktonnes	639	590	658	667	703	677	671	620	769	715
Liquid sulphur dioxide, ktonnes	37	37	37	37	33	35	37	36	34	29
Palladium concentrate, tonnes	0.54	1.47	1.91	2.15	2.57	2.90	2.66	2.80	2.85	3.21
<b>Financial data, SEK m</b>										
Revenues	1,666	1,631	1,746	2,214	2,281	2,353	2,897	2,816	3,083	3,111
Operating profit before depreciations	479	496	485	943	935	953	1,315	1,067	1,427	1,364
Operating profit	324	316	279	736	704	707	1,043	746	1,095	1,037
Investments	215	246	225	396	432	808	680	813	385	767
<b>KOKKOLA</b>										
<b>Smelting material, ktonnes</b>										
Zinc concentrate	589	602	577	584	547	560	566	560	574	566
<b>Production, ktonnes</b>										
Zinc	315	312	302	306	291	285	295	291	297	293
Silver in concentrates, kg			5,651	16,079	17,180	18,188	18,205	20,147	19,316	22,980
Silver in concentrate, '000 troy. oz.			182	517	552	585	585	648	621	739
Sulphuric acid	313	319	314	343	315	326	322	326	328	320
<b>Financial data, SEK m</b>										
Revenues	1,778	1,795	2,004	2,350	2,223	2,363	2,344	2,842	3,044	2,610
Operating profit before depreciations	432	398	639	943	789	921	711	1,180	1,315	861
Operating profit	261	248	459	739	572	688	461	912	1,031	565
Investments	210	318	216	166	297	322	343	296	289	351
<b>ODDA</b>										
<b>Smelting material, ktonnes</b>										
<b>Zinc concentrate</b>										
(incl. zinc clinker)	279	263	302	310	339	338	366	384	382	358
<b>Production, ktonnes</b>										
Zinc	153	143	166	163	171	172	191	195	192	180
Aluminum fluoride <sup>3)</sup>	36	34	35	31	32	0	0	0	0	0
Sulphuric acid	128	119	123	123	121	104	119	126	127	122
<b>Financial data, SEK m</b>										
Revenues	1,184	1,070	1,395	1,554	1,522	1,309	1,322	1,687	1,743	1,353
Operating profit before depreciations	184	116	355	522	461	383	338	647	729	317
Operating profit	31	-26	209	390	314	225	168	467	548	133
Investments	61	269	166	283	214	298	152	221	182	319

1) Nickel in matte Harjavalta included as of July 1, 2015.

2) Silver in concentrate at Kokkola is included in the production figure shown as of 2014.

3) The aluminum fluoride operations at Odda were divested in 2017.

4) Process Inventory Revaluation.

5) CO<sub>2</sub>-intensity in smelters is the relationship between total carbon dioxide emissions (Scopes 1 and 2) and metal production from smelters.

6) As of 2020, used battery raw material is reported excluding plastics, which were previously included. Adjustments to the background history have been made accordingly.

# DEFINITIONS AND INDUSTRY TERMS

## FINANCIAL DEFINITIONS

**Balance sheet total** The sum of the assets side or the sum of the equity and liabilities side of the Balance Sheet.

**Capital employed** The Balance Sheet total less interest-bearing investments, tax receivables and non-interest-bearing provisions and liabilities.

**Cash flow from operating activities** Cash flow generated via the operating profit, adjusted for items not affecting cash flow, tax paid and change in working capital.

**Cash flow per share** The cash flow for the period divided by the average number of outstanding shares.

**Dividend yield** Dividend per share as a percentage of the share price.

**Earnings per share** Net result for the period divided by the average number of outstanding shares.

**Equity per share** Equity divided by the number of outstanding shares.

**Equity/assets ratio** Equity as a percentage of the Balance Sheet total.

**Free cash flow** Cash flow from operating activities including cash flow from investment activities.

**FTE – Full-time equivalent** A metric that corresponds to one employee working full time for one year.

**Net debt** Interest-bearing current and long-term liabilities (including pension liabilities) less financial assets (including cash and cash equivalents).

**Net debt/equity ratio** Net debt divided by equity.

**Operating profit (EBIT)** Revenues less all costs attributable to the operations but excluding net financial items and tax.

**Operating profit (EBIT) excluding revaluation of process inventory** Revenues less all costs attributable to the operations but excluding the effects of the revaluation of process inventory, net financial items and tax.

**P/E ratio** Share price divided by earnings per share.

**Return on capital employed** Operating profit divided by the average capital employed. The average capital employed for each year consists of an average of the closing capital employed in the last 13 months. Measured before tax.

**Return on equity** Profit for the year as a percentage of average equity in the last 13 months. Measured after tax.

**Total return** The sum of the share's performance during the year plus dividend paid divided by the share price at the beginning of the year.

Explanations and calculations for the following financial metrics are available at [www.boliden.com](http://www.boliden.com): Operating profit (EBIT) excluding revaluation of process inventory, Operating profit (EBIT), Free cash flow, Net debt, Return on capital employed, Return on Equity, Net debt/equity ratio, and Equity/Assets ratio. These financial metrics are used by Boliden but are not defined in accordance with IFRS regulations.

## DEFINITION CASH COST

Boliden uses the Wood Mackenzie's cash cost metrics, C1 Normal costing and C1 Pro rata costing, to measure the mines' cost position in relation to other mines worldwide. The lower a mine's cash cost, the better its cost position. Cash cost is expressed in US\$/lb. of metal and can be multiplied by 22.0462 (rounded off) to obtain the price in USD per tonne of metal.

### Normal costing

In normal costing calculations, the costs are allocated in their entirety to one main metal and then reduced by the net revenue<sup>1)</sup> of other metals, known as by-metals.

+	Mining operations, concentration and administration costs <sup>2)</sup>
+	Costs of freighting concentrate to smelters
+	Treatment and refining charges (TC/RC)
-	Deductions for net revenue of by-metals
=	<b>Cash cost C1 Normal costing</b>

### Pro rata costing

In pro rata cash costing, the costs are divided up between the various metals on the basis of the individual metal's share of the total net revenue.

### Composite costing

In composite costing, mines are included using either normal costing or pro rata costing on the basis of criteria based on the metals' net revenue. If a metal accounts for 65% or more of the total net revenue, the cash cost is calculated using normal costing, while if a metal accounts for less than 65% of the total net revenue, the cash cost is calculated using pro rata costing.

+	Income from payable metal
-	The metal's freight cost
-	The metal's treatment and refining charges
=	<b>The net revenue for the metal</b>

## DEFINITION OF CASH MARGIN

Boliden uses Wood Mackenzie's cash margin compilations to measure the smelter's cost position in relation to other smelters. The cash margin is the difference between income and cash cost, expressed in US\$/lb of metal, and can be multiplied by 22.0462 (rounded off) to obtain the price in USD per tonne of metal. The income comprises treatment and refining charges, free metals and income from by-products.

The income for zinc smelters includes income generated by sales of surplus energy, while for copper smelters, the income generated by the sales of sulphuric acid and surplus energy is added as a credit when calculating the cash cost.

The calculations for copper smelters are expressed as unit of metal produced from concentrate, while for zinc smelters it is expressed as unit of finished metal produced. Income is normally included if it is regarded as having been derived from the main process during the production of metal and the product is saleable.

1) Calculating the net revenue of mines' metals

The net revenue is the payable income from the metal, less freight costs and treatment and refining charges.

2) Administrative costs attributable to the mine.

INDUSTRY-SPECIFIC TERMS AND EXPLANATIONS

**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 common metals, e.g. zinc, copper, lead, nickel and aluminum.

**Cash cost** Common measurement used to show the costs affecting a mine's cash flow, converted into US dollars (average rate for the measurement period). Usually shown in cents per pound. To show the cash cost in USD per tonne, multiply by 22. Used to compare the mine's cost position in relation to other mines. See Definitions.

**Complex ore** Ore that contains several metals, e.g. zinc, copper, lead, gold and silver.

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

**Copper cathode** An end product from copper smelters in the form of 99.99% pure copper plate.

**Free metals** The percentage of metal concentrates bought in that an individual smelter can process, over and above the payable metal content. This percentage generates income without incurring a raw material cost.

**Galvanizing** An electrochemical process whereby a metal is coated with a thin layer of another metal, such as zinc. Galvanizing is commonly used to protect against corrosion (rust).

**Gold Doré** A gold/silver alloy cast as bars in the concentrator. Further processed to pure gold and silver at a smelter.

**Jarosite** A mineral primarily comprising iron sulfate, which is a common waste product of zinc production.

**Kaldo furnace** Rotating and tippable furnace for the smelting and process treatment of copper, lead and precious metals, etc., including the recycling of metals from electronic scrap. The plastic present in the scrap is used to smelt the metals, thereby reducing the process energy requirement.

**LBMA** London Bullion Market Association. International market responsible for the daily pricing of precious metals.

**LME** London Metal Exchange. International market where non-ferrous metals are bought and sold. Trading on the LME is used as the basis for the daily pricing of metals worldwide. It also holds warehouse inventories of the metals traded.

**Metal concentrate** Also known as dressed ore or mined concentrate. Metal concentrate is the result of the concentration processes that separate out the financially valuable minerals present in ore from those with no financial value.

**Metal content** The quantities of e.g. zinc, copper, lead, gold and silver contained in

concentrates. Zinc concentrates generally contain approximately 50% zinc metal, while copper concentrates generally contain approximately 25% copper. The lead content of mined concentrate is usually around 65%.

**Metal equivalents** Used to describe the environmental impact of emissions and discharges of metals to air and water. The metal equivalent (Me-eq) takes into account the toxicity of each metal (relative to Cu) and provides a better metric of the environmental impact than the combined weight of the metals.

**Metal premium** The price agreed in advance, over and above the LME price, and paid by customers for specifically adapted metal that is freely delivered.

**Mineral reserves** Those parts of a mineral resource that can be mined and processed in accordance with the company's profitability requirements, taking into account factors such as waste rock dilution and the percentage of metal in an ore that can be extracted in the concentration process, are transferred to mineral reserves and hence eliminated from the mineral resources. Mineral reserves are divided into two categories: probable mineral reserves and proven mineral reserves.

**Mineral resource** A concentration of minerals in the bedrock that may become commercially extractable. Mineral resources are divided into three categories: inferred mineral resources, indicated mineral resources and measured mineral resources.

**Mineralization** A concentration of minerals in the bedrock.

**Open pit** A method of mining mineral deposits located near the surface. The waste rock is stripped and the ore mined directly at the surface.

**Ore** Economic term for minerals, rock types or other bedrock components that can be profitably mined to extract metals or other valuable substances.

**Ore grade** The average quantity of valuable metals in a tonne of ore, expressed as grams per tonne for precious metals and as a percentage for other metals.

**Payable metal content** The percentage of the metal content of the concentrate for which the smelters pay when purchasing concentrate.

**Precious metals** Metals that are less commonly present in the earth's crust than base metals and which are regarded, to a greater extent, as a type of investment asset by financial sector players. The most common precious metals are gold, silver, platinum and palladium.

**Price escalators (PP)** Also known as price-sharing clauses. The clauses in the agreements for zinc smelting charges that distribute changes in metal prices between mines and smelters. There have been no price escalator

clauses in copper treatment and refining charges for many years now.

**Raw materials feed** A smelter's raw material input, i.e. the amount of metal concentrate or secondary materials processed and refined.

**Recovery** The percentage portion of the quantity of a given metal in an ore extracted during the concentration process.

**Secondary material** Various types of recycling materials from which metals can be recovered, e.g. electronic and metal scrap, metal ashes, slag, dust and scrap lead batteries.

**Smelter** A plant in which metal raw materials, metal concentrates or secondary materials are processed to separate metals from impurities.

**Treatment and refining charges (TC/RC)** The price of concentrate is defined as the LME price less treatment and refining charges, which comprise the remuneration received by the smelter for refining the smelting material (concentrate and secondary materials) and extracting metals. Copper smelters' processes can be broken down into a treatment phase and a refining phase, while zinc smelters' processes only involve a treatment phase, and hence zinc smelters' remuneration only comprises a treatment charge (TC).

**Underground mine** A mine where the ore is mined using underground tunnels. The mining methods used in Boliden's underground mines include the cut-and-fill method and sub-level stoping.

**Waste rock** Economic term for rock which, unlike ore, contains no valuable material.

**Zinc ingot** An end product from zinc smelters with detailed specifications with regard to degree of purity, weight and size.

ABBREVIATIONS

- Lb = pound = 0.4536 kg
- Troy ounce = 31.1035 grams
- USD = US dollars
- USc = US cents
- c/Lb = cents per pound = 1/22 USD/tonne
- SEK = Swedish kronor
- NOK = Norwegian kroner
- EUR = euro
- Ag = silver
- Au = gold
- Cu = copper
- Ni = nickel
- Pb = lead
- Zn = zinc

# ANNUAL GENERAL MEETING

Boliden's Annual General Meeting is scheduled for April 28, 2022 in Skellefteå. The AGM may also be held through mandatory postal voting in accordance with the Articles of Association and Chapter 7 § 4a of the Swedish Companies Act.

## Participation

Shareholders wishing to participate in the AGM must be registered in the shareholders' register kept by Euroclear Sweden AB on April 20, 2022 (see below for the re-registration process for nominee shareholders) and must also notify the company via Boliden's website [www.boliden.com](http://www.boliden.com), by telephone on +46 8 32 94 29, or by mail addressed to Boliden AB, c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden. When giving notice of participation, shareholders must state their name, identification or registration number, address and telephone number as well as the number of attending assistants. The information provided will be processed and used only for the purpose of the Annual General Meeting. Notice of participation must be received by the company no later than April 22, 2022. April 27, 2022 is the last day for submitting postal votes.

## Nominee shares

In order to be entitled to participate in the Annual General Meeting, nominee shareholders must, no later than April 20, 2022 have their shares temporarily re-registered in their own names with Euroclear Sweden AB. All such requests for registration in the shareholder's own name must be submitted to the relevant trustee well ahead of this date.

## Complete convening notice

A complete notice convening the AGM, as well as financial and other information, can be found at [www.boliden.com](http://www.boliden.com). Printed financial information may also be ordered via the website or from Boliden AB, Box 44, SE-101 20 Stockholm, Sweden.

## Financial information

April 28, 2022	Interim Report for the first quarter of 2022
July 21, 2022	Interim Report for the second quarter of 2022
October 21, 2022	Interim Report for the third quarter of 2022
February 14, 2023	Interim Report for the fourth quarter and year-end 2022

## Questions

Any questions concerning the content of Boliden's financial information can be submitted to:  
Boliden's Investor Relations  
phone: +46 8 610 15 00 or  
e-mail: [investorrelations@boliden.com](mailto:investorrelations@boliden.com)

Find out more at  
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[www.boliden.com](http://www.boliden.com)

### Boliden Annual and Sustainability Report 2022

Boliden's Annual and Sustainability Report is published in Swedish and in an English translation. The Swedish version takes precedence in the event of any discrepancies between the two versions.

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