

## Society (SO)

### Material aspects on SOCIETY

The majority of aspects deemed to be material with regard to Society concern Boliden's relationship with external stakeholders, and are at the core of Boliden's ambition both to promote sustainability in the industry and to be the first sustainable link in the metal's value chain. They may also have a significant impact

of the perceptions of Boliden and determine Boliden's licence to operate and ability to develop its business. These aspects are Local Communities, Anti-Corruption, Anti-Competitive Behaviour, Compliance and Resettlement. Industrial Operations change the landscape and Closure Planning is, therefore, an additional important factor for consideration during the licensing process.

## Material Aspect: Local Communities

### Aspect Specific DMA

Good community relations are as important for our business as the effective management of our operations. The operational sites host a range of regular and ongoing activities, such as "Open House" events, where the public is invited to visit the plant and to get information in an informal way, and "Public Consultations" (Samrådsmöten), where the public is invited to discuss special issues under more formal circumstances. There is always an open channel for individuals within the community to present concerns and complaints to the company. Specially assigned employees have a regular contact with neighbours and sometimes even visit people in their homes to discuss matters of concern.

#### SO1 Local community engagement

Boliden is a mature company and local community involvement activities exists in all main locations. Boliden's business operations are often of considerable importance in terms of employment, making Boliden an important local stakeholder. This means that community engagement is already implemented and that the need for further impact assessments is limited to the occasions where it is necessary to drastically change the scope or focus of Boliden's operations. Social impact assessments can be made in conjunction with closure of an operation, in order to assess any consequences to the community and in an effort to mitigate, as far as possible, any negative effects.

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

Local involvement in the form of support for and partnerships with voluntary organisations and associations are other ways in which Boliden can make a positive contribution to the areas in which the company operates. Boliden's support focuses primarily on local sporting and cultural events, schools and hospitals, often linked to children and young people. In 2016, Boliden's units sponsored local activities to the tune of approximately SEK 7 million (SEK 6 m).

Dialogue is ongoing with the numerous stakeholders impacted. It is primarily conducted through discussion and cooperation but also involves social impact assessments to meet some specific needs.

Measurements are carried out on a continual basis to monitor any impact on the local community in relation to the environment in the form, for example, of dust, noise, vibrations and

shockwaves from blasting. Methods have also been put in place for assessing impact, e.g. through changes to traffic, the landscape, water access and land access.

When analysing complaints about vibration from blasting, for example, the blasting schedule was changed so that most people would still be at work, rather than relaxing at home. This resulted in a significant decrease in the number of complaints.

Keeping the interests of the local community high on the agenda when planning and executing mining and smelting operations is vital to maintaining good relations with the employees, their families and their neighbours, and is an essential part of being a responsible corporate citizen. Failing to maintain these good relations would be a threat to the operation, as it would hamper the ability to attract a competent workforce and would jeopardise any potential expansion.

#### MM6 Number and description of significant disputes relating to land use, customary rights of local communities and Indigenous Peoples

An exploitation concession application for the development project in Laver (potential mine site in Northern Sweden) has been processed by the Mining Inspectorate of Sweden during the reporting period. In December 2016, The Chief Mining Inspector decided to reject Boliden's application for a mining concession for the deposit in Laver. The grounds for this decision are that a Natura 2000 permit for extracting the deposit has to be obtained before the concession can be granted. The Norrbotten County Council earlier (2015) rejected Boliden's application with reference to the area's environmental interest and its importance to the reindeer industry. Boliden is considering lodging an appeal regarding these decisions with the government.

The area around Laver is designated as an area of national interest for the Semisjaur-Njarg Sami village and an impact assessment of any mining operations in the area has, therefore, been conducted in cooperation with the relevant Sami village.

#### MM7 The extent to which grievance mechanisms were used to resolve disputes relating to land use, customary rights of local communities and Indigenous Peoples

Boliden has routines for informing and involving nearby and local residents. When the company applies for new exploration permissions or to expand the operation, there are mechanisms such as open house events and post-exploration forums that enable nearby and local residents and businesses to state their opinion. Some parts of these processes are required by law.

## Material Aspect: Resettlement

### MM9 Sites where resettlements took place, the number of households resettled in each, and how their livelihoods were affected in the process

There have been no resettlements of whole villages in Boliden's corporate history. The latest significant case of resettlement was when the Hötjärn tailings pond in the Boliden Area was being planned (finalised in year 2010). Dialogue was initiated with two permanent residents and two holiday cottage residents, and agree-

ment regarding compensation and practical solutions was reached.

As a rule, Boliden buys properties within the vicinity of the operations as they are put up for sale, and thus few residents are affected once the mine expands in that direction. In cases where a resident feels disturbed by a nearby operation, Boliden offers to buy the property and to compensate for any inconvenience. The aim is always to reach a solution that suits the individual's needs and makes the residents feel fully compensated.

## Material Aspect: Closure Planning

### MM10 Number and percentage of operations with closure plans

Boliden's operations involves land use for mining, industrial areas, and ponds for use as sand and clarification ponds. Conservation and reclamation of mining areas which reach the end of their production lifespan is, therefore, part of Boliden's operations and responsibilities. The goal is to use the best available technology, complemented by continuous monitoring of the work that has been carried out. All of Boliden's present operations, both mines

and smelters, have environmental closure plans which have been approved by the authorities. In 2016, Boliden worked actively on the reclamation of four former mine sites. At the end of 2016, a total of SEK 2,873 million (1,943) had been set aside for the remediation of mining areas and smelters. Additions to existing provisions during the reporting year are primarily attributable to the new environmental permit at Aitik, and the effects of the application of the EU Water directive for the Boliden units in Finland.

## Material Aspect: Emergency Preparedness

### Aspect Specific DMA

Communities adjacent to mining operations will be concerned about the hazards and risks that the operations generate. For Boliden, effective emergency management is essential to protect people, the environment and the operations. Every business unit has its own local emergency management plan, including routines for crisis management, which is reviewed and practiced

regularly. During the reporting period, fires occurred at the Garpenberg mine and at the Kristineberg mine in the Boliden area. Several environmental incidents involving spillages and the leakage of chemicals also occurred. Boliden's emergency preparedness procedures have worked satisfactorily and led to the minimisation of damage to people, property and the environment.

## Material Aspect: Anti-Corruption

### Aspect Specific DMA

Boliden's Code of Conduct provides a framework for what Boliden considers to be responsible conduct – it is not exhaustive. Our employees should always strive to exercise good judgement, care and consideration in their work for Boliden.

The Code of Conduct applies to all employees throughout the Group, to the members of the Board of Directors of Boliden AB, and to its subsidiaries. Business ethics are covered in Boliden's Code of Conduct, but recent legislation has imposed new demands on Boliden and thereby generated a need to provide a more focused anti-corruption policy and guidelines. As a starting point, a group-wide risk survey was carried out in 2012 to identify any potential corruption-related risks. Functions with external contacts were prioritised. Based on the outcome of the survey, Boliden revised its anti-corruption policy and guidelines and the new version was adopted by the Board of Directors. The organisation's anti-corruption policy and guidelines, and the new competition law policy and guidelines, added 2015, form an inherent part of the Code but are included in separate documents.

### S04 Training in anti-corruption policies and procedures

Boliden's line managers are responsible for making the Code of Conduct and the Anti Corruption policy known, promoting and monitoring compliance within their respective organizations.

All managers and other employees, whose work involves extensive external contacts with business partners, in particular with suppliers or agents, are subject to anti-corruption training appropriate for their area of responsibility, starting with the Management Development Programme – a training programme for Boliden's top 130 managers.

All of our employees, together with agents, suppliers and other third parties acting on Boliden's behalf, must comply with the Group's Anti-Corruption Policy and Guidelines. These documents are available as part of Boliden's Management Manual on the intranet. All white-collar employees (1,588 employees in September 2013) were invited to a mandatory e-learning training session in September 2013 in order to increase their knowledge of our anti-corruption and anti-bribery work. The training was available in Swedish, Norwegian, Finnish and English, depend-

ing on where the participants were based. Boliden is in the process of developing, updating and renewing training sessions and completion of a new e-learning course to be launched in 2017, which will be mandatory for all white collar employees.

Boliden has a whistle-blower function which can be used to anonymously report suspected cases of criminal activities or other serious misconduct.

#### **S05 Incidents of corruption**

There are no confirmed incidents to report. During the latter part of 2016 an investigation into a whistle-blower case was initiated. The investigation is not finished at the time of reporting.

## Material Aspect: Anti-Competitive Behaviour

### **S07 Anti-Competitive behaviour and compliance**

Boliden's Code of Conduct clearly states that employees and Board members shall comply with applicable anti-trust and competition laws. They should refrain from sharing, discussing or disclosing competitive sensitive information when meeting other companies or organisations, and seek advice from the Corporate Legal Office in all matters involving risk of antitrust expose for Boliden and themselves. In 2015, Boliden adopted a new Competition Law policy and Guidelines applicable to all employees to further clarify the rules on anti-competitive behaviour.

E-learning training sessions on the subject have been launched for a selected group of employees in 2015, with follow-up training during the latter part of 2016, and further activities planned for 2017.

Boliden conducts extensive domestic and international operations and is occasionally involved in disputes and legal proceedings arising in the course of its activities. There are no initiated or ongoing legal actions with respect to anti-competitive behaviour or compliance. There are no fines or non-monetary actions, related to anti-competitive behaviour, initiated or pending against Boliden.

## Material Aspect: Compliance

### **S08 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations**

No significant fines or non-monetary sanctions regarding social performance have come to Boliden's attention during 2016. Legislative compliance is important for Boliden since it ensures our business legitimacy.

For monetary value of significant fines for non compliance with environmental laws and regulations, see EN29.