



METALS FOR GENERATIONS TO COME

Green Finance Framework
May 2022

An Introduction to Boliden

Boliden is a metal producer with a focus on sustainable development. The company's core competence is within the fields of exploration, mining, smelting, and metals recycling. Boliden operates five mining units and five smelters in Sweden, Finland, Norway, and Ireland. Its shares are listed on NASDAQ Stockholm in the Large Cap segment.

Boliden mines and processes both base metals and precious metals. Our principal products are zinc, copper, lead, nickel, gold and silver.

Base metals are essential for the transition to a sustainable society. Demand is not only driven by increasing prosperity and urbanization, but also by electrification, energy storage

requirements and increasing demands for product lifespans and recyclability. Sustainable production processes are essential to continue to be a competitive mining and metal company. Boliden enjoys a strong position in tomorrow's metal markets.

Taking responsibility for the effects of our operations is a given. Our goal is to use resources as efficiently as possible and limit environmental impact at every level. We achieve this by investing in modern technology and developing stable, eco-friendly methods for the entire work process.



Boliden's Principal Products

Zinc

Zinc is an incredibly important metal for the development of a sustainable society. A thin layer of zinc – known as galvanizing – extends the lifetime of steel structures by preventing corrosion for 50 to 100 years. This means the consumption of iron ore and major carbon dioxide emissions can be reduced and society's investments in infrastructure become more enduring. While the construction and infrastructure industries are thus the biggest users of zinc, the automotive and electronics industries are also important end-users. No matter how zinc is used, it is highly recyclable. Our zinc meets the industry's highest quality standards, which means it can also be used for making batteries.

Copper

Copper conducts electricity and heat very well which makes the metal an essential raw material in building communities and modern economies; 65 per cent of all copper produced around the world today is used to generate and conduct electricity. It is an incredibly important metal in the transition to alternative energy sources such as solar, wind and hydroelectric that need large amounts of copper both to generate electricity and transfer it over long distances with as little energy loss as possible.

Lead

Lead is a soft, ductile metal that resists both oxygen and acids. It also has high electrical conductivity. This makes it extremely important for the automotive industry, which buys around 80 per cent of all lead to produce car batteries. Lead also has qualities that allow it to protect against ionizing radiation and x-rays. We produce primary lead, i.e. extracted from

our own mines, and secondary lead recovered from dead batteries. We recover lead from around 4 million dead car batteries every year at the Bergsöe smelting plant, and we process around 70,000 tonnes of used lead-acid batteries.

Nickel

Nickel is a silver-white, lustrous, ductile and to a certain degree, magnetic metal. It is resistant to both corrosion and oxidation and can withstand high temperatures, thus it has several important uses. More than 60 percent of all nickel produced in the world is used for the production of stainless steel, but it is also used in rechargeable batteries, catalytic converters, coins, magnets and surface treatments. The total demand for nickel from car batteries is expected to multiply over the next 10 years. In the same way as most other metals, nickel can be recycled an unlimited number of times.

Gold

We produce almost 18,000 kg of gold every year. Of that amount, approximately 5,000 kg is recovered from electronic scrap, and the rest is from our own and external mines. The major part of our gold is sold to the jewellery industry, but the manufacturing industry and the financial sector are also important customers.

Silver

With qualities such as strength, ductility and resistance to temperature changes, silver is very important to society. Silver is also the metal that conducts heat and electricity best, and is used for such things as electrical contacts, high-capacity batteries and electronic circuit boards in mobile telephones and computers. The metal is also used in solar cells, aircraft, satellites and for plating other materials

Products



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Sustainability and Transparency

Boliden produces metals that make modern society work. The company’s operations are characterized by concern for people, the environment and society. Boliden’s sustainability work is based on its own norms and values, as well as on international guidelines and targets, such as the UN Global Compact and the UN Sustainable Development Goals. Dialogues with internal and external stakeholders are used to ensure that different perspectives are considered.

Boliden’s vision is to become the most climate friendly and respected metal provider in the world. Boliden invests considerable resources in efficient systems, advanced technology and stable processes throughout its operations. All sites work preventively with meticulous risk assessments and clear action plans.

Sustainability reporting

Boliden has published information on its sustainability approach and performance since 2005 and uses a risk-based sustainability approach to disclose environmental, social and governance information to its stakeholders. Boliden is assessed periodically by several responsible investment organizations and analysts on environmental, social, and governance criteria. Boliden strives to be as transparent as possible, partaking in ranking and ratings, and sharing information that is relevant to the business.

This Sustainability Index is prepared in accordance with the Global Reporting Initiatives (GRI) Standards: Core Option. It also constitutes Boliden’s Communication on Progress (COP) and therefore contains references to Boliden’s performance in relation to; the UN Global Compact’s ten principles; the Task Force on Climate-related Financial Disclosures (TCFD, supported by Boliden since 2019); the Sustainability Accounting Standards Board (SASB, supported by Boliden since 2021) and the International Council on Mining and Metals (ICMM, where Boliden has been a member since 2021) principles. Boliden’s policy is to use external assurance to ensure the high quality and credibility of the information published. The Sustainability Index and the Annual and Sustainability Report available on Boliden’s website have been reviewed by means of an external limited assurance engagement in accordance with ISAE 3000, as issued by the International Federation of Accountants (IFAC). Boliden also conducts an independent assurance of sustainability performance each year, following the ICMM guidance on assuring and verifying the ICMM membership requirements.



THIS IS BOLIDEN



OUR PURPOSE

To provide the metals essential to improve society for generations to come



OUR VISION

To be the most climate friendly and respected metal provider in the world



OUR VALUES

Care, Courage, Responsibility



OUR WAY OF WORKING

The Boliden Way

A Sustainable Future with Metals

Global need for energy transition

It is well acknowledged that the global energy balance needs to shift to harness more renewable energy sources to meet the targets of the Paris Climate agreement. What is less overtly emphasised is the importance of metals to facilitate this shift.

Low-carbon technologies, especially solar photovoltaic, wind and geothermal, are more mineral and metal intensive than fossil fuel technologies. For instance, each wind turbine contains about 3.5 tons of metal, while 83 kilograms of copper is required for every electric vehicle. Overall, the demand for base and niche minerals stemming from clean energy technologies manufacturing is expected to grow significantly, with anticipated increases of up to nearly 500% by 2050 for certain minerals in relative terms to 2018 production levels¹

Population growth, infrastructure development and urbanization

The world's population is growing, and metal demand is growing with it. According to Oxford Economics², the world's population has increased by one percent per year over the past ten years, and this trend is expected to continue. Of the total population, about 90% is under the age of 65 and 25% under the age of 15. Population growth combined with urbanization and increased prosperity is driving the demand for metal around in the world. Metals are not only required in the early stages of economic development in society, but also later. Increased access to electricity, heating and infrastructure provides the conditions for people to drive industrial development and increase prosperity. Increasing prosperity leads to an increasing demand for metal. Metals are also found in different types of

more advanced products such as solar cells, electronics and means of transportation.

Adapting to climate change

The research firm Wood Mackenzie estimates that 50 trillion USD of investment will be needed over the next two decades to create the conditions for achieving the Paris Agreement goals³. Metals supply will play a critical role in achieving this as metals form part of many solutions for adapting to climate change. The investments to produce the required quantities of base metals and industrial metals for the transformation of energy production, transmission and storage are significant. An increase in recycling is important, but significant amounts of new metal will also be needed. Recycling will also be important when companies and consumers make decisions based on total life cycle costs.

Boliden's role

Boliden's portfolio of metals is well positioned for a greater use of renewable energy and the electrification of society with copper for power generation, transmission, and energy storage; nickel and lead for energy storage, and zinc for extending the lifespan of products. Production performance and protecting the local environment around the company's operations are also important parts of Boliden's competitive abilities. The way metals are produced will have a major impact on the competitiveness of mining and metal companies.

¹ (World Bank Group: *The Mineral Intensity of the Clean Energy Transition*, 2020).

² (Oxford Economics, 2021).

³ (Wood Mackenzie: *Champagne supercycle: Taking the fizz out of the commodities price boom*, 2021).

Contribution to a Circular Economy

Boliden has created value from waste for many years and is one of Europe’s largest recyclers of used lead-acid batteries, benefiting from decades-long resource-effective industrial synergies, and continuously finding new methods of creating value from the company’s own waste materials.

The creation of circular systems that gain maximum value from resources by recovering waste and reusing materials is an essential part of Boliden’s sustainability agenda. However, in the process of recovering valuable metals from societal and industrial waste, the treatment of other materials in the waste such as plastics can produce more CO2 emissions. In its processes, Boliden recovers valuable metals that would otherwise be wasted in landfill. Some components of e-scrap can generate even more harmful methane emissions if deposited in landfill. Approximately 40% of Boliden’s direct CO2 emissions (25% of total CO2 emissions) are from recycling materials. It is essential to find the optimal balance between circularity and climate obligations to minimize the environmental impact and maximize the benefits of outgoing metals.

Several of Boliden’s smelters are specially equipped to process complex waste metals into ‘new metals’ that can then be used to create new components and products. The circular approach to resource management is particularly well suited to the mining and metals industry as many metals can be recycled repeatedly without losing their properties.

Recovering valuable metals from electronics and industrial waste

Boliden’s Rönnskär smelter in northern Sweden is one of the largest recyclers of scrapped electronic equipment in the world. The smelter annually recycles around 95,000 metric tons of waste material from electrical equipment, including circuit boards from computers and mobile phones. The waste material is sourced primarily from within Europe.

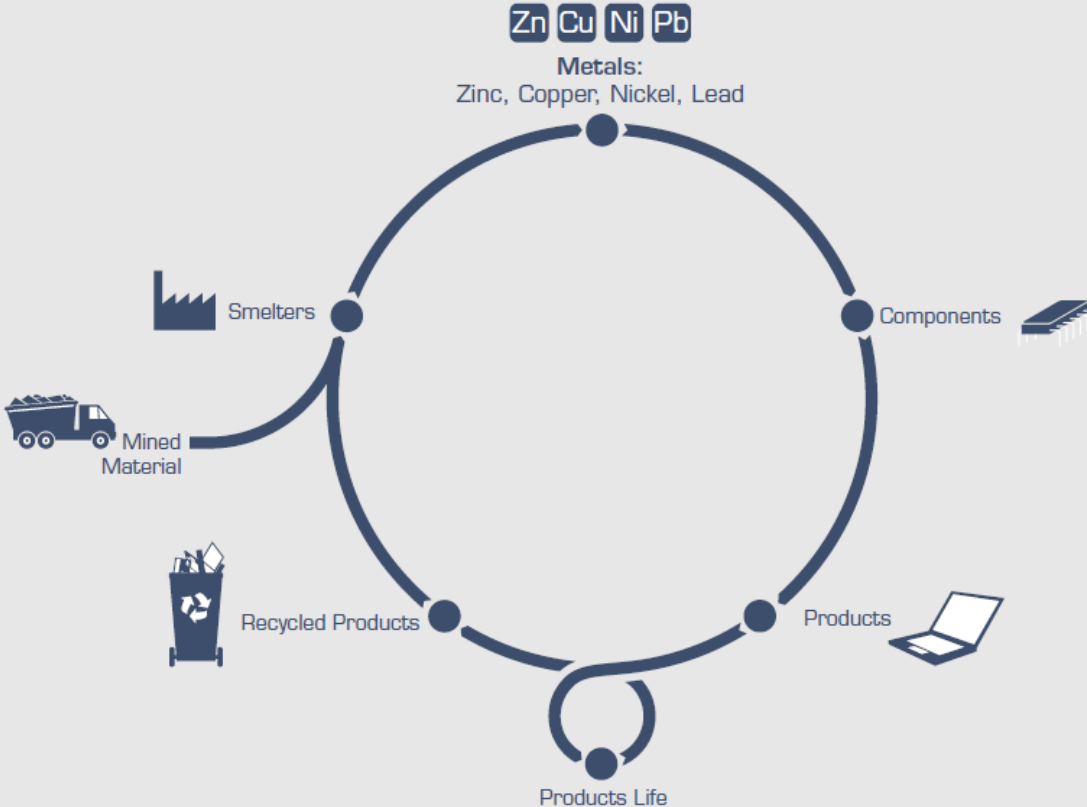
Rönnskär has also processed waste steel mill dust since the 1980s to annually produce around 33,000 metric tons of zinc clinker, which accounts for 10–15% of Rönnskär’s total production.

Recycling car batteries at Bergsöe

Boliden’s Bergsöe smelter in southern Sweden has been recycling used lead-acid car batteries since 1942, and currently recovers lead from 4 million batteries each year. The recycled lead is mainly sold to European battery manufacturers where it is used to produce both industrial and automotive batteries.

2020 was the first full year of operation for Boliden’s separation plant at Bergsöe to recycle plastic battery casing that is sold to industrial customers. The investment avoids annual emissions of around 10,000 metric tons CO2 and has improved both safety and quality at Bergsöe.

The circular life of metals



Key sustainability topics

The Board of Directors is responsible for the stewardship of the company and for ensuring that appropriate corporate governance structures and systems are in place. Sustainability topics are addressed at every Group Management and Board meeting, as well as at every local management meeting.

Boliden has identified sustainability topics that can affect its business model – both positively and negatively – by monitoring and assessing the business environment, stakeholder engagement and sustainability trends. A direction is set for each of the defined topics. The topics are managed and controlled in Boliden’s operations. The sustainability topics are embedded throughout the organization and approved by Group Management. At Boliden, ‘sustainability topics’ are issues that reflect Boliden’s economic, social and environmental impact, as well as issues that can affect assessments and decisions made by the stakeholders.

The identification and prioritization of the Group’s sustainability topics are based on the overall vision of being one of the leading companies in the industry in terms of development, productivity, responsibility and value creation. The topics prioritized in 2021 are grouped into three areas.



Boliden and the Sustainable Development Goals

Many of Boliden’s sustainability topics are related to specific SDGs. Boliden supports all the SDGs but has identified the most important goals to its business to show how it contributes to cross-sector international efforts to solve global development issues. Boliden’s work toward these goals has a positive impact on its ability to become a world-class metals company and a sustainable first link in metal value chains.

People

Boliden is a local employer operating in a global business environment where people form the basis for success and value creation. For more than 90 years, Boliden has produced metals with safety and development as driving forces. This is permeated in the corporate culture, where innovation and personal responsibility are combined with stable processes. Boliden applies a coaching and present leadership and encourages employees to take initiatives, decisions and actions

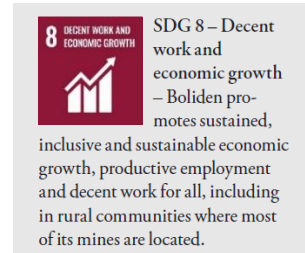
Health and Safety

Occupational health & safety is Boliden's most important issue as it involves the well-being and, ultimately, the lives of Boliden's employees and contractors. A strong safety culture is characterized by a value-driven leadership that trusts employees' ability to act in relation to risk, health and safety. All Boliden units have occupational health and safety management systems in line with ISO 45001:2018 including procedures for risk assessments, hazard identification, incident reporting, and safety inspections. Boliden has a zero-harm philosophy with regards to accidents at work. The goal for each unit is zero accidents every month. Low absentee rates and low injury rates also create positive results in productivity and profitability.

As Boliden faces several retirements, competes for a limited supply of competent employees, and is located in rural areas – the ability to offer a work environment dominated by foresight, development, and employee care is crucial for the business. Supplier assessments of sound and safe labour practices is vital for Boliden's ambition to be the sustainable first link in metal value chains.

Human Rights

Boliden is a member of the United Nations Global Compact and works constantly to implement its ten principles, including preventing and limiting negative impact in the own operations and those of its external business partners. Boliden runs operations in countries where the risk of human rights violations is considered low. No operations are conducted anywhere in UNESCO's World Heritage List. Boliden supports the right of indigenous peoples to consultations under Svemin's interpretation of FPIC. Other important aspects are fair working conditions, and the position Boliden has adopted against any form of



harassment, discrimination and other behaviour that may be considered as victimization by colleagues or related parties. In addition to this, also aspects such as child and forced labour as well as the freedom to form and join trade unions are considered when evaluating business partners. In cases where hazardous waste is sent for disposal by third parties, an instruction is applied whereby payment may only be made after the material has been responsibly processed. Visits and audits are carried out to ensure compliance with the instruction and that the waste is processed correctly. Secondary and primary raw materials are checked carefully to make sure the materials do not derive from conflict areas.

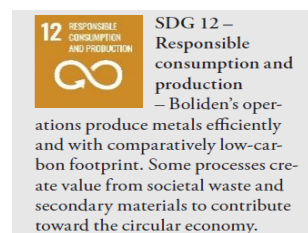
Diversity and equal opportunity

Boliden believes that diversity leads to dynamism, creativity, and ultimately greater profitability and that it is a resource for achieving its company goals. Boliden's commitment to diversity is clearly stated in its Code of Conduct and in the Diversity Policy, which have been approved by the CEO. Boliden and its employees shall:

- Refrain from all forms of discrimination and harassment on the basis of gender, ethnicity, age, disability, religion, sexual orientation, or any other factor.
- Always focus on the person's competence, and disregard gender, ethnicity, age, disability, religion, sexual orientation, or other circumstances.
- Strive to ensure that Boliden is perceived as an equal opportunity employer in every respect described above.
- Support employees in their ambition to achieve a healthy work life balance.
- Forcefully act against and counter any incidences of discrimination or harassment.

Responsible Business

Good business ethics is essential for sustainable and successful business. This is reflected both in the way Boliden conducts its own business and how it selects its business partners. Boliden's employees and management work together to create a compliance culture in which everyone knows what is expected of them. Regular risk assessments, trainings, audits and effective controls are important parts of Boliden's compliance efforts.



Codes of conduct

Boliden's Code of Conduct provides a non-exhaustive 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, which is based on international standards and relevant legislation. As a complement to the Code, there are internal policies that all employees are expected to comply with. Boliden strives for a sustainable value chain and therefore applies an overarching business ethics and risk management strategy when selecting business partners.

The Business Partner Code of Conduct reflects the requirements placed on Boliden's own organization and sets the lowest standard of ethical conduct required of all parties in the value chain, whether Boliden is the buyer or seller. As with the internal Code of Conduct, this code is based on international standards such as the UN's Global Compact, the ILO's standard core conventions, guidance from the OECD, and the ICMM Mining Principles. Compliance and sustainability risks are assessed when selecting business partners. If there is a risk of non-compliance by a business partner, a more detailed review is made. Depending on the outcome, an action plan may be developed and agreed upon, or the business relation may be terminated or rejected.

Business Partner assessments

Environmental criteria are a vital part of Boliden's Business Partner Code of Conduct, and accordingly also a crucial part of the evaluation of business partner and supplier assessments. Boliden requires all business partners to identify and document their environmental aspects and to be aware of and comply with environmental legislation and common practices. All business partners must agree to comply with Boliden's Business Partner Code of Conduct, which requires them to conduct their business in a responsible way with as little impact on the environment as possible, by preventing, mitigating, and controlling environmental damage from their operations. They shall also constantly strive to minimize their environmental impact, greenhouse gas emissions and the amount of waste.

Grievances about environmental impacts

Reported issues received by Boliden include noise, vibration, dust, and other types of environmental disturbance to Boliden's site. Complaints are handled in accordance with local procedures. Neighbours and other stakeholders are welcome to contact either the Business Unit or any of the company functions through a variety of channels, including phone, e-mail, written correspondence. It is the responsibility of every employee to ensure that operations are conducted properly and in compliance with the given instructions. Employees must promptly report any suspected environmental violation.

Non-discrimination

Boliden does not accept any form of harassment, discrimination or other behaviour that may be regarded by colleagues or close relatives as abusive or degrading. It is the responsibility of all Boliden employees to comply with the guidelines set out in Boliden's anti-victimization policy.

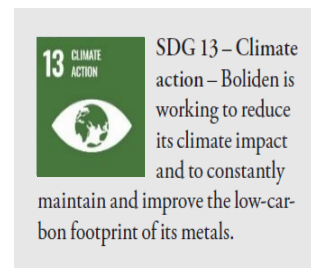
Rights of indigenous peoples

Operations in northern Sweden and northern Finland are located in reindeer-herding areas. Boliden promotes open dialogues and long-term cooperation with Sami communities in order to mitigate the negative impacts of its mining activities on local people and the environment.

At the end of 2020, SVEMIN (the Swedish Association of Mines, Mineral and Metal Producers) published a Position Statement on how the entire mining industry should respect reindeer herding. Boliden was heavily involved in the development of the document. The ambition is that the statement will guide mining industry in Sweden as well as Sami organizations. During 2021, Boliden also published a commitment regarding the rights of indigenous people.

Environment and climate

Boliden's vision is to become the most climate friendly and respected metal provider in the world. Boliden uses natural resources and large amounts of energy when carrying out its operations. These operations have a local environmental impact in the form of e.g., discharges to air and water, noise, and changes in the appearance of the landscape. Boliden is working to reduce its climate impact and to constantly maintain and improve low-carbon metal production. Boliden has set the objective to reduce its CO₂ intensity by 40% by 2030, and to have net zero Scope 1 and 2 GHG emissions by 2050. This will enable Boliden to contribute toward the EU aspirations to achieve net zero CO₂ emissions by 2050.



Materials and circular economy

Materials is a fundamental topic since Boliden's core business is mining (production of concentrates) and smelting (transformation of concentrates to base metals). Boliden produces high-quality metals, which are mainly sold to industrial customers in Europe. Material stewardship is important to us. Care and consideration for people, society and the environment are constant themes for Boliden's entire value chain – from exploration to customer deliveries. Boliden's recycling of materials, e-scrap and batteries are also an important contribution to the circular economy.

Energy

Metal production is energy intensive, both in the mining phase and in refining processes. All Boliden's Business Units have implemented an energy management system in accordance with ISO 50001. All units are obliged to work continuously on making improvements in energy efficiency. Boliden shall reduce its dependence on fossil fuels by using renewable and/or recycled energy wherever possible.

Climate

Boliden's target is to reduce greenhouse gas emissions by 40% measured in CO₂ intensity to 2030, and to have net zero Scope 1 and 2 GHG by 2050. Boliden's Board and Group Management evaluate the company's CO₂ emission trends every quarter. Boliden's units evaluate their climate impact every month to identify possible improvements and efficiency measures. Using the best available technical solutions and resources efficiently, and replacing fossil fuels with renewables, are important components of Boliden's efforts to reduce CO₂ emissions

Waste

By their nature, mining and smelting operations have the potential to impact natural areas, ecosystems and biodiversity, directly or indirectly. Therefore, internal waste storage facilities, such as landfills and tailings dams, which are required for Boliden's operations mean that land, ecosystem and biodiversity management have high priority. Apart from normal industrial waste, Boliden's operations produce large quantities of extractive waste (such as tailings and waste rock) and smelter waste (such as slag and sludge), which is managed in a controlled way. Boliden's operations also generate waste in water and gas purification processes that are managed in line with local requirements.

Tailings are a common by-product of the mining process, and tailings management is a critical element in the design, operation and closure planning of mines. During 2020, new global dam safety guidelines known as the Global Industry Standard on Tailings Management (GISTM) were issued on the initiative of the International Council on Mining and Metals (ICMM), the United Nations Environmental Program (UNEP) and the Principles of Responsible Investments (PRI) industry organization. The new standard seeks to sharpen the focus on matters and contribute to greater transparency and uniform global management. The implementation of this new standard is in progress at Boliden. Boliden's target is to implement the tailing and slag management in line with GISTM by August 2023 and August 2025.

Biodiversity

Boliden's overall goal is to contribute to increased biodiversity by 2030 in all regions where we operate. Boliden has developed a biodiversity approach to long-term land management – from exploration to rehabilitation. A pilot for a site-specific Biodiversity Management Plan has been developed for Kevitsa and for all mine sites a summary report has been made identifying species and habitats of significant value. The ambition is to be net positive on biodiversity in all new projects by working according to a mitigation hierarchy. Developing ecological rehabilitation plans and working with ecological compensation is a natural part of the work to achieve this ambition.

Water

All Boliden's units shall have a Water Management Plan. Water conservation is an important part of Boliden's policy. Water management plans consider many critical operational aspects such as water scarcity, pollution, and flooding. Water risk assessments shall be undertaken regularly to evaluate potential impact on the business, operations, revenue or expenditures.

Air

Boliden aims to continue to reduce its emissions to air, focusing on metals and sulphur dioxide as well as reducing diffuse emissions (dust). Local action plans are being developed both at mines and smelters.

Investment example: Odda

Zinc will play an important role in the sustainable transition to achieve the goal of the net zero CO₂ emissions by 2050 set by the EU. Thanks to the unique properties of zinc, it can be used in a wide range of areas such as infrastructure, consumer goods, batteries, and industrial products – all of which play an important role in the transition to renewable energy, energy efficiency and circular economy.

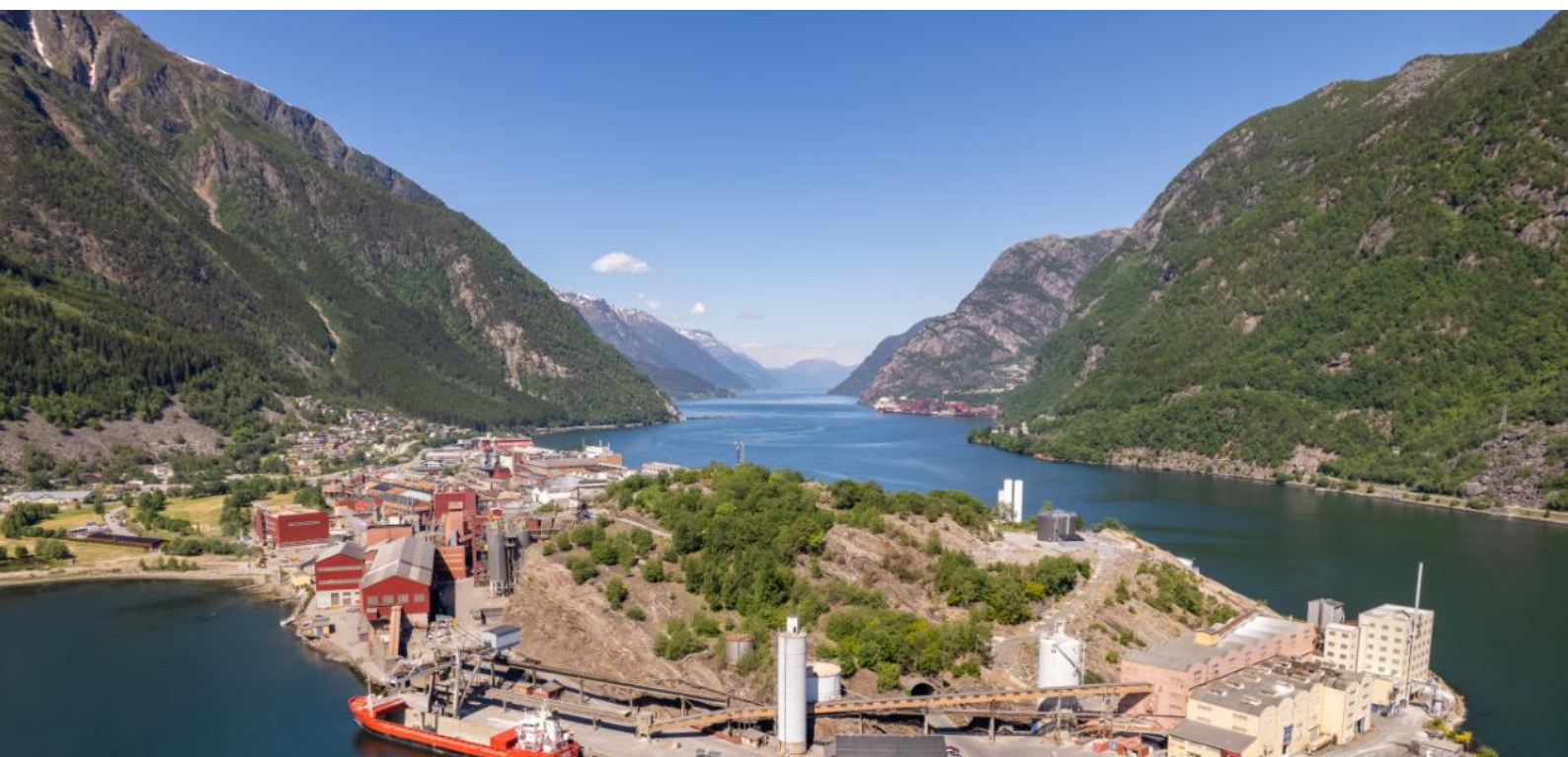
Zinc mining and smelting activities are known to generate significant amounts of greenhouse gas emissions. However, Boliden is well positioned to supply a special high-grade zinc product, sold as Low-carbon Zinc, with a low-carbon footprint (less than 1 kg CO₂eq/kg zinc) by favourable integration of own mines and smelters, located in Sweden, Finland, Norway and Ireland. This gives the product one of the lowest carbon footprint of any refined zinc in the world and is one of the initiatives to contribute to Boliden's vision – to be the most climate friendly and respected metal provider in the world.

Boliden is expanding the world's most climate effective zinc smelter in Odda, southern Norway, which is a historic investment both for Boliden and Norway. The expansion enables Odda to almost double the zinc production and at the same time reducing the carbon dioxide intensity from an already world leading position. The investment is for a total of EUR 700 million and will be completed at the end of 2024.

The operation will be supplied with fossil-free electricity, and waste deposition will take place in mountain caverns using unique, sustainable technology. The investment will mean an increase in the annual production capacity of zinc from 200 ktons to 350 ktons per year and substantially improved productivity while also avoiding a significant amount of future maintenance. In addition to zinc, it will also be possible to extract the bi-metals lead, gold and silver. The increased production capacity together with improved energy efficiency and a new, long-term contract for the supply of fossil-free electricity means a further reduction in the already low carbon dioxide intensity.

This is one of the largest investments in Boliden's history. By increasing the production of zinc with the highest climate performance while also improving resource efficiency and productivity, Boliden is setting a new standard for zinc smelting both in terms of sustainability performance and cost effectiveness.

The investment includes several new facilities at Boliden Odda, including a new roaster, a new sulphuric acid plant, expansion and modernization of the leaching and the purification plant, a new cellhouse and expansion of the foundry and quay infrastructure. The major part of the total investment will be carried out during 2022 and 2023. The expansion project also means that the level of digitalization and automation in the operation will increase, which will help improve productivity. As a result of this significant technological development, Boliden Odda has been granted investment support by Enova and Innovasjon Norge.



Boliden and Sustainable Finance

Boliden's long-term climate target is to produce metals with a low carbon footprint, reduce CO2 intensity with 40% by 2030, and to have net zero Scope 1 and 2 GHG emissions. Substantial investments are made to reach the target, striving to increase energy efficiency and to decrease the usage of fossil fuels. We want to set an example for the mining and metals industry to produce minerals with a low impact on nature and climate.

We have chosen to establish this Green Finance Framework (the "Framework") to further integrate our sustainability commitments with Boliden's financing activities. The Framework will enable Boliden and its subsidiaries to issue Green Bonds and Green Loans (collectively referred to as "Green Finance Instruments").

Cicero Shades of Green has provided a second party opinion confirming alignment with of this Framework with ICMA Green Bond Principles ("GBP") 2021 and the Loan Market Association ("LMA") Green Loan Principles ("GLP") 2021.

An independent verifier will provide an annual statement confirming that the allocation of net proceeds from Green Finance Instruments. All relevant documentation will be publicly available at Boliden's website.

Green Finance Instruments issued under this Framework should in their transaction specific documentation refer to this Framework.

Green Finance Framework

The Green Finance Framework is aligned with the GBP published in June 2021 by ICMA and the GLP published in February 2021 by LMA and defines the investments eligible for financing by Green Finance Instruments. It also outlines the process used to identify, select and report on eligible projects as well as the management of Green Finance Instrument net proceeds.

Use of Proceeds

Allocation

An amount equal to the net proceeds of the Green Finance Instrument will finance or refinance, in whole or in part, investments that promote the transition towards a low carbon and sustainable economy ("Green Projects"), in each case as determined by Boliden in accordance with the Green Projects defined below.

Only such assets and projects that comply with the list of Green Projects are deemed eligible to be financed by Green Finance Instruments. Net proceeds from Green Finance Instruments can be used for the financing of new Green Projects (defined as ongoing Green Projects and those taken into operation less than 12 months prior to the issuance of the Green Finance Instrument) as well as for refinancing

purposes. The distribution between new financing and refinancing will be reported in Boliden's annual Sustainable Finance reporting.








Boliden will use a look-back period of no more than 24 months from the date of issuance.




Exclusions

For the avoidance of doubt, Green Finance Instruments will not be used to finance investments linked to fossil energy generation, nuclear energy generation, research and/or development within weapons and defence, potentially environmentally negative resource extraction (such as rare-earth elements and fossil fuels), gambling or tobacco.

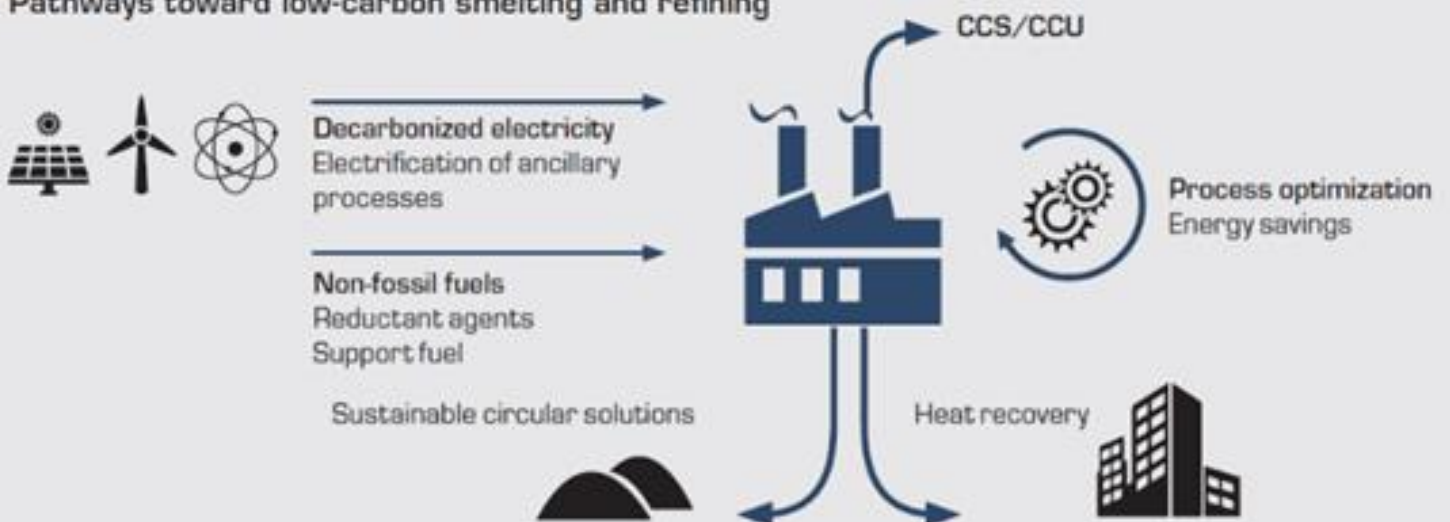
Green Projects

Green Finance Instruments issued under this Framework will finance and/or refinance investments and related expenditures within the following Green Projects.

Green Projects	ICMA GBPs	Examples of eligible investments	Exclusions	UN SDGs (TBA)
Investments in Odda as outlined in this framework to increase production capacity of low carbon zinc while reducing the electrical energy intensity by 5% and waste intensity by 30%.	Energy efficiency and Pollution Prevention Control	<ul style="list-style-type: none"> - New roaster, sulphuric acid plant and cellhouse applying best available technology and supplied with renewable energy - Expansion and modernisation of the leaching plant 	<ul style="list-style-type: none"> - Any new fossil fuel infrastructure - New or expanded capacity of waste depository 	 
Energy efficiency improvements with the aim of reducing energy consumption (in absolute or relative terms) by using best available technology and beyond in the targeted area, and in line with Boliden's roadmap to achieve the target of 40% reduction in CO2 intensity by 2030 and long term goal of net zero carbon emissions in Scope 1 and 2 by 2050.	Energy efficiency	<ul style="list-style-type: none"> - Infrastructure and systems that recycle energy or recover waste heat that can be reused in the plant area or supplied to a local district heating system - R&D aimed at improving the energy efficiency of Boliden's operations in line with stated targets 	<ul style="list-style-type: none"> - Any new fossil fuel infrastructure - As part of the evaluation and selection process, Boliden's Sustainable Finance Committee will assess and exclude any investments deemed to lock-in the use of fossil fuels 	 
Facilities, equipment and systems that significantly reduce pollution to water and air, as well as the reduction, recycling, recovery and reuse of waste. Any investments selected in this category will be assessed by Boliden's Sustainable Finance Committee to apply best available technologies and beyond and be in line with Boliden's roadmap to achieve the target of 40% reduction in CO2 intensity by 2030 and long term goal of net zero carbon emissions in Scope 1 and 2 by 2050.	Pollution Prevention and Control	<ul style="list-style-type: none"> - Replacing fossil fuel systems and infrastructure with electric or low-carbon alternatives - Systems for cleaning of process gases and other air emissions such as SOx, NOx, metals and dust - Construction and/or expansion of leaching plants using best available technology to reduce waste and extract more metal from residual materials - Water purification technology and systems for reducing water discharges - Recycling of electronic waste and batteries ensuring metals and minerals can be safely recovered and reused - R&D aimed at improving the carbon intensity and/or other emissions of Boliden's operations in line with the stated targets 	<ul style="list-style-type: none"> - Any new fossil fuel infrastructure - New or expanded capacity of waste depository 	  

Green Projects	ICMA GBPs	Examples of eligible investments	Exclusions	UN SDGs (TBA)
Research and Development to improve the carbon intensity and/or reduce other emissions and waste of Boliden's operations	Energy Efficiency And Pollution Prevention and Control	<ul style="list-style-type: none"> - Evaluation, piloting and testing of alternative reduction agents such as bio-coal and hydrogen - Carbon capture technology - Evaluation, piloting and testing of technologies reducing waste - Development and evaluation of novel water treatment technologies 	-	 
Low carbon machinery, transport and infrastructure	Clean Transportation	<ul style="list-style-type: none"> - Zero emission vehicles, including electric machines and related infrastructure such as charging stations - Conversion/electrification of existing trucks and installation of trolley lines - Autonomous logistic solution for transportation by AGV's to replace diesel truck systems 	- New vehicles, or machinery that run on fossil fuel	

Pathways toward low-carbon smelting and refining



Process for Project Evaluation and Selection

To ensure the transparency and accountability around the selection of Green Projects, Boliden has established an cross-department Sustainable Finance Committee, being responsible for the evaluation and selection process. The Sustainable Finance Committee consists of Director Group Sustainability, Director Group Business Strategy & Development, Director Smelters Sustainability, Technology and Strategy, Director Mines Technology and Sustainability, Director Group Control and Director Group Treasury, and all decisions will be made in consensus.

Only such assets and projects that comply with the Green Project categories defined in the Use of Proceeds section of this Framework are eligible to be financed with Green Finance Instruments. The Sustainable Finance Committee will keep a register of all Green Projects, monitor the Green Project portfolio and be responsible for replacing investments that no longer meet the Green Project criteria set forth in the Green Financing Framework. Moreover, to ensure traceability, all decisions made by the committee will be documented and filed.

The Sustainable Finance Committee holds the right to exclude any Green Project already funded by Green Finance Instruments, which is further described below under Management of Proceeds. The Sustainable Finance Committee will also monitor the sustainable finance market and be in charge of potential future oversight and updates of this Framework to align with best market practice.

Management of Proceeds

An amount equal to the net proceeds from issued Green Finance Instruments will be earmarked for financing and refinancing of Green Projects as defined in this Green Finance Framework.

The Treasury department of Boliden will ensure that the value of Green Projects at all times exceed the total amount of Green Finance Instruments outstanding. If a Green Project already funded by Green Finance Instruments is sold, or for other reasons loses its eligibility in line with the criteria in this Framework, Boliden will replace such project with another qualifying Green Project.

Net proceeds from Green Finance Instruments awaiting allocation to Green Projects will be managed according to Boliden's Group Finance policy and held as cash.

Reporting

Boliden is committed to openness and transparency in its relations with all stakeholders. To enable investors, lenders and other stakeholders to follow the development of the Green Projects funded by Green Finance Instruments, a Sustainable Finance Report will be made available on Boliden's website as a standalone document, or as part of Boliden's Annual and Sustainability Report and published annually as long as there are Green Finance Instruments outstanding. The Sustainable Finance Report will include an Allocation Report with information on the allocation of the net proceeds of the Green Finance Instruments and an Impact Report specifying where possible the environmental impact of the eligible Green Projects.

Allocation Report

The allocation report will include the following information.

- Amounts invested in each of the Green Project categories defined in this Green Finance Framework and the share of new financing versus refinancing.
- Examples of Green Projects that have been funded by Green Finance Instruments.
- The nominal amount of Green Finance Instruments outstanding, split into Green Bonds and Green Loans.
- The amount of net proceeds awaiting allocation to Green Projects (if any).

Impact Report

The impact report aims to disclose the environmental impact of the Green Projects financed under this Framework. Impact reporting will, to some extent, be aggregated, disclose measurement methodology and depending on data availability, calculations will be made on a best intention basis. The impact assessment may, where applicable, be based on the metrics listed below.

Energy Efficiency

- Annual energy consumption (TWh)
- Annual CO₂ intensity (tonnes of CO₂/tonne metal)
- Annual consumption of fossil free energy (% of total consumption)
- Electrical energy intensity (electrical energy consumption kWh /tonne metal produced)

Pollution Prevention and Control

- Annual intensity of metals to air (tonnes NCP⁴ metal eq/mtonnes metal produced)
- Annual intensity of metals to water (tonnes NCP metal eq/mtonnes metal produced)
- Total quantity of recycled e-waste, plastic battery casing, lead-acid batteries (metric tons)
- Total quantity of waste metals made into new metals (metric tons)
- Annual reused secondary energy from processes (TWh)
- Annual discharge of used water (million m³)
- Annual emissions to air of Sox (metric tons)
- Annual emissions to water of NO_x, (metric tons)
- Waste intensity (tonne deposited waste / tonne metal produced)

Clean Transportation

- Number of vehicles, machines and/or charging infrastructure
- Annual GHG emissions avoided (tonnes of CO₂)

⁴ Natural Capital Protocol

External Review

Independent Verification

The Sustainable Finance Report, which will include the allocation and impact reporting as described above, will be published annually and be subject to a limited assurance by an independent auditor appointed by Boliden.

The Sustainable Finance Report will be made publicly available on Boliden's website as a separate report or integrated in Boliden's annual sustainability reporting.

Second Party Opinion

Boliden has obtained a Second Party Opinion from Cicero Shades of Green confirming alignment with of this Framework with ICMA Green Bond Principles ("GBP") 2021 and the LMA Green Loan Principles 2021.

The Second Party Opinion will be made available on Boliden's website together with this Green Finance Framework.

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