

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 these enactments and regulations, Boliden applies internal governance instruments, such as New Boliden Way – the Group's organizational and operational philosophy – and the internal control tool, BICS. There are also policies in a number of areas; one such is Boliden's code of conduct, which all employees must be familiar with and follow. Also, the Group's units work in compliance with management systems for occupational health and safety, the environment, energy and quality.

Issues during 2019

The past 10 years have involved major changes in the outside world. Some global trends, such as the focus on sustainability in terms of occupational health and safety, the environment and business ethics, have become prerequisites for all responsible businesses. In the same way, technological advances in electrification and artificial intelligence have opened up new opportunities. Other trends with major impacts include globalization and internationalization.

Naturally, all of these external factors and changes influence the Board's work and the issues discussed in the boardroom. The central focus is always business, but over time the meaning of the word business has become more complex, and it not only conveys the concept of profitability, but also concern for people and the environment.

It is part of the Board's remit to consider these overarching issues. During the year, Board meetings discussed issues such as:

What are the metals of the future and how should we position ourselves? Where are mines and smelters being opened, and what does supply and demand look like? Do electric vehicles and new battery technology present a threat or an opportunity for Boliden's business – positive for copper, but how will metal recovery be affected in the immediate future and long-term? What are the forces that control the nickel market? How should Boliden prepare for a business downturn? Should it prioritize organic growth, or are there any interesting acquisition opportunities?

Macro discussions like these form the foundation of the investments tabled for a Board decision. In 2019, investments other than various maintenance investments totalled around SEK 4.5 billion, so it's a matter of making sure the money is placed where it does most good. To achieve this, investments are not only prioritized by evaluating their profitability, but also with regard to technology choices, sustainability,

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, essentially comprising Swedish institutional investors, has been a long-term owner in Boliden since we were re-listed in Sweden nearly 20 years ago, and the last few years have seen their ranks joined by a number of large, foreign, institutional owners. 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, and this is something that our shareholders have to understand. It 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.

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 e.g. monthly

reports and a well-structured body of material for the Board. We also usually visit two of Boliden's operating facilities every year to make a thorough study of the operations and to meet local management and employees.

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 2019 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 2020



Anders Ullberg
Chairman of the Board



safety and other relevant parameters. The biggest and most important investments are the subject of discussions for extended periods before a Board decision is taken. Another important part of this work is following up previous investment decisions to ensure good cost control as well as checking the expected positive effects. One of the Board's central tasks is to make certain resources are allocated and used optimally to improve competitiveness and safeguard long-term, sustainable operations that create value for our shareholders.

These days, the need for investments to be sustainable is almost a foregone conclusion. But the things that provide the best environmental benefit themselves demand careful, complex consideration and sometimes compromises that are difficult to reconcile. To achieve its carbon dioxide emissions targets, the Board resolved in 2019 to take further steps in the electrification of mine transport in Aitik and Kevitsa with new trucks, an extension of the electric trolley track and approved long-term electricity contracts from wind farms in close proximity to the mines in the Boliden Area and the smelter in Kokkola. A collaboration agreement was also concluded with Vattenfall regarding technology developments in the electrification of mines and smelters, the circular economy, battery solutions and freedom from fossil fuels. Investments in minimizing waste are made e.g. through the previously initiated investment program for Rönn-skär, which includes a new leaching plant for processing residual products and the commissioning of an underground repository, both in progress at the same time as production capacity is being expanded.

Mines are finite resources, and there are constant efforts to extend the lifespan of existing assets and to find new deposits. In 2019, the Board paid special attention to the Boliden Area's challenges to compensate for the operations in the Maurliden mine, which came to an end during the year. The Board also visited Tara in Ireland to gain a better on-the-spot understanding of the conditions for prolonging production there.

A related issue with regard to developing deposits and one which has kept the Board busy, is what Boliden can do to enjoy more predictable, efficient permitting processes.

ANNUAL GENERAL MEETING 2019

The Annual General Meeting (AGM) was held on 3 May in Boliden. The AGM was attended by 1,166 shareholders in person or by proxy, representing a total of slightly more than 109 million shares. The shares represented constituted approximately 40% of the total number of shares. The majority of Board members and members of Group management and the auditor were present at the AGM.

Among other things, the AGM resolved to re-elect all Board members with the exception of Pekka Vauramo, who had declined re-election. Perttu Louhiluoto was elected as a new Board member. Anders Ullberg was re-elected as Chairman of the Board. The AGM also resolved:

- To pay a dividend of SEK 8.75 per share, totalling SEK 2,393 m (2,256), in accordance with the proposal by the Board.
- To disburse just under SEK 1,162 m to the shareholders, in addition to the ordinary dividend, corresponding to SEK 4.25 per share, through an automatic redemption procedure. Thus together with the ordinary dividend, shareholders received SEK 13 per share, i.e. a total of almost SEK 3,555 m.
- To appoint Jan Andersson (Swedbank Robur fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management), Tommi Saukkoriipi (SEB Investment Management) and Anders Ullberg (Chairman of the Board) as members of the nomination committee.
- To raise the fee to the Chairman of the Board by SEK 100,000 to SEK 1,750,000, to raise the fees to Board members who are not Boliden employees by SEK 30,000 to SEK 580,000, and to raise the fees for work in the audit committee to SEK 225,000 for the Chairman and SEK 125,000 to each of the audit committee's other two members, all in accordance with the proposal by the nomination committee. The fees for the remunerations committee remained unchanged at SEK 50,000 to each of the committee's two members.
- To elect Deloitte AB as the company's auditors for the period up to the conclusion of the next AGM, in accordance with the proposal by the nomination committee, and that auditors' fees be payable against approved invoices.

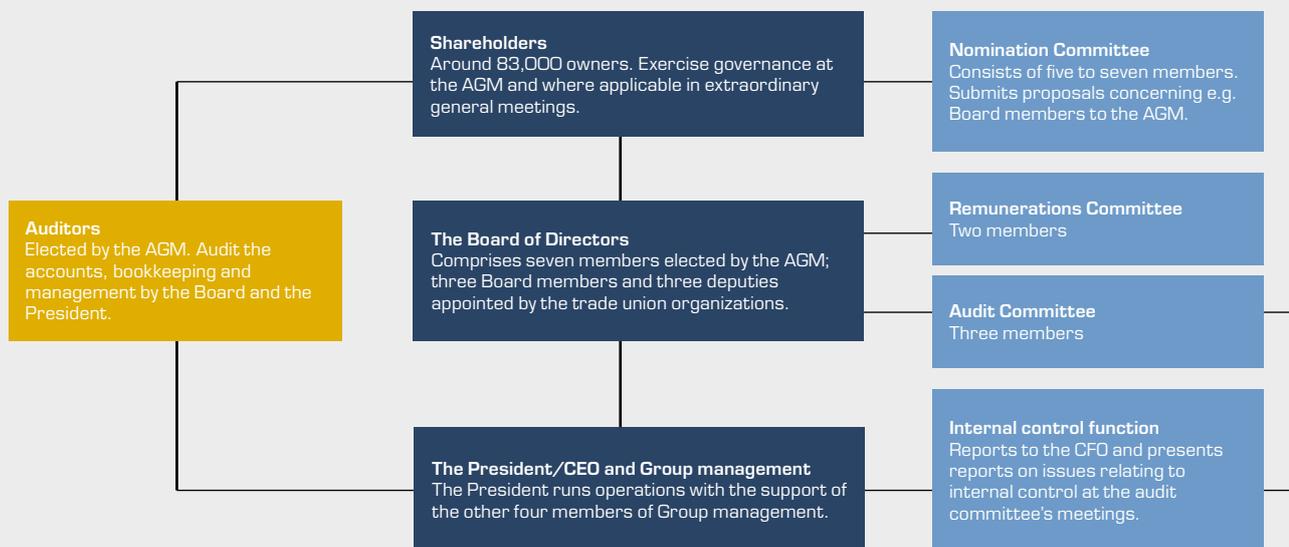
The AGM also resolved to approve the proposed principles for remuneration to Group management whereby the remuneration must comprise a fixed salary, any variable remuneration, other benefits and pensions. Variable remuneration may not exceed 60% of the fixed salary for the President and 40–50% of the fixed salary for other senior executives and must be based on outcomes in relation to set targets. The variable remuneration is not pensionable salary.

The resolutions passed by the 2019 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 2020 ANNUAL GENERAL MEETING.

The 2020 AGM will take place in Aitik on 28 April.

BOLIDEN GOVERNANCE STRUCTURE



Is it possible to grow organically in the markets where the company operates today; what are the permitting processes and conditions; is it possible to develop deposits with reasonable conditions and within a reasonable time period? Other issues concerning the mining industry's conditions and co-existence side-by-side with different interests have also been up for discussion, such as how the local population is affected by planned expansions, especially in the light of the relocation of the Liikavaara community nearby Aitik.

Dam safety is another important sustainability issue that is the subject of recurrent reviews. As a result of the dam failure that occurred earlier in the year in Brazil, the Board emphasizes the importance of learning the right lessons and further improving dam safety work. Last but not least, the Board also discussed the challenges identified regarding the availability of personnel with the right skills and Boliden's attractiveness as an employer.

Shareholders and the AGM

The biggest shareholders are Swedish and foreign funds and institutions. At year-end, the number of shareholders was 82,922 (77,354). The biggest single shareholders were Norges Bank, Black-Rock and Swedbank Robur. The share of foreign ownership increased during the year to approximately 63% (60). Further information about ownership structure is

available on pages 54 and 55 in the annual report and on Boliden'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 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 designated time sufficiently in advance of the meeting that the matter can be included in the notice to attend. Shareholders are also welcome to submit enquiries on company issues to the Board and the President, the auditor and the remuneration committee and audit committee chairmen during a general meeting.

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 CEO; the approval of fees to members of the Board and auditors and the principal terms and conditions of employment for the 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 share-

holders 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.

Nomination Committee

The nomination committee represents the shareholders. The nomination committee is tasked with preparing and submitting proposals for resolutions shareholders vote on at the AGM. The proposals concern 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 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 CEO presents the company's operations and future focus, and an opportunity is given

for the nomination committee to meet 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 Boliden's website. The AGM passes resolutions on the principles governing the appointment and duties of the nomination committee. According to the nomination committee instructions, the nomination committee must comprise a minimum of five and a maximum of seven members. The AGM elects five members, of whom three must represent the biggest shareholders and one the smaller shareholders, and one of whom must be the Chairman of the Board. The nomination committee may offer places on the committee to other, larger shareholders to better reflect the shareholder structure in the event of changes in ownership. The nomination committee appoints its own chairman and works in the best interests of all shareholders. Nomination committee members receive no remuneration.

The work of the nomination committee in 2019

Jan Andersson (Swedbank Robur fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management), Tommi Saukkoriipi (SEB Investment Management) and Anders Ullberg (Chairman of the Board) were elected to the nomination committee by the 2019 AGM. In November, the Chairman of the Board convened the committee members in accordance with its mandate, and in order to better reflect the shareholder structure, resolved to appoint an additional member, Anders Oscarsson (AMF). Jan Andersson was appointed Chairman of the nomination committee. The current composition of the nomination committee is also shown on Boliden's website. The nomination committee met four times prior to the 2020 AGM, and at the same time also met with one of the Board members and the President. Committee members were also in telephone contact with each other. These contacts afford the nomination committee a good opportunity to form an opinion of the way in which the Chairman of the Board and the individual members of the Board view the work of the Board, of the executive management, and of the way in which they view Boliden's operations and the challenges faced by the company in the next few years.

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 nomination committee 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 2019, 43% of the Board members proposed by the nomination committee and subsequently elected by the AGM were women, resulting in a relatively even gender distribution. Also, according to the nomination committee, the Board has a good composition and is fit for purpose.

The nomination committee's proposals for submission to the 2020 AGM will be published in the upcoming notice to attend and on the Boliden 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 2019, the Board, which is elected for one year at a time, has comprised seven members elected by the AGM and three members appointed by the trade 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. Boliden's President and CEO and the Chief Financial Officer (CFO) also usually attend the Meetings as members of Group 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 and 68 and on the Boliden website.

The Board sets the company's financial goals and strategy, appoints and evaluates the 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 dialogue. 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 monitoring operations through an ongoing dialogue with the CEO. The Chairman acts as an interlocutor in support of the 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 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 CEO is set out in the Instructions to the CEO adopted by the Board at the statutory board meeting.

The work of the Board in 2019

The Board held eight meetings in 2019, including the statutory board meeting. A number of the Board meetings are held at the company's operating units to provide members with a greater understanding of operations, and thus in 2019, the Board visited the Boliden Area and Tara.

The Board receives information at Board meetings and in monthly reports regarding commercial and financial performance, and the fulfilment of the company's sustainability goals. Every Board meeting begins with a review of the business, the current safety situation and sustainability issues. 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 Boliden's capabilities and challenges in a broader perspective. As mentioned, during the year the Board continued to focus on its investment program and resolved to follow through with a number of major investments in Rönnskär, Aitik, Kevitsa and Harjavalta.

With regard to the nature of the operation, appropriate and efficient permit 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 Board also resolved to propose that the AGM approve a redemption program designed to disburse funds to the company's shareholders, in addition to the ordinary dividend. In order to diversify Boliden's financing sources, the AGM also resolved to issue a five-year bond in the amount of SEK 750 m under the Boliden

Medium Term Note program.

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 2019 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, but it may set up internal committees to address issues within their respective remits. Thus in 2019, as in previous years, the Board set up an audit committee and a remuneration committee. Committee members are appointed at the 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 fulfilment of its responsibilities within the areas of internal control, auditing and assuring the quality of financial reporting. Boliden 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 company's auditors in addition to the audit; and where necessary it submits the nomination committee's proposals to the auditors. The audit committee meets prior to each reporting date and also as necessary.

As of the 2019 AGM, the audit committee comprises Pia Rudengren (Chairwoman), Tom Erixon 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 Boliden's CFO and the Head of Internal Control. The Committee met five times in 2019. During the year, special attention was paid to internal controls and IT security. The audit committee works according to

THE WORK OF THE BOARD IN 2019

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:



8 meetings
total during 2019

the Instructions for the Audit Committee adopted annually by the Board, and it reports the results of its work to the Board.

Remuneration Committee

The remuneration committee submits proposals for resolution by the Board regarding salary and other terms of employment for the 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 CEO. Also, the remuneration committee draws up proposals regarding remuneration principles for the 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 remunerations committee works according to the Instructions for the Remunerations Committee adopted annually by the Board, and it reports the results of its work to the Board. The remunerations committee comprises Anders Ullberg (Chairman) and Michael G:son Löw. During the year, the committee held one meeting and was also in contact by telephone a number of times.

The CEO and Group management

The 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 CEO is supported in his work by the Group's management team which, in addition to the CEO, comprises the presidents of Boliden's two business areas Mines and Smelters, the CFO, and the Director, Corporate Responsibility (CR). Group management meets once a month to follow up operations and discuss group-wide issues, draw up proposals for strategic plans, business plans and budgets, which the CEO 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. Group management also meets 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 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 Boliden's internal website; the documents constitute the internal framework required for effective management. They include the Code of Conduct, the Financial Policy, Tax Policy, the Insider Trading 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 handled in the same way as business management, from the Board through the 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 manage-

ment group meetings and Board meetings, and in local management meetings.

The most important sustainability issues are integrated into the company's strategy, as described on page 32. Every sustainability issue has a long-term focus that must help to guide and structure sustainability efforts at every level in the company. Factors that form the basis for prioritization include the impact of operations on people and the environment, how work on these issues can support operations; expectations from internal and external stakeholders, risks and opportunities, external factors, and applicable regulations. Because priority challenges and opportunities change over time, regular reviews take place, usually once per year and in which representatives from the business units and functions are involved. Each business area must set local goals within the prioritized sustainability issues.

Sustainability work is valuation based, which means measures are not only determined on the basis of legislation and regulatory requirements, but also on needs and identified improvement 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 invested amount are carried out independently of any external requirements or charges.

Events during 2019

In addition to areas linked to the well-being of people and the environment, business ethics issues are of constant concern and something the company is actively engaged with. During the year, a new ethics and compliance function was set up with the overall responsibility of ensuring compliance with regulations concerning anti-corruption, competition, trade sanctions, information security, human rights, whistle-blowing, business partner due diligence and the company's Code of Conduct.

As of 2017, a Sustainability Report has been included in the Annual Report. Boliden also compiles a Sustainability Index that follows the GRI Global Compact and TCFD guidelines. This report is the subject of an external review by 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 the Board's and the 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 audits or emerging issues. The auditor regularly attends Audit Committee meetings and has also met with the Board once without the management's presence in 2019. The auditor also reports to the shareholders at the AGM.

The auditing firm of Deloitte AB was elected at the 2019 AGM to serve as the company's auditors until the conclusion of the 2020 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 and Kinnevik, among others. Remuneration to the auditors is payable against approved invoices. See Note 6 for information concerning remuneration in 2019.

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 CEO is responsible for ensuring that a process and organization are in place to safeguard internal control and the quality of the internal and external financial reporting.

Internal control function

Boliden 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 at Boliden is characterized by relatively few but large operational units that have long operated according to well-established processes and control activities. To ensure a uniform approach and working methods within Boliden, there are binding policy documents and indicative guidelines for delegated responsibility within the organization.

The starting point is the New Boliden Way, 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.

Boliden has a uniform, standardized internal control framework known as the Boliden Internal Control System (BICS).

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, analysed and documented in BICS.

Control activities

Various types of control activities are carried out in the Group and within every different aspect 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 within the accounting and reporting process continued in BICS in 2019. 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 Boliden's intranet. 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

Work on follow-ups of, improvements to and development of systems, processes and controls within the Group is ongoing. 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 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

Follow-up

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