

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 regulations, Boliden uses 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, with which all employees must be familiar and follow. Also, the Group's units work in compliance with management systems for occupational health & safety, the environment, energy and quality.

Typical issues from 2020

As a result of the Corona pandemic, the Board of Directors has stepped up its monitoring of external factors and constantly follows trends in global mine production of base metals, the supply of concentrate and demand for Boliden's products. To minimize the impact on the operation and create room to maneuver in various scenarios, a number of measures were adopted including cost savings, a sharper focus on cash

flow and enhanced liquidity. Dividends to shareholders were also the subject of more comprehensive considerations than during a normal year. The Board noted that Boliden has a flexible dividend policy, specifically designed to meet cyclical fluctuations. Our strong balance sheet and the stress tests carried out by the company for different scenarios confirmed that the proposed dividend could be delivered without detrimental effects. A more disturbing effect of the pandemic were the limitations on in-person meetings for cross-checks and follow-ups, which may be the reason behind the break in the previously positive dividend trend during 2020. The Board of Directors regard this trend as serious and stands behind the company management's

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 Boliden owner since we were re-listed in Sweden 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. 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 of e.g. monthly reports and a well-structured body of material for the Board.

The Corona pandemic was by far the most significant world-wide event in 2020 and everyone has been affected by it in one way or another. Although Boliden as an individual company has managed relatively well to avoid the most immediate negative economic consequences, the pandemic has entailed changes in a number of areas. This applies to practical matters as well as everything from how to conduct meetings, plant visits, maintenance shutdowns and how to maintain the supply of raw materi-

als, production, transportation and sales, to more strategic decisions regarding long-term investments and other adjustments to operations in order to manage increased uncertainty and shorter planning horizons. These matters, together with limiting the effects of the pandemic on Boliden's operations, have naturally had high priority on the Board's agenda.

We 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. Visits during 2020 were suspended due to travel restrictions arising from the Corona pandemic.

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 2020 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 2021


Anders Ullberg

Chairman of the Board

decision to step up proactive health and safety work in order to strengthen the safety culture and thus reverse the trend.

Although the pandemic has left its mark on a great many things, the global trend in recent years continues toward an increasing focus on sustainability, in terms of occupational health & safety, the environment and business ethics. Expectations are not only increasing from the political arena, but also from investors, business partners, employees and the general public, and this requires putting objectives and intensified work on such issues into practice. During the year, the focus was on the EU's 'Green Deal', a stricter emissions trading system, indirect compensation for electricity-intensive industries and a review of the Water Directive. An important part of the advocacy efforts is the promotion of a better understanding of the role base metals play in society and adaptation to climate change, and giving decision-makers a holistic perspective to avoid conflicting with green initiatives, such as increased recycling and reduced emissions. The Raw Material Alliance was formed in the EU to improve Europe's security of supply in base metals, rare earth metals and certain industrial minerals, which is beneficial for Boliden's operations. These initiatives also mean that issues regarding investments that help achieve the prioritized environmental goals, such as reducing the carbon dioxide intensity by 40% by 2030 and better energy efficiency and waste management, will be presented for resolution by the Board. The expansion of the Harjavalta nickel line (EUR 40 m) is one of the major investments handled by the Board during the year; it will not only contribute to profitability, but also to environmental performance. The expansion is in line with Boliden's nickel strategy from 2015 and will mean increased production at a lower carbon intensity per metric ton of metal produced. Conditions for a possible modernization of the zinc smelters in Odda were another issue addressed by the Board during the year. A possible investment decision not only requires adequate confidence in the project itself, but also a clear picture of business cycle trends.

An agreement was also reached in 2020 on fossil-free electricity supplies in Sweden and Finland to secure compet-

ANNUAL GENERAL MEETING 2020

The AGM was held on 28 April in Stockholm. It was attended by 1,033 shareholders in person or by proxy, representing a total of slightly more than 106 million shares. The shares represented constituted approximately 39% of the total number of shares. Due to the current pandemic restrictions, the Board was only represented by its Chairman. The auditor in charge and the CEO were also present.

Among other things, the AGM resolved to reelect all Board members. Anders Ullberg was re-elected as Chairman of the Board. The AGM also resolved:

- To pay a dividend of SEK 7 per share, totaling SEK 1,915 m (2,393), in accordance with the proposal by the Board.
- To appoint Jan Andersson (Swedbank Robur fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management), Lilian Fossum Biner (Handelsbankens fonder) and Anders Ullberg (Chairman of the Board of Directors) as members of the Nomination Committee.
- In accordance with the Nomination Committee's proposal, it was resolved that the fee for the Chairman of the Board remain unchanged at SEK 1,750,000, that SEK 580,000 be paid to those of the other Board members who are not employed by the Company, and that SEK 225,000 be paid to the Chairman of the Audit Committee and SEK 125,000 be paid to each of the other two members of the Audit Committee. The fees for the Remuneration Committee also 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.

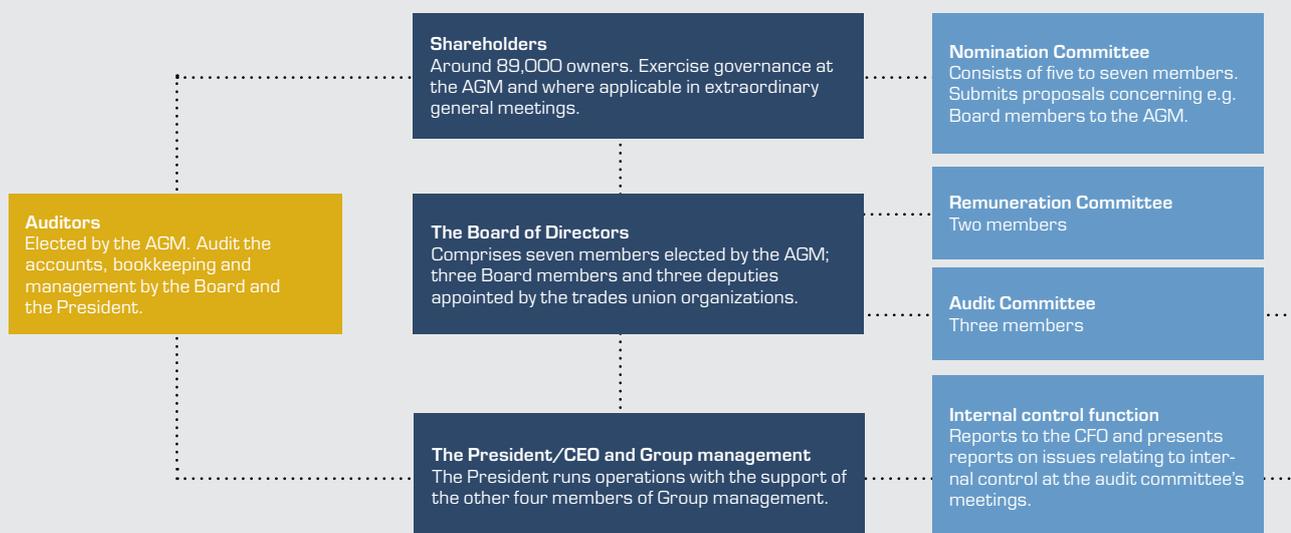
The AGM also resolved to approve the proposed principles for remuneration to Group management whereby the remuneration must comprise a fixed salary, any variable cash remuneration, other benefits and pensions. The variable cash compensation may not exceed 60% of the fixed salary and must be linked to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

The resolutions passed by the 2020 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 2021 ANNUAL GENERAL MEETING.

Annual General Meeting 2021 will take place on April 27, 2021.

BOLIDEN GOVERNANCE STRUCTURE



itive, climate-smart power supplies to multiple Boliden units. This is particularly important as the electrification of processes continues. Dam safety is another urgent sustainability issue that is the subject of recurrent Board reviews. During the year, new global dam safety guidelines known as the Global industry Standard on Tailings Management were issued on the initiative of the International Council on Mining and Metals (ICMM), the UN environmental program and the PRI industry organization. The new standard seeks to sharpen the focus on matters and contribute to greater transparency and uniform global management. Implementation of the new standard is in progress, and Boliden has also applied for membership in ICMM.

Shareholders and the AGM

The biggest shareholders are Swedish and foreign funds and institutions. At year-end, the number of shareholders was 89,000 (83,000). The single largest owners were BlackRock, T Rowe Price, Handelsbanken Fonder, Swedbank Robur fonder and Norges Bank. The share of foreign ownership decreased a little during the year to approximately 60% (63). Further information about ownership structure is available on pages 52 and 53 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 Annual General

Meeting (AGM) and any extraordinary general meetings. Shareholders may request that a matter be considered 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 inquiries 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 shareholders with an insight into the business. In conjunction with the meetings, the shareholders have the opportunity to enjoy guided tours in mines, concentrators or smelters to gain a deeper understanding of the various operations and an opportunity to meet Boliden's employees. The 2020

AGM was scheduled to take place in Aitik, but was moved to Stockholm to allow it to be held in a Covid-safe venue.

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 President 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 instruc-

tions 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 the better to 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 2020

The 2020 AGM elected Jan Andersson (Swedbank Robur fonder), Lars-Erik Forsgårdh, Ola Peter Gjessing (Norges Bank Investment Management), Lilian Fossum Biner (Handelsbankens fonder) and Anders Ullberg (Chairman of the Board of Directors) as members of the Nomination Committee. The Nomination Committee has exercised its mandate to invite another member, Anders Oscarsson (AMF), the better to reflect the shareholder structure. The Nomination Committee appointed Lilian Fossum Biner as Chair. The current composition of the Nomination Committee is also presented on the Boliden website. The nomination committee met six times prior to the 2021 AGM, and at the same time also met with two 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 Board must, with

regard to the company's operations, developmental phase, future orientation and overall conditions, have a composition that is fit for purpose and characterized by versatility and broad scope in terms of the elected members' skills, experience and background. In 2020, 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 proposed the re-election of Anders Ullberg as Chairman of the Board prior to the 2021 AGM. The Board members Helene Biström, Perttu Louhiluoto, Michael G:son Löw, Elisabeth Nilsson and Pia Rudengren were proposed for re-election. Per Lindberg and Karl-Henrik Sundström were proposed new elections. Per Lindberg is the erstwhile CEO of Billerud Korsnäs and Epiroc. Among his other former positions, Karl-Henrik Sundström has served as CFO of Ericsson and CEO of Stora Enso. The Nomination Committee's other proposals will be made clear in its motivated statement, which will be published in the notice of attendance to the AGM and on Boliden's website.

The Board of Directors

The Board of Directors is appointed by the owners to bear ultimate responsibility for the company's organization and the management of the company's affairs in the best interests of both Boliden and the shareholders. This must be done in a sustainable way that entails carefully balanced risk-taking, in order to ensure that the company's long-term developmental trend is a positive one.

Under the provisions of the articles of association, the Board of directors must comprise a minimum of three and a maximum of ten members, without deputies, elected by the AGM. Employees have a statutory right to appoint three members and three deputies to the Board. Since the AGM of 2020, 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. The CEO and CFO usually attend Board meetings as representatives of company

management. Other members of Group management and other executives also attend and present reports on specialist issues as required.

The Board members elected by the AGM are all independent in relation to major shareholders, the company and Group management. Thus the Board complies with the requirements of the Code with regard to independent members. The members of the Board are presented on pages 65 and 66 and on the Boliden website.

The Board sets the company's financial goals and strategy, appoints and evaluates the President and CEO; it ensures that efficient systems are in place for monitoring and controlling operations, that statutory and regulatory requirements are complied with, and that information is published in a correct and transparent manner. At the statutory board meeting held every year immediately after the AGM, the Board adopts rules of procedure that govern its work and responsibilities in more detail, together with the special tasks assigned to the Chairman of the Board.

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

The work of the Board in 2020

The Board held seven meetings in 2020, including the statutory board meeting.

The Board receives information at Board meetings and in monthly reports regarding commercial and financial performance, and the fulfillment of the company's sustainability 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.

With regard to the nature of the operation, appropriate and efficient permit processes and reasonable operational conditions (license to operate) are important issues for the company and its Board, and they are addressed on a recurring basis. In line with this, health and safety work and the follow-up of accidents and the sick leave rate are standing discussion items at every Board meeting.

The Chairman ensures that the Board and its work are evaluated annually and that the results of the evaluation are conveyed to the nomination committee. The evaluation is carried out by the Board under the supervision of the Chairman or with the help of an independent consultant. The 2020 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 2020, as in previous years, the Board set up an audit committee and a remuneration committee. Committee members are appointed at the statutory Board meeting held after the AGM. Their work is governed by the committees’ rules of procedure and instructions.

Audit Committee

The audit committee prepares a number of issues for consideration by the Board and thereby supports the Board in the fulfillment of its responsibilities within the areas of internal control, auditing and assuring the quality of financial reporting. 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 its proposals for auditors to the nomination committee. The audit committee meets prior to each reporting date and also as necessary.

As of the 2020 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

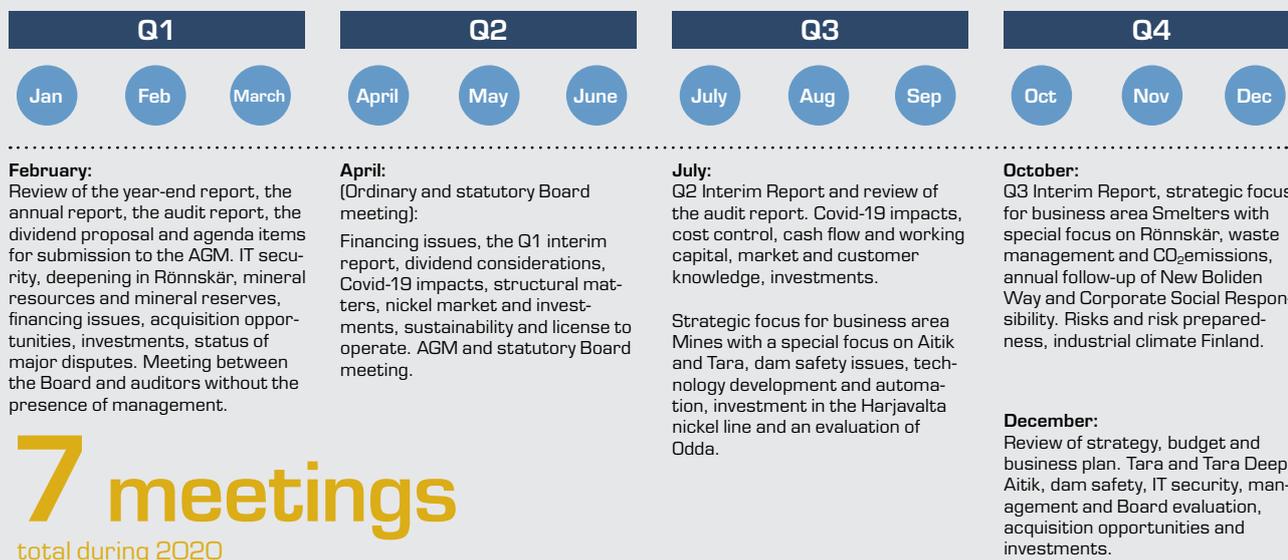
assignments and previous positions, pages 65 and 66. The committee’s meetings are also attended by Boliden’s CFO and the Head of Internal Control. The Committee met five times in 2020. During the year, special attention was paid to internal controls, reclamation and IT security. As of 2020, the Audit Committee also receives annual reports on ethics and compliance issues. The audit committee works according to the Instructions for the Audit Committee adopted annually by the Board, and it reports the 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 President, and follows up on and evaluates programs for variable remuneration for the management. The committee also approves proposals regarding salaries and other terms of employment for Group management, as proposed by the President. Also, the remuneration committee draws up proposals regarding remuneration principles for the President 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 com-

THE WORK OF THE BOARD IN 2020

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:



mittee, and the results of this evaluation are published on the company website. See Note 5 for an account of the remuneration paid to Group management.

The Remuneration Committee works according to the Instructions for the Remuneration Committee adopted annually by the Board, and it reports the results of its work to the Board. The Remuneration Committee comprises Anders Ullberg (Chairman) and Michael G:son Löw. During the year, the committee held two meetings and were also in contact by telephone a number of times.

The President and Group management

The President has ultimate responsibility for Boliden's strategic orientation and for ensuring compliance with and implementation of the Board's decisions, and for ensuring that risk management, control, systems, organization and processes are all of a satisfactory standard. The President is supported in his work by the Group's management team which, in addition to the President, 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 President presents to the Board. The areas addressed by the Board have largely reflected the work of Group management during the year. Group management also holds two meetings every year on strategy planning. Group management, together with the management of the respective business areas, also meet six times a year to review business area-specific issues, including a review of budgets and operations. For large scale projects, special steering groups are formed, which regularly meet with project managers and other stakeholders. The President and CR also meet with the company's employee representative Board members and deputies before every Board meeting, to discuss the agenda and other issues of current interest. See page 67 for a presentation of the Group management team.

Business management

Management by the Board takes place through the President 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 management system; the documents constitute the internal framework required for effective management. They include the Code of Conduct, the Financial Policy, Tax Policy, the Insider Policy, the Whistleblower Policy, and documentation on sanctions control, delegation and decision-making, anti-corruption and conflicts of interest, competition law issues, supplier evaluation and code of conduct, communications, privacy and personnel information processing (GDPR), and a large number of policy documents relating to the environment and health and safety issues.

Sustainability governance

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

The most important sustainability issues are integrated into the company's strategy, as described on page 33. 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, including the UN's Global Compact and its global goals for sustainable development. Boliden also supports the Task Force on Climate-related Financial Disclosures (TCFD) and has a management system that complies with the ISO standards for the environment, quality, energy and occupational health and safety. Sustainability issues are also monitored

through participation in European and national industry organizations. 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. Priority sustainability issues are integrated into Boliden's strategy work, and each business area is responsible for setting local goals based on the Group's guidelines on 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 measures to 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.

During the year, a new purpose, vision and values were drawn up for the company. To make sure the values reflect the strengths in the corporate culture while also identifying areas that need development and improvement, the work was carried out by Group management together with representatives from the entire organization. All Boliden employees will take part in the work with values, to shape and move the corporate culture toward Boliden's common purpose and vision.

In addition to areas linked to the well-being of people and the environment, business ethics are always matters for discussion. At the end of 2019, a new ethics and compliance function was set up with the overall responsibility of ensuring compliance with regulations concerning anti-corruption, competition, trade sanctions, money laundering, information security, human rights, whistle-blowing, business partner due diligence and the company's Code of Conduct. The function reports to the Director, CR.

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 guidelines from TCFD. This report is the subject of an external review by the auditors. The review is also aimed at underlining the importance of sustainability work and further boosting the confidence of the market and other stakeholders regarding this work.

Auditors

The external auditor conducts independent audits of accounts to ensure that in all material respects they provide an accurate, fair and comprehensive picture of the company’s position and economic performance. The auditor also reviews the Board’s and the President’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 2020. The auditor also reports to the shareholders at the AGM.

The auditing firm of Deloitte AB was elected at the 2020 AGM to serve as the company’s auditors until the conclusion of the 2021 AGM. Authorized public accountant Jan Berntsson is auditor-in-charge. He is a partner and CEO of Deloitte Sweden and has auditing assignments for Electrolux, among others. Remuneration to the auditors is payable against approved invoices. See note 6 for information concerning remuneration in 2020.

Board of Directors’ report on internal control

The purpose of internal control over financial reporting is to provide reasonable assurance with regard to the reliability of the external financial reporting and to ensure that the reports are produced in accordance with generally accepted accounting principles, applicable legislation and statutes, and with other requirements imposed on listed companies.

The Board has overall responsibility for ensuring that an effective internal control system exists within the Group. The President 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), which includes both financial processes and general IT processes.

Risk analysis

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

Control activities

Various types of control activities are carried out in the Group and in 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 in the accounting and reporting process continued in BICS in 2020. 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 and the business management system. Backup Information on updates and changes to reporting and accounting principles is issued via email and at the regular finance and controller meetings. External communication is conducted in accordance with the Group communications policy. All information must be communicated openly, judiciously and clearly.

Follow-up

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/Business areas

Follow-up

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