

Corporate Governance Report 2021

The Volvo Group appreciates sound corporate governance as a fundamental base in promoting its long-term strategic objectives and in achieving a trusting relation with shareholders and other key stakeholders. High standards when it comes to transparency, reliability and ethical values are guiding principles within the Volvo Group's operations.

The Swedish Corporate Governance Code

AB Volvo's shares are admitted to trading on the stock exchange Nasdaq Stockholm's main market. As a listed company, Volvo applies the Swedish Corporate Governance Code (the Code), which is available at www.corporategovernanceboard.se.

This Corporate Governance Report has been prepared in accordance with the Swedish Annual Accounts Act and the Code, and is separate from the Annual and Sustainability Report. The report has been reviewed by, and includes a report from, Volvo's auditors.

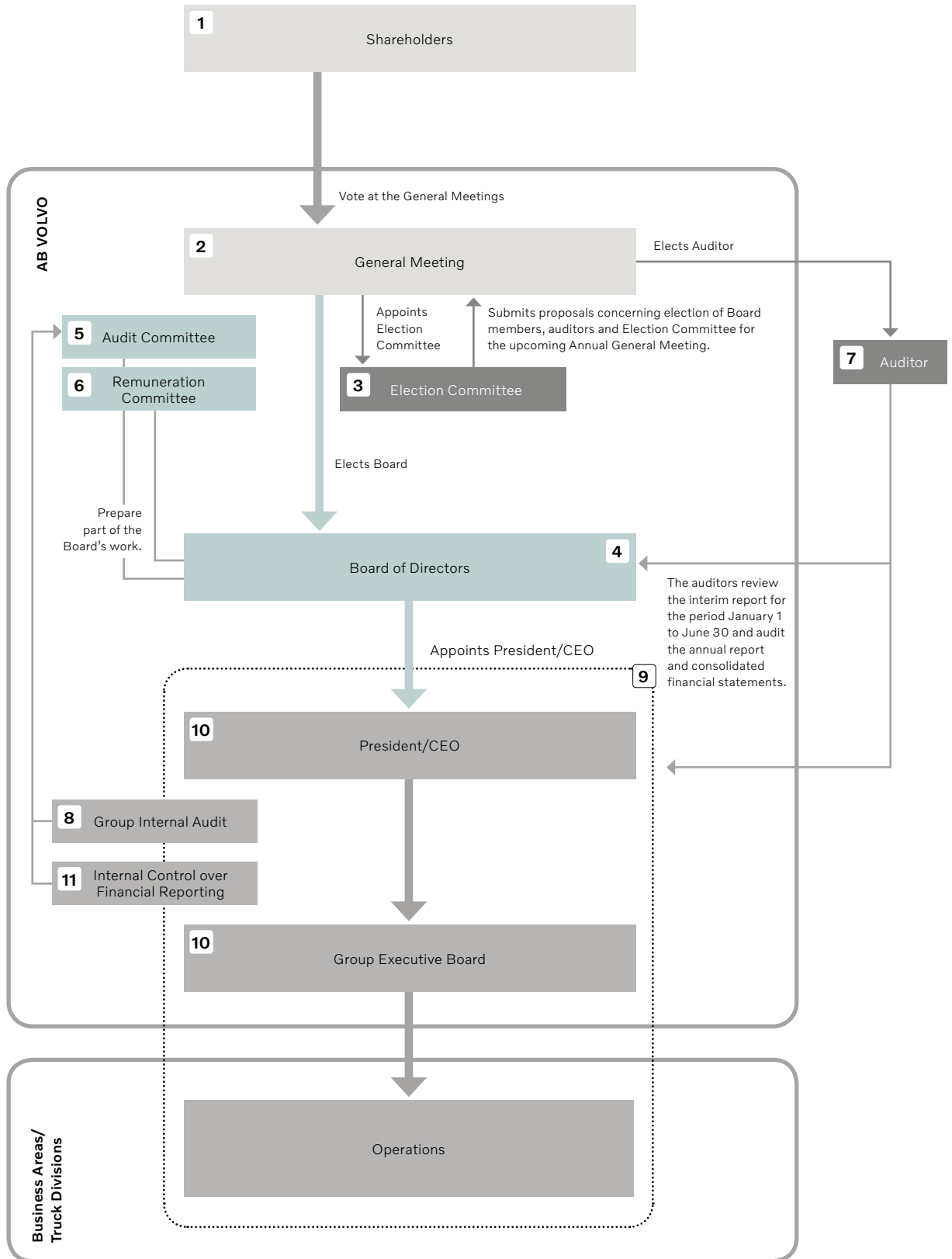
Corporate Governance Model

At the General Meetings of AB Volvo, which is the parent company of the Volvo Group, the shareholders exercise their voting rights with regard to for example the composition of the Board of Directors of AB Volvo and the election of auditors.

An Election Committee, appointed by the Annual General Meeting, submits proposals to the General Meeting concerning the election of Board members and Board Chairman as well as proposals for resolutions concerning remuneration of the Board. When applicable, the Election Committee also submits proposals to the General Meeting for the election of external auditors and for resolutions concerning fees to the auditors.

The Board is ultimately responsible for Volvo's organization and the management of its operations.

In addition, the Board appoints the President and CEO of AB Volvo. The CEO is in charge of the daily management of the Group in accordance with the guidelines provided by the Board.



1 SHARES AND SHAREHOLDERS

Volvo has issued two classes of shares: series A and series B. At a General Meeting, series A shares carry one vote and series B shares one-tenth of a vote. The two share classes carry equal rights in the assets and earnings of the company. According to a special share conversion clause in the Articles of Association, holders of series A shares are entitled to request that their series A shares be converted to series B shares. Implementation of such conversions, which occurs on a regular basis, entail that the total number of votes in the company decreases.

The share register of AB Volvo is maintained by Euroclear Sweden AB. On December 31, 2021, Volvo had 358,253 shareholders according to the share register. The largest shareholder, in terms of votes on that date was AB Industrivärden, with 27.7 percent of the votes. As per the same date, Geely Holding held 16.0 percent of the votes, AMF Insurance & Funds held 5.4 percent of the votes, Alecta held 4.2 percent of the votes and AFA Insurance held 2.3 percent of the votes.

For more information about the Volvo share and its shareholders, please refer to the Board of Director's Report on pages 68–69 of the Annual and Sustainability Report.

2 GENERAL MEETING

General

The General Meeting is Volvo's highest decision-making body. The Annual General Meeting is held within six months of the end of the financial year, normally in Gothenburg, Sweden.

In addition to what follows from applicable law regarding shareholders' right to participate at General Meetings, under Volvo's Articles of Association shareholders must give notice of their attendance (within the time stated in the convening notice) and, when applicable, notify the company of any intention to bring assistants.

A shareholder who wants the General Meeting to consider a particular matter must submit a request to the Board in sufficient time prior to the General Meeting to the address provided on Volvo's website, www.volvogroup.com.

The Annual General Meeting 2021 was held on March 31, 2021 and an Extraordinary General Meeting was held on June 29, 2021 to resolve on an extraordinary dividend. To reduce the risk of spreading the covid-19 virus and considering the authorities' regulations and advice on avoiding public gatherings, both the Annual General Meeting 2021 and the Extraordinary General Meeting were carried out through postal voting, without any physical attendance, pursuant to temporary legislation. As communicated by the Swedish Corporate Governance Board in March 2020, this is not to be considered a deviation from the Code.

Annual General Meeting 2022

Volvo's Annual General Meeting 2022 will be held on Wednesday, April 6, 2022. For further information about the Annual General Meeting 2022, please refer to the end of the Annual and Sustainability Report and Volvo's website, www.volvogroup.com.

3 ELECTION COMMITTEE

Duties

The Election Committee is elected by the General Meeting. The Election Committee shall perform the tasks that are incumbent upon the Election Committee according to its instructions from the General Meeting and the rules of the Code. The main task is to prepare and present proposals to the Annual General Meeting on behalf of the shareholders for the election of Board members, Chairman of the Board and Board remuneration and, when applicable, proposals for auditors and fees to the auditors.

In addition, the Election Committee presents proposals for members of the Election Committee for the following year, in accordance with prevailing instructions for Volvo's Election Committee.

Composition

In accordance with the current instructions for Volvo's Election Committee (adopted by the Annual General Meeting 2019), the Annual General Meeting shall elect five members to serve on the Election Committee, of

whom four shall represent the largest shareholders in the company in terms of votes, who have expressed their willingness to participate in the Election Committee. In addition, one of the members shall be the Chairman of the AB Volvo Board. Volvo's Annual General Meeting 2021 resolved to appoint the following individuals as members of the Election Committee:

- Bengt Kjell (AB Industrivärden)
- Anders Oscarsson (AMF and AMF Funds)
- Ramsay Brufer (Alecta)
- Carine Smith Ihenacho (Norges Bank Investment Management)
- Carl-Henric Svanberg, Chairman of the Board

The Election Committee appointed Bengt Kjell as Chairman of the Election Committee.

4 BOARD OF DIRECTORS

Duties

The Board is ultimately responsible for Volvo's organization and management of the company's operations. The Board is responsible for the Group's long-term development and strategy, for regularly controlling and evaluating the Group's operations and for the other duties set forth in the Swedish Companies Act.

Composition

In 2021, AB Volvo's Board consisted of eleven members elected by the Annual General Meeting and three members and two deputy members appointed by employee organizations.

The Annual General Meeting 2021 re-elected Matti Alahuhta, Eckhard Cordes, Hanne de Mora, Eric Elzvik, Kurt Jofs, Martin Lundstedt, Kathryn V. Marinello, Martina Merz, Helena Stjernholm and Carl-Henric Svanberg as Board members and Martha Finn Brooks was elected as new Board member. The previous Board member James W. Griffith did not stand for re-election. The Annual General Meeting re-elected Carl-Henric Svanberg as Chairman of the Board. A more detailed presentation of each Board member is set out in the "Board of Directors" section on pages 186–187.

Prior to the Annual General Meeting 2021, the Election Committee announced that it had applied the provisions of rule 4.1 of the Code as board diversity policy. The aim is that the Board as a collective should possess the required mix in terms of background and knowledge, whereby an even gender distribution is taken into particular account. The result of the Election Committee's application of the diversity policy is a Board that represents a mix of both professional experience and knowledge as well as geographical and cultural backgrounds. 45 percent (five out of eleven) of the Board members elected by the Annual General Meeting are women.

Independence requirements

The Board of Directors of AB Volvo is subject to the independence requirements prescribed in the Code.

Prior to the Annual General Meeting 2021, the Election Committee presented the following assessment of the independence of Board members elected at the Annual General Meeting 2021.

Carl-Henric Svanberg, Matti Alahuhta, Eckhard Cordes, Hanne de Mora, Eric Elzvik, Martha Finn Brooks, Kurt Jofs, Kathryn V. Marinello and Martina Merz were all considered independent of the company and company management, as well as the company's major shareholders.

Martin Lundstedt, as President of AB Volvo and CEO of the Volvo Group, was considered independent of the company's major shareholders but not of the company and company management.

Helena Stjernholm was considered independent of the company and company management but not in relation to one of the major shareholders, due to her capacity as President and CEO of AB Industrivärden.

Work procedures

Every year, the Board adopts work procedures for the Board's work.

The work procedures outline how the Board's duties should be distributed, including the specific role and duties of the Chairman, instructions for the division of duties between the Board and the President and for the reporting of financial information to the Board. The Board has also adopted specific instructions for the Board's committees, which are linked to the work procedures.

The Board's work in 2021

The Board's work is mainly performed within the framework of formal Board meetings and through meetings in the committees of the Board. In addition, regular contact is maintained between the Chairman of the

Board and the CEO in order to discuss ongoing business and to ensure that the Board's decisions are executed.

In 2021, there were ten regular Board meetings, two extraordinary Board meetings and one statutory Board meeting. Due to the covid-19 pandemic, several of the Board meetings during 2021 were held as video conferences. In light thereof, the Board has decided that, from both a sustainability and efficiency perspective, some of the ordinary Board meetings should continue to be held as video conferences also after the pandemic. The attendance of the Board members at the Board meetings in 2021 is presented in the table on page 185. The company's auditor attended one Board meeting during the year.

During 2021, the Board has continued to monitor the measures taken to address the challenges and consequences of the covid-19 pandemic, with continuous focus on the health and safety of Volvo Group colleagues, customers and business partners as well as to maintain a tight cost control and focus on cash flow. The global shortage of semiconductors and other components has been a challenge throughout the year as well as the ramp-up of production to meet the strong demand, both of which have been closely monitored by the Board.

The focus on sustainability has increased further during 2021 and the Volvo Group's sustainability work and objectives are an integrated part of the Volvo Group's business and are regularly reported to the Board by the Volvo Group management. In addition, work is on-going to strengthen the reporting and enable consolidated follow-ups within the area of sustainability. In 2021 the Volvo Group's climate targets were validated by the Science Based Targets initiative (for further information, see pages 158-160) and the Board adopted the Volvo Group Human Rights Policy as well as the Volvo Group Tax Policy.

The speed of transformation of the industry is accelerating and, in light thereof, the Board has devoted most of its time to strategic topics, with particular focus on disruptive technologies related to digitalization, connectivity, automation and electromobility. These technologies play an essential part in the Group's positioning in the transformation of the industry towards climate-neutral and sustainable transportation and infrastructure solutions. During 2021, the Volvo Group has entered into several partnerships with focus on autonomous solutions, electrification and charging infrastructure. These include, among others, partnering with Aurora to jointly develop autonomous transport solutions, the completion of the transaction to form a fuel-cell joint venture with Daimler Truck AG and the signing of a binding agreement with Daimler Truck and the Traton Group to create a joint venture to install and operate a high-performance public charging network for battery electric, heavy-duty long-haul trucks and coaches across Europe. In addition, the strategic alliance with Isuzu became operational in 2021. Furthermore, the Board has taken the decision to invest in a truck plant in China in order to strengthen Volvo Trucks' position in the Chinese market in this period of transformation.

By allocating time to business reviews of the Group's various Truck Divisions and Business Areas the Board remains continuously up to date on the status and development of the Group's transformation work and strategies in relation thereto. Furthermore, the Board has devoted time to talent review and succession planning and on the review and follow-up of the company's quality work. Related to this work, the Board usually makes a yearly visit to the company's operations throughout the world. In October 2021, the Board travelled in Sweden and visited the Volvo Group's truck plant in Tuve (Göteborg) and the Volvo Group's construction equipment operations in Eskilstuna and Braås.

During 2021, the Board decided on an overall financial plan and investment framework for the Group's operations. In addition, the Board regularly monitors the Group's earnings and financial position and maintains continuous focus on risk related issues such as overall risk management

and ongoing legal disputes and investigations. Furthermore, the Board regularly reviews the management's short and long-term incentive programs to ensure that they fulfill their purpose and drive the right behaviour in the current business environment.

Finally, during 2021, the Board resolved, in light of the Volvo Group's improved profitability, resilience in downturns and strong financial position and following the sale of UD Trucks, to propose that the proceeds from the sale of UD Trucks was to be distributed to the shareholders as an extraordinary dividend.

Evaluation of the Board's work

In 2022, the Board performed its yearly evaluation of the Board's work during the previous year. The purpose of the evaluation is to further develop the Board's efficiency and working procedures and to determine the main focus of the Board's coming work. In addition, the evaluation serves as a tool for determining the competence required by the Board and for analyzing the competence that already exists in the current Board. By that, the evaluation also serves as input for the Election Committee's work with proposing Board members.

As part of the yearly evaluation, Board members were asked to complete a questionnaire and assess various areas related to the Board's work from their own perspective. The areas evaluated for 2021 included the Board's composition, understanding of key stakeholders, the management and focus of Board meetings, Board support and committees and how the Board addresses issues related to strategy and strategic priorities, sustainability, potential risks, succession planning and people oversight. The areas covered by the evaluation may differ from one year to another to reflect the development of the Board's work and the Volvo Group and for 2021, particular focus was kept on the transformation of the vehicle industry and, in light thereof, strategic topics and priorities for the Volvo Group, mainly relating to sustainability, digital development and new technologies.

Separate evaluations were conducted of the Board as a collective, of the Chairman of the Board, the Audit Committee and the Remuneration Committee. The results of the evaluations of the Board as a collective and of the Chairman will be discussed by the Board. The results of the evaluations of the committees will be discussed by the relevant committee. In addition, the results of the evaluations of the Board as a collective and of the Chairman are shared with the Election Committee.

Remuneration of Board Members

The Annual General Meeting resolves on fees to be paid to the Board members elected by the Annual General Meeting. For information about Board remuneration adopted by the Annual General Meeting 2021, please refer to Note 27 in the Group's notes in the Annual and Sustainability Report. The Board members decided to voluntarily abstain from 20 percent of their Board and Committee remuneration during the time period from the Annual General Meeting 2020 to the Annual General Meeting 2021 as a result of the adverse financial consequences caused by the covid-19 pandemic.

Remuneration of Board members, 2021 (from AGM on March 31, 2021)

	SEK
Chairman of the Board	3,700,000
Board member ¹	1,100,000
Chairman of the Audit Committee	390,000
Member of the Audit Committee	180,000
Chairman of the Remuneration Committee	165,000
Member of the Remuneration Committee	118,000

¹ With the exception of the CEO.

The Board's committees

5 AUDIT COMMITTEE

Duties

The Board has an Audit Committee primarily for the purpose of supervising the accounting and financial reporting processes and the audit of the annual financial statements.

The Audit Committee's duties include preparing the Board's work to assure the quality of the Group's financial reporting by reviewing interim reports, the Annual and Sustainability Report and the consolidated accounts. The Audit Committee also has the task of reviewing and overseeing the Group's legal and taxation matters as well as compliance with laws and regulations that may have a material impact on financial reporting. Furthermore, the Audit Committee has the task of reviewing and overseeing the impartiality and independence of the company's auditors. The Audit Committee is also responsible for evaluating both internal and external auditors' work and, when applicable, handling the tender process for audit services. In addition, it is the Audit Committee's task to preapprove what other services, beyond auditing, the company may procure from the auditors. The Audit Committee also adopts guidelines for transactions with companies and persons closely associated with Volvo. Further, the Audit Committee evaluates the quality, relevance and effectiveness of the Group's system for internal control over financial reporting, as well as with respect to the internal audit and risk management, and discharge any other duties of an audit committee according to law or its instructions. Finally, the Audit Committee oversees developments within the ESG (Environmental, Social and Governance) standards, and the Group's reporting in these areas.

Composition and work in 2021

At the statutory Board meeting following the Annual General Meeting 2021, the following Board members were appointed members of the Audit Committee:

- Hanne de Mora
- Eric Elzvik
- Helena Stjernholm

Hanne de Mora was appointed Chairperson of the Audit Committee.

The Audit Committee met with the external auditors without the presence of management on two occasions in 2021 in connection with Audit Committee meetings. The Audit Committee regularly met with the Head of Group Internal Audit in connection with Audit Committee meetings.

The Election Committee's assessment of independence of the Audit Committee members prior to the Annual General Meeting 2021 is presented above under the "Independence requirements" section on page 183.

The Audit Committee and the external auditors, among other tasks, discussed the external audit plan and the view of risk management. The Audit Committee held nine regular meetings and one extraordinary meeting during 2021. The attendance of Board members at the committee meetings is presented in the table on page 185. The Audit Committee reports the outcome of its work to all members of the Board on a regular basis and the minutes of the Audit Committee meetings are available for all Board members.

6 REMUNERATION COMMITTEE

Duties

The Board has a Remuneration Committee for the purpose of preparing and deciding on issues relating to the remuneration of senior executives in the Group. The duties of the Committee include making recommendations to the Board on the Board's decisions regarding terms of employment and remuneration of the CEO and the Deputy CEO of AB Volvo, principles for the remuneration, including pensions and severance payments, of other members of the Group Executive Board and principles for variable salary systems, share based incentive programs and for pension and severance payment structures for other senior executives in the Group.

The Remuneration Committee shall also monitor and evaluate ongoing programs and programs concluded during the year for the variable remuneration of senior executives, application of the remuneration policy for remuneration to the Volvo Group Executive Board, and the current remuneration structures and levels in the Group.

The Board shall prepare a remuneration report for each financial year detailing the remuneration that is covered under the remuneration policy. The remuneration report shall include the total remuneration, i.e. both compensation that has been and remains to be paid out, and outline how such remuneration correlates to the remuneration policy. The remuneration report also provides details on the remuneration of AB Volvo's President and CEO and Deputy CEO. The remuneration report shall be submitted to the Annual General Meeting for approval.

Composition and work in 2021

At the statutory Board meeting following the Annual General Meeting 2021, the following Board members were appointed members of the Remuneration Committee:

- Carl-Henric Svanberg
- Matti Alahuhta
- Kurt Jofs
- Mikael Sällström

Carl-Henric Svanberg was appointed Chairman of the Remuneration Committee.

The Election Committee's assessment of the independence of members of the Remuneration Committee in accordance with the requirements in the Code, prior to the Annual General Meeting 2021, is presented under "Independence requirements" on page 183.

The Remuneration Committee held four regular meetings during 2021. The attendance of Board members at committee meetings is presented in the table below. The Remuneration Committee reports the outcome of its work to all members of the Board on a regular basis.

The Board's composition and attendance at meetings January 1, 2021 – December 31, 2021

Member	Board meetings (13 incl. statutory)	Audit Committee (10)	Remuneration Committee (4)	Member	Board meetings (13 incl. statutory)	Audit Committee (10)	Remuneration Committee (4)
Carl-Henric Svanberg	13		4	Helena Stjernholm	13	10	
Martin Lundstedt	13			Lars Ask, employee representative	12		
Matti Alahuhta ¹	13		4	Mats Henning, employee representative	13		
Eckhard Cordes ²	12			Mikael Sällström, employee representative ⁹	12		4
Eric Elzvik	13	10		Camilla Johansson, employee representative	13		
Martha Finn Brooks ³	9			Mari Larsson, employee representative	13		
James W. Griffith ⁴	3		1	Total number of meetings	13	10	4
Kurt Jofs ⁵	13		3				
Kathryn Marinello ⁶	13						
Martina Merz ⁷	13						
Hanne de Mora ⁸	13	10					
Total number of meetings	13	10	4				

1 Matti Alahuhta partly attended the ordinary Board meeting in February 2021.

2 Eckhard Cordes partly attended the ordinary Board meeting in September 2021.

3 Martha Finn Brooks joined the Board in March 2021 and has since attended all Board meetings during 2021, except for one of the ordinary Board meetings in October 2021 and part of the ordinary Board meeting in December 2021.

4 James W. Griffith resigned from the Board in March 2021.

5 Kurt Jofs was appointed member of the Remuneration Committee in March 2021.

6 Kathryn Marinello partly attended the ordinary Board meetings in June, September and December 2021.

7 Martina Merz partly attended the ordinary Board meetings in February, June and September 2021.

8 Hanne de Mora partly attended the statutory meeting in March 2021 and the extraordinary meeting in November 2021.

9 Mikael Sällström partly attended one of the ordinary Board meetings in October 2021.

Board of Directors

Board members elected by the Annual General Meeting








	Carl-Henric Svanberg <i>Chairman of the Board, Chairman of the Remuneration Committee</i>	Matti Alahuhta <i>Member of the Remuneration Committee</i>	Eckhard Cordes	Eric Elzvik <i>Member of the Audit Committee</i>	Martha Finn Brooks
Education	MSc in Applied Physics, Linköping Institute of Technology, BSc Business Administration, University of Uppsala.	MSc, Dr Sc. Doctor of Science, Helsinki University of Technology.	MBA and PhD, University of Hamburg.	MSc Business Administration, Stockholm School of Economics.	BA Economics and Political Science, Yale University. MBA International Business from Yale School of Management, Yale University.
Born	1952	1952	1950	1960	1959
Member of the Volvo Board	Chairman of the Volvo Board since April 4, 2012.	Since April 2, 2014.	Since April 1, 2015.	Since April 5, 2018.	Since March 31, 2021.
Position and Board memberships	Chairman of the European Round Table of Industry (ERT).	Board Chairman: DevCo Partners Oy. Board Member: Kone Corporation.	Partner in Cevian Capital and EMERAM Capital Partners. Board Chairman: Bilfinger SE. Member of the Executive Committee of Eastern European Economic Relations of German Industry.	Board Chairman: Global Connect Group. Board member: Telefonaktiebolaget LM Ericsson, Landis+Gyr Group AG and VFS Global.	Board Member: Jabil, Constellation, CARE USA and CARE Enterprise Inc.
Principal work experience	Has held various positions at Asea Brown Boveri (ABB) and Securitas AB, President and CEO of Assa Abloy AB, President and CEO of Telefonaktiebolaget LM Ericsson, Board Chairman of BP plc, member of External Advisory Board of the Earth Institute at Columbia University and the Advisory Board of Harvard Kennedy School. Previous assignments also include Chairman of the Royal Swedish Academy of Engineering Sciences (IVA).	Has held several management positions in the Nokia Group – President of Nokia Telecommunications, President of Nokia Mobile Phones and Chief Strategy Officer of the Nokia Group, President of Kone Corporation 2005–2014 and 2006–2014 also CEO. Previous Board assignments include Vice Chairman of Metso Outotec and member of the Board in ABB Ltd.	Started within Daimler Benz AG in 1976, where he has held several management positions, such as Head of the trucks and buses business, Head of Group Controlling, Corporate Development and M&A in AEG AG and CEO of Mercedes Car Group. Previously CEO of Metro AG, senior advisor at EQT and Board member of Air Berlin, SKF, Carl Zeiss and Rheinmetall AG. Since 2012 partner in Cevian Capital and EMERAM Capital Partners respectively.	Joined ABB in 1984 and has held several management positions in the Finance function at ABB in Sweden, Singapore and Switzerland – most recently as Group CFO between 2013 and 2017 and previously as CFO for the Divisions Discrete Automation & Motion and Automation Products and a position as Head of M&A and New Ventures and also as Head of Corporate Development. Currently, senior industrial advisor to EQT.	Has held various management positions in Cummins truck and bus businesses from 1986–2002. From 2002–2005 Martha was CEO, Rolled Products and SVP in Alcan Inc. and from 2005–2009 she was the President and COO of Novelis Inc., global leader in aluminum rolled products and recycling. Martha has been a Board Member of Harley-Davidson, International Paper, Bombardier, and privately held Algeco Scotsman.
Holdings in Volvo, own and related parties	2,000,000 Series B shares.	146,100 Series B shares.	None.	7,475 Series B shares.	4,000 American depository receipts representing Volvo B shares (ADRs).



Board members appointed by the employee organizations




	Lars Ask <i>Employee representative, ordinary member</i>	Mats Henning <i>Employee representative, ordinary member</i>	Mikael Sällström <i>Employee representative, ordinary member Member of the Remuneration Committee</i>
Born	1959	1961	1959
Member of the Volvo Board	Ordinary member since April 6, 2016. Deputy member from June 16, 2009–2016.	Since May 9, 2014.	Since September 7, 2009.
Background within Volvo	With Volvo since 1982.	With Volvo since 1982.	With Volvo 1980–1999 and since 2009.
Holdings in Volvo, own and related parties	116 Series B Shares.	293 Series A shares, 655 Series B shares.	293 Series A shares, 155 Series B shares.

					
Kurt Jofs <i>Member of the Remuneration Committee</i>	Martin Lundstedt <i>President and CEO</i>	Kathryn V. Marinello	Martina Merz	Hanne de Mora <i>Chairperson of the Audit Committee</i>	Helena Stjernholm <i>Member of the Audit Committee</i>
MSc, KTH Royal Institute of Technology, Stockholm.	MSc, Chalmers University of Technology.	BA from State University of New York at Albany, MBA & Doctorate from Hofstra University.	BS from University of Cooperative Education, Stuttgart.	BA in Economics from HEC in Lausanne, MBA from IESE in Barcelona.	MSc Business Administration, Stockholm School of Economics.
1958	1967	1956	1963	1960	1970
Since June 18, 2020.	Since April 6, 2016.	Since April 2, 2014.	Since April 1, 2015.	Since April 14, 2010.	Since April 6, 2016.
Board Member: Telefonaktiebolaget LM Ericsson, Feal AB and Arjeplog Hotel Silverhaten AB.	President and CEO of AB Volvo. Board Chairman: Permobil AB. Board Member: The European Automobile Manufacturers' Association (ACEA) and Autoliv Inc. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and the European Round Table of Industry (ERT).	President and CEO of PODS. Board Chairperson: Concentrix. Board Member: Ares Acquisition Corporation.	President and CEO of Thyssenkrupp AG. Board Member: SAF Holland SA.	Board Chairperson: Microcaps AG. Board Member: IMD Supervisory Board and Nestlé S.A.	President and CEO of AB Industrivärden. Board Member: AB Industrivärden, Sandvik AB and Telefonaktiebolaget LM Ericsson.
Previous positions include Executive Vice President and responsible for Telefonaktiebolaget LM Ericsson's Networks business 2003–2008, CEO of Segerström & Svensson 1999–2001, CEO of Linjebuss 1996–1999 and various positions within ABB and Telefonaktiebolaget LM Ericsson. Previous Board assignments include Board Chairman of Vesper Holding AB and of Höganäs AB.	President and CEO of Scania 2012–2015. Prior to that, various managerial positions at Scania since 1992. Co-chairman of the UN Secretary-General's High-Level Advisory Group on Sustainable Transport 2015–2016. Previous Board assignments include Board member of Concentric AB.	Several management positions at Citibank, Chemical Bank New York (now JP Morgan Chase), First Bank Systems and First Data Corporation, Division President General Electric Financial Assurance Partnership Marketing and Division President General Electric Fleet Services, President and CEO of Ceridian Corporation and subsequently also Chairman, Board Chairman, President and CEO of Stream Global Services, Inc. Senior Advisor, Ares Management, LLC. Board Member of Nielsen, RealPage, General Motors Co. and MasterCard US. Until 2020 President and CEO of Hertz Global Holdings.	Until January 2015, CEO for Chassis Brakes International. Has, during almost 25 years held various management positions in Robert Bosch GmbH, most recently as Executive Vice President Sales and Marketing in the Chassis System Brakes division combined with responsibility for regions China and Brazil and previously CEO of the subsidiary Bosch Closure Systems, also member of the Board of Management of Brose Fahrzeugteile GmbH & Co.	Credit Analyst Den Norske Creditbank in Luxemburg 1984. Various positions within brand management and controlling within Procter & Gamble 1986–1989, Partner McKinsey & Company, Inc. 1989–2002, one of the founders and owners, also Board Chairperson of the global consulting firm and talent pool a-connect (group) AG from 2002 until May 2021. Previous Board assignments also include Board member of Metso Outotec Oyj.	Between 1998 and 2015, employed by the private equity firm IK Investment Partners (former Industri Kapital) where she held various positions. She was a Partner with responsibility for the Stockholm office. She was also a member of IK's Executive Committee. Prior to that she worked as a consultant for Bain & Company.
41,215 Series B shares.	223,755 Series B shares.	None.	4,500 Series B shares.	18,230 Series B shares.	8,000 Series B shares.

Deputies appointed by the employee organizations

	
Camilla Johansson <i>Employee representative, deputy member</i>	Mari Larsson <i>Employee representative, deputy member</i>
1966	1978
Deputy member since April 6, 2016.	Deputy member since May 22, 2015.
With Volvo since 1997.	With Volvo since 2004.
643 Series A shares, 155 Series B shares.	605 Series A shares, 155 Series B shares.

Secretary to the board


Sofia Frändberg <i>Secretary to the Board</i> Master of Laws
1964
Secretary to the Board since April 1, 2013.
Executive Vice President Group Legal & Compliance and General Counsel.
1,738 Series A shares, 59,007 Series B shares.

7 EXTERNAL AUDITING

Volvo's auditors are elected by the Annual General Meeting. The auditors review the interim report for the period January 1 to June 30 and audit the annual financial statements and consolidated accounts. The auditors also review the Corporate Governance Report and confirms whether the Group has presented a Sustainability Report. The auditors report the results of their audit in the Audit Report and in an opinion on the Corporate Governance Report, and provides an opinion on whether the guidelines for remuneration to senior executives have been complied with, which they present to the Annual General Meeting.

The current auditor, Deloitte AB, was elected at the Annual General Meeting 2018 for a period of four years. Jan Nilsson is responsible for the audit of Volvo and is the Auditor-in-Charge.

For information about Volvo's remuneration of the auditors, please refer to Note 28 "Fees to the auditors" in the Group's notes in the Annual and Sustainability Report.

8 GROUP INTERNAL AUDIT

Volvo's internal audit function, Group Internal Audit, provides the Board and the Group Executive Board with an independent, risk based and objective assurance on the effectiveness and the efficiency of the governance, risk management and control systems of the Volvo Group. Group Internal Audit runs from time to time advisory work as well. Group Internal Audit helps the organization to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and to improve the effectiveness of risk management, control and governance processes.

Group Internal Audit performs internal audits in selected focus areas, identified through an independent risk assessment process involving key stakeholders, input from past audits and from the other assurance functions including the external auditors. This audit plan is approved by the Audit Committee. In addition, special assignments requested by management and the Audit Committee are performed. The audits cover, among other things, assessments on the adequacy and effectiveness of the Volvo Group's processes for controlling its activities and managing its risks and evaluation of compliance with policies and directives.

The head of Group Internal Audit reports directly to the CEO, the Group's General Counsel and the Board's Audit Committee.

For additional information on internal control over financial reporting, see pages 194–195.

9 GOVERNANCE PRINCIPLES AND ORGANIZATIONAL STRUCTURE

Volvo's strategy

The Volvo Group's mission is to "Drive prosperity through transport and infrastructure solutions". The Volvo Group has the ambition to drive prosperity socially, environmentally and financially, by striving for transport and infrastructure solutions that are safe, fossil-free and productive. The Volvo Group drive the transformation in its industry to shape the world we want to live in. Based on the updated Group's strategic priorities and Volvo Group 2030 ambitions, each Business Area defines its own operational plans. The long-term plans, such as the Group's industrial and product plans, are also crucial parts of the Group's strategic direction. For more information about the Volvo Group's strategy, please refer to pages 10–17 of the Annual and Sustainability Report.

Governance documents

Another key component of the Group's governance is its policies and directives, such as the Code of Conduct and policies pertaining to investments, financial risks, accounting, financial control and internal audit, which contain Group-wide operating and financial rules for the operations, as well as responsibility and authority structures.

Organizational structure

The Volvo Group is organized into five Group Functions, three Truck Divisions and ten Business Areas. The five Group Functions (Group Finance, Group Legal & Compliance, Group People & Culture, Group Communication and Group Digital & IT) are tasked with supporting the entire organization with expertise within each Group Function area, developing standards through policies, directives and guidelines and providing services and/or products for the entire Group.

The Volvo Group's truck business is supported by the three Truck Divisions: Group Trucks Technology (GTT), Group Trucks Purchasing (GTP) and Group Trucks Operations (GTO).

The business of the Volvo Group is organized in ten Business Areas: Volvo Trucks, Renault Trucks, Mack Trucks, Volvo Construction Equipment, Volvo Buses, Volvo Penta, Volvo Autonomous Solution (VAS), Volvo Financial Services (VFS), ARQUUS and, as of February 2021, the newly established Business Area Volvo Energy. On April 1, 2021 the Volvo Group divested UD Trucks.

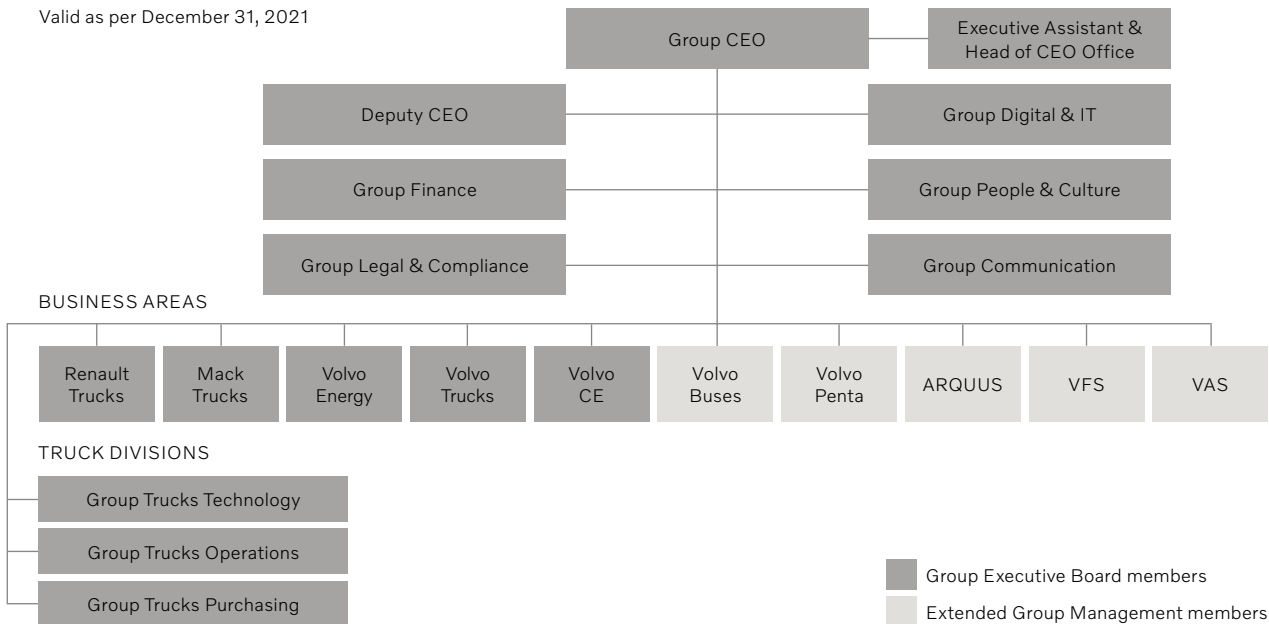
Each Business Area and Truck Division has its own quarterly Business Review Meeting (BRM) to support strategic development and business performance, where key decisions for the respective Truck Divisions or Business Areas are made.

For cross-functional alignment and interaction between different functions and organizations and for taking specific decisions which are sometimes not part of the line organizations ordinary responsibilities, several cross-functional decision forums have been formalized, including: People Board, Digital and IT BRM, Connected Solutions Board, Product Board, Quality Board and Sales & Operations Planning Executive decision meeting.

With this governance model, Volvo can utilize the synergies of having global organizations for product development, purchasing and manufacturing, while maintaining clear leadership and responsibility for each business area to make sure that customer needs are met. The aim of the governance model is that all Business Areas are driven according to the same distinct business principles, whereby each Business Area can follow and optimize its own earnings performance and cash flow generation in the short- and long-term.

Volvo Group organization

Valid as per December 31, 2021



10 GROUP EXECUTIVE BOARD AND GROUP MANAGEMENT

The CEO is responsible for managing the day-to-day operations of the Volvo Group and is authorized to make decisions on matters that do not require AB Volvo Board approval. The CEO leads the operations of the Volvo Group, e.g. through the Group Executive Board, the extended Group Management and the cross-functional forums.

The Group Executive Board is the highest operational decision forum and is chaired by the President and CEO of the Volvo Group, Martin Lundstedt. Furthermore, the members of the Group Executive Board are the Deputy CEO, Executive Vice Presidents of the Group Functions, Executive Vice Presidents and Presidents of Volvo Trucks, Renault Trucks, Mack Trucks, Volvo Construction Equipment and Volvo Energy as well as the Executive Vice Presidents of the Truck Divisions.

The members of Group Management report directly to the CEO and include the Presidents of Volvo Buses, Volvo Penta, Volvo Autonomous Solutions (VAS), Volvo Financial Services (VFS) and ARQUUS respectively. The Group Executive Board and Group Management meet to align on Group matters on a quarterly basis.

Remuneration of the Group Executive Board

AB Volvo's Annual General Meeting shall, at least every fourth year, resolve on a remuneration policy for remuneration to the members of the Group Executive Board, based on a proposal from the Board. For information about the remuneration policy adopted by the Annual General Meeting 2021, please refer to Note 27 "Personnel" in the Group's notes in the Annual and Sustainability Report.

Changes to the Group Executive Board and Group Management

As of February 1, 2021 Anna Westerberg replaced Håkan Agnevall as President of Volvo Buses and joined Group Management. In February 2021 Joachim Rosenberg, member of the Volvo Group Executive Board, was appointed President of the new business area Volvo Energy.

In February 2022 it was announced that Tina Hultkvist has been appointed Chief Financial Officer and new member of the Volvo Group Executive Board as of 15 March 2022. She will hence succeed Jan Ytterberg, who will continue as Volvo Group senior advisor.

Sustainability and climate related matters

Sustainability is of strategic importance to the Group and the accountability to drive sustainability performance primarily lies with the Truck Divisions and Business Areas. The organizational structure described in this Corporate Governance Report applies to all strategic topics within the Volvo Group, including climate and sustainability matters. For sustainability related matters, the Volvo Group relies on an integrated approach to ensure that environmental, social and economic topics are considered in all relevant decision-making. Opportunities and risks related to sustainability are identified in all Truck Divisions and Business Areas, and may relate to e.g. government regulation, technology development, customer satisfaction and physical risks. The principal risks are consolidated in the Volvo Group's enterprise risk management process and managed by the Group Executive Board and the Truck Divisions, Business Areas and Group Functions.

On Group level, the work is coordinated by cross-functional forums and working groups assigned by one or several Group Executive Board members with representatives from the relevant Truck Divisions and Business Areas. These forums and working groups prepare the material for decision-making at Group Executive Board level, to be executed in the respective Truck Divisions, Business Areas and/or Group Functions.

The most relevant cross-functional forums and working groups for sustainability related matters are:

- The Product Board, headed by the Chief Technology Officer, where climate related opportunities and risks are managed primarily as part of the transition towards fossil-free transportation.
- The People Board, headed by the Executive Vice President and Head of People & Culture, which focuses on all significant employee related matters such as training, health and safety, diversity, inclusion and talent management.
- The Environmental Committee, a delegated committee from Group Legal & Compliance where Group Functions, Truck Divisions and Business Areas representatives coordinate environmental management with the mission to secure the effective work of the Volvo Group's Environmental Policy and management system.
- The Human Rights Board, chaired by the Executive Vice President Group Communication and the Senior Vice President, Corporate Responsibility with Group Executive Board members who coordinate the implementation of the Group's Human Rights policy and work.



Group Executive Board

							
	Martin Lundstedt <i>President and CEO</i>	Jan Gurander <i>Deputy CEO</i>	Roger Alm <i>Executive Vice President Volvo Group and President Volvo Trucks</i>	Bruno Blin <i>Executive Vice President Volvo Group and President Renault Trucks</i>	Sofia Frändberg <i>Executive Vice President Group Legal & Compliance and General Counsel</i>	Andrea Fuder <i>Executive Vice President Volvo Group Trucks Purchasing and Chief Purchasing Officer for Volvo Group</i>	Jens Holtinger <i>Executive Vice President Group Trucks Operations</i>
Education	MSc.	MSc.		MBA.	Master of Laws.	MSc and MBA.	MSc in Mechanical Engineering, Chalmers University of Technology.
Born	1967	1961	1962	1963	1964	1967	1970
Principal work experience	President and CEO of AB Volvo and member of the Group Executive Board since October 2015. President and CEO of Scania 2012–2015. Prior to that, various managerial positions at Scania since 1992. Co-chairman of the UN Secretary-General's High-Level Advisory Group on Sustainable Transport 2015–2016. Previous Board assignments include Board member of Concentric AB.	Deputy CEO since 2018. Deputy CEO & CFO 2016–2018. CFO & Executive Vice President Volvo Group 2014–2016. CFO & Senior Vice President Finance Volvo Car Corporation 2011–2013. CFO MAN Diesel & Turbo SE 2010. CFO MAN Diesel SE 2008–2009. Group Vice President and CFO Scania AB 2001–2006. President of Business Unit Finance AB Volvo 1999–2001. Senior Vice President & Finance Director Scania AB 1998–1999. Member of the Group Executive Board since 2014. With Volvo 1999–2001 and since 2014.	Executive Vice President Volvo Group and President Volvo Trucks since 2018. Senior Vice President Volvo Trucks Europe 2016–2018. Senior Vice President Volvo Group Trucks Northern Europe 2015–2016. President Volvo Group Trucks Latin America 2012–2014. President Volvo Trucks Latin America 2010–2011. Managing Director Volvo Trucks, Region East 2004–2009. Member of the Group Executive Board since January 2019. With Volvo since 1989.	After having worked for several companies in the manufacturing, quality and purchasing areas, he joined Renault Trucks Purchasing in 1999. Has held several senior positions over the years until being appointed Senior Vice President of Volvo Group Purchasing. Has also served as Senior Vice President, Group Truck Sales South Europe from January 2013–2016. Executive Vice President Volvo Group and President Renault Trucks since 2016. Member of the Group Executive Board since March 2016. With Volvo since 1999.	Member of the Group Executive Board since April 2013. Head of Corporate Legal at AB Volvo 1998–2013. Corporate Legal Counsel at AB Volvo 1994–1997.	Has worked in Quality and Logistic and held various senior positions at Volkswagen's Purchasing organization since 1992. Head of Purchasing at Scania 2012–2016. Executive Vice President Volvo Group Trucks Purchasing and Chief Purchasing Officer for Volvo Group since 2017. Member of the Group Executive Board since 2017. With Volvo since 2017.	Executive Vice President Group Trucks Operations since 2020. Senior Vice President Europe & Brazil Manufacturing Group Trucks Operations 2016–2020. Vice President Powertrain Production Skövde Plant 2012–2016. Has held several leading positions within the Volvo Group. Member of the Group Executive Board since October 2020. With Volvo since 1995.
Board memberships	Chairman of Permobil AB. Board Member of the European Automobile Manufacturers' Association (ACEA) and Autoliv Inc. Member of the Royal Swedish Academy of Engineering Sciences (IVA) and of the European Round Table of Industry (ERT).	Board Member of Teknikföretagen and Skanska AB.			Secretary to the AB Volvo Board since April 2013. Member of the Advisory Board of cellcentric GmbH & Co. KG.	Member of the Board of the German-Swedish Chamber of Commerce.	
Holdings in Volvo, own and related parties	223,755 Series B shares.	83,306 Series B shares.	398 Series A shares, 26,332 Series B shares.	32,033 Series B shares.	1,738 Series A shares, 59,007 Series B shares.	1,600 Series A shares, 47,623 Series B shares.	16,788 Series B shares.

							
Melker Jernberg <i>Executive Vice President Volvo Group and President Volvo Construction Equipment</i>	Diana Niu <i>Executive Vice President Group People & Culture</i>	Scott Rafkin <i>Executive Vice President and Chief Digital Officer for Volvo Group</i>	Joachim Rosenberg <i>Executive Vice President Volvo Group and President Volvo Energy</i>	Lars Stenqvist <i>Executive Vice President Group Trucks Technology and Volvo Group Chief Technology Officer</i>	Martin Weissburg <i>Executive Vice President Volvo Group and President Mack Trucks</i>	Kina Wileke <i>Executive Vice President Group Communication</i>	Jan Ytterberg <i>Executive Vice President Group Finance and CFO</i>
MSc in Mechanical Engineering.	MBA and BA in Economics.	BBA (Bachelors in Business Administration), University of Massachusetts at Amherst.	MSc Industrial Engineering and Management, MSc Financial Economics, MSc Business and Economics.	MSc Industrial Engineering.	Master of Business Management, BSc Industrial Management.	MA in journalism.	MSc in Business Administration and Economics.
1968	1966	1969	1970	1967	1962	1974	1961
Executive Vice President Volvo Group and President Volvo Construction Equipment since 2018. CEO and President at Högånäs AB 2014–2017. Executive Vice President, Business Area EMEA at SSAB 2011–2014. Has held various positions at Scania AB since 1989, most recently as Senior Vice President Buses and Coaches at Scania AB 2007–2011. Member of the Group Executive Board since January 2018. With Volvo since 2018.	Executive Vice President Group People & Culture since 2019. Joined Volvo Group in February 2005, with SVP HR jobs in two Business Areas, Trucks Asia Pacific and Volvo Construction Equipment. Worked for Telefonaktiebolaget LM Ericsson from July 1993 to January 2005 in a number of leadership positions. Member of the Group Executive Board since January 2019.	Executive Vice President and Chief Digital Officer Volvo Group since 2020. President Volvo Financial Services 2014–2019. Chief Financial Officer Volvo Financial Services 2010–2014. Senior Vice President Global Operations Volvo Financial Services 2003–2009. Senior Vice President Risk Volvo Financial Services 2001–2002. Prior to 2001, held several senior positions with Volvo Car Finance North America. Prior to Volvo, Business Assurance and Capital Markets Manager Coopers & Lybrand LLC. Member of the Group Executive Board since January 2020. With Volvo since 2001.	Executive Vice President Volvo Group and President Volvo Energy since 2021. Executive Vice President Volvo Group and Chairman UD Trucks 2016–2021. Executive Vice President Group Trucks Sales 2015–2016. Executive Vice President Group Trucks Sales & Marketing APAC 2012–2014. President Volvo Group Asia Truck Operations 2007–2011. Vice President Volvo Group Alliance Office 2007. Vice President Volvo Powertrain 2005–2007. Consultant with McKinsey & Company 1996–2004. Member of the Group Executive Board since 2012. With Volvo since 2005.	Executive Vice President Group Trucks Technology and Volvo Group Chief Technology Officer since October 2016. Head of R&D and CTO at Volkswagen Truck & Bus 2015–2016. Senior Vice President Vehicle Definition R&D at Scania 2007–2015. Prior to that various senior positions at Scania since 1992. Member of the Group Executive Board since October 2016. With Volvo since October 2016. Fellow of the Royal Swedish Academy of Sciences (IVA).	President Mack Trucks since 2018. President Volvo Construction Equipment 2014–2017. President & CEO Volvo Financial Services 2010–2014. President Volvo Financial Services Americas 2005–2010. Prior to Volvo, President Woodard LLC, President Great Dane Financial Services and Senior Vice President ORIX. Member of the Group Executive Board since March 2016. With Volvo since 2005.	Responsible for Group Communications since 2018. With the Volvo Group since 2008, most recently as Senior Vice President Brand, Communication & Marketing Volvo Penta 2016–2017, Senior Vice President External Corporate Communication Volvo Group 2012–2016 and CEO Communication Volvo Group 2008–2012. Has held a number of positions in TV4 Group 1998–2008. Member of the Group Executive Board since 2018.	Executive Vice President Group Finance and CFO since 2018. CFO of Husqvarna Group 2015–2018. Executive Vice President and CFO of Scania Group 2006–2015. Various positions in accounting and finance, Scania Group 1987–2006. Member of the Group Executive Board since November 2018. With Volvo since 2018.
			Member of the Board of Concentric AB since April 2021.			Board Member of International Chamber of Commerce (ICC), Sweden.	
31,120 Series B shares.	54,169 Series B shares.	37,342 Series B shares.	87 Series A shares, 228,536 Series B shares.	32,062 Series B shares.	124,163 Series B shares.	344 Series A shares, 18,761 Series B shares.	18,925 Series B shares.

Extended Group Management team



	Nils Jaeger <i>President of Volvo Autonomous Solutions</i>	Emmanuel Levacher <i>President and CEO of ARQUUS</i>	Helène Mellquist <i>President of Volvo Penta</i>	Marcio Pedrosa <i>President of Volvo Financial Services</i>	Anna Westerberg <i>President of Volvo Buses</i>
Born	1969	1962	1964	1968	1975
Principal work experience	Responsible for Volvo Autonomous Solutions since 2020. With the Volvo Group since 2014, most recently as President of Volvo Financial Services EMEA. Prior to joining Volvo Group, several leading positions within Deere & Company, including the position as Vice President International Finance, Europe, CIS, N&ME EAST, Northern Africa and Global Trade Finance.	During his 30 years in the automobile industry (Renault Trucks, Renault, Volvo), Emmanuel has held multiple operational and strategic functions in contact with markets on the five continents. He has also built a solid experience with French and foreign governments, state authorities and public and diplomatic institutions.	2019–2020 Senior Vice President of Volvo Trucks Europe, 2016–2019 Senior Vice President of Volvo Trucks International and 2012–2016 CEO of TransAtlantic AB. 1988–2011 Helène has held several leading positions within the Volvo Group.	Between 2015 and 2019 President of Volvo Financial Services Americas. President of Brazil and Chile for Volvo Financial Services 2011–2014. Vice President Latin America Markets for Volvo Financial Services 2010–2011. Marcio has held other senior positions and special assignments across Americas and Europe in the Volvo Group, 2001–2010. Prior to 2001, held various leadership positions outside of Volvo in insurance and corporate finance.	President of Volvo Buses since 2021. Senior Vice President, Volvo Group Connected Solutions 2017–2021. Prior that President for Volvo Group Venture Capital 2014–2017 and Vice President, Product Management Industrial, Volvo Penta 2010–2014. With Volvo since 2009.

11 INTERNAL CONTROL OVER FINANCIAL REPORTING

The Board is responsible for the internal controls according to the Swedish Companies Act and the Code. The purpose of this report is to provide share-holders and other interested parties with an understanding of how internal control is organized at Volvo with regard to financial reporting. The description has been designed in accordance with the Swedish Annual Accounts Act and is thus limited to internal control over financial reporting.

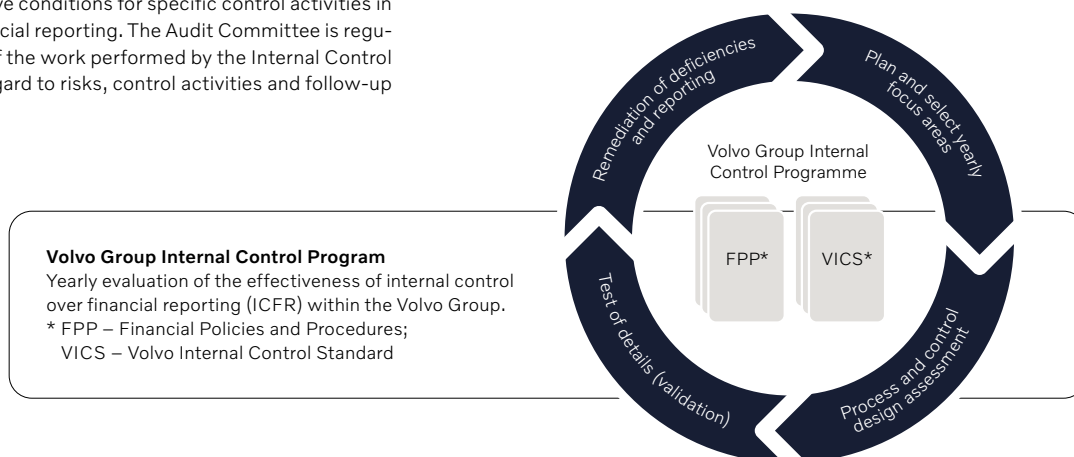
Introduction

Volvo has a function for internal control with the objective to provide support for management, allowing them to continuously provide solid internal controls relating to financial reporting. Work that is conducted through this function is primarily based to ensure compliance with directives and policies, and to create effective conditions for specific control activities in key processes related to financial reporting. The Audit Committee is regularly informed of the results of the work performed by the Internal Control function within Volvo with regard to risks, control activities and follow-up on the financial reporting.

Volvo also has an internal audit function, Group Internal Audit, which among other things, independently monitors that companies in the Group follow the principles and rules that are stated in the Group's directives, policies and instructions for financial reporting. The head of the Group Internal Audit function reports directly to the CEO, to the Group's General Counsel and the Board's Audit Committee.

Control environment

Fundamental to Volvo's control environment is the business culture that is established within the Group and in which managers and employees operate. Volvo works actively on communication and training regarding



the company's basic values included in the Group's Code of Conduct, to ensure that the business conducted by the organization is characterized by good ethics, integrity and is in compliance with the law.

The foundation of the internal control process relating to the financial reporting is based on the Group's directives, policies and instructions, as well as the organization's responsibility and authority structure. The principles for Volvo's internal controls and directives and policies for the financial reporting are contained in the Volvo Group Management System, a group wide management system comprising, among other things, instructions, rules and principles.

Risk assessment

Risks relating to financial reporting are evaluated and monitored by the Board through the Audit Committee inter alia through identifying risks that could be considered as material, and through the mitigating generic controls. The risk assessment is based on a number of criteria, such as the complexity of the accounting principles, revaluation principles of assets or liabilities, complex and/or changing business circumstances, etc. The risks together with mitigating generic controls are collected in a framework for internal control over financial reporting, Volvo Internal Control Standard (VICS).

Control activities

In addition to the Board and its Audit Committee, the management groups and other decision-making bodies in the Group constitute overall supervisory bodies. Business processes are designed to ensure that potential errors or deviations in the financial reporting are prevented, discovered and corrected by implementing control activities that correspond to the generic controls defined in the VICS framework. Control activities range from review of outcome results against earlier periods and forecasts in management group meetings to specific reconciliation of accounts and analyses of the ongoing processes for financial reporting.

Information and communication

Policies and instructions relating to the financial reporting are updated and communicated on a regular basis from management to all affected employees. The Group's financial reporting function has direct operating responsibility for the daily financial reporting and works to ensure a uniform

application of the Group's policies, principles and instructions for the financial reporting and to identify and communicate shortcomings and areas of improvement in the processes for financial reporting.

Follow-up

Ongoing responsibility for follow-up rests with the Group's financial reporting function. In addition, the Group Internal Audit and the Internal Control function conduct review and follow-up activities in accordance with what is described in the introduction of this report. More specifically, the Internal Control function runs and coordinates evaluation activities through the "Volvo Group Internal Control Programme," with the purpose of systematically evaluating the quality of the internal control over financial reporting on an annual basis. An annual evaluation plan is established and presented to the Audit Committee. This evaluation program comprises three main areas:

1. Group-wide controls: Self-assessment procedure carried out by management teams at business area, Group Function and company levels. The main areas evaluated are compliance with the Group's financial directives and policies and the Group's Code of Conduct.
2. Process controls at transaction level: Processes related to the financial reporting are evaluated by testing procedures/controls based on the framework for internal control over financial reporting, Volvo Internal Control Standards (VICS).
3. General IT controls: Processes for maintenance, development and access management of financial applications are evaluated by testing procedures and controls.

The results of the evaluation activities are reported to Group management and the Audit Committee. During 2021, the Internal Control function reported two times to the Audit Committee regarding the annual evaluation plan, status on outstanding issues and final assessment of the control environment.

Göteborg, February 24, 2022

AB Volvo (publ)

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

To the general meeting of the shareholders of AB Volvo (publ)
corporate identity number 556012-5790

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the financial year 2021-01-01–2021-12-31 on pages 180–195 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevU 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Göteborg, February 24, 2022

Deloitte AB

Signature on Swedish original

Jan Nilsson

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.